

## Death Benefit | Fact Sheet

A death benefit allows for an insured to provide financial protection for their families and beneficiaries after they pass away.

The benefit can be offered on an approved or unapproved basis and can have a linked lump sum disability benefit and/or critical illness benefit or be a free-standing benefit.

### The basic benefit

The basic benefit is offered as either a multiple of salary, multiple of salary less share of fund, or as a flat benefit amount.

The benefit is paid as a lump sum. For approved benefits, payment is made to the fund and then distributed in accordance with Section 37C of the Pension Funds Act. Unapproved benefits are paid directly to the insured's nominated beneficiaries or estate in the case of no nominated beneficiaries.

### Ancillary benefits

The policyholder can choose to provide additional cover by including any of the following ancillary benefits:

#### - Flexible death benefit

This allows insureds to select the amount of cover they require, within the permitted minimum and maximum levels. Insureds who increase their level of cover will be required to pay an additional premium. There are terms and conditions related to when cover can be increased.

#### - Continuing cover if disabled benefit

If disability income benefits are offered as part of the employee benefit programme, this benefit allows disability claimants to remain covered for death benefits whilst in receipt of disability income benefits.

The salary on which a death benefit will be calculated will be the salary at the insured's date of disability, increased each year by the income disability escalation rate, subject to a maximum of the Consumer Price Index.

#### - Tax replacement benefit

The first R550 000 of an approved benefit is not taxed. Thereafter tax is payable on the remaining benefit payable. The tax replacement benefit pays an additional amount to offset the amount of tax paid.

#### - Converting to an individual policy benefit

This benefit allows an insured who leaves the employer's employ or fund membership to convert the basic benefit and the flexible death benefit to an individual policy without undergoing medical underwriting. The insured must convert their cover within 60 days of their cover terminating under the group insurance arrangement. Individual cover will be limited to their previous level of cover. We will continue to cover an insured who is eligible to exercise the conversion, free of premiums, for 31 days under the group insurance policy after he leaves the employer's employ.

#### - Body repatriation service

This benefit allows for the repatriation of mortal human remains for distances of 150km or more from destination. The service covers South Africa and neighbouring states such as Lesotho, Swaziland, Botswana, Mozambique, Zimbabwe and Namibia.

Additional services such as advice on the processing of all necessary and associated documentation and assistance in dealing with Government appointed Funeral Directors in reclaiming mortal remains are provided, if required.

The amount payable is determined by various factors including the distance travelled and method of transport and is limited to the maximums outlined below.

**- Educator benefit**

The educator benefit provides insureds who are parents with additional peace of mind, by covering a child's tuition fees and various other allowances relating to the child's education. Please refer to the Educator Benefit fact sheet for more information.

**- Widow's and orphans' benefit**

This benefit pays a monthly annuity to an insured's spouse and children when the insured passes away.

**Benefit maximums**

- Our maximum death benefit is currently R40 000 000 or 10 times annual salary. Please note however, that there may be different limits for the ancillary benefits and these maximums are subject to review from time to time.
- The maximum covered cost of repatriation is R15 000 if within South African borders, or R25 000 if in neighbouring states.
- Aggregation does not apply.

**Cover conditions**

<b>Eligibility</b>	<ul style="list-style-type: none"> <li>- Minimum entry age is 18</li> <li>- Maximum entry age is the lesser of 64 and 1 year prior to the selected maximum cover age</li> <li>- Maximum cover age is 70</li> </ul> <p><b>An insured must:</b></p> <ul style="list-style-type: none"> <li>- be an employee or, if permitted, a contractor of the employer and be a member of the fund, if the policyholder is a retirement fund</li> <li>- live in the Southern African region and must either be a citizen of the Republic of South Africa or have been given the necessary permission from the South African authorities to live and work in the Republic of South Africa</li> <li>- be listed on the register of lives insured</li> </ul>
<b>When cover for an insured starts</b>	<ul style="list-style-type: none"> <li>- On the insured's entry date, if the insured is actively at work; or</li> <li>- If the insured is not actively at work, when we receive satisfactory proof of his good health, or the insured completes two consecutive months of service with the employer without absence</li> </ul>
<b>Underwriting requirements</b>	<p>A free cover limit is determined for each policy. The free cover limit is the level below which we give cover without the need for medical underwriting.</p> <p>The basic benefit, tax replacement benefit and flexible death benefit will be added together to determine if an insured's cover is above the free cover limit.</p> <p>Proof of good health is required for cover above the free cover limit or previously accepted cover. We will cover the cost of the medical evidence requested. Proof of good health must be provided within 4 months of the insured's cover going above the free cover limit or previously accepted cover.</p> <p>We provide temporary accident cover for up to 4 months, while we assess whether we will increase the provided cover to the full potential cover. Accident cover is the insured's restricted benefit amount (i.e. the free cover limit amount) PLUS up to R1 500 000 accident cover. The total benefit payable will be limited to the insured's full potential benefit.</p> <p>Accident cover ends after the 4-month period comes to an end or we complete our underwriting assessment and provide a decision in writing.</p>
<b>Actively at work</b>	Required
<b>Temporary absence from work</b>	<p>An insured who is temporarily absent from work can continue to enjoy cover provided: the absence is intended to be temporary; it is shorter than 6 months; premiums continue being paid; and the insured continues receiving a salary.</p> <p>If the insured is temporarily absent from work more than once, the absences must be separated by at least 3 consecutive months. If they are not, they will be added together to determine whether he is absent for longer than the 6-month limit.</p>

