

VITALITY DRIVE FOR BUSINESS SERVICE FEE* FOR BROKERS



Discovery Telematic Services will pay you a service fee for helping your clients engage with the Vitality Drive for Business programme. This is to recognise the hard work you put in to encourage your clients to drive well and earn great rewards for doing so.



SERVICE FEE FOR BROKERS

You will earn an upfront fee of R100 for every vehicle on the Vitality Drive for Business programme that installs a telematics device and gets a valid score for the first time. In addition, you will earn up to 5% of the vehicle premium monthly for every vehicle that gets a valid score for that month. The monthly fee is based on the vehicle's Vitality Drive status (based on actual vehicle scores), as shown in the table below:

Vitality Drive status	Service fee
Diamond	5%
Gold	4%
Silver	3%
Bronze	2%
Blue	0%

* Payable by Discovery Telematic Services

SERVICE FEE EXAMPLE

Broker A has a client who has vehicles on the Vitality Drive for Business programme. Let's consider one vehicle from the client's fleet. The vehicle has a monthly premium of R2 000, achieves a valid score during the plan year and achieves Diamond Vitality Drive status for every month during the plan year.

For this vehicle alone, the broker will get a service fee (payable by Discovery Telematic Services) as follows:

- They will get R100 upfront for the first time the vehicle received a valid score
- In addition, they will get $5\% \times R2\,000 \times 12 = R1\,200$ for the plan year (since the vehicle is getting a valid score every month)

Therefore, the broker will get a **service fee of R1 300 for the plan year for one vehicle.**

If the Broker has a total of 10 clients who have a combined 100 vehicles on the Vitality Drive for Business programme and those vehicles also achieve Diamond Vitality Drive status each month during the plan year and they each have a monthly premium of R2 000, then the broker would get the following total service fee for the plan year for the 100 vehicles:

R1 300 x 100 = R130 000

IMPORTANT THINGS TO NOTE

Technical details:

- The service fee is available from 1 July 2021 and is payable by Discovery Telematic Services (DTS).
- The service fee for a given month is payable in the following month and will be paid at the same time as the Discovery Business Insurance (DBI) commission payment. For example, the DTS service fee earned in July 2021 is payable at the same time as the August 2021 DBI commission.
- The actual vehicle score and status will be used for the purposes of calculating the monthly service fee. Default scores and the use of previous month's scores will not apply.
- The service fee will be paid to the servicing broker noted on the plan. It will be paid through the broker house that the broker belongs to.
- The upfront fee will be paid to the broker noted on the plan at the date when the vehicle achieved a valid score for the first time. It will be paid through the broker house that the broker belongs to.
- If there is a broker change during the plan year, the service fee will be pro-rated for each broker according to the time spent as a servicing broker on the plan.

Application process and reporting:

- To start earning the service fee, you must complete a contract with DTS and attach the following supporting documents:
 - Latest CIPC documents, showing the current active company directors
 - Proof of banking details
 - Proof of VAT registration.
- The service fee contract is available from the key Discovery relationship manager with the broker house.
- Once signed, you can send the contract and supporting documents to Intermediary_Contract_Queries@discovery.co.za.
- We will keep you updated on the progress and will let you know when the contract has been finalised.
- The broker house will be able to get monthly reports showing details of the service fee earned by each broker that belongs to that broker house. The monthly report will be available on the Financial Advisor Zone (FAZ).
- If you have queries, you can contact us by emailing VDSservicefee@Discovery.co.za.