

DISCOVERY LIFE INTERNATIONAL

Your future is global. Protect it.

R10.90/\$ NEW DOLLAR LIFE PLAN OFFER

Lock in an exchange rate of R10.90/\$ for three years
when your clients take out the new Dollar Life Plan.

The market's only authentic offshore life insurance policy

Discovery Life International is the only South African life insurer to offer an authentic offshore life insurance policy denominated in the most widely used global currency, the US dollar. This ensures that your clients' financial protection remains relevant in the long term, regardless of the macroeconomic environment.

INTRODUCING THE NEW DOLLAR LIFE PLAN

KEY FEATURES



The **Vitality Exchange Rate Protector** replaces the Exchange Rate Protector and provides additional premium certainty by locking in the rand-dollar exchange rate and providing an immediate 15% minimum discount to the exchange rate at the start of the policy. This exchange rate certainty is applied to dollar-denominated premiums in three batches of locked-in rates that last three years each, providing nine years of exchange rate certainty and up to a 21% discount on the rand-dollar exchange rate.



Offering clients **five-yearly PayBacks** of **up to 50%**, replacing the Dollar PayBack Fund. This includes a guaranteed accumulation of up to 15%.



The Dollar Life Plan offers **market-leading benefits**, including the LifeTime Max 200% and 100% Severe Illness Benefits and the Dollar Global Education Protector.



Clients can now add **Vitality** to their Dollar Life Plan, allowing access to Vitality-linked benefits, including the Vitality Rating Longevity Discount which provides long-term premium sustainability.



Dollar Life Plans can now be owned by **offshore trusts and companies**, meaning business assurance structures are now available.



Clients can now benefit from **offshore billing**, as well as **annual billing** which offers more flexibility.



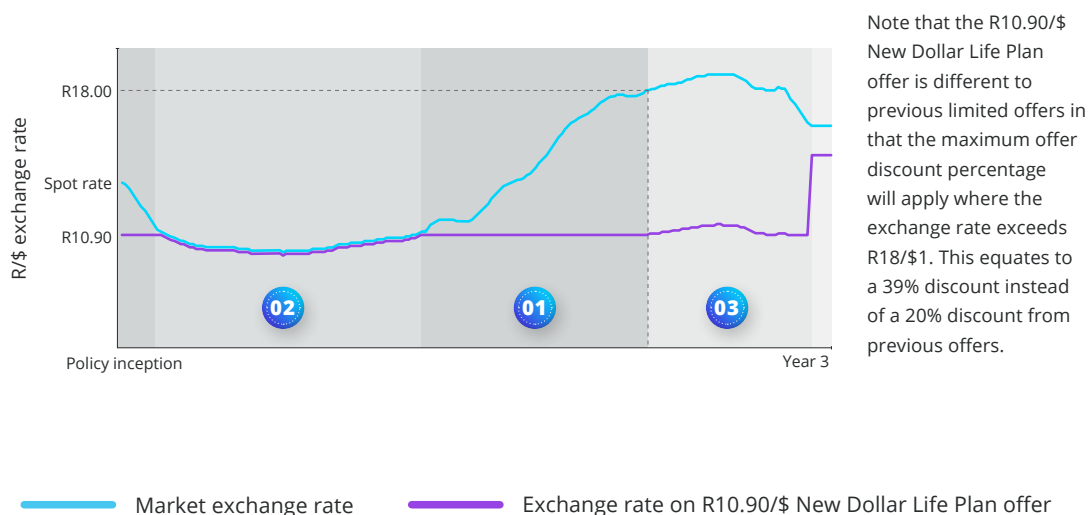
The **new business process** now allows for risk assessment to run in parallel with underwriting, making for a more efficient experience.

Offer your clients **more** by **increasing** the value of their **rand**

Given the economic volatility that we are experiencing globally in light of the COVID-19 pandemic, Discovery Life is introducing much-needed certainty, value and protection for new business clients. To accompany the launch of the newly updated Dollar Life Plan, we are reintroducing an enhanced Dollar Life Plan offer, with premiums locked in at an exchange rate of R10.90 to the dollar for the first three years when clients add the Vitality Exchange Rate Protector to their policy at an additional premium.

