

Policy Document

Standard terms and conditions

This product is a Credit Insurance Policy that covers Death, Permanent Disability and Retrenchment. This product is underwritten by Guardrisk Life Limited (FSP License Number 76) and administered by Capitec Bank Limited (FSP License Number 46669).

1. INTERPRETATION

- 1.1 **'Arrears Premium'** means Premium in arrears due to the non-payment by the Insured;
- 1.2 **'Benefit'** means the Benefit you qualify for as specified in this Policy document;
- 1.3 **'Capitec Bank Limited'** means the credit provider, with registration number 1980/003695/06, who is authorised by the Insurer to perform intermediary and binder functions on behalf of the Insurer. Capitec Bank Limited ('Capitec Bank') is an authorised Financial Services Provider, FSP number 46669;
- 1.4 **'Credit Agreement'** means an agreement in terms of which the Insured is indebted to Capitec Bank Limited and which meets the criteria for credit agreements as set out in section 8 of the National Credit Act, No 34 of 2005 (as amended);
- 1.5 **'Date of Disability'** means the date upon which the Insured was last capable of fulfilling his normal employment duties with his employer as reasonably determined by the Insurer on the basis of objective medical evidence. If the Insured is not employed, the date of disability will be a date as determined by the Insurer on the basis of objective medical evidence;
- 1.6 **'Entry Date'** means the date on which cover commenced and will be the date the credit was granted;
- 1.7 **'Event'** means the event which gave rise to your claim in terms of this Policy;
- 1.8 **'Fixed-term contract'** means a contract of employment that terminates on the occurrence of a specified event;
- 1.8.1 the completion of a specified task or project; or
- 1.8.2 a fixed date, other than an employee's normal or agreed retirement age.
- 1.8.3
- 1.9 **'Insured'** means the life to whom Capitec Bank granted credit in term of a Credit Agreement, who is listed in the Policy Certificate and for whom the full premium has been paid up to date. The Insured is also referred to as the Life Insured;
- 1.10 **'Insurer'** means Guardrisk Life Limited ('Guardrisk'), a registered long-term insurer with registration number 1999/013922/06 and an authorised Financial Services Provider, FSP number 76;
- 1.11 **'Maximum Expiry Age'** means the last day of the month in which you attain the respective expiry age. The Maximum Expiry Age is 65 for all benefits excluding the Death Benefit where your Credit Agreement is in respect of a Capitec Bank credit card facility. For this benefit The Maximum Expiry Age is 75;
- 1.12 **'Misrepresentation'** means the conscious decision to provide inaccurate or incorrect information in relation to any personal details or medical history or to change the true facts to mislead an interested party. This shall also mean the failure to disclose material information at the date of application that had the Insurer been aware of would have resulted in the Policy not being issued;
- 1.13 **'Notification Date'** means the date on which written notice is received by Capitec Bank of a claim Event;
- 1.14 **'Outstanding Amount'** means the amount owing by the Insured in terms of the Credit Agreement as at the end of each month, including capital, interest, penalty interest and fees provided for in the National Credit Act 34 of 2005, other fees, Arrears Premium and costs charged on arrear amounts;
- 1.15 **'Period of Insurance'** means the period for which premiums remain paid and the policy remains in force;
- 1.16 **'Permanent Disability/Disabled'** means the permanent and total inability, in the opinion of the Insurer, of the Insured due to accident, injury, disease or illness to engage in his own occupation, or the permanent impairment of the Insured's mental or physical condition(s) to such an extent that he is unable to attend to his normal bodily functions, or the permanent loss of use by the Insured of two limbs, or the sight in both eyes, or one limb and the sight in one eye. If the Insured is unemployed at the date of disability, they will be assessed on the occupation they held on which the credit was granted;
- 1.17 **'Policy'** means this policy, the terms and conditions, and any endorsements thereto;
- 1.18 **'Premium'** means the monthly amount payable as stated in the Policy Certificate or on any endorsement issued in terms of this Policy;
- 1.19 **'Retrenchment'** means the Insured suffering a loss of employment, as a result of the implementation of a staff reduction program, adverse business conditions, the liquidation of the employer, the introduction of new technology, or the reorganisation of the business by the Insured's employer in accordance with the Labour Relations Act of 1955. The loss of employment shall mean the Insured becoming unemployed as a result of retrenchment from his/her primary employer on or after the Entry Date;
- 1.20 **'Sum Assured'** means the equivalent of Outstanding Amount;
- 1.21 **'Waiting Period'** means a period of 3 months from the Entry Date of your Policy during which time only 50% of the Outstanding Amount will be paid and only once expired will full cover be granted.

