



# Buy-up Income Continuation Fund offer

**Get a 20% discount on Income Continuation  
Benefit premiums for three years**

To encourage long-term income protection, clients can receive a 20% discount on Income Continuation Benefit and Top-up Income Continuation Benefit premiums for three years when taking out a Comprehensive Income Continuation Benefit with the Buy-up Income Continuation Fund.

**Limited offer** | valid until 15 December 2022

# Discovery Life's Income Continuation Benefit

*Discovery Life's Income Continuation Benefit is a market-leading product that protects your clients for whole of life by paying your client's monthly income if they are unable to work due to sickness or injury, while also allowing them to use their engagement in health and wellness to boost income in retirement.*

## KEY FEATURES OF THE COMPREHENSIVE INCOME CONTINUATION BENEFIT



### Long-term care protection

Protection into retirement should your client suffer from injury or illness defined under our Long-term Care criteria.



### Immediate upgrade to 100% on becoming permanently disabled

A client's benefit amount will be upgraded by paying 2.5 times their insured amount, up to 100% of their income after tax, if they become permanently disabled. We will also waive their waiting period.

On the Essential option, the insured amount will be boosted by 1.33 times if your client becomes permanently disabled and unable to perform their nominated occupation.



### Protecting annual bonuses

We recognise that many people earn a substantial portion of their income through annual bonuses. So, for an additional premium on the Comprehensive option, your client can protect their annual bonuses for up to five years upon experiencing a qualifying permanent disability through the Performance Bonus Protector.



### Automatic lifestyle protection

The Comprehensive option provides peace of mind through a variety of benefits that cover all aspects of a client's lifestyle:

- Automatic cover for other qualifying Discovery product premiums for up to 24 months through the Contribution Protector
- Protecting your client's income should their spouse or child suffer a Severity A or B illness through the Family Protector Benefit
- A four-month waiver of qualifying Discovery Life Plan premiums after childbirth or adoption through the Maternity Premium Waiver Benefit



### Increase cover without underwriting

Increase cover by 20% without additional underwriting every three years, subject to a negative HIV test.



### Receive retrospective payouts

Certain professionals in private practice who select a seven-day or a one-month waiting period can get backdated payouts from day one after suffering a qualifying injury or illness.



### Top-up Income Continuation Benefit

Clients can protect up to 100% of their income (after tax) on temporary disability for up to 24 months by combining the Top-up Income Continuation Benefit with the Income Continuation Benefit.

# Converting health and wellness into additional income in retirement

*Discovery Vitality members live longer, more productive lives. Their increased longevity means saving for retirement is even more crucial. In recognition of this, we have created the Income Continuation Fund, which monetises health and wellness management before retirement, into a significant financial asset after retirement that can be used to supplement retirement income<sup>1</sup>.*

## HOW THE INCOME CONTINUATION FUND WORKS

### 01 | CHOOSE THE FUND ACCRUAL PERCENTAGE

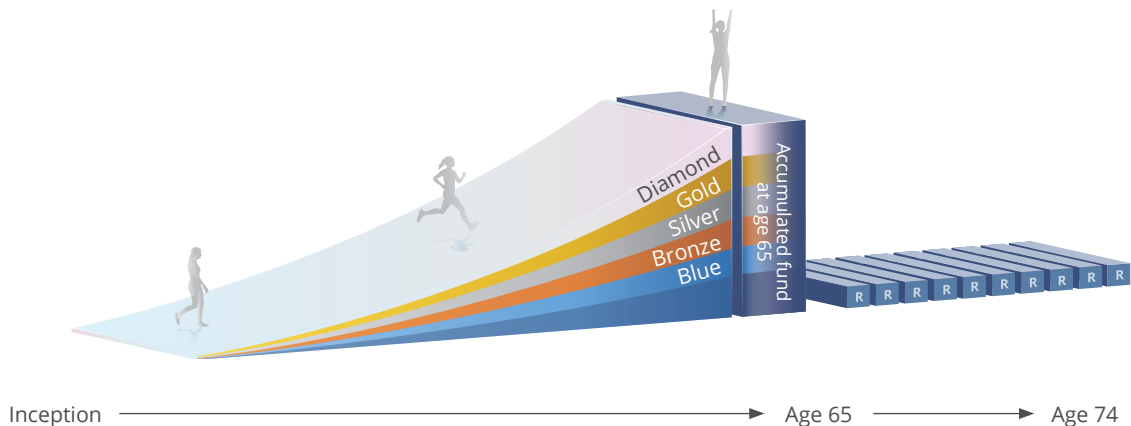
At the start of the Income Continuation Benefit, a fund equal to 10% of your client's insured amount is automatically established. For an additional premium, they also have the option of upgrading to the Buy-up Income Continuation Fund, where 100% of their Income Continuation Benefit insured amount is deposited into this fund.