THE DIFFERENT APPLICABLE EXCHANGE RATE SCENARIOS

Effective exchange rate applied over the policy term



Under this offer, when clients add the Vitality Exchange Rate Protector to their policy, they can pay premiums for a new Dollar Life Plan based on a maximum exchange rate of R10.90/\$1 for the first three years of their policy, as long as the rand-dollar exchange rate remains between R10.90 and R18 to the dollar. This amounts to a premium discount of up to 39% over the first three years of the policy, giving clients even more value over and above what the Vitality Exchange Rate Protector provides.

If the rand-dollar exchange rate is higher than or equal to R18.00/\$1 during the first three years of their policy, Dollar Life Plan clients with the offer will still receive significant value by paying premiums based on an exchange rate reduced by the maximum discount available through the offer, which is 39%. If the exchange rate drops below R10.90/\$, the prevailing market rates will apply.



IMPROVED PREMIUM AFFORDABILITY WITH THIS OFFER

With a minimum Dollar Life Plan premium of \$50, combined with the R10.90/\$1 New Dollar Life Plan limited offer, clients can access offshore protection from only R545 per month.

R10.90/\$ New Dollar Life Plan offer in action



MEET GEORGE

George is deciding whether to take out a Classic or Dollar Life Plan. The Dollar Life Plan he is considering has life cover of \$500k with an initial monthly premium of \$141. Based on his tax position and not nominating his estate as a beneficiary, George's Dollar Life Plan will not be subject to 25% estate duty taxes. The Classic Life Plan that he is considering his life cover of R7.5m for an initial monthly premium of R2 017.

* Exchange rate of R15/\$1, 45 years old, SE Class 1, Gold Vitality Status, Funding pattern: AcceleRator, ABI: CPI



UPFRONT PREMIUM COMPARISON

The current exchange rate is R15/\$. This means that the Dollar and Classic Life Plans considered currently offer an equivalent amount of life cover. However, the Dollar Life Plan monthly premium converted to rands is R2 118, making this premium 5% more expensive than the Classic Life Plan premium.

With the Classic Life Plan, when George passes away, his life cover will form part of his estate and will be subject to 25% estate duty tax. However, with the Dollar Life Plan, his life cover will not form part of his estate and his loved ones will receive the full \$500k.

5%
HIGHER NET EFFECTIVE PREMIUM



PREMIUM COMPARISON CONSIDERING ESTATE DUTIES

George decides that he wants his loved ones to receive R7.5m after estate duty tax has been allowed for. In order to receive this amount of cover under the Classic Life Plan, he increases his life cover to R10m, which corresponds to a premium of R2 679. George's premium under the Dollar Life Plan is still \$141 (R2 118), making it 21% more efficient than his premium under the Classic Life Plan.

21%
LOWER NET EFFECTIVE PREMIUM



PREMIUM COMPARISON INCLUDING THE OFFER

George adds the Vitality Exchange Rate Protector to his new Dollar Life Plan for an additional \$14 and qualifies for the R10.90/\$ New Dollar Life Plan offer, which increases his premium to \$155. By adding this offer, his premium converted to rands is now R1 690, making his premium 37% more efficient than his premium would be with the Classic Life Plan.

37%
LOWER NET EFFECTIVE PREMIUM

By adding the Vitality Exchange Rate Protector, clients benefit from exchange rate certainty for an additional 6 years even after the end of the offer period. Through the Dollar Life Plan, George benefits from authentic offshore protection, tax efficiencies, and exchange rate certainty which results in excellent premium efficiency.

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 a 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 Dollar Life Plan to take advantage of the preferential rate, the rate will be removed from the new Dollar Life Plan 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.
- Reinstatements of policies that 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. It 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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