



**LOMBARD LIFE LIMITED
("Lombard Life")**

Underwriters of the

ABSA INSURANCE AND FINANCIAL ADVISERS INCOME BENEFITS SCHEME

Lombard Life undertakes to pay the benefits described in this policy to the person entitled to such benefits, upon receipt of all documents, the fulfilment of all terms and conditions, and all information it may require, provided that the premiums have been paid in terms of this policy and that the proposal and all documents in connection with the policy shall be incorporated herein and form the basis of the insurance.

Membership on this Scheme is compulsory in terms of the employment rules of Absa Insurance and Financial Advisers.

1. BENEFITS

- 1.1 Temporary Income Protection (Compulsory)
- 1.2 Permanent Income Protection (Compulsory)
- 1.3 Life Cover (Compulsory)
- 1.4 Flexi Cover (Optional)
- 1.5 Business Overhead Expense Benefit (Optional)
- 1.6 Core Benefit (Compulsory) , comprising of the following benefits:
 - 1.6.1 Accidental Death
 - 1.6.2 Accidental Permanent Total Disability
 - 1.6.3 Accidental Mobility
 - 1.6.4 Trauma
 - 1.6.5 Child Dread Disease

The benefits are defined in the relevant sections of the policy.

2. PREMIUM PAYMENTS

- 2.1 A premium period is 1 (one) calendar month.
- 2.2 The policyholder will pay all premiums due, in arrears, by the 22nd (twenty-second) day of each premium period.
- 2.3 Lombard Life will allow a period of grace of 1 (one) calendar month for the payment of each premium.
- 2.4 If a premium is not paid after the expiry of the period of grace the policy will automatically lapse and become void.
- 2.5 Lombard Life may at its discretion and at any time change the amount of the premium by giving 30 (thirty) days notice to the policyholder.

3. GENERAL SCHEDULE

- 3.1 The Administrator: Financial Management International Ltd (“FMI”)
- 3.2 The Company: Lombard Life Ltd (“Lombard Life”)
- 3.3 The Policyholder: ABSA Insurance and Financial Advisers (Pty) Ltd
- 3.4 Period of Insurance: From inception date as per schedule of insurance and thereafter any subsequent monthly period for which FMI may accept premiums.
- 3.5 Territorial Limits: Worldwide as long as the Life Insured is ordinarily resident in South Africa.

4. DEFINITIONS

Accident

A sudden, unexpected, unusual and specific event that occurs at an identifiable time and place, including direct and unavoidable consequences of exposure to the elements.

Bodily Injury

Physical trauma caused by an accident occurring suddenly in time and resulting solely and independently of any other cause or any other physical defect or infirmity existing prior to the accident in a defined event within 12 (twelve) months of the date of the accident.

Date of Loss

For illness, it shall be the first date from which the Life Insured is unable to perform his nominated occupation, and medical treatment has been recommended, advised, sought out or received for the illness.

For bodily injury, it shall be the date of the accident, or from the date the accident caused loss to be incurred.

Eligible Person

All persons under the age of 63 (sixty three) years who:-

- (1) are employees of Absa Insurance and Financial Advisers, and
- (2) are residents of the Republic of South Africa, and
- (3) are actively employed in their nominated occupation at inception of their cover under this policy.

Eligible Child

An unmarried child 21 (twenty-one) years and under, of the ABSA Financial Adviser, including a step-child, an illegitimate child, a wider child and a legally adopted child. The age of 21 (twenty-one) years is extended to 25 (twenty-five) years if still a full-time student, at a recognised institution or until the ABSA Financial Adviser ceases to qualify.

Wider Child:

A child who is 18 (eighteen) years or younger and does not qualify to be an eligible child, but is financially dependent on the ABSA Financial Adviser. Proof of dependency will be requested at claim stage.

Employee

Any person, including an executive director, who is employed as full time, permanent staff by ABSA Insurance & Financial Adviser (specifically excluding independent contractors, part time employees and casual workers) who is resident in South Africa.

Insured Event

Any benefit covered by this policy.

Illness

Any sickness, illness or disease originating, contracted, commencing or first manifesting itself during the period of insurance, as diagnosed by a physician or medical practitioner.

Immediate Medical Treatment

Treatment commencing within 24 (twenty-four) hours of the bodily injury or illness.

Life Insured:

The employee of ABSA Insurance & Financial Advisers who is an eligible person.