2. SCOPE OF COVER

- 2.1 In return for payment of a monthly premium, a benefit amount will be paid subject to the following:
 - 2.1.1 The insured event occurs within the period of insurance;
 - 2.1.2 The event giving rise to a claim is covered in terms of the exclusions and/or the terms and conditions of this policy;
 - 2.1.3 The truth and accuracy of the information given at the time of application;
 - 2.1.4 You provide us with all the relevant documents that we may require;
 - 2.1.5 The claim is reported within the prescribed periods.
 - 2.2 The benefit payable will be based on the following:
 - 2.2.1 In the event of Death, the benefit will be a lump sum amount payable to Capitec Bank Limited;
 - 2.2.2 In the event of Permanent Disability, the benefit will be a lump sum amount payable to Capitec Bank Limited;
 - 2.2.3 In the event of Retrenchment, the benefit will be a lump sum amount payable to Capitec Bank Limited.
 - 2.3 The Insurer reserves the right to amend, add or change the terms and conditions of this Policy by way of endorsement by giving you 30 days' notice.
- 3. **ELIGIBILITY**
 - 3.1 You qualify for this Policy if:
 - 3.1.1 You have a Credit Agreement with Capitec Bank and elected to maintain this Policy;
 - 3.1.2 You have an Outstanding Amount with Capitec Bank; and
 - 3.1.3 You are over the age of 18 but not over the Maximum Expiry Age.
 - 3.2 For your protection this Credit Insurance policy is offered in terms of a Credit Agreement with Capitec Bank. You have the right not to take this Credit Life policy, but then you have to cede an alternate policy to Capitec Bank and the interest of Capitec Bank must be noted and recorded by the Insurer. Such policy must have at least the same benefits as this policy, and have the same or less exclusions as this policy and be acceptable to Capitec Bank. Should your circumstances change in relation to your employment at any time after the Entry Date and by virtue of the change you no longer qualify for the Disability and Retrenchment benefits (i.e. you now fall outside the scope of cover and within the exclusions as provided by the Policy), you must inform Capitec Bank immediately so that you are no longer charged a Premium for the Disability and Retrenchment benefits.
 - 3.3 Should your circumstances change in relation to your employment at any time after the Entry Date and by virtue of the change you no longer qualify for the retrenchment benefit (i.e. you now fall outside the scope of cover and within the exclusions as provided by the policy or you become unemployed), you must inform Capitec Bank immediately so that you are no longer charged a premium for the retrenchment benefit.
- 4. **DEATH BENEFIT**
 - 4.1 The Outstanding Amount as at the Notification Date will be paid if you pass away.
- 5. **PERMANENT DISABILITY BENEFIT**
 - 5.1 The Outstanding Amount as at the Notification Date will be paid if you become Permanently Disabled.
 - 5.2 Valid claims will be paid after an assessment period of 6 months from the Date of Disability. This is to establish permanency of the Disability. The Insurer may waive this period at its sole discretion. No benefit will be paid if you are disabled during the first 12 months of the Policy if the disability is the result of an injury or illness for which you received medical treatment in the 6 month period preceding the Entry Date of the Policy. This provision also applies to increases in cover brought about by increases in the credit granted.
- 6. **RETRENCHMENT BENEFIT**
 - 6.1 The Outstanding Amount as at the Notification Date will be paid if you become retrenched. Only 50% of the Outstanding Amount will be paid during the 3 month Waiting Period. After the expiry of the 3 month Waiting Period, the Outstanding Amount will be paid.
 - 6.2 The Retrenchment benefits will be paid provided that:
 - 6.2.1 You are not self-employed, nor a partner in a partnership nor a member in a closed corporation nor an executive director of your employer;
 - 6.2.2 You are not employed by a family company;
 - 6.2.3 You have not resigned, retired or accepted voluntary retrenchment or redundancy, and you were not aware at the Entry Date and did not have reasonable grounds for believing that you would become unemployed, retrenched or redundant;
 - 6.2.4 You did not cause your own dismissal through your willful action;
 - 6.2.5 Your unemployment is not due to pregnancy, childbirth, abortion, miscarriage, mental disorder, disease or illness, ill-health, incapacity due to an accident or injuries;
 - 6.2.6 No other benefits in terms of this policy are paid at the same time;
 - 6.2.7 Your unemployment was not caused by a strike, labour dispute or industrial action whether you were participating or not;
 - 6.2.8 You are not employed in terms of a Fixed-term contract;

