Discovery Life Plan Guide

This document will help you understand the finer details of your Discovery Life Plan
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WELCOME TO DISCOVERY LIFE

Discovery Life is part of Discovery Holdings, an established and financially sound company that has a reputation for pioneering products that set new standards in the life assurance industry.

Discovery Life offers a unique, innovative and living assurance product that will assist you and your family in maintaining your lifestyle when illness, disability or death threatens it.

THIS DOCUMENT WILL HELP YOU UNDERSTAND THE FINER DETAILS OF YOUR DISCOVERY LIFE POLICY

The policy that you have chosen to protect yourself and your family from any life-changing events is a valuable asset. It is important that you fully understand the protection given to you by the benefits you have chosen.

YOUR POLICY CONSISTS OF THIS INDIVIDUAL LIFE PLAN GUIDE AND YOUR POLICY SCHEDULE

The Individual Life Plan Guide provides comprehensive information on all the benefits offered by Discovery Life. Details of the Discovery Life benefits you selected on your application form appear on your personal Policy Schedule accompanying this Life Plan Guide. It is important that you check your Policy Schedule carefully to ensure that the benefits you selected are correctly recorded on it.

YOU CAN CANCEL YOUR POLICY WITHIN 30 DAYS

If, after studying your Policy Schedule and this Life Plan Guide, you are unhappy with the policy you have chosen, you may take advantage of a 30-day “cooling-off” period. The “cooling-off” period allows you to re-evaluate your policy purchase and cancel the policy by sending a written cancellation notice to Discovery Life, within 30 days after the policy has been issued. The “cooling-off” period only applies if you have not had any benefits paid to you or if you or any of your dependants have not been affected by any of the events for which you are assured. Any premiums paid will be reFunded after deduction of the cost of any cover provided to you, as well as the cost of providing any investment options to you.

NEED MORE INFORMATION ON YOUR POLICY?

We look forward to assisting you in resolving any problems which you may have and encourage you to contact us if necessary.

For any event, you are welcome to contact:

• Your financial adviser as indicated on your Policy Schedule
• Discovery Life contact centre on 0860 00 5433 (0860 00 LIFE)
  – By email: discoverylifeinfo@discovery.co.za
  – By fax: 0860 54 3339
  – By mail: Discovery Life
    PO Box 3888
    Rivonia
    2128
• Discovery Life Claims on discclaims@discovery.co.za
• Discovery Life Compliance Officer:
  – By email: compliance@discovery.co.za
  – By phone: 011 529 1321
THE LIFE PLAN HELPS YOU TO MAINTAIN YOUR LIFESTYLE IF YOU EXPERIENCE A LIFE-CHANGING EVENT

The Life Plan provides cover for life-changing events for the whole family. These events include death, severe illness and disability and are fully described in the rest of the Life Plan. There are two types of Life Plans available; the Classic Life Plan and the Essential Life Plan. Both the Classic and Essential Life Plans provide cover for Personal Assurance. The details of both Life Plans are contained in this Life Plan Guide. See Appendix 6 for an overview of the difference between the Life Plans.

2.1 THE LIFE FUND IS THE FINANCIAL FOUNDATION OF YOUR LIFE PLAN

The Life Plan has as its basis a Life Fund, which is the financial mechanism of the Life Plan. The Life Fund is used to Fund benefit payments for the benefits you and your family have selected. It is yours to manage during your lifetime to ensure maximum cover of future long-term commitments.

2.2 YOUR LIFE FUND CAN GROW TO OFFER YOU INCREASED COVER

You may choose for your Life Fund to remain level or to grow at the benefit escalation rate.

The benefit escalation rate is a rate at which the Life Fund increases automatically on each policy anniversary. There are two types of escalation rates:

- Consumer Price Index: Benefits increase annually at the Consumer Price Index (CPI) as determined by Statistics South Africa. This rate will differ from year to year as CPI fluctuates. Discovery Life, will use the CPI figure as released by Statistics South Africa three months before each policy anniversary.

- Fixed percentage: Benefits increase annually at a fixed percentage selected at inception of your policy. This rate remains constant from year to year.

2.3 BENEFITS ARE DEFINED AS A PERCENTAGE OF THE LIFE FUND

Your policy reflects the benefits selected by you. These benefits are defined as a percentage of your Life Fund unless you have chosen the non-accelerated versions of these benefits. Multiplying the benefit percentage by the Life Fund at inception of the policy defines the initial monetary amount of cover for each benefit.

2.4 WHAT EFFECT DO BENEFIT PAYMENTS HAVE ON THE LIFE FUND, COVER INTEGRATOR AND FINANCIAL INTEGRATOR FUND?

The descriptions and references to Life Fund include reference to the Cover Integrator and the Financial Integrator Fund (if applicable), for both the Classic Life Plan and the Essential Life Plan unless specifically excluded.

Benefit payments are defined as:

Any amount of money paid to you as a result of you claiming against your Life Fund for a life-changing event.

When you receive an accelerated benefit payment from your Life Fund, the value of your Life Fund is reduced by the amount of the benefit payment (taking into account any conversion rates in the case of AccessCover and AccessCover Plus if applicable). Should you qualify for benefit payments from more than one benefit as a result of the same life-changing event, the highest benefit payment will be processed first and the Life Fund will reduce by this benefit payment amount.

Subsequent benefit payments related to the same event will be processed against the reduced Life Fund value after the previous benefit payment has been deducted. The same effective date will apply for the assessment of the benefit payment amount for these multiple claims. This effective date is the date on which the life-changing event occurs.

For example: let’s assume you selected 30% of your total Life Fund to provide cover for a life-changing event. When a benefit payment is made, your Life Fund will be reduced by 30% to 70% of the balance before the benefit payment is made. A subsequent benefit payment will then be determined based on the balance of the Life Fund after the first benefit payment has been deducted. Please refer to the additional example in Section 13.
In the event of the principal life and spouse dying simultaneously, the benefit payment will be equivalent to the amount of the Life Fund at the time of their deaths, Plus an additional amount equivalent to the spouse’s life cover. The policy will terminate after these payments have been made.

Simultaneous claims may arise for the principal life and spouse under the Severe Illness Benefit (Section 6) and the Capital Disability Benefit (Section 7). This will result in two benefit payments. In this case, the second benefit payment amount will be determined based on the Life Fund value before the Fund has been reduced by the first benefit payment. Should the sum of the two benefit payments exceed the Life Fund amount, the policy will be terminated after both benefit payments have been made.

Simultaneous death is defined as the death of the principal life and spouse within three months of each other, where the deaths were as a result of the same incident or life-changing event. Simultaneous claims are defined as the submission of claims for the principal life and spouse within three months of each other, where the claims were as a result of the same incident or life-changing event.

**2.5 WHAT EFFECT DO BENEFIT PAYMENTS HAVE ON PREMIUMS?**

A feature of the Life Plan is that Severe Illness Benefits, Family Benefits and Disability Benefits do not fall away after a claim. Therefore, the premiums for your Life Plan remain unchanged after a claim. Premiums for each benefit will cease once the benefit expiry age for that particular benefit is reached. Should multiple lives be assured on the same Life Plan, a benefit payment for one assured life will result in the benefits for the other assured lives being reduced. In this case, the premiums for the benefits attributable to these other lives will be reduced proportionally to the reduction in benefit. Should a claim be made under AccessCover or AccessCover Plus, the premiums for the Life Cover Benefit will reduce proportionately.

**2.6 CAN I PREVENT MYSELF FROM RUNNING OUT OF COVER?**

Yes. This can be done in two ways:

2.6.1 **TOPPING UP YOUR LIFE FUND** – Should your Life Fund start to deplete due to benefit payments or if your circumstances change and you need additional cover, you can increase your Life Fund, subject to medical underwriting. An additional premium will be payable for this increase in cover.

2.6.2 **MAINTAINING A MINIMUM PROTECTED FUND** – The Minimum Protected Fund option allows you to specify a minimum level for your Life Fund.

If you have selected this option, the balance in your Life Fund will never drop below your specified minimum balance – no matter how many benefit payments have been made or what the monetary value of these payments was, subject to the 14-day survival period as described below. On the death of the principal life, the Life Fund is fully depleted and the Minimum Protected Fund will no longer have an effect on the Life Fund.

A benefit payment reduces the Life Fund. Once the benefit payment has been made, the balance in the Life Fund will be compared to the value of the Minimum Protected Fund. This comparison will only be done once all benefit payments from the same life-changing event have been processed as described in paragraph 2.4. The Minimum Protected Fund may reinstate the Life Fund between Severe Illness Benefit claims which arise from the same life-changing event. This is discussed in Section 6.7. Should the balance in the Life Fund be below the Minimum Protected Fund, the Life Fund will be increased by an amount such that the Life Fund equals the Minimum Protected Fund. This restoration of part of the Life Fund will occur after a 14-day survival period from the occurrence of the life-changing event. Certain limits are applied to the Minimum Protected Fund reinstatements after multiple claims on the Essential Life Plan. Refer to Sections 6.7 and 7.6 for more information.

Should the life who experienced the life-changing event die within the 14-day survival period, the Life Fund will not be increased to the level of the Minimum Protected Fund. Please note that Life Cover is not reinstated by the Minimum Protected Fund following an AccessCover or AccessCover Plus claim.
Let’s assume you have a Life Fund of R1 000 000 and choose a Minimum Protected Fund of R500 000. Should a benefit payment of R800 000 be made, the Life Fund will be reduced to R200 000. If you survive 14 days, the Life Fund will be increased by R300 000 resulting in the Life Fund being the same as the Minimum Protected Fund.

You will be charged an additional premium for this facility. The extra premium will depend on the Minimum Protected Fund value you have chosen and also on the percentage of cover you have selected for your various benefits. Details will be shown in your Policy Schedule.

In the event of a disability or severe illness claim, the Minimum Protected Fund will only restore the Life Fund where the Capital Disability Benefit or the Severe Illness Benefit respectively has been selected to reduce the Life Fund and not in cases where the non-accelerated Capital Disability Benefit or non-accelerated Severe Illness Benefit was selected. In the event of a claim on AccessCover or AccessCover Plus Benefits, the Minimum Protected Fund will not reinstate the Life Cover benefit, but will reinstate ancillary benefits where applicable. If an ancillary claim is paid out after you have claimed on the AccessCover or AccessCover Plus benefits, the amount of life cover remaining may be less than the reinstated Minimum Protected Fund.

The Minimum Protected Fund, if selected, will also apply to your Cover Integrator and Financial Integrator Fund. Please refer to your Policy Schedule to see if you have selected this option.

2.7 YOUR LIFE FUND CAN GROW AGAIN EVEN AFTER A BENEFIT PAYMENT HAS BEEN MADE

Your Life Fund will be reduced by the amount of the benefit payment. If you selected a Life Plan where the Life Fund increases annually at the benefit escalation rate, your Life Fund will continue to grow after the benefit payment by the benefit escalation rate.

2.8 A GRAPHIC ILLUSTRATION OF LIFE FUND VALUES

2.8.1 THE LIFE FUND GROWS AT THE BENEFIT ESCALATION RATE. NO MINIMUM PROTECTED FUND HAS BEEN SELECTED. THE BENEFIT ESCALATION OCCURS AT EACH POLICY ANNIVERSARY.

Assume a Life Fund of R1 million was chosen when you took out your policy and you selected a benefit escalation rate of CPI (eg 8% per year). At the end of the first year, your Life Fund will increase to R1 080 000 (ie R1 000 000 Plus 8%). This value will in turn increase by a further 8% after two years to R1 166 400 (ie R1 080 000 Plus 8%).

This pattern of increases will continue at each policy anniversary after the second year.

Note that although a CPI rate of 8% per year was used for each year in the above example, the actual annual CPI increase will fluctuate from year to year. If you selected a fixed benefit percentage increase, your annual Life Fund increase will be based on the selected percentage, and not the CPI rate used in the example above.
2.8.2 THE GROWTH OF A LIFE FUND WITH ANNUAL BENEFIT ESCALATIONS INCLUDING A MINIMUM PROTECTED FUND OPTION.

Benefit payments are based on the Life Fund plus annual benefit escalations. A benefit payment reduces the Life Fund by the benefit payment amount.

You may have selected a Minimum Protected Fund at inception of the contract. This is reflected at a level of R400 000 in the example above. This serves as a minimum below which the Life Fund cannot reduce, irrespective of the monetary amount and number of benefit payments made, subject to the rules defined in paragraph 2.4 and 2.6.2.

The Minimum Protected Fund increases annually on policy anniversary at the same benefit escalation rate applicable to the Life Fund. If you have selected the Minimum Protected Fund on your Cover Integrator and/or Financial Integrator Fund, it will increase annually on policy anniversary at the same benefit escalation rate applicable to these benefits.
WHEN YOUR COVER STARTS AND ENDS

WHAT LIFE-CHANGING EVENTS AM I COVERED FOR?

A life-changing event is defined as:

Death, or an illness or disability that is severe enough to affect your lifestyle or your ability to earn an income and lowers your standard of living. Policy terms and definitions apply - please refer to the specific sections as well as the definitions in Appendix 1 and 2.

If all your premium payments are up-to-date, Discovery Life will compensate you for the occurrence of life-changing events covered by the benefits indicated on your Policy Schedule.

Benefit payments for benefits detailed in your Policy Schedule are limited to the total value of your Life Fund, Cover Integrator and Financial Integrator Fund at the time when the benefit payment is made for a particular life-changing event, even if the life-changing event qualifies for benefit payments from multiple benefits.

3.1 CAN I INSURE MY SPOUSE, CHILDREN AND PARENTS ON THE SAME POLICY?

Yes. A single Life Fund is used to provide benefits for all members of your family unit. Instead of having to take out separate policies for each family member, Discovery Life can cover your spouse, children and parents under one policy. A "spouse" is defined as a person who is the permanent life partner or spouse or civil union partner of a member in accordance with the Marriage Act, the Recognition of Customary Marriages Act, or the Civil Union Act or the tenets of any religion.

A "child" is defined as a biological child of the life assured or a child that has been legally adopted.

3.2 WHAT BENEFITS DOES THE LIFE PLAN OFFER?

Your Life Plan offers you a number of valuable benefits, all supported by the Life Fund, Cover Integrator and Financial Integrator Fund. They are:

3.2.1 LIFE COVER BENEFIT

- Available for the principal life and spouse
- Premium Waiver on the death of the principal life (only applicable if you have selected benefits for your spouse and/or children and/or parents)
- The AccessCover benefit is automatically included on all qualifying life cover benefits, including the Life Fund, Cover Integrator Fund and Financial Integrator Fund (excluding the Buy-up Cover Integrator and Financial Integrator Cash Conversion benefits). AccessCover Plus applies to the same qualifying life cover benefits as AccessCover for an additional premium.

3.2.2 SEVERE ILLNESS BENEFIT

- Available for the principal life and spouse
- Premium Waiver on the severe illness of the principal life.

3.2.3 FAMILY ILLNESS BENEFITS

- Female Benefit
- Childbirth Benefit
- Child Severe Illness Benefit
- Parent Severe Illness Benefit
- Family Trauma Benefit
- Global Health Protector
- Global Education Protector
- Health Plan Protector.
3.2.4 DISABILITY BENEFITS

Available for the principal life and spouse:

- Capital Disability Benefit

Available for the principal life:

- Income Continuation Benefit and Temporary Income Continuation Benefit, with or without Overhead Expenses Benefit
- Premium Waiver on the disability of the principal life.

3.2.5 DISCOVERY RETIREMENT OPTIMISER

Available for the principal life.

3.2.6 PHILANTHROPY FUND

- Available for the principal and spouse
- The Cover and Financial Integrators do not apply to the Philanthropy Fund.

3.3 HOW LONG WILL YOUR POLICY BE VALID FOR?

Your policy commences on the inception date and remains in force until:

- You have given us one calendar month’s written notice to cancel your policy. No benefits are payable on or after the cancellation of your policy.
- Your Life Fund, Cover Integrator and Financial Integrator Fund is depleted due to a benefit payment. Should this occur due to death, disability, or severe illness of the principal life, or due to an AccessCover or AccessCover Plus claim, the spouse, children and parents may elect to continue their cover, without underwriting. The spouse will then become the principal life on the policy and the premiums payable by the spouse for all benefits will be the same as the premiums that would apply to a principal life for the same benefits. Where there is a Minimum Protected Fund included on the policy before the death of the principal life and the spouse has ancillary benefits, the Minimum Protected Fund will be included on the policy after the death of the principal life. The percentage of Minimum Protected Fund selected on the original policy will be applied to the new Life Fund which is the level of spouse life cover in place before the principal life’s death. Should the Life Fund be depleted due to the death, disability, severe illness of the spouse, or AccessCover or AccessCover Plus claim, the principal life, children and parents may elect to continue with their cover, without underwriting. Should the Life Fund be reduced due to the death of the spouse, or due to the spouse claiming on AccessCover or AccessCover Plus on a policy where there are no other benefits that accelerate the Life Fund, the principal life may choose to reinstate the Life Fund to its original level before the death of the spouse, without underwriting.
- The policy is terminated with immediate effect due to non-disclosure or misrepresentation as described in section 15.1.
- You have failed to pay your premiums for a third month in a row (please refer to section 9.6.3).

Certain benefits may remain in force even after the Life Fund has been depleted due to a claim.
4.1 WHAT IS THE LIFE COVER BENEFIT?

The Life Cover Benefit provides a benefit payment to your family should you die. If the spouse’s Life Cover Benefit has been selected, the death of your spouse will also be covered.

4.1.1 LIFE COVER FOR THE PRINCIPAL LIFE

Upon your death, the owner or nominated beneficiaries of the policy will be paid the value of the amount in the Life Fund at the date of death as follows:

(i) Initial Life Fund value

Plus

(ii) Any amount by which your Life Fund has changed at each policy anniversary due to annual automatic benefit escalations and Cover and Financial Integrator adjustments

Plus

(iii) Any other ad hoc increases or decreases made by you to your Life Fund since the policy commenced, including any increases from the Future Fund Benefit (see Section 8)

less

(iv) Any benefit payments and fees previously deducted from the Life Fund offset by any Minimum Protected Fund reinstatements

less

(v) Reductions to your Life Fund as a result of the Discovery Retirement Optimiser (see Section 10)

less

(vi) Reductions to your Life Fund as a result of an AccessCover or AccessCover Plus claim.

4.1.2 SPOUSE’S LIFE COVER BENEFIT

On the death of the spouse, a benefit payment equal to the amount of the spouse’s Life Cover Benefit will be made to the owner of the policy. The amount of this benefit payment is calculated using the same formula as in paragraph 4.1.1, but is multiplied by the benefit percentage applicable to the spouse’s Life Cover Benefit at the time of claim.

This benefit payment will reduce the Life Fund.

The Spouse BenefitBooster will provide additional Spouse Life cover at no additional cost. This additional cover will not accelerate the Life Fund and will be available subject to the minimum qualifying rules being maintained (See Section 8).

4.1.3 THE PREMIUM WAIVER ON DEATH ASSISTS YOUR FAMILY IN A TIME OF NEED

This benefit protects your family from financial distress in the event of the death of the principal life. If you have selected this benefit and the principal life dies, Discovery Life will pay the premiums for all benefits that were related to the spouse, children and parents under the contract. A Life Fund will be established at a level sufficient to sustain the remaining benefits that were covered by the policy before the principal life’s death. The premiums for Vitality will be waived if your policy is Health or Vitality Integrated. The premium for Vitality Active Rewards for Life will also be waived if your policy is Active Integrated. The premium for Vitalitydrive will not be waived. The Childbirth Benefit will fall away unless the spouse is pregnant, in which case the benefit will terminate after childbirth.

If no claim has been paid under the Premium Waiver, the benefit will terminate at the end of the month in which you turn 75.

If the Premium Waiver is active due to a claim, the payments made from the Premium Waiver will cease at the end of the month in which the principal life would have turned 75. Discovery will no longer charge you a premium for the benefit if your premiums are being waived. Premiums will not be waived where the death of the principal life occurred as a result of suicide within two years of the policy commencement date or policy reinstatement date.

Assuming a plan was selected with the premium escalating at one of the premium escalation rates, the Premium Waiver covers these increases to a maximum of 20% per year. Discovery Life’s premium guarantee as detailed in Section 9.7 will be fully covered by this waiver benefit.
4.1.4 **THE TERMINAL ILLNESS BENEFIT GIVES YOU COVER FOR YOUR LIFE, NOT YOUR DEATH**

This benefit is designed to help a life assured who need Funds – for whatever reason – before death, once they have been diagnosed with a terminal illness. This benefit is applicable to any assured life that has the Life Cover Benefit and is included at no additional cost.

This benefit pays the full value of the Life Fund if a life assured has been diagnosed with a terminal illness and is deemed by the medical panel of Discovery Life in their sole discretion to have a survival period of 12 months or less.

The Funds available for a full payment only from the Life Fund will be the equivalent of the balance of the Life Fund (including any applicable Financial Integrator and Cover Integrator amounts) at the time of claim. Any Spouse BenefitBooster amount on the life assured claiming will also be paid at the same time as the Terminal Illness Benefit.

The full Philanthropy Fund sum assured (if applicable) will be paid out to the nominated charities at the time of claim.

There will be no further benefit on death should the total Life Fund be claimed for the Terminal Illness Benefit.

4.1.5 **THE ACCESSCOVER AND ACCESSCOVER PLUS BENEFITS GIVE YOU THE OPTION TO CONVERT YOUR LIFE COVER INTO CASH FOR SPECIFIED EVENTS**

This benefit converts a portion of your Life Fund into cash and reduces the Life Fund by the portion that was converted to give you early access to your life cover while you are still alive for a range of specified events as specified in Appendix 4. You may convert your life cover into cash at a specified conversion rate as defined by Discovery Life. For every R1 of life cover that you choose to convert, you will receive a certain value (in cents) depending on the condition. These conversion rates may be amended by Discovery Life from time to time in their sole discretion.

Medical AccessCover is automatically included on your policy at no extra charge if you meet certain underwriting criteria and gives you the option to convert your life cover into cash for a range of medical definitions. In order to qualify you cannot have any premium loading on your Life Cover benefit due to a health condition.

You may also purchase AccessCover Plus which gives you early access to your life cover for a range of additional events:

- **Longevity AccessCover** gives you the option to convert your life cover into cash on reaching certain age milestones in your life. Up to 50% of your total qualifying life cover can be converted at each of the specified ages.

- **Family Debility AccessCover** gives you the option to convert your cover into cash if you, your spouse or your children are permanently disabled as a result of accident or being a victim of violence.

- **Spouse Accidental Death AccessCover** gives you the option to convert your life cover into cash if your spouse dies as a result of accident or violence.
The amount of life cover that you may convert for each event as well as the conversion rates are described below:

<table>
<thead>
<tr>
<th>ACCESSCOVER EVENT*</th>
<th>TOTAL AMOUNT OF LIFE COVER THAT CAN BE CONVERTED INTO CASH</th>
<th>CONVERSION RATE (AMOUNT YOU WILL RECEIVE FOR EACH R1 OF LIFE COVER CONVERTED INTO CASH)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICAL ACCESSCOVER CATEGORIES</td>
<td></td>
<td>ACCESSCOVER ACCESSCOVER PLUS</td>
</tr>
<tr>
<td>A</td>
<td>• Up to 100% of your total qualifying life cover including your Cover Integrator and Financial Integrator if you have qualifying ancillaries</td>
<td>70c</td>
</tr>
<tr>
<td>B</td>
<td>• Up to 50% of your total qualifying life cover including your Cover Integrator and Financial Integrator if you don’t have qualifying ancillaries</td>
<td>65c</td>
</tr>
<tr>
<td>C</td>
<td></td>
<td>60c</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>50c</td>
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<tr>
<td>E</td>
<td></td>
<td>45c</td>
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<tr>
<td>F</td>
<td></td>
<td>40c</td>
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<td>G</td>
<td></td>
<td>30c</td>
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<tr>
<td>H</td>
<td></td>
<td>20c</td>
</tr>
<tr>
<td>LONGEVITY ACCESSCOVER</td>
<td>Life Assured reaches age 80</td>
<td>Up to 50% of your total qualifying life cover including your Cover Integrator and Financial Integrator.</td>
</tr>
<tr>
<td>Life Assured reaches age 85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life Assured reaches age 90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FAMILY DEBILITY ACCESSCOVER</td>
<td></td>
<td>Up to 5% of your total life cover including your Cover Integrator and Financial Integrator for each family member.</td>
</tr>
<tr>
<td>SPOUSE ACCIDENTAL DEATH ACCESSCOVER</td>
<td>Up to 5% of your total life cover including your Cover Integrator and Financial Integrator.</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

*See Appendix 4 for definitions.

PLEASE NOTE:

- Medical AccessCover is available to the principal and spouse on a policy until the end of the month in which they turn 65.
- Family Debility AccessCover is available to the principal and spouse until the end of the month in which they turn 65 and any biological or legally adopted children until the end of the month in which they turn 19.
- Spouse Accidental Death AccessCover is available until the end of the month in which the spouse turns 65.
- Your policy schedule will indicate the amount of your total life cover that you qualify for and that you may convert.
- You may not access any cover added by the Future Fund benefit if you have previously claimed on the AccessCover or AccessCover Plus benefits.
- For an AccessCover or AccessCover Plus claim to be considered, the claim must be submitted and received by Discovery Life within three months of the event that resulted in the claim. The AccessCover or AccessCover Plus event date is defined as the date of the first diagnosis which would have met the criteria under the AccessCover or AccessCover Plus definition in Appendix 4. For example, if the definition requires two measurements, the AccessCover or AccessCover Plus event date is when the result of the second measurement is made known to the client, provided that both measurements meet the qualifying criteria.
- Any applications for an increase in the Life Fund after the end of the month in which the applicant turns 65 will not contribute towards the Longevity AccessCover payout.
- If you die within three months of converting life cover on any of the Medical AccessCover criteria, the death payout will be increased to the amount that would have been received had that cover been converted at a conversion rate of 100c in the rand.
- If the Life Fund is depleted due to a claim on AccessCover or AccessCover Plus, the spouse (if applicable) will have a guaranteed insurability option, as defined in Section 3.3.
- Please see Appendix 4 for a detailed description of the definitions.
- Discovery Life will review the medical conditions and categories from time to time after consultation with medical experts to reflect changes in prognosis and survival periods for each condition and if deemed necessary, will amend the medical conditions and categories.
EXAMPLE

You have R1 000 000 of life cover without any medical loadings on your premium of which R500 000 can be converted under the AccessCover Plus benefit according to your policy schedule. Upon being diagnosed with a Category C Medical AccessCover event you choose to convert R400 000 of your life cover into cash (the converted life cover).

Your life cover will reduce by R400 000 (the converted life cover) and you will receive a payment of R400 000 x 0.75 = R300 000. Your life cover premium will also reduce proportionately.

Reductions in life cover due to a claim on AccessCover or AccessCover Plus will reduce the total Life Fund. All ancillary benefits which are expressed as percentages of the total Life Fund may also reduce. However, if you have the Minimum Protected Fund, these ancillaries may be reinstated. Your life cover premiums will reduce to reflect the reduction in life cover amounts. The premiums for the other ancillary benefits will however remain unchanged, even if their cover amounts may have been reduced.

AccessCover and AccessCover Plus payouts will not reduce the PayBack accrued (if applicable) in any five-year cycle.

If the AccessCover or AccessCover Plus condition also results in claim payment(s) under the Severe Illness and/or Capital Disability and/or Spouse Life Cover Benefits, these claims will be processed first, together with any applicable Minimum Protected Fund reinstatements. The AccessCover or AccessCover Plus converted life cover and payout will be calculated on the remaining life cover after any applicable Minimum Protected Fund reinstatements.

EXAMPLE

You have R1 000 000 of life cover without any medical loadings on your premiums with 50% Severe Illness Benefit cover and no Minimum Protected Fund. The full life cover amount can be converted through the AccessCover benefit according to your policy schedule, because you have sufficient qualifying ancillaries.

If you are diagnosed with stage IV malignant melanoma, the Severity A Severe Illness Benefit payment of R500 000 will be made. The life cover will reduce to R500 000 and the remaining Severe Illness Benefit will be R250 000. Stage IV malignant melanoma is a Category C under the Medical AccessCover definitions.

If you choose to convert R250 000 of this remaining life cover through the AccessCover benefit, your life cover will reduce to R250 000 and you will receive a payment of R250 000 x 0.6 = R150 000. Your life cover premium will reduce proportionately.

Because your life cover has reduced by 50% as a result of you exercising AccessCover, your Severe Illness cover, which is half of your life cover, will also reduce by 50%. You will therefore have R125 000 Severe Illness Benefit remaining.

If you have claimed on AccessCover or AccessCover Plus, the Minimum Protected Fund will not reinstate the life cover that you have accessed. It will, however, reinstate all applicable ancillaries.

EXAMPLE

You have R1 000 000 of life cover (the full amount which can be converted through the AccessCover benefit as per your policy schedule, because you have sufficient qualifying ancillaries). In addition, you have 50% Severe Illness Benefit Cover and 100% Minimum Protected Fund.

If you are diagnosed with stage IV Malignant Melanoma, the Severity A Severe Illness Benefit payment of R500 000 will be made, with the life cover being reinstated to R1 000 000 (and the Severe Illness Benefit cover to R500 000) after 14 days.

If you choose to convert 50% of this life cover through the AccessCover benefit, your life cover will reduce to R500 000 and you will receive a payment equal to R500 000 X 0.6 = R300 000. Your life cover premium will reduce proportionately.

However, your Severe Illness Benefit cover will be reinstated back to R500 000 (with the Severe Illness Benefit’s premium remaining unchanged). The premium for your Minimum Protected Fund benefit will also remain unchanged in this case.

AccessCover and AccessCover Plus payments will have no effect on the Life Plan Optimiser of the Discovery Retirement Optimiser or the Buy-up Cash Conversion benefits on the Cover Integrator and Financial Integrator.

If an ancillary claim is paid out after you have claimed on the AccessCover or AccessCover Plus benefits, the amount of life cover remaining may be less than the reinstated Minimum Protected Fund.

AccessCover and AccessCover Plus do not apply to the Spouse Benefit Booster.
5.1 WHAT IS THE PHILANTHROPY FUND?

The Philanthropy Fund allows you to leave a legacy by paying your selected Philanthropy Fund sum assured, tax-free, to your nominated charities on your death. Your nominated charities will also receive a portion of your Philanthropy Fund premiums through the Philanthropy PayOut every five years. You may nominate any charity of your choice from Discovery’s approved list of charities of Section 18A Public Benefit Organisations. All benefits will be apportioned according to the percentages that you allocate to each nominated charity on your beneficiary nomination form.

Your spouse may also select the Philanthropy Fund. Your spouse’s Philanthropy PayOut and Philanthropy Fund sum assured will be paid to your spouse’s nominated charities.

You must have a Life Plan (either Classic or Essential) to qualify for the Philanthropy Fund. If you lapse or cancel your Life Plan, the Philanthropy Fund and the Philanthropy PayOut will be cancelled.

The Philanthropy Fund is a non-accelerated benefit and claims on the Life Fund will not affect the Philanthropy Fund and vice versa. AccessCover and AccessCover Plus benefits are not applicable to the Philanthropy Fund.

The Philanthropy Fund sum assured will increase by the annual automatic benefit increase on your Life Plan. Cover Integrator and Financial Integrator will not apply to the Philanthropy Fund. You may adjust your Philanthropy Fund sum assured at any point in time, subject to the applicable Philanthropy Fund benefit minimums and maximums, as well as underwriting, and provided that your Life Fund has not been depleted due to claims.

Your Philanthropy Fund premiums will increase in line with the annual contribution increase applicable to your Life Plan, as well as your annual Health, Vitality, Active and Vitalitydrive Integrator premium adjustment factors (if applicable).

All Death, Severe Illness and Capital Disability Premium Waiver Benefits on your Life Plan will apply to the Philanthropy Fund premiums. If you have selected the Paid-Up Standard or Lock-In AcceleRater Option on your Life Plan, this will also apply to your Philanthropy Fund (see Section 9.5).

The payout on death from the Philanthropy Fund will be a deemed asset in terms of the Estate Duty Act. However, since the beneficiary of the policy is a Public Benefit Organisation, this policy will subsequently be a deduction in the estate. This means that the benefits from the policy are currently (March 2015) tax neutral.

5.1.1 PHILANTHROPY PAYOUT

The Philanthropy PayOut is applicable to all Philanthropy Fund policies.

On every fifth Philanthropy Fund anniversary, a portion of your Philanthropy Fund premiums will be paid to your nominated charities.

The Philanthropy PayOut will be calculated as follows:

- A percentage of your Philanthropy Fund premiums accrues to the Philanthropy PayOut at each policy anniversary. Your Vitality status 90 days before your policy anniversary determines the percentage that accrues to the Philanthropy PayOut. This is shown in the table below:

<table>
<thead>
<tr>
<th>VITALITY STATUS</th>
<th>PAYOUT PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies without Vitality</td>
<td>20%</td>
</tr>
<tr>
<td>Blue</td>
<td>30%</td>
</tr>
<tr>
<td>Bronze</td>
<td>40%</td>
</tr>
<tr>
<td>Silver</td>
<td>50%</td>
</tr>
<tr>
<td>Gold</td>
<td>60%</td>
</tr>
<tr>
<td>Diamond</td>
<td>70%</td>
</tr>
</tbody>
</table>

- The accrual in each policy year is summed over a five-year period and paid to the nominated charities listed on your beneficiary nomination form, as at the time that the Philanthropy PayOut is paid.

The Philanthropy PayOut is reset to a value of zero at the beginning of each five-year period.
You must keep the Philanthropy Fund for the entire five-year period for your nominated charities to receive the Philanthropy PayOut. If the life assured dies during the PayOut accrual period, the PayOut will fall away.

There is no accrual to the Philanthropy PayOut for the entire duration that Philanthropy Fund premiums are waived as a result of the Premium Waiver Benefits on death, severe illness and disability. There is also no accrual for the entire duration that Philanthropy Fund premiums are Paid-up (for clients that have selected the Paid-up Standard or Lock-in AcceleRater Option).

The Philanthropy PayOut will be paid tax-free to your nominated charities. Because you have given your consent to Discovery Life to make these donations on your behalf, you may, depending on your personal tax position, receive a Section 18A tax certificate from your nominated charities, giving you tax deductibility for the PayOut paid to your nominated charities.

5.1.2 CAN I CHANGE MY NOMINATED CHARITIES?

You may change your nominated beneficiaries of the Philanthropy Fund sum assured and Philanthropy PayOut to any charity listed on Discovery’s approved list of charities at any point in time. You may also change the percentage allocated to each charity. Discovery will keep the list of charities updated and inform you of any changes. Should a charity no longer be available on the list of charities, you will have the opportunity to change your selection.

If you change the nominated beneficiary to any other person or organisation, other than those charities listed on Discovery’s approved list of charities, your Philanthropy Fund and Philanthropy PayOut will be cancelled.

5.1.3 WHAT HAPPENS IF YOUR NOMINATED CHARITY IS NO LONGER AN APPROVED CHARITY?

If you have a beneficiary that is no longer on Discovery’s list of approved charities when your Philanthropy Fund or Philanthropy PayOut is due to be paid, the following will happen:

In the case of the Philanthropy PayOut:

a. You will be asked to nominate the charity/charities that the applicable benefit amount will be paid to (You will be notified 60 days before the Philanthropy PayOut will be paid).

b. If, for any reason, you do not nominate another charity, and you have nominated more than one charity as a beneficiary, the amount applicable to the charity that is no longer on Discovery’s approved list of charities, will be allocated to the remaining nominated charities in proportion to their respective elected percentages.

c. In all other instances, the applicable benefit amount will be paid out to the Discovery Fund, which is a Section 18A Public Benefit Organisation.

In the case of a death claim on your Philanthropy Fund:

a. If you have nominated more than one charity as a beneficiary, the amount applicable to the charity that is no longer on Discovery’s approved list of charities, will be allocated to the remaining nominated charities in proportion to their respective elected percentages.

b. If your only beneficiary is the nominated charity that is no longer on Discovery’s approved list of charities, the nominated beneficiaries on your Life Fund will be asked to nominate the charities that the Philanthropy Fund will be paid out to.

c. If the beneficiaries on your Life Fund fail to nominate a beneficiary on Discovery’s approved list of charities within 60 days of being requested to do so, the Philanthropy Fund will be paid out to the Discovery Fund, which is a Section 18A Public Benefit Organisation.
SEVERE ILLNESS AND FAMILY BENEFITS

6.1 WHAT IS A SEVERE ILLNESS?

A severe illness is an illness or disorder that significantly affects a person’s lifestyle. Please refer to Appendix 1 for the terms and definitions of illnesses and disorders covered by the Severe Illness Benefit.

6.2 HOW DOES THE SEVERE ILLNESS BENEFIT WORK?

Discovery Life offers two types of Severe Illness Benefits:

- The Standard Severe Illness Benefit
- The LifeTime Severe Illness Benefit.

Both of these benefits pay out a lump sum if your condition fulfils the criteria for one of the defined severe illnesses listed in Appendix 1. In the case of the Standard Severe Illness Benefit, the lump sum payment takes into account the lifestyle impact of the life-changing event at the time of the event, whereas in the case of the LifeTime Severe Illness Benefit, the lump sum payment takes into account the lifestyle impact of the life-changing event at the time of the event as well as the expected lifestyle impact after the life-changing event. You may also choose the Severe Illness Extender Benefit which enhances the payments of the standard Severe Illness Benefit or the LifeTime Severe Illness Benefit.

You may also choose whether you want the accelerated or non-accelerated Severe Illness Benefit. If you have chosen the accelerated Severe Illness Benefit, claims from the Severe Illness Benefit will reduce your Life Fund. If you have chosen the non-accelerated Severe Illness Benefit, claims from the Severe Illness Benefit will not reduce your Life Fund.

If you have selected the Classic Life Plan, your non-accelerated Severe Illness Benefit will reinstate 14 days after each claim to 100% of its level before the claim for all possible future claims subject to the rules in Section 6.7.

If you have selected the Essential Life Plan, the maximum payment for any set of related claims (see Section 6.7) is 100% of the benefit amount for the non-accelerated benefit. Future payments will only be possible for subsequent claims for unrelated conditions in other body systems subject to the rules in Section 6.7.

You may also qualify for the Severe Illness BenefitBooster which provides you with additional cover at no cost. Please see Section 8 for details.

The claims definitions within the Discovery Life Severe Illness Benefit are compliant with those set out in the Standardised Critical Illness Definitions Project (SCIDEP).

6.3 HOW ARE THE SEVERE ILLNESSES CATEGORISED?

Discovery Life’s Severe Illness Benefit covers a wide range of medical conditions from life-changing to terminal. This benefit is family-focused and allows you to select Severe Illness Benefits to suit your own and your family’s needs.

Discovery Life has grouped the severe illnesses for which it provides cover into a number of categories.

CATEGORY 1

The Severe Illness Benefit includes the following, any of which may be chosen individually:

- Heart and Artery Benefit
- Cancer Benefit
- Nervous System Benefit
- Respiratory Diseases Benefit
- Gastrointestinal Benefit
- Urogenital Tract and Kidney Benefit
- Connective Tissue Diseases Benefit.

Premiums will only be paid for the specific Severe Illness Benefits selected.

When an Individual Severe Illness Benefit is selected from the list, the benefit will automatically cover Severity A to G and it will be accelerated cover.

CATEGORY 2

If all of the above (Category 1) Severe Illness Benefits are selected, the following severe illnesses are automatically covered as well:

- Advanced AIDS/Accidental HIV Benefit
- Eye Benefit
- Ear, Nose and Throat Benefit
• Endocrine and Metabolic Diseases Benefit
• Musculoskeletal Benefit.

**CATEGORY 3**

Family Illness Benefits are as follows:
• Female Benefit
• Childbirth Benefit
• Child Severe Illness Benefit
• Parent Severe Illness Benefit
• Family Trauma Benefit
• Global Health Protector
• Global Education Protector
• Health Plan Protector (only available to Discovery Health and Vitality members).

This category provides the flexible cover families need. Benefits in this category can be selected individually.

**AUTOMATIC COVER FOR CHILDREN (ONLY AVAILABLE ON THE CLASSIC LIFE PLAN)**

Should the principal or spouse have purchased cover for Category 1 and 2 illnesses, an amount of Severe Illness cover is automatically included for their children. The children will be covered for all conditions listed under Sections 1 to 13 in Appendix 1. If you would like to purchase an additional amount covering your children under Sections 1 to 13 in Appendix 1, you may select the Child Severe Illness Benefit under Category 3 above.

The automatic cover for each child in the family is provided without medical underwriting, but excludes pre-existing medical conditions affecting the child that you or your child knew about or ought reasonably to have known about or sought medical attention for at any time in the past.

This cover expires at the end of the month in which the child turns 18.

To qualify for a benefit payment the child must be the biological child of the life assured or must have been legally adopted prior to the life changing event.

A claim for any child is limited to 10% of the parents’ aggregate sum assured for the Severe Illness Benefit, up to R135 000 per claim event. These claims have no impact on the Life Fund.

Claims for additional Child Severe Illness Benefits purchased will impact the Life Fund.

Please refer to the remainder of Section 6 and Appendix 1 for a comprehensive definition of each of these benefits.

**PARENTCARE (ONLY AVAILABLE ON THE CLASSIC LIFE PLAN)**

Should the principal or spouse have purchased cover for Category 1 and 2 illnesses, an amount of cover is automatically included for the parents of the life assured.

ParentCare is provided without medical underwriting, but excludes all claims which arise directly from a medical condition which existed before the start of the cover and which the parent, or you, knew about or ought reasonably to have known about or which the parent sought medical attention for.

ParentCare only applies to parents aged 70 and below at the time of inception of the principal’s or spouse’s Severe Illness Benefit.

The automatic cover expires for each parent at the end of the month in which they turn 80.

**HOW PARENTCARE WORKS**

• A claim for any parent is limited to 5% of that parent’s child’s Severe Illness Benefit, up to R100 000 per parent.

• Where a parent is covered through more than one policy, a benefit payment may be made from each policy, subject to the aggregate payment not exceeding R100 000 per parent. Where the total benefit payment exceeds R100 000, the benefit payment will be proportioned across each relevant policy in relation to the amount of the Severe Illness Benefit on each policy.

• The ParentCare benefit will be payable if the parent meets the criteria for an event listed under Severity A to D in Appendix 1. The parent must also be unable to perform three out of six Self-care Activities of Daily Living as indicated in Appendix 3, which must be measured three months after the claim event. No benefit is payable in the event of the parent’s death within three months of the claim event.

• Multiple claims are permitted subject to the overall maximum of R100 000 per parent.

• Benefit payments have no impact on the Life Fund.
The automatic cover for parents covers the biological/adoptive parents of the insured life. A step-parent can also be covered provided that they have been nominated in writing prior to the step-parent meeting the criteria for a valid ParentCare claim. When you nominate a step-parent, you are required to declare any medical conditions which exist and which the step-parent, or you, know about or ought to know about, or for which the step-parent has sought medical attention for. Claims arising directly from these medical conditions are excluded from the automatic cover. A maximum of two parents may be covered for each assured life.

PARENT SEVERE ILLNESS BENEFIT

Additional severe illness cover for the principal life’s or spouse’s parents can be purchased through the Parent Severe Illness Benefit, listed under Category 3. This benefit is fully underwritten and provides cover for Severities A to D, as specified in Sections 1 to 12 in Appendix 1. These benefit payments have no impact on the Life Fund.

The Minimum Protected Fund does not apply to the Parent Severe Illness Benefit and the benefit will cease once 100% of the sum assured has been paid out.

The benefit is available for whole of life.

The Premium Waiver Benefits and Paid-up or Lock-in Options will apply to the Parent Severe Illness Benefit.

The Future Fund may not be used to increase the amount of cover on the Parent Severe Illness Benefit.

The amount of cover on the Parent Severe Illness Benefit is not affected by the Discovery Retirement Optimiser.

FEMALE BENEFIT

The Female Severe Illness Benefit is a whole of life accelerated benefit which covers females for severe illness conditions which may pose a risk to them such as cancers which only affect females, complications associated with pregnancy and osteoporosis.

This benefit provides cover for Severities A to G, as specified in Section 15 in Appendix 1.

CHILD SEVERE ILLNESS BENEFIT

The Child Severe Illness Benefit is an accelerated benefit which covers severe illnesses, as defined in Sections 1 to 13 in Appendix 1, that affect children.

Cover can be selected as Comprehensive (A-D) or Comprehensive Plus (A - G).

The benefit and premiums end at the end of the month in which the child turns 18.

FAMILY TRAUMA BENEFIT

The Family Trauma benefit covers specified accidental injuries for severities A to G as specified in Section 14 in Appendix 1. The family is defined to include the principal life, spouse and children up to age 18, irrespective of whether other benefits were selected for the spouse and children on the policy.

This is an accelerated benefit which covers each family member involved in a traumatic event. If more than one member of your family is involved in a traumatic event and a simultaneous claim is submitted, the proceeds will be paid on an accelerated basis.

For example, if the Family Trauma Benefit has been selected at 30% of a Life Fund of R1 000 000 and two family members submit a claim, the benefit payments are calculated as follows:

Claim 1: 30% of R1 000 000 = R300 000
Balance of Life Fund after claim 1 = R700 000
Claim 2: 30% of R700 000 = R210 000
Balance of Life Fund after claim 2 = R490 000

A unique feature of your policy is cover for trauma resulting from participation in a hazardous activity. Discovery Life provides you with cover as long as you notify us of your regular participation in the hazardous activity upfront. This enables us to adjust your premiums to accommodate these activities.

CHILDBIRTH BENEFIT

The Childbirth Benefit is an accelerated benefit which will help relieve some of the financial burden associated with a specified condition, for Severities A to G, as defined in Section 16 in Appendix 1.
6.4 **HOW DO THE SEVERITY LEVELS AFFECT BENEFIT PAYMENTS?**

The Severe Illness Benefits have been designed so that benefit payments are proportional to the lifestyle impact of the severity of the illness itself. The assessment of the severity levels that apply to specific medical conditions is detailed in Appendix 1 and is based on objective medical definitions.

There are seven severity levels used to determine benefit payments. These levels have been set to ensure that benefit payments provide adequate cover for the impact that the severe illness is expected to have on your lifestyle.

The severity levels are as follows:
- **Severity Level A**: pays 100% of the benefit cover
- **Severity Level B**: pays 75% of the benefit cover
- **Severity Level C**: pays 50% of the benefit cover
- **Severity Level D**: pays 25% of the benefit cover
- **Severity Level E**: pays 15% of the benefit cover
- **Severity Level F**: pays 10% of the benefit cover
- **Severity Level G**: pays 5% of the benefit cover.

There are four cover options available:
- **Comprehensive**: covering severities A – D;
- **Comprehensive Plus**: covering severities A – G;
- **LifeTime**: covering severities A – D;
- **LifeTime Plus**: covering severities A – G.

The LifeTime and LifeTime Plus Severe Illness Benefits include the LifeTime Severity Upgrades, applicable to severities A – D. You may also choose the Severe Illness Extender Benefit which enhances severities A – D on any of the above options. Please refer to the Policy Schedule to see the option you chose when applying for your policy.

As mentioned in Section 2, the benefit cover is always expressed as a percentage of the Life Fund unless you have chosen the non-accelerated Severe Illness Benefit, in which case the benefit cover is expressed separately from your Life Fund.

The Severe Illness BenefitBooster and Spouse Severe Illness BenefitBooster will provide additional Severe Illness cover and Spouse Severe Illness cover respectively at no additional cost. This additional cover will not accelerate the Life Fund and will be available subject to the minimum qualifying rules being maintained (see Section 8.3).

Severe Illness BenefitBooster and Spouse Severe Illness BenefitBooster will only be applicable on Severity A and Severity B claims. Any payments made in respect of Severe Illness BenefitBooster and Spouse Severe Illness BenefitBooster will not be increased by the LifeTime Severe Illness benefit or the Severe Illness Extender benefit.

The Severe Illness BenefitBooster does not apply to the individually selected Severe Illness Benefits or Family Illness Benefits listed in Category 3.

6.5 **HOW DOES THE LIFETIME SEVERE ILLNESS BENEFIT WORK?**

If you have selected the LifeTime or LifeTime Plus Severe Illness Benefit, your Severe Illness Benefit payment may be increased.

The extent to which your benefit payment may be increased depends on the following:

6.5.1 **THE LIFETIME IMPACT SCORE FOR THE ILLNESS FOR WHICH YOU ARE CLAIMING**

The LifeTime Impact Score applicable to the life-changing event that you have suffered is calculated by taking into account:
- the expected duration of severe illness;
- the invasiveness of any surgery required;
• the impact of any therapy and rehabilitation required and its associated discomfort; and
• the impact of any assisted care and devices.

The LifeTime Impact Score is used to determine the number of LifeTime Severity Upgrades. The LifeTime Severity Upgrades for each illness are listed in Appendix 1. These LifeTime Severity Upgrades determine the additional payment percentage as defined in the table below. Each applicable LifeTime Severity Upgrade adds 25% to your severity level percentage. To ensure that the LifeTime Impact Score is in line with rapidly advancing medical technology, Discovery Life may from time to time alter the scores and LifeTime Severity Upgrades that are applicable to each life-changing event, after consultation with medical specialists.

Discovery Life will ensure that any changes to the scores and LifeTime Severity Upgrades will not reduce the SCIDEP payout percentages below 100% on the LifeTime Severe Illness Benefit, where the resultant payout percentage was 100% or higher prior to the changes.

The following table shows the LifeTime Impact Score, number of LifeTime Severity Upgrades and the resulting additional percentage:

<table>
<thead>
<tr>
<th>LIFETIME IMPACT SCORE</th>
<th>NUMBER OF LIFETIME SEVERITY UPGRADES</th>
<th>ADDITIONAL PAYOUT PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 8</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>9 – 13</td>
<td>1</td>
<td>25%</td>
</tr>
<tr>
<td>14 – 16</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>17</td>
<td>3</td>
<td>75%</td>
</tr>
<tr>
<td>18+</td>
<td>4</td>
<td>100%</td>
</tr>
</tbody>
</table>

6.5.2 THE LIFETIME MAX THAT YOU HAVE SELECTED

You can choose a LifeTime Max of 100%, 125%, 150% or 200%. The LifeTime Max percentage represents the highest payment you will receive for your severe illness claim. The LifeTime Max does not limit any additional payments from the Severe Illness Extender Benefit, BenefitBooster or dependant increases. Your LifeTime Max also determines the maximum number of LifeTime Severity Upgrades that you can receive for any set of related claims. You can receive a maximum of:

• Four upgrades if you selected a LifeTime Max of 200%; or
• Three upgrades if you selected a LifeTime Max of 100%, 125% or 150%.

EXAMPLE

Consider the case where a client selects a LifeTime Max of 200% and claims for stage III cancer (Severity A). Stage III cancer qualifies for two LifeTime Severity Upgrades according to the LifeTime Impact score, so the benefit payment percentage is 150% (100% (Severity A) + 2 x 25% (two LifeTime Severity Upgrades)). Since this benefit payment percentage does not exceed the selected LifeTime Max, the full percentage will be paid out. However, if the client had selected a LifeTime Max of 125%, the benefit payment percentage will be limited to 125%.

6.5.3 THE NUMBER OF LIFETIME SEVERITY UPGRADES THAT HAVE BEEN PAID FOR PREVIOUS RELATED CLAIMS

Each LifeTime Severity Upgrade that you are paid will reduce the maximum number of LifeTime Severity Upgrades applicable to future related claims. Please note that on Essential and Classic Life Plans, all strokes will be deemed related to one another and all claims in the Health and Artery category will be deemed related to one another in determining the impact on the maximum number of LifeTime Severity Upgrades. For a set of progressive claims, the maximum number of LifeTime Severity Upgrades payable will not be reduced by any LifeTime Severity Upgrades that had been paid out for earlier claims for that specific progression. In addition, only the most recent claim in a set of progressive claims will be used to reduce the maximum number of LifeTime Severity Upgrades payable for other related claims. This is illustrated in the following examples.
EXAMPLE

A client (with no dependants) selects the accelerated LifeTime Severe Illness Benefit with a LifeTime Max of 125% as well as a Minimum Protected Fund of 100%. The choice of the 125% LifeTime Max means that the client may receive a maximum of three LifeTime Severity Upgrades for any set of related claims.

The client first claims for stage II cancer, which qualifies for two LifeTime Severity Upgrades. The benefit payment is 100% (50% {Severity C} + 2 x 25% {two LifeTime Severity Upgrades}) of the Severe Illness Benefit amount. The Life Fund is reduced by the first claim, and then reinstated after 14 days to the original level by the Minimum Protected Fund.

The cancer then progresses to stage III, which qualifies for two LifeTime Severity Upgrades. Although the client has already received two upgrades for a related claim, the fact that this new claim is a progression of the previous claim means that the previous claim has no impact on the number of LifeTime Severity Upgrades that the client may receive. As a result, the benefit payment percentage is 125% Min (125%; 100% {Severity A} + 2 x 25% {two LifeTime Severity Upgrades}), so the final payment will be the difference of the two payments (125% - 100%). Effectively only one LifeTime Severity Upgrade of 25% has now been paid out for this set of related claims, which means the client still has the opportunity to claim a further two LifeTime Severity Upgrades for future related claims.

EXAMPLE

A client (with no dependants) selects the LifeTime Severe Illness Benefit with a LifeTime Max of 200% as well as a Minimum Protected Fund of 100%. The choice of the 200% LifeTime Max means that the client may receive a maximum of four LifeTime Severity upgrades for any set of related claims.

The first claim is for a Severity C heart attack, which qualifies for two upgrades. The benefit payment is 100% (50% {Severity C} + 2 x 25% {two LifeTime Severity Upgrades}) of the Severe Illness Benefit amount. The Life Fund is reduced by the first claim, and then reinstated after 14 days to the original level by the Minimum Protected Fund.

The second claim is a Severity D heart attack which qualifies for three upgrades. The client has already used two upgrades on a previous claim related to this one. Since the client qualifies for a maximum of four upgrades and has already used two upgrades on the first heart attack, which was related to this claim, the client has only two upgrades for this claim. The benefit payment is 75% (25% {Severity D} + 2 x 25% {two LifeTime Severity Upgrades}).

Since all four upgrades have been paid out for this set of related claims no further claims related to the heart attacks will receive a LifeTime Severity Upgrade. Any unrelated claim is still able to receive the four LifeTime Severity upgrades.

6.5.4 YOUR NUMBER OF FINANCIAL DEPENDANTS AT THE TIME OF CLAIM

Your financial dependants include your unmarried children who are younger than 21 and your spouse.

Your benefit payment may be further increased according to the number of financial dependants you have at the time of your claim. In order to receive a dependant increase, the following criteria need to be met:

- The condition is a Severity A or B illness (as defined in Appendix 1); and
- The condition has a LifeTime Impact Score which qualifies for at least two LifeTime Severity Upgrades.

If the above criteria are met an additional 5% for each dependant will be paid (subject to a maximum of 15%). This percentage will be added to the LifeTime Severity percentage after the LifeTime Severity Upgrades have applied. Only one dependant increase will be payable for a set of related claims, and this will be paid on the first claim which satisfies the above criteria.

EXAMPLE

Continuing with the cancer example, if the client has two financial dependants at the time of the claim, a further 10% (2 x 5%) will be paid out. This would give a total benefit payment percentage of 160% under the 200% LifeTime Max, or 135% under the 125% LifeTime Max.

In the case of the accelerated option, the Life Fund will be reduced by the full claim payout including the LifeTime Severity Upgrades and payouts for dependants. In the case of the LifeTime and LifeTime Plus Severe Illness Benefits, benefit payments may exceed the Life Fund. In this case, the Life Fund will terminate. However, should the Minimum Protected Fund have been selected, the Life Fund will be reinstated to the selected level after claim, irrespective of whether the benefit payment exceeded the Life Fund or not.

Please note that the LifeTime Severity Upgrades will not be applied to the automatic Child benefit, ParentCare, Severe Illness Benefit Booster and cover purchased for individual illnesses listed in Category 1 and Category 3 (as defined in paragraph 6.3). The additional payments arising from the LifeTime Severity Upgrades will be paid in addition to the Severe Illness Extender Benefit and will not be increased by the Severe Illness Extender Benefit.
6.6 THE SEVERE ILLNESS EXTENDER BENEFIT

With the Severe Illness Extender Benefit, the payment for severities A, B, C and D of the Severe Illness Benefit will be enhanced by an additional 25% of the total Severe Illness Benefit at the time of claim. You may add the Severe Illness Extender Benefit to the Comprehensive, Comprehensive Plus, LifeTime and LifeTime Plus Severe Illness Benefits as well as the non-accelerated versions of these benefits. Where the Severe Illness Extender benefit has been selected, an additional premium is payable for the benefit.

The Severe Illness Extender Benefit enhancement will not reduce the Life Fund or non-accelerated benefit amount and the mechanics of Discovery’s multiple claims will not be affected by the Severe Illness Extender Benefit.

6.6.1 HOW DOES THE SEVERE ILLNESS EXTENDER BENEFIT AFFECT BENEFIT PAYMENTS FOR THE COMPREHENSIVE AND COMPREHENSIVE PLUS SEVERE ILLNESS BENEFIT?

By adding the Severe Illness Extender Benefit, the severity levels as listed in paragraph 6.4 will be enhanced to the following:

- Severity A: 125%
- Severity B: 100%
- Severity C: 75%
- Severity D: 50%
- Severities E, F and G will remain unchanged.

EXAMPLE

A client has a Life Fund of R1 000 000. He has selected 40% (or R400 000) accelerated Severe Illness Comprehensive Plus with the Severe Illness Extender Benefit. He has a Severity A claim and therefore qualifies for a payment of R500 000 (125% x R400 000). After the claim, his Life Fund will be reduced to R600 000 and his Severe Illness Benefit will be reduced to R240 000. Any qualifying future claims will also receive the enhanced payment.

6.6.2 HOW DOES THE SEVERE ILLNESS EXTENDER BENEFIT AFFECT BENEFIT PAYMENTS FOR THE LIFETIME AND LIFETIME PLUS SEVERE ILLNESS BENEFIT?

By adding the Severe Illness Extender Benefit, an additional 25% of the Severe Illness Benefit sum assured is paid for Severities A to D at the time of claim. Note that this 25% is not increased further by any LifeTime Severity Upgrades if applicable.

The additional 25% of the Severe Illness Benefit that is paid will not reduce the Life Fund and therefore will not reduce any other risk benefits associated with the Life Plan.

6.7 HOW ARE SUBSEQUENT CLAIMS ON THE SEVERE ILLNESS BENEFIT PAID?

You may qualify for a payment on a subsequent claim as long as there is sufficient Life Fund remaining to Fund additional benefit payments, or if you have chosen the non-accelerated Severe Illness Benefit.

Please note that various symptoms and signs of a syndrome, overlapping syndromes, associated conditions or treatments thereof, will be regarded as one condition. A syndrome is defined as a group of symptoms that consistently occur together or a condition characterised by a set of associated symptoms. Manifestations of other conditions as a result of the original condition will also be regarded as part of the original condition. Examples are, kidney failure due to severe systemic lupus erythematosis or manifestations of metastases in various organs. In addition, all cardiac and nervous system pathologies or procedures that occur within 30 days of each other will be regarded as a single event.

The payment of the subsequent claim is dependent on whether the claim is progressive, related or unrelated:

- A progressive claim refers to conditions where a worsening of symptoms or stages of the disease can be expected, for example the progression of cancer, connective tissue disease or respiratory disease. A relapse of a previous cancer will be assessed as a progressive illness. See Appendix 1 for more information on how subsequent cancer claims will be paid.

- A related claim is a claim where there is a link to a previous claim, for example, complications or consequences of a disease or injury previously claimed for. This would be where the later claim would not have arisen if it was not for the initial condition or illness. It also includes side effects or complications of treatment of the previously claimed for condition. Progressive claims are not included in this definition.

- An unrelated claim is a claim which is not related or due to the original claim.
In the calculation of the subsequent claim payment, reference is made to the severity level of the claim, which includes:

- The percentage due to the severity of the condition (for example, 100% for a severity A condition);
- The additional claim percentages due to the LifeTime Severity Upgrades under the LifeTime and LifeTime Plus Severe Illness Benefits (if applicable);
- The additional 25% under the Severe Illness Extender Benefit (if applicable).

The claim payment formula for a subsequent claim will be made using the following formula:

\[ \text{Claim payment} = \text{Claim percentage} \times \text{Benefit Sum Assured} \]

This payment is made subject to the maximum payment on a benefit not being exceeded (as defined in section 6.8).

**PROGRESSIVE CLAIMS**

If the subsequent claim is a progressive claim, progressing to a higher severity level, then the claim payment formula for both an Essential Life Plan and a Classic Life Plan is:

- Claim percentage = Difference in the applicable severity levels between the current claim and the highest severity level of previous claims paid in this progression
- Benefit Sum Assured = The sum assured calculated as if all the previous claims which form part of the set of progressive claims had not occurred

**EXAMPLE**

You have a policy with the following details:

- Life Fund = R1 000 000
- Accelerated Comprehensive Severe Illness Benefit = R500 000

You claim for stage I cancer, where your claim percentage will be 25% (as this is a Severity D claim) and your benefit sum assured will be R500 000. Therefore, your benefit payout will be R125 000.

The illness then progresses to stage III cancer, which is a Severity A claim. The claim percentage for this second claim will be 75% (100% - 25%) and your benefit sum assured will still be R500 000, giving you a benefit payout of R375 000.

**RELATED CLAIMS**

The claim percentage and Benefit Sum Assured depends on whether you have a Classic Life Plan or an Essential Life Plan, and also whether your Severe Illness Benefit is accelerated or non-accelerated, and is determined as follows:

<table>
<thead>
<tr>
<th>YOUR LIFE PLAN AND SEVERE ILLNESS BENEFIT</th>
<th>YOU MAY CLAIM:</th>
<th>CLAIM PERCENTAGE IN THE CLAIM PAYMENT FORMULA =</th>
<th>BENEFIT SUM ASSURED IN THE CLAIM PAYMENT FORMULA =</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classic Life Plan with accelerated Severe Illness Benefit</td>
<td>Regardless of the applicable severity level of the subsequent claim</td>
<td>The applicable severity level of the subsequent claim</td>
<td>The sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2</td>
</tr>
<tr>
<td>Classic Life Plan with non-accelerated Severe Illness Benefit</td>
<td>Regardless of the applicable severity level of the subsequent claim</td>
<td>The applicable severity level of the subsequent claim</td>
<td>The sum assured reduced by previous claims, and reinstated back to the full sum assured after 14 days</td>
</tr>
<tr>
<td>Essential Life Plan with accelerated Severe Illness Benefit</td>
<td>Only when the applicable severity level of the subsequent claim is higher than the highest severity level in the set of related claims that have been paid out previously</td>
<td>The applicable severity level of the subsequent claim</td>
<td>The sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2.</td>
</tr>
<tr>
<td>Essential Life Plan with non-accelerated Severe Illness Benefit</td>
<td>Only when the applicable severity level of the subsequent claim is higher than the highest severity level in the set of related claims that have been paid out previously</td>
<td>The difference in the applicable severity levels between the subsequent claim and the related claim that has been paid prior to the subsequent claim</td>
<td>The sum assured reduced by previous claims, and reinstated back to the full sum assured after 14 days</td>
</tr>
</tbody>
</table>
Note that, on Essential Life Plans, all strokes will be deemed related to one another and all claims in the Heart and Artery category will be deemed related to one another.

**EXAMPLE**

You have chosen the Classic Life Plan with the Comprehensive Plus Severe Illness Benefit. If you have a heart attack of Severity C (50%), followed by a subsequent heart valve repair (Severity B = 75%) at a later stage (where the second claim is not a progression of the first claim), these two claims would be regarded as related. The benefit payment for the first claim would be 50% of the sum assured. The benefit payout of the second claim will depend on whether you have the accelerated or non-accelerated benefit:

**Accelerated Severe Illness Benefit**
- Claim percentage = 75%
- Benefit sum assured = The Severe Illness Benefit remaining after your Life Fund was reduced by the 50% claim.

**Non-Accelerated Severe Illness Benefit**
- Claim percentage = 75%
- Benefit sum assured = The non-accelerated sum assured that was reduced by the 50% claim, before being reinstated 14 days later.

If you instead have chosen the Essential Life Plan with the Comprehensive Plus Severe Illness Benefit. The benefit payout of the second claim will depend on whether you have the accelerated or non-accelerated benefit:

**Accelerated Severe Illness Benefit**
- Claim percentage = 75%
- Benefit sum assured = The Severe Illness Benefit remaining after your Life Fund was reduced by the 50% claim.

**Non-Accelerated Severe Illness Benefit**
- Claim percentage = 75% - 50% = 25%
- Benefit sum assured = The non-accelerated sum assured that was reduced by the 50% claim, before being reinstated 14 days later.

**UNRELATED CLAIMS**

You may claim regardless of the applicable severity level of the subsequent claim.

