

3.1 Temporary Income Protector (TIP)

3.1.1 Description

The TIP Benefit pays the Life Insured a monthly income if they cannot work in their own occupation due to an illness or injury.

All BPE policies must have the TIP Benefit selected.

3.1.2 Definition of Occupation

The definition of occupation for TIP on BPE is always own occupation. This means that the TIP benefit will pay out if the Life Insured is unable to perform their own occupation as stipulated when they apply for cover. This narrow definition of occupation should provide peace of mind to the Life Insured.

3.1.3 Maximum and Minimum Cover

The maximum cover that is available on TIP for BPE is the lesser of:

- R 150 000 per month
- 100% of the Life Insured's monthly income

Please refer to the Financial Underwriting section for how we determine what the Life Insured's monthly income is.

The minimum cover available on TIP is R1 000 per month.

**There is no minimum
premium amount**

There is no minimum premium amount.

3.1.4 Waiting Periods

It is important to consider how long the Life Insured can survive without needing an income if unable to work due to an accident or illness. If unable to earn an income for 6 months, would the Life Insured feel it from day 1, or have sufficient savings to get by for a few months?

This is where waiting periods come in. For any period where the Life Insured is booked off work, the TIP Benefit will not pay a monthly income during the waiting period. The waiting period starts from when the Life Insured is unable to work due to an accident or illness.

'Before I even started chemo I had my first payment from FMI in my account, (I only had a waiting period of 7 days) I was stunned.'

Alida du Preez, Financial Advisor

For the TIP Benefit, there are four waiting periods that can be selected:

- **Primary**

The waiting period for Primary TIP cover is 7 days retrospective. This means that for any disability the benefit will pay out for the entire period of disability, provided that the Life Insured was unable to do their job due to an accident or illness for at least 7 consecutive days.

Jack is booked off work for 9 days. His **Primary TIP** cover will pay out for the full 9 days of disability.

- **Fortnightly**

The waiting period for Fortnightly TIP cover is 14 days non-retrospective. This means that Fortnightly TIP cover will only pay out after the first 14 days of disability.

Jack is booked off work for 21 days. His **Fortnightly TIP** cover will pay out for 7 days of disability.

- **Monthly**

The waiting period for Monthly TIP cover is 30 days non-retrospective. This means that the Monthly TIP cover will only pay out after the first 30 consecutive days of disability.

Jack is booked off work for 45 days. His **Monthly TIP** cover will pay out for 15 days of disability.

- **Quarterly**

The waiting period for Quarterly TIP cover is 90 days non-retrospective. This means that the Quarterly TIP cover will only pay out after the first 90 consecutive days of disability.

Jack is booked off work for 150 days. His **Quarterly TIP** cover will pay out for 60 days of disability.

The longer the waiting period, the cheaper the benefit becomes.

The Life Insured does not have to place all their cover within a single waiting period. They can choose to split their cover across all four waiting periods.

Jack has selected total TIP cover of R 60 000 pm. He decides to split his cover over the 3 waiting periods as follows:

- **Primary** – R 10 000
- **Monthly** – R 20 000
- **Quarterly** – R 30 000

For a six month disability, Jack will be paid out as follows:



This allows the Life Insured to choose the most cost effective cover.

The Life Insured can choose cover that is appropriate for their financial position. Consider someone who has a monthly income of R 30 000. If they knew that for the first month of any disability they would only need R 10 000 income, they could elect to have R 10 000 cover on the Primary waiting period and cover their remaining income of R 20 000 on the other waiting periods.

Please note that the Primary waiting period is only available to:

- Self employed
- Business owners
- Professionals
- Commission or variable income earners
- Contract workers
- Or anyone else who can prove that they would suffer a shortfall of income in the first two weeks of disability.

Purely salaried individuals who do not fall under the final bullet above would not be able to obtain TIP cover with a Primary waiting period. This is because for the first two weeks of disability a salaried individual would normally still receive an income because of their sick leave.

Commission and variable income earners who also earn a basic salary would only be able to cover the commission portion of their income under the Primary waiting period; their basic salary would fall under the other waiting periods.

Please note that repeated periods of illness or injury are treated as one if the claims were for the same accident or illness. This means that the Life insured will not have another waiting period imposed on them for a second related claim under certain circumstances. Please see the Recurrent Claims section for a full explanation.