Permanent Total Disablement

Total disablement that entirely prevents an the Life Insured from engaging in or pursuing his usual occupation or any occupation for which he is qualified or in respect of which he has received specialised training, and which disablement is expected to last for the lifetime of the injured person.

Permanent & Incurable Insanity

The diagnosis of the Life Insured as being permanently and incurably insane as a result of Bodily Injury, and incapable of managing his own affairs in the considered medical opinion of the attending medical practitioner and one other.

Note: This definition refers specifically to the Table of Benefits applicable to the Personal Accident Cover under the Core Benefit.

Physiological Impairment

A reduction in the integrity of the body of the Life Insured.

Policy

This document together with the quotation, subsequent endorsements, amendments and declarations.

Partial Total Disablement

The physiological or psychological impairment of the Life Insured wherein the disability; is higher than 25% and the duration of the Life Insured's impairment is in excess of the waiting period specified in the schedule of benefits.

- (1) should the disablement be higher than 75% (seventy-five percent), the benefit will be 100% of the benefit stated in the schedule.
- (2) should the disablement be between 25% (twenty-five percent) and 75% (seventy five percent), Lombard Life will pay a proportion of the Life Insured benefit.

Permanent, Incurable Paralysis

The complete and permanent loss of the use of both arms and legs, or one of each through paralysis. The diagnosis and determination of permanent loss must be done by a physician and must be continuous loss for at least 365 (three hundred and sixty-five) consecutive days from the onset of the paralysis. Documented evidence of the incident or disease that caused the paralysis is required.

Pre Existing Condition Exclusion Clause

An injury, disease or illness which is, in the opinion of Lombard Life, related to a previous injury, disease or illness for which the Life Insured had symptoms of, or could reasonably have known about, or received advice, diagnosis, care or treatment at any time during the six months prior to becoming a Life Insured or a benefit improvement, and for which the Life Insured claims a benefit within the first twelve months of his cover commencing. Any benefit improvement which is deemed to be in the opinion of Lombard Life to be an inflationary increase or regular income increase of not more than 20%, which had been exercised as a benefit improvement in prior years (at least 2 (two) years) then the pre-existing exclusion will not apply and the benefit amount will be included in the claim payment amount.

Retrospective Payment

Claims in respect of 7 (seven) or 14 (fourteen) day waiting periods under the Temporary Income Protection and Business Overhead Protector benefits, will be paid retrospectively from day 1 (one) if admitted after 7 (seven) and 14 (fourteen) days.

Spouse

A person married to the ABSA Financial Adviser by law, tribal custom or under the tenets of any Asian religion and shall include a common-law-spouse and where applicable, a relationship between two people of the same gender. Only 1 (one) spouse may be covered under this policy. Divorced Spouses are not covered.

Common-Law Spouse: A person recognized by FMI at its sole discretion as a spouse after a cohabitation period of 12 (twelve) months. Details of common-law spouse must be submitted to FMI.

Divorced Spouse: A person who is no longer married to the ABSA Financial Adviser by law, tribal custom or under the tenets of any Asian religion and shall include a spouse who is no longer party to a common law relationship and where applicable a relationship between 2 (two) people of the same gender.

Temporary Total Disablement

The physiological or psychological impairment entirely preventing the Life Insured from engaging in or pursuing his usual occupation, until either

1. the Life Insured has recovered, or
2. is deemed able to perform his occupation

Trauma

Shall mean that in the event a person has been exposed to a traumatic event in which the person experienced, witnessed, or was confronted with an event or events that involved actual or threatened death or serious injury, or a threat to the physical integrity of self or others. The Life Insured must be diagnosed by a registered psychiatrist according to the DSM IVR criteria as suffering from Post Traumatic Stress. The most up to date DSM IVR criteria will apply.

Total Loss of Hearing

The total, irreversible loss of hearing of all sound confirmed by medical evidence via audio-metric and sound-threshold tests.

Waiting Period

Shall mean the initial period during which no benefit is payable.

Pensionable Salary (Pensal)

The Pensionable Salary as defined by ABSA INSURANCE AND FINANCIAL ADVISERS also referred to as the Pensal. The Pensionable Salary is used to define the salary from which the Permanent Income Protection benefit is calculated.

Salary

Salary is defined as the average monthly after share commission as determined at the last annual benefit review.

Annual Salary

Annual Salary is defined as the total annual after share commission as determined at the last annual benefit review.

