

# Policy Document

## Standard terms and conditions with effect from 9 December 2018

This product is a Credit Insurance Policy that covers Death, Permanent Disability, Temporary Disability and Unemployment or Inability to Earn an Income other than as a result of Disability. 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 a Premium which is in arrears due to the non-payment by the Insured;
- 1.2 'Benefit/s'** means the Benefit you qualify for as specified in this Policy document, it is the amount that the Insurer shall pay Capitec Bank in order to cover your specified obligations in terms of your Credit Agreement;
- 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 'Cooling-off period'** means a period of 31 days from the Entry Date;
- 1.5 '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;
- 1.6 'Date of Disability'** shall mean the date on which the Insured became disabled on the basis of objective medical or professional evidence having regard to an Insured's last date of active service and sick leave record. In regard to Insured's that are not in full time employment, the Date of Disability shall be determined by the Insurer and shall be determined by the date on which the Insured has ceased to be able to perform his/her normal actions and functions in relation to the care of his/her person. For the purpose of this policy the results of Disability shall be that the Insured is, in the Insurer's opinion, incapable of receiving an income or profit in his/her own occupation or any other occupation for which he/she could reasonably be expected to become qualified by knowledge, training, education, ability, age and/or experience.
- 1.7 'Disability'** means that a person becomes so physically or mentally impaired, whether totally or partially or temporarily or permanently, that the person's ability to earn an income or meet the obligations under a Credit Agreement is impaired, and includes, but is not limited to, Occupational Disability;
- 1.8 'Entry Date'** means the date on which cover commenced and will be the date the credit was granted;
- 1.9 'Event'** means the event which gave rise to your claim in terms of this Policy which can be any of the following: Death or Permanent Disability, Temporary Disability or Unemployment or Inability to Earn an Income other than as a result of Disability; In the case of Retrenchment the Event shall be the date of the Insured's Retrenchment notification letter;
- 1.10 'Instalment'** means the regular payments that you must make in terms of your Credit Agreement, which could be monthly, fortnightly or weekly;
- 1.11 'Insured'** means the client to whom Capitec Bank granted credit in terms 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 and is the person who is covered under this Policy;
- 1.12 'Insurer'** means Guardrisk Life Limited, a registered long-term insurer with registration number 1999/013922/06 and an authorised Financial Services Provider, FSP number 76;
- 1.13 'Maximum Expiry Age'** means the last day of the month in which you attain the age of 65;
- 1.14 'Misrepresentation'** means the conscious decision to provide inaccurate or incorrect information in relation to any of your employment details, the term of your fixed term employment contract; 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;
- 1.15 'Notification Date'** means the date on which written notice is received by Capitec Bank of an Event;
- 1.16 'Occupational Disability'** means a form of disability where a person's impaired ability to earn an income or meet the obligations under a credit agreement arises from a physical or mental impairment which renders the person unable to continue his/her employment, own occupation, profession or trade.
- 1.17 'Outstanding Amount'** means the amount owing by the Insured in terms of the Credit Agreement, including capital, interest, penalty interest and fees provided for in the National Credit Act, No 34 of 2005, other fees, Arrears Premium and costs charged on arrear amounts, this amount will fluctuate as you make payments. Where your Credit Agreement is in respect of a Capitec Bank credit card facility, the Outstanding Amount will include card transactions effected prior to the date of the Event, but processed by Capitec Bank after the date of the Event;
- 1.18 'Period of Insurance'** means the period for which Premiums remain paid and the Policy remains in force;
- 1.19 'Permanent Disability'** means a Disability which is established in terms of clause 5.2 to be permanent, irremediable, irreversible or incurable. Such medically and certified incapacity resulting from illness, injury or disease which cannot be cured or treated and which prevents the Insured from following his/her own or any similar occupation and being prevented from earning an income or profit for which he/she is or could reasonably be expected to be qualified by virtue of his/her knowledge, training, education, ability, experience and age.
- 1.20 'Policy'** means this policy, the terms and conditions, and any endorsements thereto;
- 1.21 'Premium'** means the amount payable as stated in the Policy Certificate or on any endorsement issued in terms of this Policy;
- 1.22 'Retrenchment/Retrenched'** 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 whether in compliance or non-compliance with South African labour law. The Insured shall be deemed to have been Retrenched on the date of the Insured's Retrenchment notification letter.
- 1.23 'Temporary Disability'** means the medically and certified temporary disability as a result of illness, injury or disease, and which prevents the Insured from earning his/her normal income by following his/her own occupation for a period in excess of 31 consecutive days.
- 1.24 'Unemployment or Inability to Earn an Income other than as a result of Disability'** shall mean becoming unemployed or unable to earn an income as a result of any action that is beyond the control of the Insured, after the commencement of cover, and receiving no remuneration from any occupation. Unemployment or Inability to Earn an Income other than as a result of Disability shall also mean being Retrenched as a result of the implementation of a staff reduction program, adverse business conditions, the introduction of new technology or the reorganization of the business by your employer in accordance with the Labour Relations Act of 1955. Unemployment or Inability to Earn an Income other than as a result of Disability shall not include the termination of a fixed contract, the voluntary termination of a contract by the Insured, any willful steps, actions or decisions by the Insured that leads to the Insured not earning an income.
- 1.25 'Variation of the Policy'** means any act, requested or initiated by you, that results in a change to:
- 1.25.1 the Premium;
  - 1.25.2 any term;
  - 1.25.3 any condition;
  - 1.25.4 any Benefit
  - 1.25.5 any Exclusion; or
  - 1.25.6 duration of the Policy
- excluding any explicit pre-determined or determinable variation stated or provided for in the Policy.
- 1.26 'Waiting Period'** means a period during which the Insured is not entitled to certain Policy Benefits for an Event and is a period of 3 months from the Entry Date.