3.1.5 Benefit Term

The benefit term is the maximum duration for which FMI will pay out a claim for a single disability. The benefit term starts at the beginning of the disability, not the end of the waiting period.

There are 4 benefit terms available under TIP:

- 3 months
- 6 months
- 12 months
- 24 months

Jack selected a benefit term of 6 months under **TIP**. Jack broke his pelvis in an accident and his doctor booked him off work. The **maximum** period that Jack will be paid out for this disability is 6 months.

For illnesses or injuries that will result in the Life Insured being unable to perform their occupation for longer than the benefit terms above, the Life Insured can select the PIP benefit. This benefit is described in the next section.

3.1.6 Benefit Termination Events

As noted above, the benefit term is the maximum term we will pay out for a particular disability. However, payouts may stop before the end of the benefit term. We will pay out for a disability until the first of these events occur:

- The full recovery of the Life Insured
- The day we consider the Life Insured able to go back to their own occupation
- The death of the Life Insured
- The end of the chosen benefit term (which is 3, 6, 12 or 24 months after the start of the disability)

‘FMI paid my salary every month without fail for 2 years. No questions were asked.’

Mandy Moffat, Rep

Please note that we apply the benefit term to the maximum period that will be paid for a single disability, not total time of all disabilities added together. So a Life Insured can claim for many disabilities and the benefit will only stop paying once any single disability reaches the benefit term, not if the total period of disability reaches the benefit term or any other length of time.

Should the Life Insured claim for their full benefit term and does not return to work at the end of the benefit term, the TIP benefit will fall away. If they do return to work after a full benefit term claim, the TIP benefit will not cancel. No claim will be paid for the same or related cause for the next 24 months after the end of the previous claim, but the Life Insured can claim for any unrelated disability from the first day they return to work. At the end of a second full benefit term claim the TIP benefit will then fall away, regardless of whether they return to work or not.

**If the Life Insured
returns to work after a
full benefit term claim,
the TIP benefit will not
cancel.**

3.2 Permanent Income Protector (PIP)

3.2.1 Description

The PIP Benefit pays the Life Insured a monthly income until their chosen retirement age if they cannot work, due to an illness or injury, in either their own, or their own or similar occupation that they could be reasonably expected to perform due to their training, skills and experience. The illness or injury can be either permanent or temporary.

The PIP benefit is optional.

The PIP benefit cannot be selected if a TIP benefit term of 3 months is selected.

3.2.2 Definition of Occupation

The Life Insured has the option of two different definitions of occupation for PIP on BPE:

- Own occupation
- Own or similar occupation.

Own occupation will pay out if the Life Insured is permanently unable to perform their nominated occupation.

Own or similar occupation will pay out only if the Life Insured is unable to perform their own occupation and they also cannot perform a similar occupation given their experience and training.

Jack is a qualified surgeon who lost his hand in a car accident. Under the own occupation definition, Jack will receive a payout due to him not being able to perform the duties of his occupation. However under the own or similar occupation definition, Jack could be expected to begin lecturing within the medical field, thus this benefit would not pay out.

A similar occupation should be within the same field as the Life Insured's own occupation. However it may be expected for the Life Insured to do something completely different if it is reasonable considering their experience and qualifications.

If an occupation resulted in major drop in income for the Life Insured it would not be regarded as similar.

3.2.3 Maximum and Minimum Cover

The maximum cover that is available on PIP for BPE is the lesser of:

- R150 000 per month
- 100% of the Life Insured's monthly income

There is no minimum premium amount

The PIP benefit cannot be selected if a TIP benefit term of 3 months is selected.

If the applicant selects both Capital Disability and PIP, these cover amounts will be aggregated against each other at application stage. Please see the Aggregation section for how this is calculated.

Please refer to the Financial Underwriting section for how we determine what the Life Insured's monthly income is.

The minimum cover available on PIP is R1 000 per month. There is no minimum premium amount.

3.2.4 Waiting Periods

There are three waiting periods available for PIP:

- 6 months
- 12 months
- 24 months

In order to ensure uninterrupted cover, the waiting period on PIP must equal the benefit term on TIP.

These waiting periods are non-retrospective, which means that the benefit will not pay out a monthly amount for the first 6, 12 or 24 months of disability, depending on which option has been chosen.

Note how the 3 options available for PIP waiting periods correspond to the 3 longest benefit terms on TIP. This is why a PIP benefit cannot be selected if a 3 month benefit term on TIP is selected. Since TIP is a compulsory benefit, the Life Insured is covered under the TIP benefit for their disability while they are in the PIP waiting period.

