

Disability Income Benefit

The disability income benefit ensures your employees continue to receive a monthly income, should they suffer a disability which leaves them unable to perform the duties of their occupation.

The benefit structure

Employee benefit

The employee benefit can either be on a scaled structure or a flat structure. This benefit is limited to 100% of the employee's net after-tax income at the date of disability.

Scaled structure	Flat structure
<p>Scale applied to monthly salary:</p> <ul style="list-style-type: none"> 75.00 % of the first R 8,000 65.00 % of the next R 15,000 60.00 % of the next R 9,000 55.00 % of the next R 12,500 50.00 % of the balance of salary <p>This scale allows for the employee benefit to be calculated at a level not exceeding an employee's current taxable earnings, and which is considered appropriate based on the employee's level of taxation. Please refer to the "Changes in tax treatment of income disability policies" fact sheet setting out the advantages of the scaled structure</p> <p>The maximum benefit allowed is R 165 000 per month.</p>	<p>75% of salary with a maximum of R165 000 per month</p>

Employer benefit (waiver)

Covers a portion of the cost the employer incurs in maintaining a claimant's participation in a retirement fund and/or associated risk benefit fund. The employer benefit is subject to a maximum amount of R35 000 per month.

What to consider when deciding on the structure of your disability benefit offering

When determining the most appropriate structure for the disability income benefit it is important that the employer considers factors, such as:

- The company's human resource policies.
- The structure of salaries paid to employees.

These are important considerations as differences in company policies and insurance terms and conditions could mean that:

- The insured's benefit does not include all income such as commission and bonuses or
- The insured does not receive an income during the waiting period.

Benefit maximums

All benefits are subject to a maximum percentage of salary and Rand amount, for each insured.

Definitions

Salary	Initial period	Waiting period	Escalator (benefit increase rate)
The insured's salary, wages or other remuneration set out on the employer's payroll, used to determine the cover and/or premiums due.	The initial period is selected by the employer and is either a 12- or 24-month period. The initial period is inclusive of the waiting period.	The waiting period refers to the number of months from qualifying for the benefit until the time that we start paying the benefit. The waiting period is selected by the employer and is flexible up to 12 months. The most common choices are 3 and 6 month waiting periods.	The rate at which the employee and employer benefit will increase yearly. This rate will be the lesser of the selected percentage and the Consumer Price Index over the preceding 12 months.
Definition of disability			
Initial period (own occupation)		After the initial period (any occupation) (also applies to occupations which require a licence, from the date of disability)	
Totally and continuously incapable because of bodily injury or illness, disease or surgery of performing with reasonable continuity the material and substantial duties of the insured's own occupation for any employer.		Totally and continuously incapable because of bodily injury or illness, disease or surgery of performing with reasonable continuity the material and substantial duties of any occupation for which the insured could reasonably be expected to be educated, trained and experienced, for any employer.	

Recurrent disability

Cover is provided for an insured who becomes disabled again. If the disability is from the same cause as the previous claim, waiting periods will apply as follows:

- Within three months of the date on which the previous disability income benefit stopped, the waiting period will not apply.
- After three months of the date on which the previous disability income benefit stopped, the waiting period will apply.

Partial disability

We believe in promoting the opportunity for claimants to remain at or return to work. If a claimant continues to meet the definition of disability, but wishes to return to work, we will encourage the claimant's return to work by continuing to pay the claimant a benefit equal to the difference in the salary received and the disability benefit due.

Rehabilitation

A rehabilitation program aims to re-skill, re-train or provide medical treatment to help the claimant return to work. If a claimant is identified as a suitable candidate for rehabilitation, we will pay towards the cost of a rehabilitation program. Claimants who successfully complete the rehabilitation program and return to work will receive a recovery bonus equal to three months' of the employee benefit. This benefit is limited to R 75 000.

Ancillary benefits

In addition to the benefits already explained above, the employer may choose to provide additional cover by including the following ancillary benefits:

Medical premium waiver benefit	Converting to an individual policy benefit
<p>This benefit covers a portion of the cost the employer incurs in maintaining a claimant's participation in a medical aid fund; including contributions for the claimant's spouse and children, if they were members of the medical aid fund on the claimant's date of disability.</p> <p>The benefit is to assist claimants with adjusting to changes in their financial situation, following disability and is limited to either a 12- or 24-month payment period.</p>	<p>This benefit allows an insured who leaves the employer's employ to convert the employee benefit to an individual policy within 60 days of leaving the employer. We will also continue to cover an insured for the employee benefit, for 31 Days after he leaves the employer's employ.</p>

If any of the ancillary benefits are selected, there may be additional or different terms and conditions which will apply to your policy.

