



# CAPITAL ALLIANCE

## **Table of Content**

1. Definition of Credit Life
2. Purpose
3. Who it is sold to
4. Lending facilities available
5. Examples of organisations receiving monthly subscriptions
6. Consideration of claim
7. Benefits:
  - 7.1 Death
  - 7.2 Temporary Total Disability
  - 7.3 Lump Sum and Permanent Disability
  - 7.4 Retrenchment Benefit / Instalment Indemnity
  - 7.5 Accident Benefit
  - 7.6 Personal Catastrophe/Dread Disease
8. Waiver of premium
9. Membership
10. Premium
11. General conditions
12. New business Procedure Broker:
13. New business Procedure –Capital Alliance
14. Claim Procedure

## **What is Credit Life**

Is a long term insurance product that is taken out when you buys goods on credit, which covers you for the value of the loans in the event of certain contingencies

## **Purpose**

Has been designed to protect you and your family from inheriting any major debt

## **To whom it is sold**

- To lending organisations and
- Organisations receiving monthly subscriptions

## **What lending facilities are available**

- Micro Lending
- Credit Card
- Personal Loans
- Student Loans
- Low Cost Housing Loans
- Retail Accounts
- Bank Overdraft
- Mortgage bonds
- Co-operative loans
- Hire Purchase
- Investment Funding

## **Examples of organisations receiving monthly subscriptions**

- Short term insurance companies
- Organisations receiving levies
- Organisations receiving rentals
- Any membership subscription received by an organisation

**When is a claim considered**

Claims could be considered in the event of the following contingencies:

- Death
- Disability
- Retrenchment

**Benefits**

We offer the following benefit package:

- Death
- Temporary total disability
- Total and permanent disability
- Instalment indemnity(retrenchment)
- Personal catastrophe (Dread Disease)
- Accident benefit

## **Death Benefit**

In the event of the death of the life insured during the term of insurance, the benefit payable shall be an amount equivalent to but not exceeding the balance of the indebtedness defined assuming all instalments due in terms of the credit agreement have been paid.

The Company will pay the death benefit Sum Assured, or a lesser amount, on receiving evidence to its satisfaction of the death of the Member.

The liability of the Company to pay any benefit in terms of this Policy shall not arise if death, either directly or indirectly, arises from or is traceable to:

- war, armed international conflict (whether war be declared or not), terrorist or insurgency activities, uprising, civil commotion, rebellion, sedition, sabotage or any activity associated with the foregoing, or the defence, quelling, investigation or containment thereof by any security force, involving nuclear arms, biochemical agents or any other forms of war.
- suicide during the first 24 months of Membership

## **Temporary Total Disability Benefit**

If, prior to attainment of age 65 and before the expiry of the term of this policy, the Life Assured is prevented, as a result of illness or bodily injury, from earning his normal income from similar occupation, CAL shall pay, after a deferred period of 30 days, the monthly installment agreed upon under the credit agreement referred to in the Application and Policy Schedule, or a portion thereof if the Life Assured suffers only a partial loss of income, until the recovery of the Life Assured.

This benefit is only payable for a period of 6 months

### **Lump Sum and Permanent Disability Benefit**

In the event of total and permanent disability of the Life Assured occurring prior to the attainment of age 65 and before the expiry of the term of this policy an amount equivalent to the death benefit shall be payable by CAL. Total and permanent disability shall mean such incapacity which prevents the Life Assured from following his own occupation for which he is or could reasonably be expected to become qualified by virtue of his knowledge, training, education, ability and experience. The Life Assured shall be deemed to have suffered total and permanent disability upon the total and permanent loss of both hands, both feet or both eyes.