3.2.5 Benefit Termination Events

We will pay out on PIP until the first of these events occur:

- The full recovery of the Life Insured
- The day we consider the Life Insured able to go back to their own occupation or, if they have chosen the own/similar definition of occupation, any suitable occupation they could reasonably be expected to do given their training, skills or experience
- The death of the Life Insured
- The anniversary of the date of commencement of the BPE policy following the chosen termination age of the Life Insured.

Once a PIP claim has been admitted under a BPE policy, the TIP and BOP benefits fall away.

'My income protection plan with FMI allowed me to recover fully and I did not have to worry about how the bills would be paid.' John Finlayson,

Life Assurance and Investment Broker

3.3 Capital Disability

3.3.1 Description

The Capital Disability Benefit pays the Life Insured a lump sum if they cannot work due to an illness or injury, in either their own or similar occupation that they could be reasonably expected to perform due to their training, skills and experience. The illness or injury must be permanent.

The Capital Disability Benefit is optional.

3.3.2 Definition of Occupation

The Life Insured has the option of two different definitions of occupation for Capital Disability on BPE:

- Own occupation
- Own or similar occupation.

Own occupation will pay out if the Life Insured is permanently unable to perform their nominated occupation. Own or similar occupation will pay out only if the Life Insured is unable to perform their own occupation and they also cannot perform a similar occupation given their experience and training.

Jack is a qualified surgeon who lost his hand in a car accident. Under the own occupation definition, Jack will receive a payout due to him not being able to perform the duties of his occupation. However under the own or similar occupation definition, Jack could be expected to begin lecturing within the medical field, thus this benefit would not pay out.

A similar occupation should be within the same field as the Life Insured's own occupation. However it may be expected for the Life Insured to do something completely different if it is reasonable considering their experience and qualifications.

If an occupation resulted in major drop in income for the Life Insured it would not be regarded as similar.

3.3.3 Maximum and minimum cover

The maximum cover that is available on Capital Disability for BPE is R7.5 million.

Note also that the Capital Disability cover will be aggregated according to the applicant's earnings, the term of their policy, and the PIP cover that they have taken out. Please see the Aggregation section for how these amounts are calculated.

The minimum cover for the Capital Disability Benefit is R100000.

3.3.4 Waiting periods

The waiting period on the Capital Disability Benefit is the period of time after a permanent disability is suffered before the payout is made.

There are three waiting periods available for the Capital Disability Benefit:

- 6 months
- 12 months
- 24 months

The waiting period for the Capital Disability Benefit is equal to the benefit term chosen on the TIP Benefit. In the case where the Capital Disability Benefit is added to a BPE policy where the TIP Benefit has a 3 month benefit term, the Capital Disability Benefit is not available.

Please note that if the claims assessors can establish that the disability is permanent before the waiting period is over, they will consider paying out the benefit before the waiting period has elapsed.

3.4 Business Overhead Protector (BOP)

3.4.1 Description

The BOP Benefit pays out a monthly income if the Life Insured cannot work in their own occupation due to an illness or injury.

In order to qualify for this benefit, the Life Insured must be a business owner, totally or partially. The BOP Benefit is designed to meet a list of specific business expenses while the Life Insured is disabled.

The BOP benefit is optional.

The BOP Benefit pays out a monthly income if the Life Insured cannot work in their own occupation due to an illness or injury.

3.4.2 Expenses that Can be Covered

The following expenses can be covered under the BOP benefit:

- Rent or mortgage of business premises only (This does not include business premises based on private residence of policyholder)
- Property rates and taxes
- Electricity, water, telephone
- Equipment and vehicle leasing costs
- Insurance premiums
- Legal, accounting fees and auditing fees
- Remuneration of non-income producing staff
- Business cleaning and laundry
- Other maintenance costs that are directly related to the business and deemed necessary expenses in running the business
- Advertising
- Postage
- Bank charges
- Subscriptions to Professional Associations.
- Cost of temporary replacement / locum worker, subject to valid contract of employment being entered into.

3.4.3 Definition of Occupation

The definition of occupation for BOP on BPE is own occupation. This means that the BOP benefit will pay out if the Life Insured is unable to perform their own occupation as stipulated when they apply for cover.