In the formula above:
- Claim percentage = The applicable severity level of the subsequent claim
- The Benefit Sum Assured depends on whether your Severe Illness Benefit is accelerated or non-accelerated:
  - On the accelerated Severe Illness Benefit:
    Benefit Sum Assured = the sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2.
  - On the non-accelerated Severe Illness Benefit:
    Benefit Sum Assured = the sum assured reduced by previous claims, and reinstated back to the full sum assured after 14 days.

Simultaneous unrelated claims may occur as a result of the same event, for instance losing both an eye and an arm in the same motor vehicle accident. In this case, the claim with the highest severity level will be paid out first, and the second claim will be paid six months later, if the second condition is still present at the time. The second claim will be paid after the applicable reinstatement from the Minimum Protected Fund (on the accelerated Severe Illness Benefit) or after the full Sum Assured had been reinstated (on the non-accelerated Severe Illness Benefit).

The flowchart in Appendix 7 summarises the payment of subsequent claims as specified in this section.

The same rules are applied in assessing subsequent claims on the Severe Illness BenefitBooster and Spouse Severe Illness BenefitBooster.

**6.8 WHAT ARE THE BENEFIT MAXIMUMS ON SUBSEQUENT CLAIMS?**

The maximum amount that you can receive under the various Severe Illness Benefits is shown in the table below. Note you may be able to exceed these maximums if you have the Severe Illness Extender Benefit, the LifeTime or LifeTime Plus Severe Illness Benefits, or the Severe Illness BenefitBooster.
SECTION 6

Your Life Plan and Severe Illness Benefit | Maximum benefit payment
--- | ---
Classic Life Plan with accelerated Severe Illness Benefit | No maximum. You can claim provided you have Life Fund available.
Classic Life Plan with non-accelerated Severe Illness Benefit | No maximum
Essential Life Plan with accelerated Severe Illness Benefit | The maximum amount that you may claim is 100% of the original sum assured, increased with annual benefit increases, for all claims. The Minimum Protected Fund can only increase the total claims payout for a related and progressive claim sequence to 200% of the original sum assured, increased with annual benefit increases.
Essential Life Plan with non-accelerated Severe Illness Benefit | The maximum amount that you may claim is 100% of your benefit amount for any set of related and progressive claims. There is no limit to the amount that you may claim for unrelated claims.

6.9 GLOBAL TREATMENT BENEFIT (ONLY AVAILABLE ON THE CLASSIC LIFE PLAN)

The Global Treatment Benefit is automatically included in Severe Illness Benefits, the Child Severe Illness Benefit and the Parent Severe Illness Benefit and provides you with access to a range of hospitals in the USA used by Discovery Life at the time.

Should a claim arise under the Severe Illness Benefits, you may choose to have your medical treatment performed in South Africa or at the network of hospitals in the USA. This choice, which affects your benefit payment amount, is defined in Option 1 and 2 described below:

OPTION 1: you choose to have all treatment performed in South Africa.

You will receive the normal benefit payment amount defined under paragraph 6.4 and 6.5 (if applicable), which is dependent on the severity and LifeTime Severity Upgrades (if applicable) of the illness, as well as the Severe Illness Extender Benefit and Severe Illness BenefitBooster payments.

OPTION 2: you choose to have treatment performed in the USA.

You receive the following benefit payment:

- A lump sum equal to 80% of what you would have received under Option 1.
- An amount equal to the actual cost of the treatment at the overseas facility, subject to a maximum of the benefit amount that would have been paid under Option 1, less a deductible, which is defined as the amount payable by Discovery Health, had the treatment been performed in South Africa (in rand terms).

In order to select Option 2, you must be a member of a recognised South African medical scheme. In addition:

- If you are a member of Discovery Health, the deductible under Option 2 will be equal to the amount you will receive from your particular Discovery Health Plan had the treatment been performed in South Africa.
- If you are not a member of Discovery Health, the deductible will be equivalent to the Discovery Health Rate for the treatment had it been done in South Africa, irrespective of whether or not you receive payment from the medical scheme of which you are a member.
- Should the costs of treatment at the overseas facility exceed the amount payable under the Global Treatment Benefit, the excess will be for your account.
- The Global Treatment Benefit assists in Funding the overseas treatment costs only. Discovery Life will not provide Funding for any treatment performed in South Africa which precedes or is subsequent to the treatment at the overseas facility.
- You must satisfy the criteria under Severity A, B, C or D of the Severe Illness Benefit to qualify for Option 2.
- Only treatment approved by the American Medical Association and drugs approved by the Food and Drug Administration in the USA are covered.
- Therapy, for example physiotherapy, occupational therapy or equivalent, is excluded.
- The Global Treatment Benefit does not cover travel and accommodation costs relating to the overseas treatment.
- You must notify Discovery Life of your choice between Option 1 and Option 2 at the time of claim notification under the Severe Illness Benefit.
- Apart from organ transplants, the overseas medical treatment must occur within three months of claim notification. In the case of organ transplants you must be placed on an organ transplant waiting list within six months of claim notification.
• Should your treatment not occur within these time periods, Discovery Life will pay you the remaining 20% of your lump sum due under Option 1. The Global Treatment Benefit will not be available thereafter for the event that led to claim under the Severe Illness Benefit.

• Discovery Life does not accept any responsibility or liability for the quality of medical procedures, treatment or advice provided to the assured.

• Irrespective of the amount paid out to you under the Global Treatment Benefit (Option 2), the amount deducted from your Life Fund will be the amount that would have been paid to you under Option 1.

• The Global Treatment Benefit allows you to have multiple treatments overseas. Irrespective of the number of times you are treated overseas, the maximum payment for treatment of a particular or related illness is capped at the benefit amount under Option 1, less the deductible. The maximum payment for all life-changing events is capped at 2.5 times your initial Severe Illness Benefit sum assured, increased by the annual benefit increase percentage.

• The payment for treatment of a progressive illness will be based on the severity of the illness at the time of the treatment, less any payment for prior treatment at a lower severity.

• The Global Treatment Benefit is available on the Classic Life Plan only on the Comprehensive, Comprehensive Plus, LifeTime and LifeTime Plus Severe Illness Benefit, including the automatic cover for children and ParentCare. It is available on the both the accelerated and non-accelerated Severe Illness Benefits.

• The premium for the Global Treatment Benefit is included in the premium for the Severe Illness Benefit and this component is annually reviewable based on claims experience.

• The Global Treatment Benefit expires at the earlier of the end of the month in which you reach age 75 and the benefit expiry age of your Severe Illness Benefit, as indicated on your Policy Schedule.

6.10 WHEN DOES THE SEVERE ILLNESS BENEFIT TERMINATE?

Discovery Life offers two options:

• Expiry at the end of the month in which you turn age 65: this means that claims submitted before the end of the month in which you turn 65 will be assessed and paid, but claims after the end of the month in which you turn 65 will not be accepted. You will therefore not be charged any premiums for the Severe Illness Benefit after the end of the month in which you turn 65.

• Whole of life: this allows cover for the whole of your life and requires payment of premiums until death.

For the Severe Illness Benefit on the Essential Life Plan, your cover and premiums will also cease if you claimed the full benefit amount (see section 6.8).

6.11 HOW DOES THE PREMIUM WAIVER ON SEVERE ILLNESS WORK?

The Premium Waiver on severe illness pays all premiums for benefits on the lives of the principal life, spouse, children and parents in the event that the principal life becomes severely ill, according to the definitions of severe illnesses in Appendix 1. This includes waiving of the contributions for Vitality, if the policy is Health or Vitality Integrated, and waiving the contributions for Vitality Active Rewards for Life if the policy is Active Integrated. This does not include the waiving of the Vitalitydrive premium.

There is no waiting period before commencement of premiums being waived. Premiums are only waived if the principal life meets Severity Level A of a severe illness defined in Appendix 1.

Assuming a plan was selected with premiums escalating annually at one of the premium escalation rates, the Premium Waiver covers these increases to a maximum of 20% per year. Discovery Life’s premium guarantee as detailed in Section 9.7 will be fully covered by this waiver benefit.

The benefit terminates at the earlier of principal life’s death and the end of the month in which the principal life turns 65, whether or not this benefit is in claim at that point in time.

6.12 WHAT OTHER FACTORS INFLUENCE MY SEVERE ILLNESS BENEFITS?

6.12.1 CHANGE IN OCCUPATION:

There are certain high-risk occupations for which Discovery Life applies premium loadings for the Severe Illness Benefit.

Discovery Life reserves the right to amend your premiums or benefits should you alter your occupation to one considered to be of higher risk than your previous occupation.

6.12.2 MEDICAL UNDERWRITING:

Should Discovery Life decline or exclude cover for any Category 1 body system, as described in Section 6.3, due to a previous or pre-existing medical condition, a claim that arises under any other body system that is directly related to or a consequence of the conditions or body system declined or excluded, will not qualify for a benefit payment.
6.13   HOW DOES THE GLOBAL HEALTH PROTECTOR WORK?

Discovery Life, in cooperation with a leading network of hospitals incorporating centres of excellence in the United States of America, can insure you and your family for medical procedures which, in the sole opinion of Discovery’s medical panel, are necessary and cannot be performed in South Africa, or where the probability of surviving such a procedure performed in the United States of America is significantly higher than if the procedure were performed in South Africa. These procedures include, amongst others, the following:

CANCER:
- Paediatric solid tumours
- Radiation oncology for brain tumours
- Paediatric leukaemias: T and B cell ALL (Acute Lymphoblastic Leukaemia) and AML (Acute Myeloid Leukaemia).

TRANSPLANTS:
- Liver
- Heart
- Heart and lung
- Lung
- Pancreas
- Kidney or bone marrow – only if a suitable donor is not found
- Kidney – in diabetic patients.

CARDIAC SURGERY: Children with congenital defects (atrial and ventricular septal defects and patent ductus arteriosus excluded).

FOETAL SURGERY (IN-UTERO)

CEREBROVASCULAR ANEURISMS: Areas with high incidence of mortality, eg, Circle of Willis.

LUNG: Lung volume reduction surgery.

PARKINSON’S: Thalidomide in early onset Parkinson’s (younger than 60 years).

EPILEPSY: Surgery in children younger than 18 years.

THE DISCOVERY MEDICAL PANEL, TOGETHER WITH CERTIFICATION IN WRITING FROM THE ASSURED’S REGISTERED SOUTH AFRICAN MEDICAL SPECIALIST, MUST AGREE THAT:
- the assured requires the procedure
- failure to undergo the procedure will result in premature death
- the procedure is not experimental in nature
- the procedure has a reasonable prospect of success and the assured has a high probability of surviving the procedure
- the procedure can be performed in the United States of America
- the necessary follow-up treatment can be performed in South Africa
- in the case of organ transplants, there is a reasonable prospect of the required organ being obtained.

THE GLOBAL HEALTH PROTECTOR COVERS:
- the full costs of transporting the assured and, if medically necessary (in Discovery’s sole opinion), a family member and/or organ donor, and/or doctor, and/or nurse on a commercial airline to the applicable hospital facility in the USA
- a daily allowance of US$150 per day for accommodation and meal expenses of those accompanying the assured with an overall limit of US$22 500 per person. Discovery reserves the right to review the allowances from time to time
- the full cost of medically necessary healthcare services performed, including pre-return flight recuperation, necessary medications and treatments at a designated facility covered by the healthcare network. Should the assured require the procedure to be performed in the USA by a medical practitioner or medical facility other than those designated by the healthcare network, an excess of US$10 000 as well as 30% of all costs must be paid by the assured.
THE FOLLOWING LIMITS ARE APPLICABLE:

- all cover per procedure will cease 90 days after the commencement of the relevant medical procedure, except for organ transplants where cover ceases after 120 days
- an overall lifetime limit of US$1 million in respect of each family member assured
- in the event of a transplant, cover is extended for a maximum of 120 days before the commencement of the transplant, during which time costs are limited to US$60 000.

Benefit payments under the Global Health Protector have no impact on your Life Fund. Premium increases will not follow the automatic annual premium increases applicable to other benefits, but will increase annually according to a rate determined by Discovery Life. The Global Health Protector expires at the end of the month in which the assured life turns 65, or the end of the month in which a child turns 18 in the case of children. Discovery Life does not accept any responsibility or liability for the quality of medical procedures, treatment or advice provided to the assured.

6.14 HOW DOES THE GLOBAL EDUCATION PROTECTOR WORK?

The Global Education Protector pays for the child’s education should the principal life or spouse become severely ill, disabled or die.

The Global Education Protector will pay the official compulsory standard school or university fees charged by the primary education institution which the child attends.

The insured event(s) on which your child’s education will be covered may be selected to be either of the following options:

- death only, or
- severe illness and disability only, or
- death, severe illness and disability.

In the case of becoming severely ill or disabled, to qualify for a payment that covers the remaining years of education, you must meet the Severity A level definition as defined in Appendix 1 for the Severe Illness Benefit and the Category A or D (if applicable to your occupation) levels as defined in Appendix 2 for the Capital Disability Benefit.

In the event of meeting the Severity B level definition as defined in Appendix 1 of the Severe Illness Benefit, the benefit payments will cover the next five years of education only. On completion of the five-year benefit payment period, additional claims that meet Severity levels A and B may be admitted.

The benefit payments are made on an annual basis to the institution where the child is being educated and not to the policyholder directly. Should any legislation prevent Funds being remitted directly to the education facility, Discovery Life reserves the right to pay the policyholder or beneficiaries directly. Discovery Life will require proof of enrolment, proof of fees and the previous year’s schooling results, where applicable.

To qualify for a benefit payment, the child must be the natural child of the assured life or must have been legally adopted. A child born after the policy has commenced may be added to the policy subject to Discovery Life’s underwriting requirements at the time.

Benefit payments cover the following years of education:

- pre-school – 1 year
- primary school – 7 years
- high school – 5 years
- tertiary education – an undergraduate degree or recognised trade diploma/certificate.

All registered education institutions (public and private schools, schools for learners with special educational needs and home schooling) as set out in the South African Schools Act, 1996 are included in this benefit.

Benefit payments will cover the actual education fees subject to maximums set out by Discovery Life per education phase. Where a learner is the recipient of a partial or full exemption of school fees, Discovery Life will cover the reduced education fee, subject to the maximums set by Discovery Life.

In the case of schools for children with special educational needs where grades are not applicable, benefit payments will cease at the end of the year in which the child turns 18.

All South African universities are included in this benefit, as well as universities of technology (technikons) and recognised institutions providing for a trade (such as plumbing and electrical).
Benefit payments will cover the actual education fees as well as providing an allowance of up to 30% of the actual education fees for university residence and up to 10% of the actual education fees for books, subject to maximums set by Discovery Life from time to time. Benefit payments will not be made should the child not attend an education facility for any reason whatsoever.

The following expenses will not be covered by the Global Education Protector:

- Any book or residence fees for non-tertiary education
- Excursion fees
- Au pair fees
- Aftercare fees
- Remedial lessons or extra lessons or lessons with a tutor

In the case of university, benefit payments will be based on education fees at a South African university, or a select list of overseas universities, should the child gain enrolment to a university on this list. The list of approved overseas universities may be altered by Discovery Life from time to time.

In the event of the principal life, spouse and/or the children emigrating from South Africa, benefits paid will be based on education fees for South African facilities, and not the rate of fees applicable to education in their new country of residence. If the child is enrolled in a university on Discovery Life’s select list of overseas universities, benefit payments for the overseas university will be paid in full, subject to the maximums applicable at the time.

For all the years up to the end of high school, the child may fail one year. In this case, Discovery Life will only pay 33% of the relevant fees to repeat the year. Should the child fail again, benefit payments will cease until the child progresses to the next year of schooling.

In the event of failing a year of university, diploma, trade qualification, or similar qualification in full, Discovery Life will not pay any benefit to repeat the year and benefit payments will cease until the child progresses to the next year of education. Failing two-thirds or more of the subjects in a year will be regarded by Discovery Life as failing the year in full. Discovery Life will only pay twice for a specific subject in the case of where the child fails less than two-thirds of the subjects in a year.

If the child progresses to the next year of education, having passed more than one-third of the previous year’s subjects, Discovery Life will continue to make benefit payments in full.

Discovery Life will only pay once for each year of tertiary education. For example, if the child changes course at the end of the first year when studying at university, Discovery Life will only pay for the new course once the child progresses to the second year of the new course.

Upon reaching the benefit expiry age of the Global Education Protector (the earlier of the end of the month in which the principal life turns 65 or the end of the month in which the child turns 24), or on earlier death of the child your premiums for this benefit will continue.

These premiums are used to provide you with an additional amount of cover under the Life Cover Benefit, the Capital Disability Benefit and the Standard Severe Illness Benefit:

- If you selected the Global Education Protector to pay in the event of death only, the full premium is applied to purchase additional life cover and the benefit will be automatically converted to additional cover. Should you be older than the maximum entry age for Life Cover on your policy, the full premium will be applied to purchase additional cover on a separate policy.
- If you selected the Global Education Protector to pay in the event of death, disability and severe illness, 40% of the premium is applied to purchase life cover, 40% is applied to purchase the Severe Illness Benefit (covering Severities A and B only) and the remaining 20% is applied to purchase the Capital Disability Benefit (Core option). Should you be older than the maximum entry age for the Capital Disability Benefit on your policy, 60% of the premium will be applied to purchase the Severe Illness Benefit (covering Severities A and B only). Should you be older than the maximum entry age for Life Cover and the severe illness cover on your policy the premium will be applied to purchase the additional cover on a separate policy.
- If you selected the Global Education Protector to pay in the event of disability and severe illness only, 65% of the premium is applied to purchase the Severe Illness Benefit (covering Severities A and B only) and the remaining 35% is applied to purchase the Capital Disability Benefit (Core option). Should you be older than the maximum entry age for the Capital Disability Benefit on your policy, 100% will be applied to purchase the Severe Illness Benefit (covering Severities A and B only). Should you be older than the maximum entry age for severe illness cover on your policy the premium will be applied to purchase additional cover on a separate policy.
- The amount of cover purchased is based on your age, gender, smoker status and Funding plan at the benefit expiry. The same health loadings, hazardous pursuit loadings, occupational loadings and exclusions that applied to your Global Education Protector will be applied in calculating the additional cover purchased, without any additional medical underwriting. Such loadings and exclusions are automatically transferred to the additional cover.
• Should the Global Education Protector have been selected to cover the first of principal life and spouse to suffer a life-changing event, additional cover will be granted to both lives at the benefit conversion date.

• The Severe Illness Benefit purchased is for whole of life. The Capital Disability Benefit purchased will convert automatically at the end of the month in which the principal life turns 65 to the Severe Illness Benefit (covering Severities A and B only and excluding the Global Treatment Benefit).

• Automatic Child Severe Illness and Parent Care Severe Illness will apply on the converted Severe Illness but will also be limited to Severities A and B.

• This conversion of benefit is automatic, although the policy owner has the option of cancelling this additional cover. In this case, premiums for this additional cover will cease.

• The conversion of the benefit will only occur where there has been no claim on the Global Education Protector before its benefit expiry age.

• The conversion will only provide the Life Cover element, should there have been any claim on the Severe Illness/Family Benefits (Severities C–D) or on the Capital Disability Benefit (Category B) before the benefit expiry date of the Global Education Protector.

• BenefitBooster will not apply to the additional cover purchased at the expiry of the Global Education Protector.

If Discovery Life accepts a claim, benefit payments and premiums will cease at the earlier of:

• the child completing the undergraduate degree/diploma/trade certification or similar qualification, and

• the beginning of the education year in which the child reaches age 24.

Years of education must run consecutively. However, the child may take off one year between completion of high school and commencement of university or similar tertiary education. No benefit payments will be made for this year. The rules in the previous paragraph on cessation of benefit payments will still apply, which may result in benefit payments ceasing before the child completes his/her education.

Benefit payments for the Global Education Protector have no impact on the Life Fund.

The premiums for the Global Education Protector will increase annually at a rate determined by Discovery Life where this rate of increase may differ from the annual automatic premium increase rate applicable to the remainder of the policy. In addition, premiums for this benefit are not guaranteed. The Global Education Protector cannot be ceded.

6.15 THE HEALTH PLAN PROTECTOR

6.15.1 WHO IS THIS BENEFIT AVAILABLE TO?

The Health Plan Protector is only available to policyholders who are members of the Discovery Health Medical Scheme and Vitality. This includes in-house schemes administered by Discovery Health. Members on a KeyCare plan who are not members of Vitality may still qualify if they are members of KeyFit.

When purchasing this benefit, you may select whether the life-changing events covered include:

• death, severe illness and disability, or

• severe illness and disability only.

You may also select whether cover applies to:

• the principal life on the Health Plan Protector only, or

• the first of the principal life and spouse on the Health Plan Protector to experience the specified life-changing events.

There are two benefit options available under the Health Plan Protector:

• Health Plan Protector with Health Fund: this option includes two components:
  – Medical Premium Waiver
  – Health Fund with a five-yearly PayBack

• Health Plan Protector with Health Dividends: this option includes two components:
  – Medical Premium Waiver
  – Health Dividends payable on an annual basis

Your Policy Schedule reflects the option that you have selected. A specified Discovery Health Plan can only contribute to the Health Fund or Health Dividends of one policy’s Health Plan Protector benefit. Only one Health Plan Protector is allowed per Discovery Health Plan.
6.15.2 HOW DOES THE MEDICAL PREMIUM WAIVER WORK?

Monthly payments are made for the benefit payment term to cover the contributions to your Discovery Health Plan if the assured life experiences a life-changing event for which they selected to be covered.

A policyholder may select a benefit payment term of five or 10 years.

The monthly payments are made directly to the policy owner or your beneficiaries covered on the Health Plan to allow you to continue Funding your Health Plan at a time when cover is most vital.

In the case of your death, the payments will continue to cover the remaining lives on the Health Plan. Should you become severely ill or disabled, the payments will cover your contributions as well as those of the remaining lives on the Health Plan.

The monthly payments cover the contributions for the Health Plan you were on at the time of the life-changing event. This includes the contributions you were making to the Medical Savings Account, if applicable. The monthly payments don’t cover the Health Plan Protector premiums.

Should you meet the Severity A level of the Severe Illness Benefit (defined in Appendix 1) or Category A or D (if applicable to your occupation) levels of the Capital Disability Benefit (defined in Appendix 2), the Medical Premium Waiver will make benefit payments for the full benefit payment term.

In the event of meeting the Severity B level definition of the Severe Illness Benefit as defined in Appendix 1, the benefit payments will cover the next two years of your Health Plan contributions only. On completion of paying a Severity B claim, additional Severity B claims may be submitted, but the benefit payments will stop once five or 10 years payments have been made (corresponding to your selected benefit payment terms). In the event of an illness progressing to such an extent that the Severity B claim progresses to a Severity A claim, payments for the balance of the benefit payment term will be payable.

The monthly payments will only be made for those lives who were members of the Health Plan at the time of claim and where premiums are not in arrears on the Health Plan Protector. Discovery Life reserves the right to nominate whether to pay the members on the Health Plan directly or Discovery Health or the Discovery Health Medical Scheme. In addition, Discovery Life may use various instruments, such as voluntary annuities, to minimise tax payable by the policy owner or beneficiaries on benefit payments.

Should the benefit become payable, it will cover the Health Plan contributions for children below age 21 until the earlier of:

- the benefit payment term expiring
- the end of the month in which the child turns 21, unless the child becomes an adult dependant on the Health Plan
- the death of the child.

The Medical Premium Waiver will cease providing payments for any life that dies during the benefit payment term.

The benefit will not cover any new lives added to the Health Plan during the benefit payment term, except in the event of a baby being born to the principal life and spouse within nine months of the inception of the benefit payment term.

Should any member of the Health Plan change to another Health Plan during the benefit payment term, the Medical Premium Waiver will not be increased and will still be based on the Health Plan at the time of claim.

Should any member of the Health Plan cease to be a member of the Discovery Health Medical Scheme during the benefit payment term, the payment attributable to that member will reduce by 20% for the remainder of the benefit payment term. Note that benefit payments will not be made for any member who ceases to belong to any medical scheme.

The benefit payments made will increase annually in line with the increase rate applicable to the Discovery Health Medical Scheme. Annual increases are capped at 20% per year. Should increases in any particular year exceed 20%, the members covered on the Health Plan at the time will be responsible for the excess.

If the child changes to a different Health Plan while claiming or changes to another health provider while claiming, Discovery Life will pay as outlined above until the benefit payment term expires, the death of the child or the end of the month in which the child turns 21.

This benefit has no impact on the Life Fund.

The Medical Premium Waiver benefit will also cover the contributions applicable to Vitality and KeyFit (if applicable).

There is no accrual to the Health Fund (and PayBack) and no payment of Health Dividends (described in paragraphs 6.16.3 and 6.16.5 respectively) for the entire duration that benefit payments are made under the Medical Premium Waiver.
You are able to purchase the Health Plan Protector as a stand-alone benefit, which means that you do not need to have it as a benefit on your Life Plan. Please note that if you decide to include it on a Life Plan at a future time following the commencement of the stand-alone benefit, the pre-existing condition exclusion clause stated in your stand-alone benefit Policy Guide will still apply.

6.15.3 HOW DOES THE HEALTH FUND WORK?

As a member of the Discovery Health Medical Scheme, Discovery Life will calculate, at your policy anniversary, the annual excess or shortfall in your contributions to the Health Scheme as follows:

(i) Total Discovery Health Plan contributions (excluding Vitality or KeyFit contributions)

(ii) Various expenses and solvency Funding requirements for the Discovery Health Medical Scheme (approximately 20% of the total contributions payable for your Discovery Health Plan)

(iii) Medical Savings Account contribution (if applicable)

(iv) Risk claims

Please note that the risk claims will include:

- hospital claims
- chronic claims
- all claims from the Above Threshold Benefit and excludes all claims from the Medical Savings Account.

EXAMPLE

- Consider a family of four on the Discovery Health Medical Scheme with risk contributions of R36 444 and Medical Savings Account contributions of R12 132
- Assume annual risk claims at 50% of the risk contributions. The annual excess or shortfall is calculated as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk contributions (per year)</td>
<td>R36 444</td>
</tr>
<tr>
<td>Plus Medical Savings Account contribution (per year)</td>
<td>R12 132</td>
</tr>
<tr>
<td>Total Discovery Health contribution (per year)</td>
<td>R48 576</td>
</tr>
<tr>
<td>Total Discovery Health contribution less expenses</td>
<td>R48 576 – (20% x R48 576)</td>
</tr>
<tr>
<td>Less Medical Savings Account contribution</td>
<td>R12 132</td>
</tr>
<tr>
<td>Less risk claims (per year)</td>
<td>R18 222</td>
</tr>
<tr>
<td>Annual excess</td>
<td>R8 507</td>
</tr>
</tbody>
</table>

Any excess or shortfall is then transferred to your Health Fund, where your Health Fund grows annually at a rate of interest in line with average rates of interest set by banks for savings accounts. This rate is determined annually by Discovery Life and will be increased as follows, based on your Vitality status:

- **Blue**: interest rate as defined by Discovery Life
- **Bronze**: interest rate as defined by Discovery Life + 0.5%
- **Silver**: interest rate as defined by Discovery Life + 2%
- **Gold**: interest rate as defined by Discovery Life + 4%
- **Diamond**: interest rate as defined by Discovery Life + 6%

(The interest rate applicable to Blue status is always applicable on negative Health Fund balances.)

Where a client has KeyFit and not Vitality, a Blue Vitality status will be assumed.
The Health Fund is reduced every five years by the amount paid to the policyholder with the PayBack (see paragraph 6.16.4).

On reaching the end of the month in which you turn 65, or in the case of an earlier life-changing event as selected at benefit inception, the Health Fund will be paid to you. The value of the Health Fund is determined at the beginning of the policy year in which the life-changing event occurs or age 65 is reached. In the case of severe illness and disability, this lump sum payment will only be made should you meet the Severity A level of the Severe Illness Benefit (defined in Appendix 1) or Category A or D (if applicable to your occupation) levels of the Capital Disability Benefit (defined in Appendix 2).

Should the healthcare industry change significantly in the future so that Discovery Life is no longer able to provide this cover, you will receive back the lesser of your Health Fund and the premiums for this component of the benefit.

The Health Fund payable at claim stage has a minimum value of zero.

6.15.4 HOW DOES THE HEALTH PLAN PROTECTOR PAYBACK WORK?

The annual excess or shortfall (as described in paragraph 6.16.3) will accrue to you each year. At the end of each five-year period, the sum of the previous five years’ accruals, if positive, will be paid to the policy owner through PayBack.

The annual percentage accrued is determined by your Vitality status at the policy anniversary and by whether you have a Discovery Life Plan or not. Where a client has KeyFit and not Vitality, a Blue Vitality status will be assumed. These percentages are as follows:

<table>
<thead>
<tr>
<th>VITALITY STATUS</th>
<th>IF YOU HAVE A HEALTH PLAN PROTECTOR ONLY</th>
<th>IF YOU HAVE A HEALTH PLAN PROTECTOR AND A LIFE PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLUE</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>BRONZE</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>SILVER</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>GOLD</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>DIAMOND</td>
<td>25%</td>
<td>30%</td>
</tr>
</tbody>
</table>

You are required to keep your Health Plan Protector (as well as your Discovery Health Plan and Vitality or KeyFit if applicable) for the entire five-year period to receive a PayBack at the end of that five-year period. In addition, you will only receive the higher PayBack percentages which accrue if you have a Life Plan and if the Life Plan is kept for the entire five-year period.

PayBack commences at a value of zero at the beginning of each five-year period, irrespective of your health claims experience over the previous five-year period.

Should you suffer a life-changing event as defined under the Health Plan Protector during any five-year period, the Health Fund will be paid as a benefit to you. PayBack ceases once the Health Fund has been paid.

6.15.5 HOW DO THE HEALTH DIVIDENDS WORK?

The annual excess or shortfall (as described in paragraph 6.16.3) will be calculated at the end of each calendar year. A percentage of any excess will be paid to you in the form of a Health Dividend. The percentage is determined by the following at the end of each calendar year:

- your Vitality status (where a client has KeyFit and not Vitality, a Blue Vitality status will be assumed)
- duration of your Vitality or KeyFit membership (if you have both Vitality and KeyFit the longest duration of membership of the two will be used)
- whether or not you are a Discovery Card holder.
This percentage is indicated in the table below:

<table>
<thead>
<tr>
<th>STATUS</th>
<th>PERCENTAGE WITH DISCOVERY CARD</th>
<th>PERCENTAGE WITHOUT DISCOVERY CARD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BLUE</td>
<td>BRONZE</td>
</tr>
<tr>
<td>YEARS ON VITALITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 3 years</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>10%</td>
<td>12%</td>
</tr>
</tbody>
</table>

You are required to keep your Health Plan Protector as well as your Discovery Health Plan and Vitality (or KeyFit) for the entire year to receive a Health Dividend at the end of the year.

If the risk benefits claimed from your Discovery Health Plan and expenses exceed the risk contributions paid in a particular year, no Health Dividends will be payable for that particular year.

Health Dividends payable in any year will not be influenced by Health Plan contributions or claims in any previous year.

6.15.6 PREMIUM INCREASES FOR THE HEALTH PLAN PROTECTOR

The premium for the Health Plan Protector will increase on 1 January every year, taking the following factors into account:

- The most recent rate increase applicable to the Discovery Health Plans. This takes into account medical inflation, benefit enhancements and rule changes to the Discovery Health Medical Scheme.
- The past and expected future experience of the Discovery Health Medical Scheme and Health Plan Protector clients.

6.15.7 WHEN DOES THE HEALTH PLAN PROTECTOR TERMINATE?

The benefit expiry age is at the end of the month in which the principal life turns 65. If there has been a claim for a life-changing event before the end of the month the principal life turns 65, the benefit will terminate at the end of the benefit payment term under the Medical Premium Waiver. Once a claim has been admitted for death, severe illness (Severity A) or disability (Category A or D where applicable to your occupation), no additional claims may be submitted. Should you have selected the Health Fund option, the Health Fund will be paid at the occurrence of the life-changing event and will terminate with no further accumulations accruing to it thereafter. Should you have selected the Health Dividends option, no further Health Dividends will be payable.

Should you cease to be a member of Discovery Health or Vitality (or KeyFit, if applicable) before the end of the month that you turn 65 and before a valid claim arises, you will forfeit the balance in the Health Fund or forfeit any further Health Dividends. In addition:

- Your Health Plan Protector will be converted to a Classic Life Plan. The Life Plan will include the Life Cover Benefit (if death was selected as a contingency on the Health Plan Protector), as well as the Capital Disability Benefit and the Standard Severe Illness Benefit. The Severe Illness Benefit provided at conversion is for whole-of-life and will cover Severities A and B only. The Capital Disability Benefit provided at conversion will be the Core option to age 65, (Category D is only available if it is applicable to your occupation) with automatic conversion at age 65 to the Severe Illness Benefit (covering Severities A and B only and excluding the Global Treatment Benefit). Where the conversion occurs after the maximum entry age applicable to Core Capital Disability with an expiry age of 65, additional Severe Illness Benefit will be provided in its place.
- Automatic Child Severe Illness and Parent Care Severe Illness will apply on the converted Severe Illness but will also be limited to Severities A and B.
- The initial premium for this cover will be the same as the premium for the Health Plan Protector. Thereafter, the premium increases applicable to an AccelRater Funding plan with an annual benefit increase of Core CPI, as described in Section 9, will apply. The sum assured is determined by the amount of cover that the Health Plan Protector premium would purchase, based on the age of the principal life and spouse at the time when the Health Plan Protector is converted to a Life Plan. Maximum entry ages for each benefit still apply.
• You will have the option to continue paying the premiums for the converted policy, (which may be below the minimum premium rules of Discovery Life at that time), or to cancel the policy and therefore stop paying the premiums for these benefits.

• Where the Health Plan Protector covered the principal life only, the conversion will also provide a Classic Life Plan on the life of the principal only. Where the Health Plan Protector covered the first of principal or spouse, the conversion will provide separate Classic Life Plans for the principal life and spouse.

• The same pre-existing medical exclusions stated on the Health Plan Protector application form will also apply on the newly issued Life Plan. Any additional medical exclusions imposed on the Health Plan Protector at underwriting stage will also continue to apply.
DISABILITY BENEFITS

7.1 WHAT DISABILITY BENEFITS DOES DISCOVERY LIFE OFFER?

Discovery Life offers you three kinds of Disability Benefits.

7.1.1 THE CAPITAL DISABILITY BENEFIT AND LIFETIME CAPITAL DISABILITY BENEFIT

The Capital Disability Benefit and the LifeTime Capital Disability Benefit pay a capital amount in the event of you meeting the criteria for Category A, B, C or D benefits as described under section 7.2 and 7.3. This medical Impairment may be permanent or temporary. In addition, upon reaching the benefit expiry age of the respective disability benefit, the Capital Disability Benefit and LifeTime Capital Disability Benefit convert to the Severe Illness Benefit and LifeTime Severe Illness Benefit respectively, covering severity levels A and B only as defined in Appendix 1. The benefit expiry age of the Capital Disability Benefit and the LifeTime Capital Disability Benefit may be 65 or 70 (i.e. the benefit expires at the end of the month in which the individual turns 65 or 70).

7.1.2 THE INCOME CONTINUATION BENEFIT

The Income Continuation Benefit pays you a regular income should you experience an illness or injury preventing you from working and a loss of income upon becoming fully or partially unable to follow your nominated occupation, as indicated in the Policy Schedule, due to injury or illness. The benefit pays an income until the earlier of you having recovered sufficiently from the disability to return to work, or until the end of the month in which you turn your selected benefit expiry age. Please refer to the Policy Schedule to see the options you chose when you applied for your policy.

7.1.3 THE PREMIUM WAIVER ON DISABILITY BENEFIT

The Premium Waiver on Disability Benefit pays all premiums for benefits on the lives of the principal life, spouse, parents and children in the event that the principal life becomes permanently disabled. The Vitality premium will be waived if your policy is Health or Vitality Integrated. The premiums for Vitality Active Rewards for Life will also be waived if your policy is Active Integrated. The Vitalitydrive premium will not be waived.

In this case, disability is assessed on the same definitions of medical Impairment applying to the Capital Disability Benefit, as defined in Appendix 2.

There is no waiting period before the commencement of premiums being waived, but premiums will only be waived if the principal life meets the Category A level of medical Impairment, as defined in Appendix 2, or the Category D definition of the Capital Disability Benefit (if applicable to your occupation).

Assuming a plan was selected with premiums escalating annually at one of the Premium Escalation Rates, the waiver benefit will cover these increases, but will be limited to a maximum of 20% per year. Discovery Life’s premium guarantee as detailed in Section 9.7 will be fully covered by this waiver benefit.

Discovery Life may ask you to provide satisfactory proof of your uninterrupted and continuous disability. If you cannot provide this proof, or if you perform any kind of work for payment or profit, your premiums will no longer be waived.

The benefit terminates at the earlier of:

- the end of the month in which the principal life turns 65, whether or not this benefit is in claim at that point in time;
- the principal life returning to work; and
- the principal life’s death.

The Capital Disability Benefit, LifeTime Capital Disability Benefit and Income Continuation Benefit are further explained in Sections A and B in the following pages.
SECTION 7

A. THE CAPITAL DISABILITY BENEFIT AND LIFETIME CAPITAL DISABILITY BENEFIT

7.2 HOW DOES DISCOVERY LIFE ASSESS QUALIFICATION FOR A BENEFIT PAYMENT?

The Capital Disability Benefit and the LifeTime Capital Disability Benefit are assessed on the severity of your medical Impairment – no matter what work you do to generate an income.

By focusing on the effect that your medical Impairment has on you and your lifestyle, Discovery Life has developed an evaluation system that is objective and fair.

We have developed detailed protocols that describe every anatomical and physiological system in the body using objective medical criteria. This allows us to be completely objective when evaluating the claims.

Please refer to Appendix 2 for these protocols.

DEFINITION OF NOMINATED OCCUPATION

The disability benefits use your nominated occupation when specifying the applicable claims criteria, so it is important to define what is meant by "nominated occupation".

Your nominated occupation is the occupation that you are performing for all or the majority of your working hours and is as selected by you on the application form (you cannot select two occupations). It is the occupation that you are trained for, knowledgeable of and from which you derive all or the majority of your income and will be the occupation against which you are assessed under Category D (if applicable).

For any disability benefit assessed against the ability to perform the nominated occupation, disability will only be measured against the tasks and duties of the nominated occupation.

7.3 AN OBJECTIVE AND FAIR SYSTEM IS USED TO ASSESS THE SEVERITY OF YOUR DISABILITY

Payments are evaluated on how severely your disability affects you and your ability to maintain your income. This benefit has four categories:

**Category A** – Pays out 100% of the benefit if your disability satisfies the criteria in Appendix 2 for Category A.

**Category B** – Pays out 50% of the benefit if your disability satisfies the criteria in Appendix 2 for Category B.

**Category C** – Pays out 2.5% of the Benefit after a waiting period of four months if your condition does not satisfy the criteria for a claim under category A or B as framed in Appendix 2 but in the opinion of the medical panel of Discovery Life your condition may eventually satisfy the requirements for a valid claim under Categories A, B or D (if applicable) and subject to the following conditions that:

- You continuously, for a period of four months, suffer from a medical Impairment, injury or illness that, in the opinion of Discovery’s medical panel, renders you unable to fulfil the material and substantial aspects of your nominated occupation; and
- You are complying with the treatment regime prescribed by your treating medical practitioner; and
- You have lost more than 80% of your income earned from your nominated occupation (excluding any Disability Benefit payments from your Group Risk Benefits or other disability income benefits) continuously during the four month period.

You may claim again every four months thereafter as long as you satisfy the above criteria continuously over the previous four months.

Category C benefit payments will reduce the Capital Disability Benefit or the LifeTime Capital Disability Benefit and consequently, the Life Fund. Each Category C claim is regarded as a separate life changing event for purposes of the Minimum Protected Fund so as to enable this benefit to re-instate cover, if applicable, after each Category C benefit payment has been made.

Each subsequent Category C claim for the same (or related) conditions will be 2.5% of what the Capital Disability sum assured was immediately before the Category C claims were paid. The onus will be on you to demonstrate every four months that you meet the criteria for another Category C claim.

You will receive a maximum of nine Category C payments irrespective of whether or not such payments were made in respect of different illnesses, medical impairments or injuries.

Should you qualify for a Category A, B or D (if applicable) claim you will no longer be able to receive any further Category C payments for the same (or related) conditions. If the Category A, B or D (if applicable) claim is paid after a related Category C claim, the payment percentage will be reduced by 2.5% for every related Category C claim paid.

The reduced payment percentage will be applied to the Capital Disability sum assured immediately before the Category C claims were paid.

The Category C benefit is not available on the Essential Life Plan.
EXAMPLE

Suppose that you take out a Life Fund of R1 million with 80% Capital Disability Benefit, and suffer from a qualifying condition after policy inception:

Your Capital Disability sum assured is R1 000 000 x 0.8 = R800 000. Four months after your illness, the payment made to you will be 2.5% x R800 000 = R20 000, provided you meet the Category C claim criteria. This will reduce your Life Fund to R1 000 000 – R20 000 = R980 000 and your Capital Disability sum assured will reduce to R980 000 x 80% = R784 000.

If you claim again for the same condition four months later, and meet the Category C claim criteria, you will receive a further payment (calculated as if the Capital Disability sum assured had not been reduced by the first claim) equal to 2.5% x R800 000 = R20 000. Your Life Fund will reduce to R980 000 - R20 000 = R960 000. If you meet the Category C claim criteria on an ongoing basis, you will continue to receive payments up to a maximum of nine payments.

If after your second claim it becomes evident that your condition is not permanent and you recover, then payments will stop. However, if you qualify for a related Category A disability after your second claim you will then receive [100% - (2 x 2.5%)]x[R800 000] = 95 % x R800 000 = R760 000. You will not be able to claim for this or related conditions under Category C again.

Category D – Pays out 100% once it is established, to the satisfaction of Discovery Life, that you are totally and permanently unable to perform your nominated occupation (as indicated on your policy schedule) due to sickness, injury, disease or surgery.

Chronic fatigue syndrome and fibromyalgia are excluded under Category C and D. Category C and D are not available for certain occupations and will be reflected on the Discovery quote system.

Should you change your occupation, Discovery Life must be notified in writing of this change (within six months of your changing your occupation). There are certain high-risk occupations for which Discovery Life applies premium loadings for the Capital Disability Benefit or which are excluded under the Category D benefit. Discovery Life reserves the right to amend your premiums or benefits should you alter your occupation to one considered to be of a higher risk than your previous occupation.

Written notice of the event giving rise to a claim under Category C or D must be given to Discovery Life within four months after the date of the event.

7.4 HOW DOES DISCOVERY LIFE USE THE LIFETIME IMPACT MODEL TO ASSESS BENEFIT PAYOUTS OBJECTIVELY?

The LifeTime Capital Disability Benefit provides you with a lump sum benefit more relevant to your financial needs at the date of claim and thereafter. At inception of the benefit, you have the option of selecting a benefit which recognises that lost future earnings vary by the expected salary growth rate. This is incorporated into the benefit by allowing for a standard earnings growth rate or a high earnings growth rate.

In addition, the benefit may be enhanced by the LifeTime Impact Booster. This increase is determined by your Total LifeTime Impact score applicable to the life-changing event that you have suffered and is determined by adding the LifeTime Impact scores for each of the following LifeTime Impact factors:

<table>
<thead>
<tr>
<th>LIFETIME IMPACT FACTOR</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age at disability and expected survival period thereafter</td>
<td>0 – 30</td>
</tr>
<tr>
<td>Invasiveness of any surgery required</td>
<td>0 – 3</td>
</tr>
<tr>
<td>The impact of any pharmacological treatment and its associated side-effects</td>
<td>0 – 3</td>
</tr>
<tr>
<td>The impact of any therapy and rehabilitation required and their associated discomfort</td>
<td>0 – 3</td>
</tr>
<tr>
<td>The impact of any assisted care and devices</td>
<td>0 – 3</td>
</tr>
</tbody>
</table>

The Total LifeTime Impact score of each Impairment is defined in Appendix 2.
This Total LifeTime Impact score determines the LifeTime Impact Category of your disability and hence the LifeTime Impact Booster as defined below:

<table>
<thead>
<tr>
<th>TOTAL LIFETIME IMPACT SCORE</th>
<th>LIFETIME IMPACT CATEGORY</th>
<th>STANDARD SALARY GROWTH OPTION</th>
<th>HIGH SALARY GROWTH OPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 4</td>
<td>1</td>
<td>100%</td>
<td>105%</td>
</tr>
<tr>
<td>5 – 9</td>
<td>2</td>
<td>110%</td>
<td>125%</td>
</tr>
<tr>
<td>10 – 14</td>
<td>3</td>
<td>120%</td>
<td>135%</td>
</tr>
<tr>
<td>15 – 19</td>
<td>4</td>
<td>130%</td>
<td>145%</td>
</tr>
<tr>
<td>20 – 24</td>
<td>5</td>
<td>140%</td>
<td>155%</td>
</tr>
<tr>
<td>25 – 29</td>
<td>6</td>
<td>150%</td>
<td>165%</td>
</tr>
<tr>
<td>30 – 34</td>
<td>7</td>
<td>160%</td>
<td>180%</td>
</tr>
<tr>
<td>35 – 39</td>
<td>8</td>
<td>170%</td>
<td>200%</td>
</tr>
</tbody>
</table>

To ensure that the LifeTime Impact score is in line with rapidly advancing medical technology, Discovery Life may, from time to time, alter the scores applicable to each life-changing event (as defined in Appendix 2), after consultation with medical specialists.

The benefit payment is calculated by multiplying your benefit payout percentage of either 50% (Category B) or 100% (Category A) by the LifeTime Impact Booster defined in the matrix above, irrespective of whether this amount exceeds your Life Fund. For example, if you qualified for a Category B (50%) benefit payment and had a LifeTime Impact score of 20, your benefit payment would be 70% (50% x 140%) of your Capital Disability Benefit amount under the standard salary growth option.

Category D disability claims are assessed to be LifeTime Impact Category 3 claims in the matrix above. The LifeTime Impact matrix will not apply to Category C payments.

In the case of the LifeTime and LifeTime Plus Capital Disability Benefits, benefit payments may exceed the Life Fund. In this case, the Life Fund will terminate. However, should the Minimum Protected Fund be selected, the Life Fund will be reinstated to the selected level after claim, irrespective of whether the benefit payment exceeded the Life Fund or not.

### 7.5 THE DISABILITY BENEFIT OPTIONS AVAILABLE TO YOU

- Core: covering Categories A and D only; or
- Comprehensive Plus: covering Categories A, B, C and D; or
- LifeTime: covering Categories A and D only; or
- LifeTime Plus: covering Categories A, B, C and D.

The LifeTime and LifeTime Plus Capital Disability Benefits include the LifeTime Impact Booster, applicable to categories A, B and D.

Please refer to the Policy Schedule to see the option you chose when applying for your policy.

Please refer to Appendix 2 for details on how the criteria used to establish category ratings will determine into which category your disability falls. Note that certain occupations do not qualify for Category C or D claims, as illustrated on your Benefit Schedule. In addition, Category C is not available on the Essential Life Plan.

You may select an accelerated or non-accelerated Capital Disability Benefit or LifeTime Capital Disability Benefit. Please refer to your Policy Schedule to see which option you chose when you applied for your policy. Where the non-accelerated Capital Disability Benefit has been chosen, the benefit ceases when 100% of the sum assured has been paid out.

Claims under the accelerated benefit will reduce the Life Fund, as described in Section 2 of the Individual Life Plan Guide.

Where the non-accelerated benefit has been selected, benefit payments under this benefit will not affect your Life Plan or any of your other benefits under the Life Plan. Benefit payments from other benefits will likewise not affect your non-accelerated Capital Disability Benefit or LifeTime Capital Disability Benefit.
For young professionals, the non-accelerated benefit offers the option to take up life cover up to the Capital Disability Benefit or LifeTime Capital Disability Benefit amount, without medical underwriting, on the following events:

- Mortgage registration (limited to the bond amount)
- Marriage
- Birth or adoption of a child
- Professionals who establish a partnership.

A young professional is defined as someone who has studied or is studying towards an undergraduate degree or a postgraduate degree.

Discovery Life reserves the right to request an HIV test before granting increased cover. If the life assured tests HIV-positive, Discovery Life reserves the right to modify or cancel this increased amount. The option expires on your 30th birthday.

The Spouse Capital Disability Benefit Booster will provide additional Spouse Capital Disability cover at no additional cost. This additional cover will not accelerate the Life Fund and will be available subject to the minimum qualifying rules being maintained (see Section 8).

Spouse Capital Disability Benefit Booster will only be applicable on Category A, Category B (if applicable) and Category D claims as defined in Section 7.3. Any payments made in respect of Spouse Capital Disability Benefit Booster will not be increased by the LifeTime Impact Booster (if applicable).

### 7.6 HOW ARE SUBSEQUENT CLAIMS ON THE CAPITAL DISABILITY BENEFIT PAID?

You may qualify for a payment on a subsequent claim as long as there is sufficient Life Fund remaining to Fund additional benefit payments, or if you have chosen the non-accelerated Capital Disability Benefit.

Note that various symptoms and signs of a syndrome, overlapping syndromes, associated conditions or treatments thereof, will be regarded as one condition. A syndrome is defined as a group of symptoms that consistently occur together or a condition characterized by a set of associated symptoms. Manifestations of other conditions as a result of the original condition will also be regarded as part of the original condition. For example, the depression that arises after diagnosis of Chronic Fatigue Syndrome will be considered as forming part of the Chronic Fatigue Syndrome. Another example is where you are unable to perform four Activities of Daily living after claiming for paraplegia. In addition, all cardiac and nervous system pathologies or procedures that occur within 30 days of each other will be regarded as a single event. Where a claim is defined for both a condition and its treatment, only the claim with the higher applicable category payout percentage will be paid.

The payment of the subsequent claim is dependent on whether the claim is progressive, related or unrelated:

- **A progressive claim** refers to conditions where a worsening of symptoms or stages of the disease can be expected, for example the progression of cancer, connective tissue disease or respiratory disease. A relapse of a previous cancer will be assessed as a progressive illness. See Appendix 2 for more information on how subsequent cancer claims will be paid.

- **A related claim** is a claim where there is a link to a previous claim, for example complications or consequences of a disease or injury previously claimed for. This would be where the later claim would not have arisen if it were not for the initial condition or illness. It also includes side effects or complications of treatment of the previously claimed for condition. Progressive claims are not included in this definition.

- **An unrelated claim** is a claim which is not related or due to the original claim.

In the calculation of the subsequent claim payment, reference is made to the category of the claim, which includes:

- The percentage due to the Category of the condition (for example, 100% for a Category A or D condition);
- The additional percentages due to the LifeTime Severity Upgrades under the LifeTime and LifeTime Plus Capital Disability Benefits (if applicable).

The claim payment formula for a subsequent claim will be made using the following formula:

\[
\text{Claim payment} = \text{Claim percentage} \times \text{Benefit Sum Assured}
\]

This payment is made subject to the maximum payment on a benefit not being exceeded (as defined in section 7.7).
SECTION 7

PROGRESSIVE CLAIMS

If the subsequent claim is a progressive claim, progressing to Category A or D from Category B, then the claim payment formula for both an Essential Life Plan and a Classic Life Plan is:

- Claim percentage = Difference in the applicable category payout percentages
- Benefit Sum Assured = The sum assured calculated as if all the previous claims which form part of the set of progressive claims had not occurred

EXAMPLE

You have a policy with the following details:

- Life Fund = R1 000 000
- Accelerated Comprehensive Plus Capital Disability Benefit = R500 000

You claim for Category B kidney failure, where your claim percentage will be 50% (as this is a Category B claim) and your benefit sum assured is R500 000. Therefore, your benefit payout will be R250 000.

The illness then progresses to Category A kidney failure. The claim percentage for this second claim will be 50% (100% - 50%) and your benefit sum assured will still be R500 000, giving you a further benefit payout of R250 000.

In the case of a series of Category C claims progressing to a Category A, B or D claim, the claim percentage will be calculated as the difference in the new claim’s applicable category payout percentage and the total percentage of the benefit that has been paid out in the form of Category C payments. Please refer to the example in Section 7.3 for an illustration of how progressions from Category C claims are paid.

RELATED CLAIMS

Subsequent related claims will only be paid if no Category A or D claim had been paid in the related claim sequence. The claim percentage and Benefit Sum Assured depends on whether you have a Classic Life Plan or an Essential Life Plan

<table>
<thead>
<tr>
<th>YOUR LIFE PLAN AND CAPITAL DISABILITY BENEFIT</th>
<th>YOU MAY CLAIM:</th>
<th>CLAIM PERCENTAGE IN THE CLAIM PAYMENT FORMULA =</th>
<th>BENEFIT SUM ASSURED IN THE CLAIM PAYMENT FORMULA =</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classic Life Plan</td>
<td>Regardless of the applicable severity level of the subsequent claim</td>
<td>The applicable category payout level of the subsequent claim</td>
<td>The sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2.</td>
</tr>
<tr>
<td>Essential Life Plan</td>
<td>Only when the applicable severity level of the subsequent claim is higher than the highest severity level in the set of related claims that have been paid out previously</td>
<td>The applicable category payout level of the subsequent claim</td>
<td>The sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2.</td>
</tr>
</tbody>
</table>

Note that, on Essential Life Plans, all strokes will be deemed related to one another and all claims in the Cardiovascular system category will be deemed related to one another.

UNRELATED CLAIMS

In the formula above:

- Claim percentage = The applicable category payout level of the subsequent claim
- The Benefit Sum Assured depends on whether your Capital Disability Benefit is accelerated or non-accelerated:
  - On the accelerated Capital Disability Benefit:
    Benefit Sum Assured = the sum assured reduced by previous claims and reinstated by the Minimum Protected Fund (if applicable) as described in Section 2.6.2.
  - On the non-accelerated Capital Disability Benefit:
    Benefit Sum Assured = the sum assured reduced by previous claims.
EXAMPLE

You have chosen the Classic Life Plan with the accelerated Comprehensive Plus Capital Disability Benefit. If you lost all sight in one eye (Category B – 50%), followed by a complete loss of the use of your hand (Category A – 100%) at a later stage (where the second claim is not a progression of the first claim), these two claims would be regarded as unrelated. The benefit payment for the first claim would be 50% of the sum assured. The benefit payout of the second claim will be 100% of the sum assured after the Life Fund was reduced by the first claim.

ADDITIONAL CLAIM CRITERIA

Once a 100% claim has been paid for Category A or D conditions (as defined in Appendix 2), a subsequent Category A, B or C claim will only be considered for conditions that are unrelated to the applicable Category A or D conditions or manifestations of those conditions. In addition, no further claims will be payable under the Other claims definitions (as defined in Appendix 2) or under the Category D definition of disability.

After a Capital Disability claim for Category A, B or D has been made for any condition, subsequent claims for mental and behavioral disorders will only be considered if the criteria for a Category A claim in respect of mental and behavioral disorders as listed in the Mental and behavioral disorders section in Appendix 2 are met and are not a manifestation of the previous claim paid.

The flowchart in Appendix 7 summarises the payment of subsequent claims as specified in this section.

The same rules are applied in assessing subsequent claims on the Spouse Capital Disability Benefit Booster.

7.7 WHAT ARE THE BENEFIT MAXIMUMS ON SUBSEQUENT CLAIMS?

The maximum amount that you can receive under the various Capital Disability Benefits is shown in the table below. Note you may be able to exceed these maximums if you have the LifeTime or LifeTime Plus Capital Disability Benefits, or qualify for the Spouse Capital Disability Benefit Booster.

<table>
<thead>
<tr>
<th>YOUR LIFE PLAN AND CAPITAL DISABILITY BENEFIT</th>
<th>MAXIMUM BENEFIT PAYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classic Life Plan with accelerated Capital Disability Benefit</td>
<td>No maximum. You can claim provided you have Life Fund available.</td>
</tr>
<tr>
<td>Classic Life Plan with non-accelerated Capital Disability Benefit</td>
<td>The maximum amount that you may claim is 100% of the non-accelerated fund.</td>
</tr>
<tr>
<td>Essential Life Plan with accelerated Capital Disability Benefit</td>
<td>The maximum amount that you may claim is 100% of the original sum assured, increased with annual benefit increases, for all claims. The Minimum Protected Fund can only increase the total claims payout for a related and progressive claim sequence to 200% of the original sum assured, increased with annual benefit increases.</td>
</tr>
<tr>
<td>Essential Life Plan with non-accelerated Capital Disability Benefit</td>
<td>The maximum amount that you may claim is 100% of the non-accelerated fund.</td>
</tr>
</tbody>
</table>

7.8 HOW DOES THE CONVERSION TO THE STANDARD SEVERE ILLNESS BENEFIT AND LIFETIME SEVERE ILLNESS BENEFIT WORK?

Upon reaching the benefit expiry age of the Capital Disability Benefit or the LifeTime Capital Disability Benefit, your premiums for this benefit will continue. These premiums are used to provide you with an additional amount of cover under the Severe Illness Benefit (Severity Levels A and B only and excluding the Global Treatment Benefit). The Core and Comprehensive Plus Capital Disability Benefits convert to the Standard Severe Illness Benefit, whereas the LifeTime and LifeTime Plus Capital Disability Benefits convert to the LifeTime Severe Illness Benefit. The Spouse Capital Disability Benefit Booster will convert to Spouse Severe Illness Benefit Booster when the Capital Disability Benefits or the LifeTime Capital Disability benefits are converted. In all cases, the additional Severe Illness Benefit cover will be for whole of life. Any non-accelerated Capital Disability Benefits will convert to provide you with an Impairment Fund on the same policy as your Life Fund.

For the Core and Comprehensive Plus options, the amount of Severe Illness Benefit that will be provided depends on the benefit expiry age of the relevant disability benefit and the claim categories covered:

- Disability Benefit expiry age of 65:
  - Core: 55% of disability benefit amount
  - Comprehensive Plus: 75% of disability benefit amount
7.9 CAN I RECEIVE ADDITIONAL INCOME TO COVER MY LIVING EXPENSES ON BECOMING DISABLED?

The Dynamic Spend Protector is available on all Capital Disability Benefit options on the Classic Life Plan only. The Dynamic Spend Protector increases your Discovery Card partner discounts on meeting the Category A or B definitions of disability reflected in Appendix 2 or Category D definition (if applicable to your occupation).

The Dynamic Spend Protector benefit is based on the following:

- The Discovery Card partner spend in claim, used to determine the Discovery Card cash back (subject to the Discovery Card limits and conditions at the date of claim) and limited to a maximum of the Discovery Card partner spend in the 12 months before the disability event (escalating with inflation each year)
- Spend on the Discovery Motor card in claim and limited to a maximum of the Discovery Motor card spend in the 12 months before the disability event (escalating with inflation each year)
- Your Vitality status at the time of the claim event
- The Dynamic Spend Protector Booster percentage, as determined by the following table:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>VITALITY STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Blue</td>
</tr>
<tr>
<td>A AND D</td>
<td>10%</td>
</tr>
<tr>
<td>B</td>
<td>5%</td>
</tr>
</tbody>
</table>
HOW IS MY DYNAMIC SPEND PROTECTOR BOOST DETERMINED?

The monthly Dynamic Spend Protector boost is determined by multiplying the applicable Dynamic Spend Protector Booster percentage by the Discovery Card partner spend and Discovery Motor card spend (as defined above):

- Policyholders who do not have a Discovery Card at least 12 months before the disability event will be eligible for only 50% of the above Dynamic Spend Protector Booster percentages, subject to a monthly maximum spend of R1 500, increasing annually by inflation, at partner stores (including DiscoveryMotor card spend).
- The Discovery Card account must be active at the time of first meeting the Category A or B definitions of disability (as defined in Appendix 2) or Category D, if applicable to your occupation.
- The benefit is available on all Discovery Cards, including the debit card.
- These discounts are in addition to the normal Discovery Card discounts for partner stores.

The Dynamic Spend Protector benefit will cease on the earlier of:

- The selected expiry age of the Capital Disability Benefit
- 10 years for claim Category B (as defined in Appendix 2)
- Death or lapsing the Capital Disability Benefit
- Cancellation of the Discovery Card account.

Please note: The benefit is only payable on spend at Discovery Card partners while disabled and is only applicable to the spend of one Discovery Card account. You can only receive the Dynamic Spend Protector on one benefit, for example if you are eligible for the Dynamic Spend Protector on both the Capital Disability Benefit and the Income Continuation Benefit, the Dynamic Spend Protector will apply to the higher benefit. If you are not a member of Vitality, you will receive the equivalent benefit of a claimant on Blue Vitality status. The Dynamic Spend Protector will not convert to the Severe Illness Benefit.

B. THE INCOME CONTINUATION BENEFIT

The Income Continuation Benefit pays you a regular income if you are disabled and unable to perform your nominated occupation due to injury, illness or disability.

Definition of nominated occupation

The Income Continuation Benefit uses your nominated occupation when specifying the applicable claims criteria, so it is important to define what is meant by “nominated occupation”.

Your nominated occupation is the occupation that you are performing for all or the majority of your working hours and is as selected by you on the application form (you cannot select two occupations). It is the occupation that you are trained for, knowledgeable of and from which you derive all or the majority of your income.

For any claim assessed against the ability to perform your nominated occupation, inability to perform your nominated occupation will only be measured against the tasks and duties of your nominated occupation.

7.10 WHAT INCOME CAN BE PROTECTED BY THE INCOME CONTINUATION BENEFIT?

Since the Income Continuation Benefit is designed to protect your monthly income in the event of disability, it is important to define what is meant by income. Income is defined as follows:

- In the case of your being a salaried employee, it shall be your monthly cost-to-company less any PAYE tax, as per your payslip. Note that discretionary bonuses are not included in monthly cost-to-company.

- In the case of your being a sole proprietor, partner, member of a close corporation or director of a private company, it shall be your monthly share of fees for services rendered and gross profit from trading activities, less your monthly share of the business overhead expenses and tax. Gross profit from trading activities is defined as monthly sales less cost of sales. The tax is calculated using tax tables and is based on your income not reduced by tax. Where it is difficult to determine your share of the income or expenses of the business, it shall be any income, dividends, loan account repayments and other benefits you derive from the business in your personal capacity, less tax (as per tax tables).

- Income for the purposes of this definition shall exclude passive income from assets such as property or shares in a business acquired purely for investment purposes and where you are not engaged in the management of this business.

The definition above applies to all instances where ‘income’ is mentioned under the Income Continuation Benefit Section.
When a claim is submitted, Discovery Life will request your average monthly income from your nominated occupation for the 12 month period prior to your disability. This is referred to as your pre-disability income. Your pre-disability income will be adjusted with the applicable in-claim escalation rate when used in the different claim payment calculations in the Income Continuation Benefit Section. If your income is of a variable nature, Discovery Life may determine a period other than 12 months to calculate average monthly income. Discovery Life will not take into account a sabbatical in the calculation of average income. Discovery Life will allow a maximum sabbatical term of six months every three years. (A sabbatical is defined as a period of leave from employment which does not fall within the employee’s employment contract). A claim submitted during a sabbatical will be assessed on whether you are medically certified to be able to perform your nominated occupation.

You have 90 days from the date of the event to prove your income over the last 12 months before disability. Should you not have correctly disclosed your income to us at application stage or when you have effected changes to the policy, Discovery Life reserves the right to recoup any benefit overpayments as well as terminate the benefit with no further benefit payments. If you have no income at the time of the condition giving rise to the claim and you are not on a sabbatical you will not be able to claim as there is no loss of income due to the condition (for example if you have been retrenched or if you have resigned from your nominated occupation). Any claim made within 12 months of returning to work following a period of retrenchment will exclude the period of retrenchment for the purposes of calculating your pre-disability income.

It is in your interest to provide Discovery Life with your latest monthly income at each policy anniversary. This will assist in preventing you from becoming over or under-insured. Note that only income received from your nominated occupation will be covered by this benefit.

### 7.11 THE INCOME CONTINUATION BENEFIT OPTIONS AVAILABLE TO YOU

The Income Continuation Benefit has two options to choose from:
- The Core option
- The Comprehensive option

The option you select determines the benefits that you may be eligible to receive when you claim.

There are five waiting periods to choose from:
- Seven days
- One month
- Three months
- Six months
- 12 months

The waiting period you select is the period for which you will need to be continuously and totally disabled due to injury or illness (after consulting with a registered medical practitioner) before you can start claiming for a temporary disability (as defined in Section 7.12.1). One month is considered to be 30 calendar days.

Note that only full days booked off contribute towards the waiting period. If you recover or are rehabilitated and claim again for the same cause which resulted in your original inability to perform your nominated occupation within three months of recovery, the waiting period will be waived for the subsequent claim. This is known as the “off-period”.

There are also four expiry ages to choose from:
- Age 60
- Age 65
- Age 70
- Whole Life

Your selected expiry age determines when your benefit and premiums for the benefit end as well as the criteria under which you are able to claim.