- 6.2.9 Your unemployment was not caused by any lawfully constituted authority nationalising, confiscating or commandeering the assets of your employer;
- 6.2.10 You are not dismissed by your employer having been found guilty of fraud, dishonesty or any other misconduct;
- 6.2.11 You have not absconded from your job;
- 6.2.12 You have complied with all the terms and conditions of the Policy;
- 6.2.13 You are not employed in the informal sector where there is no written permanent contract between the employer and employee;
- 6.2.14 Your work is not seasonal.

7. GENERAL EXCLUSIONS

- 7.1 No benefit will be payable if a claim is in any direct or indirect way caused by, related to, as a consequence of or a result of:
 - 7.1.1 Any nuclear reaction or nuclear radiation;
 - 7.1.2 Active participation in war, invasion, act of foreign enemy, hostilities or warlike operations (whether war has been declared or not), civil war, military uprising, military or usurped power, martial law, insurrection, rebellion or revolution;
 - 7.1.3 Active participation in any mutiny, riot or civil commotion that assumes the proportions of or amounts to a popular uprising;
 - 7.1.4 Active participation in acts of terrorism or action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism, even if there are other causes or events that contribute to the claim at any stage.

8. PREMIUM PAYMENT

- 8.1 The premium is payable monthly in arrears and is calculated and based on the Outstanding Amount. The premium is calculated at a rate per R1000.00 of the Outstanding Amount. Your premium rate may be increased or decreased annually subject to us giving you 30 days' notice.
- 8.2 If we do not receive your premium on the due date, a grace period of 30 days will be given to you to keep the Policy up to date. During the grace period all benefits will remain in force. If any Event occurs during the grace period that results in a valid claim, the benefit will be paid subject to the payment of outstanding premiums. Should you fail to pay the Premium, Capitec Bank Limited will be entitled (but not obliged) to pay the Premium on your behalf and recover the Premium from you in terms of the Credit Agreement. The Premium paid by Capitec Bank on your behalf will be debited to the Outstanding Amount. Should a premium remain unpaid for a period longer than the grace period and if Capitec Bank Limited chooses not to pay the Premium on your behalf, the policy will lapse automatically and all benefits will cease to provide any further cover.
- 8.3 Where the Policy has lapsed, the Policy may be reinstated subject to approval by the Insurer. Reinstatements will at all times be subject to such conditions as the Insurer may determine. The insurer will not entertain reinstatement of a lapsed Policy until all Arrear Premiums have been paid to the Insurer.

9. TERMINATION OF THE POLICY

- 9.1 This policy will terminate or end on the earliest of the following:
 - 9.1.1 On the date the Credit Agreement with Capitec Bank ends;
 - 9.1.2 On your Death, Retrenchment or the date of Your Total Permanent Disability;
 - 9.1.3 When you reach the Maximum Expiry Age;
 - 9.1.4 When the Policy Lapses due to the non-payment of Premiums;
 - 9.1.5 When either you or us cancel the Policy.

