



DISCOVERER

DISCOVERY LIFE INTERNATIONAL | 2021

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A photograph of two women riding bicycles on a bridge. The woman on the left has blonde hair and is wearing a white top and a beige scarf. The woman on the right has long dark hair, is wearing a brown knit beanie, a tan coat, and blue jeans. They are both smiling and looking towards the right. The background shows the structure of a suspension bridge and the top of the Empire State Building under a clear blue sky. A dark grey diagonal shape is overlaid on the left side of the image, containing the text.

DISCOVERY LIFE INTERNATIONAL 2021

Discovery Life International offers a new range of features and processes to ensure a more rewarding experience for clients wanting offshore risk protection.

DISCOVERY LIFE INTERNATIONAL 2021

Over the last two decades, Discovery Life has built out the most comprehensive suite of local life plans, aimed at all client segments and designed to meet the full spectrum of needs.

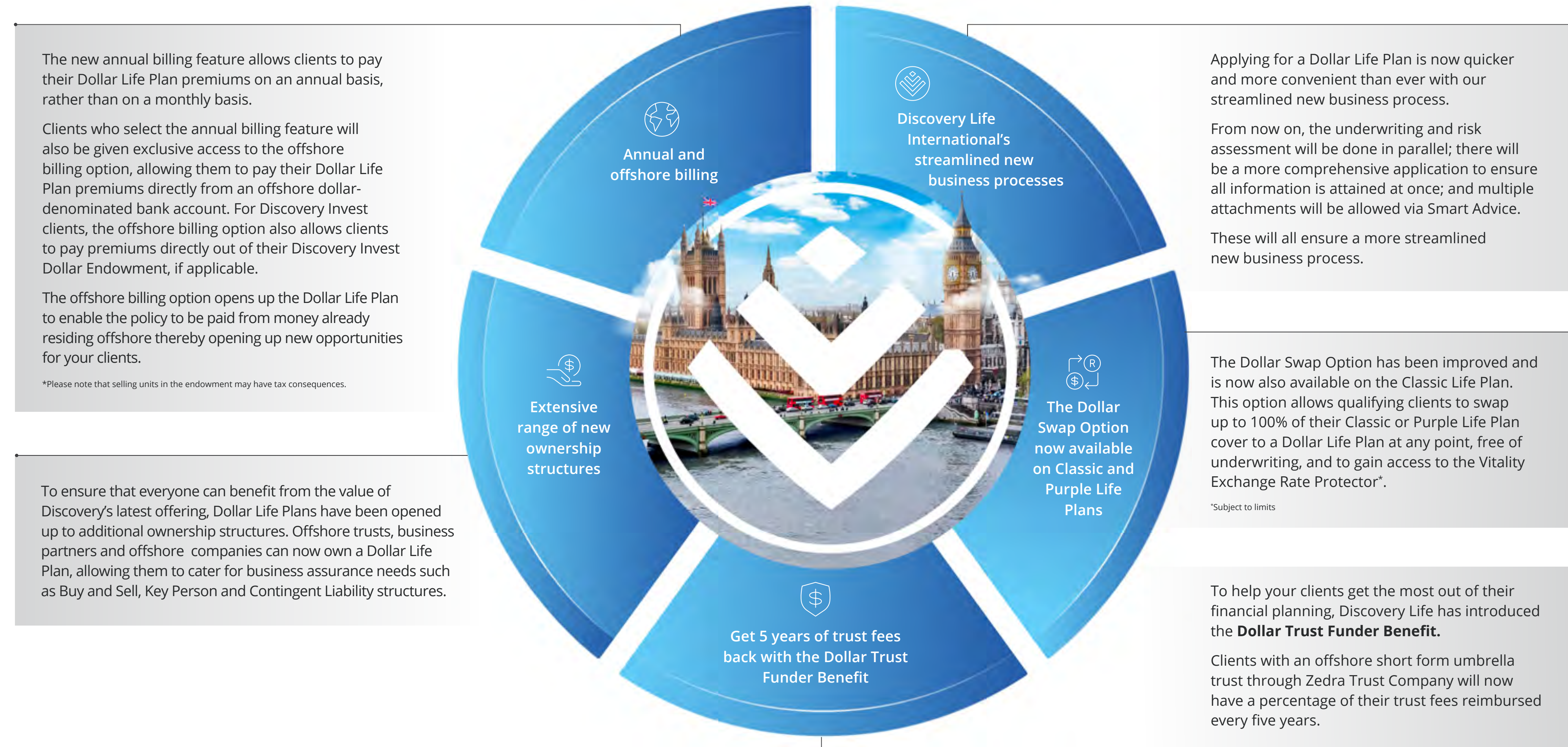
- BUSINESS LIFE PLAN** VARIETY OF BUSINESS AND OWNERSHIP STRUCTURES
- PURPLE LIFE PLAN** BESPOKE AND BEST-OF-BREED COVER
- CLASSIC LIFE PLAN** INCENTIVES AND REWARDS
- ESSENTIAL LIFE PLAN** COST EFFECTIVE

The new Dollar Life Plan, by Discovery Life International, has exported all the best features of the local suite of risk products to provide a full range of authentic offshore risk protection solutions in the world's most commonly used Global currency, the US Dollar.



DISCOVERY LIFE INTERNATIONAL: PROVIDING ACCESS TO AUTHENTIC OFFSHORE RISK PROTECTION THROUGH THE DOLLAR LIFE PLAN

Discovery Life International offers a range of features and processes to ensure a more seamless experience when your clients take up the new Dollar Life Plan. This is based on the principle that all clients should have access to authentic global cover as part of their risk protection needs. These enhancements make it easier for clients to access this offshore protection, by catering to a wider range of client needs and circumstances.





THE DOLLAR LIFE PLAN

The enhanced Dollar Life Plan includes exchange rate certainty, financial benefits and rewards and maximized accessibility for market leading offshore risk protection.



THE NEW DOLLAR LIFE PLAN

The new Dollar Life Plan, by Discovery Life International, has exported all the best features of the local suite of risk products to provide a full range of authentic offshore risk protection solutions in the world's most commonly used Global currency, the US Dollar.



UP TO NINE YEARS OF EXCHANGE RATE CERTAINTY THROUGH THE VITALITY EXCHANGE RATE PROTECTOR

The unique **Vitality Exchange Rate Protector** is an optional benefit that allows your clients to receive an immediate 15% discount on the exchange rate at the start of their policy, locked in for the first three years. Thereafter, clients will receive two more three-year periods of locked-in rates, and can increase their exchange rate discount up to 21%.



UP TO 50% PAYBACK, PAID GLOBALLY

Through the Dollar Life Plan, clients will be able to get up to 50% of their qualifying premiums back every five years through the **PayBack benefit**.



ACCESS SHARED VALUE BY ADDING VITALITY ON THE DOLLAR LIFE PLAN

Clients are now able to purchase Vitality through their Dollar Life Plan, allowing them to experience the full suite of benefits offered by Discovery's Shared-value Insurance model.