5. GENERAL CONDITIONS

- 5.1 Benefits shall not be assignable and will be paid to the Life Insured or as directed by the Life Insured or, should the Life Insured be incapacitated, by his curator or such other person managing the Life Insured's affairs.
- 5.2 The legal system of the Republic of South Africa will govern this policy.

- 5.3 This policy shall be voidable in the event of misrepresentation, or non-disclosure of a material factor by or on behalf of any Life Insured.
- 5.4 Absa Insurance and Financial Advisers (Pty) Ltd. shall notify FMI in the event of any change to any material information relating to this policy prior to the next renewal hereof.
- 5.5 The liability of Lombard Life under this policy shall be conditional on the observance by Absa Insurance and Financial Advisers (Pty) Ltd. and each Life Insured of the terms, conditions and endorsement herein insofar as applicable to ABSA Insurance and Financial Advisers (Pty) Ltd and the Life Insured having regard to the nature of the right or obligation. Where ABSA Insurance and Financial Advisers (Pty) Ltd and the Life Insured is required in terms of the policy to perform any act or comply with any obligation, timeous performance or compliance shall be a condition precedent to Lombard Life's liability hereunder.
- 5.6 Lombard Life may amend benefits or terms and conditions of this policy on anniversary of the scheme (or such other notice as is required by law) to Absa Insurance and Financial Advisers (Pty) Ltd and Absa Insurance and Financial Advisers (Pty) Ltd shall notify any Life Insured of such amendments.
- 5.7 Words in this policy in the masculine gender include the feminine gender.
- 5.8 Should any discrepancies arise between the policy and any literature received by any Life Insured, the terms and conditions in the policy will govern in all cases.
- 5.9 Lombard Life reserves the right to ask for satisfactory proof of payment of premium at any time.
- 5.10 Subject to payment of the premium, this policy renews automatically subject always to the cancellation provisions stated above or the termination provisions set out below.
- 5.11 A Life Insured will not be entitled to any benefit in terms of this policy unless the he is ordinarily resident in the Republic of South Africa. If he ceases to be permanently resident in the Republic of South Africa this policy will terminate from the date upon which he leaves the Republic of South Africa to take up residence elsewhere.

6. CLAIMS CONDITIONS

- 6.1 Notice must be given in writing to fmiclaims@fmi.co.za, within 30 (thirty) days of any bodily injury or the commencement of any illness which may give rise to a claim under this policy.
- 6.2 All certificates, information and evidence required by FMI shall be furnished in the form prescribed and without expense to Lombard Life within 30 (thirty) days from the date of first notification.
- 6.3 The cost of all initial medical evidence required for the proof of disability, which must be supplied by the medical practitioner and specialist who provide the Life Insured with the regular care or whom FMI has consulted in connection with the condition which is contributing to his disability, shall be for the Life Insured's account. The cost of any further medical evidence called for shall be for Lombard Life's account until such time as Lombard Life either admits or rejects the relevant claim.

- 6.4 Should FMI admit a claim, and the Life Insured wishes to extend the period of disability, the Life Insured must submit proof, at his expense and to Lombard Life's satisfaction, that he still suffers disability.
- 6.5 The Life Insured shall submit to a medical examination by a physician or medical practitioner or an assessment by an occupational therapist as often as shall be required in connection with any claim.
- 6.6 Professional medical advice shall be sought and followed promptly on the occurrence of any bodily injury or illness and Lombard Life shall not be liable for that part of any claim which in the opinion of its medical adviser arises from the unreasonable or wilful neglect or failure of any Life Insured to seek and remain compliant under the care of a qualified medical practitioner.
- 6.7 In the event of an extension on any claim in respect of any periodic benefit, written notification of such extension must be received by FMI within 7 (seven) days of the last day of the previous incapacitation period.
- 6.8 In respect of a claim under the income protection benefit, satisfactory proof of actual income for the previous 12 (twelve) months may be required at the discretion of FMI.
- 6.9 All claims arising from criminal incidents are to be supported and accompanied by a certified police report.
- 6.10 If any claim under this policy is considered by FMI to be fraudulent in any respect or exaggerated or if any fraudulent means or devices are used by the Life Insured or anyone acting on his behalf to obtain any benefit under this policy, all benefits in respect of that particular claim shall be forfeited and the Life Insured's cover will be cancelled with immediate effect. Lombard Life shall also be entitled to prosecute as a result of any criminal or civil proceedings arising from the fraud. In the event of such cancellation, the Life Insured will not be accepted on any similar policy underwritten by Lombard Life and administered by FMI.
- 6.11 If the Life Insured is receiving 100% (one hundred percent) benefit under the income protection benefits, and FMI establishes that the Life Insured has returned to work, FMI have the right to suspend any current claims. The onus shall rest upon the Life Insured to prove that this is not the case.
- 6.12 No sum payable under this policy shall carry interest under any circumstances.
- 6.13 No Life Insured shall be entitled to recover benefits under this policy exceeding more than 100% (one hundred percent) of the compensation in respect of any one insured event and upon accrual of a Life Insured's right to such percentages, all further rights of the Life Insured in respect of such insured event shall cease.
- 6.14 Lombard Life reserves the right to refuse to pay any claim in the event of the Life Insured unreasonably refusing to undergo recommended medical treatment, medical examination or a rehabilitation programme. Medical treatment shall be sought and followed promptly on the occurrence of any bodily injury or illness and Lombard Life shall not be liable for that part of any claim which in the opinion of its medical officer arises from the unreasonable or wilful neglect or failure of any Life Insured to seek and remain under the care of a qualified medical practitioner.

