



Limited offer

# SMARTGUARANTEE OFFER

*Demonstrating our guaranteed competitiveness through our Shared-value Insurance model*

Under this SmartGuarantee Offer, your clients can receive a whole-of-life discount on qualifying benefits to ensure competitiveness against comparable benefits elsewhere in the market. In qualifying cases where the integrated Discovery premium is higher on a like-for-like basis, a SmartGuarantee discount is automatically calculated and applied, providing a cheaper premium than the other insurer by up to 10%.

# Guaranteed competitiveness through our Shared-value Insurance model

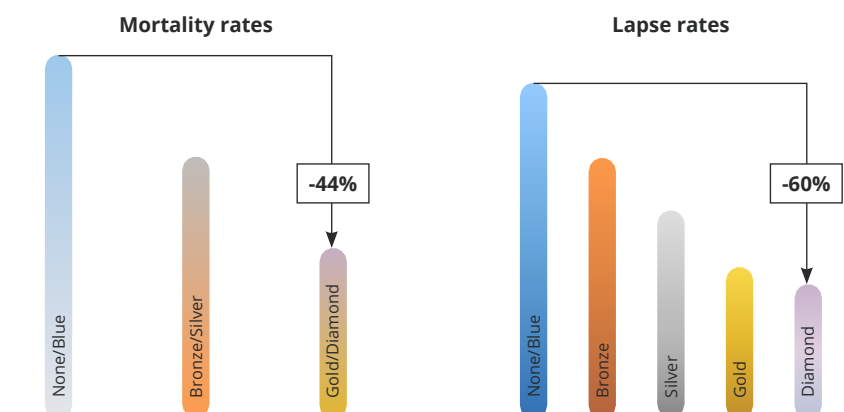
Our Shared-value Insurance model has proven powerful in incentivising the positive behavioural change of our clients. This has manifested in significantly better morbidity, mortality and persistency experience when compared to the rest of the market. Over a ten-year period, clients' healthy behaviour resulted in over R10 billion\* in lower claims relative to what would be expected without incentives, engagement and rewards. It is this value that is shared back to policyholders through the Shared-value Insurance model, benefiting all parties involved. These favourable outcomes have resulted in a structural pricing advantage, that has allowed us to provide a unique offering to our clients, ensuring that they receive the best price within the market for their risk cover.

## The power of shared-value insurance and our structural pricing advantage

Discovery Life is in a unique position to segment risk more accurately upfront through Vitality Rating, and to continually assess a client's individual level of health and financial wellness through Vitality, Discovery Health and Discovery Bank using dynamic underwriting.

By facilitating an accurate assessment of a client's upfront and ongoing risk, while providing incentives for health engagement and financial management, we are able to lower a client's long-term lapse, morbidity and lapse risk. This ensures that from inception, and throughout the term of the policy, our clients are able to realise value.

### THE SHARED-VALUE INSURANCE MODEL DELIVERS SUPERIOR ACTUARIAL OUTCOMES



This is in contrast to traditional underwriting where life insurers only collect limited information about a policyholder's risk once, and then predict the policyholder's future lapse, morbidity and mortality risk. These rating factors are insufficient for traditional insurers to accurately segment healthy standard lives. Furthermore, since the information collected at inception is the only information that the traditional insurer has for the duration of the policy, the insurer will price the policy based on the average experience of a policyholder with similar rating factors.

\* Internal Discovery Life data

By giving policyholders upfront credit for their future health and wellness management, Discovery Life has a structural pricing advantage over the rest of the life insurance market that allows us to offer premiums below the traditional rate.

*Our pricing advantage achieved through integration means that when compared on a like-for-like basis, Discovery Life is cheaper than the rest of the market 91% of the time on a Health Integrated policy, and almost always cheaper when Bank Integration is added as well.*

PRICING ADVANTAGE DISPLAYED BY COMPARING DISCOVERY LIFE'S PREMIUMS TO THE REST OF THE MARKET ON A LIKE-FOR-LIKE BASIS					
	AGE	COMPETITOR 1	COMPETITOR 2	COMPETITOR 3	AVERAGE
♂	25	-22%	-27%	-34%	-28%
	30	-25%	-16%	-33%	-25%
	35	-27%	-22%	-34%	-28%
	40	-17%	-21%	-23%	-20%
	45	-17%	-18%	-20%	-20%
	50	-8%	-18%	-18%	-15%
	55	-4%	0%	-14%	-6%
	60	-6%	0%	-14%	-7%
♀	25	-21%	-20%	-33%	-24%
	30	-16%	-5%	-27%	-16%
	35	-31%	-13%	-27%	-24%
	40	-36%	-6%	-24%	-22%
	45	-35%	-16%	-18%	-23%
	50	-38%	-16%	-12%	-22%
	55	-38%	-4%	-11%	-18%
	60	-35%	9%	3%	-10%

**Assumptions:** R2 million life cover with 50% Severe Illness Benefit and 80% Capital Disability (comparable benefits versions), AcceleRater funding pattern, Comprehensive Saver Health Plan, non-smoker, Class 1 rates, including of upfront discounts provided by competitors

While our premiums are almost always lower than the market average, there may be a few isolated cases where an integrated premium is more expensive than comparable benefits from another insurer. As a result, we are removing the effect of any pricing anomalies through the SmartGuarantee Offer, by utilising our Shared-value Insurance model to offer more competitive premiums than the market.