This improves client access to the unique benefits of the Shared-value model, such as the **Vitality Rating Longevity Discount**, which is also now available on the Dollar Life Plan.



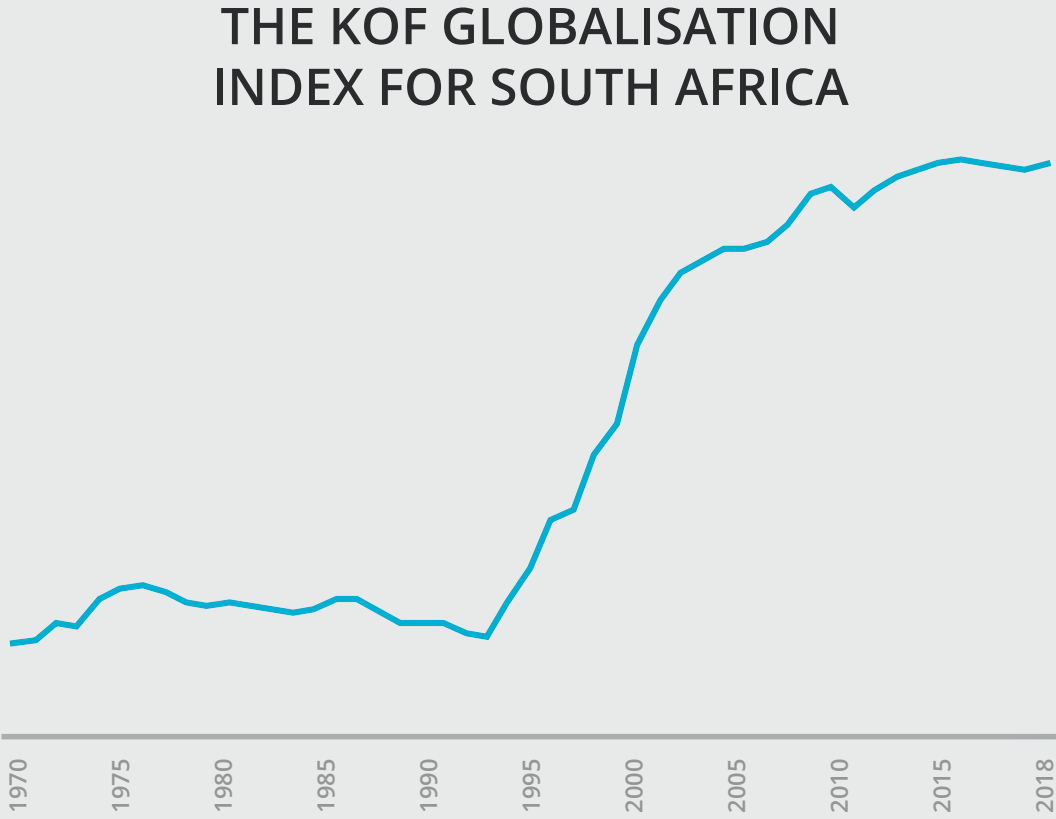
SWAP YOUR LOCAL CLASSIC OR PURPLE LIFE PLANS INTO DOLLARS

The **Dollar Swap Option**, available on both the Classic and Purple Life Plan, allows clients to swap up to 100% of their rand cover to a Dollar Life Plan at any point, free of underwriting.

INCREASED GLOBALISATION CALLS FOR DIVERSIFICATION

The world is becoming an increasingly smaller place with more people, families and businesses moving abroad than ever before. This trend around increased mobility and globalisation highlights the need for diversification and protection in hard global currencies when it comes to holistic long term financial planning.

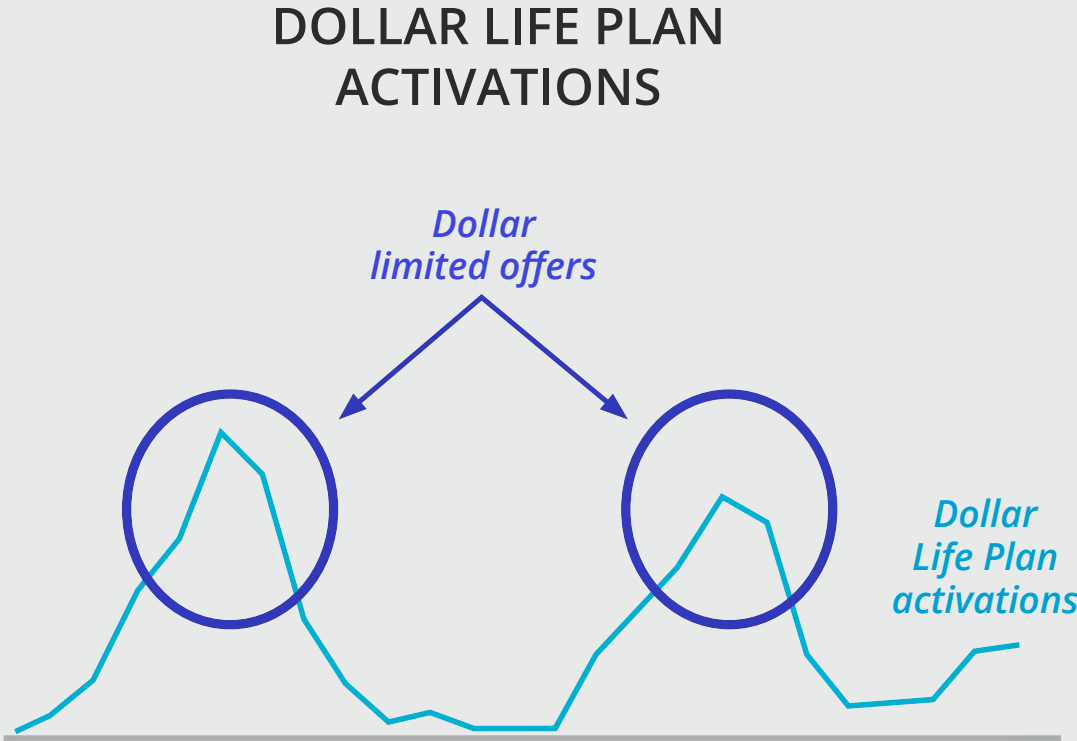
GLOBALISATION CONTINUES AT A RAPID PACE, MAKING INTERNATIONAL EXPOSURE EASIER TO ACHIEVE BUT ALSO MORE IMPORTANT TO MANAGE



1 in every 28 people migrate internationally every year*. This shows the extent of globalisation and the fluidity of movement between countries. Therefore, it is in all clients' interest to consider diversifying their portfolios.