### 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 Event occurs within the period of insurance;
- 2.1.2** The Event giving rise to a claim is covered in terms of this Policy and does not fall within the exclusions in this Policy; and the terms and conditions of this Policy are adhered to;
- 2.1.3** The truth and accuracy of the information given by the Insured 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 to settle the Outstanding Amount;
- 2.2.2** In the event of Permanent Disability, the benefit will be a lump sum amount payable to Capitec Bank Limited to settle the Outstanding Amount;
- 2.2.3** In the event of Temporary Disability, the Insurer will pay your Instalments in terms of clause 6;

- 2.2.4** In the event of the Unemployment or Inability to Earn an Income other than as a result of Disability, the benefit will be a lump sum amount payable to Capitec Bank Limited to settle the Outstanding Amount.
- 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 31 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;
- 3.1.4** You are under the Maximum Expiry Age;
- 3.1.5** Your Premiums are up to date on the occurrence of an Event.
- 3.2** This clause 3.2 applies only if the Credit Agreement requires you to maintain credit insurance cover in respect of your outstanding obligations towards Capitec Bank. For your protection this 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 referred to in Regulation 3 of the Credit Life Insurance Regulations of 2017, promulgated in terms of the National Credit Act 34 of 2005 and the alternate policy must be acceptable to Capitec Bank.
- 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 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..
- 4. DEATH BENEFIT**
- 4.1** The Outstanding Amount as at the date of death will be paid if you pass away.
- 5. PERMANENT DISABILITY BENEFIT**
- 5.1** The Outstanding Amount as at the Date of Disability 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 whether you are Permanently Disabled. The Insurer may waive this period at its sole discretion if permanency of the condition is established earlier.
- 6. TEMPORARY DISABILITY BENEFIT**
- 6.1** Valid claims will be paid after an assessment period of 3 months from the Notification Date. This is to establish whether you are Temporarily Disabled. The Insurer may waive this period at its sole discretion if the temporary nature of the condition is established earlier.
- 6.2** In the event of Temporary Disability, the Insurer will pay your instalments:
- 6.2.1** which become due and payable for a period of 12 months; or
- 6.2.2** for the remaining period of your Credit Agreement; or
- 6.2.3** until you are no longer disabled.
- The Benefit will be payable for whichever is the shorter period.
- 6.3** You have an obligation to notify Capitec Bank immediately should you no longer have a Temporary Disability.
- 6.4** If you are rehabilitated from a Temporary Disability for which you have claimed and you suffer another Temporary Disability, then you may claim the Benefit again.
- 6.5** If Capitec pays Instalments while or after you have become reemployed, Capitec will have the right to claim payment of these Instalments from you.
- 7. UNEMPLOYMENT OR INABILITY TO EARN AN INCOME OTHER THAN AS A RESULT OF DISABILITY BENEFIT**
- 7.1** The Outstanding Amount will be paid if you become Unemployed or Unable to Earn an Income other than as a result of Disability as at the date of such event.
- 7.2** If you are not employed on the Entry Date you will not qualify for this Benefit, and you will not be charged for it.
- 7.3** No Benefit will be paid if you are Retrenched or notified of your Retrenchment or your employment is terminated within the Waiting Period. The insured shall be paid the Outstanding Amount upon Retrenchment. The Outstanding Amount shall be calculated as at the date of the Retrenchment Event, which for the sake of clarity, shall be the date of the Insured's Retrenchment notification letter.