You may also select the Temporary Income Continuation Benefit. This benefit pays out, in addition to your Income Continuation Benefit amount, when you claim under the Income Continuation Benefit subject to the Maximum Benefit Amount (Section 7.19.3). The Temporary Income Continuation Benefit will provide a payment for up to 24 months (less the selected waiting period, for temporary claims). The same waiting period applies to your Income Continuation Benefit and Temporary Income Continuation Benefit. The Temporary Income Continuation Benefit, along with it premiums, will cease at the end of the month in which you turn your selected expiry age, or the end of the month in which you turn 70 if you have selected the Whole Life expiry age.

Please refer to your Policy Schedule to see the options that you have selected.
SECTION 7

7.12 WHAT HAPPENS IF I BECOME TEMPORARILY DISABLED BEFORE MY SELECTED EXPIRY AGE?

This section explains the benefit payments made for temporary disability (as defined in Section 7.12.1) suffered prior to your selected expiry age (age 70 if you have selected the Whole Life expiry age).

7.12.1. HOW DO I QUALIFY FOR A TEMPORARY DISABILITY CLAIM?

There are a number of underpins which allow you to claim for a temporary disability. If you qualify for a claim under multiple underpins, your claim will be based on the underpin which pays out the highest benefit amount.

**LOSS OF INCOME UNDERPIN**

You can claim under the Loss of Income Underpin by providing proof that you are unable to perform your nominated occupation due to your injury or illness, and as a result are unable to maintain your income level. You may only claim under the Loss of Income Underpin if you are unable to perform at least 25% of the main duties of your nominated occupation.

**AUTOMATIC SICKNESS UNDERPIN**

On temporary disability, you will not be required to provide proof of loss of income for the first 24 months after the disability event. The disability event is the event that resulted in your inability to perform your nominated occupation. Your payments will also not be reduced by any earnings you generated during the benefit payment period. However, your payments will be reduced if you receive income in the form of other disability income/sickness benefits (see Section 7.19.5).

You and your treating doctor will still be required to complete Discovery Life’s Income Continuation Benefit claims forms. Discovery Life’s medical panel reserves the right to request any additional medical information that it deems necessary.

**LIFETIME SEVERE ILLNESS BENEFIT UNDERPIN**

If you suffer a Severity A severe illness (as defined in Appendix 1), the LifeTime Severe Illness Benefit Underpin pays 100% of your monthly Income Continuation Benefit amount and Temporary Income Continuation Benefit amount (if selected), increased by an additional 25% for each LifeTime Severity Upgrade that applies to the specific claim definition of your illness. If your condition qualifies for at least two LifeTime Severity Upgrades, you may also receive a further 5% of your benefit amount for each financial dependant you have at the time of your claim (up to 15%). Your benefit will be paid for six months for policies with a seven-day waiting period, or five months for policies with a one-month waiting period, once your selected waiting period has expired. This Underpin does not apply to waiting periods longer than one month.

**EXAMPLE**

Consider the case where you have an Income Continuation Benefit with a R50 000 monthly benefit and a seven-day waiting period. If you suffer a Severity A heart attack (which qualifies for two LifeTime Severity Upgrades as per Appendix 1), you will receive R75 000 (R50 000 sum assured + R50 000 x 25% x 2 (two LifeTime Severity Upgrades)) for six months once your waiting period has expired. If you had two financial dependants at the time of your claim, you would receive an additional monthly amount of R5 000 (2 x 5% x R50 000), giving a total benefit payment of R80 000.

**INJURY AND HOSPITALISATION UNDERPIN**

The Injury and Hospitalisation Underpin pays 100% of your monthly Income Continuation Benefit amount and Temporary Income Continuation Benefit amount (if selected) if you fracture certain bones or are hospitalised for longer than a week. Please refer to Appendix 2 for the list of fractures and medical events you can claim for and their associated payment periods. This Underpin does not apply to waiting periods longer than one month.

**Please note:** All payments made will be subject to the Maximum Benefit Amount (Section 7.19.3).

7.12.2. CAN I PROTECT MY FULL INCOME IF I AM TEMPORARILY DISABLED?

You can insure up to 75% of your income with the Income Continuation Benefit. You may also select the Temporary Income Continuation Benefit and insure up to a further 25% of your income. If you qualify for a temporary disability claim, you will receive your selected Income Continuation Benefit and Temporary Income Continuation Benefit.

All payments made will be subject to the Maximum Benefit Amount (as defined in Section 7.19.3).

Any exclusion clauses that apply on your Income Continuation Benefit will also apply to your Temporary Income Continuation Benefit.

Your benefit payments are made on the last business day of each calendar month. Each monthly payment will be pro-rated so that you are paid for the portion of the month for which you qualify for a benefit payment.
7.12.3. YOU WILL HAVE TO WAIT YOUR SELECTED WAITING PERIOD BEFORE TEMPORARY DISABILITY BENEFITS ARE PAID TO YOU

No benefit payment will be made during the waiting period and once the waiting period has ended and the benefit payments commence, no retrospective payments will be made in relation to the waiting period. In other words, the claim payments only commence after the expiration of the waiting period and will only be paid in respect of the period after the waiting period expires.

However, if you have selected the 7 day waiting period, benefit payments will be made retrospectively in certain instances. In this case, benefit payment amounts will be made retrospective from day one of the illness or injury, provided the illness or injury has rendered you fully unable to perform your nominated occupation for at least seven consecutive calendar days. This is referred to as a retrospective payment, and it also applies to the Temporary Income Continuation Benefit. Retrospective payments will only be made in the following instances:

- You have undergone medical treatment, and are complying with prescribed medication, that renders you unable to work, or
- You have been hospitalised for a continuous period of at least 24 hours (excluding fertility procedures and cosmetic surgery not as a result of injury), or
- You have an infectious disease such as chicken pox or measles (gastro-enteritis and upper respiratory tract conditions such as common colds and influenza are excluded unless they require you to be hospitalised for a continuous period of at least 24 hours), or
- In the case of back disorders, there is specialist (orthopaedic or neurosurgeon) confirmation of the inability to work as well as a confirmation of pathology on a medical imaging investigation such as an MRI scan, or
- In the case of anxiety, stress or depression, there is psychiatrist's confirmation of the diagnosis and inability to work, or
- There is a complication of pregnancy, childbirth, abortion, miscarriage or obstetrical procedures that has been confirmed by your gynaecologist and that requires you to be hospitalised for a continuous period of at least 24 hours, or
- In the case of fibromyalgia, there is a rheumatologist's confirmation of the diagnosis and inability to work, or
- In the case of chronic fatigue syndrome, there is a specialist physician’s confirmation of the diagnosis and inability to work.

UNIQUE BENEFIT FOR CERTAIN PROFESSIONALS IN PRIVATE PRACTICE

If you are a professional (as defined in Appendix 9) in private practice or partnership, and you have chosen the one-month waiting period, benefit payment amounts will be calculated to include the time that you were temporarily disabled from the first day of the illness or injury, if the illness or injury has lasted at least 30 consecutive days. This is referred to as a retrospective payment, and it will only be made in the same instances as defined for the seven-day waiting period described above.

This benefit applies to the list of professionals in Appendix 9 in private practice/partnership, working in the selected occupation at the time of claim.

Discovery Life may review and amend this list of professionals from time to time.

7.12.4. WHEN DO MY INCOME CONTINUATION BENEFIT AND TEMPORARY INCOME CONTINUATION BENEFIT PAYMENTS END?

The Income Continuation Benefit pays out, as long as the benefit remains in force, until the earlier of:

- You having recovered sufficiently to return to work;
- The payment term of the underpin on which you are claiming expiring;
- If you selected the expiry age 60, 65 or 70, the end of the month in which you turn your selected benefit expiry age;
- If you have selected the Whole Life expiry age, the end of the month in which you turn 70;
- Your death.

The Temporary Income Continuation Benefit pays out, as long as the benefit remains in force, until the earlier of:

- You having recovered sufficiently to return to work;
- The payment term of the underpin on which you are claiming expiring;
- You receive 24 payments less your selected waiting period;
- You receive 24 payments less your selected waiting period for claims due to the same bodily injury or for the same or related condition, subject to necessary medical evidence as determined by Discovery Life. This limit will be waived for subsequent, related occupational disability claims, if your claim event has occurred at least 24 months after the maximum number of claim payments has been paid and you have been fully and continuously fulfilling the duties and responsibilities of your nominated occupation during this period;
• If you selected the expiry age 60, 65 or 70, the end of the month in which you turn your selected benefit expiry age;
• If you have selected the Whole Life expiry age, the end of the month in which you turn 70;
• Your death.

7.12.5. YOUR INCOME CONTINUATION BENEFIT AND TEMPORARY INCOME CONTINUATION BENEFIT PREMIUMS WILL BE WAIVED DURING A CLAIM PERIOD

Your Income Continuation Benefit and Temporary Income Continuation Benefit automatically include the feature that the premiums for your Income Continuation Benefit and Temporary Income Continuation Benefit (if selected) will be waived until the benefit payments end if you are claiming under the following definitions:

• Loss of income Underpin
• Automatic Sickness Underpin
• LifeTime Severe Illness Benefit Underpin
• Injury and Hospitalisation Underpin

7.12.6. YOUR CONTRIBUTIONS FOR OTHER DISCOVERY BENEFITS MAY BE PAID TO YOU DURING A CLAIM PERIOD

You will be entitled to the benefits of the Contribution Protector if you are claiming under any of the following definitions:

• Automatic Sickness Underpin
• Loss of Income Underpin
• LifeTime Severe Illness Benefit Underpin
• Injury and Hospitalisation Underpin

Discovery Life’s Contribution Protector will pay up to 25% (on the Core option) or up to 100% (on the Comprehensive option) of all your premiums/contributions, which you were paying before the disability event for your Life Plan (excluding the premiums for the Income Continuation Benefit and the Temporary Income Continuation Benefit that are waived in full), Discovery Retirement Optimiser, Discovery Health Plan, Discovery Insure, Discovery Card Protector, Health Plan Protector, Medical Premium Waiver, LifeDrive Protector, Supplementary Cancer Protector, Global Education Protector, Vitality, Vitality Active Rewards for Life and Vitalitydrive.

In order for the Contribution Protector to pay out the contributions for a certain Discovery product, the life who suffered the disability must be the premium-payer as well as the life assured (for Discovery Life products), member (for Discovery Health products, Vitality, Vitality Active Rewards for Life and Vitalitydrive) or driver (for Discovery Insure products) of that product at the time of the disability.

Please note:

• If you are both the premium-payer and life assured on more than one Life Plan, only the premiums attributable to the policy under which you are claiming for the Income Continuation Benefit and Temporary Income Continuation Benefit will be returned to you.
• If you are both the premium-payer and driver on more than one Discovery Insure policy, only the premiums attributable to the policy with the highest premiums will be returned.
• Premiums for the Discovery Retirement Optimiser policy on your Life Plan will be returned to you. However, this only applies to Discovery Retirement Optimiser policies on the Life Plan under which you are claiming for the Income Continuation Benefit and Temporary Income Continuation Benefit.

Should you have insured less than 75% of your monthly income (100% of your income if you have also selected the Temporary Income Continuation Benefit), the Contribution Protector payout will be reduced proportionately. If you insure yourself at the maximum amount of Income Protection allowed and as a result are insured for less than 75% of your total monthly income, the Contribution Protector payout will not be reduced proportionately.

The Contribution Protector payment is determined based on your premiums/contributions being paid at the time of claim, including normal annual contribution increases. Only automatic annual contribution increases while in claim are taken into account. Elective increases to premiums/contributions while in claim are not taken into account; however, decreases in premiums/contributions during claim will reduce the amount of this additional payment. The additional payment is subject to a maximum of 33% of the Income Continuation Benefit amount plus the Temporary Income Continuation Benefit amount (if selected). This maximum applies to both the Core and Comprehensive benefit options.
The benefit payment will cease on the earlier of:

- You returning to work (or recovering sufficiently, in the opinion of the medical panel of Discovery Life, to be able to return to work);
- Your disability meeting the Category A, B or D (if applicable to your occupation) definitions of disability reflected in Appendix 2 of the Individual Life Plan Guide;
- 24 monthly payments on the Comprehensive option or 12 monthly payments on the Core option. If you recover or are rehabilitated before the full number (either 12 or 24 as defined above) of monthly payments has been made and claim again for the same cause within three months of recovery (the "off-period"), the subsequent claim will not be regarded as a new event and thus you will only qualify for the balance of the monthly payments that have not yet been made;
- The end of the applicable payment period, in the case of claims under the LifeTime Severe Illness Underpin or the Injury and Hospitalisation Underpin;
- You reach your selected expiry age. If you have selected the Whole Life expiry age, any Contribution Protector claims in payment at the end of the month in which you turn 70 will cease at that time;
- Your death

7.12.7. CAN I RECEIVE ADDITIONAL BENEFITS TO ASSIST WITH THE COST OF TRANSPORT WHILE TEMPORARILY DISABLED?

The Transport Protector benefit is automatically included if you have selected the Comprehensive option on the Income Continuation Benefit with the seven day or one month waiting period.

If you suffer a temporary disability (as defined in Section 7.12.1), you will have access to the services of our preferred transport provider (up to our specified Rand limits) for a period of 60 days following the claim. After 60 days, the benefit falls away regardless of whether the full benefit amount had been used.

Your total Transport Protector benefit per claim will be subject to a maximum of 20% of the monthly Income Continuation Benefit amount plus the monthly Temporary Income Continuation Benefit amount (if selected). In addition, the payment will be subject to maximums set by Discovery Life from time to time. You will need to pay for the extra amount if the total cost of using our preferred transport provider exceeds the Transport Protector benefit amount.

Discovery Life reserves the right to change the following:

- The preferred transport provider and the method of transport;
- The methods used to provide the benefit, including cash payments if necessary;
- The term at which the benefit payment will expire;
- The total maximum payment

You may only claim for the Transport Protector up to two times per calendar year, and no payment will be made from the Transport Protector for a claim submitted during the off period.

The Transport Protector benefit will cease at the earlier of:

- You reaching your selected expiry age. If you have selected the Whole Life expiry age, this benefit will expire at the end of the month in which you turn 70;
- You receiving a Transport Protector payment for a permanent claim;
- Your death.

Note that the Transport Protector may only be used in areas where the preferred transport provider operates. The preferred transport provider may also require you to have access to certain technology before being able to make use of their services.
7.13 WHAT HAPPENS IF I BECOME PERMANENTLY DISABLED BEFORE MY SELECTED EXPIRY AGE?

This section explains the benefit payments made for permanent disability suffered prior to your selected expiry age (age 70 if you have selected the Whole Life expiry age).

7.13.1. HOW DO I QUALIFY FOR A PERMANENT DISABILITY CLAIM?

Your disability will be regarded as permanent if:

- Your disability meets the Category A definition of disability, as defined in Appendix 2; or
- Your disability meets the Category D definition (if applicable to your occupation), namely that it is established, to the satisfaction of Discovery Life, that you are totally and permanently unable to perform your nominated occupation (as indicated on your Policy Schedule) due to sickness, injury, disease or illness. Chronic fatigue syndrome (and any manifestations thereof) and fibromyalgia are excluded under Category D. Please note that Category D is not available to certain occupations. Please refer to your Policy Schedule to see if your occupation qualifies for Category D.

CAPITAL DISABILITY BENEFIT UNDERPIN

If you do not meet the Category A or D definitions above, you may still claim under the Capital Disability Benefit Underpin. This Underpin pays 50% of your monthly Income Continuation Benefit amount for five years, if you suffer a Category B disability (as defined in Appendix 2). You will also receive 50% of your monthly Temporary Income Continuation Benefit amount for 24 months.

7.13.2. CAN I PROTECT MY FULL INCOME IF I AM PERMANENTLY DISABLED?

If your disability meets the Category A (as defined in Appendix 2) or Category D (if applicable to your occupation) definition of permanent disability, you will qualify for Discovery Life's unique upgrade on permanent disability.

If you have selected a monthly Income Continuation Benefit amount of 40% or more of your monthly income, the monthly income received from your Income Continuation Benefit on permanent disability will immediately be increased to 100% of your monthly income last declared by you to Discovery Life as reflected on your Policy Schedule, increased from that date to the date of commencement of the claim payment by the applicable annual benefit escalation rate. If you have selected a monthly Income Continuation Benefit of less than 40% of your monthly income, your monthly income received on your Income Continuation Benefit will immediately be increased to 2.5 times your monthly Income Continuation Benefit amount at the time of claim.

This upgrade is further subject to Discovery Life’s Permanent Disability Maximum. This Permanent Disability Maximum is determined as follows:

- The annual Permanent Disability Maximum level set by Discovery Life as at inception of your Income Continuation Benefit, increased from the benefit inception date to the date of commencement of the claim payment, by the annual benefit escalation rate applicable to your Income Continuation Benefit.

This upgrade in income will apply for a maximum of one year to registered medical professionals contracting HIV through accidental needlestick injury while performing their normal duties, should they be required to cease private practice due to their HIV status.

If you have been granted a concession to exceed any maximums, the amount payable on permanent disability will be your Income Continuation Benefit amount and the Permanent Disability Maximum will not apply.

If you have selected the Temporary Income Continuation Benefit, your Temporary Income Continuation Benefit amount may also pay out for up to 24 months on permanent disability (if applicable and subject to aggregation rules defined in Section 7.19.3).

The upgrade on permanent disability does not apply to the Temporary Income Continuation Benefit or to claims paid under the Capital Disability Benefit Underpin. It will also not be taken into account when determining the payments under the LifeTime Capital Disability Lump Sum Benefit, HealthyLiving Protector and Transport Protector.

Please note: All payments made will be subject to the Maximum Benefit Amount (Section 7.19.3).

7.13.3. THERE IS NO WAITING PERIOD FOR PERMANENT DISABILITY CLAIMS

In the event of a qualifying permanent disability, the waiting period selected by you will be waived. This will also apply to any additional payments made under the Temporary Income Continuation Benefit on permanent disability (if applicable and subject to aggregation rules defined in Section 7.19.3).
7.13.4. WHEN DO MY INCOME CONTINUATION BENEFIT AND TEMPORARY INCOME CONTINUATION BENEFIT PAYMENTS END?

The Income Continuation Benefit pays out, as long as the benefit remains in force, until the earlier of:

- You receiving payment for five years, if you are claiming under the Capital Disability Benefit Underpin;
- The end of the month in which you turn your selected benefit expiry age if you selected the expiry age of 60, 65 or 70;
- The end of the month in which you turn 70 if you have selected the Whole of Life expiry age and claim before age 70.
- Your death.

The Temporary Income Continuation Benefit pays an income, as long as the benefit remains in force, until the earlier of:

- You receive 24 payments;
- You receive 24 payments for claims due to the same bodily injury or for the same or related condition, subject to necessary medical evidence, as determined by Discovery Life. This limit will be waived for subsequent, related occupational disability claims, if your claim event has occurred at least 24 months after the maximum number of claim payments has been received and you have been fully and continuously fulfilling the duties and responsibilities of your nominated occupation during this period;
- The end of the month in which you turn your selected benefit expiry age if you selected the expiry age of 60, 65 or 70;
- The end of the month in which you turn 70 if you have selected the Whole of Life expiry age;
- Your death.

7.13.5. YOUR INCOME CONTINUATION BENEFIT AND TEMPORARY INCOME CONTINUATION BENEFIT PREMIUMS WILL BE WAIVED DURING A CLAIM PERIOD

Your Income Continuation Benefit and Temporary Income Continuation Benefit automatically include the feature that the premiums for your Income Continuation Benefit and Temporary Income Continuation Benefit (if selected) will be waived until the benefit payments end if you are claiming under the following definitions:

- Category A (as defined in Appendix 2)
- Category D (if applicable to your occupation)
- Capital Disability Benefit Underpin

7.13.6. CAN I RECEIVE A LUMP SUM BENEFIT IF I AM PERMANENTLY DISABLED?

The LifeTime Capital Disability Lump Sum Benefit pays out a lump sum if you meet the Category A (as defined in Appendix 2) claims definition. The size of the payment depends on whether you have selected the Comprehensive option or the Core option, as well as the Total LifeTime Impact score applicable to the life-changing event that you have suffered. The Total LifeTime Impact score is determined by adding the LifeTime Impact scores for each of the following LifeTime Impact factors:

<table>
<thead>
<tr>
<th>LIFETIME IMPACT FACTOR</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age at disability and expected survival period thereafter</td>
<td>0 – 30</td>
</tr>
<tr>
<td>Invasiveness of any surgery required</td>
<td>0 – 3</td>
</tr>
<tr>
<td>The impact of any pharmacological treatment and its associated side-effects</td>
<td>0 – 3</td>
</tr>
<tr>
<td>The impact of any therapy and rehabilitation required and their associated discomfort</td>
<td>0 – 3</td>
</tr>
<tr>
<td>The impact of any assisted care and devices</td>
<td>0 – 3</td>
</tr>
</tbody>
</table>

The Total LifeTime Impact score of each impairment is specified in Appendix 2.
This Total Lifetime Impact score determines the LifeTime Impact Category of your disability and hence the multiple of your monthly Income Continuation Benefit that is paid out as a lump sum, as defined below:

<table>
<thead>
<tr>
<th>TOTAL LIFETIME IMPACT SCORE</th>
<th>LIFETIME IMPACT CATEGORY</th>
<th>CORE OPTION</th>
<th>COMPREHENSIVE OPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 4</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5 – 9</td>
<td>2</td>
<td>1.5</td>
<td>3</td>
</tr>
<tr>
<td>10 – 14</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>15 – 19</td>
<td>4</td>
<td>4.5</td>
<td>9</td>
</tr>
<tr>
<td>TOTAL LIFETIME IMPACT SCORE</td>
<td>LIFETIME IMPACT CATEGORY</td>
<td>CORE OPTION</td>
<td>COMPREHENSIVE OPTION</td>
</tr>
<tr>
<td>20 – 24</td>
<td>5</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>25 – 29</td>
<td>6</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>30 – 34</td>
<td>7</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>35 – 39</td>
<td>8</td>
<td>18</td>
<td>36</td>
</tr>
</tbody>
</table>

**EXAMPLE**

If you are 40 years-old and have insured R50 000 per month under the Comprehensive Income Continuation Benefit when you suffer an injury that results in you losing the use of your hands, you would qualify for a payment under the LifeTime Capital Disability Lump Sum Benefit. The LifeTime Impact score attributable to your age at disability is 22 and the score attributable to your condition is 7, giving a Total LifeTime Impact score of 29. The Total LifeTime Impact score corresponds to LifeTime Impact Category 6, which means a multiple of 18 must be applied to your benefit amount. This means the lump sum amount that you will be paid out due to your disability will be R900 000 (= 18 x R50 000).

To ensure that the LifeTime Impact score is in line with rapidly advancing medical technology, Discovery Life may, from time to time, alter the scores applicable to each life-changing event (as specified in Appendix 2), after consultation with medical specialists.

Note that your Temporary Income Continuation Benefit cover is not included in the calculation of your lump sum payment. Since the payment is made on permanent disability, you may only ever qualify for one payment from the LifeTime Capital Disability Lump Sum Benefit.

The LifeTime Capital Disability Lump Sum Benefit falls away when you reach your expiry age (at the end of the month in which you turn 70 if you have selected the Whole Life expiry age).

Note that a 14 day survival period applies to this benefit. This means that you will have to survive for at least 14 days following the applicable disability event in order to receive the benefit payment.

7.13.7. CAN I RECEIVE AN ADDITIONAL BENEFIT TO ASSIST WITH LIVING EXPENSES?

The HealthyLiving Protector benefit is automatically included if you have selected the Comprehensive Income Continuation Benefit.

Vitality’s HealthyLiving benefit is made up of the HealthyFood, HealthyCare and HealthyGear benefits. Under each of these benefits, Vitality may refund you up to 25% of your spend on certain items in the partner stores. Vitality may change the amount of the refund as well as the partner stores from time to time.

If you suffer a Category A (as defined in Appendix 2) or D (if applicable to your occupation) disability, this benefit will pay you the lower of the following:

- Three times the average cash back you received under Vitality’s HealthyLiving benefit over the six months prior to the disability event. If your Vitality HealthyLiving benefit was not activated for any of the six months prior to the disability event, R0.00 will be used for these months when determining your average cash back.
- 25% of your monthly Income Continuation Benefit amount plus your monthly Temporary Income Continuation Benefit amount (if selected) as at the time of the disability (increased each year for inflation).
- The maximum HealthyLiving Protector benefit amount set by Discovery Life.

Your benefit payment will increase each year in line with inflation, as measured by CPI, at the end of each 12 month period of HealthyLiving Protector benefit payments.
The HealthyLiving Protector benefit and payments will cease on the earlier of:

- You reaching your selected expiry age. If you have selected the Whole Life expiry age, this benefit and all claim payments will expire at the end of the month in which you turn 70;
- Your death.

**EXAMPLE**

You are a member of Vitality, and you have insured R20 000 p.m. on the Comprehensive Income Continuation Benefit and a further R5 000 p.m. on the Temporary Income Continuation Benefit. If you suffer a qualifying permanent disability, you will qualify for payments under the HealthyLiving Protector.

In the six months prior to your disability, you received the following Vitality HealthyLiving Benefit payments:

- Month 1 = R1 200
- Month 2 = R1 210
- Month 3 = R1 230
- Month 4 = R1 250
- Month 5 = R1 240
- Month 6 = R1 250

Your average Vitality HealthlyLiving Benefit payment over the 6 months comes to

\[(R1 200 + R1 210 + R1 230 + R1 250 + R1 240 + R1 250) / 6 = R1 230 \text{ per month, and multiplying this by three gives us R3 690 per month.}\]

Since R3 690 is less than 25% of the cover amount \(((R20 000 + R5 000) \times 25\%) = R6 250\), you will receive the full R3 690 per month every month until your selected expiry age, increased annually in line with CPI.

Discovery Life reserves the right to change the HealthyLiving Protector, including the way the benefit payment is calculated as well as the payment limits, to cater for changes to the Vitality HealthyLiving Benefit.

**7.13.8. CAN I RECEIVE ADDITIONAL BENEFITS TO ASSIST WITH THE COST OF TRANSPORT IF PERMANENTLY DISABLED?**

The Transport Protector benefit is automatically included if you have selected the Comprehensive Income Continuation Benefit with the seven day or one month waiting period.

If you suffer a permanent disability (as defined in Section 7.13.1), you will have access to the services of our preferred transport provider (up to our specified Rand limits) for a period of 60 days following the admittance of the claim. After 60 days, the benefit falls away regardless of whether the full benefit amount had been used.

Your total Transport Protector benefit per claim will be subject to a maximum of 20% of the monthly Income Continuation Benefit amount plus the monthly Temporary Income Continuation Benefit amount (if selected). In addition, the payment will be subject to maximums set by Discovery Life from time to time. You will need to pay for the extra amount if the total cost of using our preferred transport provider exceeds the Transport Protector benefit amount.

Discovery Life reserves the right to change the following:

- The preferred transport provider;
- The methods used to provide the benefit, including cash payments if necessary;
- The term at which the benefit payment will expire;
- The total maximum payment.

You may only claim for the Transport Protector up to two times per calendar year, and no payment will be made from the Transport Protector for a claim submitted during the off period. If you receive two Transport Protector benefit payments for temporary disability claims in a calendar year, no Transport Protector benefit will be paid upon claiming for permanent disability in that same year.

The Transport Protector benefit will cease at the earlier of:

- You reaching your selected expiry age. If you have selected the Whole Life expiry age, this benefit will expire at the end of the month in which you turn 70;
- You receiving a Transport Protector payment for a Category A (as defined in Appendix 2) or Category D (if applicable to your occupation) claim;
- Your death.

Note that the Transport Protector may only be used in areas where the preferred transport provider operates. The preferred transport provider may also require you to have access to certain technology before being able to make use of their services.
7.14 WHAT HAPPENS IF I BECOME PERMANENTLY DISABLED AFTER AGE 70 UNDER THE WHOLE LIFE EXPIRY AGE?

This section explains the benefit payments made for disability suffered after the end of the month in which you turn age 70 if you have selected the Whole of Life expiry age. This section does not apply if you have selected the 60, 65 or 70 expiry ages.

7.14.1. HOW DO I QUALIFY FOR A POST-RETIREMENT DISABILITY CLAIM?

Your claims will be assessed according to post-retirement claims criteria (as per Appendix 8). Should you qualify for a claim, the monthly benefit payment will be based on your whole of life cover amount (as per section 7.14.2) and the payment percentage associated with your condition, where each condition is associated with a payment percentage of either 100%, 75% or 50% (as per Appendix 8). Should you meet multiple post-retirement claims criteria, your monthly payment will be based on the highest payment percentage for which you qualify. If you are in claim when you reach the end of the month in which you turn 70 and you meet any of the post-retirement claims criteria, you will automatically qualify for whole of life payments based on the new insured amount and the payment percentage for which you qualify. In the event that your condition does not meet any of the post-retirement claims criteria at that the end of the month in which you turn 70, no claim will be payable at that time.

Note that a 14 day survival period applies to post-retirement disability claims. This means that you will have to survive for at least 14 days following the applicable disability event in order to qualify for a benefit payment.

7.14.2. CAN I PROTECT MY FULL INCOME IF I AM DISABLED AFTER AGE 70?

At the end of the month in which you turn 70, your Income Continuation Benefit cover amount will be converted into whole of life cover. The amount that will convert is based on your waiting period as at the end of the month in which you turn 70, as per the following table:

<table>
<thead>
<tr>
<th>Selected waiting period</th>
<th>Percentage of your Income Continuation Benefit cover amount that converts to whole of life cover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seven Days</td>
<td>100%</td>
</tr>
<tr>
<td>One Month</td>
<td>70%</td>
</tr>
<tr>
<td>Three Months</td>
<td>50%</td>
</tr>
<tr>
<td>Six Months</td>
<td>40%</td>
</tr>
<tr>
<td>12 Months</td>
<td>30%</td>
</tr>
</tbody>
</table>

Your monthly premium for the Income Continuation Benefit will not be reduced at the point of your cover converting to whole of life cover.

EXAMPLE

Consider a client that is about to reach age 70 with the Whole Life expiry age on the Income Continuation Benefit and the 1 month waiting period. Suppose further that the client has declared an income of R60 000 p.m. and has insured R40 000 per month.

At the end of the month in which the client turns age 70, the Income Continuation Benefit cover amount will convert to whole of life cover. This means that the Income Continuation Benefit cover amount as at age 70 will be multiplied by 70%, giving the client whole of life cover of R28 000 (= R40 000 x 70%). If the client is in claim at this time, the claim will be reassessed according to the post-retirement claims criteria (as per Appendix 8). If the client qualifies for a claim, and the payment percentage associated with the claim condition is 50%, the client will be paid out R14 000 p.m. for the rest of their life. If the client qualifies for a claim condition with a payment percentage of 100% at a later date, the payment will increase to R28 000 from the time of qualifying for a claim at the higher severity (increased with annual benefit increases).

Note that your Temporary Income Continuation Benefit and the premiums for the Temporary Income Continuation Benefit will fall away at the end of the month in which you turn 70.

All payments made will be subject to the Maximum Benefit Amount (Section 7.19.3).

7.14.3. THERE IS NO WAITING PERIOD FOR DISABILITY CLAIMS AFTER AGE 70

In the event of a post-retirement disability (as specified in Section 7.14.1), the waiting period selected by you will be waived.

7.14.4. WHEN DO MY POST-RETIREMENT BENEFIT PAYMENTS END?

Your whole of life cover will pay an income, as long as the benefit remains in force, until death. If you qualify for a claim payment after your cover converts to whole of life cover, you are guaranteed to receive at least six monthly payments even if you die before all six payments have been made;
7.14.5. YOUR INCOME CONTINUATION BENEFIT PREMIUMS WILL BE WAIVED

Your Income Continuation Benefit automatically includes the feature that your premiums for your Income Continuation Benefit will be waived while you are claiming under the post-retirement claims criteria (as per Appendix 8).

7.14.6. YOUR CONTRIBUTIONS FOR OTHER DISCOVERY BENEFITS WILL BE PAID TO YOU

You will be entitled to the benefits of the Contribution Protector if you are claiming under the post-retirement claims criteria (as per Appendix 8).

Discovery Life’s Contribution Protector will pay up to 25% (on the Core option) or up to 100% (on the Comprehensive option) of all your premiums/contributions, which you were paying before meeting the requirements for a post-retirement claim (as specified in Section 7.14.1) for your Life Plan (excluding the premiums for the Income Continuation Benefit that are waived in full), Discovery Retirement Optimiser, Discovery Health Plan, Discovery Insure, LifeDrive Protector, Vitality, Vitality Active Rewards for Life and Vitalitydrive.

In order for the Contribution Protector to pay out the contributions for a certain Discovery product, the life who suffered the disability must be the premium-payer as well as the life assured (for Discovery Life products), member (for Discovery Health products, Vitality, Vitality Active Rewards for Life and Vitalitydrive) or driver (for Discovery Insure products) of that product at the time of the disability.

Please note:

- If you are both the premium-payer and life assured of more than one Life Plan, only the premiums attributable to the policy under which you are claiming for the Income Continuation Benefit will be returned to you.
- If you are both the premium-payer and driver of more than one Discovery Insure policy, only the premiums attributable to the policy with the highest premiums will be returned.
- Premiums for the Discovery Retirement Optimiser policy on your Life Plan will be returned to you. However, this only applies to Discovery Retirement Optimiser policies on the Life Plan under which you are claiming for the Income Continuation Benefit, and only if your Discovery Retirement Optimiser remains in force and you have not reached your selected retirement age.

The Contribution Protector amount will be limited as follows:

- Should you have insured less than 75% of your monthly income (100% of your income if you have also selected the Temporary Income Continuation Benefit) prior to the cover converting to whole of life cover (at the end of the month before you turn age 70), the payout will be reduced proportionately. If you insured yourself at the maximum amount of Income Protection allowed and as a result were insured for less than 75% of your total monthly income at that time, the Contribution Protector payout will not be reduced proportionately.
- The Contribution Protector payment is subject to a maximum of 33% of the Income Continuation Benefit amount plus the Temporary Income Continuation Benefit amount (if selected) prior to the cover converting to whole of life cover (at the end of the month before you turn age 70), increased at each anniversary by your selected annual benefit increase.

The benefit payment will cease on the earlier of:

- 24 monthly payments on the Comprehensive option or 12 monthly payments on the Core option. You may only qualify for one Contribution Protector claim after your cover converts to whole of life cover;
- Your death. Please note that the Contribution Protector does not include a six month guaranteed payment period.

7.15 THE RETRENCHMENT PROTECTOR

You will be entitled to the benefits of the Retrenchment Protector if you are retrenched, or if your business is liquidated or sequestrated. This benefit is only available on the seven days and one month waiting periods.

Discovery Life’s Retrenchment Protector will pay up to 25% (on the Core option) or up to 100% (on the Comprehensive option) of all your premiums/contributions, which you were paying before retrenchment or liquidation/sequestration for your Life Plan, Discovery Retirement Optimiser, Discovery Health Plan, Discovery Insure, Discovery Card Protector, Health Plan Protector, Medical Premium Waiver, LifeDrive Protector, Supplementary Cancer Protector, Global Education Protector, Vitality, Vitality Active Rewards for Life and Vitalitydrive.

In order for the Retrenchment Protector to pay out the contributions for a certain Discovery product, the life who suffered the retrenchment, or whose business was liquidated or sequestrated, must be the premium-payer as well as the life assured (for Discovery Life products), member (for Discovery Health products, Vitality, Vitality Active Rewards for Life and Vitalitydrive) or driver (for Discovery Insure products) of that product at the time of the disability.
SECTION 7

Please note:

• If you are both the premium-payer and life assured of more than one Life Plan, only the premiums attributable to the policy under which you are claiming for the Retrenchment Protector will be returned to you.

• If you are both the premium-payer and driver of more than one Discovery Insure policy, only the premiums attributable to the policy with the highest premiums will be returned.

• Premiums for the Discovery Retirement Optimiser policy on your Life Plan will be returned to you. However, this only applies to Discovery Retirement Optimiser policies on the Life Plan under which you are claiming for the Retrenchment Protector.

Should you have insured less than 75% of your monthly income (100% of your income if you have also selected the Temporary Income Continuation Benefit), the Retrenchment Protector payout will be reduced proportionately. If you insure yourself at the maximum amount of Income Protection allowed and as a result are insured for less than 75% of your total monthly income, the Retrenchment Protector payout will not be reduced proportionately. The Retrenchment Protector payment is determined based on your premiums/contributions being paid at the time of claim, including normal annual contribution increases. Increases to premiums/contributions while in claim are not taken into account; however, decreases in premiums/contributions during claim will reduce the amount of this additional payment. The additional payment is subject to a maximum of 33% of the Income Continuation Benefit amount plus the Temporary Income Continuation Benefit amount (if selected). This maximum applies to both the Core and Comprehensive benefit options.

If you are in claim under the Retrenchment Protector, you will not be eligible to claim under the Income Continuation Benefit or Temporary Income Continuation Benefit for any conditions suffered during the term of the Retrenchment Protector payments.

Your retrenchment will qualify for a Retrenchment Protector payout if the following criteria are met:

• Your occupation does not fall under any of the following categories:
  - You are a contract worker, part-time worker, temporary worker, seasonal worker, or casual worker
  - Your primary source of income is commission-related
  - You are self-employed
  - You are a director of the company that is retrenching you
  - You are employed in a family business, and you are a member of that family.
  - You are employed at a branch or office outside South Africa
  - You are a full-time student
  - You are a professional sports player.

• You have been in full-time, uninterrupted employment for at least 24 months prior to being retrenched, with at least 12 months full-time active employment with the current employer;

• Your retrenchment does not occur within the first six months of purchasing the Income Continuation Benefit and Temporary Income Continuation Benefit;

• You have been unemployed for at least one month following your retrenchment;

• You are not in claim under the Income Continuation Benefit or Temporary Income Continuation Benefit.

For your business to be covered under the Retrenchment Protector, you will need to nominate this business when applying for the Income Continuation Benefit. You may change the business that is covered by nominating a different business. Your nominated business’ liquidation/sequestration will qualify for a Retrenchment Protector payout if the following criteria are met:

• Your occupation falls under either of the following categories:
  - You are self-employed in a sole proprietorship, private practice, partnership or in a family business
  - You are a director of the company that is liquidated.

• Your business has been in operation and solvent for at least 24 months prior to the period of insolvency which resulted in the liquidation/sequestration.

• No application or request for business rescue, judicial management, provisional or final liquidation or sequestration has been made (and you are not aware, or ought to have been aware, of any such pending process) within the first 6 months of either purchasing the Income Continuation Benefit and Temporary Income Continuation Benefit, or nominating a new business to be covered under this benefit.

• You provide, to Discovery Life’s satisfaction, proof of the Final Liquidation order (or sequestration, as applicable to the business type);

• You have been unemployed for one month following the liquidation/sequestration;

• You are not in claim under Income Continuation Benefit or Temporary Income Continuation Benefit.
A maximum of two Retrenchment Protector claims will be paid during the lifetime of the policy. The Retrenchment Protector will not pay out from the third retrenchment/liquidation/sequestration.

The Retrenchment Protector payments will cease on the earlier of:

- You returning to work. You must notify Discovery Life as soon as you begin new employment (full, part-time or contract employment) or start a new business. Note that your premiums and benefits may change depending on your new occupation. Your Policy Schedule will contain the new premium charged, as well as the benefits offered for your new occupation;
- Six monthly payments have been paid by the Retrenchment Protector;
- You reach your selected expiry age. If you have selected the Whole Life expiry age, any Retrenchment Protector claims in payment at the end of the month in which you turn 70 will cease at that time;
- Your death.

The Retrenchment Protector falls away when you reach your expiry age (at the end of the month in which you turn 70 if you have selected the Whole Life expiry age).

### 7.16 GUARANTEED INSURABILITY BENEFIT

The Guaranteed Insurability Benefit is automatically included on both the Core and Comprehensive options.

This benefit allows you to increase your Income Continuation Benefit and/or Temporary Income Continuation Benefit amounts by a maximum of 20% on every third anniversary before your 50th birthday, without evidence of health or insurability.

You will need to provide proof of income when increasing your cover through the Guaranteed Insurability Benefit.

Discovery Life reserves the right to request the assured lives to undergo a test for Human Immunodeficiency Virus (HIV) antibodies, before granting increased cover. If any of the assured lives tests HIV-positive, Discovery Life has the right to modify or cancel the Guaranteed Insurability Benefit. Premiums for cover resulting from exercising options will be payable from the date of the option being exercised. This benefit is only available if you have not been disabled or made a claim under the Income Continuation Benefit during the three-year period up to and including the relevant option date. The maximum number of options that may be exercised is six.

Note: You will still be subject to all maximum benefit amount rules that apply to the Income Continuation Benefit and Temporary Income Continuation Benefit if you decide to exercise this option.

### 7.17 FAMILY PROTECTOR

The Family Protector benefit is automatically included if you have selected the Comprehensive Income Continuation Benefit.

This benefit will pay your Income Continuation Benefit amount and Temporary Income Continuation Benefit amount (if applicable), increased by the applicable benefit escalation rate to the time of claim, for up to six months if your spouse or children suffer a severe illness (Severity A or B, as defined in Appendix 1). Claim payments will remain level and will not be increased by your benefit escalation rate or in-claim escalation rate while this benefit is being paid.

The Family Protector will also pay your Income Continuation Benefit amount and Temporary Income Continuation Benefit amount (if applicable), increased by the applicable benefit escalation rate to the time of claim, for one month if your spouse dies.

A maximum of six monthly payouts for any related severe illness conditions or conditions in the same body system will apply. You may however claim for subsequent claims where the condition is unrelated to the previous claim and is in a different body system. Payments for severe illnesses will only be made if your spouse or child is alive at the time of payment. Payments will be made at the end of each month when claiming and will be paid pro rata for the month in which the spouse or child dies if death occurs before the end of the benefit payment period.

The waiting period does not apply to this benefit. A claim will be paid as soon as it has been approved, and irrespective of your chosen waiting period. These payments will also not be regarded as income received from a disability income/sickness benefit for aggregation purposes (see Section 7.19.5).

This benefit and all claim payments will expire on the earlier of:

- Expiry age of the Income Continuation Benefit. If you have selected the Whole Life expiry age, this benefit and all claim payments will expire at the end of the month in which you turn 70;
- Your death;
If your spouse is older than you, both the spouse severe illness and spouse death benefits will expire at the end of the month in which your spouse turns the expiry age (age 70, in the case of the Whole Life expiry age) of the Income Continuation Benefit. For example, if your chosen expiry age is 60, these spouse benefits will expire at the end of the month in which your spouse turns 60;

For your child, the child severe illness criteria under the Family Protector expires at the end of the month in which your child turns 19.

The cover for your spouse and each child in the family is provided without medical underwriting, but excludes pre-existing medical conditions affecting your spouse or child that you or your spouse or child knew about or sought medical attention for at any time in the past.

A spouse is defined as a person who is the permanent life partner or spouse or civil union partner of a member in accordance with the Marriage Act, the Recognition of Customary Marriages Act, or the Civil Union Act or the tenets of any religion.

The child must be the biological child of the life assured or must have been legally adopted to qualify for a benefit payment.

### 7.18 FACTORS AFFECTING THE BENEFIT AMOUNT PAYABLE BEFORE YOU CLAIM

#### 7.18.1 BENEFIT ESCALATION RATE

Your Income Continuation Benefit and Temporary Income Continuation Benefit amounts will increase on each policy anniversary by the benefit escalation rate you chose. The benefit escalation rate will also apply during the waiting period. The same benefit escalation rate will apply to both the Income Continuation Benefit and Temporary Income Continuation Benefit.

This benefit escalation rate need not be the same as that selected for other benefits on your Life Plan.

#### 7.18.2 CAN I INCREASE MY MONTHLY INCOME BY MORE THAN THE BENEFIT ESCALATION RATE?

You may apply to Discovery Life to increase your Income Continuation Benefit and/ or Temporary Income Continuation Benefit amounts at any point in time. Granting these additional benefits will be subject to medical and financial underwriting (except if you are increasing your benefit through the Guaranteed Insurability Benefit), as well as the annual maximum benefit levels set by Discovery Life.

Any increase to your Income Continuation Benefit amount will be subject to Discovery’s Income Continuation Benefit maximum of 75% of your income, while any increase to your Temporary Income Continuation Benefit amount will be subject to Discovery’s Temporary Income Continuation Benefit maximum of 25% of your income. In addition, the increased Temporary Income Continuation Benefit amount plus your Income Continuation Benefit amount cannot exceed your total income. Changing your Income Continuation Benefit amount may also affect the upgrade you are entitled to on permanent disability (see Section 7.13.2).

Please note: Discovery Life will request confirmation of your income to determine the upgrade that you will qualify for in the event of a permanent disability claim.

### 7.19 FACTORS AFFECTING THE BENEFIT AMOUNT PAYABLE WHILE YOU ARE CLAIMING

#### 7.19.1 IN-CLAIM ESCALATION RATE

Once your monthly income payments commence, your monthly Income Continuation Benefit and Temporary Income Continuation Benefit (if selected) will increase or remain level, depending on your chosen in-claim escalation rate.

You can choose for your payments to:

- Remain level, or
- Increase annually in line with inflation, subject to a maximum increase of 10% per year, or
- Increase annually at a rate of inflation plus 3%, subject to a maximum increase of 13% per year (this option is not available on the Whole Life expiry age).

These increases will be effective after each 12-month period of benefit payments. Discovery Life will use the CPI figure as released by Statistics South Africa three months before the in-claim escalation anniversary.

If you recover and your income payments are stopped, the Income Continuation Benefit and Temporary Income Continuation Benefit will change back to the amount that would have applied if no claim had been submitted. In other words, your benefit amounts will revert to the benefit amount that applied at the start of your claim payments, increased by any applicable benefit escalation rates for the duration that you were receiving payments.
7.19.2 PARTIAL PAYMENTS

If you are claiming under the Automatic Sickness Underpin and you are only partially booked off work due to injury or disability, your monthly payments (including, where applicable, your Income Continuation Benefit, Temporary Income Continuation Benefit, Contribution Protector and Overhead Expenses Benefit) will be reduced proportionately for the period during which you are booked off work. For example, if your doctor indicates in the Claim Declaration Form that you were booked off for half a day’s work, Discovery Life will pay 50% of your monthly payments. Discovery Life will determine the partial payment based on an eight hour working day.

The minimum payment will be 25% of your monthly Income Continuation Benefit and Temporary Income Continuation Benefit (if applicable). Amounts less than 25% will not qualify for payment. All partial payments are further subject to Discovery Life’s Maximum Benefit Amount on temporary disability (defined in Section 7.19.3) and aggregation rules (defined in Section 7.19.5).

7.19.3 MAXIMUM BENEFIT AMOUNT

If you are temporarily disabled, the benefit amount payable for claims under the Income Continuation Benefit is subject to a maximum of 75% of your pre-disability income. The benefit amount payable under the Temporary Income Continuation Benefit is subject to a maximum of 25% of your pre-disability income. Additionally, for the first 24 months after the disability event, the sum of the benefit amounts payable for the Income Continuation Benefit and the Temporary Income Continuation Benefit is subject to a maximum of 100% of your pre-disability income. These maximum benefit amounts also apply to the Family Protector.

Discovery Life will pay your claim after your selected waiting period, as defined in Section 7.11, has expired and provided that you meet the requirements for a claim.

If you are permanently disabled (up to age 70, if you have selected the Whole Life expiry age), this maximum is 100% of your pre-disability income if you have selected an Income Continuation Benefit amount greater than or equal to 40% of your income. If you have selected an Income Continuation Benefit amount less than 40% of your income, your benefit will be limited to the lower of your income and the sum of your Temporary Income Continuation Benefit amount (for the first two years of disability) and 2.5 times your monthly Income Continuation Benefit amount.

Payments from the LifeTime Capital Disability Lump Sum Benefit, Contribution Protector, HealthyLiving Protector and the Transport Protector are not included in the above calculations. Therefore, you will receive these benefit payments in addition to the payments received under the Income Continuation Benefit and Temporary Income Continuation Benefit. However, if your payments from the Income Continuation Benefit and Temporary Income Continuation Benefit (if applicable) are reduced, the payments from the LifeTime Capital Disability Lump Sum Benefit, Contribution Protector, HealthyLiving Protector and Transport Protector will be based on the reduced Income Continuation Benefit and Temporary Income Continuation Benefit (if applicable).

Your selected Income Continuation Benefit and Temporary Income Continuation Benefit amounts, payable in the event of your disability, are stated on your Policy Schedule.

7.19.4 YOUR CLAIM AMOUNT

<table>
<thead>
<tr>
<th>DEFINITION UNDER WHICH YOU CLAIM</th>
<th>PERCENTAGE OF YOUR MAXIMUM BENEFIT AMOUNT ON TEMPORARY DISABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic Sickness Underpin</td>
<td>Up to 100% depending on the amount of time you are booked off work.</td>
</tr>
<tr>
<td>LifeTime Severe Illness Underpin</td>
<td>100% + 25% x LifeTime Severity Upgrades</td>
</tr>
<tr>
<td>Injury and Hospitalisation Underpin</td>
<td>100%</td>
</tr>
</tbody>
</table>
| Loss of income Underpin                                 | • In the first 24 months after your disability, your claim amount will only be reduced to the extent that your Maximum Benefit Amount on temporary disability plus income still earned, exceeds 105% of your pre-disability income.  
• Thereafter, your claim amount will be reduced to the extent that your Maximum Benefit Amount on temporary disability plus income still earned, exceeds 75% of your pre-disability income. |

A claim amount will only be paid if you are unable perform more than 25% of the main duties of your nominated occupation. The claim amount on temporary disability will be calculated according to the following table:
### Definition Under Which You Claim

<table>
<thead>
<tr>
<th>Definition</th>
<th>Percentage of Your Maximum Benefit Amount on Permanent Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Disability Benefit Underpin</td>
<td>50%</td>
</tr>
<tr>
<td>Category A disability as defined in Appendix 2</td>
<td>100%</td>
</tr>
</tbody>
</table>
| Category D disability as defined in Appendix 2 (if applicable to your occupation) | • In the first 24 months following your disability, your claim amount will only be reduced to the extent that your Maximum Benefit Amount on permanent disability plus income still earned, exceeds 130% of your pre-disability income.  
• Thereafter, your claim amount will be reduced to the extent that your Maximum Benefit Amount on permanent disability plus income still earned, exceeds 100% of your pre-disability income. |
| Post-retirement claims criteria as defined in Appendix 8 | N/A |

**Note:**

You must notify Discovery Life if you start earning an income while a claim is in payment under the loss of income definition or Category D disability. Should Discovery Life determine that we were not notified of this while a claim was in payment, Discovery Life may recover any amount that was paid in excess of the amount that would have been paid if you had notified us that you were earning an income.

Discovery Life will not reduce the benefit payments under the Loss of Income Underpin or Category D disability as a result of the following earnings:

- Interest
- Rent
- Dividends (however, dividends payable by a private company/close corporation of which you are the owner and in terms of which you actively participate in the management of the company will not be excluded)
- Earnings generated before disability but only received after disability
- Additional payments from the LifeTime Capital Disability Lump Sum Benefit, Contribution Protector, Family Protector, HealthyLiving Protector and the Transport Protector.

### 7.19.5 Aggregation of Income Received from Other Income or Sickness Benefits

If you receive disability income or sickness benefits from other policies and these benefits together with your claim amount (as defined in Section 7.19.4) exceed the maximum benefit adjustment as defined below, the payment made to you will be adjusted proportionately. If you have selected the Whole Life expiry age, this adjustment will only apply up the end of the month in which you turn 70. The formula to calculate the adjusted payment is as follows:

\[
\frac{\text{claim amount}}{\text{claim amount} + \text{benefit amounts from other disability income or sickness benefits}} \times \text{maximum benefit adjustment}
\]

The claim amount, referred to in the above formula, is defined in Section 7.19.4 above. The maximum benefit adjustment in the above formula is calculated as follows:

- On temporary disability:
  - 100% of your pre-disability income in the first 24 months following your disability
  - 75% of your pre-disability income thereafter
- On permanent disability (up to age 70, if you have selected the Whole Life expiry age):
  - 100% of your pre-disability income.

Finally, your payment will be subject to your Permanent Disability Maximum (as defined in Section 7.13.2), if you qualify for the upgrade on permanent disability.

If you claim under the LifeTime Severe Illness Benefit Underpin, the LifeTime Severity Upgrades applicable to your severe illness will only be applied to your benefit payment after your benefit amount has been aggregated with amounts received from other disability income or sickness benefits. This ensures that the LifeTime Severity Upgrades do not form part of the benefit amount that is aggregated.
7.19.6 YOU WILL RECEIVE THE HIGHEST PAYMENT

It is possible for you to meet more than one of the criteria for claims under the Income Continuation Benefit and Temporary Income Continuation Benefit. In these instances, Discovery Life will always pay the higher of the payments applicable to the definitions under which you claim, after your claim amount has been calculated (see Section 7.19.4) and aggregation has been applied (see Section 7.19.5).

7.20 OVERHEAD EXPENSES BENEFIT

7.20.1 CAN I RECEIVE AN ADDITIONAL INCOME TO COVER MY MONTHLY BUSINESS OVERHEAD EXPENSES?

The Overhead Expenses Benefit pays you, or in the case of a business-owned policy, the business, a regular income should your share of the qualifying overhead expenses not be met as a result of your becoming fully or partially unable to follow your nominated occupation, due to injury or illness as indicated in the Policy Schedule. These monthly expenses must continue during the period of disability.

Your share of qualifying overhead expenses will be determined as follows:

- The normal running expenses of the business incurred by your carrying out your nominated occupation
- Less: your share of depreciation, capital repayments on any outstanding debt, lease payments where the lease is not an essential part of the business, the cost of stock or goods, professional and other fees incurred in the course of your business, drawing accounts, your salary or other earnings (including retirement funding contributions) or the salary or other earnings of any member of your family, or another assured member who is self-employed, as well as the portion of all other expenditure related to personal expenses rather than business expenses.

Note:

Should you not have correctly disclosed your share of qualifying overhead expenses to us at application stage or when you have effected changes to the policy, Discovery Life reserves the right to recoup any benefit overpayments as well as terminate the benefit with no further benefit payments.

The benefit will commence after being disabled due to injury or illness for at least the duration of the waiting period. You can select a waiting period of either seven days or one month.

If you have selected the seven-day waiting period, benefit payments may be made retrospectively from day one of the illness or injury, provided the illness or injury has lasted at least seven consecutive calendar days. Retrospective payments will only be made in certain instances. Please see Section 7.12.3 for the full set of circumstances under which we will make retrospective payments.

If you are a professional in private practice or partnership, and you have chosen the one-month waiting period, benefit payments will be made retrospectively from day one of the illness or injury, if the illness or injury has lasted at least 30 consecutive days. This retrospective payment will only be made in the same instances as defined for the seven-day waiting period described above. This benefit applies to the list of professionals in Appendix 9 in private practice/partnership, working in the professional occupation at the time of claim. Discovery Life may review and amend this list from time to time.

In order to claim for the Overhead Expenses Benefit, you and your treating doctor will still be required to complete Discovery Life’s Overhead Expenses Benefit claims forms. Discovery Life reserves the right to request additional medical information.

The benefit amount payable for claims under the Overhead Expenses Benefit is subject to a maximum of 100% of the average amount of your share of qualifying overhead expenses incurred during the 12-month period before disability. This is defined as your Overhead Expenses Benefit Maximum Benefit Amount. If your overheads are of a variable nature, Discovery Life may determine a period other than 12 months to calculate average monthly overheads. You have 90 days from the commencement of the benefit payments to prove your share of qualifying overhead expenses incurred over the last 12 months before disability. This is referred to as the evidence free period. Should you not have correctly disclosed your share of qualifying overhead expenses to us during this evidence-free period, Discovery Life reserves the right to recoup any benefit overpayments.

Your benefit payment will not be reduced by income earned by your or your business during the period of disability. However, if you receive the same or similar benefits from other policies and these benefits together with the calculated claim amount for the Overhead Expenses Benefit above, exceed the Overhead Expenses Benefit Maximum Benefit Amount, payments made to you will be adjusted proportionately. The formula to calculate the adjusted payment is as follows:

\[
\text{Adjusted Payment} = \left(\frac{\text{Claim Amount for the Overhead Expenses Benefit}}{\text{Claim Amount for the Overhead Expenses Benefit} + \text{Benefit Amounts for the same or similar benefits under other policies}}\right) \times \text{Overhead Expenses Benefit Maximum Benefit Amount}
\]
The benefit payments are also subject to Discovery Life’s maximum monthly benefit limits, which are determined as follows:

- The maximum monthly benefit limit set by Discovery Life as at inception of your Overhead Expenses Benefit, increased from the benefit inception date to the date of commencement of the claim payment, by the annual benefit escalation rate applicable to your Overhead Expenses Benefit.

Any Overhead Expenses Benefit income payments will be limited by whichever of the following events occurs first:

- You recover sufficiently to return to work
- A two-year benefit payment period from commencement of monthly benefit payments. This two-year period is deemed to be continuous if you have returned to work for a period of less than one year.
- Your share of the business being sold or if the business is no longer a going concern.
- At the end of the month in which you turn 60, 65 or 70 (depending on the benefit expiry age you selected).

Benefit payments will also cease in the event of any of the following:

- If you unreasonably refuse to undergo or are not complying with recommended medical treatment or rehabilitation to reduce your disability. Recommended medical treatment will be as defined by your treating HPCSA registered doctor in conjunction with the Discovery Life medical panel;
- If you fail to provide Discovery Life with satisfactory proof of your disability within 30 days of being requested to do so, and if you fail to submit to a physical examination and tests at Discovery Life’s request and expense. If you cannot provide this proof, the payment of benefits will terminate;
- If you are not performing your nominated occupation for three consecutive months before your claim;
- If you fail to inform Discovery Life of a change in your occupation. We reserve the right to terminate your Overhead Expenses Benefit if your new occupation would not normally be covered by your policy;
- On your death;

The Overhead Expenses Benefit is available on both the Core and Comprehensive options. The Temporary Income Continuation Benefit does not apply to the Overhead Expenses Benefit.

### 7.20.2 HOW DOES THE “ESCALATION IN CLAIM” BENEFIT WORK?

Once your monthly income payments commence, your monthly Overhead Expenses Benefit (if selected) will increase or remain level, depending on your chosen in-claim escalation rate.

You can choose for your payments to:

- Remain level, or
- Increase annually in line with inflation, subject to a maximum increase of 10% per year.

These increases will be effective after each 12-month period of benefit payments. Discovery Life will use the CPI figure as released by Statistics South Africa three months before the in-claim escalation anniversary.

If you recover and your payments are stopped, the Overhead Expenses Benefit will change back to the amount that would have applied if no claim had been submitted. In other words, your benefit amounts will revert to the benefit amount that applied at the start of your claim payments, increased by any applicable benefit escalation rates for the duration that you were receiving payments.
7.21 TAXATION OF INCOME CONTINUATION BENEFITS AND PREMIUMS

This Section details the tax treatment of your premiums and benefit payments, in accordance with current tax practice (March 2015). Discovery Life reserves the right to adjust the benefits and/or premiums applicable to your Income Continuation Benefit, Temporary Income Continuation Benefit and Overhead Expenses Benefit in the event of a change to the tax laws applicable to these benefits.

The benefit payments under the Income Continuation Benefit, Temporary Income Continuation Benefit and Overhead Expenses Benefit will not be subject to tax provided:

- You are the owner of the policy as well as the life assured, or
- The policy is owned by a company and the life assured is an employee of the company, or
- The life assured is exempt from tax.

In all other instances, the payments for these benefit will be taxed, with the exception of the following payments:

- The LifeTime Capital Disability Lump Sum Benefit
- The Transport Protector

The premiums for the Income Continuation Benefit, Temporary Income Continuation Benefit and Overhead Expenses Benefit are not tax-deductible.

7.22 THE INCOME CONTINUATION BENEFIT AND THE LIFE FUND

Benefit payments for the Income Continuation Benefit, Temporary Income Continuation Benefit and Overhead Expenses Benefit have no impact on your Life Fund cover amount.

Your Income Continuation Benefit, Temporary Income Continuation Benefit and Overhead Expenses Benefit payments will also not be reduced if your Life Fund is entirely depleted as a result of a claim while receiving the Income Continuation Benefit, Temporary Income Continuation Benefit and Overhead Expenses Benefit payments.

7.22.1 HOW LONG DO I HAVE TO SUBMIT A CLAIM?

You have three months from the date of your injury or illness to submit your claim.

7.22.2 ARE THERE ANY OTHER REASONS WHY MY BENEFIT PAYMENTS COULD END?

Payment of any benefits will be terminated in the following circumstances:

- If you unreasonably refuse to undergo or are not complying with recommended medical treatment or rehabilitation to reduce the extent of your disability or illness. Recommended medical treatment will be as defined by your treating HPCSA registered doctor in conjunction with the Discovery Life medical panel;
- If you fail to provide Discovery Life with satisfactory proof of your disability within 30 days of being requested to do so, and if you fail to submit to a physical examination and tests at Discovery Life’s request and expense. If you cannot provide this proof, the payment of benefits will terminate;
- If you are not performing your nominated occupation for three consecutive months before your claim. Note that this requirement does not apply to clients who are on Sabbatical, or those who returned to work following a period of retrenchment, at the time of claim;
- If you fail to inform Discovery Life of a change in your occupation. We reserve the right to terminate your Income Continuation Benefit, Temporary Income Continuation Benefit and Overhead Expenses Benefit if your new occupation would not normally be covered by your policy;
- On your death. If you selected the Whole Life expiry age and qualify for a claim payment after age 70, you are guaranteed to receive at least 6 monthly payments even if you die before all six payments have been made;
- On termination of your policy for any reason whatsoever.
- If you are claiming under the Loss of Income Underpin or Category D (if applicable to your occupation) and you recover sufficiently to return to work (in the opinion of Discovery Life’s medical panel).
7.23 ARE THERE ANY OTHER REASONS WHY MY CLAIM COULD BE REFUSED?

Discovery Life reserves the right to refuse claims for Income Continuation Benefit, Temporary Income Continuation Benefit and Overhead Expenses Benefit when the claims are a result of any of the following:

- Treatment/rehabilitation for alcohol or narcotic abuse;
- Routine pregnancy, including maternity leave (complications of pregnancy will be covered provided they are confirmed by your treating gynaecologist).

The above exclusions apply in addition to the terms and conditions stated in Section 16.
GROWING YOUR LIFE FUND

8.1 WHAT FACTORS AFFECT THE GROWTH OF MY LIFE FUND?

The Life Fund can increase as a result of the following factors:

- Annual benefit escalation rate: you can choose for your Life Fund to increase annually at a selected benefit escalation rate as described in Section 2. This provides the potential for your Life Fund to keep up with South African inflation. The growth in your Life Fund will be calculated annually on the anniversary of your policy’s commencement.

- The Future Fund Benefit: you can significantly increase your Life Fund on an annual basis, subject to certain maximums, without evidence of health or insurability.

- The Cover Integrator and Financial Integrator Fund provides you with the ability to add efficient risk cover.

- The BenefitBooster provides you with additional ancillary cover at no additional cost.

8.2 HOW DOES THE FUTURE FUND BENEFIT WORK?

You have the right to increase your Life Fund without evidence of health or insurability, on each policy anniversary before the expiry age for this benefit.

This means that you nominate a Future Fund at inception of the policy. The nominated Future Fund will increase on each policy anniversary by the Fund Increase Rate of 15%. Discovery Life will have the discretion to vary this rate.

To determine the amount by which you may increase your Life Fund at each policy anniversary, the nominated Future Fund increases at each policy anniversary by the Fund increase rate and is multiplied by the option rate. The option rate may vary at your discretion between 7.5% and 15% to increase your Life Fund with.

The total amount of additional Life Fund taken out in terms of this benefit, together with any automatic annual increases, may not exceed the original Future Fund selected for this benefit.

The additional cover purchased at each policy anniversary will be subject to the same rates, terms and conditions, but with the same exclusions, health, occupational and hazardous pursuit loadings, which apply to the original Life Fund. Should the smoker status, occupation or hazardous pursuits have changed between the date of purchasing the benefit and the date of exercising any option, loadings and exclusions will be based on the details relevant at the time of granting the option. In this case, Discovery Life has the right to alter or modify the benefit granted to you.

Discovery Life reserves the right to request the assured lives to undergo a test for Human Immunodeficiency Virus (HIV) antibodies, before granting increased cover. If any of the assured lives test HIV-positive, Discovery Life has the right to modify or cancel this benefit.

The Future Fund Benefit will expire on the earliest of the following:

- reaching the end of the month you turn your chosen expiry age
- the date on which more than 36 months have lapsed since cover was last increased through this benefit
- the date on which premiums for this benefit cease
- the date when the maximum additional cover for this benefit has been reached.

If a claim for any of the Severe Illness, Family or Capital Disability Benefits arises, where the claim was assessed according to a Severity level of A, B, C or D for the Severe Illness or Family Benefits and Category A, B or D (if applicable to your occupation) for the Capital Disability Benefit, future options to increase the Life Fund will provide additional life cover only for the life to whom the claim was related. However, the Future Fund benefits for other assured lives on the Life Plan will remain unchanged.