* International Organization for Migration, World Migration Report 2020

THE ABILITY TO CREATE PREMIUM CERTAINTY FOR OFFSHORE COVER TEMPERS THE VOLATILITY OF EMERGING MARKET CURRENCIES

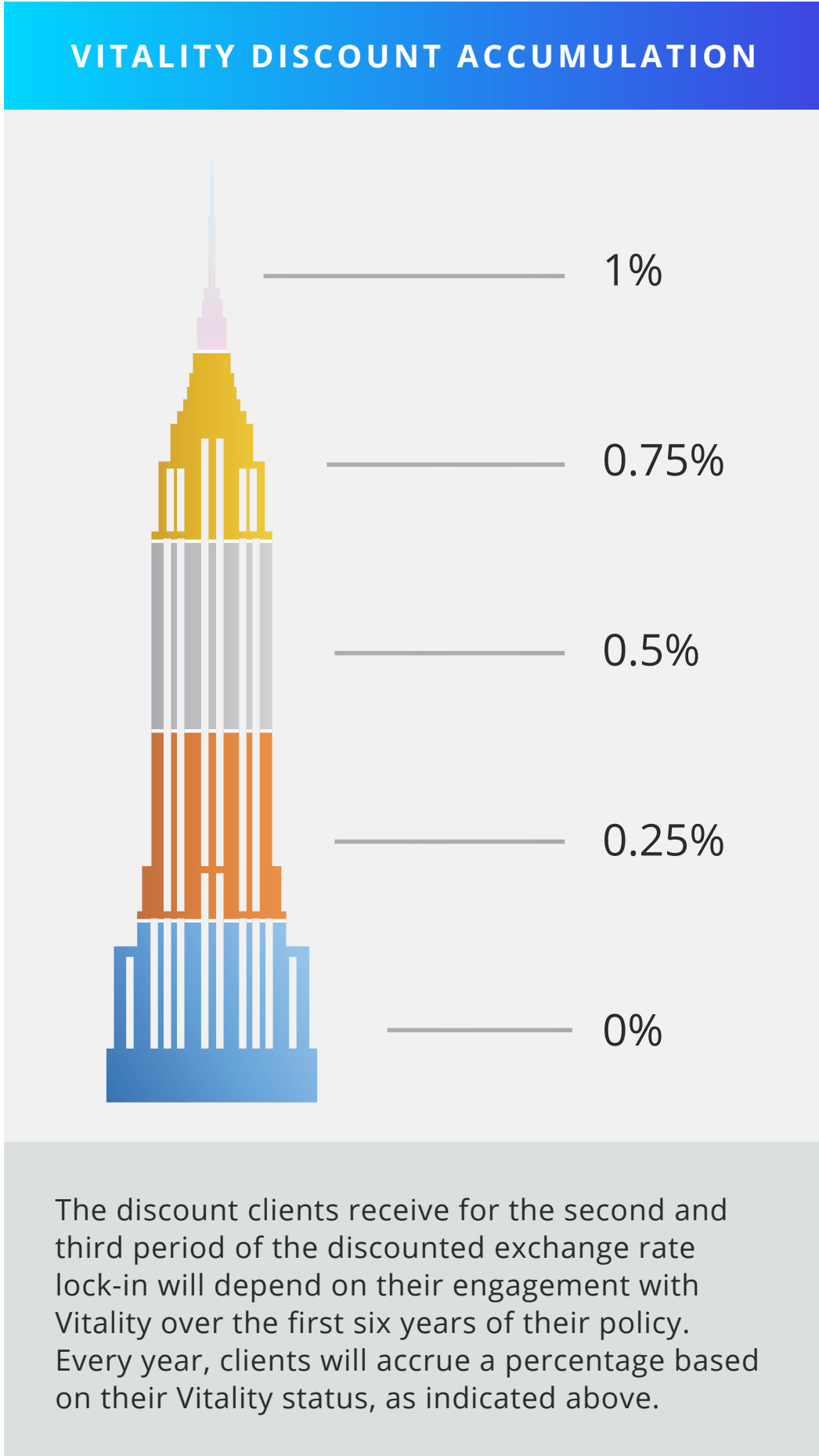


Increasing volatility of emerging market currencies has highlighted the need for cover in stable currencies. This has resulted in Dollar Life Plan offers performing well due to the premium certainty that they provide*.

* Internal Discovery research

GIVE YOUR CLIENTS 9 YEARS OF EXCHANGE RATE CERTAINTY THROUGH THE NEW VITALITY EXCHANGE RATE PROTECTOR

The Vitality Exchange Rate Protector replaces the Exchange Rate Protector and enables your clients to achieve additional premium certainty by locking in the rand-dollar exchange rate. This exchange rate certainty is applied to your clients' dollar-denominated premiums for up to three periods of locked-in rates, each lasting three years, resulting in nine years of exchange rate certainty.



ADDITIONAL VALUE THROUGH THE VITALITY EXCHANGE RATE PROTECTOR

THE VITALITY EXCHANGE RATE PROTECTOR IN ACTION

Through the Vitality Exchange Rate Protector, a discounted exchange rate is calculated at the beginning of each three year period and locked-in for the whole period. The client's dollar premiums will be converted using this fixed rate for the three year period.

If the rand-dollar exchange rate falls below the discounted rate, the market rate will apply.

Should the market rate exceed 120% of the initial rate used to calculate the locked-in rate, the discounted exchange rate used will increase proportionally but as a fixed discounted percentage of the higher market rate.

Meet Sally

Sally takes out the new Dollar Life Plan, chooses to add the Vitality Exchange Rate Protector and automatically benefits from a 15% upfront discounted rand-dollar exchange rate for the first three years after taking out her policy. Thereafter, she will accrue a discount percentage of 15% plus up to 3% in the second period and up to 6% in the third period, based on her Vitality engagement.



After the initial three year-period, where she attained Blue, Bronze and then Silver Vitality statuses, she benefits from a 15.75% discounted exchange rate locked in from years four to six. Thereafter, she achieves a Gold status for one year and Diamond status for two years, resulting in a 18.5% discounted exchange rate locked in from years seven to nine.

Year	1	2	3	4	5	6
Vitality status	Blue	Bronze	Silver	Gold	Diamond	Diamond
Vitality accrual percentages	0%	0.25%	0.5%	0.75%	1%	1%
Total discounted rand-dollar exchange rate	15% + 0% + 0.25% + 0.5% = 15.75% (locked in for years 4 to 6)			15.75% + 0.75% + 1% + 1% = 18.5% (locked in for years 7 to 9)		

CONTINUOUS SHORT- AND LONG-TERM INCENTIVES DRIVE OPTIMAL CLIENT ENGAGEMENT

From over 20 years of incentivising, measuring and rewarding behaviour change, we have learned that a combination of short- and long-term behavioural mechanisms is the most effective approach to ensuring lasting engagement and behaviour change. This can be seen profoundly through the Vitality programme, where short-term and longer-term engagement structures such as Active Rewards and the Apple Watch benefit, respectively, combine to achieve optimal client engagement. Extending these principles over the long term through Discovery Life, sustained behaviour change results in significant positive health outcomes.

VITALITY



VITALITY ACTIVE REWARDS DRIVE HIGHER ENGAGEMENT

With the introduction of Vitality Active Rewards, Vitality engagement levels increased by 24%. This highlights the value of short-term rewards structures in driving continuous client engagement.