- 6.15 The Life Insured must be active in his nominated occupation at claim stage. For the purposes of this policy the nominated occupation will be that of an Insurance and Financial Adviser with the percentage break down as follows: 35% (thirty five percent) travel, 35% (thirty five percent) face to face, 30% (thirty percent) admin.

7. GENERAL EXCLUSIONS

Lombard Life shall not be liable to pay any benefit in respect of any Life Insured:

- 7.1 Injury which is self-inflicted or in any way deliberately caused by the Life Insured or any act of the Life Insured which is a wilful and material violation of any law.
- 7.2 War (whether declared or not); terrorist activities; riots; civil commotion; insurrection usurpation of power, martial law, or any act incidental to, or arising from such; occurrence.
- 7.3 Participation in service or training with any military, naval, air-force or police organisation.
- 7.4 We will not cover deaths, injuries or illnesses resulting from taking part in any dangerous pursuit, including extreme sports, for example, mountaineering, speed competitions or fighting (except in self-defence), or from taking part in any form of aviation other than as a passenger travelling between airfields in a licensed aircraft.
- 7.5 The Life Insured being under the influence of, or being addicted to, or being treated for alcohol consumption, inhalation of fumes, consumption of poisons, drugs or narcotics or medication except as prescribed by a qualified medical practitioner and used as described.

8. GENERAL PROVISIONS

- 8.1 The onus shall always be upon the Life Insured to ascertain, correctly admit and pay any tax liability in consideration of any compensation being paid that may in any form whatsoever, attract taxes of any nature.
- 8.2 Successive periods of incapacitation due to the same Bodily Injury or related causes, or Illness shall be considered as one continuous period unless separated by 26 (twenty-six) weeks during which the Life Insured is not confined to a Hospital or incapacitated and booked off work under a doctor's advice as the result of such Bodily Injury or Illness.

9. GENERAL TERMINATIONS

Cover in respect of the Life Insured shall immediately terminate on the earliest of the following dates:

- a. On the date the policy is terminated; or
- b. On the premium due date should the policyholder fail to pay the required premium except as the result of an inadvertent error of FMI; or
- c. On the Life Insured's 63rd (sixty-third) birthday.

CORE BENEFIT

DEFINED EVENT

If during the period of insurance a Life Insured sustains bodily injury which directly and independently of all other causes results within twelve calendar months of the accident in disability or disfigurement as specified in this section, Lombard Life agrees to pay to the Life Insured the compensation stated in the Schedule of Compensation and Table of Benefits.

SCHEDULE OF COMPENSATION

CIRCUMSTANCES

COMPENSATION

Accidental Death

R30,000

Permanent Disablement arising out of

Maximum of **R 50,000**

Bodily Injury

Compensation benefits are expressed as a percentage of the permanent total disablement benefit stated in the table of benefits below for the particular disability.

Mobility Benefit:

This benefit pays out **R15000** to a Life Insured if they are disabled as a result of an accident and require to make changes to their vehicle or house. Claims on this benefit will be managed at claims stage based on the severity and definition of the disability.