Options to increase the Capital Disability Benefit will not be granted should a claim under the Capital Disability Benefit (Category C), the Income Continuation Benefit or any other disability benefit have been made within three years of the option date.

Should the claim be assessed according to Severity levels E, F or G for the Severe Illness or Family Benefits, there will be no change to the Future Fund benefit for all the assured lives.
The policyholder may increase the Life Fund in the event of:

- marriage
- birth or adoption of a child
- increase in interest in a partnership
- increase in bond cover.

Following this event, you forfeit the right to increase your Life Fund at the next policy anniversary.

The Future Fund Benefit does not apply to the Philanthropy Fund, the non-accelerated Capital Disability Benefit or the non-accelerated Severe Illness Benefit. It will not be possible to access any cover added by the Future Fund benefit through AccessCover or AccessCover Plus after claiming for a Medical AccessCover event.

Any cover bought through an exercise of the Future Fund benefit, will not increase your BenefitBooster amounts.

Premium Waiver Benefits do not apply to the Future Fund Benefit.

THE BENEFITBOOSTER

8.3 HOW DOES THE BENEFITBOOSTER WORK?

The BenefitBooster provides additional cover on certain ancillary benefits to your Life Plan at no additional premium. BenefitBooster applies to both the Essential and Classic Life Plans.

BenefitBooster will apply to each of the following accelerated ancillaries provided your policy meets the qualifying criteria:

- Principal Severe Illness Benefit;
- Spouse’s Life Cover Benefit;
- Spouse’s Severe Illness Benefit;
- Spouse’s Capital Disability Benefit.

The Severe Illness BenefitBooster and Spouse Severe Illness BenefitBooster will only be applicable on Severity A and B claims, as defined in Section 6.4.

The Spouse Capital Disability BenefitBooster will only be applicable on Category A, Category B (if applicable) and Category D (if applicable) claims as defined in Section 7.3.

The BenefitBooster applied to each ancillary is based on the accelerated ancillary’s percentage of the Life Fund. The BenefitBooster percentage is calculated for each qualifying ancillary separately.

<table>
<thead>
<tr>
<th>ANCILLARY BENEFIT PERCENTAGE (BEFORE BENEFITBOOSTER)</th>
<th>BENEFITBOOSTER PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%-49%</td>
<td>0%</td>
</tr>
<tr>
<td>50%-59%</td>
<td>10%</td>
</tr>
<tr>
<td>60%-69%</td>
<td>15%</td>
</tr>
<tr>
<td>70%-79%</td>
<td>20%</td>
</tr>
<tr>
<td>80%-89%</td>
<td>30%</td>
</tr>
<tr>
<td>90%-100%</td>
<td>40%</td>
</tr>
</tbody>
</table>

The BenefitBooster percentages in the table above are expressed as a percentage of the applicable ancillary.

In order to qualify for BenefitBooster on any of the above ancillaries, the Principal Life must first meet the following criteria among others:

- Have an accelerated Capital Disability Benefit which is at least 70% of the Life Plan;
- Have a minimum rand amount of accelerated Capital Disability Benefit as set by Discovery Life.

Discovery may modify the above criteria from time to time.

Once the above criteria are met by the Principal Life on a Life Fund, the ancillary to which the BenefitBooster applies will have to meet the following criteria in order to earn the BenefitBooster applicable to that ancillary:

- It must be accelerated cover, and
- It must be at least 50% of the Life Fund.
EXAMPLE

A 40 year old client has the following benefits on their Life Plan:

- R1 million Life Cover Benefit;
- R750 000 accelerated Capital Disability Benefit;
- R400 000 accelerated Severe Illness Benefit;
- R600 000 accelerated Spouse Capital Disability Benefit for a spouse age 40.

The client has an accelerated Capital Disability Benefit that is at least 70% of the Life Plan. The client qualifies for BenefitBooster on any ancillaries which meet the required criteria.

The Severe Illness Benefit does not qualify for Severe Illness BenefitBooster as the benefit percentage is less than 50% of the Life Fund.

The Spouse Capital Disability Benefit is 60% of the Life Fund and qualifies for a boost of 15%. The Spouse Capital Disability BenefitBooster is equal to R90 000 (R600 000 × 15%).

In the event of a Spouse Disability claim at Category A, R690 000 will be paid out. The payout comprises of the R600 000 Spouse Capital Disability Benefit and R90 000 of the Spouse Capital Disability BenefitBooster. The Life Plan will only be reduced by the Spouse Capital Disability Benefit and so the Life Plan will be reduced to R400 000 (R1 000 000 – R600 000) after the claim payout.

There are maximum limits applicable to the BenefitBooster amounts. A payout of BenefitBooster will not reduce the Life Fund. If the Minimum Protected Fund reinstates the Life Fund after a claim the BenefitBooster will also reinstate according to the ancillary benefit to which it is linked. Any increase in ancillaries due to Future Fund exercises will not result in BenefitBooster increases.

The Capital Disability Benefit will convert to a Severe Illness Benefit at the selected expiry age (see Section 7.8). At conversion the BenefitBooster percentages will still apply on qualifying ancillaries if the client converts the full Capital Disability amount to Severe Illness Cover at the selected expiry age. The converted Principal Severe Illness Benefit will not qualify for any BenefitBooster increases. If the Capital Disability benefit is not converted to a Severe Illness Benefit or the level of converted Severe Illness Benefit falls, the BenefitBooster amounts will fall away and cannot be added again.

THE COVER INTEGRATOR

8.4 HOW DOES THE COVER INTEGRATOR FUND WORK?

You may establish your Life Plan to include a Life Fund as well as an additional amount of protection through the Cover Integrator Fund. There are two options available:

**Option 1:** Initial Cover Integrator Fund equal to 20% of the Life Fund

**Option 2:** Initial Cover Integrator Fund equal to 40% of the Life Fund

EXAMPLE

If you selected a Life Fund of R1 000 000 with the 20% Cover Integrator Option, your initial total cover will amount to R1 200 000.

If you have selected the 20% Cover Integrator Option, you may upgrade to the 40% Cover Integrated Option. This is subject to the life assured undergoing medical underwriting, Discovery’s age limits and the Cover Integrator still being available to buy at the time. If you add the Financial Integrator Fund (section 8.9 - 8.13) together with Cover Integrator Fund, the sum of the selected Financial Integrator Fund percentage and the selected Cover Integrator Fund percentage is limited to 60% of your Life Fund at the time of adding your Cover or Financial Integrator Fund.

The Cover Integrator operates in the same way as the Life Fund, except that the level of the Cover Integrator Fund is adjusted (in terms of the annual cover adjustment calculations described in sections 8.5.1 to 8.5.2 below) on an annual basis based on whether you have Vitality Active Rewards for Life, Vitality and Discovery Health (as per section 8.5). In particular, the following features apply to the Cover Integrator Fund:

- The ancillary benefits defined as a percentage of the Life Fund will apply to the Cover Integrator Fund in the same percentages as they apply to the Life Fund. Benefit payments operate in the same way on your Cover Integrator Fund as on your Life Fund as defined in Section 2.4.

- Should you have selected the Health Integrator (section 9.3.1), the Vitality Integrator (section 9.3.2), the Active Integrator (section 9.3.3) or the Vitalitydrive Integrator (section 9.3.4) on your Life Plan, the initial premium reduction, annual premium review and PayBack as defined in Section 9.3, will apply to the Cover Integrator Fund as well. Please note that the five-yearly PayBack does not apply to any Buy-up Cash Conversion premiums (described in Section 8.8).
• The automatic annual premium increase and automatic annual benefit increase selected on your Life Fund applies to the Cover Integrator Fund as well. The Cover Integrator Fund is only available on Life Plans which have automatic annual benefit increases, other than 0%. Should you change the automatic annual benefit increase to 0%, your Cover Integrator Fund will be removed.

• All Premium Waiver Benefits apply to the Cover Integrator premiums.

• You may add the Cover Integrator Fund to the non-accelerated Capital Disability and non-accelerated Severe Illness Benefits. If you have selected these benefits, they will be illustrated on your policy schedule.

• If you decrease your Life Fund or non-accelerated benefits, your Cover Integrator Fund will be reduced proportionately.

• The Cover Integrator Fund applies to any BenefitBooster payments (see section 8.3).

8.5 HOW IS THE COVER ADJUSTED ON AN ANNUAL BASIS?

In addition to your selected Annual Benefit Increase, annual cover adjustments (known as the Integrated Cover Adjustments) will be made to your Cover Integrator Fund. These adjustments are calculated on the sum of your Integrated Cover and your Life Fund immediately before policy anniversary.

The annual Integrated Cover Adjustment for the Cover Integrator Fund is calculated using the Cover Integrator Adjustment Matrix which depends on the Integrator type (as described in section 9.3) that applies to this policy. Please see the annual cover adjustments as per the Integrator type, below:

8.5.1 POLICIES THAT HAVE THE HEALTH INTEGRATOR

The annual cover adjustments are dependent on:

• The Cover Integrator option selected (20% or 40%)
• Your Vitality Status at policy anniversary
• Your Discovery Health Plan
• The number of lives assured with benefits on your Life Plan
• The health claims submitted on your Health Plan (see Appendix 10)

The above annual cover adjustment percentages are shown in the Cover Integrator Adjustment Matrix on your policy schedule.

The calculation of the amount of health claims used to determine your annual cover adjustment percentage is specified in Appendix 10.

Discovery Life may alter these matrices from time to time to cater for changes in Vitality, the Discovery Health Plans and medical inflation.

Should you cease to be a member of Discovery Health before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on your Vitality status as per section 8.5.3.

8.5.2 POLICIES THAT HAVE THE ACTIVE INTEGRATOR

The annual cover adjustment percentage depends on:

• The Cover Integrator option selected (20% or 40%)
• Your Active Integrator Rating (see Section 9.3.3 G) as at three months prior to your policy anniversary

Your Cover Integrator Adjustment Matrix is as follows:

<table>
<thead>
<tr>
<th>ACTIVE INTEGRATOR RATING</th>
<th>OPTION 1 20% INITIAL INTEGRATED COVER</th>
<th>OPTION 2 40% INITIAL INTEGRATED COVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 19</td>
<td>-0.35%</td>
<td>-0.60%</td>
</tr>
<tr>
<td>20 - 39</td>
<td>-0.12%</td>
<td>-0.20%</td>
</tr>
<tr>
<td>40 - 59</td>
<td>0.12%</td>
<td>0.20%</td>
</tr>
<tr>
<td>60+</td>
<td>0.35%</td>
<td>0.60%</td>
</tr>
</tbody>
</table>

If there are spouse benefits on the policy, the annual Integrated Cover adjustment will be the average of the percentages earned by the principal and spouse lives.
EXAMPLE

If you have selected a Life Fund of R1 000 000 with the 20% Integrated Cover option, your initial cover will amount to R1 200 000.

Assuming you had an Active Integrator Rating of 45, your annual Integrated Cover adjustment will be 0.12% as per your Cover Integrator Adjustment Matrix. Your Total Life Fund (increased by your selected annual benefit increase in your second year) will be adjusted according to the Integrated Cover Adjustment of 0.12% (ie R1 200 000 x 0.12% = R1 440).

Assuming your annual benefit increase is 6.5%, your Life Fund in your second year will amount to R1 065 000 (R1 000 000 + annual benefit increase [R1 000 000 x 6.5% = R65 000]) and your Integrated Cover in your second year will amount to R214 440 (R200 000 + annual benefit increase + Integrated Cover Adjustment = R200 000 + R13 000 (R200 000 x 6.5%) + R1 440 (R1 200 000 x 0.12%).

If you had spouse benefits on your policy, and your spouse’s Active Integrator Rating was 15, your annual Integrated Cover adjustment will change from 0.12% to the average of your and your spouse’s annual Integrated Cover adjustment, which is -0.115% (1/2 x (principal’s annual Integrated Cover adjustment + spouse’s annual Integrated Cover adjustment) = 1/2 x (0.12% - 0.35%).

8.5.3 ALL POLICIES THAT DO NOT HAVE THE HEALTH INTEGRATOR OR THE ACTIVE INTEGRATOR

The annual cover adjustment percentage depends on:

• The Cover Integrator option selected (20% or 40%)
• Your Vitality Status at policy anniversary

Your Cover Integrator Adjustment Matrix is as follows:

<table>
<thead>
<tr>
<th>VITALITY STATUS</th>
<th>OPTION 1</th>
<th>OPTION 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue or no Vitality</td>
<td>-0.35%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Bronze</td>
<td>-0.175%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Silver</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Gold</td>
<td>0.175%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Diamond</td>
<td>0.35%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

For all Integrator types, the adjustments occur on each anniversary until the end of the month in which you turn 65, if the cover was electively added before your 56th birthday. If cover was electively added after your 56th birthday the adjustments above will cease at the end of month in which you turn 10 years older than the age you were when that cover was electively added. The benefit requirements state that the Cover Integrator Fund must run until you turn 65 or a minimum of 10 years after the cover was electively added, whichever is later, in order for the above mentioned adjustments to cease. Different portions of your Cover Integrator may have the adjustments cease at different points in time depending on when each portion of that cover was electively added.

EXAMPLE

If you have selected a Life Fund of R1 000 000 with the 20% Integrated Cover option, your initial cover will amount to R1 200 000.

Assuming you had an annual Integrated Cover adjustment of -0.175% as per your Cover Integrator Adjustment Matrix, your Total Life Fund (increased by your selected annual benefit increase in your second year) will be adjusted according to the Integrated Cover Adjustment of -0.175% (ie R1 200 000 x -0.175% = -R2 100).

Assuming your annual benefit increase is 6.5%, your Life Fund in your second year will amount to R1 065 000 (R1 000 000 + annual benefit increase [R1 000 000 x 6.5% = R65 000]) and your Integrated Cover in your second year will amount to R210 900 (R200 000 + annual benefit increase + Integrated Cover Adjustment = R200 000 + R13 000 (R200 000 x 6.5%) – R2 100 (R1 200 000 x -0.175%).

The Integrated Cover Adjustments will not reduce the Integrated Cover below the Minimum Protected Cover Level of 40% of the initial Integrated Cover (including automatic Annual Benefit Increases). Should the Integrated Cover level reach the Minimum Protected Cover Level, this level of cover can remain for whole of life, increasing by the selected annual benefit escalations.
As is shown in the Cover Integrator Adjustment Matrices, you may earn additional Integrated Cover depending on your Vitality status, Discovery Health claims and Active Integrator Rating (as applicable to your Integrator package). The maximum additional Integrated Cover that may be earned is 7.5% of the Life Fund (including Annual Benefit Increases) on the 20% Integrated Cover option and 15% of the Life Fund (including Annual Benefit Increases) on the 40% Integrated Cover option. Furthermore, should you attain the maximum additional Integrated Cover that may be earned, this level of cover can remain for whole of life, increasing by the selected annual benefit escalations.

Furthermore, for the Health, Vitality and Vitalitydrive Integrators, as well as for Non-Integrated policies, should you cease to be a member of Vitality before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on the Blue/No Vitality status as per section 8.5.3. Similarly, for Active Integrators, should you cease to be a member of Vitality Active Rewards for Life before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on the 0-19 Active Integrator Rating as per section 8.5.2.

**8.6 CAN YOU BUY BACK COVER LOST THROUGH THE INTEGRATED COVER ADJUSTMENTS?**

You may apply to buy back amounts of Integrated Cover on each policy anniversary to the value of any Integrated cover adjustments that decreased your Cover Integrator over the previous year, attributable to the annual Integrated Cover Adjustments. If you choose not to take up this option in any year, you may take it up at any of the next six policy anniversaries. The buy back is subject to the following conditions:

- This option is only available if the benefit inception of the Cover Integrator Fund is before the life assured’s 56th birthday.
- You may buy back the full Integrated Cover Adjustment within three years of the adjustment being applied.
- If you don’t use this option to buy back the full Integrated Cover Adjustment within three years of the adjustment being applied, it may be used to buy back 50% of the adjustment on the 4th, 5th, or 6th policy anniversary after the adjustment has been applied.
- If any six-year period passes without you buying back any Integrated Cover Adjustment as described above, the right to exercise this option at any future time (in respect of any year’s Integrated Cover Adjustment) is forfeited.
- You may only buy back the Integrated Cover Adjustments at a policy anniversary.
- The ability to exercise any options and buy-back lost cover will expire at the end of the month in which your Integrated Cover Adjustments cease.

If a claim for any of the Severe Illness Benefits or Family Benefits (at Severity Levels A, B, C or D) or the Capital Disability Benefit (at Claim Category levels A, B or D) arises, future options to increase your Integrated Cover for the life to whom the claim was related will apply only to the Life Fund (and not the ancillaries). Options for other lives assured on the policy remain unchanged, as long as they haven’t claimed for such severities or categories. Options to increase the Capital Disability Benefit will not be granted should a claim under the Capital Disability Benefit (Category C), the Income Continuation Benefit or any other disability benefit have been made within three years of the option date.

Any cover reinstated through the option to buy back any cover lost through Integrated Cover Adjustments after age 56 will not be taken into account when calculating the Cover Integrator Cash Conversion (see Section 8.8).

**8.7 WHAT HAPPENS TO THE COVER INTEGRATOR FUND WHEN YOUR INTEGRATED COVER ADJUSTMENTS CEASE?**

After the Integrated Cover Adjustments cease (as per section 8.5), the Cover Integrator Fund and premiums for this cover will continue for whole of life, with no additional Integrated Cover Adjustments being applied. This is known as the post-retirement Cover Integrator Fund and will grow by the selected annual benefit escalation rate as per your Policy Schedule.

**8.8 COVER INTEGRATOR CASH CONVERSION**

If you have a Classic Life Plan, your Cover Integrator Fund automatically includes the Default Cover Integrator Cash Conversion benefit which is payable at the end of the month in which your Integrated Cover Adjustments cease. This means that 5% of your Cover Integrator Fund at that point will be paid as a tax-free lump sum at the end of the month in which you turn 65 (or 10 years older than you were when the cover was electively added, if cover was electively added after age 56 next birthday). The benefit requirements specify that the Cover Integrator Fund must run until you turn 65 or a minimum of 10 years after the cover was electively added, whichever is later, to be eligible to receive your Default Cover Integrator Cash Conversion payout. Your Cover Integrator Fund will not reduce as a result of this payout and will stay in force for all future possible claims. You may have Cash Conversion payouts payable at different points in time, depending on when the cover was electively added.
A summary of the payouts can be seen below:

<table>
<thead>
<tr>
<th>AGE AT BENEFIT INCEPTION</th>
<th>AGE AT WHICH DEFAULT COVER INTEGRATOR CASH CONVERSION IS RECEIVED (CLASSIC PLAN ONLY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;=56</td>
<td>65</td>
</tr>
<tr>
<td>&gt;56</td>
<td>10 years older than the age you were when you electively added the cover</td>
</tr>
</tbody>
</table>

For both the Classic and Essential Life Plans, you may apply to increase the Cover Integrator Cash Conversion percentage to either 50%, 100% or 200% of your Cover Integrator Fund through the Buy-up Cash Conversion Benefit. This is subject to our maximum entry ages, your policy meeting specified ancillary benefit requirements and the benefit being available at the time. An additional premium will be paid for this increase in your Cover Integrator Cash Conversion percentage. If you wish to increase the original selected percentage at a later stage, this can be done subject to servicing rules at the time. Please note that if you select the Buy-up Cash Conversion Benefit, you do not receive an additional payment at age 65 through the Default Cash Conversion Benefit. The Buy-up Cash Conversion Benefit is not available on Active Integrated policies (and will be removed on policies that switch to the Active Integrator).

The Cover Integrator Cash Conversion payments are based on your Cover Integrator Fund value at the end of the month in which you turn age 65. This fund will be paid out to you in four equal installments at the end of the months in which you turn ages 65, 69, 73 and 77 (with no allowance for increases - no Annual Benefit Increases or Annual Cover Adjustments after age 65) provided that your policy is still in force at the point in time. These payouts will not reduce the risk cover provided by the Cover Integrator Fund. Additionally, the payouts will be made at the end of the month in which you turn the applicable age.

The percentage of the Buy-up Cash Conversion Fund that will be paid out at each pay-out age will be based on the percentage of Buy-up Cash Conversion that you selected (which is shown on your policy Schedule) as per the table below.

<table>
<thead>
<tr>
<th>50% BUY-UP CASH CONVERSION OPTION SELECTED</th>
<th>100% BUY-UP CASH CONVERSION OPTION SELECTED</th>
<th>200% BUY-UP CASH CONVERSION OPTION SELECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGE 65</td>
<td>AGE 65</td>
<td>AGE 65</td>
</tr>
<tr>
<td>AGE 69</td>
<td>AGE 69</td>
<td>AGE 73</td>
</tr>
<tr>
<td>AGE 73</td>
<td>AGE 77</td>
<td>AGE 77</td>
</tr>
<tr>
<td>Percentage payout of Cover Integrator Fund at age 65</td>
<td>12.5%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

**EXAMPLE**

A client takes out a Discovery Life Plan at age 50. He chooses a Buy-up Cash Conversion percentage of 200% on his Cover Integrator Fund. Therefore, he qualifies for four payouts from his Buy-up Cash Conversion Fund, made at ages 65, 69, 73 and 77.

Assuming his Cover Integrator Fund was R2 000 000 at the end of the month in which he turns age 65, he will receive four payments of 50% of R2 000 000 at ages 65, 69, 73 and 77. This translates into R1 000 000 (50% x R2 000 000) at age 65, R1 000 000 at age 69, R1 000 000 at age 73 and R1 000 000 at age 77.

The premium for these additional Buy-up Cash Conversion options will continue to be paid until the end of the month in which you turn age 77. However the Buy-up Cash Conversion premium at the time will halve after each of the Buy-up Cash Conversion payments has been made at ages 65, 69, and 73. Each year this premium will continue to increase at the policy’s Annual Contribution increase (as well as the additional annual premium adjustment, if applicable – please see section 9.3). This benefit is available on both Classic and Essential Life Plans, but it is not available on Plans that have the Active Integrator.

**EXAMPLE**

When you turn age 65, assume your Buy-up Cash Conversion premium is R1 000 per month. After you have received your first Buy-up Cash Conversion payout at age 65, your premium will halve to R500 per month. This will happen in the month following your 65th birthday.

Each year this premium will continue to increase at the policy’s Annual Contribution increase (as well as the additional annual premium adjustment, depending on your Integrator package selected). Assuming your Buy-up Cash Conversion premium amounts to R750 at age 69, it will halve to R375 per month after the payout is made at the end of the month in which you turn 69. Your premium will halve again when you turn 73.

These premiums will cease at the end of the month in which you turn age 77.

If the Cover Integrator cover is electively increased after age 56, the Buy-up Cash Conversion payable will not increase. The full Buy-up Cash Conversion percentage chosen will still be paid on all cover electively added prior to age 56.
The total Buy-up Cash Conversion Benefit payouts have a minimum guaranteed value of 100% of all the premiums paid under this benefit up to age 77. If at age 77 the sum of the premiums paid for this benefit (adjusted appropriately for any servicing alterations) are more than the sum of all the Buy-up Cash Conversion payments made to you throughout the policy term, then the difference between the premiums paid and the Buy-up Cash Conversion payments received will be refunded to you at the end of the month in which you turn age 77, without interest. Should you reduce your Buy-up Cash Conversion premium, your guaranteed minimum benefit will reduce proportionately.

**EXAMPLE**

If at age 77 you have paid R500 000 in Buy-up Cash Conversion premiums and you have received a total of R1 000 000 from Buy-up Cash Conversion payouts, then no additional payment will be made.

However, if at age 77 you have paid R1 100 000 in Buy-up Cash Conversion premiums and you have received a total of R1 000 000 in Buy-up Cash Conversion payouts, then an additional payment of R100 000 will be made when you turn 77.

In the case of your death before the end of the month in which you would have turned 65, your beneficiaries or estate will receive a refund of 100% of your Buy-up Cash Conversion premiums paid (without interest) if this benefit is still in force. In the case of your death between ages 65 and 77, if you have paid more in premiums for the Buy-up Cash Conversion than the amount you have received in payments from the Buy-up Cash Conversion at the point of death, Discovery will refund the excess premiums paid to your beneficiaries. Should you reduce your Buy-up Cash Conversion premium before age 77, your policy value on death will be reduced proportionately.

Please note, that if you increase your Cover Integrator Fund after the date that the Buy-up Cash Conversion was selected on the policy, any resulting increases in the Buy-up Cash Conversion will be at Discovery Life’s discretion.

**EXAMPLE**

Assume you receive a Buy-up Cash Conversion payout of R500 000 when you turn 65 and a second payout of R500 000 when you turn 69. Furthermore assume that at age 72, you have paid a total of R1 200 000 in Buy-up Cash Conversion premiums (from the time that you took out the benefit until age 72).

In the case of your death at age 72, a pay-out of R200 000 (R1 200 000 – R1 000 000) will be made to your beneficiaries.

There is no surrender value for the Cover Integrator Cash Conversion. As a result, no surrender value is paid if you lapse or cancel the benefit or your Discovery Life Plan before the payout dates.

Please note that AccessCover or AccessCover Plus claims that reduce your Cover Integrator Fund before the Cover Integrator Cash Conversion payout will result in a corresponding reduction of the amount that the default Cover Integrator Cash Conversion will pay out. The Buy-up Cash Conversion option of 50%, 100% or 200% will not be affected.

The Buy-up Cash Conversion option has certain qualifying criteria and therefore by reducing or removing benefits on your policy you may no longer qualify for your selected Buy-up Cash Conversion percentage after the change. In this case your benefit and premium will be adjusted to the highest Buy-up Cash Conversion percentage that you subsequently then qualify for, as will be shown on the servicing quotation. Furthermore, there will be no refund of Buy-up Cash Conversion premiums in this scenario.

Furthermore, if your Cover Integrator Fund is reduced due to servicing or claims, any subsequent Buy-up Cash Conversion payments will be reduced proportionately to the percentage reduction in the Cover Integrator Fund. Furthermore, for scenarios when your Cover Integrator Fund is reduced due to a claim event, your Buy-up Cash Conversion premiums will reduce going forward.
EXAMPLE

Assume you have a Life Fund of R1 000 000 and have selected the 20% Cover Integrator Fund Option. Therefore your Cover Integrator Fund amounts to R200 000 and as a result, your Total Life Fund (your Life Fund plus your Cover Integrator Fund) amounts to R1 200 000 at inception. Furthermore, assume you select a 50% accelerated Severe Illness Benefit, which gives you severe illness cover of R600 000 (R1 200 000 x 50%).

If you claim for a Severity A Severe Illness Benefit condition, your payout would be R600 000 (100% of R600 000) and your Life Fund would halve and reduce from R1 000 000 to R500 000. Accordingly, your Cover Integrator Fund would also halve, from R200 000 to R100 000.

This 50% reduction in your Cover Integrator Fund would mean that all future payouts from this Fund would be halved. This will also halve any payouts from your Buy-up Cash Conversion Fund.

Please note, Discovery Life guarantees that the Buy-up Cash Conversion premiums for the Cover Integrator will not be increased for the first 10 years, except for any contractual premium increases. In addition, Discovery Life guarantees that if any premium increases are required at the end of the first 10 years and any 10-year period thereafter, these increases will not exceed 25% of your premiums being paid at that time.

THE FINANCIAL INTEGRATOR

8.9 HOW DOES THE FINANCIAL INTEGRATOR FUND WORK?

You may establish your Life Plan to include a Life Fund as well as an additional amount of protection through the Financial Integrator Fund. There are two options available:

Option 1: Initial Financial Integrator Fund equal to 20% of the Life Fund
Option 2: Initial Financial Integrator Fund equal to 40% of the Life Fund

EXAMPLE

If you selected a Life Fund of R1 000 000 with the 20% Financial Integrator Fund Option, your total initial cover will amount to R1 200 000.

If you have selected the 20% Financial Integrator Option, you may upgrade to the 40% Financial Integrator Option. This is subject to the life assured undergoing medical underwriting, Discovery’s age limits and the Financial Integrator still being available to buy at the time.

If you add the Cover Integrator Fund (section 8.4 – 8.8) together with Financial Integrator Fund, the sum of the selected Financial Integrator Fund percentage and the selected Cover Integrator Fund percentage is limited to 60% of your Life Fund at the time of adding your Cover or Financial Integrator Fund.

The Financial Integrator operates in the same way as the Life Fund, except that the level of the Financial Integrator Fund is adjusted (in terms of the annual cover adjustment calculations described in sections 8.10.1 to 8.10.2 below) on an annual basis based on whether you have Vitality Active Rewards for Life, Vitality and Discovery Health (as per section 8.10). In particular, the following features apply to the Financial Integrator Fund:

• The ancillary benefits defined as a percentage of the Life Fund will apply to the Financial Integrator Fund in the same percentages as they apply to the Life Fund. Benefit payments operate in the same way on your Financial Integrator Fund as on your Life Fund as defined in Section 2.4 of the Life Plan Guide.

• Should you have selected the Health Integrator (section 9.3.1), the Vitality Integrator (section 9.3.2), the Active Integrator (section 9.3.3) or the Vitalitydrive Integrator (section 9.3.4) on your Life Plan, the initial premium reduction, annual premium review and PayBack as defined in Section 9.3 of the Life Plan Guide, will apply to the Financial Integrator premium as well. Please note that the five-yearly PayBack does not apply to any Buy-up Cash Conversion premiums (section 8.13).

• The automatic annual premium increase and automatic annual benefit increase selected on your Life Fund applies to the Financial Integrator Fund as well. The Financial Integrator Fund is only available on Life Plans which have automatic annual benefit increases, other than 0%. Should you change your automatic annual benefit increase to 0%, your Financial Integrator Fund will be removed.

• All Premium Waiver Benefits apply to the Financial Integrator premiums.

• You may add the Financial Integrator Fund to the non-accelerated Capital Disability and non-accelerated Severe Illness Benefits. If you have selected these benefits, they will be illustrated on your policy schedule.
• If you decrease your Life Fund or non-accelerated benefits, your Financial Integrator Fund will be reduced proportionately.
• The Financial Integrator applies to any BenefitBooster payments (see section 8.3).

8.10 HOW IS THE FINANCIAL INTEGRATOR FUND ADJUSTED ON AN ANNUAL BASIS?

In addition to your selected Annual Benefit Increase, annual cover adjustments (known as the Integrated Cover Adjustments) will be made to your Financial Integrator Fund. These adjustments are calculated on the sum of your Integrated Cover and your Life Fund immediately before policy anniversary.

The annual Integrated Cover Adjustment for the Financial Integrator Fund is calculated using the Financial Integrator Adjustment Matrix which depends on the Integrator type (as described in section 9.3) that applies to this policy. Please see the annual cover adjustments as per the Integrator type, below:

8.10.1 POLICIES THAT HAVE THE HEALTH INTEGRATOR

The annual cover adjustments are dependent on:
• The Financial Integrator option selected (20% or 40%)
• Your Vitality Status at policy anniversary
• Your Discovery Health Plan
• The number of lives assured with benefits on your Life Plan
• The health claims submitted on your Health Plan (see Appendix 10)

The above annual cover adjustment percentages are shown in the Financial Integrator Adjustment Matrix on your policy schedule.

The calculation of the amount of health claims used to determine your annual cover adjustment percentage is specified in Appendix 10.

Discovery Life may alter these matrices from time to time to cater for changes in Vitality, the Discovery Health Plans and medical inflation.

Should you cease to be a member of Discovery Health before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on your Vitality status as per section 8.10.3.

8.10.2 POLICIES THAT HAVE THE ACTIVE INTEGRATOR

The annual cover adjustment percentage depends on:
• The Financial Integrator option selected (20% or 40%)
• Your Active Integrator Rating (see Section 9.3.3 G) as at three months prior to your policy anniversary

Your Financial Integrator Adjustment Matrix is as follows:

<table>
<thead>
<tr>
<th>ACTIVE INTEGRATOR RATING</th>
<th>OPTION 1 20% INITIAL INTEGRATED COVER</th>
<th>OPTION 2 40% INITIAL INTEGRATED COVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 19</td>
<td>-0.35%</td>
<td>-0.60%</td>
</tr>
<tr>
<td>20 - 39</td>
<td>-0.12%</td>
<td>-0.20%</td>
</tr>
<tr>
<td>40 - 59</td>
<td>0.12%</td>
<td>0.20%</td>
</tr>
<tr>
<td>60+</td>
<td>0.35%</td>
<td>0.60%</td>
</tr>
</tbody>
</table>

If there are spouse benefits on the policy, the annual Integrated Cover adjustment will be the average of the percentages earned by the principal and spouse lives.
**EXAMPLE**

If you have selected a Life Fund of R1 000 000 with the 20% Financial Integrator option, your initial cover will amount to R1 200 000.

Assuming you had an Active Integrator Rating of 45, your annual Integrated Cover adjustment will be 0.12% as per your Financial Integrator Adjustment Matrix. Your Total Life Fund (increased by your selected annual benefit increase in your second year) will be adjusted according to the Integrated Cover Adjustment of 0.12% (ie R1 200 000 x 0.12% = R1 440).

Assuming your annual benefit increase is 6.5%, your Life Fund in your second year will amount to R1 065 000 (R1 000 000 + annual benefit increase ([R1 000 000 x 6.5% = R65 000]) and your Financial Integrator in your second year will amount to R214 440 (R200 000 + annual benefit increase + Integrated Cover Adjustment = R200 000 + R13 000 (R200 000 x 6.5%) + R1 440 (R1 200 000 x 0.12%)).

If you had spouse benefits on your policy, and your spouse’s Active Integrator Rating was 15, your annual Integrated Cover adjustment will change from 0.12% to the average of your and spouse’s annual Integrated Cover adjustment, which is -0.115% (1/2 x (principal’s annual Integrated Cover adjustment + spouse’s annual Integrated Cover adjustment) = 1/2 x (0.12% - 0.35%).)

---

### 8.10.3 ALL POLICIES THAT DO NOT HAVE THE HEALTH INTEGRATOR OR THE ACTIVE INTEGRATOR

The annual cover adjustment percentage depends on:

- The Financial Integrator option selected (20% or 40%)
- Your Vitality Status at policy anniversary

Your Financial Integrator Adjustment Matrix is as follows:

<table>
<thead>
<tr>
<th>VITALITY STATUS</th>
<th>OPTION 1 20% INITIAL INTEGRATED COVER</th>
<th>OPTION 2 40% INITIAL INTEGRATED COVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue or no Vitality</td>
<td>-0.35%</td>
<td>0.35%</td>
</tr>
<tr>
<td>Bronze</td>
<td>-0.175%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Silver</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Gold</td>
<td>0.175%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Diamond</td>
<td>0.35%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

For all Integrator packages, the adjustments occur on each anniversary until the end of the month in which you turn 65 if the cover was electively added before your 56th birthday. If cover was electively added after your 56th birthday the adjustments above will cease at the end of month in which you turn 10 years older than the age you were when that cover was electively added. The benefit requirements specify that the Financial Integrator Fund must run until you turn 65 or a minimum of 10 years after the cover was electively added, whichever is later, in order for the above mentioned adjustments to cease. Different portions of your Financial Integrator may have the adjustments cease at different points in time depending on when each portion of that cover was electively added.

---

**EXAMPLE**

If you have selected a Life Fund of R1 000 000 with the 20% Integrated Financial option, your initial cover will amount to R1 200 000.

Assuming you had an annual Integrated Cover adjustment of -0.175% as per your Financial Integrator Adjustment Matrix, your Total Life Fund (increased by your selected annual benefit increase in your second year) will be adjusted according to the Integrated Cover Adjustment of -0.175% (ie R1 200 000 x -0.175% = -R2 100).

Assuming your annual benefit increase is 6.5%, your Life Fund in your second year will amount to R1 065 000 (R1 000 000 + annual benefit increase ([R1 000 000 x 6.5% = R65 000])) and your Integrated Cover in your second year will amount to R210 900 (R200 000 + annual benefit increase + Integrated Cover Adjustment = R200 000 + R13 000 (R200 000 x 6.5%) – R2 100 (R1 200 000 x -0.175%).

The Financial Integrated Cover Adjustments will not reduce the Financial Integrator Fund below the Minimum Protected Cover Level of 40% of the initial Financial Integrator Fund (including automatic annual benefit increases). Should the Financial Integrator Fund level reach the Minimum Protected Cover Level, this level of cover can remain for whole of life, increasing by the selected annual benefit escalations.
As is shown in the Financial Integrator Adjustment Matrices, you may earn additional Integrated Cover depending on your Vitality status, Discovery Health claims and Active Integrator Rating (as applicable to your Integrator package). The maximum additional Integrated Cover that may be earned is 7.5% of the Life Fund (including Annual Benefit Increases) on the 20% Financial Integrator option and 15% of the Life Fund (including Annual Benefit Increases) on the 40% Financial Integrator option. Furthermore, should you attain the maximum additional Integrated Cover that may be earned, this level of cover can remain for whole of life, increasing by the selected annual benefit escalations.

Furthermore, for the Health, Vitality and Vitalitydrive Integrators, as well as for Non-Integrated policies, should you cease to be a member of Vitality before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on the Blue/ No Vitality status as per section 8.10.3. Similarly, for Active Integrators, should you cease to be a member of Vitality Active Rewards for Life before the end of the month in which your Integrated Cover Adjustments cease, you will receive an annual cover adjustment based on the 0-19 Active Integrator Rating as per section 8.10.2.

8.11 CAN YOU BUY BACK COVER LOST THROUGH THE FINANCIAL INTEGRATOR ADJUSTMENTS?

You may apply to buy back amounts of Integrated Cover on each policy anniversary to the value of any integrated cover adjustments that decreased your Financial Integrator Fund over the previous year.

If you choose not to take up this option in any year, you may take it up at any of the next six policy anniversaries. This buy back is subject to the following conditions:

- This option is only available if benefit inception of the Financial Integrator Fund is before your 56th birthday.
- You may buy back the full Financial Integrator Adjustment within three years of the adjustment being applied.
- If this option to buy back the full Financial Integrator Adjustment is not used within three years of the adjustment being applied, you may use this option to buy back 50% of the adjustment on the 4th, 5th, or 6th policy anniversary after the adjustment has been applied.
- If any six-year period passes without you buying back any Financial Integrator Adjustment as described above, the right to exercise this option at any future time (in respect of any year’s Financial Integrator Adjustment) is forfeited.
- You may only buy back the Financial Integrator Adjustments at policy anniversary.
- The ability to exercise any options and to buy back lost cover will expire at the end of the month in which your Financial Integrator Adjustments cease.

If a claim for any of the Severe Illness Benefits or Family Benefits (at Severity Levels A, B, C or D) or the Capital Disability Benefit (at Claim Category levels A, B or D) arises, future options to increase your Financial Integrator Fund for the life to whom the claim was related will apply only to the Life Fund (and not the ancillaries). Options for other lives assured on the policy remain unchanged, as long as they haven’t claimed for such severities or categories.

Options to increase the Capital Disability Benefit will not be granted if a claim under the Capital Disability Benefit (Category C), the Income Continuation Benefit or any other disability benefit has been made within three years of the option date.

Any cover reinstated through the option to buy back any cover lost through Integrated Cover Adjustments after age 56 will not be taken into account when calculating the Financial Integrator Cash Conversion.

8.12 WHAT HAPPENS TO THE FINANCIAL INTEGRATOR FUND WHEN YOUR INTEGRATED COVER ADJUSTMENTS CEASE?

After the Integrated Cover Adjustments cease (as per section 8.10), the Financial Integrator Fund and premiums for this cover will continue for whole of life, with no additional Integrated Cover Adjustments being applied. This is known as the post-retirement Financial Integrator Fund and will grow by the selected annual benefit escalation rate as per your Policy Schedule.
8.13 FINANCIAL INTEGRATOR CASH CONVERSION

If you have a Classic or Essential Life Plan, your Financial Integrator Fund automatically includes at least one default Cash Conversion tax-free lump sum payout. These default Cash Conversions will pay out 10% of your Financial Integrator Fund at various times during your policy term. These are based on the Financial Integrator’s age at benefit inception, namely the latest of:

- When the Financial Integrator was added to your policy; or
- When the Financial Integrator percentage was increased from Option 1 to Option 2; or
- When your Life Fund was increased

Therefore, you may have Cash Conversion payouts payable at different points in time depending on the scenarios described above. Your Financial Integrator Fund will not reduce as a result of these payouts and will stay in force for all future possible claims.

All default Cash Conversion payouts will be paid as tax-free lump sums at the end of the months in which you turn the applicable ages, as stipulated in the table below. The Cash Conversion payouts made at the end of the month in which you turn 65 (or 10 years older than the age you were when you electively added the cover, if older than 56 next birthday) are only available to clients on Classic Life Plans.

For Classic Life Plans, it is a benefit requirement that the Financial Integrator Fund must run until you turn the ages stipulated in the table below or a minimum of 10 years after the cover was electively added, whichever is later, in order to be eligible to receive your default Financial Integrator Cash Conversions. For Essential Life Plans, it is a benefit requirement that the Financial Integrator Fund must run until you turn the ages stipulated in the table below or a minimum of 15 years after the cover was electively added, whichever is later, in order to be eligible to receive your default Financial Integrator Cash Conversion payouts.

The default Financial Integrator Cash Conversions for clients on the Classic Life Plan are as follows:

<table>
<thead>
<tr>
<th>AGE AT BENEFIT INCEPTION</th>
<th>AGE AT WHICH DEFAULT CASH CONVERSION IS RECEIVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;=40</td>
<td>10% at age 55 and 10% at age 60 and 10% at age 65</td>
</tr>
<tr>
<td>41-45</td>
<td>10% at age 60 and 10% at age 65</td>
</tr>
<tr>
<td>46-56</td>
<td>10% at age 65 and 10% at age 70</td>
</tr>
<tr>
<td>&gt;56</td>
<td>10% paid at the age at which you turn 10 years older than the age you were when you electively added the cover and 10% paid at the age at which you turn 15 years older than the age you were when you electively added the cover</td>
</tr>
</tbody>
</table>

The default Financial Integrator Cash Conversions for clients on the Essential Life Plan will look as follows:

<table>
<thead>
<tr>
<th>AGE AT BENEFIT INCEPTION</th>
<th>AGE AT WHICH DEFAULT CASH CONVERSION IS RECEIVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;=40</td>
<td>10% at age 55 and 10% at age 60</td>
</tr>
<tr>
<td>41-45</td>
<td>10% at age 60</td>
</tr>
<tr>
<td>46-56</td>
<td>10% at age 70</td>
</tr>
<tr>
<td>&gt;56</td>
<td>10% paid at the age at which you turn 15 years older than the age you were when you electively added the cover</td>
</tr>
</tbody>
</table>

**EXAMPLE**

If you take out the Financial Integrator at age 65 (on a Classic Life Plan), you will receive two default Cash Conversion pay outs. One will be 10% of the Financial Integrator Fund at age 75 and the second one will be 10% of the Financial Integrator Fund when you turn age 80.

8.13.1 INCREASING YOUR CASH CONVERSION PERCENTAGE

For both the Classic and Essential Life Plans, you may apply to increase the Financial Integrator Cash Conversion percentage to either 50%, 100% or 200% of your Financial Integrator Fund through the Buy-up Cash Conversion benefit. This is subject to our maximum entry ages, your policy meeting specified ancillary benefit requirements and the benefits being available at the time, at Discovery’s discretion.

An additional premium will be paid for this increase in your Financial Integrator Cash Conversion percentage. If you wish to increase the original selected percentage at a later stage, this can be done subject to servicing rules at the time. Please note that if you select the Buy-up Cash Conversion Benefit, you do not receive the default Cash Conversion payment at age 65 as this will be included in the total Buy-up Cash Conversion payout at age 65. The Buy-up Cash Conversion Benefit is not available on Active Integrated policies (and will be removed on policies that switch to the Active Integrator).
The Financial Integrator Cash Conversion payments are based on your Financial Integrator Fund at the end of the month in which you turn age 65. This fund will be paid out to you in four equal installments at the end of the months in which you turn ages 65, 69, 73 and 77 (with no allowance for increases - no Annual Benefit Increases or Annual Cover Adjustments after age 65) provided that your policy is still in force at the point in time. These payouts will not reduce the risk cover provided by the Financial Integrator Fund. Additionally, the payouts will be made at the end of the month in which you turn the applicable age.

The percentage of the Buy-up Cash Conversion Fund that will be paid out at each payout age will be based on the percentage of Buy-up Cash Conversion that you selected (which is shown on your policy Schedule) as per the table below.

<table>
<thead>
<tr>
<th>50% BUY-UP CASH CONVERSION OPTION SELECTED</th>
<th>100% BUY-UP CASH CONVERSION OPTION SELECTED</th>
<th>200% BUY-UP CASH CONVERSION OPTION SELECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGE 65</td>
<td>AGE 69</td>
<td>AGE 73</td>
</tr>
<tr>
<td>Percentage payout of Cover Integrator Fund at age 65</td>
<td>12.5%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

**EXAMPLE**

A client takes out a Discovery Life Plan at age 50. He chooses a Buy-up Cash Conversion percentage of 200% on his Financial Integrator Fund. Therefore, he qualifies for four payouts from his Buy-up Cash Conversion Fund, made at ages 65, 69, 73 and 77.

Assuming his Financial Integrator Fund was R2 000 000 at the end of the month in which he turns age 65, he will receive four payments of 50% of R2 000 000 at ages 65, 69, 73 and 77. This translates into R1 000 000 (50% x R2 000 000) at age 65, R1 000 000 at age 69, R1 000 000 at age 73 and R1 000 000 at age 77.

The premium for these additional Buy-up Cash Conversion options will continue to be paid until the end of the month in which you turn age 77. However, the Buy-up Cash Conversion premium at the time will halve after each of the Buy-up Cash Conversion payments has been made at ages 65, 69 and 73. Each year this premium will continue to increase at the policy’s Annual Contribution increase (as well as the additional annual premium adjustment, if applicable – please see section 9.3). This benefit is available on both Classic and Essential Life Plans, but it is not available on Plans that have the Active Integrator.

**EXAMPLE**

When you turn age 65, assume your Buy-up Cash Conversion premium is R1 000 per month. After you have received your first Buy-up Cash Conversion payout at age 65, your premium will halve to R500 per month. This will happen in the month following your 65th birthday.

Each year this premium will continue to increase at the policy’s Annual Contribution increase (as well as the additional annual premium adjustment, depending on your Integrator package selected). Assuming your Buy-up Cash Conversion premium amounts to R750 at age 69, it will halve to R375 per month after the payout is made at the end of the month in which you turn 69. Your premium will halve again when you turn 73.

These premiums will cease at the end of the month in which you turn age 77.

If the Financial Integrator cover is electively increased after age 56, the Buy-up Cash Conversion payable will not increase. The full Buy-up Cash Conversion percentage chosen will still be paid on all cover electively added prior to age 56.

The total Buy-up Cash Conversion Benefit payouts have a minimum guaranteed value of 100% of all the premiums paid under this benefit up to age 77. If at age 77 the sum of the premiums paid for this benefit (adjusted appropriately for any servicing alterations) are more than the sum of all the Buy-up Cash Conversion payments made to you throughout the policy term, then the difference between the premiums paid and the Buy-up Cash Conversion payments received will be refunded to you at the end of the month in which you turn age 77, without interest. Should you reduce your Buy-up Cash Conversion premium, your guaranteed minimum benefit will reduce proportionately.
EXAMPLE
If at age 77 you have paid R500 000 in Buy-up Cash Conversion premiums and you have received a total of R1 000 000 from Buy-up Cash Conversion payouts, then no additional payment will be made.

However, if at age 77 you have paid R1 100 000 in Buy-up Cash Conversion premiums and you have received a total of R1 000 000 in Buy-up Cash Conversion payouts, then an additional payment of R100 000 will be made when you turn 77.

In the case of your death before the end of the month in which you would have turned 65, your beneficiaries or estate will receive a refund of 100% of your Buy-up Cash Conversion premiums paid (without interest) if this benefit is still in force. In the case of your death between ages 65 and 77, if you have paid more in premiums for the Buy-up Cash Conversion benefit than the amount you have received in payments from the Buy-up Cash Conversion at the point of death, Discovery will refund the excess premiums paid. Should you reduce your Buy-up Cash Conversion premium before age 77, your policy value on death will be reduced proportionately.

Please note, that if you increase your Financial Integrator Fund after the date that the Buy-up Cash Conversion was selected on the policy, any resulting increases in the Buy-up Cash Conversion will be subject to Discovery Life’s discretion.

EXAMPLE
Assume you receive a Buy-up Cash Conversion payout of R500 000 when you turn 65 and a second payout of R500 000 when you turn 69. Furthermore assume that at age 72, you have paid a total of R1 200 000 in Buy-up Cash Conversion premiums (from the time that you took out the benefit until age 72).

In the case of your death at age 72, a payout of R200 000 (R1 200 000 – R1 000 000) will be made to your beneficiaries.

There is no surrender value for the Financial Integrator Cash Conversion. As a result, no surrender value is paid if you lapse or cancel the benefit or your Discovery Life Plan before the payout dates.

Please note that AccessCover or AccessCover Plus claims that reduce your Financial Integrator Fund before the Financial Integrator Cash Conversion payout will result in a corresponding reduction of the amount that the default Financial Integrator Cash Conversion will pay out. The Buy-up Cash Conversion option of 50% to 200% will not be affected.

The Buy-up Cash Conversion option has certain qualifying criteria and therefore by reducing or removing benefits on your policy you may no longer qualify for your selected Buy-up Cash Conversion percentage after the change. In this case your benefit and premium will be adjusted to the highest Buy-up Cash Conversion percentage that you subsequently then qualify for, as will be shown on the servicing quotation. Furthermore, there will be no refund of Buy-Up Cash Conversion premiums in this scenario.

Furthermore, if your Financial Integrator Fund is reduced due to servicing or claims, any subsequent Buy-up Cash Conversion payments will be reduced proportionately to the percentage reduction in the Financial Integrator Fund. Furthermore, for scenarios when your Financial Integrator Fund is reduced due to a claim event, your Buy-up Cash Conversion premiums will reduce going forward.

EXAMPLE
Assume you have a Life Fund of R1 000 000 and have selected the 20% Financial Integrator Fund Option, therefore your Financial Integrator Fund amounts to R200 000 and as a result, your Total Life Fund (your Life Fund + your Financial Integrator Fund) amounts to R1 200 000 at inception. Furthermore, assume you select a 50% accelerated Severe Illness Benefit, which gives you severe illness cover of R600 000 (R1 200 000 x 50%).

If you claim for a Severity A Severe Illness Benefit condition, your payout would be R600 000 (100% of R600 000) and your Life Fund would halve and reduce from R1 000 000 to R500 000. Accordingly, your Financial Integrator Fund would also halve from R200 000 to R100 000. This 50% reduction in your Financial Integrator Fund would mean that all future payouts from this Fund would be halved. Note that this will also halve any payouts from your Buy-up Cash Conversion Fund.

Please note that clients upgrading from the previous Financial Integrator version, which had the five-yearly Cash Conversion payouts, will revert to the new default Cash Conversion payout structure as defined in section 8.13 above. Furthermore, these clients will forfeit all five-yearly Cash Conversion payouts that were to be made before age 55 on the old structure.

Please note, Discovery Life guarantees that the Buy-up Cash Conversion premiums for the Financial Integrator will not be increased for the first 10 years, except for any contractual premium increases. In addition, Discovery Life guarantees that if any premium increases are required at the end of the first 10 years and any 10-year period thereafter, these increases will not exceed 25% of your premiums being paid at that time.
INCREASING YOUR PREMIUMS

HOW DO MY DISCOVERY LIFE PREMIUMS INCREASE?

Premium and benefit increases depend on the Life Plan you selected on your application form. Please refer to your Policy Schedule for the details applicable to your policy. If a plan has been selected with automatic annual increases, Discovery Life will notify you annually of the amount of the increased premium and benefits.

Note: In establishing the various plans on offer, Discovery Life has calculated your monthly premium so that it will be sufficient to sustain your contract for your lifetime.

9.1 AUTOMATIC INCREASES

Discovery Life offers three Funding plans from which to choose. These plans, known as the Standard, AcceleRater and FlexRater plans, allow you to select the rate at which your premiums increase each year. As shown in the table below, an annual premium increase may also provide for an annual benefit increase.

The premium and benefit increases will occur at each policy anniversary, with the first increase occurring 12 months after the start date of the policy.

<table>
<thead>
<tr>
<th>FUNDING PLAN</th>
<th>ANNUAL BENEFIT INCREASE</th>
<th>ANNUAL PREMIUM INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>STANDARD</td>
<td>No increase in Life Fund</td>
<td>No annual premium increase</td>
</tr>
<tr>
<td></td>
<td>Life Fund increases annually at 6.5%</td>
<td>Compulsory annual increase of between 8.5% and 11.5% depending on age at anniversary (see Appendix 5)</td>
</tr>
<tr>
<td></td>
<td>Life Fund increases annually at CPI</td>
<td>Compulsory annual increase of CPI rate plus an age factor, where the age factor is between 2% and 5%, depending on age at anniversary (see Appendix 5)</td>
</tr>
<tr>
<td>ACCELERATER</td>
<td>Life Fund increases annually at 3%</td>
<td>Compulsory annual increase of between 6% and 12% depending on age at anniversary (see Appendix 5)</td>
</tr>
<tr>
<td></td>
<td>Life Fund increases annually at CPI</td>
<td>Compulsory annual increase of CPI rate plus an age factor, where the age factor is between 3% and 9%, depending on age at anniversary (see Appendix 5)</td>
</tr>
<tr>
<td>FLEXRATER</td>
<td>Life Fund increases annually at 3%</td>
<td>During the first 20 years, compulsory annual increase of between 8.25% and 12.25%, depending on age at anniversary (see Appendix 5) with AcceleRater increases thereafter. After 20 years, compulsory annual increase of between 6% and 12%, depending on age at anniversary (see Appendix 5).</td>
</tr>
<tr>
<td></td>
<td>Life Fund increases annually at CPI</td>
<td>During the first 20 years, compulsory annual increase of CPI rate plus an age factor, where the age factor is between 3% and 9%, depending on age at anniversary (see Appendix 5) with AcceleRater increases thereafter. After 20 years, compulsory annual increase of CPI rate plus an age factor, where the age factor is between 3% and 9%, depending on age at anniversary (see Appendix 5).</td>
</tr>
</tbody>
</table>

Notes:
Where Annual CPI increases are selected:
- The CPI component of annual CPI increases will never exceed 15% or be below 0%.
- Waived premiums cannot increase by more than 20% per year.

9.2 HOW DOES THE FLEXRATER PLAN DIFFER FROM THE STANDARD AND ACCELERATER PLANS?

The FlexRater plan has the same annual increases as the AcceleRater plan as reflected in paragraph 9.1. However, because the initial premiums for certain benefits are below those of the AcceleRater plan, an additional compulsory increase of 2.25% every year for the first 20 years is required for these benefits. This means that 20 of these extra increases will apply. When adhoc benefit increases or additions are made, 20 extra increases will apply to the premium of each adhoc addition. After these 20 extra increases have been applied, the additional annual FlexRater Plan increase of 2.25% will fall away.

Note that this additional increase is not applicable to the premiums for the following benefits:
- Income Continuation Benefit (including the Temporary Income Continuation Benefit)
- Overhead Expenses Benefit
- Health Plan Protector
- Global Education Protector
- Global Health Protector
- Discovery Retirement Optimiser
9.3  DISCOVERY’S INTEGRATORS

Discovery’s Integrator range consists of the Comprehensive Integrator and the Core Integrator. Both of these Integrators offer you a choice of mechanisms which give you the ability to control your premium increases and, in certain cases, to receive PayBack.

The four mechanisms are:

- the Health Integrator
- the Vitality Integrator
- the Active Integrator
- the Vitalitydrive Integrator

The Comprehensive Integrator offers higher upfront premium reductions than the Core Integrator and also offers PayBack on the Health, Vitality and Active Integrator on the Classic Life Plan, but the requirements to qualify for the Comprehensive Integrator are stricter.

Should you choose to integrate your Life Plan and you select certain qualifying ancillary benefits, you will qualify for the Comprehensive Integrator. Should your policy not meet the qualifying ancillary requirements, you will qualify for the Core Integrator.

Should you initially have qualified for the Comprehensive Integrator but your policy fails to meet these qualifying requirements during the policy term, except in the case where benefits have reached the benefit expiry age or where benefits have reduced due to a claim, Discovery Life will change the premium to the premium that would have been paid on a Core Integrator.

9.3.1  HEALTH INTEGRATOR

Policyholders may select the Health Integrator as long as the lives assured are members of a qualifying Discovery Health Plan and Vitality.

A) INITIAL PREMIUM REDUCTION

The Life Plan’s initial premium is reduced, depending on the Life Plan’s Funding structure and the life assured’s Health Plan. The premium reduction applies to the premiums of all benefits excluding Vitality and Discovery Retirement Optimiser. The premium reduction will be:

<table>
<thead>
<tr>
<th>HEALTH PLAN</th>
<th>LIFE PLAN FUNDING STRUCTURE</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STANDARD/ACCELERATE PLAN</td>
<td>FLEXRATER PLAN</td>
</tr>
<tr>
<td>EXECUTIVE/COMPREHENSIVE/PRIORITY</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>SAVER/ CORE</td>
<td>17.5%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Core Integrator

<table>
<thead>
<tr>
<th>HEALTH PLAN</th>
<th>LIFE PLAN FUNDING STRUCTURE</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STANDARD/ACCELERATE PLAN</td>
<td>FLEXRATER PLAN</td>
</tr>
<tr>
<td>EXECUTIVE/COMPREHENSIVE/PRIORITY</td>
<td>10%</td>
<td>7.5%</td>
</tr>
<tr>
<td>SAVER/ CORE</td>
<td>8.75%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

B) ANNUAL PREMIUM REVIEW

On the policy anniversary of the Life Plan, the premiums for all benefits will increase at the automatic annual premium increase rate that you selected (illustrated in the table in Section 9.1 of this guide).

In addition, the premiums for all benefits on your Life Plan (excluding Vitality and the Discovery Retirement Optimiser) may increase or decrease annually on the policy anniversary by an additional percentage depending on the amount of all submitted claims on the life assured’s Health Plan and on his/her Vitality status (as at 90 days before policy anniversary). The calculations of the health claims used to determine your annual premium adjustment are specified in Appendix 10. The Personal Health Matrix shown on your Policy Schedule determines this additional percentage increase or decrease, which is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan. For example, assume that your monthly premium is R500 and you have selected an automatic annual premium increase of 10% and that the applicable adjustment in your Personal Health Matrix is an increase of 1%. Then your premium adjustment will be: R500 x (1 + 10%) x (1 + 1%) = R555.50. Please note that premium reductions attributable to the Personal Health Matrix are, in the case of the Comprehensive Integrator, limited to 10% and in the case of the Core Integrator, limited to 5% above the initial premium reductions detailed above over the lifetime of the policy.

Should any life assured (apart from the parents of the principal life or spouse) on the Life Plan cease to be a member of Vitality, the additional annual premium increase percentage will be set at a fixed rate of 2.25% per year instead of using the Personal Health Matrix. Should any of the lives assured described above cease to be a member of a qualifying Discovery Health Plan...
while keeping Vitality, Discovery Life will alter the premium to the premium that would have been paid at that point in time on a Vitality Integrator and the premium adjustment going forward will be those of the Vitality Integrator. In such case, any positive or negative balance of the Health Integrator PayBack (described below) will be transferred to the Vitality Integrator PayBack.

Should your Health Integrator plan lapse and should you purchase another Integrator plan at some future date, the initial premium reduction percentage on the new plan will be reduced by any increases that you had on your original policy as a result of the Personal Health Matrix.

However, if you or your spouse have claimed on either Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D), the Health Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who are highly engaged.

The Health Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while the claimant is still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that there is an increase in the policy premiums.

C) THE HEALTH INTEGRATOR’S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees the following on the Health Integrator:

- Irrespective of the life assured’s health claims and/or Vitality status, your reduced premium Plus premium increases relating to the Personal Health Matrix on the Health Integrator will not exceed the Maximum Protected Premium.
- The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The Equivalent Non-Integrated Premium (NI) is the premium that would have applied on a Non-Integrated policy at the policy anniversary after automatic annual premium increases have been taken into account.

The tables below reflect this relationship:

**Comprehensive Integrator**

<table>
<thead>
<tr>
<th>YEARS</th>
<th>STANDARD/ACCELERATOR PLANS</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EXECUTIVE/COMPREHENSIVE/PRIORITY HEALTH PLANS</td>
<td>SAVER/CORE HEALTH PLANS</td>
</tr>
<tr>
<td>0 to 5</td>
<td>NI</td>
<td>NI</td>
</tr>
<tr>
<td>6 to 10</td>
<td>NI + 10%</td>
<td>NI + 7.5%</td>
</tr>
<tr>
<td>11 to 15</td>
<td>NI + 15%</td>
<td>NI + 11.25%</td>
</tr>
<tr>
<td>16+</td>
<td>NI + 20%</td>
<td>NI + 17.5%</td>
</tr>
</tbody>
</table>

NI: Equivalent Non-Integrated Premium

**Core Integrator**

<table>
<thead>
<tr>
<th>YEARS</th>
<th>STANDARD/ACCELERATOR PLANS</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EXECUTIVE/COMPREHENSIVE/PRIORITY HEALTH PLANS</td>
<td>SAVER/CORE HEALTH PLANS</td>
</tr>
<tr>
<td>0 to 5</td>
<td>NI</td>
<td>NI</td>
</tr>
<tr>
<td>6+</td>
<td>NI + 10%</td>
<td>NI + 8.75%</td>
</tr>
</tbody>
</table>

NI: Equivalent Non-Integrated Premium

- For example: with a Comprehensive Health Plan and a Standard Life Plan, your premium on the Health Integrator, after increases relating to the Personal Health Matrix, could not exceed the Equivalent Non-Integrated Premium in years one to five and the Equivalent Non-Integrated Premium applicable in each of years six to 10 Plus an additional 10%.
- The maximum additional annual percentage increase will never exceed 3.9%.

D) THE HEALTH INTEGRATOR PAYBACK (ONLY AVAILABLE ON THE CLASSIC LIFE PLAN)

The Health Integrator PayBack only applies to the Comprehensive Integrator and not to the Core Integrator.

As a Discovery Health and Vitality member with the Health Integrator, you will benefit from the Health Integrator PayBack. The PayBack is payable every five years. The PayBack will only be paid to the owner of the policy.

The calculation of the PayBack payable at each five-year interval is determined by a percentage of all Classic Life Plan premiums accruing to the Health Integrator PayBack at each policy anniversary.
Only 70% of the following premiums will be used in calculating the PayBack:

- Income Continuation Benefit
- Temporary Income Continuation Benefit
- Overhead Expenses Benefit

In addition, all premiums and contributions to the following benefits will be excluded when calculating the PayBack:

- Paid-up benefit
- Philanthropy Fund
- Cover Integrator Buy-up Cash Conversion
- Financial Integrator Buy-up Cash Conversion
- Vitality
- Discovery Retirement Optimiser
- Premiums waived while the policy is in waiver status

The percentage that accrues is determined by your Personal PayBack Matrix shown on your Policy Schedule and is affected by your and your spouse’s claims on your Discovery Health Plan in that year and your Vitality status at your policy anniversary. The calculations of the health claims used to determine your PayBack percentage are specified in Appendix 10. Discovery Life may alter the Personal PayBack Matrix from time to time to cater for changes in Vitality, the Discovery Health Plans, medical inflation and the claims taken into account on your Health Plan. Your Personal PayBack Matrix will depend on your Discovery Health Plan (as shown on your policy schedule) as well as whether your Life Plan has one or multiple lives assured. A change in your Health Plan or the number of lives assured on your Life Plan will result in a different matrix being applied to your Life Plan at the following policy anniversary.

The PayBack calculation works as follows:

- The accrual in each policy year is totalled over a five-year period.
- Any claims on the Life Plan (excluding the AccessCover, AccessCover Plus and premium waiver benefit claims) during the five-year period are deducted from the amount that has accrued over the five-year period.
- If the end value is positive, you will receive a payment equal to this value at the end of the five-year period

The Health Integrator PayBack balance starts again at zero at the beginning of each five-year period, irrespective of your health claims experience and claims on your Life Plan over the previous five-year period.

You must keep the Health Integrator for the entire five-year period to receive the Health Integrator PayBack at the end of that five-year period. Should you or any life insured on the policy cease to be a member of Vitality for any reason during the five-year period, your Health Integrator PayBack will also cease and no payment will be made at the end of the five-year period. If you change your Life Plan from a Classic Life Plan to an Essential Life Plan, your PayBack will cease and no payment will be made at the end of the five-year period. If you reduce your monthly Life Plan premiums, your total PayBack accrued to the date of your premium reduction may be reduced. Please see your servicing schedule for any implications that servicing reductions may have on your accrued PayBack.

There is no accrual to the Health Integrator PayBack for the entire duration that premiums are waived on the Life Plan as a result of the Premium Waiver Benefits on death, disability and severe illness or a claim on any other benefit.

The Health Integrator PayBack has no impact on your Life Fund.