The Company will not recognise any claim for a Disability benefit which is directly or indirectly caused by or attributable to:

- Attempted suicide or intentionally self-inflicted injury within 24 months of entering into the Credit Agreement; or
- Active participation in war, armed international conflict (whether war has been declared or not), terrorist or insurgency activities, uprising, civil commotion, rebellion, sedition, sabotage or any activity associated with the foregoing or the defence, quelling, investigation or containment thereof by any security force; or
- Any violation of criminal law by the Member; or
- The Member not attending or refusing to undergo surgery or other medical treatment or other appropriate treatment, which the Member, with due allowance for the risk and prognosis of success of such treatment, could be reasonably expected to undergo; or
- The Member's travelling in an aircraft other than as a fare-paying passenger on board the aircraft of a registered airline operator and flying between recognised air fields; or
- Excessive use of alcohol or drugs other than as prescribed by a Medical Practitioner; or
- Any medical impairment or condition of a Member which occurred or which was diagnosed prior to the Member's Admission Date, which the Company regards, in its absolute and sole discretion, as resulting directly or indirectly from a condition for which he received treatment or of which he was aware at his Admission Date or at any time prior to his Admission Date.
- The provision above shall apply to any increase in benefit Sums Assured for a Member in excess of 20% per annum or such other percentage or amount as may be advised in writing by the Company from time to time resulting from rule changes, increases in the amount borrowed in terms of the Credit Agreement or otherwise. Furthermore, in the case of a Member who was a member of the Previous Scheme, the terms and conditions described above shall be substituted by the corresponding terms and conditions of the Previous Scheme subject to the proviso that the Company has been appropriately advised of such previous terms and conditions.

### **Retrenchment Benefit/Instalment Indemnity**

The Company shall, on receipt of proof of Retrenchment, advance the Sum Assured due provided that the Member remains unemployed for at least 30 days after Retrenchment. Such an advance shall be limited to a maximum of 6 months' instalments and will be paid monthly to the Scheme upon proof of continued unemployment and only at the Scheme's request.

A 30 day waiting period from the Member's Admission Date will be enforced before cover for the Retrenchment benefit takes effect, and such cover is specifically excluded in the event of Member's engaged in temporary or part-time employment. No further amount shall be payable under this benefit in the event of subsequent loss of employment by a Member where a total benefit of 6 months' payments has previously been paid under a previous claim or claims for Retrenchment benefits.

All benefits payable in terms of this Policy shall be paid to the Creditor. The payment of any Retrenchment benefit in terms of which the Balance of the Indebtedness is paid and all Death and Disablement benefits payable in terms of this Policy shall be full and final settlement of all benefits under this Policy in respect of the Member and the Credit Agreement in force at the time of the claim.

### **Accident Benefit**

- Applicable to mortgage bonds
- Balance of indebtedness or outstanding loan capital is paid to the creditor in the event of death due to an accident
- Provides cover up until registration of the bond

## DREAD DISEASES

### **STROKE**

A cerebrovascular incident which results in permanent neurological deficit. The diagnosis must be supported by new changes on a CT or MRI scan. Infarction of brain tissue or intracranial bleeding as a result of external injury or use of illegal drugs is specifically excluded. Transient ischaemic attacks are also excluded.

### **MULTIPLE SCLEROSIS**

Multiple neurological deficit over a period of more than six months, as a result of demyelination in the brain and spinal cord. The diagnosis has to be unequivocal and made by a consultant neurologist, following more than one episode of well-defined neurological symptoms, involving any combination of deficit in the optic nerves, brain stem, spinal cord, co-ordination or sensory function.

### **MOTOR NEURONE DISEASE**

The unequivocal diagnosis of Motor Neurone disease, certified by a consultant neurologist, with significant persistent neurological deficit resulting in a permanent inability to perform at least two of five (or three of six) of the Activities of Daily Living:

Bathing: the ability to shower or bathe

Dressing: the ability to put on or take off clothing

Toileting: the ability to use the toilet to maintain personal hygiene

Mobility: the ability to get in and out of bed and a chair

Feeding: the ability to get food from a plate into the mouth

Continence: the ability to control bowel and bladder function

### **COMA**

A state of unconsciousness with no reaction or response to external stimuli or internal needs, persisting continuously with the use of life support systems, for a period of at least ninety-six (96) hours. Permanent neurological deficit, as certified by a consultant neurologist, must be present. Coma resulting either directly from alcohol or drug abuse or indirectly due to non-compliance of recommended or prescribed medication is excluded.

### **BLINDNESS**

Total irreversible loss of sight in both eyes as a result of illness or accident. The blindness must be certified by an ophthalmologist's report. The blindness must not be able to be corrected by medical procedure.

### **HEART ATTACK**

The first occurrence of Heart Attack or myocardial infarction which means the death of a portion of the heart muscle, as a result of an acute interruption of blood supply to the myocardium. The diagnosis must be based on a history of typical chest pain, new electrocardiographic changes proving infarction, and significant elevation of cardiac enzymes. Angina is specifically excluded.