3.4.4 Maximum and Minimum Cover

The maximum cover that is available on BOP for BPE is the lesser of:

- R150 000 per month
- 100% of the business expenses attributable to the Life Insured

Please refer to the Financial Underwriting section on how we determine the amount of expenses attributable to the Life Insured

The minimum cover available on BOP is R1 000 per month. There is no minimum premium amount.

3.4.5 Waiting Periods

For the BOP Benefit, there are four waiting periods that can be selected:

• Primary

The waiting period for Primary BOP cover is 7 days retrospective. This means that for any disability the benefit will pay out for the entire period of disability, provided that the Life Insured was booked off for at least 7 consecutive days.

Jack is booked off work for 9 days. His **Primary BOP** cover will pay out for the full 9 days of disability.

• Fortnightly

The waiting period for Fortnightly TIP cover is 14 days non-retrospective. This means that Fortnightly BOP cover will only pay out after the first 14 days of disability.

Jack is booked off work for 21 days. His **Fortnightly BOP** cover will pay out for 7 days of disability.

• Monthly

The waiting period for Monthly BOP cover is 30 days non-retrospective. This means that the Monthly BOP cover will only pay out after the first 30 consecutive days of disability.

Jack is booked off work for 45 days. His **Monthly BOP** cover will pay out for 15 days of disability.

• Quarterly

The waiting period for Quarterly BOP cover is 90 days non-retrospective. This means that the Quarterly BOP cover will only pay out after the first 90 consecutive days of disability.

Jack is booked off work for 150 days. His **Quarterly BOP** cover will pay out for 60 days of disability.

The longer the waiting period, the cheaper the benefit becomes.

The Life Insured does not have to place all their cover within a single waiting period. They can choose to split their cover across all four waiting periods.

Please note that the waiting period selected on BOP must be the same or longer than the waiting period selected on the TIP benefit. In the case where cover is split across different waiting periods, the shortest waiting period that can be selected on BOP is the same as the shortest waiting period for any cover selected under TIP.

Please note that repeated periods of illness or injury are treated as one if the claims were for the same accident or illness. This means that the Life insured will not have another waiting period imposed on them for a second related claim under certain circumstances. Please see the Recurrent Claims section for a full explanation.

3.4.6 Benefit Term

The benefit term is the maximum duration for which FMI will pay out a claim for a single disability.

There are 4 benefit terms available under BOP:

- 3 months
- 6 months
- 12 months
- 24 months

Please note that the benefit term selected on BOP cannot be longer than the benefit term selected on the TIP benefit.

3.4.7 Benefit Termination Events

As noted above, the benefit term is the maximum term we will pay out for a particular disability. However, payouts may stop before the end of the benefit term. We will pay out for a disability until the first of these events occur:

- The full recovery of the Life Insured
- The day we consider the Life Insured able to go back to their own occupation
- The death of the Life Insured
- The anniversary of the date of commencement of the BPE policy following the chosen termination age of the Life Insured
- The date the business stops operating or the Life Insured sells the business
- The end of the chosen benefit term (which is 6, 12 or 24 months after the start of the disability)

Also, if the Life Insured claims for their full benefit term and does not return to work at the end of the benefit term, the BOP benefit will fall away.

If they do return to work after a full benefit term claim, the BOP benefit will not cancel. No claim will be paid for the same or related cause for the next 24 months after the end of the previous claim.

If they do return to work after a full benefit term claim, the BOP benefit will not cancel.

The 'benefit term' is the maximum duration for which FMI will pay out a claim for a single disability

3.5 TIP Dread Disease Enhancer Benefit

3.5.1 Description

At FMI, we realise that certain disabilities are likely to be more serious than others. For example, if the Life Insured were to be booked off work because of cancer, this would have a greater impact on their lifestyle than a less severe disability.

TIP Dread Disease Enhancer increases the Life Insured's TIP payout when claiming for a dread disease.

For this reason we have developed the TIP Dread Disease Enhancer. It has been designed to provide further assistance to the Life Insured in the event that they suffer a disability as a result of a dread disease.

The TIP Dread Disease Enhancer will increase the Life Insured's TIP payout should their claim be due to a dread disease.

If the Life Insured has a claim on their TIP benefit for a disability which was as a result of a dread disease, the TIP Dread Disease Enhancer will pay out an additional 20% of the TIP cover per month for a maximum of 6 months, or the full TIP claim period, whichever is less. If a 3 month benefit term is chosen on the TIP Benefit, the TIP Dread Disease Enhancer Benefit will pay out for a maximum of 3 months.