Clients started exercising

24%

more since the introduction of Active Rewards



THE APPLE WATCH BENEFIT DRIVES HIGHER ENGAGEMENT

The introduction of longer-term incentives such as the Apple Watch benefit drove even better engagement. Clients with the Apple Watch benefit have exhibited 35% higher levels of Vitality engagement.

Exercise days have increased by

35%

for clients on the Apple Watch benefit

DISCOVERY LIFE



FREQUENT AND CONTINUOUS PAYBACK ACCRUALS

PayBacks are an important behavioural mechanism of Discovery Life's Shared-value Insurance model. We have found that a higher frequency of PayBack accumulation drives client engagement.

Clients with PayBacks are

1.8X

more likely to reach Diamond Vitality status



COMPLEMENTARY INCENTIVES OVER EXTENDED PERIODS

Buy-up Cash Conversion is one instance of a long-term reward structure available on the Dollar Life Plan. Client's with the Buy-up Cash Conversion benefit on their Dollar Life Plan exhibit higher levels of engagement.

43%

of clients with a Dollar Life Plan and Buy-up Cash Conversion have a Diamond Vitality status

INTRODUCING 5-YEARLY PAYBACKS TO THE DOLLAR LIFE PLAN

By utilising the Shared-value model, we can better measure and improve a client's underlying mortality and morbidity risks. We return this value to clients through the PayBack benefit. We are introducing Paybacks on the new Dollar Life Plan allowing clients to turn their health and wellness management into financial benefits offshore in US Dollars.

Through the Dollar Life Plan, clients will now be able to get up to 50% of their qualifying premiums back every five years through the PayBack benefit. The PayBacks your clients receive are paid out in dollars and into an offshore bank account.

This PayBack structure will replace the Dollar PayBack Fund. The higher frequency of PayBack accruals allows clients to build an asset, through their health management, offshore in dollars.

PAYBACKS OF UP TO 50%



Clients can now receive up to 50% of their qualifying premiums in PayBacks on their Dollar Life Plan, paid out every five years.

GUARANTEED PAYBACKS



Clients will get a guaranteed PayBack accrual of up to 15% for the first 10 years.

PAYBACK ROLL-UP OPTION



Clients can opt to defer their PayBacks and have them paid out in one lump sum at age 65. Where this option is selected, the PayBacks will grow at a guaranteed rate of US CPI.



WORLD CLASS RISK PROTECTION BENEFITS ON THE DOLLAR LIFE PLAN



LIFE COVER THAT PAYS OUT IN DOLLARS

The Dollar Life Plan consists of a Life Fund that is paid out on the death of the life assured. This allows your clients to protect any offshore liabilities they may have and to guard against future currency fluctuations.

In addition, clients can benefit through tax incentives such as not having to pay estate duties on their life cover payout, depending on the tax position and the client not nominating their estate as a beneficiary.



PROTECTING EDUCATION GLOBALLY DENOMINATED IN US DOLLARS

The Dollar Global Education Protector covers the education costs of your clients' children, from crèche through to college, in the event of the insured person's death, severe illness or disability.

This benefit also allows your clients to receive a payment of up to 100% of their children's college tuition fees if they do not claim, by simply leading a healthy lifestyle, subject to a maximum.



GLOBAL DISABILITY PROTECTION

Discovery Life's Dollar Capital Disability Benefit provides a lump-sum payout in dollars if your clients become disabled. They can select from a range of options, including the flagship LifeTime Disability Benefit with the MedTech Booster feature.



BUY-UP CASH CONVERSION BENEFIT



With the Buy-up Cash Conversion Benefit, available through the Cover and Financial Integrators, your clients can choose to receive 25% or 50% of the Cover or Financial Integrator Funds as a tax-free lump sum. This is paid in dollars at age 65 and will not reduce the value of their Life Fund. This benefit is available at an additional premium.

DOLLAR DISCOVERY RETIREMENT OPTIMISER



The Discovery Retirement Optimiser allows your clients to save for their retirement each month through an offshore endowment policy denominated in US dollar. Clients can invest in a range of funds according to their risk profile.

WORLD-LEADING SEVERE ILLNESS COVERAGE



The Dollar Life Plan offers the market-leading LifeTime Max 200% and 100% Benefits. In 2017, these benefits were selected as the two best Oncology Protection Severe Illness Benefits in the market by the Independent Clinical Oncology Network.

The Severe Illness Benefit now also includes the enhanced Global Treatment Benefit and the Cancer Exome Sequencing Benefit, in line with the Purple Life Plan.

A family of three is walking on a rooftop. The father is pushing a stroller with a baby inside. The mother is walking next to him, smiling. They are in front of a brick wall with arched windows. In the background, a city skyline is visible under a bright sky.

THE DOLLAR LIFE PLAN VALUE PROPOSITION

The Dollar Life Plan combines best-of-breed benefits with new features to provide compelling value to your clients.

CASE STUDY



Meet Luke

Luke takes out the Dollar Life Plan and adds the Vitality Exchange Rate Protector for an additional premium. He automatically benefits from an upfront discounted rand-dollar exchange rate of 15% for three years after taking out his policy.

Thereafter, he will accrue a discount percentage based on his Vitality status on top of the initial base percentage discount of 15%.

THE FULL VALUE PROPOSITION OF THE DOLLAR LIFE PLAN

1

ENGAGING IN VITALITY TO LOCK IN A DISCOUNTED RAND-DOLLAR EXCHANGE RATE WITH THE VITALITY EXCHANGE RATE PROTECTOR



After the initial three year-period, where he attained Bronze, Silver and then Gold Vitality statuses, he benefits from a 16.5% locked-in exchange rate for the next three years. Thereafter, he achieves a Gold Vitality status for one year and Diamond status for two, resulting in a 19.25% discount locked in from years seven to nine.



Year	1	2	3	4	5	6
Vitality status	Bronze	Silver	Gold	Gold	Diamond	Diamond
Vitality accrual percentages	0.25%	0.5%	0.75%	0.75%	1%	1%
Discounted rand-dollar exchange rate for the period	15% + 0.25% + 0.5% + 0.75% = 16.5% (locked in for years 4 to 6)			16.5% + 0.75% + 1% + 1% = 19.25% (locked in for years 7 to 9)		



2

BENEFIT FROM A FULL SUITE OF MARKET-LEADING BENEFITS

Luke has access to a collection of customisable benefits covering the full range of possible life-changing events from death and disability to severe illness, and much more. It is a comprehensive offering that ensures no matter which stage of his life he finds himself in, he will be covered, rewarded, and financially secure.



LIFETIME MAX SEVERE ILLNESS BENEFIT

Protects Luke against the lifestyle impact of a severe illness. Not only does he experience the most comprehensive multiple claims facility in the market, but he can also get boosted payments of up to 215% based on the expected long-term impact of the illness and access to a number of unique features, such as the market-first Cancer Relapse Benefit.