If you have the Personal Health Integrator and you have the Financial Integrator benefit you will be eligible for the Annual Guaranteed PayBack benefit or Cumulating PayBack benefit for the first 10 years on your policy. You will also qualify for the Vitality Memory benefit. The following sections will outline these benefits.

**E) ANNUAL GUARANTEED PAYBACK**

The Annual Guaranteed PayBack is a guaranteed percentage of your qualifying premiums at the end of every year over the initial 10 year period. With the Annual Guaranteed PayBack Discovery Life guarantees a level of PayBack which will not vary with Discovery Health Plan claims or your Vitality status.
The base guarantee under the Annual Guaranteed PayBack depends on your Health Plan, at the anniversary when the PayBack is calculated, as follows:

<table>
<thead>
<tr>
<th>CORE PLANS</th>
<th>SAVER PLANS</th>
<th>EXECUTIVE/COMPREHENSIVE/ PRIORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>12.5%</td>
<td>15%</td>
</tr>
</tbody>
</table>

If you accrue a higher PayBack percentage according to your Vitality status and Discovery Health Plan claims (as discussed in Section 9.3.1d), the difference between the accrued PayBack and the Annual Guaranteed PayBack is accumulated in the Health Surplus PayBack Fund. The Health Surplus PayBack Fund is paid at the end of year five and year 10 and is reduced to zero after each payment.

Any claims from your Life Plan will only reduce the Health Surplus PayBack Fund received. After the first 10 years any claims from your Life Plan will reduce the full PayBack amount at five-yearly intervals thereafter.

A change to your policy in the Annual Guaranteed PayBack 10 year period will not result in a new 10 year term commencing for any part of your policy. The original Annual Guarantee PayBack period will still terminate 10 years after adding the Financial Integrator to your policy for the first time.

When you change your Health Plan, this may result in a different guarantee percentage being applied to your Annual Guaranteed PayBack. Discovery Life may also alter the Annual Guaranteed PayBack table above to remain relevant to changes to the Discovery Health Plans as may be implemented by Discovery Health.

**EXAMPLE**

Your policy is Health Integrated. You have a Comprehensive Health Plan. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Annual Guaranteed PayBack:

In year one the Annual Guaranteed PayBack percentage is 15%. The Annual Guaranteed PayBack is 15% of the R12 000 worth of qualifying premiums that you paid over year one and is paid the end of year one (R1 800). The accrued PayBack percentage is 10% based on your Vitality Status and your Discovery Health Plan claims. Since the Annual Guaranteed PayBack is greater than the accrued PayBack, there is nothing accumulated in the Health Surplus PayBack Fund.

In year three the Annual Guaranteed PayBack percentage is 15%. The Annual Guaranteed PayBack is 15% of the R14 520 worth of qualifying premiums that you paid over year three and is paid at the end of year three (R2 396). The accrued PayBack percentage is 25% based on your Vitality Status and your Discovery Health Plan claims. The difference between the accrued PayBack and the Annual Guaranteed PayBack ((25%-15%) x R14 520 = R2 338) is accumulated in the Health Surplus PayBack Fund.

At the end of year five, you are paid the Annual Guaranteed PayBack percentage over that year (15% x R17 569 = R2 635) as well as what has accumulated in the Health Surplus PayBack Fund (R9 837). The accumulated Health Surplus PayBack Fund includes the difference between the Annual Guaranteed PayBack and accrued PayBack for year five ((40%-15%) x R17 569 = R4 392).

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PREMIUM</th>
<th>VITALITY STATUS</th>
<th>PAYBACK PERCENTAGE</th>
<th>GUARANTEED PAYBACK</th>
<th>ANNUAL PAYBACK</th>
<th>ACCRUED PAYBACK – ANNUAL GUARANTEED PAYBACK</th>
<th>HEALTH SURPLUS PAYBACK FUND</th>
<th>PAYBACK AT YEAR FIVE AND YEAR 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>R12 000</td>
<td>Blue</td>
<td>10%</td>
<td>15%</td>
<td>R1 800</td>
<td>R0</td>
<td>R0</td>
<td>R0</td>
</tr>
<tr>
<td>2</td>
<td>R13 200</td>
<td>Bronze</td>
<td>15%</td>
<td>15%</td>
<td>R1 980</td>
<td>R0</td>
<td>R0</td>
<td>R0</td>
</tr>
<tr>
<td>3</td>
<td>R14 520</td>
<td>Silver</td>
<td>25%</td>
<td>15%</td>
<td>R2 396</td>
<td>R3 993</td>
<td>R5 445</td>
<td>R1 452</td>
</tr>
<tr>
<td>4</td>
<td>R15 972</td>
<td>Gold</td>
<td>40%</td>
<td>15%</td>
<td>R2 635</td>
<td>R4 392</td>
<td>R9 837</td>
<td>R9 837</td>
</tr>
<tr>
<td>5</td>
<td>R17 569</td>
<td>Gold</td>
<td>40%</td>
<td>15%</td>
<td>R4 392</td>
<td>R9 837</td>
<td>R9 837</td>
<td>R9 837</td>
</tr>
<tr>
<td>6</td>
<td>R19 326</td>
<td>Diamond</td>
<td>47.5%</td>
<td>15%</td>
<td>R6 281</td>
<td>R6 281</td>
<td>R6 281</td>
<td>R13 190</td>
</tr>
<tr>
<td>7</td>
<td>R21 259</td>
<td>Diamond</td>
<td>47.5%</td>
<td>15%</td>
<td>R6 909</td>
<td>R6 909</td>
<td>R15 529</td>
<td>R2 338</td>
</tr>
<tr>
<td>8</td>
<td>R23 385</td>
<td>Silver</td>
<td>25%</td>
<td>15%</td>
<td>R3 508</td>
<td>R6 431</td>
<td>R21 959</td>
<td>R29 033</td>
</tr>
<tr>
<td>9</td>
<td>R25 723</td>
<td>Gold</td>
<td>40%</td>
<td>15%</td>
<td>R4 244</td>
<td>R7 074</td>
<td>R29 033</td>
<td>R29 033</td>
</tr>
<tr>
<td>10</td>
<td>R28 295</td>
<td>Gold</td>
<td>40%</td>
<td>15%</td>
<td>R4 244</td>
<td>R7 074</td>
<td>R29 033</td>
<td>R29 033</td>
</tr>
</tbody>
</table>
F) CUMULATING PAYBACK

You can choose not to take the Annual Guaranteed PayBack and instead elect to take your PayBack at year five and year 10 in the initial 10 year guaranteed PayBack period. If you choose this option the guaranteed PayBack is higher. The Cumulating PayBack guarantee percentage depends on your Health Plan, at the anniversary when the PayBack is calculated, as follows:

<table>
<thead>
<tr>
<th>CORE PLANS</th>
<th>SAVER PLANS</th>
<th>EXECUTIVE/COMPREHENSIVE/ PRIORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>17.5%</td>
<td>20%</td>
</tr>
</tbody>
</table>

If you choose to take the higher guarantee under the Cumulating PayBack option, the guaranteed percentage of qualifying premiums will accumulate to the Cumulating PayBack Fund every year. If your accrued PayBack percentage is higher than the Cumulating PayBack guarantee percentage, the difference between the accrued PayBack and the Cumulating PayBack will accumulate in the Health Surplus PayBack Fund. Both Funds will be paid out at the end of year five and year 10 and will be reduced to zero after each payment.

Any claims from your Life Plan will only reduce the Health Surplus PayBack Fund received. After the first 10 years any claims will reduce the full PayBack every five years thereafter.

EXAMPLE

Your policy is Health Integrated. You have a Comprehensive Health Plan. Your qualifying premium starts at R1 000 p.m for year one and increases by 10% every year. The following summarises the Cumulating PayBack:

In year one the Cumulating PayBack guarantee is 20% and your accrued PayBack percentage is 10% based on your Vitality Status and your Discovery Health Plan claims. The Cumulating Payback that is accumulated in the Cumulating PayBack Fund is 20% of the qualifying premium (20% x R12 000 = R2 400). Since the accrued PayBack is lower than the Cumulating PayBack, nothing is accumulated in the Health Surplus PayBack Fund.

In year four the Cumulating PayBack Guarantee is 20% and your basic PayBack percentage is 40% based on your Vitality Status and your Discovery Health Plan claims. The Cumulating Payback that is accumulated in the Cumulating PayBack Fund is 20% of the qualifying premium (20% x R15 972 = R3 194). The accrued PayBack is higher than the Cumulating PayBack and so the difference between the accrued PayBack and the cumulating PayBack is accumulated in the Health Surplus PayBack Fund ( (40%-20%) x R15 972 = R3 194).

At year five the Cumulating PayBack Fund and the Health Surplus PayBack Fund are paid and both Funds are then reduced to zero.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PREMIUM</th>
<th>VITALITY STATUS</th>
<th>PAYBACK PERCENTAGE</th>
<th>GUARANTEED PAYBACK</th>
<th>CUMULATING PAYBACK</th>
<th>ACCRUED PAYBACK</th>
<th>CUMULATING PAYBACK FUND</th>
<th>HEALTH SURPLUS PAYBACK FUND</th>
<th>PAYBACK AT YEAR FIVE AND YEAR 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>R12 000</td>
<td>Blue</td>
<td>10%</td>
<td>20%</td>
<td>R2 400</td>
<td>R2 400</td>
<td>R0</td>
<td>R0</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>R13 200</td>
<td>Bronze</td>
<td>15%</td>
<td>20%</td>
<td>R2 640</td>
<td>R5 040</td>
<td>R0</td>
<td>R0</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>R14 520</td>
<td>Silver</td>
<td>25%</td>
<td>20%</td>
<td>R2 904</td>
<td>R7 944</td>
<td>R726</td>
<td>R726</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>R15 972</td>
<td>Gold</td>
<td>40%</td>
<td>20%</td>
<td>R3 194</td>
<td>R11 138</td>
<td>R194</td>
<td>R194</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>R17 569</td>
<td>Gold</td>
<td>40%</td>
<td>20%</td>
<td>R3 514</td>
<td>R14 652</td>
<td>R3 514</td>
<td>R7 434</td>
<td>R22 086</td>
</tr>
<tr>
<td>6</td>
<td>R19 326</td>
<td>Diamond</td>
<td>47.5%</td>
<td>20%</td>
<td>R3 865</td>
<td>R3 865</td>
<td>R5 315</td>
<td>R5 315</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>R21 259</td>
<td>Diamond</td>
<td>47.5%</td>
<td>20%</td>
<td>R4 252</td>
<td>R8 117</td>
<td>R5 846</td>
<td>R11 161</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>R23 385</td>
<td>Silver</td>
<td>25%</td>
<td>20%</td>
<td>R4 677</td>
<td>R12 794</td>
<td>R1 696</td>
<td>R12 330</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>R25 723</td>
<td>Gold</td>
<td>40%</td>
<td>20%</td>
<td>R5 145</td>
<td>R17 939</td>
<td>R5 145</td>
<td>R17 475</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>R28 295</td>
<td>Gold</td>
<td>40%</td>
<td>20%</td>
<td>R5 659</td>
<td>R23 598</td>
<td>R5 659</td>
<td>R23 134</td>
<td>R46 731</td>
</tr>
</tbody>
</table>
G) INCREASING THE GUARANTEED PAYBACKS

Discovery Card

You can increase your base guarantee on the Annual Guaranteed PayBack or Cumulating PayBack by 7.5% if you have a Discovery Card and you spend more than a certain level in a year. The Discovery Card spend level will be adjusted from time to time taking into account inflation. The Discovery Card spend will be calculated 90 days prior to the policy anniversary and the Discovery Card must have been in force nine months prior to this date.

The transactions used in calculating the Discovery Card spend level are the transactions on the primary card, all secondary cards and the Discovery Motor card.

Transactions are defined as purchases on the Discovery Card where a merchant fee is charged.

Transactions that will not be taken into account include:
- cash withdrawals,
- inter-account transfers.

Discovery Life may from time to time allow money transfers in favour of selected partners to be taken into account.

Vitalitydrive

You can also increase your base guarantee if you are a member of Vitalitydrive and take steps to drive safely. The additional guaranteed PayBack percentage depends on your Vitalitydrive status 90 days prior to the policy anniversary, provided Vitalitydrive has been in force for at least nine months at this time. This additional guaranteed PayBack percentage is subject to a maximum rand limit set by Discovery Life. This limit will be adjusted from time to time taking into account inflation. The following table summarises the guarantee that can be earned:

<table>
<thead>
<tr>
<th>VITALITYDRIVE STATUS</th>
<th>ADDITIONAL VITALITYDRIVE GUARANTEED PAYBACK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>0%</td>
</tr>
<tr>
<td>Neutral</td>
<td>0%</td>
</tr>
<tr>
<td>Engaged</td>
<td>5%</td>
</tr>
<tr>
<td>Advanced</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

EXAMPLE

You qualify for the Annual Guaranteed PayBack, have spent the required amount on your Discovery Card and are on the Engaged Vitalitydrive status at your policy anniversary. Your policy is Health Integrated and you are on a Comprehensive Health Plan. The guarantee percentage is then 15% (Base Annual Guaranteed PayBack) + 7.5% (Discovery Card guaranteed PayBack) + 5% (Vitalitydrive guaranteed PayBack) = 27.5%

Vitality Active Rewards

You can further increase your base guarantee through engaging in the Vitality Active Rewards programme. The additional guaranteed PayBack percentage depends on the number of weekly Active Rewards goals met over the previous 12 months as at 90 days prior to the policy anniversary. The additional guarantee that can be earned is as per the following table:

<table>
<thead>
<tr>
<th>NUMBER OF ACTIVE REWARDS GOALS MET DURING THE YEAR</th>
<th>ADDITIONAL VITALITY ACTIVE REWARDS GUARANTEED PAYBACK</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 10</td>
<td>0%</td>
</tr>
<tr>
<td>11 – 20</td>
<td>2.5%</td>
</tr>
<tr>
<td>21 – 30</td>
<td>5%</td>
</tr>
<tr>
<td>31+</td>
<td>10%</td>
</tr>
</tbody>
</table>

Please note that this table may be reviewed from time to time to allow for factors such as changes to Vitality and Vitality Active Rewards.

If there are spouse benefits on the policy, the additional guarantee earned through Vitality Active Rewards will be the average of the percentages earned by the principal and spouse lives.
EXAMPLE

You qualify for the Annual Guaranteed PayBack with the following guarantees:

- 15% Base Annual Guarantee by being a member of Discovery Health on a Comprehensive Health Plan
- 7.5% through the spend on your Discovery Card
- 5% through being an Engaged member of Vitalitydrive
- 5% through meeting 25 Active Rewards goals in the 12 months leading up to the guarantee calculation (which is three months prior to your policy anniversary)

Your total guaranteed percentage is then 15% + 7.5% + 5% + 5% = 32.5%

If you also have spouse benefits on the policy and your spouse meets 32 goals in that year, your additional Active Rewards guarantee becomes 1/2 x (5% for the principal + 10% for the spouse) = 7.5%, and your total guaranteed percentage increases to 15% + 7.5% + 5% + 7.5% = 35%.

If you cancel your Discovery Card or cease to be a member of Vitalitydrive or Vitality Active Rewards, your PayBack Fund and Health Surplus PayBack Fund will remain (in the case of Cumulating PayBack) but future guarantees will not include the additional guarantee related to Discovery Card, Vitalitydrive or Vitality Active Rewards.

H) VITALITY MEMORY

After the initial Annual PayBack Guarantee or Cumulating PayBack period of 10 years PayBacks will continue to be made every five years as per Section 9.3.1.d. Vitality Memory provides guarantees based on previous Vitality statuses.

For every year that you have your Financial Integrator and remain a Vitality member, you will receive Vitality Memory points. This is based on your Vitality status as at the anniversary when the PayBack is calculated as follows:

<table>
<thead>
<tr>
<th>VITALITY STATUS</th>
<th>VITALITY MEMORY POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Vitality/Blue</td>
<td>0</td>
</tr>
<tr>
<td>Bronze/Silver</td>
<td>5</td>
</tr>
<tr>
<td>Gold/Diamond</td>
<td>10</td>
</tr>
</tbody>
</table>

The Vitality Memory will always apply from when you first qualify for Annual Guaranteed PayBacks or Cumulating Paybacks. At the end of year 10 the Annual Guaranteed PayBacks and Cumulating PayBacks fall away but PayBacks will continue to be paid every five years thereafter. At the beginning of every five year period a Vitality Memory score is calculated as the sum of the Vitality Memory points attained in that year and each of the previous nine years. This Vitality Memory score determines the Vitality Memory percentage to be used in allocating PayBacks to the PayBack Fund for the next five years. This Vitality Memory percentage is the maximum between that determined from the table below and 50% of the previous Vitality Memory percentage.

The Vitality Memory percentage depends on your Health Plan, as at the anniversary on the date that the Vitality Memory is calculated, as follows:

<table>
<thead>
<tr>
<th>VITALITY MEMORY SCORE</th>
<th>VITALITY MEMORY PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EXECUTIVE/COMPREHENSIVE/PRIORITY</td>
</tr>
<tr>
<td>&lt;=25</td>
<td>0%</td>
</tr>
<tr>
<td>26-50</td>
<td>10%</td>
</tr>
<tr>
<td>51-75</td>
<td>15%</td>
</tr>
<tr>
<td>76-95</td>
<td>20%</td>
</tr>
<tr>
<td>&gt;=96</td>
<td>25%</td>
</tr>
</tbody>
</table>

From year 11 the PayBack accumulated to the PayBack Fund will be the maximum of the PayBack percentage earned in that year and the Vitality Memory percentage that applies for that five year period.
**EXAMPLE**

You are on a Comprehensive Plan Health Integrator. The table below shows the impact of the Vitality Memory percentage on PayBack accruals after the initial Annual Guaranteed Payback period. All PayBacks during the first 10 years are ignored in this example.

<table>
<thead>
<tr>
<th>ANNIVERSARY</th>
<th>VITALITY STATUS</th>
<th>VITALITY MEMORY POINTS</th>
<th>VITALITY MEMORY SCORE</th>
<th>VITALITY MEMORY PERCENTAGE</th>
<th>GUARANTEED PAYBACK PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Blue</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Bronze</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Gold</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Gold</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Diamond</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Bronze</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Silver</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Blue</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Blue</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Bronze</td>
<td>5</td>
<td>50*</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>11</td>
<td>Silver</td>
<td>5</td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>12</td>
<td>Silver</td>
<td>5</td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>13</td>
<td>Gold</td>
<td>10</td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>14</td>
<td>Gold</td>
<td>10</td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>15</td>
<td>Diamond</td>
<td>10</td>
<td>55**</td>
<td>15%***</td>
<td>10%</td>
</tr>
<tr>
<td>16</td>
<td>Diamond</td>
<td>10</td>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>17</td>
<td>Diamond</td>
<td>10</td>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>18</td>
<td>Diamond</td>
<td>10</td>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>19</td>
<td>Diamond</td>
<td>10</td>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>20</td>
<td>Diamond</td>
<td>10</td>
<td>90</td>
<td>20%</td>
<td>15%</td>
</tr>
</tbody>
</table>

* The Vitality Memory score = 0+5+10+10+5+5+5+0+0+5 = 50. A Vitality Memory score of 50 is a 10% Vitality Memory percentage.

** The Vitality Memory score = 5+5+0+0+5+5+5+10+10= 55. A Vitality Memory score of 55 is a 15% Vitality Memory percentage.

*** Vitality Memory percentage = max(15%,10%/2) = 15%

If the Financial Integrator Benefit is removed from your policy, the Vitality Memory score and Vitality Memory percentage will immediately fall away. The accumulated PayBack Fund will remain unchanged.

9.3.2 **VITALITY INTEGRATOR**

Policyholders may select the Vitality Integrator plan as long as the lives assured are members of Vitality. Discovery Health members cannot select the Vitality Integrator.

**A) INITIAL PREMIUM REDUCTION**

On the Vitality Integrator, all premiums (excluding Vitality and Discovery Retirement Optimiser) are reduced from inception of the policy based on the Funding structure of the Life Plan as follows:

**Comprehensive Integrator**

<table>
<thead>
<tr>
<th>STANDARD/ACCELERATER PLANS</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.5%</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Core Integrator**

<table>
<thead>
<tr>
<th>STANDARD/ACCELERATER PLANS</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.75%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>
B) ANNUAL PREMIUM REVIEW

On the Life Plan policy anniversary, the premiums for all benefits will increase at the automatic annual premium increase rate you selected (illustrated in the table in Section 9.1).

In addition, the premiums for all benefits on your Life Plan may increase or decrease annually on the policy anniversary by an additional percentage, depending on the life assured’s Vitality status as at policy anniversary. These additional annual increases/decreases are shown in the Vitality table as follows:

<table>
<thead>
<tr>
<th>VITALITY STATUS</th>
<th>PERCENTAGE ADJUSTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue</td>
<td>2.25%</td>
</tr>
<tr>
<td>Bronze</td>
<td>1.5%</td>
</tr>
<tr>
<td>Silver</td>
<td>0.5%</td>
</tr>
<tr>
<td>Gold</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Diamond</td>
<td>-0.75%</td>
</tr>
</tbody>
</table>

The additional percentage is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan. For example, assume that your premium is R500 and you have selected an automatic annual premium increase of 10% and that you are on bronze Vitality status. Then your premium adjustment will be: 
R500 x (1 + 10%) x (1 + 1.5%) = R558.25.

Note that premium reductions attributable to your Vitality status (over the lifetime of the policy) are limited to 10% (for the Comprehensive Integrator) and 5% (for the Core Integrator) above the initial premium reductions detailed above.

Should the principal or spouse on the Life Plan cease to be a member of Vitality, the additional annual premium increase percentage will be at a fixed rate of 2.25% per year instead of using the Vitality table above.

Should your Integrator plan lapse and should you purchase another Integrator plan at some future date, the initial premium reduction percentage on the new plan will be reduced by any increases that you had on your original policy as a result of the Vitality Matrix.

However, if you or your spouse have claimed on either Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D), the Vitality Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who are highly engaged.

The Vitality Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while the claimant is still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that it results in an increased premium.

C) THE VITALITY INTEGRATOR’S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees the following on the Vitality Integrator:

- Irrespective of the life assured’s Vitality status, your reduced premiums on the Vitality Integrator Plus any premium increases above any automatic annual increases will not exceed the Maximum Protected Premium.

- The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The Equivalent Non-Integrated Premium (NI) is the premium that would have applied on a Non-Integrated policy at the policy anniversary after automatic annual premium increases have been taken into account.

<table>
<thead>
<tr>
<th>Comprehensive Integrator</th>
<th>STANDARD/ACCELERATER PLANS</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5</td>
<td>NI</td>
<td>NI</td>
</tr>
<tr>
<td>6 to 10</td>
<td>NI + 10%</td>
<td>NI + 10%</td>
</tr>
<tr>
<td>11 to 15</td>
<td>NI + 15%</td>
<td>NI + 15%</td>
</tr>
<tr>
<td>16 +</td>
<td>NI + 17.5%</td>
<td>NI + 15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Core Integrator</th>
<th>STANDARD/ACCELERATER PLANS</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5</td>
<td>NI</td>
<td>NI</td>
</tr>
<tr>
<td>6 +</td>
<td>NI + 8.75%</td>
<td>NI + 7.5%</td>
</tr>
</tbody>
</table>

- The maximum additional annual percentage increase will never exceed 2.25%.
D) VITALITY INTEGRATOR PAYBACK (ONLY AVAILABLE ON THE CLASSIC LIFE PLAN)

The Vitality Integrator Payback only applies to the Comprehensive Integrator and not to the Core Integrator.

As a Vitality member with a Vitality Integrator, you will benefit from the Vitality Integrator Payback. The Payback is payable every five years, and can only be paid to the owner of the policy.

The calculation of Payback payable at each five-year interval is determined by a percentage of all Classic Life Plan premiums accruing to the Vitality Integrator Payback at each policy anniversary.

Only 70% of the following premiums will be used in calculating the Payback:

- Income Continuation Benefit
- Temporary Income Continuation Benefit
- Overhead Expenses Benefit

In addition, all premiums and contributions to the following benefits will be excluded when calculating the Payback:

- Paid-up benefit
- Philanthropy Fund
- Cover Integrator Buy-up Cash Conversion
- Financial Integrator Buy-up Cash Conversion
- Vitality
- Discovery Retirement Optimiser
- Premiums waived while the policy is in waiver status

The calculation of the Vitality Integrator Payback payable at each five-year interval is determined as follows:

- A percentage of your total applicable Life Plan premiums accrues to the Vitality Integrator Payback at each policy anniversary. Your Vitality status at policy anniversary determines the percentage that accrues. This is reflected in the table below:

<table>
<thead>
<tr>
<th>VITALITY STATUS</th>
<th>PAYBACK PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue</td>
<td>5%</td>
</tr>
<tr>
<td>Bronze</td>
<td>7.5%</td>
</tr>
<tr>
<td>Silver</td>
<td>15%</td>
</tr>
<tr>
<td>Gold</td>
<td>20%</td>
</tr>
<tr>
<td>Diamond</td>
<td>25%</td>
</tr>
</tbody>
</table>

- The accrual in each policy year is summed over a five-year period.
- Any claims on the Life Plan (excluding the AccessCover, AccessCover Plus and premium waiver benefit claims) during the five-year period are deducted from the total amount that has accrued over the five-year period.
- If this value is positive, you will receive a benefit payment equal to this value at the end of the five-year period.

The Vitality Integrator Payback commences at a value of zero at the beginning of each five-year period. You must keep the Vitality Integrator plan for the entire five-year period to receive the Vitality Integrator Payback at the end of that five-year period. Should you cease to be a member of Vitality for any reason during the five-year period, your Vitality Integrator Payback will also cease and no payment will be made at the end of the five-year period. If you change your Life Plan from a Classic Life Plan to an Essential Life Plan, your Payback will cease and no benefit payment will be made at the end of the five-year period. If you reduce your monthly Life Plan premiums, your total Payback accrued to the date of your premium reduction may be reduced. Please see your servicing schedule for any implications that servicing reductions may have on your accrued Payback.

There is no accrual to the Vitality Integrator Payback for the entire duration that premiums are waived on the Life Plan as a result of the Premium Waiver Benefits on death, disability and severe illness or a claim on any other benefit.

The Vitality Integrator Payback has no impact on your Life Fund.

If you have the Comprehensive Vitality Integrator and you have the Financial Integrator benefit you will be eligible for the Annual Guaranteed Payback or Cumulating Payback for the first 10 years on your policy. You will also qualify for the Vitality Memory benefit. The following sections will outline these benefits.
E) ANNUAL GUARANTEED PAYBACK

The Annual Guaranteed PayBack pays a guaranteed percentage of your qualifying premiums at the end of every year over the initial 10 year period. With the Annual Guaranteed PayBack Discovery Life guarantees a level of PayBack which will not vary with your Vitality status. The Annual Guaranteed PayBack is 7.5%.

If you accrue a higher PayBack percentage according to your Vitality status (as discussed in 9.3.2d), the difference between the accrued PayBack and the Annual Guaranteed PayBack is accumulated in the Vitality Surplus PayBack Fund. The Vitality Surplus PayBack Fund is paid at the end of year five and year 10 and is reduced to zero after each payment.

Any claims from your Life Plan will only reduce the Vitality Surplus PayBack Fund received. After the first 10 years any claims from your Life Plan will reduce the full PayBack amount at five-yearly intervals thereafter.

A change to your policy in the Annual Guaranteed PayBack 10 year period will not result in a new 10 year term commencing for any part of your policy. The original Annual Guarantee PayBack period will still terminate 10 years after adding the Financial Integrator to your policy for the first time.

EXAMPLE

Your policy is Vitality Integrated. Your qualifying premium starts at R1 000 per month for year one and increases by 10% every year. The following summarises the Annual Guaranteed PayBack:

In year one the Annual Guaranteed PayBack percentage is 7.5%. The Annual Guaranteed PayBack is 7.5% of the R12 000 worth of qualifying premiums that you paid over year one and is paid at the end of year one (R900). The accrued PayBack percentage is 5% based on your Vitality Status. Since the Annual Guaranteed PayBack is greater than the accrued PayBack, there is nothing accumulated in the Vitality Surplus PayBack Fund.

In year three the Annual Guaranteed PayBack percentage is 7.5%. The Annual Guaranteed PayBack is 7.5% of the R14 520 worth of qualifying premiums that you paid over year three and is paid at the end of year three (R1 089). The accrued PayBack percentage is 15% based on your Vitality Status. The difference between the accrued PayBack and the Annual Guaranteed PayBack ((15% - 7.5%) x R14 520 = R1 089) is accumulated in the Vitality Surplus PayBack Fund.

At the end of year five, you are paid the Annual Guaranteed PayBack percentage over that year (7.5% x R17 569 = R1 318) as well as what has accumulated in the Vitality Surplus PayBack Fund (R5 282). The accumulated Vitality Surplus PayBack Fund includes the difference between the Annual Guaranteed PayBack and accrued PayBack for year five ((20% - 7.5%) x R17 569 = R2 196).

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PREMIUM</th>
<th>VITALITY STATUS</th>
<th>PAYBACK PERCENTAGE ACCRUED</th>
<th>GUARANTEED PAYBACK</th>
<th>ANNUAL PAYBACK</th>
<th>ACCRUED PAYBACK ANNUAL GUARANTEED PAYBACK</th>
<th>VITALITY SURPLUS PAYBACK FUND</th>
<th>PAYBACK AT YEAR FIVE AND YEAR 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>R12 000</td>
<td>Blue</td>
<td>5%</td>
<td>7.5%</td>
<td></td>
<td>R900</td>
<td>R0</td>
<td>R0</td>
</tr>
<tr>
<td>2</td>
<td>R13 200</td>
<td>Bronze</td>
<td>7.5%</td>
<td>7.5%</td>
<td></td>
<td>R990</td>
<td>R0</td>
<td>R0</td>
</tr>
<tr>
<td>3</td>
<td>R14 520</td>
<td>Silver</td>
<td>15%</td>
<td>7.5%</td>
<td>R1 089</td>
<td>R1 089</td>
<td>R1 089</td>
<td>R1 089</td>
</tr>
<tr>
<td>4</td>
<td>R15 972</td>
<td>Gold</td>
<td>20%</td>
<td>7.5%</td>
<td>R1 198</td>
<td>R1 997</td>
<td>R3 086</td>
<td>R5 282</td>
</tr>
<tr>
<td>5</td>
<td>R17 569</td>
<td>Gold</td>
<td>20%</td>
<td>7.5%</td>
<td>R1 318</td>
<td>R2 196</td>
<td>R5 282</td>
<td>R5 282</td>
</tr>
<tr>
<td>6</td>
<td>R19 326</td>
<td>Diamond</td>
<td>25%</td>
<td>7.5%</td>
<td>R1 449</td>
<td>R3 382</td>
<td>R3 382</td>
<td>R3 382</td>
</tr>
<tr>
<td>7</td>
<td>R21 259</td>
<td>Diamond</td>
<td>25%</td>
<td>7.5%</td>
<td>R1 594</td>
<td>R3 720</td>
<td>R7 102</td>
<td>R8 856</td>
</tr>
<tr>
<td>8</td>
<td>R23 385</td>
<td>Silver</td>
<td>15%</td>
<td>7.5%</td>
<td>R1 754</td>
<td>R1 754</td>
<td>R8 856</td>
<td>R12 072</td>
</tr>
<tr>
<td>9</td>
<td>R25 723</td>
<td>Gold</td>
<td>20%</td>
<td>7.5%</td>
<td>R1 929</td>
<td>R3 215</td>
<td>R12 072</td>
<td>R15 608</td>
</tr>
<tr>
<td>10</td>
<td>R28 295</td>
<td>Gold</td>
<td>20%</td>
<td>7.5%</td>
<td>R2 122</td>
<td>R3 537</td>
<td>R15 608</td>
<td>R15 608</td>
</tr>
</tbody>
</table>

F) CUMULATING PAYBACK

You can choose not to take the Annual Guaranteed PayBack and instead elect to take your PayBack at year five and year ten in the initial ten year guaranteed PayBack period. If you choose this option the guaranteed PayBack is higher. The Cumulating PayBack guarantee percentage is 12.5%.
If you choose to take the higher guarantee under the Cumulating PayBack option, the guaranteed percentage of qualifying premiums will accumulate to the Cumulating PayBack Fund every year. If your accrued PayBack percentage is higher than the Cumulating PayBack guarantee percentage, the difference between the accrued PayBack and the Cumulating PayBack will accumulate in the Vitality Surplus PayBack Fund. Both Funds will be paid out at the end of year five and year 10 and will be reduced to zero after each payment.

Any claims from your Life Plan will only reduce the Vitality Surplus PayBack Fund received. After the first 10 years any claims will reduce the full PayBack every five years thereafter.

**EXAMPLE**

Your policy is Vitality Integrated. Your qualifying premium starts at R1 000 p.m for year one and increases by 10% every year. The following summarises the Cumulating PayBack:

In year one the Cumulating PayBack guarantee is 12.5% and your accrued PayBack percentage is 5% based on your Vitality Status. The Cumulating PayBack that is accumulated in the Cumulating PayBack Fund is 12.5% of the qualifying premium (12.5% x R12 000 = R1 500). Since the accrued PayBack is lower than the Cumulating PayBack, nothing is accumulated in the Vitality Surplus PayBack Fund.

In year four the Cumulating PayBack Guarantee is 12.5% and your basic PayBack percentage is 20% based on your Vitality Status. The Cumulating PayBack that is accumulated in the Cumulating PayBack Fund is 12.5% of the qualifying premium (12.5% x R15 972 = R1 997). The accrued PayBack is higher than the Cumulating PayBack and so the difference between the accrued PayBack and the cumulating PayBack is accumulated in the Vitality Surplus PayBack Fund ((20%-12.5%) x R15 972 = R1 198).

At year five the Cumulating PayBack Fund and the Vitality Surplus PayBack Fund are paid and both Funds are then reduced to zero.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PREMIUM</th>
<th>VITALITY STATUS</th>
<th>PAYBACK PERCENTAGE</th>
<th>GUARANTEED PAYBACK</th>
<th>CUMULATING PAYBACK</th>
<th>CUMULATING PAYBACK FUND</th>
<th>ACCRUED PAYBACK - CUMULATING PAYBACK</th>
<th>VITALITY SURPLUS PAYBACK FUND</th>
<th>PAYBACK AT YEAR FIVE AND YEAR 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>R12 000</td>
<td>Blue</td>
<td>5%</td>
<td>12.5%</td>
<td>R1 500</td>
<td>R1 500</td>
<td>R0</td>
<td>R0</td>
<td>R0</td>
</tr>
<tr>
<td>2</td>
<td>R13 200</td>
<td>Bronze</td>
<td>7.5%</td>
<td>12.5%</td>
<td>R1 650</td>
<td>R3 150</td>
<td>R0</td>
<td>R0</td>
<td>R0</td>
</tr>
<tr>
<td>3</td>
<td>R14 520</td>
<td>Silver</td>
<td>15%</td>
<td>12.5%</td>
<td>R1 815</td>
<td>R4 965</td>
<td>R0</td>
<td>R0</td>
<td>R0</td>
</tr>
<tr>
<td>4</td>
<td>R15 972</td>
<td>Gold</td>
<td>20%</td>
<td>12.5%</td>
<td>R1 997</td>
<td>R6 962</td>
<td>R1 198</td>
<td>R1 561</td>
<td>R1 561</td>
</tr>
<tr>
<td>5</td>
<td>R17 569</td>
<td>Gold</td>
<td>20%</td>
<td>12.5%</td>
<td>R1 997</td>
<td>R6 962</td>
<td>R1 198</td>
<td>R1 561</td>
<td>R1 561</td>
</tr>
<tr>
<td>6</td>
<td>R19 326</td>
<td>Diamond</td>
<td>25%</td>
<td>12.5%</td>
<td>R2 416</td>
<td>R2 416</td>
<td>R2 416</td>
<td>R2 416</td>
<td>R2 416</td>
</tr>
<tr>
<td>7</td>
<td>R21 259</td>
<td>Diamond</td>
<td>25%</td>
<td>12.5%</td>
<td>R2 416</td>
<td>R2 416</td>
<td>R2 416</td>
<td>R2 416</td>
<td>R2 416</td>
</tr>
<tr>
<td>8</td>
<td>R23 385</td>
<td>Silver</td>
<td>15%</td>
<td>12.5%</td>
<td>R2 657</td>
<td>R5 073</td>
<td>R2 657</td>
<td>R5 073</td>
<td>R5 073</td>
</tr>
<tr>
<td>9</td>
<td>R25 723</td>
<td>Gold</td>
<td>20%</td>
<td>12.5%</td>
<td>R3 215</td>
<td>R11 212</td>
<td>R1 929</td>
<td>R7 587</td>
<td>R7 587</td>
</tr>
<tr>
<td>10</td>
<td>R28 295</td>
<td>Gold</td>
<td>20%</td>
<td>12.5%</td>
<td>R3 537</td>
<td>R14 749</td>
<td>R2 122</td>
<td>R9 709</td>
<td>R24 458</td>
</tr>
</tbody>
</table>

**G) INCREASING THE GUARANTEED PAYBACKS**

**Discovery Card**

You can increase your base guarantee on the Annual Guaranteed PayBack or Cumulating PayBack by 7.5% if you have a Discovery Card and you spend more than a certain level in a year. The Discovery Card spend level will be adjusted from time to time to taking into account inflation. The Discovery Card spend will be calculated 90 days prior to the policy anniversary and the Discovery Card must have been in force nine months prior to this date.

The transactions used in calculating the Discovery Card spend level are the transactions on the primary card, all secondary cards and the Discovery Motor card.

Transactions are defined as purchases on the Discovery Card where a merchant fee is charged. Transactions that will not be taken into account include:

- cash withdrawals, or
- inter-account transfers.

Discovery Life may from time to time allow money transfers in favour of selected partners to be taken into account.
You can also increase your base guarantee if you are a member of Vitalitydrive and take steps to drive safely. The additional guaranteed PayBack percentage depends on your Vitalitydrive status 90 days prior to the policy anniversary, provided Vitalitydrive has been in force for at least nine months at this time. This additional guaranteed PayBack percentage is subject to a maximum Rand limit set by Discovery Life. This limit will be adjusted yearly to take account of inflation. The following table summarises the guarantee that can be earned:

<table>
<thead>
<tr>
<th>VITALITYDRIVE STATUS</th>
<th>ADDITIONAL VITALITYDRIVE GUARANTEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>0%</td>
</tr>
<tr>
<td>Neutral</td>
<td>0%</td>
</tr>
<tr>
<td>Engaged</td>
<td>2.5%</td>
</tr>
<tr>
<td>Advanced</td>
<td>3.75%</td>
</tr>
</tbody>
</table>

**EXAMPLE**

You qualify for the Annual Guaranteed PayBack, have spent the required amount on your Discovery Card and are on the Engaged Vitalitydrive status at policy anniversary. Your policy is Vitality Integrated. The guarantee percentage is then 7.5% (Base guarantee) + 7.5% (Discovery Card guarantee) + 2.5% (Vitalitydrive guarantee) = 17.5%

If there are spouse benefits on the policy, the additional guarantee earned through Vitalitydrive will be the average of the percentages earned by the principal and spouse lives.

**Vitality Active Rewards**

You can further increase your base guarantee through engaging in the Vitality Active Rewards programme. The additional guaranteed PayBack percentage depends on the number of weekly Active Rewards goals met over the previous 12 months as at 90 days prior to the policy anniversary. The additional guarantee that can be earned is as per the following table:

<table>
<thead>
<tr>
<th>NUMBER OF ACTIVE REWARDS GOALS MET DURING THE YEAR</th>
<th>ADDITIONAL ACTIVE REWARDS GUARANTEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 10</td>
<td>0%</td>
</tr>
<tr>
<td>11 – 20</td>
<td>1.25%</td>
</tr>
<tr>
<td>21 – 30</td>
<td>2.5%</td>
</tr>
<tr>
<td>31+</td>
<td>5%</td>
</tr>
</tbody>
</table>

Please note that this table may be reviewed from time to time to allow for factors such as changes to Vitality and Vitality Active Rewards.

If there are spouse benefits on the policy, the additional guarantee earned through Vitality Active Rewards will be the average of the percentages earned by the principal and spouse lives.

**EXAMPLE**

You qualify for the Annual Guaranteed PayBack with the following guarantees:

- 7.5% Base Annual Guarantee
- 7.5% through the spend on your Discovery Card
- 2.5% through being an Engaged member of Vitalitydrive
- 2.5% through meeting 25 Active Rewards goals in the 12 months leading up to the guarantee calculation (which is three months prior to your policy anniversary)

Your total guaranteed percentage is then 7.5% + 7.5% + 2.5% + 2.5% = 20%

If you also have spouse benefits on the policy and your spouse meets 32 goals in that year and is also an Engaged member of Vitalitydrive, your additional Active Rewards guarantee becomes 1/2 x (2.5% for the principal + 5% for the spouse) = 3.75%, and your total guaranteed percentage increases to 7.5% + 7.5% + 2.5% + 3.75% = 21.25%.

If you cancel your Discovery Card or cease to be a member of Vitalitydrive or Vitality Active Rewards, your PayBack Fund and Vitality Surplus PayBack Fund will remain (in the case of Cumulating PayBack) but future guarantees will not include the additional guarantee related to Discovery Card, Vitalitydrive or Active Rewards.
H) VITALITY MEMORY

After the initial Annual PayBack Guarantee or Cumulating PayBack period of 10 years PayBacks will continue to be made every five years under the PayBack structure, as per Section 9.3.2.d. Vitality Memory provides guarantees based on previous Vitality statuses.

For every year that you have your Financial Integrator and remain a Vitality member, you will receive Vitality Memory points. This is based on your Vitality status as at the anniversary when the PayBack is calculated. As follows:

<table>
<thead>
<tr>
<th>VITALITY STATUS</th>
<th>VITALITY MEMORY POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Vitality/Blue</td>
<td>0</td>
</tr>
<tr>
<td>Bronze/Silver</td>
<td>5</td>
</tr>
<tr>
<td>Gold/Diamond</td>
<td>10</td>
</tr>
</tbody>
</table>

The Vitality Memory will always apply from when you first qualify for Annual Guaranteed PayBacks or Cumulating PayBacks. At the end of the tenth year the Annual Guaranteed PayBacks and Cumulating PayBacks fall away but PayBacks will continue to be paid every five years thereafter. At the beginning of every five year period a Vitality Memory score is calculated as the sum of the Vitality Memory points attained in that year and each of the previous nine years. This Vitality Memory score determines the Vitality Memory percentage to be used in allocating PayBacks to the PayBack Fund for the next five years. This Vitality Memory percentage is the maximum between that determined from the table below and 50% of the previous Vitality Memory percentage.

The Vitality Memory percentage can be found as follows:

<table>
<thead>
<tr>
<th>VITALITY MEMORY SCORE</th>
<th>VITALITY INTEGRATOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;=25</td>
<td>0%</td>
</tr>
<tr>
<td>26-50</td>
<td>7.5%</td>
</tr>
<tr>
<td>51-75</td>
<td>10%</td>
</tr>
<tr>
<td>76-95</td>
<td>12.5%</td>
</tr>
<tr>
<td>&gt;=96</td>
<td>15%</td>
</tr>
</tbody>
</table>

From year 11 the PayBack accumulated to the PayBack Fund will be the maximum between the PayBack percentage earned in that year and the Vitality Memory percentage that applies for that five-year period.
### EXAMPLE

You are on a Vitality Integrator. The table below shows the impact of the Vitality Memory percentage on PayBack accruals after the initial Annual Guaranteed Payback period. All PayBacks during the first 10 years are ignored in this example.

<table>
<thead>
<tr>
<th>ANNIVERSARY</th>
<th>VITALITY STATUS</th>
<th>VITALITY MEMORY POINT</th>
<th>VITALITY MEMORY SCORE</th>
<th>VITALITY MEMORY PERCENTAGE</th>
<th>GUARANTEED PAYBACK PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Blue</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Bronze</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Gold</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Gold</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Diamond</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Bronze</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Silver</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Blue</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Blue</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Bronze</td>
<td>5</td>
<td>50*</td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Silver</td>
<td>5</td>
<td></td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Silver</td>
<td>5</td>
<td></td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Gold</td>
<td>10</td>
<td></td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Gold</td>
<td>10</td>
<td></td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Diamond</td>
<td>10</td>
<td>55**</td>
<td>10%***</td>
<td>7.5%</td>
</tr>
<tr>
<td>16</td>
<td>Diamond</td>
<td>10</td>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Diamond</td>
<td>10</td>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Diamond</td>
<td>10</td>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Diamond</td>
<td>10</td>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Diamond</td>
<td>10</td>
<td>90</td>
<td>12.5%</td>
<td>10%</td>
</tr>
</tbody>
</table>

* The Vitality Memory score = 0+5+10+10+10+5+5+0+0+5 = 50. A Vitality Memory score of 50 is a 7.5% Vitality Memory percentage.

** The Vitality Memory score = 5+5+0+0+5+5+5+10+10+10= 55. A Vitality Memory score of 50 is a 10% Vitality Memory percentage.

*** Vitality Memory percentage = max(10%,7.5%/2) = 10%

If the Financial Integrator Benefit is removed from your policy, the Vitality Memory score and Vitality Memory percentage will immediately fall away. The accumulated PayBack Fund will remain unchanged.

### 9.3.3. ACTIVE INTEGRATOR

Policyholders may select the Active Integrator as long as the principal and spouse (if applicable) are members of the Vitality Active Rewards for Life programme. Members of Vitality and/or Discovery Health cannot select the Active Integrator.

#### A) ACTIVE INTEGRATOR RATING

The Active Integrator Rating is used to adjust the premiums, cover growth (if the Cover or Financial Integrators are selected) and PayBacks (if applicable) on Active Integrator policies and is determined as follows:

\[ \text{Active Integrator Rating} = \text{Number of weekly Active Rewards goals met} + \text{Vitality Wellness Check points} \]

Active Rewards goals met:

- As part of the Vitality Active Rewards for Life programme, the principal and spouse (if applicable) will be set personalised fitness goals on a weekly basis.
• Three months prior to your policy anniversary, the number of goals met over the previous 12 months will be added together (subject to a maximum of 50 points) to give the total Active Rewards goals met per person. This means that if there are spouse benefits on the policy, both the principal and spouse will each have their own Active Rewards goals to meet. Note that, in the first policy year, only 9 months of goals will be used.

**EXAMPLE**

A client takes out an Active Integrator Life Plan and becomes a member of the Vitality Active Rewards for Life programme. Each week the client is set a personalised fitness goal.

For the first year, the number of goals that the client meets between the commencement of the Active Integrator and three months prior to the first policy anniversary are summed together. During this period the client met 24 goals.

Three months prior to the second policy anniversary, the number of goals that the client achieved in the previous 12 month period are summed together to give the second year’s Active Rewards points, and a similar process will be followed in year three onwards.

**Vitality Wellness Check points:**

• The Active Integrator also provides access to the Vitality Wellness Check, which allows the principal and spouse (if applicable) to measure four key health indicators.

• The principal and spouse (if applicable) will earn 10 points for each preventative screening that is within a prescribed range, as follows:

<table>
<thead>
<tr>
<th>VITALITY WELLNESS CHECK</th>
<th>PRESCRIBED RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blood Pressure</td>
<td>140mmHg/90mmHg or less</td>
</tr>
<tr>
<td>Glucose</td>
<td>Less than 7.8mmol/l</td>
</tr>
<tr>
<td>Cholesterol</td>
<td>Less than 5mmol/l</td>
</tr>
<tr>
<td>Body Mass Index</td>
<td>18.5 – 24.9</td>
</tr>
<tr>
<td></td>
<td>OR</td>
</tr>
<tr>
<td></td>
<td>25 – 29.9 with a waist circumference of 102cm or less for males and 88cm or less for females</td>
</tr>
</tbody>
</table>

• Three months prior to your policy anniversary, the points earned for the in-range measures over the previous 12 months (9 months for the first policy year) will be added together for each of the principal and spouse (if applicable). A further 10 points will be added to the principal’s score if Discovery Life has received results for the principal life for each of the Vitality Wellness Checks listed above for the previous 12 month period (and similar for the spouse, if applicable). This allows the principal and spouse (if applicable) to each earn a maximum of 50 Vitality Wellness Check points.

• If the principal and/or spouse (if applicable) undergo multiple valid Vitality Wellness Checks within the applicable 12 month period, the best score for each individual Check will be used in the calculation of your final Vitality Wellness Check points.

**EXAMPLE**

The principal life assured on an Active Integrator Life Plan attends a Vitality Wellness Day and obtains the following results and corresponding points for the Vitality Wellness Checks:

<table>
<thead>
<tr>
<th>VITALITY WELLNESS CHECK</th>
<th>RESULTS</th>
<th>IN RANGE?</th>
<th>VITALITY WELLNESS CHECK POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blood Pressure</td>
<td>145mmHg/92mmHg</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Glucose</td>
<td>7.5mmol/l</td>
<td>Yes</td>
<td>10</td>
</tr>
<tr>
<td>Cholesterol</td>
<td>5.3mmol/l</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Body Mass Index</td>
<td>23</td>
<td>Yes</td>
<td>10</td>
</tr>
</tbody>
</table>
The results for glucose and body mass index were in range, which gives a score of 20 points. As there are results for all the Vitality Wellness Checks, a further 10 points are awarded, giving a final Vitality Wellness Check score of 30.

B) INITIAL PREMIUM REDUCTION

On the Active Integrator, all premiums (excluding the Vitality Active Rewards for Life programme access fee and Discovery Retirement Optimiser) are reduced from inception of the policy based on the Funding structure of the Life Plan as follows:

**Comprehensive Integrator**

<table>
<thead>
<tr>
<th>STANDARD/ACCELERATOR PLANS</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>10%</td>
</tr>
</tbody>
</table>

**Core Integrator**

<table>
<thead>
<tr>
<th>STANDARD/ACCELERATOR PLANS</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

C) ANNUAL PREMIUM REVIEW

On the Life Plan policy anniversary, the premiums for all benefits will increase at the automatic annual premium increase rate you selected (illustrated in the table in Section 9.1).

In addition, the premiums for all benefits that received the upfront Active Integrator premium discount on your Life Plan may increase or decrease annually on the policy anniversary by an additional percentage, depending on the life assured’s Active Integrator Rating as at three months prior to policy anniversary. These additional annual increases/decreases are shown in the table as follows:

<table>
<thead>
<tr>
<th>ACTIVE INTEGRATOR RATING</th>
<th>PERCENTAGE ADJUSTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 19</td>
<td>1.75%</td>
</tr>
<tr>
<td>20 - 39</td>
<td>1%</td>
</tr>
<tr>
<td>40 - 59</td>
<td>0.5%</td>
</tr>
<tr>
<td>60+</td>
<td>-0.5%</td>
</tr>
</tbody>
</table>

The additional percentage is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan. For example, assume that your premium is R500 and you have selected an automatic annual premium increase of 10% and that you have an Active Integrator Rating of 25, giving an additional 1% increase. Your premium after the increases have been applied will be as follows: R500 x (1 + 10%) x (1 + 1%) = R555.50.

Note that premium reductions attributable to your Active Integrator Rating (over the lifetime of the policy) may never reduce the premium to a level below what the premium would have been on an equivalent Non-Integrated policy less the applicable initial premium reduction detailed above. In other words, no discounts in addition to the initial Active Integrator discount will be possible.

Given that the principal and spouse may have different Active Integrator Rating scores, if there is a spouse who is insured on the policy, the percentage increase applied to all benefits is the average of the principal and spouse percentages.
EXAMPLE

If the principal’s Active Integrator Rating is 25 (giving an additional 1% premium increase) and the spouse’s Active Integrator is 42 (giving an additional 0.5% premium increase), the additional percentage increase applied to the policy is \((1.00\% + 0.50\%)/2 = 0.75\%\).

Should you cease to be a member of Vitality Active Rewards for Life, the additional annual premium increase percentage due to the Active Integrator will be at a fixed rate of 1.75% per year instead of using the Active Integrator Rating Matrix above, unless you upgrade then new Integrator increases will apply. If the principal removes his/her Vitality Active Rewards for Life membership and the spouse does not (or vice versa), the percentage increase applied to the policy will be the average of 1.75% and the Active Integrator Rating of the remaining active Vitality Active Rewards for Life member.

EXAMPLE

If the principal’s Active Integrator Rating is 65 and the spouse is no longer a Vitality Active Rewards for Life member, the percentage increase applied to the policy is \((-0.50\% + 1.75\%)/2 = 0.625\%\).

Should your Integrator plan lapse and should you purchase another Integrator plan at some future date, the initial premium reduction percentage on the new plan will be reduced by any increases that you had on your original policy as a result of the Active Integrator Rating Matrix.

If you or your spouse (if applicable) have claimed on either Severe Illness Benefit (Severity A or B) or the Capital Disability Benefit (Category A, B or D), the Active Integrator annual premium adjustment is limited to 0% after claim. Negative adjustments will still apply for those clients who have an Active Integrator Rating of 60 or more, subject to the maximum Active Integrator discount allowed.

The Active Integrator annual premium adjustment is capped at 0% only from the policy anniversary after the qualifying claim has been finalised and completely processed by Discovery Life. If a claim has been reported but not finalised at policy anniversary, the cap will not be applied. This cap will only apply while the claimant is still a life assured on the policy and will fall away if the benefits on this policy are serviced in such a way that it results in an increased premium.

D) THE ACTIVE INTEGRATOR’S MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees the following on the Active Integrator:

- Irrespective of the life assured’s Active Integrator Rating, your reduced premiums on the Active Integrator plus any premium increases above any automatic annual increases will not exceed the Maximum Protected Premium.

- The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated Premium (NI). The Equivalent Non-Integrated Premium (NI) is the premium that would have applied on a Non-Integrated policy at the policy anniversary after automatic annual premium increases have been taken into account.

### Comprehensive Integrator

<table>
<thead>
<tr>
<th>YEARS</th>
<th>STANDARD/ACCELERATER PLANS</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5</td>
<td>NI</td>
<td>NI</td>
</tr>
<tr>
<td>6 to 10</td>
<td>NI + 10%</td>
<td>NI + 10%</td>
</tr>
<tr>
<td>11 to 15</td>
<td>NI + 15%</td>
<td>NI + 10%</td>
</tr>
<tr>
<td>16+</td>
<td>NI + 15%</td>
<td>NI + 10%</td>
</tr>
</tbody>
</table>

### Core Integrator

<table>
<thead>
<tr>
<th>YEARS</th>
<th>STANDARD/ACCELERATER PLANS</th>
<th>FLEXRATER PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5</td>
<td>NI</td>
<td>NI</td>
</tr>
<tr>
<td>6+</td>
<td>NI + 7.5%</td>
<td>NI + 5%</td>
</tr>
</tbody>
</table>
E) ACTIVE INTEGRATOR PAYBACK (ONLY AVAILABLE ON THE CLASSIC LIFE PLAN)

The Active Integrator PayBack only applies to the Comprehensive Integrator and not to the Core Integrator.

As a Vitality Active Rewards for Life member with an Active Integrator, you will benefit from the Active Integrator PayBack. The PayBack is payable every five years, and can only be paid to the owner of the policy.

The calculation of the PayBack payable at each five-year interval is determined by a percentage of all Classic Life Plan premiums accruing to the Active Integrator PayBack at each policy anniversary.

Only 70% of the following premiums will be used in calculating the PayBack:

- Income Continuation Benefit
- Temporary Income Continuation Benefit
- Overhead Expenses Benefit

In addition, all premiums and contributions to the following benefits will be excluded when calculating the PayBack:

- Philanthropy Fund
- Paid-Up
- Vitality Active Rewards for Life
- Discovery Retirement Optimiser
- Premiums waived while the policy is in waiver status

The calculation of the Active Integrator PayBack payable at each five-year interval is determined as follows:

- A percentage of your total applicable Life Plan premiums accrues to the Active Integrator PayBack at each policy anniversary. Your Active Integrator Rating as at three months prior to your policy anniversary determines the percentage that accrues. This is reflected in the table below:

<table>
<thead>
<tr>
<th>ACTIVE INTEGRATOR RATING</th>
<th>PAYBACK PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 19</td>
<td>0.0%</td>
</tr>
<tr>
<td>20 - 39</td>
<td>2.5%</td>
</tr>
<tr>
<td>40 - 59</td>
<td>5.0%</td>
</tr>
<tr>
<td>60+</td>
<td>10%</td>
</tr>
</tbody>
</table>

- The accrual in each policy year is summed over a five-year period.

- Any claims on the Life Plan (excluding the AccessCover, AccessCover Plus and premium waiver benefit claims) during the five-year period are deducted from the total amount that has accrued over the five-year period.

- If this value is positive, you will receive a benefit payment equal to this value at the end of the five-year period. The Active Integrator PayBack commences at a value of zero at the beginning of each five-year period.

You must keep the Active Integrator plan for the entire five-year period to receive the Active Integrator PayBack at the end of that five-year period. Should you cease to be a member of Vitality Active Rewards for Life for any reason during the five-year period, your Active Integrator PayBack will also cease and no payment will be made at the end of the five-year period. If you change your Life Plan from a Classic Life Plan to an Essential Life Plan, your PayBack will cease and no benefit payment will be made at the end of the five-year period. If you change your Life Plan from an Essential Life Plan to a Classic Life Plan that qualifies for the PayBack, any PayBack payment will be made five years from the policy anniversary following the change to the Classic Life Plan. If you reduce your monthly Life Plan premiums, your total PayBack accrued to the date of your premium reduction may be reduced. Please see your servicing schedule for any implications that servicing reductions may have on your accrued PayBack.

There is no accrual to the Active Integrator PayBack for the entire duration that premiums are waived on the Life Plan as a result of the Premium Waiver Benefit on death, disability and severe illness or a claim on any other benefit.

The Active Integrator Payback has no impact on your Life Fund.
F) POLICY SERVICING RESTRICTIONS

The Active Integrator is designed for clients who are not members of Vitality and/or Discovery Health. If you and/or your spouse (if applicable) become members of Vitality and/or Discovery Health after taking out an Active Integrator policy, future servicing of your policy will be limited.

9.3.4 VITALITYDRIVE INTEGRATOR

The Vitalitydrive Integrator may be selected as an Integrator on your Life Plan and gives you the ability to receive an upfront premium discount and to control your premium increases over time.

- You may select the Vitalitydrive Integrator as long as you are an active Vitalitydrive member.
- If your spouse is insured on your Life Plan, both you and your spouse need to be active Vitalitydrive members.
- The Vitalitydrive Integrator can be selected on its own or in addition to the Vitality, Health or Active Integrator.
- The additional guaranteed PayBacks earned based on your Vitalitydrive status will still apply to the Annual Guaranteed Payback or Cumulating PayBack under the Health or Vitality Integrator.
- In order to qualify for Vitalitydrive Integrator, you must have a qualifying version of the Financial Integrator active on the policy.

A) INITIAL PREMIUM REDUCTION

The Life Plan’s initial premium is reduced, depending on whether the policy qualifies for the Comprehensive or Core Integrator. The premium reduction applies to the premiums of all benefits, excluding the premiums for Vitality, Vitality Active Rewards for Life and the Discovery Retirement Optimiser.

The premium reduction will be 10% for the Comprehensive Vitalitydrive Integrator, and 5% for the Core Vitalitydrive Integrator. The Vitalitydrive Integrator premium reduction is applied multiplicatively to the Health Integrator, Vitality Integrator or Active Integrator premium reduction.

EXAMPLE

Your Life Plan premium before integration is R1 000 a month. You Integrate your policy with both the Health and Vitalitydrive Integrator. You qualify for a discount of 15% on the Health Integrator and 10% on the Vitalitydrive Integrator. Your monthly premium is then R765 which is R1 000 x (100% – 15%) x (100% – 10%).

B) ANNUAL PREMIUM REVIEW

On your Life Plan policy anniversary, the premiums for all benefits will increase at the automatic annual premium increase rate you selected (Please refer to section 9.1 of the Life Plan Guide).

In addition, the premiums for all benefits on your Life Plan (except Vitality, Vitality Active Rewards for Life and the Discovery Retirement Optimiser) may increase on the policy anniversary by an additional percentage depending on your Vitalitydrive status. Your Vitalitydrive status 90 days before your policy anniversary determines the premium adjustment. The annual additional increases are shown in the Vitalitydrive Matrix below:

<table>
<thead>
<tr>
<th>VITALITYDRIVE STATUS</th>
<th>PREMIUM ADJUSTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced</td>
<td>0%</td>
</tr>
<tr>
<td>Engaged</td>
<td>+0.6%</td>
</tr>
<tr>
<td>Neutral</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Base</td>
<td>+1.5%</td>
</tr>
</tbody>
</table>

Given that the principal and spouse may have different Vitalitydrive statuses, if you have a spouse who is insured on your policy, the percentage increase applied to all benefits is the average of the principal and spouse percentages.
EXAMPLE

If the principal's Vitalitydrive status is Neutral and the spouse's Vitalitydrive status is Advanced, the additional percentage increase applied to the policy is \((1.1\% + 0\%)/2 = 0.55\%\).

The additional percentage attributable to the Vitalitydrive status is applied multiplicatively to the automatic annual premium increase that you selected on your Life Plan. The Vitalitydrive Matrix will be used multiplicatively with the Vitality Matrix or the Personal Health Matrix to determine annual premium increases or decreases.

EXAMPLE

Assume that your premium is R500 and you have selected an automatic annual premium increase of 10% and that the applicable adjustment for your Vitalitydrive status is an increase of 1.1%. Then your new premium will be:

\[ R500 \times (1 + 10\%) \times (1 + 1.1\%) = R556.05. \]

Should you cease to be a member of Vitalitydrive, the additional annual premium increase percentage due to the Vitalitydrive Integrator will be at a fixed rate of 1.5% per year instead of using the Vitalitydrive Matrix above. If the principal removes his/her Vitalitydrive membership and the spouse does not (or vice versa), the percentage increase applied to the policy will be the average of 1.5% and the Vitalitydrive status of the remaining active Vitalitydrive member.

EXAMPLE

If the principal’s Vitalitydrive status is Advanced and the spouse is no longer a Vitalitydrive member, the percentage increase applied to your policy is \((0\% + 1.5\%)/2 = 0.75\%\).

Should you remove the Financial Integrator benefit, your policy’s premium will be adjusted to the premium that would have been payable had you not integrated your Life Plan with Vitalitydrive. Discovery Life may review the Vitalitydrive Matrix from time to time.

C) MAXIMUM PROTECTED PREMIUM

In addition to normal premium guarantees, Discovery Life guarantees the following on the Vitalitydrive Integrator:

- Irrespective of your Vitalitydrive status, your premium on the Vitalitydrive Integrator will not exceed the Maximum Protected Premium.
- The Maximum Protected Premium is defined in terms of the Equivalent Non-Integrated premium (NI). The NI is the premium that would have been payable had you not integrated your Life Plan with Vitalitydrive.

The following table reflects this relationship:

<table>
<thead>
<tr>
<th>INTEGRATOR</th>
<th>MAXIMUM PROTECTED PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive Vitalitydrive Integrator</td>
<td>NI + 10%</td>
</tr>
<tr>
<td>Core Vitalitydrive Integrator</td>
<td>NI + 5%</td>
</tr>
</tbody>
</table>

THE VITALITYDRIVE BENEFIT

Vitalitydrive can be purchased through Discovery Life or Discovery Insure. The Vitalitydrive Integrator and the additional guarantee earned on the Annual Guaranteed Payback or Cumulating PayBack are not affected by which company you have activated your Vitalitydrive benefit through.

The benefits and costs associated with Vitalitydrive will depend on whether the benefit was purchased through Discovery Life or Discovery Insure. Your policy schedule will outline the benefits, costs associated with and other terms and conditions applicable to your version of Vitalitydrive.

Please note that the benefits and costs associated with Vitalitydrive will be affected if you move from Vitalitydrive purchased through Discovery Life to Vitalitydrive purchased through Discovery Insure and vice versa.
9.4 WHAT COULD RESULT IN AN INCREASE OF YOUR PREMIUM?

You can add new benefits to the Life Plan at any time. Additional benefits will result in a higher premium. These additions will be subject to underwriting.

When any of the factors influencing your premium change, your premium could increase. For example, if you or your spouse are the assured lives on the policy and are paying non-smokers’ premiums, it’s essential that you notify us immediately should either of you ever take up smoking or use any other form of tobacco. If you or any of the lives insured under this policy undertake hazardous pursuits, such as extreme sport or dangerous hobbies on a regular basis, eg motocross, skydiving, underwater diving, rock climbing, private aviation or if your occupation now entails more travel or manual duties including travel outside the borders of South Africa. In addition, if you have indulged in or consumed narcotics (that were not prescribed by a medical practitioner) it is essential that you notify us. Discovery may then adjust, review and amend your premiums accordingly. If Discovery Life is not notified within a reasonable time, all benefits will be reduced by 20% in addition to the above adjustments.

