



Integration and premium brochure

Maximising your benefits and
managing your premiums



This brochure will help you understand how your Discovery Life premiums increase and what you can do to pay the most reasonable premiums for your cover.

Pay lower premiums using our range of Integrators

If you have a Discovery Health PLAN, are a Vitality member or have a DiscoveryCard, you can integrate these products with your LIFE PLAN to enjoy an initial premium decrease, the ability to control your premium increases and the opportunity to earn a PayBack™ every five years.

The Integrator range offers two solutions, the Personal Integrator and the Business Integrator.

What are the differences between the Personal and Business Integrators?

	Personal Integrator	Business Integrator
Upfront discounts up to	32%	16.75%
Ancillary benefit requirements	Yes	No
PayBack™ (This is not available on the Essential LIFE PLAN)	Up to 60%	No

Both of these Integrators offer you a choice of mechanisms which give you the ability to control your premium increases and to receive the PayBack™ Benefit on the Personal Integrator.

The mechanisms are:



Health Integrator for Discovery Health members

This allows you to receive an initial premium discount of up to 20%, the power to control future premium increases or decreases and, if you have the Classic LIFE PLAN, the opportunity to receive up to 60% of your premiums back every five years.

The type of Discovery Health plan you have, your funding option and whether you have a Personal or Business Integrator determines your initial premium reduction.

The annual increases or decreases to your premium will range from a 2.5% decrease for the very healthy up to a 3.9% increase for less healthy members.

Your future premiums are determined by the Personal Health Matrix™ which considers:

- Your Discovery Health claims, including:
 - The Hospital Benefit and Chronic Illness Benefit claims submitted by the principal life, spouse and children on your Discovery LIFE PLAN
 - Day-to-day medical expenses accumulating towards the Annual Threshold and the Above Threshold Benefit for the principal life and spouse.
- The Vitality status of the lives assured over the previous policy year.



Vitality Integrator for Discovery Vitality members

This allows you to receive an initial premium discount of up to 17.5%, the power to control future premium increases or decreases and, if you have the Classic LIFE PLAN, the opportunity to receive up to 25% of your premiums back.

Your premium reduction will be based on whether you have a Personal Integrator or Business Integrator as well as the funding option you have chosen.

The increases or decreases to your premium will range between a 0.75% decrease for the very healthy up to a 2.25% increase for less healthy members.

Your future premium increases are determined by your Vitality status each year as follows:

Vitality status				
Blue	Bronze	Silver	Gold	Diamond
2.25%	1.50%	0.50%	-0.50	-0.75%



DiscoveryCard Integrator for Vitality members with a DiscoveryCard

You will receive an immediate premium reduction of up to 15% on your LIFE PLAN premium which you are able to maintain and grow by channelling your spend through your DiscoveryCard (the Discovery credit card).

The increase or decrease to your premium will range between a 7.5% increase, for very low usage of the DiscoveryCard, and a 0.5% increase for clients with a high spend. The premium will never exceed the premium you would have paid if you had not integrated your policy.

Your future premiums will increase or decrease every year based on:

- Your average monthly transactions on the primary DiscoveryCard, all secondary cards and the DiscoveryMotor card in the previous policy year. You will keep your full 15% premium reduction by spending R10 000 on the Personal Integrator and R20 000 on the Business Integrator per month on the DiscoveryCard.
- Your Vitality status over the previous policy year.

Transactions are defined as purchases on the DiscoveryCard where a merchant fee is charged.

Get a portion of your premiums back every five years with our PayBack™ Benefit

You will get up to 60% of your LIFE PLAN premiums back through the Health Integrator every five years and up to 25% of your premiums back through the Vitality Integrator. The percentage of premiums refunded depends on your Vitality status and health claims in the case of Health Integrator and Discovery Health Plan. Any claim on your LIFE PLAN during the five-year period will be deducted from the PayBack™ at the end of the five-year period. (The PayBack™ Benefit is not available on the Essential LIFE PLAN.)



The Cover Integrator

The Cover Integrator gives you the ability to increase your LIFE FUND at an approximate premium saving of 50% on the increased cover. The level of Cover Integrator will then fluctuate on an annual basis depending on your Vitality status.

At age 65, the following will occur:

- Your cover will continue without any further Vitality adjustments
- You will automatically receive 5% of your Cover Integrator FUND as a cash lump sum that does not reduce your cover (only applicable if you have a Classic LIFE PLAN). This conversion percentage can be increased up to 100% of your Cover Integrator FUND.



Financial Integrator™

The Financial Integrator FUND gives you the ability to maximise your LIFE FUND at a premium saving of 10% on the increased cover. The Financial Integrator FUND then fluctuates on an annual basis in the same way as the Cover Integrator.