DOLLAR GLOBAL EDUCATION PROTECTOR

Covers the actual costs of Luke's children's education, from crèche through to college, at a local or international education institution, if he passes away or suffers a severe illness or disability. If Luke actively manages his health and wellness, we will fund up to 100% of his children's college tuition fees.



LIFETIME CAPITAL DISABILITY BENEFIT

The LifeTime versions of the Capital Disability Benefit provide Luke with additional upfront and ongoing payouts that take into account the significant upfront, ongoing and upgrade costs of the latest medical technology associated with certain disability events and conditions.



3

FINANCIAL REWARDS THROUGH PAYBACKS, BUY-UP CASH CONVERSIONS & THE VITALITY RATING LONGEVITY DISCOUNT



Luke qualifies for PayBacks on the Health Integrator. The PayBacks that he receives depend on his engagement with Vitality and health claims throughout the term of his policy. He will receive PayBacks every five years until he reaches age 65. Luke is required to nominate an offshore, dollar-denominated bank account for the PayBack payments to be paid into.



Luke can further supplement his retirement savings in dollars through the Buy-up Cash Conversion Benefit. With this benefit he can choose to receive 25% or 50% of the Cover or Financial Integrator Funds as a tax-free lump sum. This is paid in dollars when Luke turns 65. This benefit payment will not reduce the value of his Life Fund.



Through a Vitality Health Check for 65+, Luke can demonstrate a lower risk of future lifestyle-related diseases and be rewarded with a further Integrator discount of up to 10% through the Vitality Rating Longevity discount at age 65.

4

COMBINING GLOBAL RISK PROTECTION & TAX EFFICIENCIES

Luke has a Dollar Life Plan Life Fund value of \$500k at a monthly premium of \$141. The combined value provided to Luke by the new Dollar Life Plan through global risk protection and tax efficiencies can be illustrated by comparing the premiums between equivalent cover of the Classic and Dollar Life Plans.

When comparing the premiums between the Classic Life Plan and the enhanced Dollar Life Plan, the dollar premium of R2 118 is 5% more expensive than the equivalent Classic Life Plan. However, in order to directly compare the product offering between the different plan types, the effect of the different tax treatments between the different plan types needs to be considered.

	Classic Life Plan		Dollar Life Plan			Premium efficiency (vs Classic Life Plan)
	Life Fund value	Premium	Life Fund value	Premium (\$)	Premium (R)	
Upfront premium comparison	R7.5m	R2 017	\$500K	\$141	R2 118	5% higher net effective premium
Premium comparison considering estate duties	R7.5m	R2 017	\$500K	\$141	R2 118	21% lower net effective premium
	R10m	R2 679				

ESTATE DUTIES

To benefit from the tax efficiencies available through the Dollar Life Plan, clients should not nominate their estate as a beneficiary. Based on their tax position, the payments from the policy may be free from estate duty

Assumptions: Exchange rate of R15/\$, 45 years old, SE Class 1, Gold Vitality status, AcceleRater funding pattern, ABI = CPI

If Luke wants his dependants to receive R7.5m, he would need a total Life Fund value of R10m. The premium for this amount of life cover on the Classic Life Plan is R2 679 per month. Since the premium to receive this amount of Life Cover with the Dollar Life Plan is R2 118, there will effectively be a 21% saving earned from taking out the Dollar Life Plan.

5

BENEFITS FROM VARIOUS NEW PROCESS ENHANCEMENTS

Luke can now also benefit from the improved flexibility and ease of use that the enhanced Dollar Life Plan offer provides. The new range of features and enhancements gives him the ability to pay his premiums annually and/or from an offshore source of funds. Additionally, new ownership structures have been significantly expanded.





THE R10.90/\$ NEW DOLLAR LIFE PLAN OFFER

The R10.90/\$ New Dollar Life Plan offer takes the value proposition further when paired with our international protection.

THE R10.90/\$ NEW DOLLAR LIFE PLAN OFFER

Given the recent economic volatility that we have experienced globally in light of the COVID-19 pandemic, Discovery Life International is introducing enhanced certainty, value and protection for new business clients. Under the R10.90/\$ New Dollar Life Plan offer, where clients add the Vitality Exchange Rate Protector to their Dollar Life Plan, they will lock-in an exchange rate of R10.90/\$ for the first three years of their policy.

Thereafter, the Vitality Exchange Rate Protector will continue to provide enhanced value and exchange rate certainty for a further six years. This results in nine years of continuous exchange rate certainty and increased value.

This offer operates similarly to the new Vitality Exchange Rate Protector in that the maximum possible discount persists if the rand-dollar exchange rate surpasses R18.00/\$. This results in a 39% discount thereafter.

01

The R10.90/\$1 New Dollar Life Plan limited offer allows your clients to pay a guaranteed exchange rate of R10.90/\$ on their premiums for three years, provided the exchange rate is less than R18.00/\$.

02

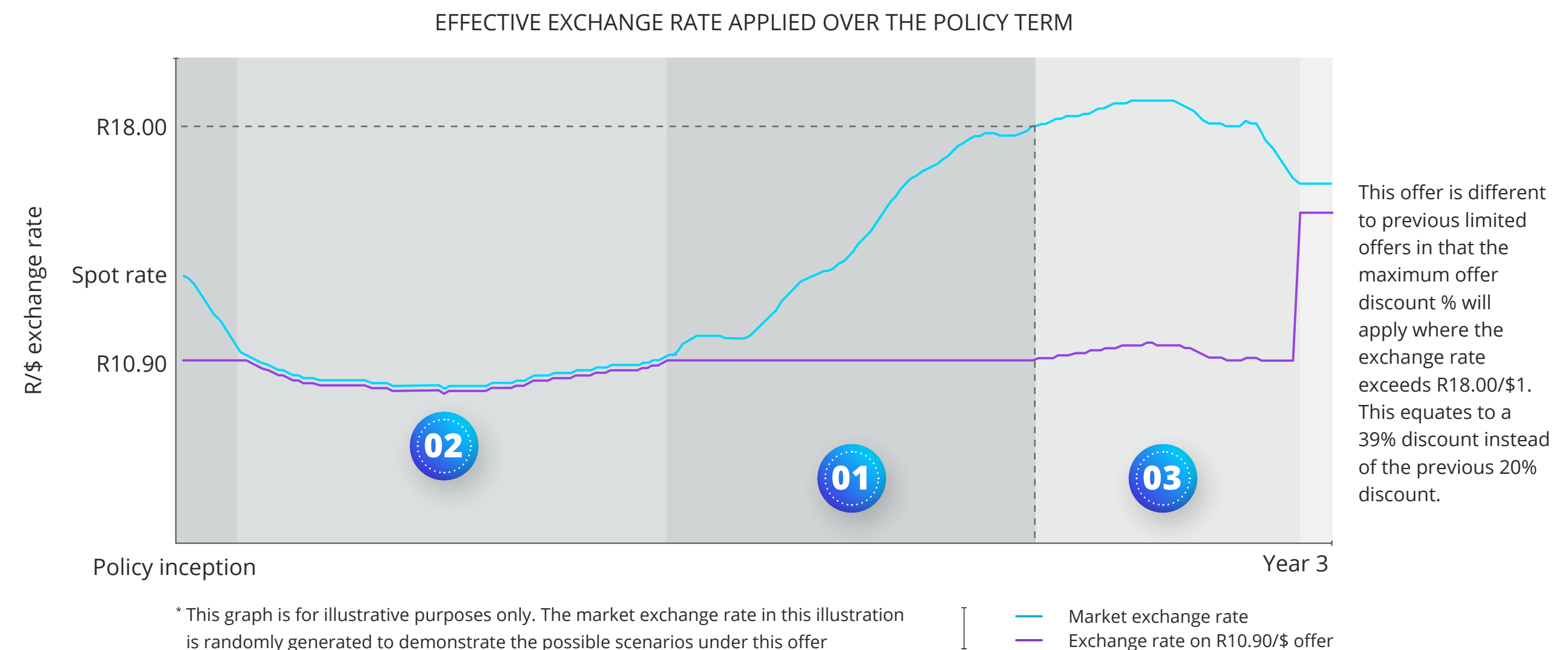
If the exchange rate is less than R10.90/\$, Dollar Life Plan clients will pay premiums based on the market exchange rate.