Please note that the six month benefit term on the TIP Dread Disease Enhancer applies to a single dread disease claim. The benefit term starts again if the client suffers from a new and unrelated dread disease that results in them being unable to perform their occupation.

This benefit is optional.

3.5.2 Definition of Dread Diseases

For the TIP Dread Disease Enhancer, the following conditions are considered as Dread Diseases:

Cardiovascular

- Heart Attack
- Coronary Artery Surgery
- Aortic Artery Surgery
- Heart Valve Surgery

Central Nervous System

- Stroke
- Multiple Sclerosis
- Parkinson's Disease
- Alzheimer's Disease

Other

- Cancer
- Renal Failure
- Major Organ Transplant
- Paraplegia
- Blindness
- Deafness/Loss of Hearing
- Severe Burns

Please refer to the appendix for the full definition of these diseases.

3.5.3 Maximum and Minimum Cover

The cover amount is fixed at 20% of the Life Insured's TIP cover. So if the Life Insured has TIP cover of R50 000 the TIP Dread Disease Enhancer will enhance Dread Disease payouts on TIP to R60 000.

3.5.4 Waiting Periods

The waiting period selected under the Life Insured's TIP benefit will apply to the Dread Disease Enhancer.

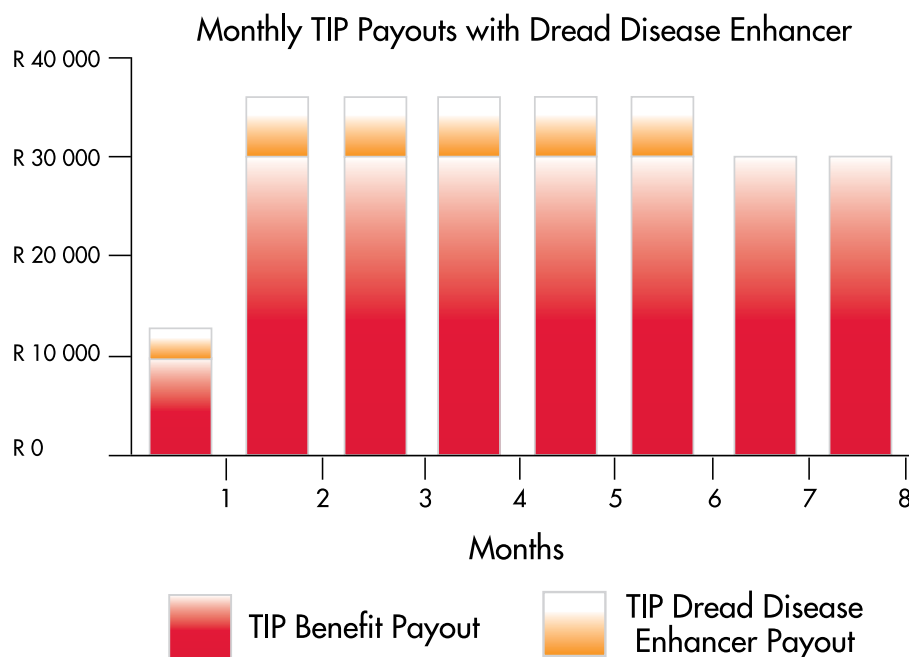
If the Life Insured has TIP cover spread across different waiting periods and they choose to add the TIP Dread Disease Enhancer to their policy, it is added to all of the chosen TIP waiting periods.

3.5.5 Benefit Term

This benefit payout ends on the earliest of:

- When the Life Insured's TIP payout ends
- After the benefit term of 6 months. If a 3 month benefit term is selected on TIP then the benefit term for this benefit is 3 months and payouts will be capped at 3 months.

Consider the example above where Jack has R 10 000 cover on the Primary waiting period and R 20 000 on the Monthly waiting period for TIP. He has a 12 month benefit term for his TIP benefit.



If Jack was booked off work for 8 months as a result of major organ transplant, his regular TIP benefit would pay R 10 000 for the first month of disability, followed by R 30 000 per month for the following seven months. His TIP Dread Disease Benefit would pay an additional R2000 for the first month, and R6000 per month for the next five months (because the TIP Dread Disease Benefit only enhances TIP claims for the first 6 months).