10. CANCELLATION PROCEDURES AND CONSEQUENCES

- 10.1 You have the right to cancel this Policy at any time by giving us 30 days' notice of the intention to cancel. Such cancellation, after the initial 30 days from the Entry Date, will not attract a refund of any premiums paid.
- 10.2 Should you wish to cancel the Policy within the initial 30 days from the Entry Date where no benefit has yet been paid or claimed or an event insured against has not yet occurred and where premiums have been paid, you are

entitled to a premium refund, subject to the deduction of the cost of any risk cover actually enjoyed and any market loss where the market value of the investments made has decreased in the intervening period due to prevailing market conditions.

- 10.3 Should you wish to cancel this Policy during or after the initial 30 days from the Entry Date, you have to cede an alternate policy to the Credit Provider and the interest of the Credit Provider must be noted and recorded by the Insurer. Such policy must have at least the same benefits as this policy, have the same or less exclusions as this policy and be acceptable to Capitec Bank.

11. NO SURRENDERS OR CESSIONS

This policy acquires no surrender, paid-up or loan values. This policy may not be ceded to any other person or entity other than Capitec Bank.

12. MISREPRESENTATION

If any claim under this Policy is in any way misrepresented or any fraudulent means are used by you or anyone acting on your behalf to obtain any benefit under this Policy or if any of the Events insured against are occasioned by your intentional act, or with your connivance, all benefits under the Policy and all premiums paid in terms of the Policy will be forfeited and the Policy will be voidable at our option. Appropriate action will be taken as deemed necessary by the Insurer.

13. THE CLAIMS PROCESS

- 13.1 Capitec Bank should be notified of the claim within 12 months of the date of the Event. The notification of the claim may be done as follows:
 - 13.1.1 At any Capitec Bank branch or
 - 13.1.2 By calling Capitec Collection Services Enquiries at 0860 66 77 83 or
 - 13.1.3 Via e-mail to creditinsuranceclaims@capitecbank.co.za or
 - 13.1.4 Via fax to 0860 11 11 52.
- 13.2 The claim form and list of required claim documents are available on www.capitecbank.co.za or will be provided to you when you lodge a claim.
- 13.3 The claim form and relevant documents should be submitted to Capitec Bank as soon as possible but within 3 months of the Notification Date via email or fax.
- 13.4 We may ask for additional information to assist with the assessment of the claim.
- 13.5 You will be notified whether your claim has been accepted or rejected.
- 13.6 An amount equal to the Outstanding Amount as at the Notification Date of your claim will be paid to Capitec Bank subject to the terms and conditions of this policy.
- 13.7 Any death, disability or retrenchment should be notified to Capitec Bank within 12 months of the claim Event and the claims form and relevant document should be submitted to Capitec Bank within 3 months of the Notification Date, failing which all benefits in respect of such claim shall be forfeited and no liability can arise in terms of such claim.

14. TREATING CUSTOMERS FAIRLY

- 14.1 This product has been created to meet your requirements. We will at all times deliver on customer service and customer expectations by enforcing the principles of Treating Customers Fairly (TCF). The TCF principles ensure we apply fairness to all client experiences relating to new business, policy terms, service, complaints and claims processes. The TCF framework has 6 outcomes which are:
 - 14.1.1 You are confident that your fair treatment is key to our culture;
 - 14.1.2 Products and services are designed to meet your needs;
 - 14.1.3 We will communicate clearly, appropriately and on time during the lifespan of your Policy;
 - 14.1.4 We provide advice which is suitable to your needs and circumstances;
 - 14.1.5 Our products and services meet your standards and deliver what you expect;
 - 14.1.6 There are no unreasonable barriers to access our services, or to lodge a claim or to lodge a complaint.