- 7.4** In the event of Unemployment or Inability to Earn an Income other than as a result of Disability, you have an obligation to inform Capitec Bank when you have found employment.
- 7.5** Capitec Bank has the right to investigate and monitor your account/s and credit or other behaviour in order to ascertain if you have become reemployed.
- 7.6** If you settle existing Capitec loans or Capitec facilities ("Existing Credit") with new Capitec loans or Capitec facilities ("New Credit"), the Waiting Period will not apply to that portion of the New Credit used to settle the Existing Credit, provided that all of the Existing Credit were insured against Unemployment or Inability to Earn an Income other than as a result of Disability and 3 (three) months have elapsed since the New Credit was taken up.
- 8. PENSIONERS, SELF-EMPLOYMENT AND EMPLOYMENT IN THE INFORMAL SECTOR**
- 8.1** If you are a pensioner, self-employed or you are employed in the informal sector at the Entry Date, you will not be charged and covered for Occupational Disability but you will however be covered for Death as well as Temporary and Permanent Disability.
- 9. EXCLUSIONS**
- 9.1** **If you experience Unemployment or Inability to Earn an Income other than as a result of Disability, no Benefit will be payable if such Unemployment or Inability to Earn an Income other than as a result of Disability is as a result of:**
- 9.1.1** Lawful dismissal, including dismissal as a result of willful misconduct that is a violation of some established, definite rule of conduct, a forbidden act, willful dereliction of duty, or misconduct;
- 9.1.2** Voluntary forfeiture of salary, wages, or other employment income;
- 9.1.3** Voluntary retrenchment or termination of employment;
- 9.1.4** Resignation;
- 9.1.5** Retirement;
- 9.1.6** Participation in an unprotected strike.
- 9.1.7** Retrenchment of which you were aware of or received notice of within the Waiting Period.
- 9.2** **If you die or become Disabled, no Benefit will be payable if such death or Disability is a result of:**
- 9.2.1** Active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, insurrection, rebellion, revolution, civil commotion or uprisings, military power;
- 9.2.2** The use of nuclear, biological or chemical weapons, or any radioactive contamination.
- 10. PREMIUM PAYMENT**
- 10.1** The Premium is payable monthly in arrears and:
- 10.1.1** For credit card facilities, a Rand amount or percentage shall be charged per every R 1000 of the average utilisation of your credit limit in your statement cycle (please refer to your credit card facility agreement);
- 10.1.2** For loans, a Rand amount or percentage shall be charged per every R 1000 of the Outstanding Amount.
- 10.2** We will review the Premium annually and should the premium not be sufficient to maintain the Policy Benefits, your premium will be increased, subject to us giving you at least 31 days written notice of such increase.
- 10.3** If we do not receive your Premium on the due date, a grace period of 31 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 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 chooses not to pay the Premium on your behalf, the Policy will lapse automatically and all Benefits will cease.
- 10.4** 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.
- 11. TERMINATION OF THE POLICY**
- 11.1** This Policy will terminate or end on the earliest of the following:
- 11.1.1** When you reach the Maximum Expiry Age;
- 11.1.2** On the date the Credit Agreement with Capitec Bank ends;
- 11.1.3** On your Death, or the date of your Permanent Disability and the subsequent payment of either of these Benefits;
- 11.1.4** The payment of a claim where the Benefit amount is equal to the Outstanding Amount;

- 11.1.5 The payment of a claim where the Benefit amount is equal to the Instalment and such payment results in settlement of the Credit Agreement;
- 11.1.6 When the Policy Lapses due to the non-payment of Premiums;
- 11.1.7 When either you or us cancel the Policy.