Continuing cover if disabled benefit

If the employer offers disability income and death benefits as part of their employee benefit program, the employer may want to consider providing death benefits for claimants by extending the death cover to continue for claimants in receipt of disability income benefits. This benefit will form part of the death policy and the benefit may allow yearly salary increases to be applied to the disability income benefits, to ensure that the death benefit remains market related over the period of disability.

The terms and conditions, which will apply to the continued death cover if disabled, will depend on the terms and conditions of the death policy. It is however a general requirement that this cover for this benefit must be selected before an insured's date of disability.

When cover for an insured starts

- On the insured's entry date, if the insured is actively at work; or
- If the insured is not actively at work, when we receive satisfactory proof of his good health, or the insured completes two months of consecutive service with the employer without absence.

When cover for an insured will end

- The insured's employment with the employer ends.
- Any conditions for eligibility are no longer met.
- Premiums are not paid.
- The insured reaches maximum cover age.
- The insured is temporarily absent from work for more than six months (or any extended period agreed to by us in writing).
- The insured remains outside the Southern African region for more than twelve months (or any extended period agreed to by us in writing).
- The claimant ceases to participate in the retirement fund or the associated risk benefit fund and did not apply for the continued payment of the benefit.

Policy terms and conditions

Eligibility	Proof of good health
<ul style="list-style-type: none"> - Minimum entry age is 18 - Maximum entry age is 64 - Maximum cover age is 65 <p>An insured must:</p> <ul style="list-style-type: none"> - be an employee of the employer; - 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. 	<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 employee and employer benefits will be used to determine whether an insured's cover is above the free cover limit.</p>

Exclusions

- Failing to disclose all material information about the insured
- Criminal activity
- Warlike activities
- a disability which occurs within the first 12 months of cover or 12 months from an increase in the benefit, if the medical condition or disability existed in the six months before an insured's entry date or increase in cover.
- The insured:
 - deliberately or negligently exposing himself to risks and events that led to the claim, except where the insured attempts to save a human life;
 - attempting suicide or deliberately inflicting injury on himself;
 - refusing to seek or follow reasonable medical advice or treatment;
 - driving when over the legal alcohol limit;
 - taking drugs or poison;
 - taking medication unless a qualified medical practitioner prescribes them.
 - Excessive use and abuse of intoxicating liquor, willful inhalation of gas or taking drugs, narcotics, or poison unless prescribed by a qualified medical practitioner.

How to claim

- The claim must be notified, and all claim documents must be sent to us within 6 months from the last day the insured was actively at work.
- The employer must continue to pay premiums, for the insured, during the waiting period.

We typically need the documents listed below. If we need any additional evidence or documents, we will tell you what we need:

- Original claim forms from the insured, employer and medical attendant	- An original certified copy of the insured's identity document
- Medical reports	- A copy of the insured's payslip
- Clinical evidence	- Proof of premium payment during the waiting period
- A copy of the insured's job description	- Proof of banking details
- A copy of the insured's sick leave records	- A copy of the insured's medical aid certificate (if applicable)

Who pays for medical evidence

The claimant or employer must pay for the initial medical evidence. We will pay for any additional medical information we ask for.

Are claims reviewed

Yes, claims are reviewed annually, unless we decide that we will review a claim more frequently. The claimant must send us the information we ask for, otherwise we may suspend the payment of the benefit

Who we will pay

We will pay the benefit to the *employer*, and if the *employer* ceases to exist while the benefit is being paid, we will pay the employee. The rehabilitation benefit will be paid to the relevant service providers directly.

How long will we pay the benefit for

We will not continue to pay the benefit if any of the following events occur:

- If the claimant is no longer considered disabled.
- If the claimant fails to submit the medical information as part of the subsequent assessments.
- The claimant dies.
- The claimant reaches the maximum cover age.
- The claimant no longer suffers from a loss of income from his own occupation, due to his disability.
- The claimant has remained outside the Southern African region for longer than twelve months.
- The claimant refuses to undergo reasonable medical treatment.

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. In the event of any dispute or any discrepancy between this document and the provisions of the policy, the policy will prevail.

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