The Financial Integrator™ is designed to protect you against adverse financial events such as asset falls, increases in interest rates, rand depreciation and high severe illness medical claims. In addition, up to 100% of the Financial Integrator™ will be paid in cash at the age of 65.

Maximise your cover at the lowest price

Getting more cover with the Cover Integrator

The Cover Integrator gives you the ability to increase your LIFE FUND at an approximate premium saving of 50% on the increased cover. The level of integrated cover may fluctuate on a yearly basis depending on how engaged you are with Vitality. You are always protected as you can increase your cover to the original level.

How the Cover Integrator works

At policy inception, choose your Cover Integrator level at an average premium saving of 50% on the increased cover. The maximum entry age for this product is 56 on your next birthday.

You have two options to choose from:

Option 1

Cover Integrator equal 20% of the LIFE FUND

Option 2

Cover Integrator equal to 40% of the LIFE FUND

For example, if you choose a LIFE FUND of R1 000 000 with the 40% Cover Integrator Option, your initial cover will be R1 400 000.

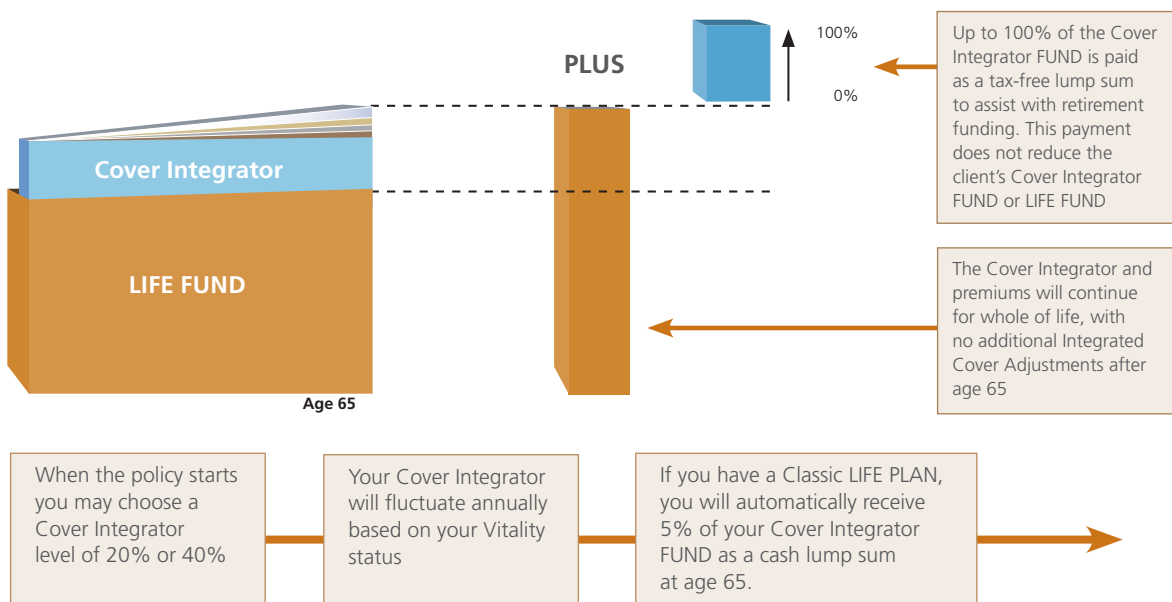
You also have to choose the Cover Integrator Cash Conversion percentage at your policy's inception. On the Classic LIFE PLAN, you get an automatic 5% Cash Conversion. For an additional premium you can increase this percentage to 25%, 50%,

75% or 100% of the Cover Integrator FUND.

Your Cover Integrator level may fluctuate annually based on your Vitality status.

By managing your Vitality status you are able to increase your integrated cover by an additional 15% on option 1 and 30% on option 2 at no extra cost.

At age 65, your cover will continue without any further Vitality adjustments. You will automatically receive 5% of your Cover Integrator FUND as a cash lump sum (only applicable if you have a Classic LIFE PLAN). This payout will not reduce your cover. This conversion percentage can be increased up to 100% of the Cover Integrator FUND.



Getting more cover with the Financial Integrator™

Today's economic environment is increasingly uncertain. Volatile swings in asset values, interest rates and currency exchange rates can have as dramatic an effect on a person's financial position as becoming disabled or severely ill. Discovery Life's Financial Integrator™ is designed to protect policyholders against the harsh effects of adverse economic events.

How the Financial Integrator FUND works

The Financial Integrator FUND gives you the ability to increase your LIFE FUND and add a range of unique protections, at a discount of 10% on the increased cover. You may choose between two levels of the Financial Integrator FUND:

Option 1. 20% of the LIFE FUND

Option 2. 40% of the LIFE FUND

The Financial Integrator FUND level may fluctuate annually based on your Vitality status. These annual adjustments also depend on the level of Financial Integrator™ chosen.