9.5 YOU CAN SELECT THE PAID-UP OR LOCK-IN OPTION

9.5.1 PAID-UP OPTION

This option is applicable to the Standard Plan only and, if selected, will apply to the premiums of the following benefits (referred to as the qualifying risk benefits):

- Life Cover
- AccessCover Plus
- Capital Disability Benefit
- Philanthropy Fund
- All Principal and Spouse Severe Illness Benefits (including the Female Severe Illness Benefit and the Family Trauma Benefit) that have expiry ages selected as Whole of Life
- Income Continuation Benefit with Whole of Life expiry age
- Minimum Protected Fund
- Global Education Protector
- Parent Severe Illness Benefit
- Premium Waiver on Death

Note that the premiums for the following benefits are specifically excluded from the Paid-up benefit and therefore do not form part of the qualifying risk benefits:

- Vitality
- Vitality Active Rewards for Life
- Discovery Retirement Optimiser
- Buy-up Cash Conversion on Cover Integrator and Financial Integrator
- Benefits where the expiry age is not Whole of Life (except for the Global Education Protector, Health Plan Protector and Capital Disability benefits expiring at age 60, 65 or 70, as these benefits all have options for the cover to continue for Whole of Life)
Should the Paid-up option be selected, the premiums for all qualifying risk benefits on your policy will cease at the Paid-up maturity date. The Paid-up maturity date is determined as follows:

<table>
<thead>
<tr>
<th>AGE NEXT WHEN THE PAID-UP OPTION WAS ADDED</th>
<th>PAID-UP MATURITY DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>45, or younger than 45</td>
<td>The end of the month in which you turn 65</td>
</tr>
<tr>
<td>Older than 45</td>
<td>The end of the month in which you turn 20 years older than you were when the Paid-up option was added</td>
</tr>
</tbody>
</table>

An additional monthly premium is charged for this benefit from the date at which this benefit is added.

**EXAMPLE**

If you take out a Life Plan at age 40 and select the Paid-up benefit, the premiums for your qualifying risk benefits will cease at the end of the month in which you turn 65. However, if you are age 50 when selecting the Paid-up benefit, your premiums would cease at the end of the month in which you turn 70.

Each qualifying risk benefit added (or electively increased) on your policy after the policy start date will have an individually calculated Paid-up maturity date for that benefit amount. This means that the premiums for different benefits or benefit amounts may become Paid-up at different times.

**EXAMPLE**

You take out a Standard Plan at age 40 with life cover only, and you select the Paid-up benefit. You add the Severe Illness Benefit (whole of life expiry) at age 50. At age 65 your life cover premium will cease, however, your Severe Illness Benefit premium will continue. At age 70 (after the minimum 20 year term), the remaining premium will cease. Similarly, if you were to increase your life cover at age 60, the portion of your life cover premium for this additional cover amount will only cease at age 80.

At the end of the month in which you turn age 65 your qualifying risk benefits will cease increasing annually by the benefit escalation rate and their premiums will also cease increasing annually by the premium escalation rate. Note that your Buy-up Cash Conversion premiums (if applicable) will keep increasing annually by the premium escalation rate until age 77. On all benefits, the Health Integrator, Vitality Integrator, Active Integrator and Vitalitydrive Integrator annual premium adjustments (if applicable) will cease at age 65. Your Integrated Cover Adjustments on your Cover Integrator Fund and Financial Integrator Fund (if applicable) will also cease at age 65.

**EXAMPLE**

You take out a Standard Plan at age 50 with life cover and the Buy-Up Cash Conversion benefit, and you select the Paid-up benefit. At age 70, your life cover premiums will cease. However, the premiums for your Buy-up Cash Conversion benefit will continue (with annual premium escalations) until age 77 (expiry age of the Buy-up Cash Conversion Benefit) because this is not a qualifying risk benefit.

In the case of your death before the Paid-up maturity date, your beneficiaries or estate will receive a refund of 100% of your Paid-up premiums paid (without interest). As the different premiums may become paid up at different times, this return of premiums will only apply to the portions that haven’t reached Paid-up maturity yet at the time of death.

If you have selected the Premium Waiver on death benefit (see Section 3.2.1) on your policy, this benefit will automatically terminate once you have reached the latest Paid-up maturity age on your policy.
EXAMPLE

You take out a Standard Plan at age 43 with life cover for you and life cover for your spouse (also aged 43), and include the Premium Waiver on death benefit. At age 47, you increase your and your spouse’s life cover. Part of your premiums will therefore become paid-up at age 65 and part will become paid-up at age 67. Should you die at age 64, the Premium Waiver on death benefit will waive all of your spouse’s life cover premiums until age 67 (after which point all premiums are paid up in any case).

Please note that (as stated in Section 9.7), premiums for the Paid-up benefit are not guaranteed and may be reviewed by Discovery Life at any time in their sole discretion.

9.5.2 LOCK-IN OPTION

This option is available on the AcceleRater plan only and must be selected from inception of your policy. Should this option be selected, automatic annual premium and benefit increases will cease at the point in time selected by you on your policy. This may be after 20 years or at the end of the month in which you turn 65.

The Health Integrator, the Vitality Integrator, the Active Integrator and the Vitalitydrive Integrator annual premium adjustments (if applicable) will continue to be applied to any premium payable after reaching the duration or age applicable to the Lock-in option. Please refer to your Policy Schedule for the adjustments applicable to your Life Fund.

Please note that the Lock-in option will not apply to any cover added through Cover and Financial Integrators after the end of the month in which you turn 56.

The benefit does not apply to Vitality and Vitality Active Rewards for Life premiums or to contributions to the Discovery Retirement Optimiser.

9.6 TERMS AND CONDITIONS RELATING TO PREMIUM PAYMENTS

9.6.1 WHO IS RESPONSIBLE TO PAY THE PREMIUMS?

The owner of the Life Plan must pay the premium of the total amount stated in the Policy Schedule, as amended from time to time. Premiums are payable monthly in advance on or before the first day of each calendar month for the duration of the policy.

9.6.2 WHAT ASPECTS DETERMINE THE AMOUNT OF THE PREMIUM?

The following factors all influence the level of premiums charged for the various benefits:

- Age, gender and marital status
- Total gross monthly income
- Health condition and medical history
- Previous and current assurance records
- Claim experience with Discovery Health, if you are a member of Discovery Health
- Any other information that comes to the notice of Discovery Life
- Smoking and lifestyle habits
- Occupation
- Participation in dangerous activities.
- Credit rating as per the National Credit Bureau.

Discovery Life may take some or all of these factors into account in determining your premium.
9.6.3 WHAT HAPPENS IF MY PREMIUMS ARE NOT PAID BY THE DUE DATE?

Discovery Life’s normal practice is to notify you in writing of the non-payment of a premium. If a premium is not paid on time, Discovery Life allows you a 30-day grace period from when the premium was due to settle your arrear payment. Should an insured event occur during this period, Discovery Life will consider a claim (subject to the terms of the policy) but only on receipt of the arrear premium.

Should a second premium not be received (in other words you have failed to pay two premiums) your policy is suspended and no benefit under the policy would be payable should an insured event occur while the policy is two payments in arrears.

Should a third premium not be received (you have failed to pay your premiums for a third month in a row), your policy will automatically lapse and your policy will be cancelled from the date at which the premiums were outstanding, whether or not you received a notification of your failure to pay. In this case no benefit is payable if the insured event occurred during the period from the date that you failed to pay your first premium.

9.6.4 CAN I REINSTATE THE POLICY?

If the policy is cancelled, you may apply to Discovery Life to reinstate your policy by the tender of payment of the outstanding premiums together with the completion of our Declaration of Health form or whatever underwriting requirements Discovery Life may deem necessary from time to time. On reinstatement of your policy, within three months of cancellation, all PayBack, Dividends and Health Fund values will also be reinstated if applicable and will continue to accumulate from that point.

9.6.5 HOW DO I PAY MY PREMIUM?

Discovery Life will only collect your premiums via a debit order lodged on your bank account. Cash premiums will not be allowed.

9.6.6 WHAT IF I CANNOT AFFORD MY INCREASED PREMIUM ON POLICY ANNIVERSARY?

Each year, 30 days before your policy anniversary date, Discovery Life will forward a letter and Policy Schedule to you, detailing the changes to be effected to the policy. The automatic premium increases applied to your policy are compulsory and if for any reason you are unable to afford the automatic premium increases you should notify us before the next anniversary date. Should the automatic premium increase be canceled or lowered in order to suit what you can afford, the cover amount of the benefit will be lowered to allow for this change. A new policy schedule will be sent to you confirming the changes made.

Depending on the Life Plan selected, adjustments may be made to your policy to suit what you can afford, and a new Policy Schedule will be forwarded to you confirming the changes made.

9.7 CAN DISCOVERY LIFE CHANGE MY PREMIUM AND BENEFITS?

In calculating the premiums, Discovery Life has tried to ensure that your policy will not require additional premium adjustments for its duration. We therefore guarantee that premiums will not be increased for the first 10 years, except for any contractual premium increases. In addition, Discovery Life guarantees that if any premium increases are required at the end of the first 10 years and any 10-year period thereafter, these increases will not exceed 25% of your premiums being paid at that time.

As a member of Vitality, you have the potential to provide additional certainty to your Life Plan. At the end of each 10-year period, Discovery Life will determine the number of years you have been at each Vitality status level over the previous 10-year period, and will use this to ensure that the maximum potential increase of 25% at the end of each 10-year period is reduced in line with your health management. Please note that this percentage reduction does not apply to the Buy-up Cash Conversion premiums for the Cover Integrator and Financial Integrator benefits.
The percentage reduction for each year that you are on a particular Vitality status is as follows:

<table>
<thead>
<tr>
<th>VITALITY STATUS</th>
<th>PERCENTAGE REDUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue</td>
<td>0%</td>
</tr>
<tr>
<td>Bronze</td>
<td>0.5%</td>
</tr>
<tr>
<td>Silver</td>
<td>1.5%</td>
</tr>
<tr>
<td>Gold</td>
<td>2.5%</td>
</tr>
<tr>
<td>Diamond</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

For example, at the end of 10 years, assuming you were on Blue status for two years, Bronze status for three years, Silver status for three years and Gold status for two years, the maximum potential premium increase is as follows:

\[
25\% - (2 \times 0\%) - (3 \times 0.5\%) - (3 \times 1.5\%) - (2 \times 2.5\%) = 14\%
\]

The premium guarantees do not apply to the Global Health Protector, Global Education Protector, Health Plan Protector, Paid-up Option or Lock-in Option in the first 10-year period, nor any time thereafter.

Premiums for the Global Health Protector, Health Plan Protector and the Global Education Protector increase annually at a rate determined by Discovery Life, which may differ from the automatic annual premium increase rates relevant to other benefits on the plan.

If your premiums on your Life Plan are being waived at the time of any potential premium increase (as a result of a claim on the Premium Waiver benefits on death, disability or severe illness) these increases will be fully covered by the waiver benefits.
10.1 INTRODUCTION

The Discovery Retirement Optimiser (the “Benefit”) may be selected as an ancillary benefit to your Life Plan and is aimed at providing cost-effective funding for your retirement. The Benefit provides:

- a Retirement Fund, used to provide you with an income in retirement and a lump sum payment at the selected retirement date;
- reductions on the fees you pay within your Retirement Fund on qualifying funds through the Retirement Investment Integrator;
- the ability to reinvest your Health, Vitality or Active Integrator PayBack in your Retirement Fund and have it boosted at retirement through the Retirement PayBack Booster;
- enhancements to your retirement benefits through the Life Plan Optimiser;
- enhancements to your retirement income from the Ill-health Income Booster in the event of suffering a severe illness or being disabled.

The Benefit is funded through a Retirement Annuity provided by the Discovery Retirement Annuity Fund (the “RA Fund”). Through the RA Fund you have a range of investment choices which cover the various asset classes such as equities, properties, bonds and cash which you may choose from, to align with your investment objectives.

10.2 THE DISCOVERY RETIREMENT ANNUITY FUND

If you choose to contribute to the Retirement Annuity Fund, you will apply to become a member of the Discovery Retirement Annuity Fund (number 37469). On acceptance, you will be bound by the rules of the Retirement Annuity Fund.

Your benefit in the Retirement Annuity Fund (referred to as the ‘member’s share’ in the fund rules) cannot be ceded, transferred, assigned, reduced, hypothecated or pledged and is subject to the provisions of the Pension Funds Act No 24 of 1956.

Participation in the Retirement Annuity Fund will only be confirmed if Discovery Invest, acting as the fund’s appointed administrator, has confirmed in writing that your application for membership has been accepted and that your first contribution has been received.

The fund rules state that, at your selected retirement age, your member’s share in the Retirement Annuity Fund accrues to you. The member’s share comprises of your contributions plus/minus any investment returns and minus all fees that have been levied. The fund rules and the Income Tax Act state that you may take up to 1/3 of your member’s share as a cash lump sum and that the balance of the benefit must be used to purchase an annuity from a registered insurer.

You are only entitled to the Life Plan Optimiser and the Ill-health Income Booster if the annuity is purchased from Discovery Invest.

Tax, in accordance with the applicable tax rules and rates, as determined by the South African Revenue Service (SARS), will be applied on any lump sum and annuity payments. The income received from the annuities will be taxable as gross income in terms of the Income Tax Act.

You may take advantage of a 30-day “cooling-off” period, as provided for in the Long-term Insurance Act. The “cooling-off” period allows you to cancel your membership from the fund by sending a written cancellation notice to Discovery Invest, within 30 days of receipt of the Discovery Invest letter of acceptance and confirmation of your membership.

Your contributions will be administered in terms of the provisions of the Pension Funds Act and the fund rules.

10.3 CONTRIBUTIONS TO THE DISCOVERY RETIREMENT OPTIMISER

You may make monthly contributions to the Retirement Annuity Fund through the Discovery Retirement Optimiser. You may also make occasional lump sum ad hoc contributions but these won’t qualify for the Retirement Investment Integrator or Life Plan Optimiser benefits explained below. These contributions may be deductible from your taxable income in terms of the Income Tax Act.
10.3.1 **DO MY MONTHLY CONTRIBUTIONS INCREASE ANNUALLY?**

Monthly contributions to the Discovery Retirement Optimiser will increase annually at the CPI rate plus an additional percentage based on your age at the policy anniversary as set out in the table below:

<table>
<thead>
<tr>
<th>AGE NEXT AT POLICY ANNIVERSARY</th>
<th>ADDITIONAL PERCENTAGE INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 - 34</td>
<td>3.5%</td>
</tr>
<tr>
<td>35 - 49</td>
<td>4.5%</td>
</tr>
<tr>
<td>50+</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

CPI is defined as the latest available CPI Index figures at the time of producing the policy anniversary letters, and is capped at 15% per year.

10.3.2 **WHEN DO MY MONTHLY CONTRIBUTIONS END?**

Your monthly contributions will end when you reach your selected retirement age.

10.3.3 **WHAT HAPPENS IF I STOP PAYING MONTHLY CONTRIBUTIONS OR TRANSFER MY INVESTMENT TO ANOTHER PROVIDER BEFORE THE SELECTED RETIREMENT DATE?**

If you stop paying your monthly contributions or transfer your investment to another provider before your selected retirement date, your Retirement Annuity Fund becomes paid-up.

You may pay early exit fees as a percentage of your member’s share. This percentage will be a maximum of 15% in the first month, decreasing linearly to 0% over half the term of your investment. The minimum term over which it will decrease to zero is five years and the maximum is 10 years.

10.3.4 **HOW IS YOUR MEMBER’S SHARE CALCULATED WHEN DETERMINING THE PAID-UP VALUE?**

The member’s share is determined by the market value of the underlying units of the portfolios selected, based on the latest available unit prices at the time of making the Retirement Annuity Fund paid-up.

The paid-up value remains invested in the underlying portfolios until the selected retirement age.

10.4 **WHAT INVESTMENT CHOICES ARE AVAILABLE TO YOU?**

Your contributions will be invested in the underlying portfolios that you have selected. The portfolios selected and the distribution of the contributions between these portfolios is reflected on your Policy Schedule.

Should any of the underlying portfolios be capped or cease to exist, Discovery Invest will request an instruction for a new selection of underlying portfolios from you.

10.5 **WHAT FEES AND CHARGES ARE APPLICABLE TO MY INVESTMENT?**

The following charges and fees are applicable:

(A) **INITIAL FEES CHARGED BY DISCOVERY LIFE:**

There are no initial fees charged by Discovery Life. Therefore, 100% of each contribution is allocated to the selected portfolios for recurring contributions.

(B) **ADMINISTRATION FEES CHARGED BY DISCOVERY LIFE:**

Recurring contributions:

- An annual administration fee of 3.5% (Plus a fee equivalent to VAT) of the investment market value is charged by Discovery Life. Units are redeemed on a monthly basis equivalent to $\frac{1}{12}$ of this fee.

- You also qualify for Fee PayBack on Funds that have not been discounted through the Retirement Investment Integrator. Fee PayBack provides a reFund of up to 55% of all administration fees paid Plus growth on those fees at the end of 10 years and every five years thereafter. All subsequent Fee PayBack payments will be based on the cumulative administration fees paid Plus growth less any previous Fee PayBack payments. If your retirement date does not coincide with a Fee PayBack date (as described above), you will also receive a Fee PayBack at your retirement date. This Fee PayBack percentage is as follows:

\[
\text{(Number of completed months since the last Fee PayBack refund)} / 60 \times 55%.
\]
You will only receive this PayBack on your initial selected retirement date. If you retire after this, your Fee PayBack will be based on the longer duration according to the formula above. Should you retire more than 12 months before your final policy anniversary as initially selected, the additional Fee PayBack will not be paid.

- A policy fee of R25 (including VAT) is levied monthly on the Retirement Annuity. Units are redeemed on a monthly basis to recover the fee. The fee is recovered proportionally from all the portfolios that you selected. This R25 policy fee is increased by CPI each year.

(C) FEES CHARGED BY INVESTMENT MANAGERS:

An initial charge on the gross investment may be levied by the investment manager. Units are purchased with the net investment at the Net Asset Value (NAV) unit price (this is the price quoted by the investment manager).

Annual management fees are also levied by the investment managers and are incorporated into their NAV unit prices. These fees vary for each fund selected and can be found on the respective fund fact sheets on www.discovery.co.za.

The investment managers’ fees are subject to change from time to time.

(D) FEE REVIEWS:

Before any fee increases, Discovery Invest will inform you in writing about the changes as well as the options available to you. Any fee changes on the Retirement Annuity Fund must be approved by the board of trustees.

Note: Any lump-sum ad-hoc contributions to the Retirement Annuity will be charged fees in accordance with lump sum contributions as detailed in the latest Discovery Invest Retirement Plan Fact File, which is available from www.discovery.co.za. However, ad hoc contributions made to the Retirement Annuity through the Discovery Retirement Optimiser will not qualify for boosts from the Retirement Upfront Investment Integrator detailed in the Retirement Plan Fact File.

10.6 THE RETIREMENT INVESTMENT INTEGRATOR

As a Discovery Life Plan policyholder you may qualify for the Retirement Investment Integrator. This Integrator will give you an immediate reduction on annual administration fees, policy fees and asset management fees. This reduction will apply in respect of money invested in qualifying Discovery Funds.

The size of the fee reduction is dependent on the size of your monthly Discovery Retirement Annuity contribution as shown in the Retirement Investment Integrator table on your Policy Schedule. The table is reviewed annually in line with the average contribution increases on the Discovery Retirement Optimiser.

In order to qualify for the Retirement Investment Integrator you must have a Discovery Life Plan with a monthly premium at or above the current minimum qualifying premium. The required minimum Life Plan premium will be updated from time to time. If you make changes to your Discovery Life Plan, your new Life Plan premium will be compared to the minimum qualifying premium for the Retirement Investment Integrator to determine if you still qualify for the benefit.

If you make your Retirement Annuity paid up, your Retirement Investment Integrator will end.

QUALIFYING FUNDS

The fee reductions from the Retirement Investment Integrator will apply in respect of Discovery Funds, Escalator Funds based on Discovery Funds and indices, and Target Retirement Date Funds.

The fee reductions will not apply in respect of external funds, Escalator Funds based on external funds and to Discovery Invest’s Protector premiums embedded in the Escalator Funds. The fee reductions will also not apply to switching and early exit fees.

10.7 THE RETIREMENT PAYBACK BOOSTER

The Retirement PayBack Booster allows you to reinvest your Health, Vitality or Active Integrator PayBack from your Discovery Life Plan into your Retirement Annuity. The reinvested PayBack will be boosted (with growth) at retirement. This benefit applies to both the Annual Guaranteed PayBack and Cumulating PayBack.

The boost to your reinvested PayBack will be based on the ratio of your Retirement Annuity contribution to your Life Plan premium (excluding your Vitality and Vitality Active Rewards for Life contribution) at the time of the reinvestment, up to a maximum boost of 100%.
A policyholder elects to reinvest his Health Integrator PayBack into his Retirement Annuity Fund. At the time of the reinvestment, the policyholder is paying a monthly Life Plan premium of R2 000 and a monthly contribution of R1 000 to his Retirement Annuity Fund. The boost to his reinvested PayBack is then R1 000/R2 000 = 50%. This boost is payable at retirement.

You will have the option to either invest all, half or none of your Health, Vitality or Active Integrator PayBack into your Discovery Retirement Optimiser. You will make this selection at the start of your Discovery Retirement Optimiser policy, called your default selection. This default selection can be changed before every Health, Vitality or Active Integrator PayBack by contacting Discovery Life. If you do not contact Discovery Life to change your reinvestment proportion, your default reinvestment proportion will be applied.

Shortly after receiving the payment of your PayBack from Discovery Life, in your bank account, the relevant proportion of that PayBack will be withdrawn from the same bank account and invested into your Discovery Retirement Optimiser.

Should you lapse your Discovery Life Plan or make your Retirement Annuity paid-up, the Retirement PayBack Booster will fall away, but you will still be entitled to your reinvested Health, Vitality or Active Integrator PayBack in your Retirement Annuity.

Any reductions in your Retirement Annuity contributions or your Life Plan premium will result in a proportionate reduction of your Retirement PayBack Booster value.

Discovery Invest’s applicable fee structure for lump-sum investments will be applied to the reinvested PayBacks. Please see the Investment Plan Guide for details before making your decision. The reinvested PayBacks will not qualify for the Retirement Investment Integrator, Fee PayBack, the Life Plan Optimiser or Ill-Health Income Booster benefits.

Any PayBack reinvested within five years of your retirement will not qualify for a boost from the Retirement PayBack Booster. The selected reinvested portion of your PayBack will however continue to be debited from your account and invested into your Discovery Retirement Optimiser.

**TAX TREATMENT**

The reinvested Health, Vitality or Active Integrator PayBacks will be tax deductible in your hands, up to certain limits, according to current tax legislation (March 2015).

**10.8 CAN I SWITCH BETWEEN PORTFOLIOS?**

You may switch between portfolios at any time, subject to the practice of Discovery Invest at the time.

The current practice is to allow four free switches per year. Additional switches will attract a fee of 0.25% of the value switched, capped at a maximum of R500 per transaction.

A switch will be subject to any initial charges levied by the investment managers.

**10.9 WHAT IMPACT DOES TAX HAVE ON MY INVESTMENT PERFORMANCE?**

In the Retirement Annuity Fund, interest, net rental income and dividends will be taxed according to the Tax on Retirement Funds Act. This current tax rate is 0% (March 2015).

Capital gains are currently not taxable in the Retirement Annuity Fund.

**10.10 CAN I ALTER MY SELECTED RETIREMENT AGE FROM THAT SELECTED AT INCEPTION?**

Irrespective of the retirement age you selected at inception, you may accelerate or defer your actual retirement date, as long as your actual retirement age is age 55 or above. However, you may not alter your retirement age in the last 10 years prior to your initial selected retirement age.

Should your actual retirement age be earlier than initially selected, your retirement benefits will be proportionately adjusted on the same basis as discussed in paragraph 10.3.3. In addition, the Life Plan Optimiser may be adjusted as described in paragraph 10.14.

If you defer your actual retirement age, your investment as well as future contributions will continue until the new retirement date.

**10.11 CAN I ADJUST MY MONTHLY CONTRIBUTIONS BEFORE THE SELECTED RETIREMENT AGE?**

Yes. You may adjust your contributions before the selected retirement date. Additional contributions may be allocated to the available portfolios at that time.
A reduction in contributions will result in a reduction in the member’s share at the time that the contribution is reduced. This reduction is calculated on the basis described in paragraph 10.3.3 and applies only to a portion of the member’s share. The portion of the member’s share that is reduced is equivalent to the percentage reduction in contribution.

Reducing your contributions will also result in a recalculation of your Life Plan Optimiser benefit, your fee reduction from the Retirement Investment Integrator as well as your Retirement PayBack Booster.

10.12 WHAT HAPPENS IF I DIE BEFORE MY SELECTED RETIREMENT AGE?

The death benefit amount, as described below, is payable to your nominated beneficiaries. Section 37C of the Pension Funds Act applies, which requires the board of trustees of the fund to distribute your benefits equitably between your dependants (whether nominated as beneficiaries or not) and/or nominated beneficiaries. Should you require a detailed explanation of the terms ‘beneficiary’ and ‘dependant’, please contact Discovery Invest.

You may alter your beneficiary nomination at any time by notifying Discovery Invest in writing. Notification must reach Discovery Invest before your death, failing which the trustees of the fund will not consider the notification.

THE DEATH BENEFIT AMOUNT

The death benefit is equivalent to the fund value as described in paragraph 10.3.3 with a minimum value of the sum of contributions paid. The fund value is equivalent to the member’s share, which is subject to tax according to the Income Tax Act.

In addition, if you qualify for the Retirement PayBack Booster, your accrued boost will pay out on your death.

10.13 WHAT HAPPENS IF I RETIRE BEFORE THE SELECTED RETIREMENT DATE DUE TO ILL HEALTH?

Should you retire due to ill health as defined in the Pension Funds Act, the fund value, as defined in paragraph 10.12, is payable. In this case, the Life Plan Optimiser will be forfeited.

10.14 THE LIFE PLAN OPTIMISER

The Life Plan Optimiser, as shown in your Policy Schedule, provides additional retirement benefits at your selected retirement age. The amount of the additional benefit is paid to you annually in advance for the rest of your life. Your entitlement to each Life Plan Optimiser instalment is dependent on your Life Plan policy being in force at the time of payment.

Your Life Plan Optimiser will provide you with a percentage boost to your Retirement Annuity value at your selected retirement age. This boost is determined by the number of years from inception until your chosen retirement date, the ancillaries on your Life Plan and the size of your Life Fund (excluding Cover and Financial Integrator). This is shown in your Policy Schedule. The qualifying criteria will be updated annually by Discovery Invest. The Life Plan Optimiser boost will then be divided by the larger of 10 or the number of years from retirement until you reach age 75, to determine the size of the instalments.

Under current tax practice (March 2015), these instalments are paid tax free.

Each instalment in retirement is increased by CPI for the years from the selected retirement date to the payment date of that instalment.

EXAMPLE

If the boost provided by the Life Plan Optimiser at your retirement age of 65 was R200 000, it would be divided by 10 and paid from your selected retirement age for the rest of your life as follows (assuming CPI at 10% per year):

| PAYMENT AT SELECTED RETIREMENT AGE | R20 000 |
| PAYMENT ONE YEAR AFTER SELECTED RETIREMENT AGE | R22 000 |
| PAYMENT TWO YEARS AFTER SELECTED RETIREMENT AGE | R24 200 |
| PAYMENT THREE YEARS AFTER SELECTED RETIREMENT AGE | R26 620 |

Should you voluntarily reduce your Life Plan premium during retirement, your entitlement to the remaining instalments will be reduced proportionately. Similarly, a change in your Life Plan premium resulting from a claim on the ancillary benefit(s) of the principal life will affect your entitlement to the remaining instalments (see section 10.16.2).

The Life Plan Optimiser is not payable should you elect to transfer your share of the Retirement Annuity Fund for purchase of an annuity to another insurer or financial institution.
Should you retire before your selected retirement age, your Life Plan Optimiser will be reduced proportionately in line with the applicable Life Plan Optimiser benefit qualifying criteria at the time.

The recalculated Life Plan Optimiser will be payable from your actual retirement age as described above.

If you defer your actual retirement age, any further build up in the value of your Life Plan Optimiser will be adjusted to take into account the increase in your term to retirement.

Reducing your contributions will also result in a proportional reduction of your Life Plan Optimiser benefit.

### 10.15 THE ILL-HEALTH INCOME BOOSTER

If you are receiving an income from Discovery Invest in retirement (by means of a Discovery Invest Retirement Income Plan purchased from your Discovery Retirement Optimiser), this income will be enhanced if the principal life suffers a severe illness or disability. This enhancement is only applicable on the occurrence of a severe illness or disability after the selected retirement age and does not apply to the occurrence of illnesses or disabilities that are related or are a progression of an illness that occurred prior to the selected retirement age. The amount of the enhancement is based on the average level of income (excluding the lump sum payment at retirement) received in the 12 months before the occurrence of the illness.

Although you are not required to attach the Severe Illness Benefit or Capital Disability Benefit to your Life Fund for entitlement to this enhancement, the amount of the enhancement will be based on the severity of your illness or disability as measured by the definitions of the Severe Illness Benefit and the Capital Disability Benefit as contained in the Individual Life Plan Guide which is available from www.discovery.co.za.

The income will be enhanced by a certain percentage for the duration set out below:

<table>
<thead>
<tr>
<th>SEVERITY OF SEVERE ILLNESS BENEFIT EVENT</th>
<th>CATEGORY OF CAPITAL DISABILITY BENEFIT EVENT</th>
<th>PERCENTAGE ENHANCEMENT TO GROSS INCOME</th>
<th>TERM OF INCOME ENHANCEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>A or D (if applicable to your occupation)</td>
<td>25.00%</td>
<td>Whole life</td>
</tr>
<tr>
<td>B</td>
<td>B</td>
<td>18.75%</td>
<td>10 years</td>
</tr>
<tr>
<td>C</td>
<td></td>
<td>12.50%</td>
<td>5 years</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>6.25%</td>
<td>2 years</td>
</tr>
</tbody>
</table>

Should you receive an income from Discovery Invest in any year in retirement of more than 10% per year of the value of the fund at the beginning of that year, the enhancement will be capped based on an amount of income that would have been provided had you taken an income of 10% of the fund value at the beginning of that year in which the illness occurred.

The Ill-health Income Booster is not applied to any benefits received in retirement from the Life Plan Optimiser.

The Ill-health Income Booster is provided as long as your Life Plan remains in force. If you cancel or reduce your Life Fund or its attached benefits at any time in retirement, your current and future entitlement to the Ill-health Income Booster will be proportionately reduced.

The payment of the subsequent claim is dependent on whether the claim is progressive, related or unrelated:

- A progressive claim refers to conditions where a worsening of symptoms or stages of the disease can be expected, for example the progression of cancer, connective tissue disease or respiratory disease. A relapse of a previous cancer will be assessed as a progressive illness.
- A related claim is a claim where there is a link to a previous claim, for example, complications or consequences of a disease or injury previously claimed for. This would be where the later claim would not have arisen if it was not for the initial condition or illness. It also includes side effects or complications of treatment of the previously claimed for condition. Progressive claims are not included in this definition.
- An unrelated claim is a claim which is not related or due to the original claim.

If a severe Illness or disability arises that is related to or a progression of the current illness or disability and is more severe, the amount of the enhancement will be increased. In this case, the increased enhancement will be provided for the remaining term of the enhancement at the higher severity as shown in the table above. The remaining term is defined as the new term for which the subsequent condition qualifies, less the term for which payments were already made for the initial condition.

If during the term of the income enhancement, or within 6 months of the expiry of the term of the previous income enhancement a severe Illness or disability arises that is unrelated to the previous enhancement and is more severe, the amount of the enhancement will be increased. In this case, the increased enhancement will be provided for the remaining term of the enhancement at the higher severity as
shown in the table above.

Should an unrelated illness occur six months or later after the expiry of the benefit enhancement term of the previous illness, a subsequent enhancement will commence based on the severity of the new illness.

The Ill-health Income Booster expires on the earlier of:

- expiry of the benefit enhancement term
- death
- in the case of Category D disability claims, at the earlier of ceasing to work and age 65.

10.16 YOUR LIFE FUND

10.16.1 WHAT HAPPENS IF I STOP OR REDUCE MY DISCOVERY LIFE PLAN PREMIUMS?

- Should you cancel your Life Fund before your selected retirement age or during retirement, you will not be entitled to any future benefits from the Retirement Investment Integrator, Retirement PayBack Booster, Life Plan Optimiser or Ill-health Income Booster.
- Should you reduce your Life Plan premiums, your Discovery Retirement Optimiser benefits will be affected as follows:
  a) If your new resultant Life Plan premium is below the minimum qualifying premium for the Retirement Investment Integrator at the time, you will not receive any further fee reductions from the Retirement Investment Integrator.
  b) Your accrued Retirement PayBack Booster will be reduced proportionately
  c) Your Life Plan Optimiser will be recalculated. These recalculations are based on your Life Plan premium, the size of your Life Fund and attached ancillary benefits after the alteration to these benefits and the latest Life Plan Optimiser benefit tables.
  d) Your Ill-health Income Booster will be reduced proportionately
- The Discovery Retirement Optimiser is only available on Life Plans which have automatic annual benefit increases that are greater than zero.
- In all cases, you may continue your contributions to the Discovery Retirement Optimiser.

10.16.2 HOW DO CLAIMS ON MY LIFE FUND AFFECT THE DISCOVERY RETIREMENT OPTIMISER?

The impact on your Discovery Retirement Optimiser will depend on whether you make claims against your Life Fund before or after your selected retirement age.

BEFORE YOUR SELECTED RETIREMENT AGE:

- Should the claim result in a reduction of your Life Plan premium, you will no longer qualify for the Retirement Investment Integrator if your resultant premium is less than the minimum qualifying premium at the time. A reduction in your Life Plan premium will also result in a proportional reduction of your Retirement PayBack Booster.
- Should a claim occur on any risk benefit attached to the Life Fund which results in the Life Fund terminating before your selected retirement age, there is no further entitlement to the Life Plan Optimiser and Ill-health Income Booster. Should the claim have arisen from the spouse, the principal life will be given the option to continue the risk benefits applicable at that time without medical underwriting. Continuing with these risk benefits in full will reinstate entitlement to the Life Plan Optimiser and Ill-health Income Booster.
- Should the Life Fund be reduced by a claim on an ancillary benefit of the principal life, the entitlement to the Life Plan Optimiser may be reduced. This reduction is based on the resultant ancillary take-up of your Life Plan after the claim and the Life Plan Optimiser benefit tables at the time. Should these claims arise from the spouse, the Life Plan Optimiser will not be affected, unless the Life Plan premium is reduced as a result.

AFTER YOUR SELECTED RETIREMENT AGE:

- On the death of the principal life in retirement, the instalments of the Life Plan Optimiser will end. There will be no future entitlement to the Ill-health Income Booster.
- Should the Life Fund be reduced by a claim on the ancillary benefit(s) of the principal life, the remaining Life Plan Optimiser instalments will be adjusted proportionately based on the change in Life Plan premium.
- AccessCover or AccessCover Plus claims will not have an impact on your Discovery Retirement Optimiser.
10.16.3 HOW DO THE BENEFITS AFFECT MY LIFE FUND?

Benefits received from the Discovery retirement Optimiser will reduce your Life Fund during retirement. The reductions to your Life Fund occur as follows:

- The Life Plan Optimiser is paid in annual instalments in advance for the rest of your life in retirement and is deducted from your Life Fund when payment is made.
- The deduction from your Life Fund in any year as a result of the Life Plan Optimiser may not exceed 4% of your Life Fund at your selected retirement age.
- The Ill-health Income Booster has no impact on your Life Fund.
- Your Life Fund will not be reduced below 50% of your Life Fund value at your selected retirement age as a result of these deductions.

All ancillary benefits attached to your Life Fund, including the Minimum Protected Fund, are also proportionately reduced as a result of the deductions described above. The Philanthropy Fund, Cover Integrator and Financial Integrator Fund will not reduce as a result of the deductions above.

The example below illustrates how the deductions in retirement affect your Life Fund.

**EXAMPLE**

A policyholder retires at age 65 with a Life Fund of R1 000 000. In addition, the policyholder had a Retirement Fund of R360 000, with an additional Life Plan Optimiser of R120 000.

The Retirement Fund is used to purchase a compulsory annuity of R12 000 per year. In addition, the Life Plan Optimiser is paid to him in annual instalments (R12 000 per year) for the rest of his life, increasing at CPI. Assume CPI of 10% per year. (See table below).

<table>
<thead>
<tr>
<th>AGE</th>
<th>LIFE FUND (GROWING BY CPI)</th>
<th>LIFE PLAN OPTIMISER DEDUCTION</th>
<th>REMAINING LIFE FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>R1 000 000</td>
<td>R12 000</td>
<td>R988 000</td>
</tr>
<tr>
<td>66</td>
<td>R1 086 800</td>
<td>R13 200</td>
<td>R1 073 600</td>
</tr>
<tr>
<td>67</td>
<td>R1 180 960</td>
<td>R14 520</td>
<td>R1 166 440</td>
</tr>
<tr>
<td>68</td>
<td>R1 283 084</td>
<td>R15 972</td>
<td>R1 267 112</td>
</tr>
<tr>
<td>69</td>
<td>R1 393 823</td>
<td>R17 569</td>
<td>R1 376 254</td>
</tr>
<tr>
<td>70</td>
<td>R1 513 880</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>71</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
</tbody>
</table>

The Life Plan Optimiser deductions do not exceed 4% of the Life Fund at age 65 and are therefore deducted in full from age 65. If it exceeded R40 000 (4% of R1 000 000), the deduction would have been capped at R40 000 per year. The Life Fund will not be reduced to less than R500 000 (50% of R1 000 000) as a result of the Life Plan Optimiser deductions.

10.16.4 HOW DOES THE PREMIUM WAIVER BENEFIT ON SEVERE ILLNESS AND DISABILITY AFFECT YOUR CONTRIBUTIONS?

When you select the Premium Waiver Benefit on severe illness or disability, you may choose for the waiver to cover your Discovery Retirement Optimiser contributions as well. Should you meet the claim criteria as defined for the Premium Waiver Benefit on severe illness or disability (as defined in Sections 6 and 7), the contributions to your Discovery Retirement Optimiser will be paid by Discovery Invest until the earlier of your retirement age selected at inception of the contract and age 65. The Premium Waiver Benefit will cover increases to a maximum of 20% per year.

10.17 HOW ARE TRANSACTIONS RELATING TO THE DISCOVERY RETIREMENT OPTIMISER PROCESSED?

In terms of an administration agreement between Discovery Invest and Discovery Life Limited the linked Endowments and funds within the investment account linked to the investor’s Discovery Retirement Optimiser including the placement of purchase instructions, switches, encashments/withdrawals, amendments to the Discovery Retirement Optimiser are administered by Discovery Invest.
Discovery Invest is a wholly owned subsidiary of Discovery Limited and is an authorised South African financial services provider duly registered in terms of section 8 of the FAIS Act and by virtue thereof is entitled to effect such administration. Discovery Invest will only process an instruction on receipt of a correctly completed standard transaction form (STF).

The rules and conditions in respect of all transactions relating to the Discovery Retirement Optimiser are contained in the Discovery Invest Business Practices Manual which is available from www.discovery.co.za. You acknowledge that you have read and understand the contents of this manual before you instruct Discovery Invest, and that you are bound by its terms and conditions.

10.18 BUSINESS PRACTICES

10.18.1 HOW SHOULD YOU ISSUE INSTRUCTIONS TO DISCOVERY INVEST?

Instructions must be given in writing on the relevant forms. These instructions must be given to Discovery Invest by fax 011 539 4001 or emailed to invest_support@discovery.co.za. Copies of the forms are available from us on 0860 67 5777.

10.18.2 WILL YOU RECEIVE REGULAR BENEFIT STATEMENTS ON YOUR INVESTMENT?

Discovery Invest will provide a quarterly statement of your investment, reflecting your investment values and all transactions during a specified period (or previous quarter).

10.18.3 CONTACT DETAILS

For more information, please contact your financial adviser. You can also call us on 0860 67 5777. You can also visit www.discovery.co.za for more information.
ANNUITY INTEGRATOR

INTRODUCTION

The Annuity Integrator (the “Benefit”) may be selected as an ancillary benefit to your Life Plan and is aimed at enhancing your annuity income by using your unneeded risk cover. The Benefit is available when you integrate your Life Plan with a Discovery Invest Retirement Income Plan. The Benefit provides:

- enhancements to your annuity benefits from the Life Plan Optimiser;
- enhancements to your annuity benefits from the Ill-health Income Booster in the event of suffering a severe illness;
- enhancements to your annuity benefits every 10 years after your annuity inception date if you survive to the respective 10-year anniversaries. This is achieved by the Longevity Booster.

11.1 THE LIFE PLAN OPTIMISER

The Life Plan Optimiser, as shown in the Policy Schedule, provides additional annuity benefits from inception of your Discovery Invest Retirement Income Plan. The amount of the additional benefit is paid to you over a 15-year term as an enhancement to each Discovery Invest annuity instalment. Your entitlement to each Life Plan Optimiser instalment depends on whether your Life Plan policy is in force at the time of payment.

Under current tax practice (March 2015), these instalments are paid tax free.

EXAMPLE

The Life Plan Optimiser is calculated as a 20% enhancement to your Discovery Invest annuity income. The annuity income is R100 000 per year, growing by 10% per year. The Life Plan Optimiser boosters paid from the selected annuity entry age are as follows:

<table>
<thead>
<tr>
<th>PAYMENT AT ANNUITY INCEPTION</th>
<th>R20 000</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAYMENT ONE YEAR AFTER ANNUITY INCEPTION</td>
<td>R22 000</td>
</tr>
<tr>
<td>PAYMENT TWO YEARS AFTER ANNUITY INCEPTION</td>
<td>R24 200</td>
</tr>
<tr>
<td>PAYMENT THREE YEARS AFTER ANNUITY INCEPTION</td>
<td>R26 620</td>
</tr>
<tr>
<td>PAYMENT 14 YEARS AFTER ANNUITY INCEPTION</td>
<td>R75 950</td>
</tr>
</tbody>
</table>

Should you voluntarily reduce your Life Fund or its attached benefits during this 15-year payment period, your entitlement to the remaining instalments will be reduced proportionately.

11.2 THE ILL-HEALTH INCOME BOOSTER

If you are receiving an annuity income from Discovery Invest in retirement, this annuity income will be enhanced if the principal life suffers a severe illness. The amount of the enhancement is based on the average level of annuity income received in the 12 months before the occurrence of the illness.

Although you are not required to attach the Severe Illness Benefit to your Life Fund to receive this enhancement, the amount of the enhancement will be based on the severity of your illness as measured by the definitions of the Severe Illness Benefit (Appendix 1) as contained in the Individual Life Plan Guide.

The annuity income will be enhanced by a certain percentage for the duration set out below:

<table>
<thead>
<tr>
<th>SEVERITY OF SEVERE ILLNESS EVENT</th>
<th>PERCENTAGE ENHANCEMENT TO GROSS INCOME</th>
<th>TERM OF INCOME ENHANCEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>25.00%</td>
<td>Whole of life</td>
</tr>
<tr>
<td>B</td>
<td>18.75%</td>
<td>10 years</td>
</tr>
</tbody>
</table>

If your Discovery Invest annuity income exceeds 10% per year of the value of the Fund at the beginning of that year, the enhancement will be capped based on an amount of income that would have been provided had you taken an income of 10% of the Fund value at the beginning of that year in which the illness occurred.
The Ill-health Income Booster is provided as long as your Life Plan remains in force. The Ill-health Income Booster is not applied to any benefits received in retirement from the Life Plan Optimiser and the Longevity Booster. The amount of the enhancement will be increased if the severity of your current illness or a subsequent illness is at a higher severity than the previous enhancement. In this case, the increased enhancement will be provided for the remaining term of the enhancement at the higher severity as shown in the table above. Should a new illness occur six months or later after the expiry of the benefit enhancement term of the previous illness, a subsequent enhancement will commence based on the severity of the new illness.

11.3 THE LONGEVITY BOOSTER

Your Discovery Invest annuity income will be enhanced by the Longevity Booster. The Longevity Booster is payable every 10 years after inception of the annuity as an enhancement to the annuity income. The amount payable every 10 years is equal to the Longevity Booster percentage of 7.5%, multiplied by the net investment value (as indicated on your Discovery Invest Retirement Income Plan policy schedule) at the selected annuity entry age. The Longevity Booster is tax free in the recipient’s hands under current tax legislation (March 2015). The Longevity Booster first becomes payable 10 years after the actual annuity entry age.

The Longevity Booster is payable in 10 annual instalments from the 10th anniversary following inception of the Retirement Income Plan. The annual instalments are increased by the CPI rate applicable over the duration from the selected retirement age to the payment date of each annual instalment.

EXAMPLE

If the net investment, at age 65, was R1 000 000, the Longevity Booster available is calculated as follows (assuming CPI of 10% per year):

Longevity Booster at age 75  = (R1 000 000 x 7.5%), increased at CPI for 10 years
= R194 531

This is payable over 10 years as follows:

<table>
<thead>
<tr>
<th>Payment at age 75</th>
<th>R19 453</th>
<th>Payment at age 80</th>
<th>R31 329</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment at age 76</td>
<td>R21 398</td>
<td>Payment at age 81</td>
<td>R34 462</td>
</tr>
<tr>
<td>Payment at age 77</td>
<td>R23 538</td>
<td>Payment at age 82</td>
<td>R37 908</td>
</tr>
<tr>
<td>Payment at age 78</td>
<td>R25 892</td>
<td>Payment at age 83</td>
<td>R41 699</td>
</tr>
<tr>
<td>Payment at age 79</td>
<td>R24 481</td>
<td>Payment at age 84</td>
<td>R45 869</td>
</tr>
</tbody>
</table>

If you die before all 10 of the annual instalments have been paid, the balance of the Longevity Booster, accumulated at CPI from the date that it accrues to the date of death is payable to the nominated beneficiaries on your Life Plan.

To illustrate how the death benefit is calculated, assume that death occurred after three years in the above example:

Death benefit = Accumulated Longevity Booster after three years after deductions of instalments already paid
Accumulated value after year 1 = (R194 531 – R19 453) x (1.1) = R192 585
Accumulated value after year 2 = (R192 585 – R21 398) x (1.1) = R188 305
Accumulated value after year 3 = (R188 305 – R23 538) x (1.1) = R181 244
Therefore the death benefit = R181 244.

The Longevity Booster is provided only if your Life Plan remains active. If you cancel or reduce your Life Fund and its attached benefits at any time in retirement, your current and future entitlement to the Longevity Booster will be proportionately reduced.
11.4 THE INVESTMENT PERFORMANCE PROTECTOR (ONLY APPLICABLE TO LINKED RETIREMENT INCOME PLANS AND GUARANTEED ESCALATOR ANNUITY)

The Investment Performance Protector enhances your Longevity Booster benefit payment. The enhancement will depend on your Linked Retirement Income Plan or Guaranteed Escalator Annuity investment performance and your average annual withdrawal rate over the past 10 years.

The Investment Performance Protector Matrix is used at the end of every 10 years to determine the enhancement you will receive for the next full 10-year period.

<table>
<thead>
<tr>
<th>ANNUAL WITHDRAWAL RATE</th>
<th>2.5% TO 4%</th>
<th>ABOVE 4% TO 7%</th>
<th>ABOVE 7% TO 10%</th>
<th>ABOVE 10% TO 13%</th>
<th>ABOVE 13% TO 17.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than or equal to CPI - 5%</td>
<td>100%</td>
<td>80%</td>
<td>50%</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>CPI - 5% &lt; return ≤ CPI - 2.5%</td>
<td>80%</td>
<td>60%</td>
<td>40%</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>CPI - 2.5% &lt; return ≤ CPI</td>
<td>60%</td>
<td>35%</td>
<td>30%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>CPI &lt; return ≤ CPI + 3%</td>
<td>35%</td>
<td>30%</td>
<td>25%</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>CPI + 3% &lt; return ≤ CPI + 5%</td>
<td>30%</td>
<td>25%</td>
<td>15%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>&gt; CPI + 5%</td>
<td>25%</td>
<td>20%</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
</tr>
</tbody>
</table>

To illustrate how the Investment Performance Protector is calculated for the above example, assume that over the last 10 years the average annual return equaled CPI and that the average annual withdrawal rate was 10%. The Longevity Booster will therefore be enhanced by 30% (i.e., the Longevity Booster percentage is recalculated to equal 7.5% x 1.3) over the next 10 years, resulting in the annual Longevity Booster payments increasing to:

- Payment at age 75: R25 289
- Payment at age 76: R27 818
- Payment at age 77: R30 600
- Payment at age 78: R33 660
- Payment at age 84: R59 630

11.5 YOUR LIFE FUND

11.5.1 WHAT HAPPENS IF I CEASE OR REDUCE MY CONTRIBUTIONS TO THE LIFE PLAN?

- If you cancel your Life Plan during the duration of your annuity, you will not be entitled to any future benefits from the Life Plan Optimiser, Ill-health Income Booster and Longevity Booster.
- Should you reduce your contributions to the Life Plan and the attached ancillary benefits during the duration of your annuity or change your Life Plan Funding structure, your current and future entitlements to the Life Plan Optimiser, Ill-health Income Booster and Longevity Booster will be reduced. This reduction is based on the duration in force of your Life Plan, your age at the time of alteration and the size of your Life Fund and attached ancillary benefits after the alteration to these benefits.
- If you alter your automatic annual contribution increases during the duration of your annuity, your Life Plan Optimiser, Ill-health Income Booster and Longevity Booster will be recalculated.

11.5.2 HOW DO CLAIMS ON MY LIFE FUND AFFECT THE ANNUITY INTEGRATOR?

- On the death of the principal life in retirement, the remaining instalments, if any, of the Life Plan Optimiser will cease. There will be no future entitlement to the Ill-health Income Booster. The Longevity Booster that has accrued but not yet been paid (as described in Section 11.3) will be paid out as a lump sum to the nominated beneficiaries.
- If the Life Fund is reduced by a claim on the ancillary benefit(s) of the principal life and/or spouse, the entitlement to the remaining Life Plan Optimiser instalments will be adjusted based on the duration in force of your Life Fund, your age at the time of the claim and the size of your Life Fund and attached ancillary benefits after the claim.
- If a claim occurs on any of the spouse benefits attached to the Life Fund which results in the Life Fund terminating, the principal life will be given the option to continue the risk benefits applicable at that time without medical underwriting. Continuation of these risk benefits in full will reinstate entitlement to the Life Plan Optimiser, Ill-health Income Booster and Longevity Booster.
- AccessCover or AccessCover Plus claims will not have an impact on your Annuity Integrator.
11.5.3 HOW DO THE BENEFITS FROM THE ANNUITY INTEGRATOR AND DISCOVERY INVEST RETIREMENT INCOME PLAN AFFECT MY LIFE FUND?

Benefits received from the Annuity Integrator and Discovery Invest Retirement Income Plan will reduce your Life Fund during the duration of your annuity. The reductions to your Life Fund occur as follows:

- Discovery Invest annuity income, including the Life Plan Optimiser, the Longevity Booster and Investment Performance Protector (if applicable), will reduce your Life Fund.
- The Life Plan Optimiser is paid in advance during the first 15 years of your Discovery Invest Retirement Income Plan and is deducted from your Life Fund when payment is made.
- The Longevity Booster (including the potential enhancement from the Investment Performance Protector) is paid in 10 instalments from each 10-year anniversary in retirement and is deducted from your Life Fund when payment is made.
- The deduction from your Life Fund in any year as a result of your Discovery Invest annuity income, your Life Plan Optimiser, your Longevity Booster and Investment Performance Protector (if applicable), may not exceed 4% of your Life Fund at the entry age of your Discovery Invest Retirement Income Plan.
- The Ill-health Income Booster has no impact on your Life Fund.
- Your Life Fund will not be reduced below 50% of your Life Fund value at your selected annuity entry age as a result of these deductions.

All ancillary benefits attached to your Life Fund, including the Minimum Protected Fund, are also proportionately reduced as a result of the deductions described above. The Cover Integrator and Financial Integrator Fund will not reduce as a result of these deductions.

The example below illustrates how the deductions from inception of the Retirement Income Plan affect your Life Fund:

**EXAMPLE**

A policyholder buys a Discovery Invest Retirement Income Plan at age 65 with a Life Fund of R1 000 000. In addition, the policyholder had a Retirement Fund of R360 000, with an additional Life Plan Optimiser boost, equal to 20% of annuity income for 15 years. The policyholder purchased a compulsory annuity of R12 000 per year growing by 10% each year.

<table>
<thead>
<tr>
<th>AGE</th>
<th>LIFE FUND</th>
<th>ANNUITY INCOME DEDUCTION</th>
<th>LIFE PLAN OPTIMISER DEDUCTION</th>
<th>REMAINING LIFE FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>R1 000 000</td>
<td>R12 000</td>
<td>R2 400</td>
<td>R985 600</td>
</tr>
<tr>
<td>66</td>
<td>R985 600</td>
<td>R13 200</td>
<td>R2 640</td>
<td>R969 760</td>
</tr>
<tr>
<td>67</td>
<td>R969 760</td>
<td>R14 520</td>
<td>R2 904</td>
<td>R952 336</td>
</tr>
<tr>
<td>68</td>
<td>R952 336</td>
<td>R15 972</td>
<td>R3 194</td>
<td>R933 170</td>
</tr>
<tr>
<td>69</td>
<td>R933 170</td>
<td>R17 569</td>
<td>R3 514</td>
<td>R912 087</td>
</tr>
<tr>
<td>70</td>
<td>R912 087</td>
<td>R19 326</td>
<td>R3 865</td>
<td>R888 895</td>
</tr>
<tr>
<td>71</td>
<td>R888 895</td>
<td>R21 259</td>
<td>R4 252</td>
<td>R863 385</td>
</tr>
<tr>
<td>72</td>
<td>R863 385</td>
<td>R23 385</td>
<td>R4 677</td>
<td>R835 323</td>
</tr>
</tbody>
</table>

Note: The sum of the annuity income deductions and Life Plan Optimiser deductions does not exceed 4% of the Life Fund at age 65 and is therefore deducted in full over a 15-year period from age 65. Had it exceeded R40 000 (4% of R1 000 000), the deduction would have been capped at R40 000 per year. The example does not take into account the Longevity Booster.

Had a Longevity Booster been payable, it would also have been deducted from the Life Fund over a 10-year term. The amount of the deduction would have been added to the annuity income deductions and Life Plan Optimiser deductions up to the 4% cap.
REWARDS FOR MANAGING YOUR HEALTH

HOW DO WE REWARD CLIENTS FOR MANAGING THEIR HEALTH?

Discovery’s Life Plan is a dynamic policy, which, while it compensates you for events that influence your quality of life, also rewards you for managing and improving your health. This is achieved through Vitality, and Vitality Active Rewards for Life, which form a valuable foundation to the Life Plan.

12.1 VITALITY

This programme is applicable to you, provided you have chosen to join Vitality through the Life Plan, or if you are already a member of Vitality through the Discovery Health Plan. There is a monthly premium for this benefit.

Vitality is a patented programme (SA patent no 99/1746), designed to encourage you to look after your health and improve your lifestyle. By improving your health, you reduce your long-term healthcare costs.

Please refer to the Vitality portfolio included with your policy documents if you are a member of the programme. Information is updated with your quarterly Vitality statement and further information may be found on Discovery’s website at www.discovery.co.za.

12.1.1 CAN MY VITALITY MEMBERSHIP EXPIRE?

Yes. Your Vitality membership will expire (and all benefit vouchers will be cancelled) if your premium on your Life Plan falls below the qualifying level for Vitality membership and, in the case of Discovery Health members, if you resign from the medical scheme.

You have the right to cancel your Vitality membership. However, if your Vitality membership includes members who are also included on your Health Plan or Life Plan you may be required to first remove them from the Health Plan or Life Plan before you can cancel your Vitality membership.

12.1.2 WHO QUALIFIES FOR VITALITY MEMBERSHIP?

Any person assured by your Discovery Life Plan (excluding those covered under the Parent Severe Illness Benefit) or Health Plan is regarded as a dependant on your Vitality membership.

12.2 VITALITY ACTIVE REWARDS FOR LIFE

The Vitality Active Rewards for Life programme is designed for clients that do not have Vitality or Discovery Health, and who have an Active Integrator Life Plan.

The programme provides short term incentives to encourage clients to improve their physical activity levels to a healthy level. Please refer to the Discovery website at www.discovery.co.za for further information.

12.2.1 CAN MY VITALITY ACTIVE REWARDS FOR LIFE MEMBERSHIP EXPIRE?

Yes. Your Vitality Active Rewards for Life membership will expire (and all benefit vouchers will be cancelled) if your premium on your Life Plan falls below the qualifying level for Vitality Active Rewards for Life membership.

You have the right to cancel your Vitality Active Rewards for Life membership. However, if your Vitality Active Rewards for Life membership includes members who are also included on your Life Plan you may be required to first remove them from the Life Plan before you can cancel your membership.

12.2.2 WHO QUALIFIES FOR VITALITY ACTIVE REWARDS FOR LIFE MEMBERSHIP

A principal and spouse assured on an Active Integrator Life Plan may be members of Vitality Active Rewards for Life.
HOW TO CLAIM AND RECEIVE YOUR BENEFITS

HOW DO I RECEIVE A BENEFIT PAYMENT?

Should you experience a life-changing event for which you are claiming a benefit payment, please contact your financial adviser or Discovery Life Claims at 0860 103 905. Discovery Life will then provide you with the necessary forms and protocols for any medical information needed.

13.1 SEVERE ILLNESS AND DISABILITY BENEFIT PAYMENTS

13.1.1 In addition to the forms and protocols required, you will also be required to provide Discovery Life with the following details within 60 days of the date of diagnosis of your severe illness or disability:

- The nature of your claim
- Other assurance products that you hold which also cover the benefits for which you are claiming.

13.1.2 Should Discovery Life reject your claim and you want to challenge the decision legally, you must do so within six months after the date of rejection. If you fail to do this, you will forfeit any potential benefit payments as a result of your claim.

13.2 DEATH CLAIMS

13.2.1 The benefit payment will be made to the nominated beneficiary or cessionary. The beneficiary or cessionary, or any other nominated person, such as the executor of the estate, needs to notify the financial adviser or Discovery Life’s service centre of the death claim.

13.2.2 In addition to the forms and protocols required, the beneficiary or cessionary will also be required to provide Discovery Life with the following details within 60 days of the date of death:

- The date and cause of death
- The contact person responsible for completing the documentation.

13.2.3 Should Discovery Life reject the claim and the beneficiary or cessionary wants to challenge the decision legally, the beneficiary or cessionary must do so within six months of the date of rejection. If they fail to do this, they will forfeit any potential benefit payments as a result of the claim.

13.3 WHAT IS THE EFFECT OF BENEFIT PAYMENTS ON MY LIFE FUND?

The following example illustrates the effect of benefit payments on the Life Fund.

For purposes of this example, assume a Life Fund of R1 000 000 with no benefit increase options was purchased. In addition, cover for the Severe Illness Benefit and Capital Disability Benefit has also been selected. The benefit percentage for each of these benefits is 50% of the Life Fund.

13.3.1 FIRST CLAIM

Severe Illness Benefit claim: assume Severity Level D applies (ie 25%)

Your benefit payment will be calculated as follows:

Benefit percentage x Severity Level x current Life Fund

= 50% x 25% x R1 000 000

= R125 000

Balance in Life Fund after claim

= R1 000 000 – R125 000

= R875 000
13.3.2 SECOND CLAIM

Capital Disability Benefit claim:

Category A Severity applies (ie 100%)

Your benefit payment will be calculated as follows:

Benefit percentage x Severity Level x current Life Fund

= 50% x 100% x R875 000

= R437 500

Please note the implications of having a Minimum Protected Fund (50% in this example). Although your Capital Disability Benefit payment would have decreased your Life Fund to below R500 000 (ie R437 500), you would receive a benefit payment of R437 500, but your Life Fund will automatically be adjusted back to R500 000 (instead of R437 500), subject to the 14-day survival rule as defined in paragraph 2.6.2.

The following graph illustrates the effect of a claim on your Life Fund:
CESSIONS AND BENEFICIARIES

14.1 CESSION

Your Life Plan may be ceded. This is the process where all the rights, title and interest in your Life Plan are transferred or made over to another person or entity and who becomes the new owner (in the case of an Absolute cession) or where all the rights to the benefit are transferred or made over to another person or entity (in the case of a Collateral Cession). The person who transfers the Life Plan is known as the cedent and the person or entity to whom the Life Plan is transferred is known as the cessionary.

Cessions are permitted at policy level. That means we do not allow the cession of individual benefits under the Life Plan. Please note that no cession will be valid unless the cession is recorded by Discovery Life and confirmed in writing. Any policy PayBacks and/or Buy-up Cash conversion payments will always be made to the policy owner (to the cessionary in the case of an absolute cession).

It is the responsibility of the cedent to provide the cessionary with the Policy Contract which includes the Policy schedule and this Life Plan Guide.

There are two types of cessions.

Absolute Cession

An absolute cession is where the cessionary takes ownership of the Life Plan and becomes liable for the payment of premiums on the policy. All rights, title and interest to the policy are permanently transferred. The cedent has no further rights in respect of the policy and cannot deal with the policy. The prior beneficiary nominations made by the cedent will fall away (they are automatically revoked) and may be replaced by the beneficiary nominations of the cessionary, if any. If no beneficiary nominations are made by the cessionary then any proceeds payable on the death of the life assured (death benefits) will be paid to the estate of the cessionary (if the cessionary and life assured are the same person) or to the cessionary as the owner. Benefits other than death benefits will be paid to the cessionary. All terms and conditions agreed to by the cedent will apply to the cessionary in relation to the policy.

Where the Income Continuation Benefit is included on a policy, an absolute cession could have adverse tax consequences. Tax advice should be sought. A policy package comprising of the Discovery Retirement Optimiser may not be ceded absolutely if a retirement annuity is present.

No absolute cessions will be allowed on Life Plans with the Buy-up Cash Conversion benefit on either, or both, of the Cover and Financial Integrator Funds except in the following circumstances:

- Where the Life Assured who is the policy owner, cedes to his trust/company or vice versa.
- Where the policy is ceded to a spouse or an ex-spouse

Collateral Cession

A collateral cession is where the right to death, severe illness and disability benefits in the policy are transferred to a third party as security for an unpaid debt or obligation (usually a bank). While the debt or obligation remains unpaid or outstanding the cedent remains the owner of the policy and responsible to pay premiums but cannot deal in any way with the policy without the permission of the cessionary. When the debt or obligation is settled then full ownership automatically reverts to the cedent. In the event of a life changing event that reduces the Life Fund while there is still an obligation to the cessionary, the payment will first be effected to settle any outstanding amounts owed to the cessionary. Any surplus amount will then be paid to the cedent or cedent’s beneficiary as the case may be.

After the retirement age of the principal life on a policy linked to the Discovery Retirement Optimiser the Life Fund may also be reduced by benefits paid out on the Discovery Retirement Optimiser.

The Global Education Protector, Global Health Protector, Health Plan Protector, Income Continuation and Overhead Expenses Benefits and PayBack will not form any part of a collateral cession agreement.

14.2 BENEFICIARIES

You may nominate one or more beneficiaries at either policy or lives assured level to receive benefits in the event of your death, provided that:

- nominations for beneficiaries are received in writing, and submitted to Discovery Life in strict accordance with the company’s stipulated procedures
- your nomination will not be valid until you have received written notice from Discovery Life that your nomination has been noted in its records
- should your entire policy, or a portion of your policy, be ceded to another person by you, the cessionary will be paid out before any nominated beneficiaries. Beneficiaries need not be aware of or give their consent to the ceding of a policy.

Beneficiaries are not entitled to any benefits during your lifetime. You reserve the right to change your list of beneficiaries at any time.
NON-DISCLOSURE, MISREPRESENTATION AND SET-OFF

15.1 MISREPRESENTATION

The information given to Discovery Life in your application form, or any other documentation that you provide in support of your application, forms the basis upon which your policy is issued.

Should you fail to disclose any information, or provide false information or distort information when applying for your policy, Discovery Life will be entitled to suspend your cover from the inception date of your policy. In addition to this, Discovery Life will also be entitled to:

- refuse to pay out any current or future claims that are related to the misrepresentation or non-disclosure
- adjust your premium from the date of the misrepresentation or non-disclosure
- recover monies already paid to you for claims that relate to the misrepresentation or non-disclosure
- cancel certain benefits or your entire policy with immediate effect, and retain any premiums paid to Discovery Life as a penalty.

15.2 FRAUD

Your policy and all its benefits will be cancelled should you:

- submit a fraudulent claim
- use any fraudulent means or devices to make your claims.

15.3 FALSE INFORMATION

Your policy and all its benefits will be cancelled should you:

- provide false information in order to obtain a benefit
- knowingly allow anyone acting on your behalf to provide false information in order to obtain a benefit
- deliberately and wilfully conspire to cause the illness or disability that gives rise to a claim.