03

If the exchange rate is higher than R18.00/\$ during the first three years, Dollar Life Plan clients are still able to pay premiums based on an exchange rate that is 39% better than the market exchange rate.

At the end of the three-year offer period, clients can benefit though the Vitality Exchange Rate Protector from exchange rate certainty for an additional 6 years.

EFFECTIVE EXCHANGE RATE APPLIED OVER THE POLICY TERM



With a minimum Dollar Life Plan premium of \$50, combined with the R10.90/\$ Life Plan limited offer, clients can access offshore protection from only R545 a month.



The billed rand premium can qualify for a reduced exchange rate for three years while providing protection in dollars at the prevailing exchange rate.



R10.90/\$ NEW DOLLAR LIFE PLAN OFFER IN ACTION

By adding the Vitality Exchange Rate Protector at an additional premium to his policy, Luke can enjoy the certainty and protection provided through the R10.90/\$ New Dollar Life Plan offer. This offer locks-in the premium he pays at a rate of R10.90/\$ for the first three years of his policy.

Luke qualifies for the Dollar Life Plan offer

He takes out the new Dollar Life Plan with Comprehensive Health Integration at a monthly premium of \$141. When he adds the Vitality Exchange Rate Protector, his premium increases to \$155 and he qualifies for the R10.90/\$ New Dollar Life Plan offer.

	Classic Life Plan		Dollar Life Plan			Premium efficiency (vs Classic Life Plan)
	Life Fund value	Premium	Life Fund value	Premium (\$)	Premium (R)	
Upfront premium comparison	R7.5m	R2 017	\$500K	\$141	R2 118	5% higher net effective premium
Premium comparison considering estate duties	R7.5m	R2 017	\$500K	\$141	R2 118	21% lower net effective premium
	R10m	R2 679				
Premium comparison including the offer	R10m	R2 679	\$500K	\$155	R1 690	37% lower net effective premium

Assumptions: Exchange rate of R15/\$; 45 years old, SE Class 1, Gold Vitality status, ABI = CPI

Luke benefitted from the combined value provided by the new Dollar Life Plan through global risk protection and tax efficiencies that provided him with a 21% lower net effective premium. He is then also able to benefit from an additional premium efficiency that is provided through the R10.90/\$ Dollar Life Plan offer.



By locking in the exchange rate at R10.90/\$, the premium is effectively charged at a discount, reducing from the current premium without the offer of R2 118 to R1 690. This results in an overall net effective premium that is 37% lower when comparing the Dollar Life Plan premium after tax efficiencies and taking into account the value offered through the offer.



DOLLAR LIFE PLAN ADVISER SUPPORT

*We provide all the support advisers need
during the sales process and beyond.*

DOLLAR LIFE PLAN ADVISER SUPPORT


To support advisers in providing the best advice to their clients, we will be providing you with a range of marketing documents, tools and calculators that fully support the sales and post-sales process.

SUPPORT FOR ADVISERS AND CLIENTS



CLIENT TESTIMONIALS

Read true stories about our clients who have received life-changing help and support through their Discovery Life policies, including claims experiences for Dollar Life Plan clients.



VIRTUAL UNDERWRITING

Clients can now choose to complete the medical questionnaire and any other questionnaires that may be relevant to the cover for which they are applying through Virtual Underwriting.



LEGAL AND COMPLIANCE SUPPORT

Answers to all questions you may have about compliance and legal issues regarding the Dollar Life Plan are available on FAZ.



MARKETING SUPPORT

Struggling to find an answer to a particularly difficult question? Create a ticket on the Marketing Support HelpDesk and get a friendly and rapid response to your query.




CAMPAIGNS, EMAILERS AND BANNERS

Personalised communications and campaigns will be available for Dollar Life Plan opportunities.




GEP TOOL

This tool shows the value derived through the Global Education Protector product.



DOLLAR LIFE PLAN FORMS

All relevant forms for the Dollar Life Plan, including application and beneficiary nomination forms, are available on FAZ.



CLAIMS CALCULATOR

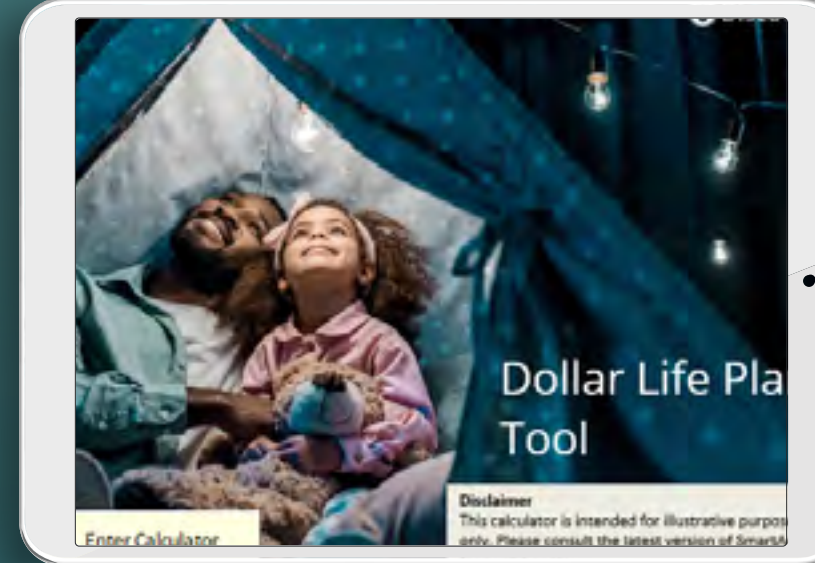
View general Discovery Life claims statistics along with COVID-19 claims statistics. Explore our claims experience and potential rewards specific to clients' personal profiles, filtered by age, sex and occupation.