Features of the Financial Integrator™

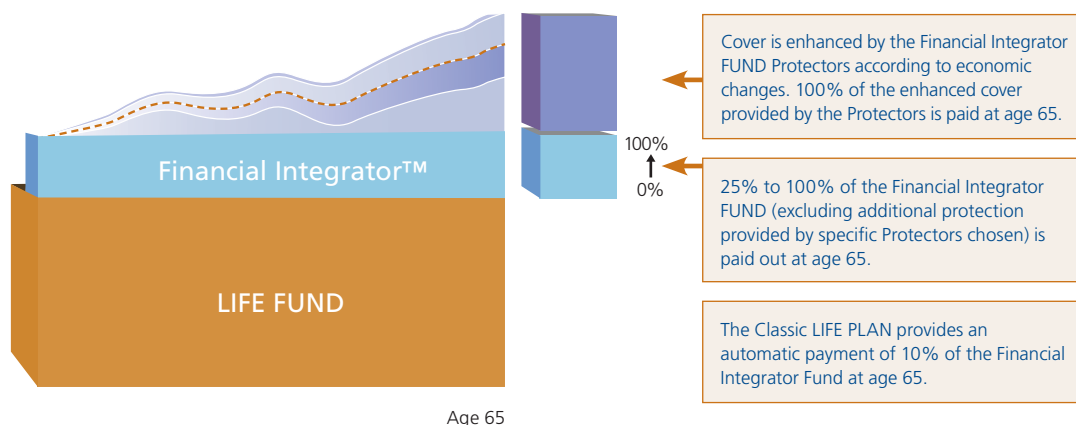
There are six flexible mechanisms to protect you against adverse financial outcomes:

1. The Asset Protector™ protects your assets by guaranteeing you a return on your investments of CPI or CPI + 3%.
2. The Debt Instalment Protector™ protects you against increases in interest rates by refunding you the increase in your monthly debt instalment*.

3. The Currency Protector™ protects you against rand depreciation against either the US dollar or euro*.
4. The DiscoveryCard Interest Protector™ ensures that if you are unable to pay your Discovery credit card on time, the interest that you need to pay will be refunded*.
5. The Severe Illness Benefit Medical Booster™ pays you an additional lump sum based on the costs of your medicine above a defined level after experiencing a severe illness. You need to be a member of the Discovery Health Medical Scheme and have Discovery's Severe Illness Benefit to qualify for this booster.
6. Through the Financial Integrator Cash Conversion™, up to 100% of your Financial Integrator FUND at age 65 will convert into cash to help with your retirement funding. In addition, this payout will not reduce the risk cover provided by the Financial Integrator™ after age 65.

* These protectors will be paid on the earlier of death of the principal life or age 65.

The Financial Integrator FUND in action



Automatic protection provided by the Financial Integrator™

You may choose one of the following Protectors to include on your Financial Integrator FUND.

Protector choice	Debt Instalment Protector™	Asset Protector™ (with CPI underpin)	Currency Protector™ (with Rand/US\$ underpin)	DiscoveryCard Interest Protector™
Protector house view combination	3% per month	30%	20%	R5 000
100% Asset Protector™	0%	100%	0%	R0
100% Currency Protector™	0%	0%	100%	R0
100% Debt Instalment Protector™	7.5% per month	0%	0%	R0

All figures above are expressed as a percentage of your initial Financial Integrator FUND.

In addition, 10% of your Financial Integrator FUND will automatically convert into cash at age 65. (The automatic 10% Financial Integrator Cash Conversion™ is not available on the Essential LIFE PLAN.)

Buying up additional Financial Integrator™ benefits

Because everyone has different needs, Discovery Life allows you to increase your Financial Integrator Cash Conversion™ percentage to either 25%, 50%, 75% or even 100% of your Financial Integrator FUND. In addition, you can buy additional Protector benefits according to your specific circumstances.

The Protector PayBack™ recovers your excess buy-up premiums

If, at either your death or age 65, the premiums that you have paid for the Protector benefit buy-ups listed above are higher than the protection you have enjoyed, Discovery Life will refund any excess premiums to you at that time.

Making sure that your premium is sustainable

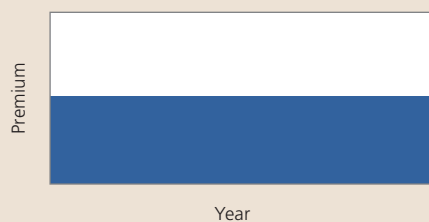
We know that your needs and financial circumstances are unique, so we have a range of premium payment options. You can choose the premium payment option that best suits you and your life stage.