15.4 CONSENT TO DISCLOSURE

You are required to consent to the exchange of information, including medical information, between Discovery Life, any medical practitioner you have consulted or any other life office, Discovery Health, Vitalitydrive and Discovery Health Medical Scheme. You gave Discovery Life permission to access this information on your application form. This does not remove or reduce your obligation to provide full disclosure in your application form as outlined in 15.1 above.

15.5 SET-OFF

Discovery Life has a right to deduct (set-off) from any benefit payment due to you, any amount which you may owe to Discovery Life as a result of any erroneous payment or overpayment of any claim.
CLAIMS WHICH ARE NOT COVERED

YOUR POLICY SCHEDULE WILL GIVE YOU THE DETAILS OF YOUR COVER

Should you ever be in doubt about what benefits you are entitled to, please refer to your Policy Schedule.

Your Policy Schedule outlines all your policy details from address details to your monthly contributions. It also contains precise details of exactly which benefits you have chosen and any exclusions that apply to you.

You will receive a Policy Schedule from Discovery Life upon the inception of your policy. Should any of your policy details change, Discovery Life will send you a new Policy Schedule that details the changes.

16.1 WHEN MAY I NOT CLAIM?

Discovery Life reserves the right to refuse claims when:

1. your death or the death of any of your dependants is due to suicide and occurs within two years of cover commencing or reinstatement of your policy;
2. your disability, severe illness, or family illness – or that of any of your dependants – was deliberately self-inflicted;
3. you fail to disclose information about physical disabilities or medical conditions that affect you, or any of your dependants, at the time that cover starts;
4. you fail to notify Discovery Life of your correct occupation and occupational duties at policy inception, or of a change in occupation from that nominated at policy inception or change in occupational duties where the new occupation or the change in occupational duties are classified by Discovery Life as falling into a risk category for which the relevant benefit/s would not have been granted on the same terms and conditions to the claimant.
5. Discovery Life is unable to obtain sufficient medical or financial (if applicable) evidence from the assured lives, your dependants or treating medical practitioner to fulfil our criteria for making a benefit payment;
6. the disability, severe illness or family illness claim was as a result of:
   • willful and deliberate breaking of any law or willful involvement in any riot, insurrection, usurpation of power, martial law or war
   • regular participation in any hazardous sport or pursuit which was not disclosed to Discovery Life at any point in time before the claim
   • intentional and negligent consumption of poisons, drugs and narcotics unless prescribed by a registered medical practitioner (neither you nor your dependants may perform the role of registered medical practitioner in such a case).
SEVERE ILLNESS AND FAMILY BENEFITS

GENERAL PROVISIONS

- The life changing event must have occurred after the commencement of the benefit.
- Symptoms and signs must be compatible with the diagnosis and the relevant special investigations (including blood tests, imaging, histology and other tests) must confirm the diagnosis.
- Inability to perform Activities of Daily Living must be due to and compatible with the diagnosis of the life changing event.
- Psychiatric illness, chronic fatigue syndrome (and synonyms) and fibromyalgia (and synonyms) and related terms are not covered under the Severe Illness Benefit.
- Major organ transplant claims include being on an official South African or international transplant waiting list for the relevant transplant.
- Specialist reports are required to assess all claims. A specialist is a medical practitioner registered as a specialist with the Health Professions Council of South Africa.
- The claims definitions in the Discovery Severe Illness Benefit are compliant with the Standardised Critical Illness definitions Project (SCIDEIP).
- Activities of Daily Living (ADLs) are defined in Appendix 3.

1. CANCER BENEFIT

Cancer is a malignant tumour characterised by the uncontrolled growth of cells, invasion of normal tissue and spread to distant organs. The term malignant tumour includes leukaemia, lymphoma and sarcoma.

Pre-malignancy and carcinoma-in-situ tumours except for carcinoma-in-situ of the breast treated by mastectomy are not covered under this benefit. Brain tumours are covered under the Nervous System Benefit. Specified neuroendocrine tumours are covered under the Endocrine and Metabolic Diseases Benefit.

A current internationally recognised staging system will be used to assess the claim.

A report from the treating specialist, including the histology and stage of the cancer, the relevant imaging reports and other tests must confirm the diagnosis. A specialist is a person registered as such with the Health Professions Council of South Africa in a relevant speciality.

Once a payment for a cancer listed under Severity A cancer has been made, further cancer claims will only be considered for unrelated cancers. An unrelated cancer is a cancer that is not regarded as being of the same tissue and the same organ. The unrelated cancer will be considered as a new life changing event.

Where stem cell or bone marrow transplants are performed as treatment for cancer, only one Severity A claim will be paid. Only one bone marrow or stem cell transplant will be paid during the lifetime of the policy.

If two cancers of two different tissue types are present and have manifested independently of each other then, subject to the Minimum Protected Fund (if applicable) and the limits of the Life Fund as well as the terms of the Essential and Classic Life Plan payment rules, each cancer will be considered as a separate life changing event. These two claims will be regarded as claims within the same body system.

<table>
<thead>
<tr>
<th>SEVERITY</th>
<th>LIFETIME IMPACT SCORE</th>
<th>LIFETIME SEVERITY UPGRADES</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEVERITY A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stage IV cancer</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Stage III cancer unless specified elsewhere</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Acute Myelocytic Leukaemia</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Chronic Lymphocytic Leukaemia: stage III or IV on the Rai classification system</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Chronic Myelocytic Leukaemia</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Acute Lymphoblastic Leukaemia in adults</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Bone marrow transplant</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Severe Aplastic Anaemia as defined by the International Aplastic Anaemia Study Group</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Multiple Myeloma: stage III on the Durie-Salmon scale, or equivalent stage on an appropriate staging system</td>
<td>13</td>
<td>1</td>
</tr>
</tbody>
</table>
### DEFINITION LIFETIME IMPACT SCORE LIFETIME SEVERITY

#### SEVERITY A
- Hodgkin’s or Non-Hodgkin’s lymphoma: stage III or IV on the Ann-Arbor staging system, or equivalent stage on an appropriate staging system  
  11 1
- Stage IV prostate cancer  
  15 2
- Stage III or IV Malignant Melanoma  
  14 2
- Carcinoid syndrome with evidence of liver metastasis of atypical carcinoid tumour  
  14 2

#### SEVERITY C
- Stage II cancer unless specified elsewhere  
  15 2
- Chronic Lymphocytic Leukaemia: stage II on the Rai classification system  
  15 2
- Multiple Myeloma: stage I or II on the Durie-Salmon scale, or equivalent stage on an appropriate staging system  
  14 2
- Hodgkin’s or Non-Hodgkin’s lymphoma: stage II on the Ann-Arbor staging system, or equivalent stage on an appropriate staging system  
  14 2
- Stage III prostate cancer  
  15 2
- Stage II Malignant Melanoma  
  15 2

#### SEVERITY D
- Stage I cancer unless specified elsewhere  
  17 3
- Chronic Lymphocytic Leukaemia: stage 0 or I on the Rai classification system  
  17 3
- Moderate Aplastic Anaemia as defined by the International Aplastic Anaemia Study Group  
  11 1
- Hodgkin’s or Non-Hodgkin’s lymphoma: stage I on the Ann-Arbor staging system, or equivalent stage on an appropriate staging system  
  17 3
- T1N0M0 prostate cancer with a Gleason Score > 6  
  17 3
- T2N0M0 prostate cancer  
  17 3
- Stage I Malignant Melanoma  
  17 3
- Mastectomy for carcinoma-in-situ of the breast  
  8 0
- Prophylactic mastectomy  
  8 0
- Hairy Cell Leukaemia  
  17 3

#### SEVERITY E
- Myelodysplastic syndrome
- Myelofibrosis

#### SEVERITY G
- Basal cell carcinoma greater than 2cm or treated with skin graft or skin flap
- Squamous cell carcinoma greater than 2cm or treated with skin graft or skin flap
- T1N0M0 prostate cancer with a Gleason score ≤ 6
- Myeloproliferative disorder: Polycythemia Vera, Essential thrombocytosis

### 2. HEART AND ARTERY BENEFIT

This benefit covers conditions of the heart and arteries as specified below.

Only one payment will be made per coronary event. A single coronary event is defined as incorporating all cardiac pathologies or procedures that occur within 30 days of each other.

One payment will be made for pacemakers and one payment will be made for permanent defibrillator implants.

The diagnosis must be confirmed by a cardiologist, cardiothoracic surgeon, neurosurgeon, vascular surgeon or specialist physician. Relevant special investigations such as ECGs, echocardiograms, other imaging studies and blood tests must confirm the diagnosis.

Chronic diastolic heart failure is defined as NYHA class 4 and irreversible restriction demonstrated on Doppler echocardiography.
Permanence of the ejection fraction Impairment will be established in two measurements taken three months apart unless otherwise proven to the satisfaction of Discovery Life.

<table>
<thead>
<tr>
<th>DEFINITION</th>
<th>LIFETIME IMPACT SCORE</th>
<th>LIFETIME SEVERITY UPGRADES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEVERITY A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bilateral carotid artery endarterectomy or bypass surgery</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Four vessel coronary artery bypass graft</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Permanent ejection fraction of less than 40%</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Severe myocardial infarction with ejection fraction of less than 40%</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Heart transplant</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Heart and lung transplant</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>Chronic diastolic heart failure: NYHA Class 4</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Heart valve replacement</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Gangrene or limb amputation due to peripheral arterial disease</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td><strong>SEVERITY B</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three vessel coronary artery bypass graft</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Permanent ejection fraction between 40% and 50%</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Myocardial infarction with ejection fraction of between 40% and 50%</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Surgical repair of a thoracic aortic aneurism</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Surgical repair of an abdominal aortic aneurism including or above the renal arteries</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Valvuloplasty</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td><strong>SEVERITY C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One or two vessel coronary artery bypass graft</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Unilateral carotid artery endarterectomy or bypass</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Surgical repair of an abdominal aortic aneurism below the renal arteries</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Moderate myocardial infarction of specified severity, as evidenced by any one of the following three criteria:</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>1. Compatible clinical symptoms and new pathological q waves; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Raised cardiac markers and compatible clinical symptoms; or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Raised cardiac markers and characteristic ecg changes (defined as either pathological q – waves, or st segment and t wave changes indicative of myocardial ischaemia or myocardial infarction)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under criterion 2 and 3, raised cardiac markers is defined as either:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Troponin t of more than 1.0Ng/ml (1000ng/l for high sensitivity troponin t), or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Troponin i of more than 0.5 Ng/ml (500ng/l for high sensitivity troponin i), or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Ck-mb mass of more than 2 times the normal value in the acute presentation phase, or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Ck-mb mass of more than 4 times the normal value post-intervention, or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Total cpk elevation of more than 2 times the normal value with at least 6% being ck-mb.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note that this definition is consistent with the scidep definition of a mild (level c) heart attack.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open heart surgery to correct a structural abnormality in the heart, for example a ventricular aneurism, Hypertrophic Cardiomyopathy, atrial myxoma or radical pericardectomy</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Permanent implantable cardioverter defibrillator insertion</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td><strong>SEVERITY D</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimally invasive pericardectomy</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Surgical repair of an iliac artery aneurism</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Stenting of symptomatic carotid artery stenosis in one or both carotid arteries</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Valvotomy</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Permanent pacemaker insertion</td>
<td>9</td>
<td>1</td>
</tr>
</tbody>
</table>
Mild myocardial infarction of specified severity, as evidenced by all three of the following criteria:
1. Compatible clinical symptoms; and
2. Imaging/ECG evidence; and
3. Raised cardiac markers.

Under criterion 2, imaging/ECG evidence is defined as either:
- Characteristic ECG changes (e.g., ST segment and T wave changes indicative of myocardial ischaemia or myocardial infarction), or
- Angiographic evidence of stenosis of 50% or more of a coronary artery treated with a stent, or
- Hypokinesis of the myocardium on echocardiogram.

Under criterion 3, raised cardiac markers are defined as either:
- Troponin T of 0.5 ng/ml (500 ng/l for high sensitivity troponin T), or
- Troponin I of 0.25 ng/ml (250 ng/l for high sensitivity troponin I), or
- Raised CK-MB mass of up to 2 times the normal value in acute presentation, or
- Raised CK-MB mass of up to 4 times the normal value post intervention.
- Total CPK elevation of up to 2 times the normal value with at least 6% being CK-MB.

Note that this definition is consistent with the scidep definition of a mild (level D) heart attack.

### SEVERITY E

- Acute rheumatic fever with cardiac involvement
- Endocarditis/pericarditis with more than five days' ICU stay
- Acute heart failure with more than five days' ICU stay

### SEVERITY F

- Percutaneous coronary intervention with or without stent
- Keyhole cardiac surgery unless specified elsewhere
- Pathway ablation
- Medically treated arteritis or endarteritis with more than seven days' hospital stay
- Surgical repair of symptomatic atrial or ventricular septal defect

### SEVERITY G

- Electrical cardioversion
- Chronic atrial fibrillation that persists despite electrophysiological intervention by a cardiologist
- Occlusion of major artery
- Intravenous anti-arrhythmic therapy administered as a medical emergency
- Intravenous inotropic support for more than two days
- Malignant hypertension with a diastolic blood pressure greater than 120 mmHg and papilloedema on optimal treatment

### 3. NERVOUS SYSTEM BENEFIT

The claimant must be treated by a neurologist or neurosurgeon registered as such with the Health Professions Council of South Africa. This benefit covers specified conditions of the brain, spinal cord nerves and arteries to the brain.

Stroke is defined as death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in neurological deficit lasting longer than 24 hours, confirmed by neuro-imaging investigation and appropriate clinical findings by a specialist neurologist. Symptoms and signs as well as imaging (Computerised Tomography or magnetic resonance imaging) must confirm a new stroke. Transient ischaemic attacks are specifically excluded.

A Severity D payment will be paid on receipt of objective medical evidence from the treating neurologist confirming the diagnosis of a new stroke. A further assessment of the stroke claim will be made on receipt of a full specialist neurologist’s report three months after the stroke. Neurological deficits and ADL Impairments must be compatible with the diagnosis and objective medical evidence. Permanence will be established after 90 days unless otherwise proven to the satisfaction of Discovery Life.

Brain tumours are assessed according to the World Health Organisation’s grading. Pituitary microadenomas are specifically excluded under this benefit.
<table>
<thead>
<tr>
<th>DEFINITION</th>
<th>LIFETIME IMPACT SCORE</th>
<th>LIFETIME SEVERITY UPGRADES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEVERITY A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stroke with permanent inability to perform one category of the Activities of Daily Living Score Sheet (as defined in Appendix 3)</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Permanent inability to perform four or more categories of the Activities of Daily Living Score Sheet (as defined in Appendix 3)</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Permanently unable to do three or more out of the six Self-Care Activities of Daily Living (as defined in Appendix 3)</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Total permanent loss of speech including expressive or receptive aphasia</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Quadriplegia</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>Paraplegia</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>Coma with a score of less than 8 on the Glasgow Coma Scale lasting for longer than 96 hours</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Definite diagnosis of motor neuron disease</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>World Health Organisation Grade III and IV brain tumours</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td><strong>SEVERITY B</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent inability to perform three categories of the Activities of Daily Living Score Sheet (as defined in Appendix 3)</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Permanently unable to do two out of the six Self-Care Activities of Daily Living (as defined in Appendix 3)</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td><strong>SEVERITY C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stroke with minor permanent neurological deficit</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>The permanent inability to perform two categories of the Activities of Daily Living Score Sheet (as defined in Appendix 3)</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Permanently unable to do one out of the six Self-Care Activities of Daily Living (as defined in Appendix 3)</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Craniotomy involving brain tissue or blood vessels (drainage of brain abscesses excluded)</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>World Health Organisation Grade II brain tumours</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td><strong>SEVERITY D</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stroke with full recovery</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Depressed skull fracture with brain laceration</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>World Health Organisation Grade I brain tumours</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Subarachnoid haemorrhage</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Definite diagnosis of multiple sclerosis</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Intracranial endovascular procedures</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td><strong>SEVERITY E</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depressed skull fracture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insertion of a shunt or ventriculostomy for hydrocephalus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brain abscess</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coma with a score of less than 8 on the Glasgow Coma Scale lasting between 72 and 96 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pituitary macroadenomas</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SEVERITY F</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stereotactic radiosurgery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bacterial meningitis confirmed on lumbar puncture</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SEVERITY G</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cerebral oedema confirmed on imaging</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intubation and ventilation for status epilepticus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definite diagnosis of hydrocephalus</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. **GASTROINTESTINAL BENEFIT**

This benefit covers specified conditions of the liver, pancreas, biliary system, upper and lower gastrointestinal system.

Conditions related to drug or alcohol abuse are not covered under this benefit.

The claimant must be treated by a specialist physician, gastroenterologist or surgeon registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

<table>
<thead>
<tr>
<th>DEFINITION</th>
<th>LIFETIME IMPACT SCORE</th>
<th>LIFETIME SEVERITY UPGRADES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEVERITY A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cirrhosis of the liver</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Sclerosing cholangitis</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Fulminant hepatic failure</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Liver transplant</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Pancreas transplant</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td><strong>SEVERITY C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chronic pancreatitis complicated by insulin dependent diabetes mellitus or confirmed malabsorption syndrome</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Portal hypertension with one or more of the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Oesophageal varices</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>– Refractory ascites and splenomegaly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Refractory pancytopenia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent colostomy</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Permanent ileostomy</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Chronic persistant hepatitis confirmed by a Knodell score of 13 or more on biopsy</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Primary biliary cirrhosis</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td><strong>SEVERITY D</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partial hepatectomy</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Partial pancreatectomy</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td><strong>SEVERITY E</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of use of more than ⅓ of the tongue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total colectomy</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SEVERITY F</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tracheal-oesophageal fistula</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chronic rectal fistula</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SEVERITY G</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diverticulitis with perforation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drainage of pancreatic cyst or abscess</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. **CONNECTIVE TISSUE DISEASES BENEFIT**

This benefit covers the following connective tissue diseases: Progressive systemic sclerosis, rheumatoid arthritis, systemic lupus erythematosis (SLE), sarcoidosis, polyarteritis nodosa, giant cell arteritis, Wegener’s granulomatosis, polymiositis, Ehlers-Danlos Syndrome and Pseudoxanthoma elasticum.

The claimant must be treated by a specialist Rheumatologist registered as such with the Health Professions Council of South Africa. The diagnosis must be made in accordance with current internationally recognised criteria and supported by the relevant histology, serology and imaging.
<table>
<thead>
<tr>
<th>DEFINITION</th>
<th>LIFETIME IMPACT SCORE</th>
<th>LIFETIME SEVERITY UPGRADES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEVERITY A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definite objective evidence of involvement of at least three of the following organ systems due to a listed Connective Tissue Disease:</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>- Cardiovascular</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Neurological</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Respiratory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Renal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Gastrointestinal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Musculoskeletal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent inability to perform four or more categories of the Activities of Daily Living Score Sheet (as defined in Appendix 3) due to a listed Connective Tissue Disease</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Permanently unable to do three or more out of the six Self-Care Activities of Daily Living (as defined in Appendix 3) due to a listed Connective Tissue Disease</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td><strong>SEVERITY B</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definite objective evidence of involvement of two or more of the following organ systems due to a listed Connective Tissue Disease:</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>- Cardiovascular</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Neurological</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Respiratory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Renal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Gastrointestinal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Musculoskeletal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent inability to perform three categories of the Activities of Daily Living Score Sheet (as defined in Appendix 3) due to a listed Connective Tissue Disease</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Permanently unable to do two out of the six Self-Care Activities of Daily Living (as defined in Appendix 3) due to a listed Connective Tissue Disease</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td><strong>SEVERITY C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement of both articulating surfaces of a joint as a result of a listed Connective Tissue Disease</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Definite diagnosis of one of the listed Connective Tissue Disease below, and failed response to three or more disease-modifying regimens, including biologic disease-modifying anti-rheumatic drugs. Connective tissue diseases covered under this definition:</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>- Progressive systemic sclerosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Rheumatoid arthritis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Systemic lupus erythematosus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Sarcoidosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Polyarteritis nodosa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Giant cell arteritis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Wegener’s granulomatosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Polymiositis</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SEVERITY D</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definite diagnosis of one of the following listed Connective Tissue Diseases:</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>- Progressive systemic sclerosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Rheumatoid arthritis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Systemic lupus erythematosus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Sarcoidosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Polyarteritis nodosa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Giant cell arteritis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Wegener’s granulomatosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Polymiositis</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SEVERITY E</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pseudoxanthoma elasticum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ehlers-Danlos Syndrome</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 6. UROGENITAL TRACT AND KIDNEY BENEFIT

This benefit covers specified conditions of the urogenital tract and kidneys. Surgery for gender reassignment is not covered under this benefit.

The claimant must be treated by a specialist nephrologist or urologist registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.
### DEFINITION

#### SEVERITY A

<table>
<thead>
<tr>
<th>Condition</th>
<th>LifeTime Impact Score</th>
<th>LifeTime Severity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chronic renal failure with ongoing permanent haemodialysis or a GFR of less than 15ml/min/1.73m² according to the MDRD study equation</td>
<td>20</td>
<td>4</td>
</tr>
<tr>
<td>Renal transplant</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>Ongoing permanent peritoneal dialysis</td>
<td>19</td>
<td>4</td>
</tr>
</tbody>
</table>

#### SEVERITY C

<table>
<thead>
<tr>
<th>Condition</th>
<th>SEVERITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute renal failure with more than five haemodialysis treatments</td>
<td>C</td>
</tr>
<tr>
<td>Complete nephrectomy (nephrectomy for donor purposes is excluded)</td>
<td>C</td>
</tr>
<tr>
<td>Total amputation of the penis</td>
<td>C</td>
</tr>
<tr>
<td>Complete cystectomy</td>
<td>C</td>
</tr>
</tbody>
</table>

#### SEVERITY D

<table>
<thead>
<tr>
<th>Condition</th>
<th>SEVERITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vascular injury to the kidney</td>
<td>D</td>
</tr>
<tr>
<td>Partial nephrectomy resulting in removal of 4cm or more of the kidney</td>
<td>D</td>
</tr>
<tr>
<td>Partial cystectomy resulting in a loss of ⅓ or more of the functional capacity of the bladder</td>
<td>D</td>
</tr>
<tr>
<td>Partial amputation of the penis (circumcision is excluded)</td>
<td>D</td>
</tr>
</tbody>
</table>

#### SEVERITY E

<table>
<thead>
<tr>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amyloidosis of the kidney</td>
</tr>
<tr>
<td>Bilateral orchidectomy</td>
</tr>
</tbody>
</table>

#### SEVERITY F

<table>
<thead>
<tr>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urethral fistula</td>
</tr>
<tr>
<td>Vesicovaginal or rectovaginal fistula</td>
</tr>
<tr>
<td>Chronic tubulointerstitial nephritis</td>
</tr>
<tr>
<td>Confirmed diagnosis of nephritic syndrome</td>
</tr>
</tbody>
</table>

#### SEVERITY G

<table>
<thead>
<tr>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renal abscess</td>
</tr>
<tr>
<td>Unilateral orchidectomy</td>
</tr>
</tbody>
</table>

### 7. RESPIRATORY DISEASE BENEFIT

This benefit covers specified conditions of the respiratory system.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as lung function tests, blood tests, histology or imaging.

The claimant must be treated by a pulmonologist registered as such with the Health Professions Council of South Africa. Lung function tests should be performed by a pulmonologist. The test should include pre and post dilatation measurements and show less than 5% variation between three successive FVC or FEV₁ readings. Two \( D_{CO} \) tests must be done with results within 3 units. Corrections must be made for anaemia and carboxyhaemoglobin on the \( D_{CO} \) test.
### DEFINITION

<table>
<thead>
<tr>
<th>SEVERITY A</th>
<th>LIFETIME IMPACT SCORE</th>
<th>LIFETIME SEVERITY UPDATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence of irreversible cor pulmonale</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Pulmonary hypertension groups 1 to 5, confirmed on cardiac catheterisation, including pulmonary veno-occlusive disease, with a pulmonary artery pressure exceeding 25mmHg</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Lung transplant</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>Heart and lung transplant</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>Chronic obstructive or restrictive lung disease with a permanent FEV₁ or FVC or DCO of 40% or less than predicted</td>
<td>13</td>
<td>1</td>
</tr>
</tbody>
</table>

**SEVERITY B**

| Removal of more than one lobe of the lung | 13 | 1 |
| Pulmonary venous occlusive disease not specified elsewhere | 10 | 1 |
| Chronic obstructive or restrictive lung disease with a permanent FEV₁ or FVC or DCO of 41% to 45% of predicted | 12 | 1 |

**SEVERITY C**

| Veno-caval filter inserted for recurrent pulmonary emboli | 12 | 1 |
| Chronic obstructive or restrictive lung disease with a permanent FEV₁ or FVC or DCO of 46% to 49% of predicted | 12 | 1 |

**SEVERITY D**

| Lung abscess | 8 | 0 |
| Drainage of empyema | 8 | 0 |
| Bronchopleural fistula | 8 | 0 |

**SEVERITY E**

| Confirmed diagnosis of pneumoconiosis |
| Pulmonary embolus diagnosed on imaging |
| Confirmed diagnosis of bronchiectasis |
| Pleurectomy |
| Decortication |

**SEVERITY F**

| Drainage of pleural effusion |
| Resuscitation and mechanical ventilation due to near drowning |

**SEVERITY G**

| Hyperbaric oxygen therapy for decompression sickness |
| Confirmed diagnosis of interstitial lung disease with structural alveolar damage confirmed on histology or imaging |
| Mechanical ventilation for status asthmaticus |

### 8. ADVANCED AIDS/ACCIDENTAL HIV BENEFIT

This benefit covers advanced AIDS and accidental HIV sero conversion as specified below. A positive Human Immunodeficiency Virus antibody test and confirmatory Polymerase Chain Reaction test is required to confirm the diagnosis.

The diagnosis of the specified AIDS defining conditions must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, antibody test and histology or imaging.
9. MUSCULOSKELETAL BENEFIT

This benefit covers specified conditions of the muscle, bones, joints and nerves.

The claimant must be treated by a specialist registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by the relevant investigations and reports.

<table>
<thead>
<tr>
<th>Definition</th>
<th>Lifetime Impact Score</th>
<th>Lifetime Severity Upgrades</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Severity A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 25% full thickness body surface area burns</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Total and permanent loss of use or amputation of both lower limbs at the level of the ankle or higher (proximal to the ankle)</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>Total and permanent loss of use or amputation of both upper limbs at the level of the wrist or higher (proximal to the wrist)</td>
<td>20</td>
<td>4</td>
</tr>
<tr>
<td>Total and permanent loss of use or amputation of one upper limb above the wrist (proximal to the wrist) and one lower limb above the ankle (proximal to the ankle)</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td><strong>Severity B</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full thickness burns involving 15% to 25% of the body surface area</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Total and permanent loss of use or amputation of a lower limb at the level of the ankle or higher (proximal to the ankle)</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Total and permanent loss of use or amputation of a upper limb at the level of the wrist or higher (proximal to the wrist)</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td><strong>Severity C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total and permanent loss of use or amputation of a hand below (distal to) the wrist</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td><strong>Severity E</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reattachment surgery for a traumatic amputation of any limb above the level of (proximal to) the wrist or ankle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconstruction surgery for Le Fort II or III facial fractures or any multiple facial fractures including the orbit</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX 1

#### DEFINITION

<table>
<thead>
<tr>
<th>SEVERITY</th>
<th>LIFETIME IMPACT SCORE</th>
<th>LIFETIME SEVERITY UPGRIDES</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEVERITY F</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chronic osteomyelitis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poliomyelitis resulting in permanent paralysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amputation of two or more full fingers or total toes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suture of a major nerve to restore function to part of a limb or a full limb</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total and permanent loss of use or amputation of a foot below (distal to) the ankle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEVERITY G</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency spinal surgery or traction for spine instability within 7 days of an accident</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete replacement of any joint due to a chronic disease process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definite diagnosis of Paget’s disease</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amputation of a full finger or a total toe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Osteoporosis resulting in collapse of more than one vertebra in ages under 65 years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 10. EYE BENEFIT

This benefit covers specified conditions of the globe, retina, optic nerve, cornea and orbit.

The claimant must be treated by an ophthalmologist registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as visual acuity tests or imaging.

<table>
<thead>
<tr>
<th>SEVERITY</th>
<th>LIFETIME IMPACT SCORE</th>
<th>LIFETIME SEVERITY UPGRIDES</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEVERITY A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total blindness</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>SEVERITY B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best corrected binocular Snellen rating of less than 20/125</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Enucleation of eye</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>SEVERITY C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confirmed diagnosis of optic nerve atrophy</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Permanent hemianopia</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Total loss of vision in one eye</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>SEVERITY D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confirmed diagnosis of retinitis pigmentosa</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>SEVERITY E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corneal transplant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Optic neuritis (only one payment will be made)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEVERITY F</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retinal detachment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macular degeneration or macular dystrophy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEVERITY G</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orbital abscess</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 11. EAR, NOSE AND THROAT BENEFIT

This benefit covers specified conditions of the ear and neural pathways that relate to hearing as well as specified conditions of the nose, paranasal sinuses and venous sinuses of the brain.

The claimant must be treated by a specialist ear, nose and throat surgeon, registered as such with the Health Professions Council of South Africa.
The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

<table>
<thead>
<tr>
<th>DEFINITION</th>
<th>LIFETIME IMPACT SCORE</th>
<th>LIFETIME SEVERITY UPGRADS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEVERITY A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete deafness under the age of 70 years as defined by hearing loss of 90dB or more in both ears, measured over 500Hz, 1000Hz, 2000Hz and 3000Hz frequencies, measured six months apart with a hearing aid</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>SEVERITY B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater than 75% permanent binaural hearing loss (as defined by the AMA guide) under the age of 70 years</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Bilateral hearing loss under the age of 70 years of 70dB or more, measured over 500Hz, 1000Hz, 2000Hz and 3000Hz frequencies, measured six months apart with a hearing aid</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>SEVERITY C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dural sinus thrombosis including cavernous sinus thrombosis</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>SEVERITY D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acoustic neuroma</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Cortical mastoidectomy</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>SEVERITY E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chronic petrosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Osteomyelitis of sinuses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEVERITY F</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Typanosclerosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEVERITY G</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nose reconstruction as a result of a disease (reconstruction after trauma or for cosmetic reasons are excluded)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otosclerosis</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. ENDOCRINE AND METABOLIC DISEASES BENEFIT

This benefit covers specified conditions of the thyroid, pituitary or adrenal gland. Only one payment will be made for each disease.

The claimant must be treated by a specialist endocrinologist or surgeon registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

<table>
<thead>
<tr>
<th>DEFINITION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SEVERITY E</td>
<td></td>
</tr>
<tr>
<td>Diabetes insipidus</td>
<td></td>
</tr>
<tr>
<td>Acute adrenal crisis</td>
<td></td>
</tr>
<tr>
<td>Sheehan’s syndrome/Simmond’s disease</td>
<td></td>
</tr>
<tr>
<td>Thyroid storm</td>
<td></td>
</tr>
<tr>
<td>SEVERITY F</td>
<td></td>
</tr>
<tr>
<td>Diabetic coma (only one payment will be made)</td>
<td></td>
</tr>
<tr>
<td>Conn’s syndrome</td>
<td></td>
</tr>
<tr>
<td>Cushing’s syndrome</td>
<td></td>
</tr>
<tr>
<td>Addison’s disease</td>
<td></td>
</tr>
<tr>
<td>Pheochromocytoma</td>
<td></td>
</tr>
</tbody>
</table>
Glycogen storage disease
Hypophysectomy

SEVERITY G

Acromegaly
Insulinoma
Parathyroid tetany
Adrenalectomy

13. CHILD SEVERE ILLNESS BENEFIT

This benefit covers the specified conditions affecting children under the age of 18 as well as the specified conditions under the main Severe Illness Benefit.

The claimant must be treated by a pediatrician or pediatric surgeon registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

DEFINITION

SEVERITY A

Diagnosis of a condition resulting in global development delay confirmed by poor performance in two or more of the following developmental domains:
- Motor
- Speech and language
- Cognition and personal
- Social and daily living skills
Poor performance is defined as two standard deviations below the norm (or equivalent).

SEVERITY C

Surgical correction of congenital heart disease
Acute Lymphoblastic Leukaemia

SEVERITY E

Congenital anomaly repair
Rheumatic fever with cardiac complications
Type 1 diabetes mellitus

SEVERITY F

Poliomyelitis with permanent paralysis

SEVERITY G

Juvenile rheumatoid arthritis, septic arthritis or osteomyelitis
Hirschsprung’s disease
Surfactant therapy
Cleft palate/lip repair
Disorders of amino acid metabolism

14. FAMILY TRAUMA BENEFIT

This benefit covers specified accidental injuries including burns, coma due to trauma or medical emergencies requiring resuscitation or ICU stay.

The claimant must be treated by a specialist in a recognised trauma or intensive care unit. For claims due to ICU admission, the ICU must be a recognised ICU unit as defined by the Critical Care Society of South Africa. A 10% additional benefit will be payable for any reconstructive surgery needed as a result of major trauma.
DEFINITION

SEVERITY A
ICU admission for more than five weeks with assisted mechanical ventilation for more than three weeks
Quadriplegia
Paraplegia
More than 25% full thickness body surface burns

SEVERITY B
ICU admission for more than four weeks with assisted mechanical ventilation for more than two weeks
Full thickness burns involving 15% to 25% of the body surface area

SEVERITY C
ICU admission for more than two weeks with assisted mechanical ventilation for more than one week

SEVERITY D
ICU admission for more than one week with assisted mechanical ventilation for more than four days

SEVERITY E
Defibrillation
Emergency cardiac pacing

SEVERITY F
Acute poisoning with supportive therapy in ICU for more than two days
Hypothermia (core body temperature of less than 35°C)
Severe anaphylactic reaction with intravenous adrenalin and admission to ICU for more than two days

SEVERITY G
Snakebite with ICU admission for more than two days
Tracheostomy
Blood transfusion anaphylactic reaction
Septic, hypovolaemic or cardiogenic shock (systolic blood pressure less than 80mmHg) with ICU admission and with relevant therapy
Intravenous inotropic support for more than two days

15. FEMALE BENEFIT

This benefit covers specified severe illnesses affecting women. These conditions include cancer and specified complications of pregnancy such as severe ante or postpartum haemorrhage treated in an intensive care unit or eclampsia. Pre-eclampsia is not covered under this benefit.

The claimant must be treated by a specialist registered as such with the Health Professions Council of South Africa.
The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

### DEFINITION

#### SEVERITY A
- Stage III and IV tumours

#### SEVERITY B
- ICU admission for more than two weeks for Antepartum haemorrhage/ postpartum haemorrhage

#### SEVERITY C
- Stage II tumours
- Eclampsia
- Antepartum haemorrhage/ postpartum haemorrhage with more than one week ICU admission
- Embolism related to confinement

#### SEVERITY D
- Stage I tumours
- Ectopic pregnancy
- Antepartum haemorrhage/ postpartum haemorrhage with more than three days ICU admission
- Mastectomy for carcinoma-in-situ
- Prophylactic mastectomy

#### SEVERITY G
- Hydatiform mole
- Complication of puerperium with more than five days' hospitalisation
- Hip fracture resultant from osteoporosis

16. **CHILDBIRTH BENEFIT**

This benefit covers specified birth defects and congenital conditions.

The child must be treated by a specialist in the relevant field, registered with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.
Multiple births where three or four children are born simultaneously and each child surviving beyond three months are covered under severity D and C respectively.

**DEFINITION**

**SEVERITY A**

- Biliary atresia
- Infantile polycystic disease
- Cystic fibrosis
- Down's syndrome*
- Haemophilia*
- Cerebral palsy with severe neurological deficit with ongoing therapy (including microcephaly, hydrocephaly and craniosynostosis/craniostenosis)*
- Severe mental retardation

**SEVERITY B**

- Duchenne's muscular dystrophy
- Tay Sach's disease
- Gaucher's disease or glycogen storage disease

**SEVERITY C**

- Quadruplets

**SEVERITY D**

- Achondroplasia
- Turner's syndrome
- Klinefelter's syndrome
- Choanal atresia
- Tracheo-oesophageal fistula
- Congenital hip dislocation
- Congenital cardiac abnormalities excluding septal defects
- Cleft palate grade 4
- Spina bifida
- Triplets

**SEVERITY F**

- Birthweight of less than 1,000g
- Hyaline membrane disease/respiratory distress syndrome
- Necrotising enterocolitits

**SEVERITY G**

- Cleft palate/lip repair (other than grade 4)

*This benefit could be taken out as a monthly payout of 1% of Severity A, with a 5% escalation per year.
DISABILITY BENEFITS

GENERAL PROVISIONS

For the LifeTime and LifeTime Plus Capital Disability Benefits, the total LifeTime Impact score is determined by adding the score for the various LifeTime Impact factors together with an additional age-based score for certain conditions (score marked by °).

The age-based score to add for these conditions (score marked with °) is as per the following table:

<table>
<thead>
<tr>
<th>AGE AT CLAIM</th>
<th>ADDITIONAL SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>30</td>
</tr>
<tr>
<td>31 - 40</td>
<td>22</td>
</tr>
<tr>
<td>41 - 50</td>
<td>14</td>
</tr>
<tr>
<td>51 - 55</td>
<td>8</td>
</tr>
<tr>
<td>56 - 60</td>
<td>4</td>
</tr>
<tr>
<td>61+</td>
<td>0</td>
</tr>
</tbody>
</table>

All changes reflected in Appendix 2 must be permanent despite treatment according to recognised medical protocols. These new life changing events must have occurred since the date of commencement of the policy.

Specialist report must confirm the disease causing the impairment.

All changes reflected in the Appendix must be permanent despite optimal treatment according to recognised medical protocols.

These new life changing events must have occurred since the date of commencement of the policy.

1. CARDIOVASCULAR

<table>
<thead>
<tr>
<th>DISEASE</th>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
<th>CATEGORY B</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heart failure due to Myocardial Infarction or Valvular heart disease or Cardiomyopathy or Cardiac Arrhythmias or Congenital heart disease or Hypertensive heart disease</td>
<td>NYHA III and EF less than 40% or Maximum METs achieved on effort ECG less than 2 or EF less than 35% or Awaiting cardiac transplantation or NYHA IV and confirmed with raised Pro BNP levels according to age bands (age below 50: ProBNP more than 450 pg/mL; age 50 and above: ProBNP more than 900 pg/mL)</td>
<td>7</td>
<td>Maximum METs achieved on effort ECG less than 5 or EF less than 45% or 7</td>
<td>9</td>
</tr>
<tr>
<td>Hypertension</td>
<td>Cardiac end organ damage as defined by an estimated LV mass Males: more than 255 g (greater than 131g/m2) Females: more than 193g (greater than 113g/m2) or Inter-ventricular septum or posterior wall thickness of more than 17mm</td>
<td>4</td>
<td>Constrictive pericarditis as confirmed on transthoracic echocardiography with all of the following: Dilatation of the inferior vena cava and hepatic veins , calcifications, abnormal septal wall motion and atrial enlargement.</td>
<td>7</td>
</tr>
</tbody>
</table>
### Peripheral arterial disease
- Permanent ABI less than 0.4 following vascular surgery unless surgery is medically contra-indicated or
- Gangrene of a limb or
- Amputation of a limb or
- Arterial ulceration

**Impact Score:** 8

**Impact Score:** 10

### Peripheral venous disease
- Non-healing venous ulcer for more than 3 months duration with evidence of deep venous insufficiency as confirmed by duplex ultrasonography with a reflux time that is more than 0.5sec in duration at the level of the ulcer

**Impact Score:** 9

### Chronic obstructive airways disease (chronic bronchitis emphysema) or Asthma or Restrictive or Mixed Lung Disease
- FVC less than 40% of predicted* or
- FEV1 less than 40% of predicted* or
- DCO less than 40% predicted* or
- Constant use of prescribed oxygen due to blood oxygen saturation levels below 88%

**Impact Score:** 10

**Impact Score:** 6

### Lung cancer
- See Cancer Table

**Impact Score:** See Cancer Table

---

*Pulmonary function tests should be performed by a pulmonologist, including post-bronchodilatation testing, and show less than 5% variation between three successful readings - these tests must be technically acceptable to the treating specialist as well as to Discovery Life’s medical panel.*
### 3. MENTAL AND BEHAVIOURAL DISORDERS

After a Capital Disability claim for Category A, B or D has been made future claims for mental and behavioural disorders will only be considered if the criteria for a Category A claim in respect of mental and behavioural disorders as listed below are met.

<table>
<thead>
<tr>
<th>DISEASE</th>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
<th>CATEGORY B</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mood Disorders</td>
<td>Permanent inability to perform at least 4 Activities of Daily Living from 4 different ADL categories. The categories include Self-care ADLs, Communication ADLs, Physical ADLs and Advanced ADLs. ADL failure must be present despite ongoing medical treatment by a psychiatrist with evidence of all of the following: 1) Demonstrable compliance to at least a combination of antidepressant at maximal dosages and/or mood stabilizers or anti-psychotic medication for more than 2 years or 2) 2 or more in-patient admissions of longer than 2 weeks or 3) A complete in-patient course of ECT therapy unless medically contraindicated**</td>
<td>13</td>
<td>Permanent inability to perform at least 4 Activities of Daily Living from 4 different ADL categories. The categories include Self-care ADLs, Communication ADLs, Physical ADLs and Advanced ADLs. ADL failure must be present despite ongoing medical treatment by a psychiatrist with evidence of all of the following: 1) Demonstrable compliance to at least a combination of antidepressant at maximal dosages and/or mood stabilizers or anti-psychotic medication for more than 1 year and 2) A complete in-patient course of ECT therapy unless medically contraindicated**</td>
<td>7°</td>
</tr>
<tr>
<td>Schizophrenia and other psychotic disorders</td>
<td>Permanent inability to perform at least 4 Activities of Daily Living from 4 different ADL categories. The categories include Self-care ADLs, Communication ADLs, Physical ADLs and Advanced ADLs. ADL failure must be present despite demonstrable compliance with adequate trials of at least two different anti-psychotic regimes for at least 1 year**</td>
<td>13</td>
<td>Permanent inability to perform at least 2 Activities of Daily Living from 2 different ADL categories. The categories include Self-care ADLs, Communication ADLs, Physical ADLs and Advanced ADLs. ADL failure must be present despite demonstrable compliance with adequate trials of at least two different anti-psychotic regimes for at least 1 year**</td>
<td>7°</td>
</tr>
<tr>
<td>Permanent legal institutionalisation for a psychiatric disorder*</td>
<td>Legal institutionalisation for at least 6 months for a psychiatric disorder*</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Excluding institutionalisation for drug or alcohol abuse or a violation of South African criminal law.

**Sensory Function ADLs and Hand Function ADLs are excluded.
## 4. NERVOUS SYSTEM

<table>
<thead>
<tr>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
<th>CATEGORY B</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total and permanent loss of speech</td>
<td>11</td>
<td>Loss of speech as confirmed by abnormal strobvideolaryngoscopy</td>
<td>9</td>
</tr>
<tr>
<td>Total and permanent loss of comprehension of language</td>
<td>11</td>
<td>Permanent inability to perform 2 out of 6 Activities of Daily Living or</td>
<td>9</td>
</tr>
<tr>
<td>Permanent inability to perform 4 or more out of 6 Activities of Daily Living or</td>
<td>11</td>
<td>Permanent inability to perform 2 Self-Care Activities of Daily Living or</td>
<td>9</td>
</tr>
<tr>
<td>Permanent inability to perform 3 or more Self-care Activities of Daily Living or</td>
<td>11</td>
<td>Permanent bilateral hemianopia or</td>
<td>6°</td>
</tr>
<tr>
<td>Persistent vegetative state for more than 3 months</td>
<td>11</td>
<td>Complete blindness* defined as best corrected binocular Snellen rating of less than 20/125</td>
<td>6°</td>
</tr>
<tr>
<td>Permanent loss of memory recall or orientation to person, place and time, confirmed by a persistent MMSE score of less than 21</td>
<td>11</td>
<td>Complete loss of sight in one eye or</td>
<td>6°</td>
</tr>
<tr>
<td>Permanent non-progressive cognitive impairment with a MMSE score of less than 21</td>
<td>11</td>
<td>Greater than 75% binaural hearing impairment* or</td>
<td>6°</td>
</tr>
<tr>
<td>Dementia or progressive neurocognitive disorders with a permanent CDR score of 2 or more</td>
<td>11</td>
<td>Persistent monoplegia</td>
<td>6°</td>
</tr>
<tr>
<td>Persistent quadriplegia, hemiplegia or paraplegia</td>
<td>11</td>
<td>Total hearing loss or deafness in one ear*</td>
<td>6°</td>
</tr>
<tr>
<td>Complete blindness* defined as best corrected binocular Snellen rating of less than 20/200</td>
<td>6°</td>
<td>Three generalised epileptic attacks per week despite optimal therapy confirmed by long-term EEG monitoring. Non-epileptic seizures are excluded.</td>
<td>5°</td>
</tr>
<tr>
<td>70% visual acuity impairment** or</td>
<td>6°</td>
<td>50% visual acuity impairment*</td>
<td>9</td>
</tr>
<tr>
<td>Hearing loss* (deafness) of 90dB or more in both ears measured over the frequencies (500, 1000, 2000, 3000 Hz) in two measurements over 6 months with a hearing aid</td>
<td>6°</td>
<td>Permanent visual field defect of at least 25% in each eye resulting from a scotoma</td>
<td>6°</td>
</tr>
</tbody>
</table>

All changes must be permanent

*All measurements are with appropriate aids

**AMA Guides to the Evaluation of Permanent Impairment : Latest Edition

Neuropsychometric and any other appropriate testing must be done to demonstrate permanency and pathology with regard to soft neurological signs

Functional psychiatric disorders are excluded

All definitions to be confirmed by corresponding findings on specialist investigation
## 5. DIGESTIVE SYSTEM

<table>
<thead>
<tr>
<th>DISEASE</th>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
<th>CATEGORY B</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper and lower digestive tract disease</td>
<td>Anatomical loss and alteration in the gastrointestinal tract with medical evidence of established gastrointestinal pathology and weight loss of more than 25% below the lower limit of normal BMI or BMI of less than 14</td>
<td>9</td>
<td>Anatomic loss of alteration in gastrointestinal tract with medical evidence of established gastrointestinal pathology and weight loss of more than 15% below the lower limit of normal BMI or BMI less than 16</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Faecal incontinence defined as permanent, continuous uncontrolled passage of faecal material. Colostomies and ileostomies are not covered under this definition</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Permanent disturbance of bowel function resulting in a malabsorption syndrome with evidence of any two of the following:</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1) Steatorrhoea or more than 20g of fat in the stool</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2) Refractory anaemia of Hb less than 9g/dl</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3) Refractory hypoalbuminaemia of less than 28g/l</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Irreparable hernia with previous bowel obstruction and the permanent inability to perform 4 or more out of 6 Activities of Daily Living.</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Permanent inability to swallow due to an anatomical or neurological abnormality as confirmed by abnormal oesophageal manometry or imaging studies</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liver and biliary disease</td>
<td>Chronic liver disease classified as Child Pugh Class C or</td>
<td>11</td>
<td>Chronic liver disease classified as Child Pugh B</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Primary sclerosing cholangitis or</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Primary biliary cirrhosis or</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Awaiting liver transplant on a recognised SA or international transplant list</td>
<td>11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Functional disorders with no demonstrable gastrointestinal pathology are excluded under this benefit.
### 6. RENAL DISEASE

<table>
<thead>
<tr>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
<th>CATEGORY B</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent kidney dysfunction with a GFR of less than 15ml/min/1.73m² according to the MDRD study equation</td>
<td>14</td>
<td>Permanent kidney dysfunction with a GFR of less than 30ml/min/1.73m² according to the MDRD study equation</td>
<td>14</td>
</tr>
<tr>
<td>Ongoing peritoneal dialysis or haemodialysis</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total or continuous permanent urinary incontinence</td>
<td>14</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 7. ENDOCRINE SYSTEM

<table>
<thead>
<tr>
<th>DISEASE</th>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
<th>CATEGORY B</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diabetes mellitus</td>
<td>Claims as a result of type 1 or type 2 diabetes mellitus with evidence of end-organ damage are assessed under the relevant body systems</td>
<td>13</td>
<td>Claims as a result of type 1 or type 2 diabetes mellitus with evidence of end-organ damage are assessed under the relevant body systems</td>
<td>13</td>
</tr>
<tr>
<td>Other: including Cushing’s syndrome, phaeochromocytoma, syndrome of inappropriate anti-diuretic hormone secretion (SIADH), chronic adrenal insufficiency, parathyroid associated chronic hypo- or hypercalcaemia, chronic hyperaldosteronism</td>
<td>Claims as a result of any endocrine disease are assessed under the relevant body systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Claims as a result of any endocrine disease are assessed under the relevant body systems</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 8. OTHER

<table>
<thead>
<tr>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
<th>CATEGORY B</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent inability to perform 4 out of 6 Activities of Daily Living or Permanent inability to perform 3 Self-care activities of Daily Living</td>
<td>6°</td>
<td>Permanent inability to perform 2 or more Activities of Daily Living or Permanent inability to perform 2 Self-care Activities of Daily Living.</td>
<td>5°</td>
</tr>
</tbody>
</table>

All changes must be permanent.

### 9. HAEMATOLOGY

<table>
<thead>
<tr>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
<th>CATEGORY B</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A permanent treatment resistant pancytopenia (anaemia leukopenia, thrombocytopenia) resulting in ongoing monthly transfusions of at least 4 units of blood or blood products. This excludes cancer-related pancytopenias</td>
<td>6°</td>
<td>A permanent treatment resistant anaemia or leukopenia or thrombocytopenia resulting in ongoing monthly transfusions of at least 4 units of blood or blood products. This excludes cancer-related anaemias, leukopenia or thrombocytopenia.</td>
<td>5°</td>
</tr>
</tbody>
</table>
## 10. ADVANCED AIDS

<table>
<thead>
<tr>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Despite optimal treatment and full adherence to prescribed antiretroviral therapy, a permanent CD4 count less than 50 and a positive PCR</td>
<td>7</td>
</tr>
<tr>
<td>OR</td>
<td></td>
</tr>
<tr>
<td>Despite optimal treatment and full adherence to prescribed antiretroviral therapy, a CD4 cell count of less than 200 and a positive PCR</td>
<td></td>
</tr>
<tr>
<td>And</td>
<td></td>
</tr>
<tr>
<td>At least one of the following diseases must be diagnosed:</td>
<td></td>
</tr>
<tr>
<td>1) Kaposi’s sarcoma</td>
<td></td>
</tr>
<tr>
<td>2) Pneumocystis jirovecii pneumonia (PJP)</td>
<td></td>
</tr>
<tr>
<td>3) Confirmed progressive multifocal leukoencephalopathy</td>
<td></td>
</tr>
<tr>
<td>4) Active extra-pulmonary tuberculosis</td>
<td></td>
</tr>
<tr>
<td>5) Cryptococcosis</td>
<td></td>
</tr>
<tr>
<td>6) Disseminated non-tuberculous mycobacteria infection</td>
<td></td>
</tr>
<tr>
<td>7) Confirmed diagnosis of any other condition as defined as stage 4 on the WHO clinical criteria list</td>
<td></td>
</tr>
</tbody>
</table>

## 11. CANCER

<table>
<thead>
<tr>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage IV Cancer</td>
<td>8</td>
</tr>
<tr>
<td>Stage III Cancer scoring 4 on the ECOG performance scale continuously for a period of over 6 months</td>
<td>8</td>
</tr>
<tr>
<td>Leukaemia scoring 4 on the ECOG performance scale continuously for a period of over 6 months</td>
<td>8</td>
</tr>
<tr>
<td>Brain Tumour WHO Grade III or IV</td>
<td>8</td>
</tr>
<tr>
<td>Stage III Multiple Myeloma</td>
<td>8</td>
</tr>
</tbody>
</table>
### 12. Musculoskeletal System*

<table>
<thead>
<tr>
<th>DISEASE</th>
<th>CATEGORY A</th>
<th>LIFETIME IMPACT SCORE</th>
<th>CATEGORY B</th>
<th>LIFETIME IMPACT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hand</td>
<td>Total loss of use of hand at the level of the wrist.</td>
<td></td>
<td>Loss of use of more than three fingers, one of which includes either thumb or index finger</td>
<td>5°</td>
</tr>
<tr>
<td></td>
<td>Manual occupation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Failure of the hand function ADL’s, as assessed by an occupational therapist, as follows: All three of the following hand function impairments: 1) Grip strength below 2 standard deviations of average age and gender values (Mathiowetz) and 2) Pinch strength below 2 standard deviations of average age and gender values (Mathiowetz) and 3) co-ordination/dexterity below norm according to coordination test, OR completely unable to perform 2 of the following three hand function ADL’s: 1) grasping and holding 2) pinching 3) coordination/dexterity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper limb</td>
<td>80% impairment of dominant upper limb** or bilateral upper limb impairment equivalent to 48% WPI**</td>
<td>7°</td>
<td>60% impairment of dominant upper limb** or bilateral upper limb impairment equivalent to 36% WPI**</td>
<td>5°</td>
</tr>
<tr>
<td></td>
<td>Manual occupation:</td>
<td></td>
<td>Manual occupation:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>50% impairment of either upper limb, or a bilateral upper limb impairment equivalent to a 30% WPI**</td>
<td></td>
<td>30% impairment of either upper limb or a bilateral upper limb impairment equivalent to a WPI of 18%**</td>
<td></td>
</tr>
<tr>
<td>Lower limb</td>
<td>80% impairment of lower limb**</td>
<td>8°</td>
<td>60% impairment of lower limb**</td>
<td>5°</td>
</tr>
<tr>
<td></td>
<td>Manual Occupation:</td>
<td></td>
<td>Manual Occupation:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>50% impairment of lower limb or bilateral lower limb impairment equivalent to a 20% WPI**</td>
<td></td>
<td>30% impairment of lower limb or bilateral lower limb impairment equivalent to a 12% WPI**</td>
<td></td>
</tr>
<tr>
<td>Upper and lower limb</td>
<td>Combined upper and lower limb impairment equivalent to a 50% WPI** or</td>
<td>7°</td>
<td>Combined upper and lower limb impairment equivalent to a 40% WPI** or</td>
<td>5°</td>
</tr>
<tr>
<td></td>
<td>Manual occupation: Combined upper and lower limb impairment equivalent to a 35% WPI**</td>
<td></td>
<td>Manual occupation: Combined upper and lower limb impairment equivalent to a 25% WPI**</td>
<td></td>
</tr>
<tr>
<td>Spine</td>
<td>Cauda equina Syndrome or Loss of bowel or bladder integrity or Paraplegia or Quadriplegia or Cervical spine impairment resulting in 30% WPI after surgery unless surgery is medically contra-indicated or Thoracic spine impairment resulting in 22% WPI after surgery unless surgery is medically contra-indicated or Lumbar spine impairment resulting in 33% WPI after surgery unless surgery is medically contra-indicated or Permanent inability to perform 3 Self-Care Activities of Daily Living</td>
<td>9°</td>
<td>Radioculopathy and significant extremity impairment as indicated by atrophy, loss of reflexes, dermatomal sensory loss or loss of spine motion integrity as documented by neurological or motor compromise** or Cervical spine impairment resulting in 16% WPI after surgery unless surgery is medically contra-indicated or Thoracic spine impairment resulting in 16% WPI after surgery unless surgery is medically contra-indicated or Lumbar spine impairment resulting in 24% WPI after surgery unless surgery is medically contra-indicated or Permanent inability to perform 2 Self-care Activities of Daily Living</td>
<td>6°</td>
</tr>
<tr>
<td>Soft tissue</td>
<td>Severe facial disfigurement as per AMA guide Class four or 25% body surface area full thickness burns resulting in contractures with 50% WPI**</td>
<td>6°</td>
<td>Severe facial disfigurement or distortion as a result of trauma or accidental injury of 25% of the face with involvement of the nose, eye, ear or mouth or 15% body surface area full thickness burns resulting in contractures with 30% WPI**</td>
<td>6°</td>
</tr>
</tbody>
</table>

Manual occupation greater than 20% very heavy, 30% heavy, or 40% moderate manual labour job description or profession requiring manual dexterity
*Disorders include muscle, bone, nerve or joint impairments

**Based on AMA guides to the Evaluation of Permanent Impairment; latest edition - examining doctor will be provided with specific valuating protocols

***The coordinated use of both hands to perform Activities of Daily Living or work

WPI - Whole person impairment

13. THE CAPITAL DISABILITY BENEFIT UNDERPIN, LIFETIME SEVERE ILLNESS UNDERPIN AND INJURY AND HOSPITALISATION UNDERPIN FOR THE INCOME CONTINUATION BENEFIT

Capital Disability Benefit Underpin

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>PAYMENT PERCENTAGE</th>
<th>PAYMENT PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>50%</td>
<td>Five years</td>
</tr>
</tbody>
</table>

LifeTime Severe Illness Underpin

<table>
<thead>
<tr>
<th>SEVERITY LEVEL</th>
<th>PAYMENT PERCENTAGE</th>
<th>SEVEN-DAY WAITING PERIOD</th>
<th>ONE-MONTH WAITING PERIOD</th>
<th>OTHER WAITING PERIODS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>100% + LifeTime Severity Upgrades x 25%</td>
<td>Six months</td>
<td>Five months</td>
<td>No payment</td>
</tr>
</tbody>
</table>

Injury and Hospitalisation Underpin

<table>
<thead>
<tr>
<th>CONDITION</th>
<th>PAYMENT PERCENTAGE</th>
<th>PAYMENT PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitalisation longer than a week*</td>
<td>100%</td>
<td>One month</td>
</tr>
<tr>
<td>Skull (except bones of the nose or face)</td>
<td>100%</td>
<td>One month</td>
</tr>
<tr>
<td>Facial bones</td>
<td>Le Fort II</td>
<td>100%</td>
</tr>
<tr>
<td>Facial bones</td>
<td>Le Fort III</td>
<td>100%</td>
</tr>
<tr>
<td>Spine (compression fracture more than 50% of the vertebral body or burst fracture)</td>
<td>100%</td>
<td>Three months</td>
</tr>
<tr>
<td>Collarbone</td>
<td>100%</td>
<td>One month</td>
</tr>
<tr>
<td>Shoulder blade</td>
<td>100%</td>
<td>Two months</td>
</tr>
<tr>
<td>Upper arm</td>
<td>100%</td>
<td>Two months</td>
</tr>
<tr>
<td>Forearm above the wrist</td>
<td>100%</td>
<td>One month</td>
</tr>
<tr>
<td>Hand requiring plaster or surgery</td>
<td>100%</td>
<td>One month</td>
</tr>
<tr>
<td>Pelvis</td>
<td>100%</td>
<td>Three months</td>
</tr>
<tr>
<td>Thigh</td>
<td>100%</td>
<td>Three months</td>
</tr>
<tr>
<td>Kneecap</td>
<td>100%</td>
<td>Two months</td>
</tr>
<tr>
<td>Leg between knee and foot</td>
<td>100%</td>
<td>Two months</td>
</tr>
<tr>
<td>Hindfoot (calcaneus, talus, navicularis, cuboid or either of the three cuneiform bones)</td>
<td>100%</td>
<td>One month</td>
</tr>
</tbody>
</table>

*Note: In the case of a hospital readmission, a payment will only be made if the readmission occurs after the payment period has been exceeded.
ACTIVITIES OF DAILY LIVING

The Activities of Daily Living (ADLs) is an internationally used scoring system that assesses the functional ability of a person including the physical, cognitive and interactive abilities. Discovery Life uses the ADLs to assess functioning in both the Severe Illness and Capital Disability Benefits when objective criteria of Impairment are needed – for example when neurological and connective tissue diseases as specified in Appendix 1 and 2 are assessed. Changes to the ADLs must be permanent, must have occurred after the date of commencement of the policy, and must be due to the condition, illness or event that is being claimed for.

Discovery Life reserves the right to request an Occupational Therapist’s or Neuropsychologist’s assessment of ADL functioning, using standardised assessment methods.

THERE ARE SIX CATEGORIES OF ADLS:

- Self-care
- Communication
- Physical Activity
- Sensory Function
- Hand Function
- Advanced Activities

SCORING OF THE CATEGORIES:

The terms “no Impairment”, “moderately impaired”, “severely impaired” and “very severely impaired” are used in the Advanced Activities category. The terms “independent”, “impaired”, “unable” are used in all the other categories. These terms are defined in the Activities of Daily Living Score Sheet at the end of this appendix.

SELF-CARE

- If a person is unable to do one activity within this category, it is scored as the inability to perform the Self-care category of the ADL Score sheet.
- If a person is impaired in doing two activities within this category, it is scored as the inability to perform the Self-care category of the ADL Score Sheet.

COMMUNICATION

- If a person is unable to do one activity within this category, it is scored as the inability to perform the Communication category of the ADL Score sheet.
- If a person is impaired in doing two activities within this category, it is scored as the inability to perform the Communication category of the ADL Score Sheet.

PHYSICAL ACTIVITY

- If a person is unable to do three activities within this category, it is scored as the inability to perform the Physical Activity category of the ADL Score Sheet.
- If a person is impaired in doing six activities within this category, it is scored as the inability to perform the Physical Activity category of the ADL Score Sheet.

SENSORY FUNCTION

- If a person is unable to do one activity within this category, it is scored as the inability to perform the Sensory Function category of the ADL Score Sheet.
- If a person is impaired in doing two activities within this category, it is scored as the inability to perform the Sensory Function category of the ADL Score Sheet.

HAND FUNCTION

- If a person is unable to do one activity within this category, it is scored as the inability to perform the Hand Function category of the ADL Score Sheet.
- If a person is impaired in doing two activities within this category, it is scored as the inability to perform the Hand Function category of the ADL Score Sheet.