Trauma Benefit

Lombard Life will pay the Life Insured an amount of **R10,000** in the event that the Life Insured is diagnosed by a registered psychiatrist, according to the latest DSM Criteria for Posttraumatic Stress Disorder, as suffering from Post Traumatic Stress which was caused solely by a

- (a) violent criminal act; or
- (b) attempt thereat

where such violence is intended, used or made to overpower or subdue

Child Dread Disease Benefit

This benefit will pay out **R20,000** if a Life Insured's dependant eligible child is diagnosed with a dread disease. The dread diseases covered are the same as the diseases covered under the Temporary Income Protection section. This benefit will pay for new Dread Disease Events that occur after the date of inception of this benefit for each Life Insured. This benefit will pay out a maximum of twice per Life Insured throughout the lifetime of their membership to the group (twice per member on same child or different children).

PERMANENT TOTAL DISABLEMENT SECTION

TABLE OF BENEFITS

Compensation payable expressed as a percentage of the Permanent Total Disablement benefit:

2 THE INJURY	% OF SUM ASSURED
1. Permanent Total Disablement	100 %
2. Permanent and incurable paralysis of all limbs	100 %
3. Permanent and incurable insanity	100 %
4. Permanent loss of entire sight of both eyes	100 %
5. Permanent Total loss of use of both hands or both feet	100 %
6. Loss of entire sight of one eye	50 %
7. The Permanent Total loss of use of one hand or one foot	50 %
8. Permanent Total Loss of hearing in	
a) both ears	50 %
b) one ear	15 %
9. Permanent Total Loss of the lens of one eye	25 %
10. The Permanent Total loss of use of four fingers and thumb of either hand	40 %
11. The Permanent Total loss of use of four fingers of either hand	20 %
12. The Permanent total loss of use of one thumb of either hand	
a) both joints	20 %
b) one joint	10 %
13. The Permanent total loss of use of fingers on either hand	
a) three joints	5 %
b) two joints	3.5 %
c) one joint	2 %
14. The Permanent total loss of use of toes	
a) all-one foot	15 %
b) great-both joints	5 %
c) great-one joint	2 %
d) other than great, each toe	2 %
15. Established permanent non-union of fractured leg or knee-cap	10 %
16. Shortening of leg by at least 5 cm	7.5 %
17. Permanent Disability not otherwise provided for under Items 2-16 inclusive at the discretion of Lombard Life up to a maximum of	75 %

SPECIFIC DEFINITIONS

Loss

Used with reference to the hand, foot, thumb, finger or toe means the loss by physical severance or the total loss of use of the said member.

Loss of Eye

Means the total and irrecoverable loss of sight.

Sum Insured

Means the maximum amount of the specific disability as stated in The Table of Benefits.

SPECIFIC PROVISOS

1. The benefit paid under Item 17 (seventeen) of the Table of Benefits shall be at the complete discretion of Lombard Life taking into consideration the nature of the Bodily Injury in conjunction with the stated compensation percentages for more specific injuries shown in the Table of Benefits.
2. The benefit shall not be payable in respect of a Life Insured:
 - I. Under more than one of Items 1 (one) to 5; or
 - II. Under item 1 (one) except on proof satisfactory to Lombard Life that the Disablement in all probability will continue for the remainder of an Life Insured's life nor for a Life Insured over 65 years of age unless in active employment.
 - III. When more than one injury arises from one Accident the benefits are added together but shall not exceed the maximum Sum Insured.
3. Disablement caused as a direct result of exposure shall be deemed to have been caused by Bodily Injury.
4. In the event of a claim under the Accidental Death benefit the policy will be terminated.
5. In the event of a claim under Item 1 (one) of the Table of Benefits the benefit will be terminated.

TEMPORARY INCOME PROTECTION SECTION

DEFINED EVENT

A Life Insured shall be entitled to the Temporary Income Protector benefit if in the opinion of FMI, after the expiry of the waiting period, a physiological impairment due to illness, disease or injury, has resulted in the Life Insured being temporarily and totally (100%) unable, even with reasonable training, rehabilitation and/or job accommodation, to engage in his own occupation, taking into account his skills, experience, competencies and education level.

BENEFIT

The benefit pays up to a maximum of 24 (twenty four) months excluding the first 7 (seven) consecutive days in the event of bodily injury or the first 14 (fourteen) days in the event of an illness.

