

Special Offer



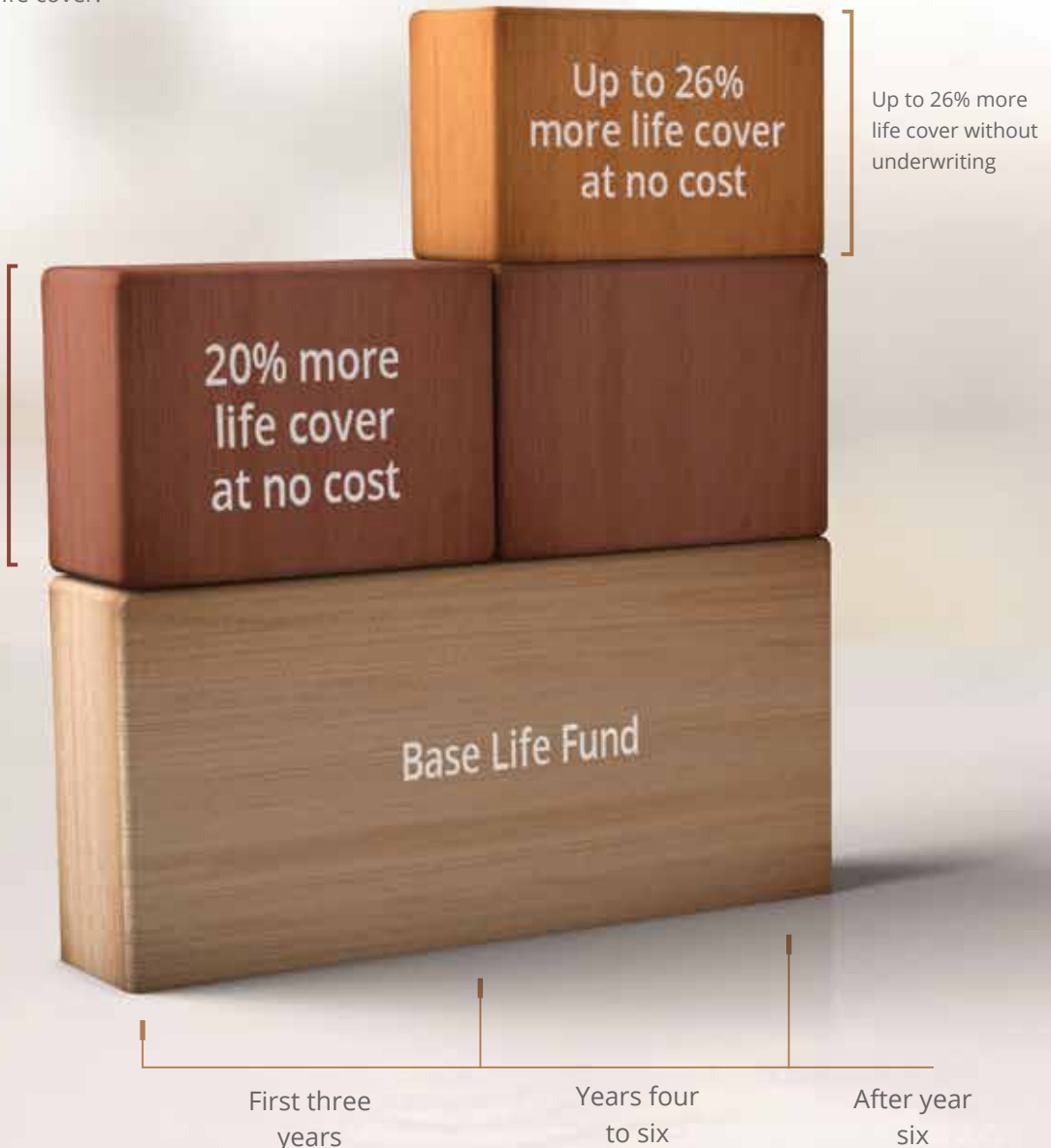
Life insurance that rewards healthy living

THE VITALITY FUND

The Vitality Fund provides an immediate 20% boost to a client's life cover for three years at no additional cost.

At the end of the first three year period, a client can qualify for a further boost of up to 26% for three years based on how they engaged in Vitality up to that point in time. The result is a highly efficient structure that provides enhanced insurability with up to 46% additional whole of life cover.

Immediate 20% boost to life cover providing a highly efficient starting premium



* True South 2016 Insurance Gap Study

How it works

The Vitality Fund consists of two three year periods, during which you will receive additional life cover at no initial additional premium. At the end of each three year period, a premium becomes payable for this cover when it converts to provide you with additional whole-of-life-cover, free of underwriting.

At the start of your policy

Over the first three years of this special offer you can receive additional non-accelerated life cover amounting to 20% of your base life cover (excluding the Cover and Financial Integrator Funds) amount, at no additional cost. At the end of the first three-year period, a premium becomes payable for this Vitality Fund portion, which provides you with additional whole-of-life cover, free of underwriting.

After three years

This will then unlock a new portion of the Vitality Fund of up to 26%, based on your engagement in Vitality in the previous three years, at no additional premium.

The Vitality Fund adjustment that occurs at your third policy anniversary is equal to 20%, plus an amount based on your accumulated Vitality status adjustment since the start of your policy, the annual adjustment is shown in the table below:

Vitality status	Blue	Bronze	Silver	Gold	Diamond
Vitality Fund Adjustment	-2%	-1%	0%	1%	2%

After six years

At the end of year six, a premium becomes payable for the second portion of the Vitality Fund when it also converts to additional whole-of-life cover. This allows you to receive up to 26% additional life cover free of underwriting.