## **CORONARY ARTERY BYPASS SURGERY**

The actual undergoing of open heart surgery to correct the narrowing or blockage of one or more coronary arteries with bypass grafts. Angiographic evidence of significant coronary artery obstruction must be provided and the procedure must be considered medically necessary by a consultant cardiologist. Angioplasty and all other intra arterial, catheter based techniques or laser procedures are excluded.

## **HEART VALVE SURGERY**

The first occurrence of open or endoscopic heart valve surgery, performed to replace or repair one or more heart valves, as a consequence of defects that cannot be repaired by intra arterial catheter procedures alone. The surgery must be performed after a recommendation by a consultant cardiologist.

## **CANCER**

The diagnosis of a malignant tumour characterised by the uncontrolled growth and spread of malignant cells with invasion and destruction of normal tissue.

The cancer must be confirmed by histological evidence of malignancy by a qualified oncologist or pathologist.

Cancer includes: Leukaemia, Malignant Lymphoma, Hodgkin's Disease, Malignant bone marrow disorders and Metastatic skin cancer.

The following are excluded:

"Carcinoma in Situ", cervical dysplasia, Cervix cancer CIN-1, CIN-2 & CIN-3, and all pre-malignant conditions or non-invasive cancers.

Early prostate cancer TNM Classification T1 (including T1a and T1b) or equivalent classification.

Melanomas of the skin of Stage 1A ( ≤1mm, level II or III , no ulceration) -- according to the new AJCC classification of 2002.

Hyperkeratoses, basal cell and squamous skin cancers

All tumours in the presence of HIV infection.

## **PARAPLEGIA/PARALYSIS**

The total loss of function of two or more limbs due to injury or disease of the spinal cord or brain, where such functional loss is considered to be permanent by a neurologist.

Loss of function of limbs classified as Diplegia, Hemiplegia, Tetraplegia and Quadriplegia are included. Paraplegia/Paralysis resulting directly from alcohol or drug abuse is excluded.

## **MAJOR BURNS**

3<sup>rd</sup> degree burns covering at least 20% of the body surface as measured by the Lund Browder Body Surface Chart.

## **KIDNEY FAILURE**

End stage kidney disease presenting as chronic irreversible failure of both kidneys to function.

This must be evidenced by the undergoing of regular renal dialysis or undergoing a renal transplant. Temporary or reversible renal failure that resolves after a few weeks of treatment is specifically excluded. Renal failure resulting either directly from alcohol or drug abuse, or indirectly due to non-compliance of recommended or prescribed medication is excluded.

## **MAJOR ORGAN/BONE MARROW TRANSPLANT**

The actual undergoing of a transplant of any of the below organ as a recipient or the inclusion on an official organ transplant waiting list for any of the below organ:

one of the following whole human organs: heart, lung, liver, kidney, pancreas, or human bone marrow using haematopoietic stem cells preceded by total bone marrow ablation. The transplant must be medically necessary and based on objective confirmation of organ failure. Other than the above stem cell transplants are excluded. A transplant resulting either directly from alcohol or drug abuse, or indirectly due to non-compliance of recommended or prescribed medication is excluded.

There shall be no benefit payable if coma occurred, directly or indirectly, as a result of self-inflicted injury, excessive use of alcohol or the use of drugs (other than as prescribed by a medical practitioner) or the Member's participation in a criminal act.

## **Waiver of Premium**

### **Definition**

In the event of death, disability and retrenchment, the monthly instalment will be paid for a period of 6 months

### **Sold to the following organisations**

- Short term insurance companies
- Organisations receiving levies
- Organisations receiving rentals
- Any membership subscription received by an organisation
- Medical Aid Companies

### **Eligibility**

- Any person between the ages of 16 and 65 attained on the date that he becomes bound in terms of the Plan and who is formally employed shall be eligible for benefits in terms of this Policy. Notwithstanding anything to the contrary contained in this Policy, a person shall be eligible to apply for death benefits up to age 65.