<b>Temporary absence from Southern Africa</b>	<p>An insured who is temporarily absent from Southern Africa can continue to enjoy cover provided: the absence is intended to be temporary; it is shorter than 3 months; premiums continue being paid; and the insured continues receiving a salary.</p> <p>If the insured is temporarily absent from work more than once, the absences must be separated by at least 3 consecutive months. If they are not, they will be added together to determine whether he is absent for longer than the 3-month limit.</p> <p>Southern Africa includes Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa and Zambia.</p>
<b>When cover for an insured ends</b>	<p>Cover ends when any of the following occur:</p> <ul style="list-style-type: none"> <li>- The insured's employment with the employer ends;</li> <li>- If the policyholder is a fund, when the insured's membership of the fund ends;</li> <li>- Any conditions for eligibility are no longer met;</li> <li>- Premiums are not paid;</li> <li>- The insured reaches the maximum cover age;</li> <li>- The insured is temporarily absent from work for more than 6 months (or any extended period agreed to by us in writing); or</li> <li>- The insured remains outside the Southern African region for more 3 months (or any extended period agreed to by us in writing).</li> </ul>

## Claim conditions

<b>Claim submission period</b>	The claim must be notified, and all claim documentation must be submitted to us within 12 months of the date of death.
<b>Claim documents required</b>	<p>We typically need the documents listed below. If we need any additional evidence, we will tell you what we need:</p> <ul style="list-style-type: none"> <li>- A signed claim form</li> <li>- A copy of the insured's death certificate</li> <li>- A copy of the completed Notification of Death Form (DHA-1663)</li> <li>- A copy of the insured's identity document</li> <li>- For unapproved benefits, a completed beneficiary nomination form signed by the insured</li> <li>- A copy of the insured's last payslip</li> <li>- Proof of banking details</li> <li>- If applicable, a copy of the relevant Police Report from the South African Police Service in the event of an accident or unnatural causes</li> </ul>
<b>Exclusions</b>	<p>Warlike activities</p> <ul style="list-style-type: none"> <li>- Nuclear, biological and chemical warfare or sabotage</li> <li>- The insured actively taking part in: <ul style="list-style-type: none"> <li>o any war, invasion, rebellion, revolution, uprising, riot, civil commotion, strike (including a protected strike), labour disturbance, and the seizing of power</li> <li>o overthrowing or influencing any government by force or terrorism</li> </ul> </li> </ul>
<b>Benefit reduction</b>	If the policy has a linked lump sum disability benefit and/or critical illness benefit and a payment is made in terms of those benefits, the death benefit will be reduced by the multiple of salary or amount paid for the lump sum disability benefit or critical illness benefit.
<b>Disputes</b>	<p>If a dispute arises, a request can be made for us to review our decision. This must be a written request received within 90 days of the date that our rejection letter is received.</p> <p>Alternatively, a complaint can be lodged with the National Financial Ombudsman.</p>

## Administration information

<b>Register of lives insured</b>	An updated register of lives insured is required monthly.
<b>Premium frequency</b>	Premiums are payable monthly. We allow a 31-day grace period for premiums after the first premium.

<b>Changes in premium</b>	Premiums may change at the yearly premium review or when there are material changes to the employer's business or lives insured.
<b>Notice period for changes in policy terms and conditions</b>	31 days
<b>Termination of the policy</b>	<p>The policy ends when premiums are not paid, the employer stops being in business, the fund is no longer registered (in the case of approved benefits) or the notice period for cancelling the policy comes to an end.</p> <p>Hollard may cancel the policy by giving 60 days' written notice.</p> <p>The policyholder may cancel the policy immediately if it's within the first month of the policy start date, or by giving 31 days written notice thereafter.</p>

### **Important**

This fact sheet is in terms of our standard policy terms and conditions as well as our standard benefits offered and does not include any of our special offers, endorsements or bespoke policies.

For the complete terms and conditions, please refer to our policy document, a copy of which can be requested from Hollard. To contact Hollard for our policy documents, please contact [HGRAdmin@hollard.co.za](mailto:HGRAdmin@hollard.co.za). In the event of any dispute or any discrepancy between this document and the provisions of the policy, the policy will prevail.

For more information about this product or any of our other Group Insurance products, please contact your Hollard consultant.