SUPPORT FOR ADVISERS AND CLIENTS



NEW BUSINESS TRACKING

SmartTrack is a system designed by Discovery to track your Discovery business.



DOLLAR LIFE PLAN TOOL

This tool provides clients with a more tangible understanding of the value of Integration by showing the savings and benefits generated through living a healthy lifestyle.



DOLLAR LIFE PLAN FAQ

All frequently asked questions about benefits, sales, limits, features and more can be found in the Dollar Life Plan FAQ document.



ORIGINAL DOCUMENT STAMP

To create a more efficient, streamlined new business process, franchises now have access to verifier stamps.



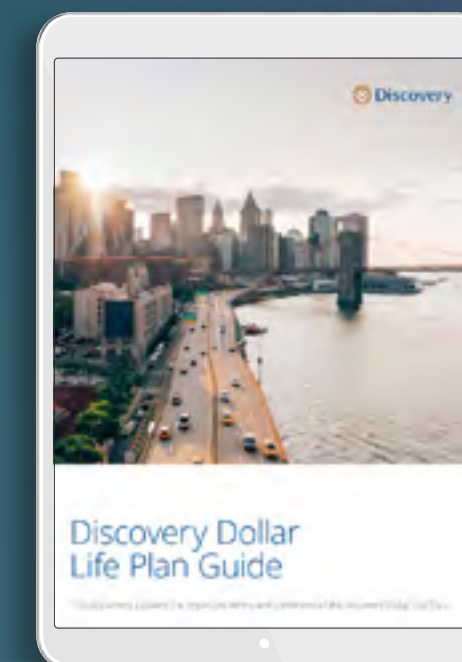
TAX SUPPORT

Answers to all questions you may have about tax issues regarding the Dollar Life Plan are available on FAZ.



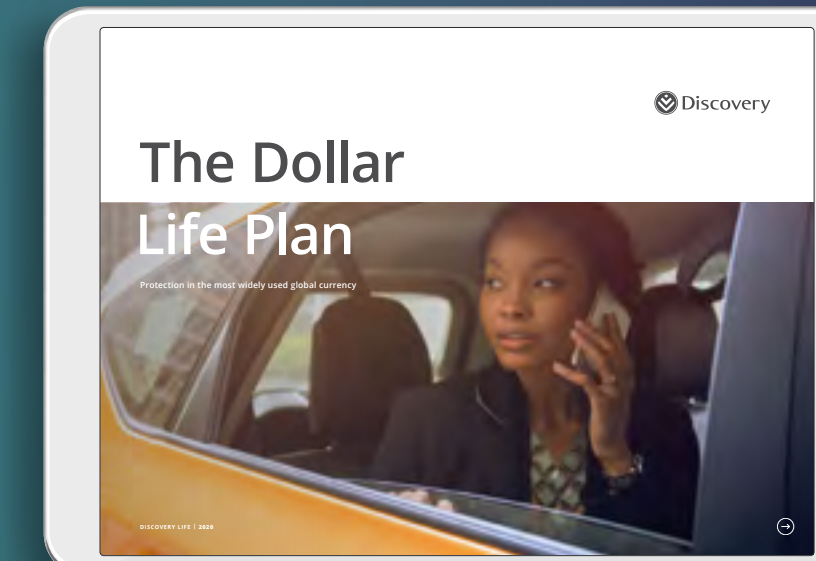
PAYBACK CALCULATOR

Based on a client's personal profile, this tool projects the expected PayBacks that they will receive over periods of one year, five years and whole of life.



DOLLAR LIFE PLAN GUIDE

The Dollar Life Plan guide provides you with all the detail and examples required to understand all the technical details of the product.



DOLLAR LIFE PLAN BROCHURE

The Dollar Life Plan brochure outlines all of the key features and details of the Dollar Life Plan.

NEED TO KNOW

Technical details for the Dollar Life Plan Discoverer

These rules are specific to new business on the new Dollar Life Plan. Servicing to the new Dollar Life Plan will be available in the future at which time servicing rules will be communicated. Please see the Dollar Life Plan Guide for further details.

OWNERSHIP, PAYER & CESSIONS, AND BILLING

- **Dollar Life Plans will be allowed to have** ownership held by offshore trusts and companies.
- **Dollar Life Plans will be allowed to have** business assurance structures where owned by an offshore trust/company (Buy and Sell, Key Person, and Contingent Liability structures).

ANNUAL AND OFFSHORE BILLING

- **Dollar Life Plans will be opened up to annual billing** to allow clients to pay a full year's premiums annually in advance.
- **Dollar Life Plans will also be opened up to offshore billing** to allow clients to pay their premiums from an offshore (Dollar denominated) bank account. Clients will be able to pay their premiums directly out of their Discovery Invest International investment if they have one.
- **The Period of Grace, Suspension and Automatic Lapsing for annual billing** will be based on the number of months that the contractual annual premium has not been paid rather than the number of premiums missed.
- **Offshore billing requires annual billing.**
- **If a client with annual billing adds cover** during the year, they will be billed a pro-rated premium for the number of months left in the year. From the next policy anniversary onwards, they will be billed the full annual premium for the new tranche of cover.
- **If a client with annual billing reduces cover** during a policy year, they will retain the cover from before the servicing event for the rest of the policy year. Their annual premium will be adjusted from the next policy anniversary to reflect the reduced cover.
- **If a client with annual billing wishes to cancel their policy,** they will retain the cover from before the servicing event for the rest of the policy year. Thereafter their cover and premiums will cease.

VITALITY ON DOLLAR LIFE PLAN

- Clients will be able to purchase Vitality through their Dollar Life Plan, paying the same, rand-denominated premium that would be paid on a local plan.

CLASSIC AND PURPLE LIFE PLAN SWAP OPTIONS

- As the Exchange Rate Protector Benefit is being removed (and replaced with the Vitality Exchange Rate Protector), clients who exercise the Dollar Swap Option on their Classic or Purple Life Plans may receive access to the Vitality Exchange Rate Protector, not the Exchange Rate Protector.
- Clients converting from a Purple Life Plan will receive the Vitality Exchange Rate Protector for free for three years.
- Clients who exercise the Dollar Swap Option (from either a Classic or Purple plan) will receive a refund of any past Buy-Up Cash Conversion premiums they have paid on the policy. This will be a partial refund, based on the percentage of their cover that they are moving to the new Dollar Plan.

VITALITY EXCHANGE RATE PROTECTOR

- **The Vitality Exchange Rate Protector will replace the current** Exchange Rate Protector on Dollar Life Plans.
- **The Vitality Exchange Rate Protector discounted exchange rate** will not apply to the Invest component of Global Discovery Retirement Optimiser.
- **The Vitality Exchange Rate Protector is only available** on policies paying premiums from a local bank account. Policies paying premiums from an offshore account are not exposed to exchange rate risk and will therefore not be eligible for this benefit.
- **The Vitality Exchange Rate Protector requires** integrated policies to be on the latest integration structure.