Please note that if Jack was then to suffer a heart attack which was unrelated to the major organ transplant, the benefit term of his TIP Dread Disease Enhancer would start again and enhance the TIP claim as a result of the heart attack for the first six months.

'I do believe I would not have conquered the cancer had I been forced to work and earn an income.'

Alida du Preez, Financial Adviser

3.6 TIP Hospitalisation Enhancer Benefit

3.6.1 Description

We understand that a serious disability can result in the Life Insured being hospitalised. In these cases it can be even more difficult to ensure the ongoing concerns of their business and to look after their family.

This is why we have introduced the TIP Hospitalisation Benefit. This benefit will increase the Life Insured's TIP payout while they are hospitalised.

This benefit will increase the Life Insured's TIP payout while they are hospitalised.

If the Life Insured has a valid TIP claim, the TIP Hospitalisation Benefit will increase the TIP payout by 20% for as long as they are hospitalised for that claim. This benefit will stop enhancing the TIP payout after 6 months. If a 3 month benefit term is chosen on TIP, this benefit will stop enhancing the payout after 3 months

Please note that the benefit term on this benefit applies to a single claim. The benefit term starts again if the Life Insured suffers from a new and unrelated claim.

This benefit is optional.

3.6.2 Maximum and minimum cover

Cover for this benefit is fixed at 20% of the Life Insured's TIP cover. So if the Life Insured has TIP cover of R20000 the TIP Hospitalisation Benefit will enhance TIP payouts while hospitalised to R24000.

3.6.3 Waiting Periods

The waiting period selected under the Life Insured's TIP benefit will apply to the TIP Hospitalisation Enhancer.

If the Life Insured has TIP cover spread across different waiting periods and they choose to add the TIP Hospitalisation Enhancer to their policy, it is added to all of the chosen TIP waiting periods.

3.6.4 Benefit Term

The benefit payout ends on the earliest of:

- When the Life Insured's TIP payout ends
- When the Life Insured is no longer hospitalised
- After the benefit term of 6 months. If a 3 month benefit term is selected on TIP then the benefit term for this benefit is 3 months and payouts will be capped at 3 months.

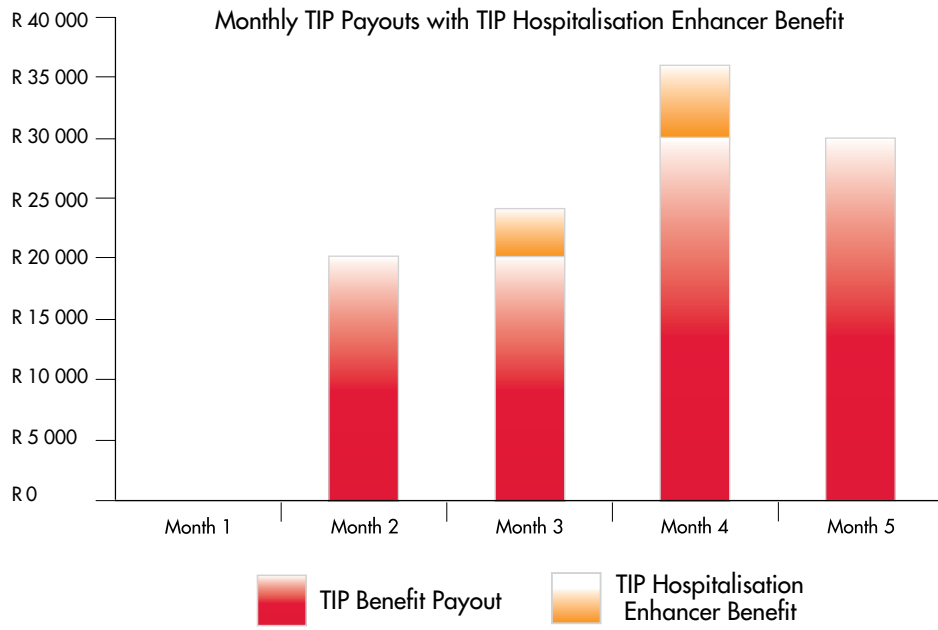
Consider if Jack had R20000 TIP cover on the Monthly waiting period and R10000 TIP cover on the Quarterly waiting period. He has a 24 month benefit term for his TIP benefit. He has selected the TIP Hospitalisation Benefit.