## INTRODUCING THE SMARTGUARANTEE OFFER

The SmartGuarantee Offer provides the most competitive premium relative to the market. Through this offer, we are able to better the premium of a quote from the market by 5%, where the fully Vitality or Health Integrated Discovery Life premium is not cheaper on a like-for-like basis. If the Discovery Life quote is also Bank Integrated, we will better the premium of a quote from the market by 10%\*.



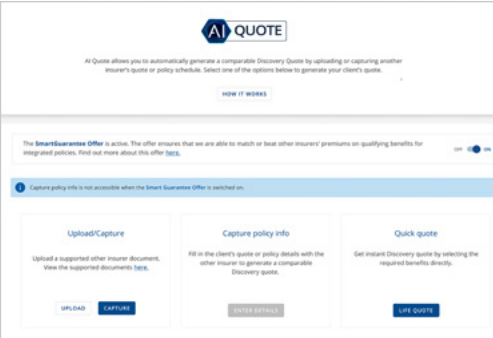
This like-for-like comparison is based on the Essential Plan premium rates. By presenting the competitor's quote, a comparable or more comprehensive Discovery quote will be generated through AI Quote, that is guaranteed to have a lower premium, subject to a maximum discount of 15%.

\*A maximum discount of 15% applies.

# TAKE ADVANTAGE OF THE SMARTGUARANTEE OFFER USING AI QUOTE

The SmartGuarantee Offer ensures that all clients benefit from the powerful value proposition created through Integration – Discovery Life’s unique dynamic pricing advantage – and Vitality Rating.

01

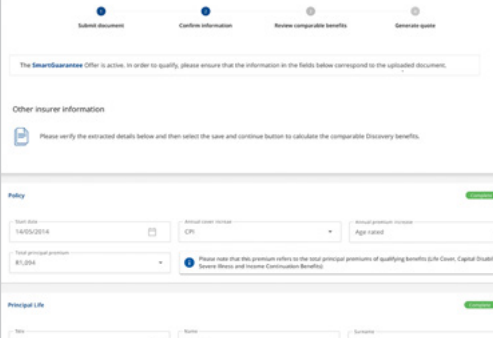


**Upload another insurer's quote or policy schedule**

You can access AI Quote by logging in to the Financial Adviser Zone and navigating to the **New business** tab. Once you have selected the Life AI Quote option, you can begin the quote generation process where the SmartGuarantee Offer is automatically at work.

In order to qualify for this offer, you are required to upload the document of the insurer that you are comparing to.

02

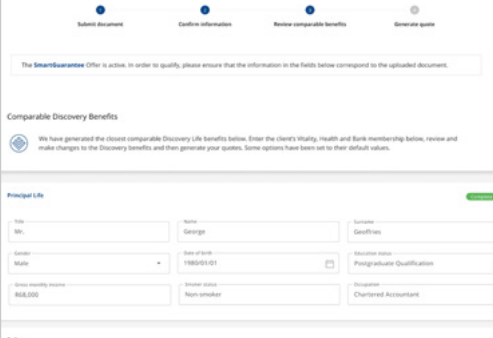


**Ensure all relevant insurer details are filled in**

Once the document has been uploaded, ensure that all the relevant information has been included in the required fields and that it corresponds to the uploaded document.

The premium for the principal life assured's qualifying benefits is also required to be entered correctly to qualify for the offer. Qualifying benefits include Life Cover, Severe Illness, Capital Disability, Income Continuation and Top-up Income Continuation Benefits.

03

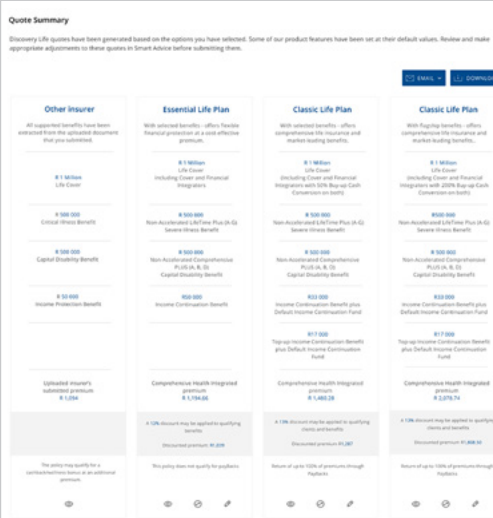


**Comparable Discovery benefits generated**

Comparable Discovery benefits are then generated. We advise only changing benefits to be comparable with, or more comprehensive in comparison to the other insurer's benefits. If you change benefits to be lesser than the competitors quote, the policy will no longer qualify for the offer.