ADVANCED ACTIVITIES

It is scored as the inability to perform the Advanced Activity category if:

- A person is moderately impaired in all four areas, or
- A person is severely impaired in two of the four areas, or
- A person is very severely impaired in one of the four areas
## ACTIVITIES OF DAILY LIVING SCORE SHEET:

### SELF-CARE

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>INDEPENDENT</th>
<th>IMPAIRED</th>
<th>UNABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bathing</td>
<td>• No assistance is required, or • The client is able to perform bathing or showering independently with the aid of hand rails and a non-slip bath mat.</td>
<td>• Hands-on assistance is required, or • Assistive devices such as an electronic bath bench is required when getting in or out of the tub or shower, or • The client generally bathes himself/herself but needs some assistance with cleaning hard to reach areas.</td>
<td>• The client is totally dependent on others in all areas of bathing; the client would be at risk if left alone.</td>
</tr>
<tr>
<td>Grooming</td>
<td>• No assistance is required.</td>
<td>• Hands-on assistance is required with some activities of personal hygiene.</td>
<td>• The client is totally dependent on others in all areas of grooming.</td>
</tr>
<tr>
<td>Dressing</td>
<td>• No assistance is required, or • The client may perform dressing with an adapted method (such as sitting to dress lower limbs).</td>
<td>• Hands-on assistance is required with some activities, or • The client is unable to dress himself/herself completely (e.g. tying shoes, zipper or buttoning) without the help of another person.</td>
<td>• The client is totally dependent on others in all areas of dressing.</td>
</tr>
<tr>
<td>Eating and feeding</td>
<td>• No assistance is required, or • The client is able to perform the activity independently with the aid of modified cutlery.</td>
<td>• Hands-on assistance is required, e.g. help with cutting up food or pushing food within reach, or help with applying an assistive device (such as a universal cuff).</td>
<td>• The client is totally dependent on others in all areas of eating.</td>
</tr>
<tr>
<td>Toilet use and continence</td>
<td>No assistance is required with toilet use, and the client has no incontinence.</td>
<td>• Hands-on assistance is required with some activities, eg transferring onto the toilet, but the constant presence of another person while toileting is not necessary, or • Intermittent catheterising.</td>
<td>• The client is totally dependent on others in all areas of toileting, or • The client has no control of bowel or bladder, or • Permanent catheter, or • Permanent colostomy.</td>
</tr>
<tr>
<td>Mobility in home</td>
<td>• The client goes about the home independently.</td>
<td>• Walking and transferring requires the assistance of another person, or a railing, cane, walker or wheelchair.</td>
<td>• The client sits unsupported in a chair or wheelchair, but cannot propel himself/herself alone or transfer from bed to chair alone, or • The client is bedridden.</td>
</tr>
</tbody>
</table>

### COMMUNICATION

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>INDEPENDENT</th>
<th>IMPAIRED</th>
<th>UNABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listening</td>
<td>• The client is able to comprehend verbal communication in his or her first language.</td>
<td>• The client is significantly impaired to comprehend verbal communication in his or her first language.</td>
<td>• The client is permanently unable to comprehend verbal communication in his or her first language.</td>
</tr>
<tr>
<td>Speaking</td>
<td>• The client is functionally able to communicate verbally in his or her first language.</td>
<td>• The client is significantly impaired to communicate verbally in his or her first language.</td>
<td>• The client is permanently unable to communicate verbally in his or her first language.</td>
</tr>
<tr>
<td>Reading</td>
<td>• The client is able to comprehend written language in his or her first language.</td>
<td>• The client is significantly impaired to comprehend written language in his or her first language.</td>
<td>• The client is permanently unable to comprehend written language in his or her first language.</td>
</tr>
<tr>
<td>Writing</td>
<td>• The client is able to complete personal information documents in his or her first language independently.</td>
<td>• The client requires assistance when completing forms in his or her first language.</td>
<td>• The client is permanently unable to write in his or her first language.</td>
</tr>
<tr>
<td>Keyboard use</td>
<td>• The client can use a cell phone, keyboard, ATM and credit card machine independently.</td>
<td>• The client requires assistance when using a cell phone, keyboard, ATM or credit card machine.</td>
<td>• The client is permanently unable to use a cell phone, keyboard, ATM or credit card machine.</td>
</tr>
</tbody>
</table>

### PHYSICAL ACTIVITY

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>INDEPENDENT</th>
<th>IMPAIRED</th>
<th>UNABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standing</td>
<td>• The client can stand independently for longer than 10 minutes.</td>
<td>• The client needs external support or assistive devices (such as a walking frame), to stand, or • The client can stand independently but not for longer than 10 minutes.</td>
<td>• The client is unable to stand independently and therefore requires hands-on support when standing; the client would be at risk if unassisted.</td>
</tr>
<tr>
<td>Activity</td>
<td>Independent</td>
<td>Impaired</td>
<td>Unable</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Sitting</td>
<td>• The client can sit independently for longer than 20 minutes.</td>
<td>• The client needs support to sit, or</td>
<td>• The client is unable to sit independently.</td>
</tr>
<tr>
<td>Walking</td>
<td>• The client can walk independently (even though some difficulty or discomfort may be experienced) for six minutes, covering a distance of more than 300 metres.</td>
<td>• The client needs assistive devices (such as a walking frame) to walk, or • The client can walk independently but the distance covered in six minutes is less than 300 metres.</td>
<td>• The client is totally dependent on others for walking, or • The client must be pushed in a wheelchair or gurney at all times.</td>
</tr>
<tr>
<td>Crouching</td>
<td>• The client is able to assume and maintain the crouching position independently.</td>
<td>• The client requires external support getting in or out of the crouching position, or in maintaining the crouching position.</td>
<td>• The client is unable to assume the crouching position.</td>
</tr>
<tr>
<td>Squatting</td>
<td>• The client is able to perform five repetitive knee squats.</td>
<td>• The client is able to perform repetitive knee squats but is unable to perform five, or • The client requires external support when squatting.</td>
<td>• The client is unable to perform a knee squat.</td>
</tr>
<tr>
<td>Kneeling</td>
<td>• The client is able to assume and maintain the kneeling position independently.</td>
<td>• The client requires external support getting in or out of the kneeling position, or in maintaining the kneeling position.</td>
<td>• The client is unable to assume the kneeling position.</td>
</tr>
<tr>
<td>Reaching</td>
<td>• The client is able to reach to full arm length (above head height).</td>
<td>• The client is able to reach past eye level height, but unable to reach to full arm length.</td>
<td>• The client is unable to reach past eye level height.</td>
</tr>
<tr>
<td>Bending</td>
<td>• The client is able to bend forward independently.</td>
<td>• The client requires external support when bending forward.</td>
<td>• The client is unable to bend forward.</td>
</tr>
<tr>
<td>Carrying</td>
<td>• The client is able to carry 4.5kg for 5 meters with both hands, and • The client is able to carry 2kg with the left hand for 5 meters, and • The client is able to carry 2kg with the right hand for 5 meters.</td>
<td>• The client is able to carry some weight with both hands but is unable to carry 4.5kg with both hands for 5 meters, or • The client is unable to carry 2kg with the left hand for 5 meters, or • The client is unable to carry 2kg with the right hand for 5 meters.</td>
<td>• The client is unable to carry any weight.</td>
</tr>
<tr>
<td>Lifting</td>
<td>• The client is able to lift (from floor to waist) 4.5kg with both hands, and • The client is able to lift (from floor to waist) 2kg with the left hand, and • The client is able to lift (from floor to waist) 2kg with the right hand.</td>
<td>• The client is able to lift some weight with both hands but is unable to lift (from floor to waist) 4.5kg with both hands, or • The client is unable to lift 2kg with the left hand, or • The client is unable to lift (from floor to waist) 2kg with the right hand.</td>
<td>• The client is unable to lift any weight.</td>
</tr>
<tr>
<td>Stair use</td>
<td>• The client is able to climb 20 steps independently, during which a handrail may be used and one step at a time is climbed.</td>
<td>• The client requires hands-on assistance when climbing stairs, or • The client is unable to climb 20 or more steps.</td>
<td>• The client is unable to negotiate stairs.</td>
</tr>
<tr>
<td>Travel (driving, riding)</td>
<td>• The client is able to drive a vehicle independently, or • The client is able to use public transport independently.</td>
<td>• The client requires assistance when using public transport, or • The client requires a driver if he/she had previously been able to drive a motor vehicle independently.</td>
<td>• The client is unable to travel.</td>
</tr>
<tr>
<td>Sensory Function</td>
<td><strong>Hearing</strong></td>
<td><strong>Seeing</strong></td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Independent</td>
<td>Impaired</td>
<td>Unable</td>
</tr>
<tr>
<td>Hearing</td>
<td>• The client has functional hearing with or without the use of a hearing aid.</td>
<td>• The client’s best corrected, permanent binaural hearing loss exceeds 50%.</td>
<td>• The client’s best corrected, permanent hearing loss exceeds 70dB as measured over the frequencies 500Hz, 1000Hz, 2000Hz and 3000 Hz</td>
</tr>
<tr>
<td>Seeing</td>
<td>• The client has normal vision with or without correction.</td>
<td>• The client has a permanent visual field defect of 25% or more in one eye due to a scotoma.</td>
<td>• The client has a permanent visual field defect of 25% or more in both eyes due to scotomas or permanent quadrantanopia.</td>
</tr>
</tbody>
</table>
Tactile sensation

- The client has normal sensory function (sensation of the hands is assessed under hand function).
- The client has impaired sensory function in a dermatome corresponding with objective pathology (sensation of the hands is assessed under hand function).
- The client has complete loss of sensory function in a dermatome corresponding with objective pathology (sensation of the hands is assessed under hand function).

Tasting and Smelling

- The client has normal ability to taste and smell.
- The client has significant Impairment to taste or smell as a result of an injury or disease.
- The client is permanently unable to taste, or permanently unable to smell, as a result of an injury or disease.

### HAND FUNCTION

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>INDEPENDENT</th>
<th>IMPAIRED</th>
<th>UNABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grasping and Holding</td>
<td>The client has grip strength better than 2 standard deviations below the average age and gender values (according to Mathiowetz normative data for adults)</td>
<td>The client has grip strength weaker than 2 standard deviations below average age and gender values (according to Mathiowetz normative data for adults)</td>
<td>The client is unable to grasp.</td>
</tr>
<tr>
<td>Pinching/Tip pinch</td>
<td>The client has pinch strength better than 2 standard deviations below average age and gender values (according to Mathiowetz normative data for adults)</td>
<td>The client has pinch strength weaker than 2 standard deviations below average age and gender values (according to Mathiowetz normative data for adults)</td>
<td>The client is unable to pinch</td>
</tr>
<tr>
<td>Coordination/Dexterity</td>
<td>This is better than two standard deviations below the norm according to standardised hand coordination tests (for example the Minnesota Rate of Manipulation).</td>
<td>This is two standard deviations below the norm according to coordination test (for example the Minnesota Rate of Manipulation).</td>
<td>The client is unable to perform percussive movements (finger touching or diadochokinesis).</td>
</tr>
<tr>
<td>Sensory discrimination/Tactile sensation</td>
<td>The client has normal sensory function in hands.</td>
<td>The client has impairment of sensory function, but retained protective sensibility in the hands.</td>
<td>The client has no sensation in hands.</td>
</tr>
</tbody>
</table>

### ADVANCED ACTIVITIES

The following areas are assessed under this category:

- Concentration
- Memory
- Problem solving, judgement and reasoning
- Executive function including planning, initiation, organizing, error monitoring

The above four areas can be tested by a Neuropsychologist and stratified according to percentiles.

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>NO IMPAIRMENT</th>
<th>MODERATELY IMPAIRED</th>
<th>SEVERELY IMPAIRED</th>
<th>VERY SEVERELY IMPAIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memory</td>
<td>Neuropsychological testing results fall above the 30th percentile, or higher than half a standard deviation below the norm.</td>
<td>Neuropsychological testing results fall between the 15th and 30th percentile, or between half and 1 standard deviation below the norm.</td>
<td>Neuropsychological testing results fall between the 5th and 15th percentile, or between 1 and 2 standard deviations below the norm.</td>
<td>Neuropsychological testing results fall below the 5th percentile, or 2 standard deviations below the norm (or worse).</td>
</tr>
<tr>
<td>Concentration</td>
<td>Neuropsychological testing results fall above the 30th percentile, or higher than half a standard deviation below the norm.</td>
<td>Neuropsychological testing results fall between the 15th and 30th percentile, or between half and 1 standard deviation below the norm.</td>
<td>Neuropsychological testing results fall between the 5th and 15th percentile, or between 1 and 2 standard deviations below the norm.</td>
<td>Neuropsychological testing results fall below the 5th percentile, or 2 standard deviations below the norm (or worse).</td>
</tr>
<tr>
<td>Problem solving, judgment and reasoning</td>
<td>Neuropsychological testing results fall above the 30th percentile, or higher than half a standard deviation below the norm.</td>
<td>Neuropsychological testing results fall between the 15th and 30th percentile, or between half and 1 standard deviation below the norm.</td>
<td>Neuropsychological testing results fall between the 5th and 15th percentile, or between 1 and 2 standard deviations below the norm.</td>
<td>Neuropsychological testing results fall below the 5th percentile, or 2 standard deviations below the norm (or worse).</td>
</tr>
<tr>
<td>Executive function including planning, initiation, organizing and error monitoring</td>
<td>Neuropsychological testing results fall above the 30th percentile, or higher than half a standard deviation below the norm.</td>
<td>Neuropsychological testing results fall between the 15th and 30th percentile, or between half and 1 standard deviation below the norm.</td>
<td>Neuropsychological testing results fall between the 5th and 15th percentile, or between 1 and 2 standard deviations below the norm.</td>
<td>Neuropsychological testing results fall below the 5th percentile, or 2 standard deviations below the norm (or worse).</td>
</tr>
</tbody>
</table>
**ACCESSCOVER AND ACCESSCOVER PLUS BENEFITS**

### MEDICAL ACCESSCOVER CONDITIONS

<table>
<thead>
<tr>
<th>Condition</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims will be assessed on objective medical evidence that supports the diagnosis and may include but is not limited to:</td>
<td></td>
</tr>
<tr>
<td>• Histology,</td>
<td></td>
</tr>
<tr>
<td>• Imaging and scans, and</td>
<td></td>
</tr>
<tr>
<td>• Specialists’ reports.</td>
<td></td>
</tr>
<tr>
<td>Kindly note that Discovery Life may review the medical conditions and categories below from time to time after consultation with medical experts in its sole discretion to reflect, for example, the effect of advances in medical technology on survival rates following these conditions.</td>
<td></td>
</tr>
</tbody>
</table>

#### CANCER

A current internationally recognized staging system will be used to confirm the staging of the tumour.

<table>
<thead>
<tr>
<th>Stage 4 Breast cancer</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 4 Prostate cancer</td>
<td>D</td>
</tr>
<tr>
<td>Stage 4 Malignant Melanoma</td>
<td>C</td>
</tr>
<tr>
<td>Stage 4 Ovarian cancer diagnosed before turning 45</td>
<td>F</td>
</tr>
<tr>
<td>Stage 4 Ovarian cancer diagnosed after turning 45</td>
<td>E</td>
</tr>
<tr>
<td>Stage 4 Pancreatic cancer diagnosed before turning 45</td>
<td>B</td>
</tr>
<tr>
<td>Stage 4 Pancreatic cancer diagnosed after turning 45</td>
<td>A</td>
</tr>
<tr>
<td>Stage 4 Gastric cancer</td>
<td>C</td>
</tr>
<tr>
<td>Stage 4 Colorectal cancer</td>
<td>C</td>
</tr>
<tr>
<td>Stage 4 Oesophageal cancer</td>
<td>A</td>
</tr>
<tr>
<td>Stage 4 Lung cancer diagnosed before turning 45</td>
<td>B</td>
</tr>
<tr>
<td>Stage 4 Lung cancer diagnosed after turning 45</td>
<td>A</td>
</tr>
<tr>
<td>Stage 4 Soft tissue sarcoma diagnosed before turning 45</td>
<td>E</td>
</tr>
<tr>
<td>Stage 4 Soft tissue sarcoma diagnosed after turning 45</td>
<td>C</td>
</tr>
<tr>
<td>Stage 4 Osteosarcoma diagnosed before turning 45</td>
<td>H</td>
</tr>
<tr>
<td>Stage 4 Osteosarcoma diagnosed after turning 45</td>
<td>G</td>
</tr>
</tbody>
</table>

#### BRAIN TUMOURS

| World Health Organisation Grade 3 or 4 Brain tumours | A |

#### TRANSPLANTS

Receiving a transplant or being on the official South African or International waiting list for the relevant transplant

| Lung transplant | G |
| Heart and lung transplant | E |
| Pancreas transplant | G |
MEDICAL ACCESS COVER CONDITIONS

CARDIOVASCULAR SYSTEM

Permanence of the impaired Ejection Fraction will be established by means of two measurements taken three months apart unless otherwise proven to the satisfaction of Discovery Life.

- Hypertrophic cardiomyopathy with a permanent ejection fraction of less than 30% diagnosed after turning 45: H
- Hypertrophic cardiomyopathy with a permanent ejection fraction of less than 15% diagnosed before turning 45: G
- Hypertrophic cardiomyopathy with a permanent ejection fraction of less than 15% diagnosed after turning 45: F
- Dilated cardiomyopathy with a permanent ejection fraction of less than 30% diagnosed after turning 45: H
- Dilated cardiomyopathy with a permanent ejection fraction of less than 15% diagnosed before turning 45: G
- Dilated cardiomyopathy with a permanent ejection fraction of less than 15% diagnosed after turning 45: F
- Arrhythmogenic right ventricular cardiomyopathy with biventricular failure and a permanent ejection fraction of less than 30% diagnosed after turning 45: H
- Arrhythmogenic right ventricular cardiomyopathy with biventricular failure and a permanent ejection fraction of less than 15% diagnosed before turning 45: G
- Arrhythmogenic right ventricular cardiomyopathy with biventricular failure and a permanent ejection fraction of less than 15% diagnosed after turning 45: F
- Ischaemic Heart Disease with a permanent ejection fraction of less than 30% diagnosed after turning 45: H
- Ischaemic Heart Disease with a permanent ejection fraction of less than 15% diagnosed before turning 45: G
- Ischaemic Heart Disease with a permanent ejection fraction of less than 15% diagnosed after turning 45: F

RESPIRATORY SYSTEM

- Usual interstitial pneumonitis (Diffuse Interstitial Fibrosis): F
- Chronic Obstructive Pulmonary Disease scoring 5-6 on the BODE index*: G
- Chronic obstructive Pulmonary Disease scoring 7-10 on the BODE index*: C

*BODE Index Table:

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMI (B)</td>
<td>&gt;21</td>
<td>&lt;21</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>FEV1% predicted (%O)</td>
<td>&gt;65</td>
<td>50-64</td>
<td>35-49</td>
<td>&lt;35</td>
</tr>
<tr>
<td>MMRC (%D) 0-1 (0 = dyspnoea with strenuous exercise; 1 = stop on slight hill)</td>
<td>2 (stop on level ground)</td>
<td>3 (91 metres)</td>
<td>4 (house bound)</td>
<td></td>
</tr>
<tr>
<td>Distance walked in 6 min (%E)</td>
<td>&gt;350m</td>
<td>250m-349m</td>
<td>150m-249m</td>
<td>&lt;149m</td>
</tr>
</tbody>
</table>
### MEDICAL ACCESSCOVER CONDITIONS

#### GASTROINTESTINAL SYSTEM

- Liver failure as confirmed by a gastroenterologist due to cirrhosis, evidenced by permanent jaundice, and/or ascites, varices and portal hypertension  
  - E
- Portal hypertension with an elevation of hepatic venous pressure of more than 15mmHg and either oesophageal varices, ascites or splenomegaly  
  - E

#### CONNECTIVE TISSUE DISORDERS

- Diffuse cutaneous systemic sclerosis diagnosed before turning 45 involving the skin, blood vessels and visceral organs with permanent inability to perform 4 out of 6 ADL's or 3 self-care ADL's  
  - F
- Diffuse cutaneous systemic sclerosis diagnosed after turning 45 involving the skin, blood vessels and visceral organs with permanent inability to perform 4 out of 6 ADL's or 3 self-care ADL's  
  - D
- Polyarteritis nodosa proven by biopsy or angiography and involving visceral, hepatic or renal arteries diagnosed before turning 45  
  - F
- Polyarteritis nodosa proven by biopsy or angiography and involving visceral, hepatic or renal arteries diagnosed after turning 45  
  - D
- Wegener’s granulomatosis diagnosed before turning 45 with permanent inability to perform 4 out of 6 ADL's or 3 self-care ADL's  
  - F
- Wegener’s granulomatosis diagnosed after turning 45 with permanent inability to perform 4 out of 6 ADL's or 3 self-care ADL's  
  - D
- SLE with renal, central nervous system or cardiovascular Impairment diagnosed before turning 45  
  - F
- SLE with renal, central nervous system or cardiovascular Impairment diagnosed after turning 45  
  - D
- Rheumatoid arthritis with renal or cardiac Impairment diagnosed before turning 45  
  - F
- Rheumatoid arthritis with renal or cardiac Impairment diagnosed after turning 45  
  - D
- Stage 4 sarcoidosis  
  - G

#### CENTRAL NERVOUS SYSTEM

- Diagnosis of Motor Neuron disease  
  - D
- Definite diagnosis of Multiple sclerosis and the permanent inability to perform 4 out of 6 Activities of Daily Living or 3 self care Activities of Daily Living  
  - D
- Parkinson disease and the permanent inability to perform 4 out of 6 Activities of Daily Living or 3 self care Activities of Daily Living  
  - D
- Stroke confirmed on imaging and permanent neurological deficit causing the permanent inability to perform 4 out of 6 Activities of Daily Living or 3 self care Activities of Daily Living  
  - D
- Alzheimer disease confirmed by clinical evidence and standardized tests meeting the criteria in DSM IV or latest version  
  - D
- Dementia (other than Alzheimer’s disease) confirmed by clinical evidence and standardized tests meeting the criteria in DSM IV or latest version.  
  - D

#### RENAL SYSTEM

- Renal Impairment as defined by at least Stage 4 Chronic Kidney Disease (National Kidney Foundation classification)  
  - E
ACCESSCOVER PLUS CRITERIA

LONGEVITY ACCESSCOVER

- Life assured reaching age 80
- Life assured reaching age 85
- Life assured reaching age 90

FAMILY DEBILITY ACCESSCOVER

- Life assured, spouse or children meeting any of the criteria below, the primary cause of which must be a sudden and unforeseen event occurring at an identifiable place and time, and has a visible, violent and external cause (including near drowning).
  - Loss of a hand or both hands or a foot or both feet
    Total and irreversible loss or loss of use of a hand or both hands or a foot or both feet, where a foot is defined as the extremity of the leg below the ankle and a hand the extremity of the arm beyond the wrist. Radiological evidence of irreversible joint destruction must be provided.
  - Blindness
    Total, permanent and irreversible loss of sight in one or both eyes.
  - Deafness
    Total, permanent and irreversible loss of hearing in one or both ears.
  - Loss of speech
    Total, permanent and irreversible loss of the ability to speak.
  - Permanent confinement
    Total, permanent and irreversible dependence on assistance, confirmed by Discovery Life’s Chief Medical Officer, to a bed or a wheelchair.
  - Major burns
    Full thickness burns, involving damage or destruction of the skin to its full depth through the underlying tissue, covering at least 15% of the body surface area.
  - Major head trauma
    A traumatic injury to the brain, caused by an external physical force, resulting in significant and permanent Impairment of cognitive abilities and/or physical functioning, and the need for continual supervision. The diagnosis must be confirmed by a neurologist.
  - Spinal debility
    Total, permanent and irreversible loss of muscle function or sensation to the whole or at least two limbs resulting from injury. The disability must be permanent and supported by appropriate neurological evidence.
  - Paraplegia
  - Quadriplegia

SPOUSE ACCIDENTAL DEATH ACCESSCOVER

- The Insured Life’s Spouse dies accidentally
  A sudden and unforeseen event occurring at an identifiable place and time, has a visible, violent and external cause, and results in the death of the Insured Life’s Spouse.
## ANNUAL PREMIUM INCREASES

Increases for the AcceleRater and FlexRater plans

<table>
<thead>
<tr>
<th>AGE NEXT</th>
<th>STANDARD PLANS</th>
<th>ACCELERATOR PLANS</th>
<th>FLEXRATER PLANS*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ABI = 0%</td>
<td>ABI = CPI + 3%</td>
<td>ABI = CPI + 3%</td>
</tr>
<tr>
<td>0%</td>
<td>8.50% CPI + 2%</td>
<td>7.000% CPI + 3%</td>
<td>6.500% CPI + 3%</td>
</tr>
<tr>
<td>1%</td>
<td>8.60% CPI + 2.1%</td>
<td>7.150% CPI + 3.1%</td>
<td>6.650% CPI + 3.1%</td>
</tr>
<tr>
<td>2%</td>
<td>8.70% CPI + 2.2%</td>
<td>7.300% CPI + 3.2%</td>
<td>6.800% CPI + 3.2%</td>
</tr>
<tr>
<td>3%</td>
<td>8.80% CPI + 2.3%</td>
<td>7.450% CPI + 3.3%</td>
<td>6.950% CPI + 3.3%</td>
</tr>
<tr>
<td>4%</td>
<td>8.90% CPI + 2.4%</td>
<td>7.600% CPI + 3.4%</td>
<td>7.100% CPI + 3.4%</td>
</tr>
<tr>
<td>5%</td>
<td>9.00% CPI + 2.5%</td>
<td>7.750% CPI + 3.5%</td>
<td>7.250% CPI + 3.5%</td>
</tr>
<tr>
<td>6%</td>
<td>9.10% CPI + 2.6%</td>
<td>7.900% CPI + 3.6%</td>
<td>7.400% CPI + 3.6%</td>
</tr>
<tr>
<td>7%</td>
<td>9.20% CPI + 2.7%</td>
<td>8.050% CPI + 3.7%</td>
<td>7.550% CPI + 3.7%</td>
</tr>
<tr>
<td>8%</td>
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*After 20 FlexRater increase, the applicable annual contribution increase will be 2.25% lower than those shown above.
### SUMMARY OF THE MAIN DIFFERENCES BETWEEN THE CLASSIC LIFE PLAN AND THE ESSENTIAL LIFE PLAN

Please note that the table below is a brief overview of some of the differences between the Classic Life Plan and the Essential Life Plan. Please see the relevant section of this Life Plan Guide for a comprehensive explanation. The actual benefits you receive will depend on your chosen Life Plan and the benefits you qualify for.

<table>
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<tr>
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| **CAPITAL DISABILITY BENEFIT** |                   |                     |
| Core (Category A and D)        | ✓                 | ✓                   |
| Comprehensive Plus (Category A, B, C and D) | ✓ | ✓ |
| LifeTime Benefit              | ✓                 | ✓                   |
| Dynamic Spend Protector       | ✓                 | ×                   |
| Conversion of Capital Disability Benefit to Severe Illness Benefit at benefit expiry | ✓ | ✓ |
| Multiple claims               | ✓                 | ✓ Limited to Capital Disability Benefit amount |

| **SEVERE ILLNESS BENEFIT**    |                   |                     |
| Comprehensive (A - D) and Comprehensive Plus (A - G) options | ✓ | ✓ |
| LifeTime and Extender Benefits | ✓ | ✓ |
| Automatic child and parent cover | ✓ | × |
| Global Treatment Benefit      | ✓ | × |
| Multiple claims (also applicable to Female Severe Illness Benefit, Child Severe Illness Benefit, Parent Severe Illness Benefit, Family Trauma Benefit, Childbirth Benefit) | ✓ Unlimited | ✓ Limited to the Severe Illness Benefit amount and for related illnesses only pays higher severity claims |
| Additional Severe Illness Benefit cover (Female Severe Illness Benefit, Child Severe Illness Benefit, Parent Severe Illness Benefit, Family Trauma Benefit, Childbirth Benefit) | ✓ | ✓ |

| **BENEFITBOOSTER**            |                   |                     |
| Boosts accelerated ancillaries by up to 40% at no additional premium | ✓ | ✓ |

| **INCOME CONTINUATION BENEFIT** |                   |                     |
| Core and Comprehensive options | ✓                 | ✓                   |
| 100% upgrade on permanent disability | ✓ | ✓ |
| Temporary Income Continuation Benefit | ✓ | ✓ |
| Automatic Sickness Underpin   | ✓                 | ✓                   |
| Overhead Expenses Benefit     | ✓                 | ✓                   |

| **MINIMUM PROTECTED FUND**    |                   |                     |
| Minimum Protected Fund        | ✓                 | ✓ Reinstates all cover |
|                               |                   | ✓ Reinstates all cover for non-related claims and only higher severity related claims. Maximum payout of 200% per benefit |

| **COVER INTEGRATOR**          |                   |                     |
| Post-retirement Integrated Cover | ✓ | ✓ |
| Default 5% Cash Conversion     | ✓                 | ×                   |
| Buy-up Cash Conversions of 50%, 100% and 200% | ✓ | ✓ |

| **FINANCIAL INTEGRATOR**      |                   |                     |
| Default 10% Cash Conversion   | ✓                 | ✓ No default Cash Conversion at age 65 (or 10 years after inception, if older than 56 next birthday) |
| Annual Guaranteed PayBack     | ✓                 | ×                   |
| Increased guarantees          | ✓                 | ×                   |
| Cumulating PayBack            | ✓                 | ×                   |
| Vitality Memory               | ✓                 | ×                   |
| Buy-Up Cash Conversion of 50%, 100% and 200% | ✓ | ✓ |

| **PREMIUM INTEGRATORS**       |                   |                     |
| Integrator discounts          | ✓                 | ✓                   |
| PayBack                       | ✓                 | ×                   |

| **OTHER BENEFITS**            |                   |                     |
| Premium Waivers               | ✓                 | ✓                   |
| Discovery Retirement Optimiser| ✓                 | ✓                   |
| Global Education Protector    | ✓                 | ✓                   |
| Global Health Protector       | ✓                 | ✓                   |
| Health Plan Protector         | ✓                 | ✓                   |
| Future Fund                   | ✓                 | ✓                   |
| Paid-up and Lock-in options   | ✓                 | ✓                   |
Every claim paid will reduce the Life Fund. Difference in applicable severity levels/category%’s based on the Life Fund after removing the effect of all previous claims in the progression.

Every claim paid will reduce the Life Fund. Classic SIB and CapDis Full applicable severity level/category% based on the reduced Life Fund. Essential SIB and CapDis Only claim for higher applicable severity levels/category%’s. Full applicable severity level/category% based on the reduced sum assured, subject to a maximum payment of 100% of the SIB/CapDis sum assured.

Every claim paid will reduce the Life Fund. Classic SIB and CapDis Full applicable severity level/category% based on the reduced Life Fund. Essential SIB and CapDis Only claim for higher applicable severity levels/category%’s. Full applicable severity level/category% based on the reduced sum assured, subject to a maximum payment of 100% of the SIB/CapDis sum assured.

Every claim paid will reduce the Life Fund. Classic SIB and CapDis Full applicable severity level/category% based on the reduced Life Fund. Essential SIB and CapDis Full applicable severity level/category% based on the reduced Life Fund, subject to a maximum payment of 100% of the SIB/CapDis sum assured.

All claims paid will reduce the Life Fund. However, after 14 days, the Life Fund will be reinstated by the MPF% for subsequent claims. Classic SIB and CapDis Full applicable severity level/category% based on the Life Fund reduced by previous claims and reinstated by the MPF%. Essential SIB Only claim for higher applicable severity levels. Full applicable severity level based on the Life Fund reduced by previous claims and reinstated by the MPF%, subject to a maximum payment for related claims of 200% of the SIB sum assured. Essential CapDis Only claim for higher applicable Category%’s. Full applicable Category% based on the Life Fund reduced by previous claims and reinstated by the MPF%, subject to an overall maximum payment of 200% of the CapDis sum assured.

All claims paid will reduce the Life Fund. However, after 14 days, the Life Fund will be reinstated by the MPF% for subsequent claims. Classic SIB and CapDis Full applicable severity level/category% based on the Life Fund reduced by previous claims and reinstated by the MPF%. Essential SIB Full applicable severity level based on the Life Fund reduced by previous claims and reinstated by the MPF%. Essential CapDis Full applicable Category% based on the Life Fund reduced by previous claims and reinstated by the MPF%, subject to overall maximum payment of 200% of the CapDis sum assured.

The diagram illustrates the claim percentage and the benefit sum assured that may be used to determine the claim amount for subsequent claims under the Severe Illness Benefit and the Capital Disability Benefit. The rules discussed in Section 6.7 and Section 7.6 still apply.

SIB = Severe Illness Benefit
CapDis = Capital Disability Benefit
Category% = Capital Disability Benefit category payout percentage
MPF = Minimum Protected Fund
MPF% = Percentage to which the Minimum Protected Fund will reinstate the Life Plan.

APPENDIX 7
All claims will reduce the Severe Illness Benefit sum assured. The difference in applicable severity levels based on the full SIB sum assured.

All claims paid will reduce the SIB sum assured. Classic Life Plan
However, after 14 days, the SIB sum assured will be reinstated back to the full sum assured for subsequent claims. Full applicable severity level applies.

Essential Life Plan
Only pays on higher severities. The difference in applicable severity levels based on full sum assured. Maximum payment for related claims is 100% of the SIB sum assured.

Classic and Essential Life Plan
All claims paid will reduce the SIB sum assured. However, after 14 days, the SIB sum assured will be reinstated back to the full sum assured for subsequent claims. Full applicable severity level applies.

Claims will not reduce the Capital Disability sum assured. The difference between the Category% is based on the CapDis sum assured after removing the effect of previous claims in the progression.

Classic Life Plan
Full applicable Category% based on the full CapDis sum assured
Essential Life Plan
Only claims of a higher category will be paid. Full applicable category% based on the full CapDis sum assured.

Claims will not reduce the Capital Disability sum assured. Full applicable Category% based on the reduced CapDis sum assured, subject to a maximum payout of 100% of the CapDis sum assured.
POST-RETIREMENT INCOME CONTINUATION BENEFIT CRITERIA

SECTION 1: SEVERE ILLNESS CRITERIA

The Severity A conditions qualify for a payment percentage of 100% and Severity B conditions qualify for a payment percentage of 50%.

GENERAL PROVISIONS IN RESPECT OF THE LIFE ASSURED

- The life-changing event must occur after the commencement of the benefit.
- Symptoms and signs must be compatible with the diagnosis and the relevant special investigations (including blood tests, imaging, histology and other tests) must confirm the diagnosis.
- Inability to perform Activities of Daily Living must be due to and compatible with the diagnosis of the life changing event.
- Psychiatric illness, chronic fatigue syndrome (and synonyms) and fibromyalgia (and synonyms) and related terms are not covered under the Severe Illness Benefit.
- Major organ transplant claims include being on an official South African or international transplant waiting list for the relevant transplant.
- Specialist reports are required to assess all claims. A specialist is a medical practitioner registered as a specialist with the Health Professions Council of South Africa.
- The claims definitions in the Discovery Severe Illness Benefit are compliant with the Standardised Critical Illness definitions Project (SCIDEP).
- Activities of Daily Living (ADLs) are defined in Appendix 3.
- Note that a 14 day survival period is applicable to all of these definitions.

1. CANCER BENEFIT

Cancer is a malignant tumour characterised by the uncontrolled growth of cells, invasion of normal tissue and spread to distant organs. The term malignant tumour includes leukaemia, lymphoma and sarcoma.

Pre-malignancy and carcinoma-in-situ tumours except for carcinoma-in-situ of the breast treated by mastectomy are not covered under this benefit. Brain tumours are covered under the Nervous System Benefit. Specified neuroendocrine tumours are covered under the Endocrine and Metabolic Diseases Benefit.

A current internationally recognised staging system will be used to assess the claim.

A report from the treating specialist, including the histology and stage of the cancer, the relevant imaging reports and other tests must confirm the diagnosis. A specialist is a person registered as such with the Health Professions Council of South Africa in a relevant speciality.

DEFINITION

SEVERITY A

Stage IV cancer
Stage III cancer unless specified elsewhere
Acute Myelocytic Leukaemia
Chronic Lymphocytic Leukaemia: stage III or IV on the Rai classification system
Chronic Myelocytic Leukaemia
Acute Lymphoblastic Leukaemia in adults
Severe Aplastic Anaemia as defined by the International Aplastic Anaemia Study Group
Multiple Myeloma: stage III on the Durie-Salmon scale, or equivalent stage on an appropriate staging system
Hodgkin’s or Non-Hodgkin’s lymphoma: stage III or IV on the Ann-Arbor staging system, or equivalent stage on an appropriate staging system
Stage IV prostate cancer
Stage III or IV Malignant Melanoma
Carcinoid syndrome with evidence of liver metastasis of atypical carcinoid tumour
2. **HEART AND ARTERY BENEFIT**

This benefit covers conditions of the heart and arteries as specified below.

The diagnosis must be confirmed by a cardiologist, cardiothoracic surgeon, neurosurgeon, vascular surgeon or specialist physician. Relevant special investigations such as ECGs, echocardiograms, other imaging studies and blood tests must confirm the diagnosis.

Chronic diastolic heart failure is defined as NYHA class 4 and irreversible restriction demonstrated on Doppler echocardiography.

Permanence of the ejection fraction impairment will be established in two measurements taken three months apart unless otherwise proven to the satisfaction of Discovery Life.

### DEFINITION

#### SEVERITY A
- Permanent ejection fraction of less than 40%
- Severe myocardial infarction with ejection fraction of less than 40% at least 14 days after the acute myocardial infarction
- Chronic diastolic heart failure: NYHA Class 4
- Gangrene or limb amputation due to peripheral arterial disease

#### SEVERITY B
- Permanent ejection fraction between 40% and 50%
- Myocardial infarction with ejection fraction of between 40% and 50% at least 14 days after the acute myocardial infarction

3. **NERVOUS SYSTEM BENEFIT**

The life assured must be treated by a neurologist or neurosurgeon registered as such with the Health Professions Council of South Africa. This benefit covers specified conditions of the brain, spinal cord nerves and arteries to the brain.

Stroke is defined as death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in neurological deficit lasting longer than 24 hours, confirmed by neuro-imaging investigation and appropriate clinical findings by a specialist neurologist. Symptoms and signs as well as imaging (Computerised Tomography or magnetic resonance imaging) must confirm a new stroke.Transient ischaemic attacks are specifically excluded.

Neurological deficits and ADL impairments must be compatible with the diagnosis and objective medical evidence. Permanence will be established after 90 days unless otherwise proven to the satisfaction of Discovery Life.

Brain tumours are assessed according the World Health Organisation’s grading. Pituitary microadenomas are specifically excluded under this benefit.

### DEFINITION

#### SEVERITY A
- Stroke with permanent inability to perform one category of the Activities of Daily Living Score Sheet (as defined in Appendix 3)
- Permanent inability to perform four or more categories of the Activities of Daily Living Score Sheet (as defined in Appendix 3)
- Permanently unable to do three or more out of the six Self-Care Activities of Daily Living (as defined in Appendix 3)
- Total permanent loss of speech including expressive or receptive aphasia
- Quadriplegia
- Paraplegia
- Coma with a score of less than 8 on the Glasgow Coma Scale lasting for longer than 96 hours
- Definite diagnosis of motor neuron disease
- World Health Organisation Grade III and IV brain tumours

#### SEVERITY B
- Permanent inability to perform three categories of the Activities of Daily Living Score Sheet (as defined in Appendix 3)
- Permanently unable to do two out of the six Self-Care Activities of Daily Living (as defined in Appendix 3)
4. **GASTROINTESTINAL BENEFIT**

This benefit covers specified conditions of the liver, pancreas, biliary system, upper and lower gastrointestinal system. Conditions related to drug or alcohol abuse are not covered under this benefit.

The life assured must be treated by a specialist physician, gastroenterologist or surgeon registered as such with the Health Professions Council of South Africa.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

### DEFINITION

**SEVERITY A**
- Cirrhosis of the liver
- Sclerosing cholangitis
- Fulminant hepatic failure

5. **CONNECTIVE TISSUE DISEASES BENEFIT**

This benefit covers the following connective tissue diseases: Progressive systemic sclerosis, rheumatoid arthritis, systemic lupus erythematosus (SLE), sarcoidosis, polyarteritis nodosa, giant cell arteritis, Wegener’s granulomatosis and polymiositis.

The life assured must be treated by a specialist Rheumatologist registered as such with the Health Professions Council of South Africa.

The diagnosis must be made in accordance with current internationally recognised criteria and supported by the relevant histology, serology and imaging.

### DEFINITION

**SEVERITY A**

Definite objective evidence of involvement of at least three of the following organ systems due to a listed Connective Tissue Disease:
- Cardiovascular
- Neurological
- Respiratory
- Renal
- Gastrointestinal
- Musculoskeletal

Permanent inability to perform four or more categories of the Activities of Daily Living Score Sheet (as defined in Appendix 3) due to a listed Connective Tissue Disease

Permanently unable to do three or more out of the six Self-Care Activities of Daily Living (as defined in Appendix 3) due to a listed Connective Tissue Disease

**SEVERITY B**

Definite objective evidence of involvement of two or more of the following organ systems due to a listed Connective Tissue Disease:
- Cardiovascular
- Neurological
- Respiratory
- Renal
- Gastrointestinal
- Musculoskeletal

Permanent inability to perform three categories of the Activities of Daily Living Score Sheet (as defined in Appendix 3) due to a listed Connective Tissue Disease

Permanently unable to do two out of the six Self-Care Activities of Daily Living (as defined in Appendix 3) due to a listed Connective Tissue Disease
6. **UROGENITAL TRACT AND KIDNEY BENEFIT**

This benefit covers specified conditions of the urogenital tract and kidneys.

The life assured must be treated by a specialist nephrologist or urologist registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

**DEFINITION**

**SEVERITY A**
- Chronic renal failure with ongoing permanent haemodialysis or a GFR of less than 15ml/ min/1.73m² according to the MDRD study equation
- Ongoing permanent peritoneal dialysis

7. **RESPIRATORY DISEASE BENEFIT**

This benefit covers specified conditions of the respiratory system.

The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as lung function tests, blood tests, histology or imaging.

The life assured must be treated by a pulmonologist registered as such with the Health Professions Council of South Africa. Lung function tests should be performed by a pulmonologist. The test should include pre and post dilatation measurements and show less than 5% variation between three successive FVC or FEV1 readings. Two DCO tests must be done with results within 3 units. Corrections must be made for anaemia and carboxyhaemoglobin on the DCO test.

**DEFINITION**

**SEVERITY A**
- Presence of irreversible cor pulmonale
- Pulmonary hypertension groups 1 to 5, confirmed on cardiac catheterisation, including pulmonary veno-occlusive disease, with a pulmonary artery pressure exceeding 25mmHg
- Chronic obstructive or restrictive lung disease with a permanent FEV₁ or FVC or DCO of 40% or less than predicted

**SEVERITY B**
- Pulmonary venous occlusive disease not specified elsewhere
- Chronic obstructive or restrictive lung disease with a permanent FEV₁ or FVC or DCO of 41% to 45% of predicted

8. **ADVANCED AIDS/ACCIDENTAL HIV BENEFIT**

This benefit covers advanced AIDS and accidental HIV sero conversion as specified below. A positive Human Immunodeficiency Virus antibody test and confirmatory Polymerase Chain Reaction test is required to confirm the diagnosis.

The diagnosis of the specified AIDS defining conditions must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, antibody test and histology or imaging.

**DEFINITION**

**SEVERITY A**
- Advanced AIDS evidenced by positive blood tests as specified above and CD4 cell count of less than 50 while on antiretroviral therapy for at least 3 months
- Advanced AIDS evidenced by positive blood tests as specified above and CD4 cell count of less than 200 while on antiretroviral therapy for at least 3 months, with definite diagnosis of any three conditions defined as stage 3 AIDS on the World Health Organisation clinical criteria list
Advanced AIDS evidenced by positive blood tests as specified above and CD4 cell count of less than 200 while on antiretroviral therapy for at least 3 months, with definite diagnosis of one or more of the following:

- Kaposi’s sarcoma
- Pneumocystis jirovecii pneumonia (PJP)
- Confirmed progressive multifocal leukoencephalopathy
- Active extra-pulmonary tuberculosis
- Cryptococcosis
- Disseminated non-tuberculous mycobacteria infection
- Confirmed diagnosis of any other condition defined as stage 4 AIDS on the World Health Organisation clinical criteria list

Accidental HIV as a result of:

- Accidental needlestick injury acquired while rendering professional duties as a doctor/dentist/paramedic/nurse. A negative HIV test must be done within 24 hours of the needlestick injury.
- A road traffic accident
- The transfusion of infected blood from a transfusion service recognised by Discovery Life
- Receiving an organ transplant where the organ was previously infected with HIV
- Rape, criminal assault or any other violent crime. The case must have resulted in the opening of a criminal case by the police. A negative HIV test must be done within 24 hours of the assault and a medical examination performed directly after the assault.

9. MUSCULOSKELETAL BENEFIT

This benefit covers specified conditions of the muscle, bones, joints and nerves.

The life assured must be treated by a specialist registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by the relevant investigations and reports.

**DEFINITION**

**SEVERITY A**

- More than 25% full thickness body surface area burns
- Total and permanent loss of use or amputation of both lower limbs at the level of the ankle or higher (proximal to the ankle)
- Total and permanent loss of use or amputation of both upper limbs at the level of the wrist or higher (proximal to the wrist)
- Total and permanent loss of use or amputation of one upper limb above the wrist (proximal to the wrist) and one lower limb above the ankle (proximal to the ankle)

**SEVERITY B**

- Full thickness burns involving 15% to 25% of the body surface area
- Total and permanent loss of use or amputation of a lower limb at the level of the ankle or higher (proximal to the ankle)
- Total and permanent loss of use or amputation of an upper limb at the level of the wrist or higher (proximal to the wrist)

10. EYE BENEFIT

This benefit covers specified conditions of the globe, retina, optic nerve, cornea and orbit.

The life assured must be treated by an ophthalmologist registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as visual acuity tests or imaging.

**DEFINITION**

**SEVERITY A**

- Total blindness

**SEVERITY B**

- Best corrected binocular Snellen rating of less than 20/125
- Enucleation of eye
11. **EAR, NOSE AND THROAT BENEFIT**

This benefit covers specified conditions of the ear and neural pathways that relate to hearing.

The life assured must be treated by a specialist ear, nose and throat surgeon, registered as such with the Health Professions Council of South Africa. The diagnosis must be supported by compatible signs and symptoms and confirmed by relevant special investigations such as blood tests, histology or imaging.

### DEFINITION

**SEVERITY A**

Complete deafness under the age of 70 years as defined by hearing loss of 90dB or more in both ears, measured over 500Hz, 1000Hz, 2000Hz and 3000Hz frequencies, measured six months apart with a hearing aid.

**SEVERITY B**

Greater than 75% permanent binaural hearing loss (as defined by the AMA guide) under the age of 70 years.

Bilateral hearing loss under the age of 70 years of 70dB or more, measured over 500Hz, 1000Hz, 2000Hz and 3000Hz frequencies, measured six months apart with a hearing aid.

### SECTION 2: FRAILCARE DEFINITIONS

Meeting any of the frail care definitions qualify for a payment percentage of 100%:

**GENERAL PROVISIONS**

- A specialist report must confirm the disease causing the impairment.
- All definitions reflected in the Appendix must be permanent despite optimal treatment according to recognised medical protocols.
- These new life changing events must have occurred since the date of commencement of the policy.
- Activities of Daily Living (ADLs) are defined in Appendix 3.
- A 14 day survival period will apply to all of these definitions.

**FRAIL CARE DEFINITIONS:**

Unable to perform 3 Self-care ADLs

Impaired in performing 6 Self-care ADLs

Permanent, full time admission to a registered Frail care, hospice or nursing home facility

### SECTION 3: CAPITAL DISABILITY CRITERIA

The Category A conditions qualify for a payment percentage of 100% and Category B conditions qualify for a payment percentage of 50%.

**GENERAL PROVISIONS**

- A specialist report must confirm the disease causing the impairment.
- All definitions reflected in the Appendix must be permanent despite optimal treatment according to recognised medical protocols.
- These new life changing events must have occurred since the date of commencement of the Income Continuation Benefit.
- A 14 day survival period will apply to all of these definitions.

**CARDIOVASCULAR**

<table>
<thead>
<tr>
<th>DISEASE</th>
<th><strong>CATEGORY A</strong></th>
<th><strong>CATEGORY B</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Heart failure due to Myocardial Infarction or Valvular heart disease or Cardiomyopathy or Cardiac Arrhythmias or Congenital heart disease</td>
<td>NYHA III and EF less than 40% or Maximum METs achieved on effort ECG less than 5 or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maximum METs achieved on effort ECG less than 2 or EF less than 45% or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EF less than 35% or NYHA III and confirmed with raised Pro BNP levels according to age bands (age below 50: ProBNP more than 450 pg/mL; age 50 and above: ProBNP more than 900 pg/mL)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Awaiting cardiac transplantation or</td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX 8

#### DISEASE CATEGORY A

<table>
<thead>
<tr>
<th>Disease</th>
<th>Category A</th>
<th>Category B</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYHA IV and confirmed with raised Pro BNP levels according to age bands (age below 50: ProBNP more than 450 pg/mL; age 50 and above: ProBNP more than 900 pg/mL)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypertension</td>
<td>Cardiac end organ damage as defined by an estimated LV mass</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Males: more than 255 g (greater than 131g/m²)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Females: more than 193g (greater than 113g/m²) or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inter-ventricular septum or posterior wall thickness of more than 17mm</td>
<td></td>
</tr>
<tr>
<td>Constrictive Pericarditis</td>
<td>Constrictive pericarditis as confirmed on transthoracic echocardiography with all of the following: Dilatation of the inferior vena cava and hepatic veins, calcifications, abnormal septal wall motion and atrial enlargement.</td>
<td>Constrictive pericarditis as confirmed on transthoracic echocardiography with two of the following: Dilatation of the inferior vena cava and hepatic veins, calcifications, abnormal septal wall motion and atrial enlargement.</td>
</tr>
<tr>
<td>Peripheral arterial disease</td>
<td>Permanent ABI less than 0.4 following vascular surgery unless surgery is medically contra-indicated or</td>
<td>Severe claudication defined as an inability to complete a treadmill exercise stress test due to claudication with a post-exercise ankle systolic pressure of less than 50mmHg</td>
</tr>
<tr>
<td></td>
<td>Gangrene of a limb or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amputation of a limb or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Arterial ulceration</td>
<td></td>
</tr>
<tr>
<td>Peripheral venous disease</td>
<td></td>
<td>Non-healing venous ulcer for more than 3 months duration with evidence of deep venous insufficiency as confirmed by duplex ultrasonography with a reflux time that is more than 0.5sec in duration at the level of the ulcer</td>
</tr>
</tbody>
</table>

#### RESPIRATORY SYSTEM

<table>
<thead>
<tr>
<th>Disease</th>
<th>Category A</th>
<th>Category B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chronic obstructive airways disease (chronic bronchitis emphysema) or Asthma or Restrictive or Mixed Lung Disease</td>
<td>FVC less than 40% of predicted* or</td>
<td>FVC 40% - 49% of predicted* or</td>
</tr>
<tr>
<td></td>
<td>FEV1 less than 40% of predicted* or</td>
<td>FEV1 40% - 49% of predicted* or</td>
</tr>
<tr>
<td></td>
<td>Dco less than 40% predicted* or</td>
<td>Dco 40% - 49% predicted*</td>
</tr>
<tr>
<td></td>
<td>Constant use of prescribed oxygen due to blood oxygen saturation levels below 88%</td>
<td></td>
</tr>
</tbody>
</table>

*Pulmonary function tests should be performed by a pulmonologist, including post-bronchodilatation testing, and show less than 5% variation between three successful readings - these tests must be technically acceptable to the treating specialist as well as to Discovery Life’s medical panel
## NERVOUS SYSTEM

<table>
<thead>
<tr>
<th>CATEGORY A</th>
<th>CATEGORY B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total and permanent loss of speech</td>
<td>Loss of speech as confirmed by abnormal strobovideolaryngoscopy</td>
</tr>
<tr>
<td>Total and permanent loss of comprehension of language</td>
<td>Permanent inability to perform 2 out of 6 Activities of Daily Living or</td>
</tr>
<tr>
<td>Permanent inability to perform 4 or more out of 6 Activities of Daily Living or</td>
<td>Permanent inability to perform 2 Self-Care Activities of Daily Living or</td>
</tr>
<tr>
<td>Permanent inability to perform 3 or more Self-care Activities of Daily Living or</td>
<td>Permanent bilateral hemianopia or</td>
</tr>
<tr>
<td>Persistent vegetative state for more than 3 months</td>
<td>Complete blindness* defined as best corrected binocular Snellen rating of less than 20/125</td>
</tr>
<tr>
<td>Permanent loss of memory recall or orientation to person, place and time, confirmed by a persistent MMSE score of less than 21</td>
<td>Complete loss of sight in one eye or</td>
</tr>
<tr>
<td>Permanent non-progressive cognitive impairment with a MMSE score of less than 21</td>
<td>Greater than 75% binaural hearing impairment* or</td>
</tr>
<tr>
<td>Dementia or progressive neurocognitive disorders with a permanent CDR score of 2 or more</td>
<td>Persistent monoplegia</td>
</tr>
<tr>
<td>Hearing loss* of 70dB in both ears measured over the frequencies (500, 1000, 2000, 3000 Hz) in 2 measurements over six months with a hearing aid</td>
<td></td>
</tr>
<tr>
<td>Persistent quadriplegia, hemiplegia or paraplegia</td>
<td>Total hearing loss or deafness in one ear*</td>
</tr>
<tr>
<td>Complete blindness* defined as best corrected binocular Snellen rating of less than 20/200</td>
<td>Three generalised epileptic attacks per week despite optimal therapy confirmed by long-term EEG monitoring. Non-epileptic seizures are excluded.</td>
</tr>
<tr>
<td>70% visual acuity impairment** or</td>
<td>50% visual acuity impairment*</td>
</tr>
<tr>
<td>Hearing loss* (deafness) of 90db or more in both ears measured over the frequencies (500, 1000, 2000 Hz) in two measurements over 6 months with a hearing aid</td>
<td>Permanent visual field defect of at least 25% in each eye resulting from a scotoma</td>
</tr>
</tbody>
</table>

All changes must be permanent
* All measurements are with appropriate aids
** AMA Guides to the Evaluation of Permanent Impairment : Latest Edition

Neuropsychometric and any other appropriate testing must be done to demonstrate permanency and pathology with regard to soft neurological signs

Functional psychiatric disorders are excluded.

All definitions to be confirmed by corresponding findings on specialist investigation

## DIGESTIVE SYSTEM

<table>
<thead>
<tr>
<th>DISEASE</th>
<th>CATEGORY A</th>
<th>CATEGORY B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper and lower digestive tract disease</td>
<td>Anatomical loss and alteration in the gastrointestinal tract with medical evidence of established gastrointestinal pathology and weight loss of more than 25% below the lower limit of normal BMI or BMI of less than 14 Faecal incontinence defined as permanent, continuous uncontrolled passage of faecal material. Colostomies and ileostomies are not covered under this definition</td>
<td>Anatomic loss of alteration in gastrointestinal tract with medical evidence of established gastrointestinal pathology and weight loss of more than 15% below the lower limit of normal BMI or BMI less than 16</td>
</tr>
</tbody>
</table>
APPENDIX 8

<table>
<thead>
<tr>
<th>DISEASE</th>
<th>CATEGORY A</th>
<th>CATEGORY B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DISEASE</strong></td>
<td><strong>CATEGORY A</strong></td>
<td><strong>CATEGORY B</strong></td>
</tr>
<tr>
<td>Permanent disturbance of bowel function resulting in a malabsorption syndrome with evidence of any two of the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Steatorrhoea or more than 20g of fat in the stool</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Refractory anaemia of Hb less than 9g/dl</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) Refractory hypoalbuminaemia of less than 28g/l</td>
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<td></td>
</tr>
<tr>
<td>Irreparable hernia with previous bowel obstruction and the permanent inability to perform 4 or more out of 6 Activities of Daily Living</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent inability to swallow due to an anatomical or neurological abnormality as confirmed by abnormal oesophageal manometry or imaging studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liver and biliary disease</td>
<td>Chronic liver disease classified as Child Pugh Class C or</td>
<td>Chronic liver disease classified as Child Pugh B</td>
</tr>
<tr>
<td></td>
<td>Primary sclerosing cholangitis or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Primary biliary cirrhosis or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Awaiting liver transplant on a recognised SA or international transplant list</td>
<td></td>
</tr>
</tbody>
</table>

Functional disorders with no demonstrable gastrointestinal pathology are excluded under this benefit

RENAI DISEASE

<table>
<thead>
<tr>
<th>CATEGORY A</th>
<th>CATEGORY B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent kidney dysfunction with a GFR of less than 15ml / min / 1.73m² according to the MDRD study equation</td>
<td>Permanent kidney dysfunction with a GFR of less than 30ml/min/1.73m² according to the MDRD study equation</td>
</tr>
<tr>
<td>Ongoing peritoneal dialysis or haemodialysis</td>
<td></td>
</tr>
<tr>
<td>Total or continuous permanent urinary incontinence</td>
<td></td>
</tr>
</tbody>
</table>

ENDOCRINE SYSTEM

<table>
<thead>
<tr>
<th>DISEASE</th>
<th>CATEGORY A</th>
<th>CATEGORY B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diabetes mellitus</td>
<td>Claims as a result of type 1 or type 2 diabetes mellitus with evidence of end-organ damage are assessed under the relevant body systems</td>
<td>Claims as a result of type 1 or type 2 diabetes mellitus with evidence of end-organ damage are assessed under the relevant body systems</td>
</tr>
<tr>
<td>Other: including Cushing’s syndrome, phaeochromocytoma, syndrome of inappropriate anti-diuretic hormone secretion (SIADH), chronic adrenal insufficiency, parathyroid associated chronic hypo- or hypercalcaemia, chronic hyperaldosteronism</td>
<td>Claims as a result of any endocrine disease are assessed under the relevant body systems</td>
<td>Claims as a result of any endocrine disease are assessed under the relevant body systems</td>
</tr>
</tbody>
</table>
## HAEMATOLOGY

**CATEGORY A**

- A permanent treatment resistant pancytopenia (anaemia, leukopenia, thrombocytopenia) resulting in ongoing monthly transfusions of at least 4 units of blood or blood products.

- This excludes cancer-related pancytopenias

**CATEGORY B**

- A permanent treatment resistant anaemia or leukopenia or thrombocytopenia resulting in ongoing monthly transfusions of at least 4 units of blood or blood products.

- This excludes cancer-related anaeamias, leukopenia or thrombocytopenia.

## ADVANCED AIDS

**CATEGORY A**

- Despite optimal treatment and full adherence to prescribed antiretroviral therapy, a permanent CD4 count less than 50 and a positive PCR

- OR

- Despite optimal treatment and full adherence to prescribed antiretroviral therapy, a CD4 cell count of less than 200 and a positive PCR

- AND

- At least one of the following diseases must be diagnosed:
  1) Kaposi’s sarcoma
  2) Pneumocystis jirovecii pneumonia (PJP)
  3) Confirmed progressive multifocal leukoencephalopathy
  4) Active extra-pulmonary tuberculosis
  5) Cryptococcosis
  6) Disseminated non-tuberculous mycobacteria infection
  7) Confirmed diagnosis of any other condition as defined as stage 4 on the WHO clinical criteria list

## CANCER

**CATEGORY A**

- Stage IV Cancer

- Stage III Cancer scoring 4 on the ECOG performance scale continuously for a period of over 6 months

- Lymphoma with any of the following:
  1) Ann Arbor stage III or IV
  2) Rai stage III or IV
  3) Binet C
  4) Falling into the high risk category on the international prognostic index

- Leukaemia scoring 4 on the ECOG performance scale continuously for a period of over 6 months

- Brain Tumour WHO Grade III or IV

- Stage III Multiple Myeloma

## OTHER

**CATEGORY A**

- Permanent inability to perform 4 out of 6 Activities of Daily Living or Permanent inability to perform 3 Self-care Activities of Daily Living

**CATEGORY B**

- Permanent inability to perform 2 or more Activities of Daily Living or Permanent inability to perform 2 Self-care Activities of Daily Living

All changes must be permanent
<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial analyst</td>
<td>Biokineticist*</td>
<td>Cardiologist</td>
<td>Dental Surgeon</td>
<td>Electrical Engineer - manual duties</td>
</tr>
<tr>
<td>Actuarial student</td>
<td>Biomedical Engineer</td>
<td>Chartered Accountant</td>
<td>Dentist</td>
<td>Electrical Engineer - supervisory only</td>
</tr>
<tr>
<td>Actuary</td>
<td>Business Owner - &lt; 20% manual duties*</td>
<td>Chemical Engineer</td>
<td>Dermatologist</td>
<td>Engineer</td>
</tr>
<tr>
<td>Advocate</td>
<td>Business Owner - &lt; 20% manual duties &amp; travel*</td>
<td>Chemist – Pharmaceutical</td>
<td>Director - &lt; 20% manual duties*</td>
<td>Executive Director*</td>
</tr>
<tr>
<td>Aeronautical Engineer</td>
<td>Business Owner - &gt; 50% manual duties*</td>
<td>Civil Engineer</td>
<td>Director - &gt; 50% manual duties*</td>
<td></td>
</tr>
<tr>
<td>Agricultural engineer</td>
<td>Business Owner - &gt; 50% manual duties &amp; travel*</td>
<td>Clinical Psychologist</td>
<td>Director - 21%-50% manual duties*</td>
<td></td>
</tr>
<tr>
<td>Anaesthesiologist</td>
<td>Business Owner - admin only &lt; 20% travel*</td>
<td>Computer engineer*</td>
<td>Director - admin only &lt; 20% travel*</td>
<td></td>
</tr>
<tr>
<td>Architect</td>
<td>Business Owner - no manual &gt; 20% travel*</td>
<td></td>
<td>Director - no manual &gt; 20% travel*</td>
<td></td>
</tr>
<tr>
<td>Articled Accoutant</td>
<td>Gastroenterologist</td>
<td>Haematologist</td>
<td>Industrial Engineer</td>
<td>Judge</td>
</tr>
<tr>
<td>Articled Lawyer</td>
<td>General Practitioner</td>
<td></td>
<td>Insurance Broker (CFP) - &lt; 20% travel</td>
<td></td>
</tr>
<tr>
<td>Attorney</td>
<td>Geneticist</td>
<td></td>
<td>Insurance Broker (CFP) - &gt; 20% travel</td>
<td></td>
</tr>
<tr>
<td>Audiologist</td>
<td>Gynaecologist</td>
<td></td>
<td>Internist</td>
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<tr>
<td>Auditor</td>
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<tr>
<td></td>
<td>Financial Director*</td>
<td>Gastroenterologist</td>
<td>Haematologist</td>
<td>Industrial Engineer</td>
</tr>
<tr>
<td></td>
<td>General Practitioner</td>
<td></td>
<td></td>
<td>Insurance Broker (CFP) - &lt; 20% travel</td>
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<tr>
<td></td>
<td>Genetici</td>
<td></td>
<td></td>
<td>Insurance Broker (CFP) - &gt; 20% travel</td>
</tr>
<tr>
<td></td>
<td>Gynaecologist</td>
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<td>Internist</td>
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<tr>
<td></td>
<td>Land surveyor</td>
<td>Magistrate</td>
<td>Neurologist</td>
<td>Occupational Specialist</td>
</tr>
<tr>
<td></td>
<td>Lawyer</td>
<td>Managing Director*</td>
<td>Neurosurgeon</td>
<td>Occupational Therapist</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marine Engineer</td>
<td></td>
<td>Oncologist</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mechanical Engineer</td>
<td></td>
<td>Ophthalmologist</td>
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<tr>
<td></td>
<td></td>
<td>Medical intern - first year</td>
<td></td>
<td>Optometrist</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after qualifying</td>
<td></td>
<td>Orthodontist</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medical Physicist</td>
<td></td>
<td>Orthopaedic Surgeon</td>
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<tr>
<td></td>
<td></td>
<td>Medical Practitioner</td>
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<td></td>
<td></td>
<td>Medical Specialist</td>
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<td></td>
<td></td>
<td>Metallurgical Engineer</td>
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<td></td>
<td></td>
<td>Mining Engineer - &lt; 20 hours underground per week</td>
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<tr>
<td></td>
<td></td>
<td>Mining Engineer - &gt; 20 hours underground per week</td>
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<td>R</td>
<td>S</td>
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<tr>
<td></td>
<td>Quantity surveyor</td>
<td>Radiographer</td>
<td>Speech Therapist</td>
<td>Town Planner</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Radiologist</td>
<td>Stomatherapist</td>
<td>Trauma Doctor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Radiotherapist</td>
<td>Student-Professional surgeon</td>
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<tr>
<td></td>
<td></td>
<td>Regional planner</td>
<td>Surveyor</td>
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<td>U &amp; V</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Urologist</td>
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<tr>
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<td></td>
<td>Veterinarian - Non wildlife</td>
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<td></td>
<td></td>
<td>Veterinarian - Wildlife</td>
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<td></td>
<td>Veterinary</td>
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<td></td>
<td>Ophthalmologist</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Veterinary Surgeon</td>
</tr>
</tbody>
</table>
Clients with occupations marked with (*) only qualify as professionals if they select (and meet the requirements for) the professional qualification. The following outlines the requirements for the professional qualification:

- Medical and dental practitioners: general practitioners, dentists and other medical or dental specialists with a specialist registration with the Health Professions Council of South Africa (HPCSA)
- Lawyers, attorneys, accountants, actuaries, auditors, architects, engineers and veterinarians, who are registered with their appropriate professional bodies.

Please note that benefits and premiums may be adjusted should you have selected "professional" as your educational qualification, but do not meet the above criteria.
HOW DISCOVERY LIFE ASSESSES YOUR DISCOVERY HEALTH CLAIMS

Discovery Life considers your submitted claims, as per the date the claims are processed by Discovery Health, over the previous 12 month period preceding the 90 days before your policy anniversary. If there are less than 12 months of claims, for example at 90 days prior to the first anniversary, the submitted claims will be pro-rated to account for the shorter period.

The submitted claims taken into account on the Health Plan include:

- chronic medicine and in-hospital benefits (excluding childbirth claims without complications) attributable to the principal life, spouse and children insured under the Life Plan. In the case of the Priority Plan, the claims taken into account include the amount of the hospital deductibles payable by the member.

- medical expenses accumulating towards and above the Above Threshold Benefit if your Discovery Health Plan includes the Above Threshold Benefit, or what would have accumulated towards and above the Above Threshold Benefit if your Discovery Health Plan does not include the Above Threshold Benefit. These medical expenses will be taken into account at the rates at which they accumulate (or would have accumulated) towards and above the Above Threshold Benefit. These medical expenses will include those from both the principal member and spouse member (if applicable) on the Health Plan. Medical expenses are included whether they are paid from the MSA, the health wallet or out of pocket. The following medical expenses will be excluded from this calculation:
  - optometry claims (however, ophthalmology claims will still be included in the calculation)
  - dentistry claims
  - claims for childbirth without complications
  - claims related to registered counsellors, social workers and dietitians
  - hearing and acoustician claims
  - podiatry claims
  - speech therapy/audiology claims
  - Vitality Fitness Assessments
  - blood glucose tests
  - blood pressure tests
  - cholesterol tests
  - Body Mass Index assessments
  - mammograms
  - pap smears
  - prostate-specific antigen tests
  - HIV tests
  - flu vaccines.

Discovery Life may from time to time review the claims taken into account on the Health Plan and exclude certain claims where it is to your benefit.

The above health claims definition is used in your Personal Health Matrix, Personal PayBack Matrix, Cover Integrator Adjustment matrix and Financial Integrator Adjustment matrix, as applicable to your policy.

Discovery Life may alter these matrices from time to time to cater for changes in Vitality, the Discovery Health Plans and medical inflation. Your personal matrices will depend on your Discovery Health Plan (as shown on your policy schedule) as well as whether your Life Plan has one or multiple lives assured. A change in your Health Plan or the number of lives assured on your Life Plan may result in a different matrix being applied to your Life Plan at the following policy anniversary.