SCHEDULE OF COMPENSATION

Minimum Sum Insured	Lesser of basic salary or R10,000 per month or 100% of monthly income if Salary is less than R10,000.
---------------------	---

Maximum Sum Insured: Financial Planners with CFP; Short term Advisers with NQF 4 and at least 120 credits; and all other Financial Advisers	R 120,000 per month
--	---------------------

The benefit will be calculated as follows:

Monthly sum insured X 12 (twelve) divided by 365 (three hundred and sixty five) = daily rate
Daily rate X number of days = benefit

DRIVER'S EXTENSION

In the event that a Life Insured suffers temporary total disablement as the result of bodily injury or illness which is of such a nature that the Life Insured cannot drive a motor vehicle normally used in the course of such Life Insured's occupation which the Life Insured is otherwise able to carry on substantially, then Lombard Life will instead of any temporary total disablement benefit, pay to the Life Insured the actual earnings necessarily incurred in employing a driver up to the amount of R250 (two hundred and fifty) per day for the duration of claim benefit period selected.

The Life Insured will be entitled to receive benefits under this extension or the temporary income protector benefit, whichever is the lesser, but shall not be entitled to both.

CONTINUATION BENEFIT

In the event that a Life Insured leaves the scheme he/she may effect the appropriate individual active disability income protection product through FMI. The Life Insured must be a member of the ABSA Insurance & Financial Adviser scheme for at least 12 (twelve) months to qualify for the continuation option. The Life Insured will receive an individual BPE policy with the same cover levels as on the ABSA scheme free of underwriting. Any increases in cover will be subject to underwriting. The new individual policy will commence on the first day of the month following the last day of employment. This option will be subject to the Life Insured having a similar occupation. The Life Insured must have enjoyed at least the minimum cover amount available on the ABSA scheme. FMI require notice of the intention to take up this offer

before the 24th (twenty fourth) day of the month prior to which cover under the ABSA scheme will terminate.

An example would if the cover is to terminate on the last day of the month of March then the policy holder needs to notify FMI before the 24th (twenty fourth) of February and if the continuation option is exercised, cover on the individual policy will commence on the 1st of April. If the member had benefits on the ABSA group scheme that are unavailable on BPE, those benefits will fall away.

SPECIFIC PROVISOS

1. The maximum benefit period is 104 (one hundred and four) weeks, irrespective of the percentage benefit paid including the waiting period. In the event of a claim being paid for the maximum period of 104 (one hundred and four) weeks the Life Insured's cover is automatically cancelled.
2. The temporary income protection benefit, subject to all relevant waiting periods is payable in addition to the permanent total disablement benefit in the event of the Life Insured being declared permanently totally disabled as a result of bodily injury.

WAITING PERIODS

In respect of:

- a) Bodily Injury: **7 (seven)** consecutive days following the date of loss payable retrospectively from day 1 (one).
- b) Illness: **14 (fourteen)** consecutive days following the date of loss payable retrospectively from day 1 (one).

PRE-EXISTING CONDITION

An injury, disease or illness which is, in the opinion of Lombard Life, related to a previous injury, disease or illness for which the Life Insured had symptoms of, or could reasonably have known about, or received advice, diagnosis, care or treatment at any time during the 6 (six) months prior to becoming a Life Insured or a benefit improvement, and for which the Life Insured claims a benefit within the first 12 (twelve) months of his cover commencing. Any benefit improvement which is deemed to be in the opinion of Lombard Life to be an inflationary increase or regular income increase of not more than 20% (twenty percent), which had been exercised as a benefit improvement in prior years (at least 2 (two) years) then the pre-existing exclusion will not apply and the benefit amount will be included in the claim payment amount.

DREAD DISEASE EXTENSION

Should the ABSA Financial Adviser qualify for a Temporary Income Protection (TIP) claim and the claim had been as a result of an illness which is defined as a dread disease, Lombard Life will pay an additional 20% of the Temporary Income cover for the lesser of the length of the Temporary Income Protection claim or 6 (six) months. The same waiting periods as the Life Insured's TIP cover applies. Each claim event must be as a result of new dread incident.

This benefit is linked to the TIP benefit so the life insured may have a claim under the TIP benefit and also be paid the extra 20% (twenty percent) in the event of a TIP claim as a result of one of the following dread diseases.