## 12. CANCELLATION PROCEDURES AND CONSEQUENCES

- 12.1 Either party have the right to cancel this Policy at any time by giving 31 days' notice of cancellation.
- 12.2 If you give notice of cancellation, after the Cooling-off period, no Premiums will be refunded to you.
- 12.3 **Cooling – off right:** You have the right, where no benefit has yet been paid or claimed or an Event insured against has not yet occurred, and within the Cooling-off period, to cancel such Policy entered into or to cancel any Variation of the Policy 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.
- 12.4 Should you wish to cancel this Policy during or after the initial 31 days from the Entry Date, 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 referred to in Regulation 3 of the Credit Life Insurance Regulations of 2017, promulgated in terms of the National Credit Act 34 of 2005 and the alternate policy must be acceptable to Capitec Bank. You must notify us immediately if your alternate policy lapses or if you fail to make payment of your premiums under the alternate policy.
- 12.5 You must provide Capitec Bank with details of your ceded policy within 5 business days of you taking out that new policy.

## 13. 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.

## 14. MISREPRESENTATION AND FRAUD

- 14.1 If at the time of issue or variation of the Policy you make any representation which is not true, or if you fail to disclose material information, the Policy will be voidable at our option, acting reasonably.
- 14.2 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.
- 14.3 We may immediately cancel this Policy or place it on hold, refuse any transaction or instructions, or take any other action that we consider necessary in order to comply with the law and prevent or stop undesirable or criminal activity.

## 15. THE CLAIMS PROCESS

- 15.1 Capitec Bank must be notified of an Event within 12 months of the date of the Event. The notification of the claim may be done as follows:
  - 15.1.1 at any Capitec Bank branch; or
  - 15.1.2 by calling Capitec Collection Services Enquiries at 0860 66 77 83; or
  - 15.1.3 via e-mail to [creditinsuranceclaims@capitecbank.co.za](mailto:creditinsuranceclaims@capitecbank.co.za); or
  - 15.1.4 via fax to 0860 11 11 52.
- 15.2 The claim form and list of required claim documents are available on [www.capitecbank.co.za](http://www.capitecbank.co.za) or will be provided to you when you lodge a claim.
- 15.3 The claim form and relevant documents must be submitted to Capitec Bank as soon as possible but within 3 months of the Notification Date via email or fax.
- 15.4 We may ask for additional information to assist with the assessment of the claim.
- 15.5 You will be notified whether your claim has been accepted or rejected.
- 15.6 If you fail to notify us or claim within the prescribed periods, you shall forfeit all Benefits in respect of such claim and no liability can arise in terms of such claim.
- 15.7 For Disability claims you must furnish us with the following documentation, which documentation requirements may change from time to time:
  - 15.7.1 Employer declaration;
  - 15.7.2 Employee declaration;
  - 15.7.3 Copy of employer issued job description;
  - 15.7.4 Confidential medical report completed by treating specialist;
  - 15.7.5 Copies of all diagnostic test results;
  - 15.7.6 Copy of all available medical reports;
  - 15.7.7 Copy of ID/passport;
  - 15.7.8 Copy of payslip as at date of Disability; and
  - 15.7.9 Leave records for the 2-year period preceding your Date of Disability.

## 16. CHANGES TO TERMS, PROVISIONS AND CONDITIONS

We may change the terms, provisions and conditions of the Policy subject to us giving you at least 31 days prior notice of the change. We will provide you with appropriate details of the reasons for any change together with an explanation of the implications of the change.

## 17. TREATING CUSTOMERS FAIRLY

- 17.1 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:
  - 17.1.1 You are confident that your fair treatment is key to our culture;
  - 17.1.2 Products and services are designed to meet your needs;
  - 17.1.3 We will communicate clearly, appropriately and on time during the lifespan of your Policy;
  - 17.1.4 We provide advice which is suitable to your needs and circumstances;
  - 17.1.5 Our products and services meet your standards and deliver what you expect;
  - 17.1.6 There are no unreasonable barriers to access our services, or to lodge a claim or to lodge a complaint.