

## Sanlam Risk Cover Helping to provide proper cover to our clients, even in these uncertain times



The global COVID-19 pandemic has impacted all aspects of our lives: the way we live, the way we connect with one another, the way we conduct business. The decisive step by the President to announce a lockdown sends a strong signal to all of us to do our part to combat the spread of the pandemic.

We also realise that this is a difficult time for our clients whose financial means are negatively affected because of the national lockdown and general economic uncertainty. This is forcing them to make difficult financial decisions and to re-prioritise their regular monthly expenses in order to survive financially.

However, during times like these our clients also understand the importance of proper risk cover, in protecting themselves, and their loved ones financially when an unfortunate life or health event happens. It is equally important to protect, as far as possible, the cover that they already have in place.

Sanlam is offering greater flexibility of cover on our Matrix product over this period, to allow clients to re-prioritise their risk cover needs in the short term, but also put their full risk protection plan back on track in the longer term.

Two options will be available on **Matrix plans** to provide this premium relief:

**1**

Cover flexibility option

**2**

Premium holiday option





## Cover flexibility option

The purpose of this option is to enable our clients to re-prioritise their risk cover needs, with the help of their intermediary, over the short term, with the ability to increase cover back to previous levels without medical underwriting.

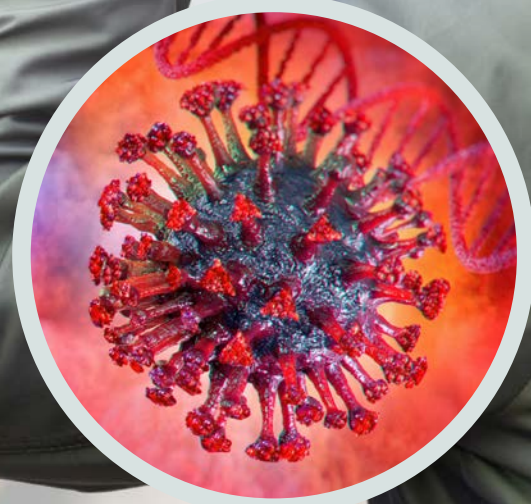
- ④ Instead of potentially having to lapse a plan altogether, cover can be reduced to a level that will be affordable during this period.
  - The normal alteration quotation process must be used for these reductions.
  - Normal commission adjustments will be triggered in respect of these reductions.
- ④ In order to qualify fully for future underwriting concessions, at least 50% of the cover amount of a benefit, with the exception of Funeral or Accidental benefits, should be retained.
- ④ During the period 3 months after the effective date of the decrease, to 6 months after the effective decrease, Sanlam will allow cover to be doubled from the reduced levels, to a maximum of what it was before the decrease, without new medical underwriting.

### For example:

- ④ For a client who has reduced cover on a benefit to exactly 50% of the previous level, this underwriting offer will make it possible to increase the cover on that benefit again to 100% of its previous level, without new medical underwriting.
- ④ For a client who has reduced cover on a benefit to, for instance, 40% of the previous level, this underwriting offer will make it possible to increase the cover on that benefit again to a maximum of 80% of its previous level, without new medical underwriting.
- ④ For a client who has reduced cover on a benefit to, for instance, 60% of the previous level, this underwriting offer will make it possible to increase the cover again to 100% of its previous level, without new medical underwriting.

**Please note:** we will allow for contractual cover growth that may have taken place during the period of reduced cover. In that case the level of cover after the increase may be a higher than the previous level.

- The normal alteration quotation process must be used for these increases. The current age, occupational and other relevant information of the specific life insured, together with the latest premium rates, will be used in this increase. Only medical underwriting requirements may be waived.
- Normal commission may again be payable on these increases.
- ④ Normal medical underwriting will, however, apply in the following cases:
  - If benefits are increased during the 3 month period immediately after the decrease.
  - On benefits that were entirely removed during the decrease (with the exception of Funeral or Accidental benefits).
  - On benefits that are increased more than 2-fold from reduced levels (with the exception of Funeral or Accidental benefits).
  - On all cover increases more than 6 months after the cover decrease.
- ④ This cover flexibility option is available to cover decreases with an effective date up to 1 July 2020.
- ④ Claims will at all times be based solely on the benefits and contractual cover amounts in place at the time of the claim.







## Premium holiday option With free ex-gratia cover

The purpose of this option is to allow qualifying clients who are unable to pay any premiums, the option to suspend premiums for a period of 3 months.

- ① This option is only available to plans where the payment method is by debit order, and that also have no existing premiums debt. (A maximum of 3 premiums can be placed on debt over the lifetime of the plan.)
  - Plans with stop order or cash payment methods do not qualify for the premium holiday.
- ① In order to qualify, plans should also have been successfully paid up to March 2020. This means that the first month for which the premium holiday can be made effective, is April 2020.
- ① The last month from which a premium holiday may be requested is July 2020.
- ① The request for a premium holiday can be made:
  1. **Proactive**, at least 10 calendar days **before** the premium for a particular month becomes payable.

For example: If the next debit order date is 1 May, the request for a premium holiday starting in May should reach us by the 21st of April. This will mean that the 1 May debit order will **not** be raised.

Or,

2. **Retrospective**, up to the 20th of the month for which the premium for that month was **not** paid.

For example, for a premium that was not paid on 1 April, the request to place a premium holiday from 1 April should reach us by 20 April. This will mean that a possible double debit order deduction on 1 May will not be raised.

- ① The period of grace will still provide the client with full cover for a period of one month after the premium was not paid.
- ① The premium holiday will always be for a period of 3 months, after which the cover will automatically be reinstated, on receipt of the first premium on receipt of the first premium after the premium holiday.
- ① The automatic reinstatement of cover will be entirely proof-free, and the 3 arrears premiums will not have to be paid back to Sanlam. Only the first premium for the month after the premium holiday will be raised.
  - Where there is a plan anniversary during the premium holiday period, where a scheduled premium and/or cover increase takes place, the contractually adjusted premium will be raised.
- ① During the 3-month premium holiday period, but after the period of grace for which full cover remains in place, **limited free ex-gratia cover** is offered.
  - The ex-gratia offer is limited to Death- and Disability benefits (only in respect of permanent occupational disability claims on benefits that also cover impairment criteria), if these benefits are on the plan. Funeral cover is excluded from this offer.
  - In the unfortunate event that the life insured suffers one of these claim events during the premium holiday period (but after the expiry of the period of grace), an ex-gratia claim, **equal to 25% of the stated benefits' cover amount, capped at R5m** will be payable.
  - This ex-gratia cover is offered at no cost to the plan holder, but instead is funded in full by Sanlam.
  - The free ex-gratia cover does not apply to any other benefit types, or rider benefits on the plan.
- ① No commission clawback is triggered when the premium holiday becomes effective. However, the extent of the premium holiday fits in with our current business rule that a maximum of 3 premiums can be kept in debt, over the lifetime of the plan.
- ① Cashback will be reinstated with the re-commencement of cover.

To apply for the Premium holiday option contact the Sanlam Client Care Centre via email at: [matrixrelief@sanlam.co.za](mailto:matrixrelief@sanlam.co.za)