### **Benefits**

- Death
- Disability
- Retrenchment

### **Death**

The death of a Member, except if due to suicide

### **Disablement**

The Company will not recognise any claim for a Disability benefit which is directly or indirectly caused by or attributable to:

- Intentionally self-inflicted injury;
- Violation of any criminal law on the part of the Member;
- War (whether declared or not), riot, strike, civil commotion or usurpation of power or any military, naval, airforce or police organisation activities;
- Excessive use of alcohol or drugs other than as prescribed by a medical practitioner
- Any medical impairment or condition of a Member which occurred or which was diagnosed prior to the Member's Admission Date, or within 24 months of such Admission Date, which the Company regards, in its absolute and sole discretion, as resulting directly or indirectly from a condition for which he received treatment or of which he was aware at his Admission Date or at any time prior to his Admission Date.

**Retrenchment:**

The following provisions shall apply in respect of Retrenchment:

- The Company shall, on receipt of proof of Retrenchment, advance the Instalment Claim Sum Assured due provided that the Member remains unemployed for at least 30 days after Retrenchment. Such an advance shall be limited to a maximum of 6 months' instalments and will be paid monthly to the Assured upon proof of continued unemployment and only at the Assured's request. Members who are employed as mineworkers are ineligible for Retrenchment benefits in terms of this Policy.
- A 30 day waiting period from the Member's Admission Date will be enforced before cover for the Retrenchment benefit takes effect, and such cover is specifically excluded in the event of Members engaged in temporary or part-time employment. No further amount shall be payable under this benefit in the event of subsequent loss of employment by a Member where a total benefit of 6 months' payments has previously been paid under a previous claim or claims for Retrenchment benefits.
- All benefits payable in terms of this Policy shall be paid to the Assured. Such payment to the Assured shall be full and final settlement of all benefits under this Policy in respect of the Member.
- No benefit shall be payable in respect of any person who, at the time of a claim, has resided outside the Republic for at least 3 consecutive months.

## Membership

Any person between the ages specified in the Schedule on the date that he becomes bound in terms of the Credit Agreement shall be admitted as a Member in terms of this Policy.

- Any person who, subsequent to the Commencement Date, becomes eligible for Membership shall become a Member on the day that he becomes bound in terms of the Credit Agreement.
- No Member may resign from or cease Membership of the Scheme so long as he remains bound in terms of the Credit Agreement and has not attained his Termination Date.
- Membership ceases immediately upon the earliest of:
  - The Member's Termination Date; or
  - The Creditor ceasing to remain in business; or
  - The Policy being discontinued
- The Company has the right to determine from time to time, but at least once a year, the amount of cover it will be prepared to grant free of evidence of health (the "Free Cover Limit"). Before any cover in excess of the Free Cover Limit can be granted to a Member, the Company may call for whatever information, including medical evidence, it may require. Should the information be such that the Company is unable to accept the Member's cover at the ordinary premium rate, then the Company may either accept the Member's cover in excess of the Free Cover Limit on special terms or decline the cover in excess of the Free Cover Limit. If the Free Cover Limit is reduced, any cover previously granted to a Member shall not be reduced as a result thereof.
- If a Member was accepted for cover similar or equivalent to that provided in this Policy in the 12 months immediately preceding his Admission Date or was a member of the Previous Scheme, the Company may, subject to the terms and conditions determined by the Company, agree to accept the Member, free of evidence of health, for an amount not exceeding the lesser of such Member's benefit entitlement in terms of this Policy and the Member's previously accepted amount of cover.
- If the Member suffers an Insured Event as a result of an accident within 30 days of evidence being requested and prior to the evidence being received and processed by the Company, the Member's full Sum Assured will be payable. However, if the Member has previously been declined or deferred by the Company for his full benefit entitlement in terms of this Policy, in the event of such Member's suffering an Insured Event as described in this paragraph, only the currently accepted amount of benefit will be payable.
- If the Company is notified of an eligible person who is not a Member 12 months or more after the date on which such person should have been admitted to Membership, such person shall not be entitled to any benefit under this Policy until such time as satisfactory evidence of his health is submitted to and accepted by the Company.

## Premium

The first premium due in respect of a Member is payable on the last day of the month in which the Member concludes the Credit Agreement. Thereafter, premiums are payable monthly in advance and in all cases shall be remitted to the Company within 7 days from the end of the month in which the premium was due. If a premium is not paid within 7 days from the end of the month in which it falls due, the Company may cancel this Policy in which event the provisions of Section 5 of the Policy will apply.