Remember to fill in the required fields under the **Discovery Membership** section. Only integrated policies can qualify for a SmartGuarantee discount. You have the option of integrating with Vitality, Health and/or Bank.

04



**SmartGuarantee discount awarded to qualifying quotes**

After clicking **Generate Quotes**, a quote summary will appear showing different Discovery Life quotes suited to your client's needs, where the SmartGuarantee discounts are applied to the qualifying quotes.

Once the discounted quotes have been verified and qualification for the offer has been confirmed, you will be notified by email within three working hours.

**Awarding of discounts is at the absolute discretion of Discovery Life.** In cases where the benefit comparison is not exact, we may suggest an alternative benefit structure which we would consider to be more comparable and thus eligible for a discount.

Your quotes will be ready on SmartAdvice, where changes to the benefits are restricted to remaining comparable or changing them to be more comprehensive than the other insurer's benefits.

Please view the Qualifying Criteria document on the Financial Adviser Zone or directly in Life AI Quote, for more information on the qualifying criteria of the SmartGuarantee Offer.

# THE SMARTGUARANTEE OFFER IN ACTION



## Meet Hailey

01

### Upload quote or policy schedule

Hailey is looking for competitive and comprehensive cover. Her financial adviser, Adam, has generated a quote for Hailey from another insurer. He wants to investigate the offering from Discovery Life, so he decides to upload the quote to AI Quote to see whether he is able to get a more competitive premium for Hailey.

02

### Confirm other insurer information

Discovery Life's quote turns out to be R100 more expensive than the other insurer's quote. Since Hailey has opted to integrate through Vitality, we guarantee that we will beat the cheaper quote by 5%, through the SmartGuarantee Offer.

03

### Review comparable benefits

Discovery life's premium of R1,194 is discounted by 13% to beat the insurers premium of R1,094. Our discounted quote provided through the SmartGuarantee Offer becomes 5% cheaper than the other insurer's quote at R1,039.

04

### Generate quote

Hailey has discussed with Adam that because of the discounted premium, she would be able to consider more comprehensive benefits. The 13% discount is awarded on the more comprehensive quote, too, saving Hailey a monthly premium of R270.24.

## TECHNICAL DETAILS

- The offer runs from 1 April 2022 until 30 June 2022.
- The uploaded quote or policy schedules must have a start date of 1 April 2022 to 1 September 2022 to qualify for the offer.
- In order to qualify for the discount, the financial adviser needs to generate comparable Discovery quotes through AI Quote and provide a qualifying competitor quote or policy schedule which should not be older than two years before the start of the offer period.
- Qualifying benefits include Life Cover, Capital Disability, Severe Illness, Income Continuation and Top-up Income Continuation Benefits. The policy is required to have Cover and Financial Integrator in order to qualify.
- Qualifying plans include Essential, Classic and Purple plans. The policy is required to be comprehensively integrated.
- A maximum discount of 15% applies.
- The offer is restricted to an A1 health rating with no loadings based on Discovery Life's underwriting criteria. The principal is required to have an A1 rating on all benefits on their policy.
- Awarding of discounts is at the absolute discretion of Discovery Life. In cases where the benefit comparison is not exact, we may suggest an alternative benefit structure which we would consider to be more comparable and thus eligible for a discount.
- Any additional premiums as a result of a loading (occupational, hazardous or territorial) on the principal life's benefits will not form part of the premium that qualifies for the discount. A SmartGuarantee discount may still be awarded to policies that have a loading; however the policy may not qualify for a full SmartGuarantee discount. Additional testing will be done to determine whether the full SmartGuarantee discount can be awarded.
- Discovery Life's normal minimum benefit rules apply and the amount of cover that can qualify for the offer is limited as follows:
  - Life Cover and Capital Disability Benefit: R10 million (including Cover and Financial Integrator, excluding Vitality Fund)
  - Severe Illness Benefit: R6 million (including Cover and Financial Integrator)
  - The sum of the Income Continuation Benefit and Top-up Income Continuation Benefit: R245 000
- If the insured amount on any of the benefits that qualify for this offer is reduced through elective servicing from 1 April 2022 to 28 September 2022, all discounts on the policy will be removed with immediate effect. The same will apply if a client reduces their cover or reduces the comprehensiveness of their benefits on any other Discovery Life product.



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