The cover provided free of underwriting through the two Vitality Fund periods continues as whole of life cover.

Technical details

- The special offer will apply to new Classic and Essential Life Plans uploaded between 13 September and 15 December 2017 and with a date of commencement between 1 September 2017 and 1 February 2018.
- It is only available to the principal life assured who has a life cover health rating of A1 and who is either age 61 next birthday or younger.
- Only policies that qualify for Comprehensive Integration will be eligible for the Vitality Fund special offer. If ancillaries are reduced to below Comprehensive Integration qualifying levels during the special offer period, the special offer will fall away.
- The Vitality Fund will always be equal to a defined percentage of the base Life Fund during either three year Vitality Fund period. This means that any Life Cover added during a Vitality Fund period will receive the same Vitality Fund percentage for the remaining term of that three year period (provided the cover was added at an A1 health rating). However, if life cover is added at non-A1 rates, the client will not be eligible for the second Vitality Fund period.
- The premium that becomes payable for the Vitality Fund amount at the end of each three year period will be based on new business rates at that time. These premiums will contribute towards PayBack.
- If a client removes or reduces the premium paying portion of the Vitality Fund within the first six years of their policy, the Vitality Fund in total will be removed from the policy.
- AccessCover and AccessCover Plus apply to the Vitality Fund.
- The maximum Life Cover provided by the Vitality Fund special offer during a three year period is limited to R2 million plus any automatic Annual Benefit Increases.
- The Vitality Fund sum assured will only escalate by the chosen annual benefit increase on the Life Plan.
- The Vitality Fund will not be impacted by any ancillary claims on the Life Plan, except the following claims:
 - Severity A-D Severe Illness Benefit claims
 - Severity E-G Severe Illness Benefit Heart and Artery and Cancer claims
 - Category A-D Capital Disability claims
 - Category A and D Income Continuation Benefit claims and Temporary Income Continuation Benefit claims longer than 6 months.
 - Claims under any of the Income Continuation Benefit underpins, excluding claims under the Injury and Hospitalisation underpin
 - Medical AccessCover claims
 - Terminal Illness claims.
- If a client claims for one of these events during the first three year Vitality Fund period, the cover will still convert to whole-of-life cover at the end of year three for an additional premium, but they will no longer be eligible for the next, no premium, Vitality Fund period.
- If a client reduces or lapses their Life Fund on an existing Discovery Life Plan within 180 days before or after the start of the Vitality Fund special offer, the Vitality Fund special offer will be removed from the policy.
- If a client converts their Classic or Essential Life Plan, with an existing Vitality Fund special offer, to a Purple Life Plan, their Vitality Fund will be upgraded to the Purple Life Plan Vitality Fund if they meet the qualifying criteria. If they do not meet the qualifying criteria, a premium will become payable for their Vitality Fund where it will provide your client with additional whole-of-life, non-accelerated life cover.
- If the activation date of the Vitality Fund is before the life assured's 56th birthday, the Paid-Up Standard or Lock-In Accelerated benefits will apply to the Vitality Fund if the policyholder has selected any of these benefits on their Life Plan.

Case study

At the start of Matthew's policy

Matthew, a 40 year old Chartered Accountant, takes out a new Comprehensive Integrated Classic Life Plan that qualifies for the Vitality Fund special offer. Matthew selects R5 million life cover (excluding any Cover and Financial Integrator Funds) at the start of his policy with an annual benefit increase equal to inflation (assumed to be 5%).

At the start of his policy, Matthew will receive a Vitality Fund equal to 20% of his base Life Cover amount (**R5 million x 20%= R1 million**), which will apply for the first three years of his policy.

After three years

At Matthew's third policy anniversary, the amount of life cover in his Vitality Fund will convert, free of underwriting, to additional non-accelerated whole-of-life cover, for which he will be charged an additional premium.

Year	Base Life Fund	Vitality Fund status	Vitality Fund adjustment	Vitality Fund percentage	Vitality Fund amount
1	R5 million	Gold	1%	20%	R1 million
2	R5.25 million	Diamond	2%	20%	R1.05 million
3	R5.5 million	Diamond	2%	20%	R1.1 million

Matthew's R1.1 million Vitality Fund amount at the end of year three will now provide him with additional non-accelerated life cover of R1.1 million, for whole-of-life.

Matthew is an engaged Vitality member and achieves a Gold Vitality status at the end of his first year, and a Diamond Vitality status at the end of years two and three respectively. As a result of his engagement in Vitality, Matthew will receive a Vitality Fund equal to 25% (20% +1%+2%+2%) of his base life cover at his third policy anniversary which will apply for a further three years. As a result his Vitality Fund will increase to **R1.4 million (R5.8 million base Life Fund x 25%)**.

Year	Base Life Fund	Vitality Fund percentage	Vitality Fund amount	Converted Vitality Fund amount	Total additional life cover received
4	R5.8 million	25%	R1.4 million	R1.16 million	R2.6 million
5	R6.1 million	25%	R1.5 million	R1.2 million	R2.7 million
6	R6.4 million	25%	R1.6 million	R1.27 million	R2.9 million

After six years

At the end of his sixth policy anniversary, the additional life cover amounting to R1.6 million that Matthew is receiving through the Vitality Fund special offer converts, free of underwriting, to whole-of-life cover, for which he is charged an additional premium. All cover received through the Vitality Fund will now continue as additional non-accelerated whole-of-life cover, for which a premium will be payable.

Through the Vitality Fund special offer, Matthew saved R26 060 in life cover premiums over the first six years of his policy as well as received R2.9 million in life cover without any additional underwriting.