- The Creditor shall pay all premiums and management fees to the Company at its principal office in the currency of the Republic.
- The premium rate payable will be determined by the Company at the Commencement Date.
- The basic rate forming the basis of determining the levels of the premium rate will not be altered in any way prior to the expiry of a period of 1 year from the Commencement Date, but may be altered on any subsequent Policy Anniversary.

If there is:

- a considerable change in the number of people to be covered under the Scheme; or
- an endorsement to the Policy; or
- a change to the responsibilities of the parties to this agreement; or
- changes to the loan conditions that in any way affect the loan interest rate or loan repayment instalment

that affects the Company's risk or expense levels of maintaining the benefits under the Scheme, the Company shall be entitled at any time to immediately review and adjust the applicable premium rates.

- If the premium rate is to be increased at a time other than on a Policy Anniversary and for reasons other than those described above, the Company shall give the Creditor 1 months' written notice of such increase.
- The premium in respect of each Member is payable from the Member's Admission Date until his Termination Date.
- In the event that the premium or premiums actually paid to the Company are incorrectly calculated so that they are in fact insufficient to pay for the benefits for which the Member should be covered in accordance with his Credit Agreement, then the Company's liability shall be reduced by the ratio which the shortfall bears to the total premium due.

## General Conditions

- The Company has the right to use the methods and procedures it deems necessary for the efficient administration of the Scheme. Where any event that affects the administration of the Scheme has not been expressly provided for in this Policy, the Company shall deal with the matter as it deems fit.
- The Creditor and, when requested, a Member shall supply all data, information and evidence (including medical evidence, the cost of which shall be borne by the Company) the Company may reasonably request. The Company shall keep all necessary records concerning the identity of each Member and the benefits, rights and options under the Scheme. The Company shall have the right to inspect the Creditor's records and other material records.
- The Company may from time to time amend the terms and conditions of this Policy on any Policy Anniversary. Any changes to terms and conditions at a date other than a Policy Anniversary shall be subject to 1 months' written notice to the Creditor of such change. Subject to the agreement of the Creditor and the Company, the notice period may be reduced.
- If either a Member or the Creditor elects to refer a dispute concerning the Company's repudiation of liability to either the Ombudsman for Life Assurance or to arbitration or issues a summons to the Company, such referral must take place within 12 months of the date that the Company first repudiated such liability, failing which the claim against the Company shall prescribe.
- Stamp Duty is payable by the Company. A schedule stamped in accordance with the requirements of the Stamp Duties Act 1968 (as amended from time to time) will be maintained for the Scheme at the Company's head office.
- The Creditor shall notify the Company in writing if, during the currency of the Policy, any Member becomes domiciled outside the Republic.
- The proposal and this Policy constitute the entire contract between the Company and the Creditor. The Company will not be bound by any alteration or amendment unless such alteration or amendment is reduced in writing and signed by the managing director of the Company or the duly authorised representative and is made an endorsement of this Policy.
- No contract between the Company and any other person other than the Creditor is hereby constituted or implied. No action shall be maintainable against the Company save by the Creditor.
- Every notice or communication to be given, sent or made under this Policy shall be in writing and in the case of any such notice or communication addressed to the Creditor, shall be delivered or sent by post and addressed to the Creditor at the address last notified in writing to the Company. If the Creditor deals with the Company through an intermediary, any notice or communication in connection with the Policy addressed to the intermediary shall be deemed to be addressed to and received by the Creditor. Any such notice or communication received by the Company from that intermediary shall be deemed to have been sent by the Creditor.
- A Member on whose life the insurance ceases hereunder by virtue of his having ceased to qualify for the benefit in terms of this Policy, shall be treated in all respects as a new Member on requalifying and re-application for insurance on his life being made hereunder.
- This Policy will not participate in the profits of the Company.