Consider if Jack was booked off work for a period of 5 months. During the first 2 months he is unable to work and confined to a bed at home. His illness becomes more serious and he is admitted to hospital for months 3 and 4. He is then discharged and spends month 5 at home again. He is fully recovered and returns to work after 5 months.

- In the first month of his period he is booked off work he will receive nothing as his shortest waiting period is 30 days.
- In month 2 his Monthly TIP Benefit will kick in and he will receive R20000.
- In Month 3 he is now hospitalised and receives his TIP Monthly benefit of R20000 plus an additional 20% from his TIP Hospitalisation Enhancer Benefit. He will receive R24000 in total in month 3.
- In month 4 his TIP Quarterly Benefit will kick in and the TIP Hospitalisation Enhancer Benefit continues to enhance the TIP payout. He will receive R30000 in total from his TIP Benefit, which will be enhanced by 20% by the TIP Hospitalisation Enhancer. So in month 4 he will receive R36000.
- Finally in month 5 he is no longer hospitalised and will receive R30000 from his TIP Benefit.

Note that if he had been sick for a longer period, the TIP Hospitalisation Benefit would not enhance TIP payments for any periods of hospitalisation from month 7.

If we graph these monthly payments:



3.7 Spouse Benefit

3.7.1 Description

The ability of someone to perform their occupation can be affected by factors other than when they themselves are disabled or not. If the Life Insured's spouse suffers a disability it is very likely that this will affect their ability to do their occupation. Because of this, we offer the Spouse Benefit under BPE.

The Spouse Benefit will pay a monthly benefit on the inability of the spouse to perform their occupation as a result of a disability from an accident or an illness. For the Spouse Benefit we would consider housewife or home executive as an occupation.

This benefit is optional.

3.7.2 Definition of Occupation

The definition of occupation for the Spouse Benefit on BPE is own occupation. This means that the benefit will pay out if the Life Insured's spouse is unable to perform their own occupation.

3.7.3 Maximum and Minimum Cover

Cover for the Spouse Benefit is fixed at R 15 000 per month

3.7.4 Maximum Number of Claims

The Spouse Benefit falls away once it has been claimed on, whether the claim was for the full benefit term or not.

3.7.5 Waiting Periods

The waiting period for the Spouse Benefit is 30 days, payable retrospectively back to day one.

This means that in order to claim on the Spouse Benefit the spouse needs to be disabled for at least 30 days. If the spouse is booked off work for longer than the waiting period, they are paid back to the first day of their disability.

Jack's wife is booked off work for 45 days. She would be paid a benefit of 45 days.

3.7.6 Benefit Term

The benefit term is the maximum duration for which FMI will pay out a claim for a single disability.

The benefit term for the spouse benefit is 2 months. The benefit term starts from the beginning of the disability, not the end of the waiting period.

Please note that the spouse benefit falls away after it has been claimed on, regardless of whether that claim was for the full benefit term of 2 months or not.

3.7.7 Benefit Termination Events

As noted above, the benefit term is the maximum term we will pay out for a particular disability. However, payouts may stop before the end of the benefit term. We will pay out for a disability on the Spouse Benefit until the first of these events occur:

- The spouse's full recovery
- The day we consider the spouse able to go back to his or her own occupation
- The anniversary of the date of commencement of the BPE policy following the chosen termination age of the Life Insured
- The end of the benefit term of two months

3.7.8 Eligibility of the Spouse

The spouse is only nominated at claim stage. What this means is that the Life Insured will only need to provide proof that someone is their spouse when they want to claim on their Spouse Benefit, not when they apply for the benefit. FMI do, however, need to be informed in advance in the case of common law spouses. This is explained below.

We will consider the following as spouses in relation to the Spouse Benefit on BPE:

- Someone married to the Life Insured by law, tribal custom or under the beliefs of any Asian religion. If there is a marriage under African traditions, it must be accepted by a traditional council. The traditional council is a person who the tribal chief recognises as a legal partner and who has written proof that lobola has been paid.
- A common law spouse is a person FMI will recognise as a spouse. To qualify as a common law spouse, they must live with the Life Insured for at least six months in a committed relationship akin to marriage. Please note that for common law spouses the Life Insured must give all

The Life Insured only needs to provide proof of their spouse when they want to claim, not when they apply for the benefit.

details to FMI at the date of commencement of the Spouse Benefit or within one month of them becoming eligible for cover.

A spouse may be the same gender as the Life Insured.