- **Vitality or Health Integrated clients** will receive three tranches of locked-in discounted rand-dollar exchange rate, each locked-in for three years at a time. The minimum discount is 15% ranging up to 21% based on Vitality engagement according to the following table:

	Vitality Annual Percentages (VAPs)					
Vitality Status	None	Blue	Bronze	Silver	Gold	Diamond
Vitality Accrual Percentages	0%	0%	0.25%	0.5%	0.75%	1%

- For clients who are not Vitality or Health integrated, the Vitality Exchange Rate Protector will end after the initial three-year period.
- If the spot exchange rate at the time of debiting any given premium is lower than the locked-in Vitality Exchange Rate Protector exchange rate, then the lower exchange rate will be used.
- Vitality Exchange Rate Protector will have a maximum exchange rate equal to 120% multiplied by the spot rate used to calculate the Locked-In Exchange Rate. Should the spot rate go above this maximum, then premiums will be charged using an exchange rate of:

$$[\text{Current Spot Rate}] \times [\text{Locked-in Rate}] \div [\text{Maximum Rate}]$$

- There will be an additional premium charged for Vitality Exchange Rate Protector. This premium will fall away when the Vitality Exchange Rate Protector benefit expires.

CUMULATING PAYBACKS

- Cumulating PayBacks will replace the Dollar PayBack Fund on the Dollar Life Plan and do not require the Financial Integrator. Where the client is Health Integrated, the Personal Health Matrices used to determine the PayBacks will be the same as those used for Classic Life Plans.
- The client must nominate an offshore, dollar denominated bank account for the PayBack payments to be paid into. If the policy owner does not provide an offshore, dollar denominated bank account, then payment of the PayBacks must be withheld until they do.
- PayBacks will cease after the final payment at age 65.
- The option to accrue Rolling PayBacks is only available to clients younger than 56 (age next) and the Rolling PayBack Fund has no surrender value.
- A client may switch from the Rolling PayBacks to 65 structure to the PayBacks every 5 years structure twice. This change may only be done during the first 10 years of the policy.
- The Buy-up Cash Conversion premiums and Vitality Exchange Rate Protector premiums will be excluded from the PayBack calculation.
- If premiums are paid in Rands, then they will be divided by the prevailing R/\$ exchange rate for the purposes of calculating PayBacks.

VITALITY RATING LONGEVITY DISCOUNT ON DOLLAR LIFE PLAN

- To qualify for the Vitality Rating Longevity Discount**, clients must meet the Vitality Rating eligibility criteria.
- The Vitality Rating Longevity Discount on the Dollar Life Plan will apply to the following benefits:** Life Cover, Severe Illness Benefit, Capital Disability Benefit, and the Minimum Protected Fund.
- Clients can qualify for the Vitality Rating Longevity Discount** when they turn 65, or 10 years after policy inception, if inception was after the age of 55.
- Clients will not qualify for the discount** if they have had certain qualifying claims on the Discovery Life Plan. Please refer to the Dollar Life Plan Guide for full details.
- To be considered as a Lifetime Select client**, all the Vitality Health Check metrics must be within the Lifetime Select range. If any checks fall within the Select range, with none in the Standard range, they will be considered a Select life. If future health check results improve a client's Vitality Rating, the updated Vitality Rating Longevity Discount will apply going forward in time.

CHANGES TO COVER AND FINANCIAL INTEGRATOR ON DOLLAR LIFE PLANS

- Cover and Financial integrator on Dollar Life Plans will be changed. The Minimum and Maximum CI levels will now be equal to those of FI, in order to be consistent:

	Financial Integrator		Cover Integrator	
	Min	Max	Min	Max
Cap as a Percentage of Initial CI/FI Percentage	60.0%	118.75%	60.0%	118.75%

- In addition, the annual Cover and Financial Integrator adjustments will be changed to the following:

Annual Cover Integrator / Financial Integrator Adjustment		
Vitality Status	20% Option	40% Option
None	-0.250%	-0.45%
Blue	-0.250%	-0.45%
Bronze	-0.175%	-0.20%
Silver	0.000%	0.00%
Gold	0.175%	0.20%
Diamond	0.250%	0.45%

Health Cover and Financial Integrator adjustments will now vary according to the client's health claims amounts. As such, clients will be given Personal Health Matrices for Cover and Financial Integrator adjustments, which vary by Health Plan.

LIMITED OFFER TECHNICAL DETAILS

- Applies to all new Dollar Life Plans with the Vitality Exchange Rate Protector submitted from the rollout date of the **new Dollar Life Plan to 15 December 2021** with a start date of any time from the rollout date of the **new Dollar Life Plan to 1 March 2022 (inclusive)**.
- The preferential exchange rate is applied to all premiums on the Dollar Life Plan** for the first three years after the inception of the policy. The offer does not apply to the Global Discovery Retirement Optimiser contributions.
- Any premium increase due to policy anniversary or servicing increase in the first three years of the policy will also qualify** for the guaranteed rand-dollar exchange rate, which will apply until the end of the original three-year period.
- Existing clients can buy an additional Dollar Life Plan** and qualify for the offer on the new policy. The total premium across the Dollar Life Plans will be subject to the maximum premium allowed on one policy.
- If an existing Discovery Life client chooses to purchase a new Dollar Life Plan to take advantage of the preferential rate**, the rate will be removed from the new Dollar Life Plan policy if the Life Fund (including Cover and Financial Integrators) on any existing Dollar Life Plan is reduced or cancelled from the rollout date of the **new Dollar Life Plan to 28 February 2022**. The duration of the Vitality Exchange Rate Protector may also be affected in this case.
- Reinstatements of policies lapsed before the guaranteed offer period **will not qualify for the offer**.
- Any refund of premium will be done considering the Rand amount that the client was billed for.** If the client wants a refund in Rands, we return the Rand value he was billed for. If the client wants the refund in Dollars, we will calculate the Dollar amount based on the actual forward rate and will not refund the full premium in dollars.
- For any commission generated in the first three years of the policy, we will **limit the exchange rate used for commission calculation to R10.90/\$1**, provided the exchange rate at the time is less than R18.00/\$1. **If the exchange rate exceeds R18.00/\$1, we will use a rate equal to the current market exchange rate with a 39.4% discount applied at that point** in time for the commission calculation.
- After the first three years of the policy, the exchange rate used for the monthly premium under the Dollar Life Plan will be the normal**, undiscounted forward rate supplied to Discovery Life. If clients qualify for the second Vitality Exchange Rate Protector period, they will automatically be given it at expiry of this offer.
- Where a death claim results in a return of premium** on the Buy-up Cash Conversion benefit, the return will be based on the dollar premiums that the client would have seen in their policy schedule and will not take into account the fact that there was a lower rand-dollar rate used in calculating the rand amount billed.
- The Vitality Exchange Rate Protector premium** will not be waived during this first three-year period.



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