- The Creditor shall have no beneficial interest in this Policy.
- If the Company becomes liable at any time to account to any authority for any tax or duty on any payment due by the Company under this Policy, a sum equivalent to the amount for which the Company shall be so liable shall be deducted from the amount payable.
- Notwithstanding anything to the contrary contained herein, the payment of any benefit by the Company to the Creditor shall be final and conclusive evidence and proof that the money or benefit therein expressed to have been paid and received has been paid to and received by the person entitled thereto and that all claims and demands in respect thereof have been fully satisfied and discharged and no further action, claim or demand in respect thereof shall rest against the Company.
- Any question of law arising under this Policy shall be decided according to the law of the Republic.
- A written Membership schedule shall be prepared by the Creditor at the Commencement Date and maintained thereafter which records all relevant Member information required by the Company for the purposes of this Policy. This schedule shall be updated and amended as and when necessary by the Creditor and forwarded to the Company in accordance with the terms and conditions of the Policy. This Membership schedule shall be deemed to be incorporated in and form part of this Policy.
- No latitude, extension of time or other indulgence which may be given or allowed, whether by agreement or inadvertently, by the Company to the Creditor in respect of the performance of any obligation in terms of this Policy shall under no circumstances be construed to be implied consent or operate as a waiver or a novation of, or otherwise affect any of the Company's rights or prevent the Company from enforcing, at any time and without notice, strict and punctual compliance with each and every obligation of the Creditor.

## **Claim Procedure**

The following procedures shall be followed in order to obtain payment of benefits under the Scheme:-

- The creditor shall give written notice to the company of any death claim within 12 months of the member's death. If a death claim is notified to the company after 12 months from the date of the member's death, the company may, in its sole and absolute discretion, repudiate the claim.

## **Death Claims**

In the event of a death claim, the company shall require the following certified documentation:

Completed death claim form;

- Copy of the death certificate;
- Copies of the member's Identity document;
- Proof of membership;
- A fully completed BI1663 Form;
- A copy of the Credit Agreement entered into by the member;
- Proof of debt/certificate from the scheme indicating the amount owing at the time of the event giving rise to the claim;
- Such other documentation that the company may reasonably require.

## **Retrenchment**

In the event of a retrenchment claim, the company shall require the following certified documentation:

- Completed retrenchment claim form;
  - Copy of the member's Identity Document;
  - Proof of membership;
  - A letter from the member's employer confirming that retrenchment was compulsory;
  - A copy of the Credit Agreement entered into by the member;
  - Proof of debt/certificate from the scheme indicating the amount owing at the time of the event giving rise to a claim;
  - Such other documentation that the company may reasonably require.
- The creditor shall give written notice to the company of any retrenchment claim within 90 days of the member's retrenchment. If a retrenchment claim is notified to the company after 90 days from the date of the member's retrenchment, no benefit shall be payable as a result of such late notification.

## **Disablement Benefit**

In the case of a claim for a disablement benefit, the following shall apply:

The creditor shall give written notice to the company of any impending claim within 90 days of the event which may give rise to a claim.

The company shall require the following certified documentation:

- Completed disability claim form;
  - Member's statement;
  - Job description, in the format required by the company;
  - Copy of the member's identity document;
  - Proof of membership;
  - A copy of the Credit Agreement entered into by the member
  - Proof of debt/certificate from the scheme indicating the amount owing at the time of the event giving rise to the claim
  - Such other documentation that the company may reasonably require.
  - If a claim is notified more than 90 days after the event that gives rise to the claim, the application will not be considered at all.
- Upon receipt of the written notice referred to in 7.3.2 above, the company shall advise the creditor of its requirements in order to consider the claim.
  - The creditor shall furnish the company with such information and evidence as may reasonably be required.
  - The member shall submit to medical examination by medical referees nominated by the company or other expert opinion as frequently as the company may reasonably require.
  - Upon submission of a disablement claim, the creditor shall furnish the company with a full and updated report which shall include the necessary test results furnished by the specialist/s. The costs of the report and evaluation shall be borne by the creditor.
  - The cost of providing any further medical evidence or the expert opinion required by the company in order to consider a disablement claim shall be borne by the company.
- If a Disablement claim is repudiated and either the Member or the Creditor submits new medical evidence in order to have the claim reassessed, the cost of such medical evidence shall be borne by the Creditor. However, if such new evidence results in the claim being admitted, the Company shall reimburse the Creditor for the cost of such new evidence.
  - If the Company repudiates a claim for a disability benefit, the Member or Creditor may resubmit the claim. Such resubmission shall be made within 90 days of the repudiation. If the Company again repudiates the claim, no further resubmission of the claim will be considered by the Company.