While you are working

Choose from our range of four flexible funding options to suit your needs

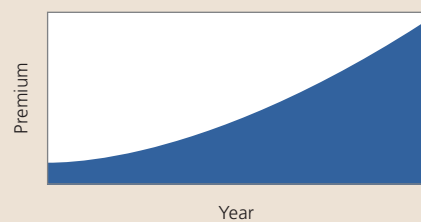
Standard

This option has the highest initial premium, but has the lowest average increases to maintain your cover.



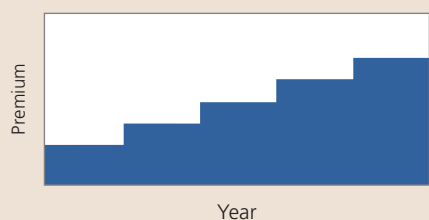
AcceleRater

Your initial premium is lower than the Standard and ModeRater funding options, but will increase every year according to your age to maintain your cover at the right level as you get older.



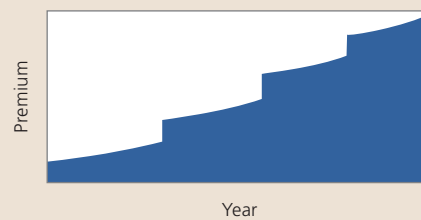
ModeRater

Your initial premium for whole of life benefits is lower than on the Standard funding option. To maintain your cover, your premiums for these benefits increase by an additional 20% every 10 years.



SupeRater

This option has the lowest initial premium of all the options. In addition to the Accelerator increases, your life premiums for whole of life benefits will be increased by 20% every 10 years.

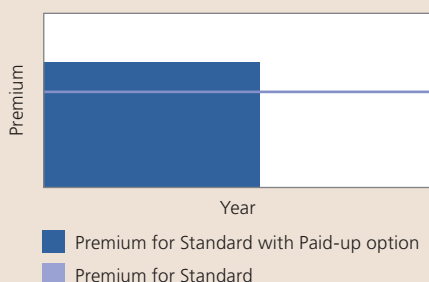


Sustaining your premiums once you retire

The Paid-up and Lock-in options ensure that you will be able to maintain your cover by keeping premiums affordable. This gives you the security that your retirement income will not be eroded by the increasing costs of your LIFE PLAN.

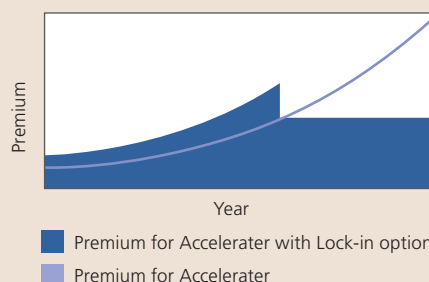
Paid-up

Adding the Paid-up option to your Standard Funding option at the start of your policy ensures that you stop paying premiums at age 65, but continue your benefits for the rest of your life. Your automatic benefit increases will end at age 65.



Lock-in

Adding the Lock-in option to your AcceleRater Funding option at the start of your policy means that both your automatic annual premium and benefit increases will end at the lock-in date. You may select either the 20-year or age 65 Lock-in option.



Premium guarantees

On your funding options

Discovery Life guarantees that your premiums will not be increased above your automatic annual increases for the first 10 years of your policy's cover. Discovery Life further guarantees that if any premium increases are required at the end of the first 10 years, and any 10-year period thereafter, these increases will never exceed 25% of your premium at that time.

As a Vitality member you can further improve these guarantees by reducing the maximum potential increase in line with your Vitality status. The percentage reduction is determined according to the number of years on each Vitality status.

Per Blue status year	0%
Per Bronze status year	0.5%
Per Silver status year	1.5%
Per Gold status year	2.5%
Per Diamond status year	2.5%

For example: at the end of 10 years, assuming a policyholder was on Blue status for two years, Bronze status for three years, Silver status for three years and Gold status for two years, the maximum potential premium increase is 14% as illustrated below:

$$25\% - (2 \times 0\%) - (3 \times 0.5\%) - (3 \times 1.5\%) - (2 \times 2.5\%) = 14\%$$

With our Integrator options

Your premium will never be more than the premium you would have paid on an equivalent non-Integrated plan for the first five years.

After that, your premiums will never increase beyond the pre-defined levels known as the Maximum Protected Premium.

The additional annual percentage increase will never be more than 3.9% on the Health Integrator and 2.25% on the Vitality Integrator.

If you reach Silver, Gold or Diamond status on Vitality, you will be able to reverse previous premium increases if you continue to manage your health effectively, maintain your Vitality status and channel spend through your DiscoveryCard (on the DiscoveryCard Integrator).



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