### 02 | GROW THE FUND

Every year, an additional 10% (automatic option) or 100% (Buy-up option) of your client's insured amount is deposited into the fund. This grows by the selected Annual Benefit Increase on their Income Continuation Benefit as well as an adjustment that considers how well they are managing their health and wellness through Vitality and their health claims on their health plan administered by Discovery Health (if applicable).

### 03 | RECEIVE ADDITIONAL INCOME IN RETIREMENT

The accumulated Income Continuation Fund will be paid out in 10 equal instalments, with the first payout being made at the end of the month in which your client turns 65. This provides them with a substantial additional income in retirement, generated through their health and wellness management throughout their working life.



<sup>1</sup> Please note that the Income Continuation Fund is a risk product and not an investment product and, as such, has no lapse or surrender value.

# Buy-up Income Continuation Fund offer

To reward clients for recognising the importance of protecting their income for life, we are offering a 20% discount on qualifying Income Continuation Benefit and Top-up Income Continuation Benefit pre miums for three years, if a client opts for the Buy-up Income Continuation Fund. The Buy-up Income Continuation offer provides your clients with both market-leading income protection at a 20% discount and boosted income in retirement.



## MEET JOHN

John, a 45-year-old director, takes out a Comprehensive Health Integrated Classic Life Plan and selects to insure R50,000 per month under the Income Continuation and Top-up Income Continuation benefits. He also adds the Buy-up Income Continuation Fund and as a result qualifies for a 20% discount on his Income and Top-up Income Continuation Benefit premiums for three years.

01

### He experiences a lower net effective premium

John's total Income Continuation Benefit premium is R2,193. By qualifying for the offer, his effective premium goes down to R1,754. This 20% discount for three years is in addition to the normal integration discounts of up to 42% for linking his life plan to Vitality, Discovery Health and Discovery Bank.

02

### A R50,000 fund is set up for him which is topped up annually

At the start of his policy, Discovery deposits R50,000 into his Income Continuation Fund, which more than offsets the income protection premiums he will pay in the first two years. He effectively receives a full '13th cheque' into this fund each year until age 65.

03

### He grows his fund by leading a healthy lifestyle

Each year, for 20 years, an additional 100% of his insured amount is deposited into his fund. By managing his health and wellness, John attains a Diamond Vitality status and minimal health claims. As a result, his accumulated Income Continuation Fund grows at 7.5% every year until age 65.

04

### He receives additional income in retirement

John accumulates a fund of over R3.4 million at age 65. This pays out in 10 equal installments from age 65 to 74. Through the offer, Mark achieves a 15.5% per annum<sup>2</sup> return on his Buy-up Income Continuation Fund premium over the 20 years.

Assumptions: Comprehensive Health Integration, AcceleRater funding pattern, CPI, 7 day waiting period

<sup>2</sup> Please note that the Income Continuation Fund is a risk product and not an investment product and, as such, has no lapse or surrender value.

# Valuable returns for clients of all ages

*The Buy-up Income Continuation Fund monetises clients' engagement in health and wellness to offer significant returns on their premiums. The following table shows the returns on the Buy-up Income Continuation Fund premiums that clients can achieve through various levels of engagement, once the offer is taken into account. Based on R40,000 cover under the Income Continuation Benefit and R10,000 under the Top-up Income Continuation Benefit, clients of different ages receive returns of up to 18%<sup>3</sup>.*

Age	Blue		Silver		Diamond	
	Fund value at age 65	Return on premium	Fund value at age 65	Return on premium	Fund value at age 65	Return on premium
25	R4.3m	13.4%	R7.6m	15.8%	R13.4m	18.1%
35	R3.1m	12.5%	R4.5m	14.7%	R6.7m	16.9%
45	R2.3m	12.3%	R2.8m	13.9%	R3.4m	15.5%
55	R826k	9.3%	R926k	10.5%	R1m	11.8%

<sup>3</sup> Please note that the Income Continuation Fund is a risk product and not an investment product and, as such, has no lapse or surrender value.

## TECHNICAL DETAILS

- Applies to new and existing clients who upgrade to the latest version of the Income Continuation Benefit and who add the Buy-up Income Continuation Fund between 1 April and 15 December 2022 with a start date of between 1 April 2022 and 1 March 2023.
- Clients must select an Annual Benefit Increase on their Income Continuation Benefit of CPI or 6.5% in order to qualify.
- The discount will not be applied to the Buy-up Income Continuation Fund and Performance Bonus Protector premiums.
- The limited offer will be removed if an insured person on the new policy (with the limited offer) lapses a pre-existing Life Plan or removes their Buy-up Income Continuation Fund on a pre-existing Life Plan on which they are an insured person from:
  - 1 April 2022 until 28 September 2022 where the new policy was taken out prior to 1 July 2022.
  - 1 July 2022 until 28 December 2022 where the new policy was taken out between 1 July 2022 and 30 September 2022.
  - 1 October 2022 until 30 March 2023 where the new policy was taken out after 1 October 2022.
- Available on all Life Plans, funding patterns and Integration types that qualify for the Buy-up Income Continuation Fund.