A maximum of one spouse is covered under this benefit.

Divorced spouses are not covered.

3.7.9 Pre-existing Conditions for the Spouse Benefit

The spouse cannot claim in the first 12 months from the date of commencement of the Spouse Benefit for illnesses or injuries that existed in the six months prior to the commencement of cover.

'I can honestly say if it had not been for FMI I would be bankrupt, an emotional and physical wreck and in a bad financial state.'

Bronwin Malamatas, Senior Archives Sales Consultant

3.8 Child Dread Disease Benefit

3.8.1 Description

If the Life Insured's child was to become sick, it would have a severe impact on their ability to do their work. As part of our objective to look at all aspects of the Life Insured's ability to perform their occupation, we have developed the Child Dread Disease Benefit.

The Child Dread Disease Benefit pays out a lump sum of R20 000 on diagnosis of a dread disease in the child of the Life Insured.

This benefit is optional.

3.8.2 Definition of Dread Disease

For the Child Dread Disease Benefit, the following conditions are considered as Dread Diseases:

Cardiovascular

- Heart Attack
- Coronary Artery Surgery
- Aortic Artery Surgery
- Heart Valve Surgery

Central Nervous System

- Stroke
- Multiple Sclerosis
- Parkinson's Disease
- Alzheimer's Disease

Other

- Cancer
- Renal Failure
- Major Organ Transplant
- Paraplegia
- Blindness
- Deafness/Loss of Hearing
- Severe Burns

Please refer to the appendix for the full definition of these diseases.

3.8.3 Maximum and Minimum Cover

Cover for this benefit is fixed at a lump sum of R20 000.

3.8.4 Maximum Number of Claims

The Child Dread Disease benefit can be claimed twice before it falls away. The two claims can be for two different children or the same child suffering two different dread diseases.

3.8.5 Eligibility of the Child

The child is only nominated at claim stage. What this means is that the Life Insured will only need to provide proof that someone is their child when they want to claim on their Child Dread Disease benefit, not when they apply for the benefit.

To be eligible for cover, the child of the Life Insured must be unmarried and

- Under 21 years old, or
- Under 25 years old if they are still a full time student at a recognised institution, or
- Any age for as long as the Life Insured's cover continues if the child has become mentally or totally and permanently disabled before age 21, or
- Under 19 if the child is financially dependent on the Life Insured and the Life Insured is the child's guardian (and not their parent)

This may include a legally adopted child, a stepchild or an illegitimate child.

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3.8.6 Pre-existing Conditions for the Child Benefit

The Life Insured cannot claim on the Child Dread Disease Benefit in the first 12 months after the date the benefit was added for illnesses or injuries that existed in the six months prior to the commencement of cover for the child.

3.8.7 Diagnosis of the Dread Disease

For the Child Dread Disease benefit, the dread disease needs to be diagnosed before the death of the child, i.e. no claim will be paid for autopsies that reveal the child had a dread disease.

3.9 Death Income Benefit

3.9.1 Description

We understand that it is possible that there are others besides the Life Insured's who rely on their income. While there are a variety of life cover policies that provide loved ones with a lump sum on the Life Insured's death, it can be difficult for family to get by without their income for the initial period after their death.

The Death Income Benefit does not replace the need for traditional lump sum life cover.

We have developed the Death Income Benefit in order to meet this need. The Death Income Benefit does not replace the need for traditional lump sum life cover. However, it does provide peace of mind that, should the Life Insured die, their loved ones will be protected for six months after their death.

The Death Income Benefit pays out a monthly income to chosen beneficiaries for six months after the Life Insured's death. The monthly payment is equal to the Life Insured's TIP cover at time of death.

The Death Income Benefit pays out on death regardless of whether the Life Insured was in claim for any other income benefits at death or not.

This benefit is optional.

3.9.2 Maximum and Minimum cover

Cover for this benefit is fixed at the total cover enjoyed under the TIP benefit for a BPE policy. The cover amount for the Death Income Benefit is not affected by whether the Life Insured also has the TIP Hospitalisation Enhancer or the TIP Dread Disease Enhancer selected.

As the Life Insured's TIP cover changes, their cover under the Death Income Benefit will change to remain equal to their total TIP cover.

Jack has a total TIP Cover amount of R40000 spread across multiple waiting periods. He has also selected the Death Income Benefit. If he should die his nominated beneficiaries will receive R40000 per month for the six months following his death.