DREAD DISEASE EVENTS COVERED

CARDIOVASCULAR

Heart Attack:

This is defined as the death of heart muscle, due to inadequate blood supply, as evidenced by all 3 (three) of the following criteria:

1. Compatible clinical symptoms and
2. Characteristic ECG changes, e.g ST-segment and T-wave changes indicative of myocardial ischaemia or myocardial infarction, and
3. Raised cardiac markers:
 - Trop T > 0,5ng/ml or Trop > 0,25 ng/ml, or
 - Raised CK-MB mass
 - Up to 2 (two) times normal values in acute presentation phase, or
 - Up to 4 (four) times normal values post-intervention
 - Total CPK elevation of up to 2 (two) X normal values, with at least 6% (six percent) being CK-MB.

The evidence must show a definite acute myocardial infarction. Other acute coronary syndromes, including but not limited to angina, are not covered by this definition.

Coronary Artery Surgery

The undergoing of surgery to correct the narrowing of, or blockage to, 2 (two), (or more) coronary arteries by means of a by-pass graft.

Aortic Artery Surgery

Undergoing of a laparotomy or thoracotomy to repair or correct an aneurysm, narrowing, obstruction or dissection of a diseased aorta with a graft. For this definition, aorta means the thoracic and abdominal aorta but not its branches. Surgery to treat peripheral vascular disease of the aortic branches is excluded even if a portion of aorta is removed during the operative procedure. Surgery performed using only minimally invasive or intra-arterial techniques such as percutaneous endovascular aneurysm repair are excluded.

Heart Valve Surgery:

The undergoing of open-heart valve surgery with a thoracotomy performed to replace or repair one or more heart valves, as a consequence of defects in, abnormalities of, or disease-affected cardiac valve(s). The surgery must be considered medically necessary by a consulting cardiologist and supported by appropriate investigations. Catheter based techniques including but not limited to, balloon valvotomy/vulvuloplasty are excluded.

CENTRAL NERVOUS SYSTEM

Stroke:

Death of brain tissue due to inadequate blood supply or hemorrhage within the skull resulting in neurological deficit lasting longer than 24 (twenty-four) hours, confirmed by neuro-imaging investigation and appropriate clinical findings by a specialist neurologist. For the above definition, the following are not covered:

- Transient ischaemic attack
- Vascular disease affecting the eye or optic nerve
- Migraine and vestibular disorders
- Traumatic injury to brain tissue or blood vessels

Severity levels will be assessed by a neurological examination by a specialist neurologist any time after three months.

Almost full recovery, with little residual symptoms or signs, as measured by:

- The ability to do all basic and advanced ADL's or
- A WPI of 10% (ten percent) or less

Multiple Sclerosis:

A definite diagnosis by a consultant neurologist of multiple sclerosis must be made which satisfies the following 2 (two) criteria:

1. There must be permanent functional neurological impairment with objective evidence of motor or sensory dysfunction, which must have persisted for a continuous period of at least 6 (six) months;
2. The diagnosis must also be confirmed with objective neurological investigations, such as lumbar puncture, evoked visual responses, evoked auditory responses and MRI evidence of lesions of the central nervous system.

Parkinson's Disease:

The unequivocal diagnosis of idiopathic Parkinson's disease by a consultant neurologist. This diagnosis must be supported by all the following conditions:

1. The disease cannot be controlled with medication; and
2. There is objective signs of progressive deterioration; and
3. There is an inability of the Life Assured to perform (whether aided or unaided) at least 3 (three) of the following activities of Daily Living, for a continuous period of at least 6 (six) months:
 - a) Washing – the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means;
 - b) Dressing – the ability to put on, take off, secure and fasten all garments and, as appropriate, any braces, artificial limbs or other surgical appliances;
 - c) Transferring – the ability to move from a bed to an upright chair or wheelchair and vice versa.
 - d) Toileting – the ability to use the lavatory or otherwise manage bowel and bladder functions so as to maintain a satisfactory level of personal hygiene;
 - e) Feeding – the ability to feed oneself once food has been prepared and made available.

Drug induced or toxic causes of Parkinsonism are excluded.

Alzheimer's Disease:

Progressive and permanent deterioration of memory and intellectual capacity as evidenced by accepted standardized questionnaires and cerebral imaging. The diagnosis of Alzheimer's disease must be confirmed by an appropriate consultant and supported by FMI's appointed doctor. There must be significant reduction in mental and social functioning requiring the continuous supervision of the Life Assured.

There must also be an inability of the Life Assured to perform (whether aided or unaided) at least 3 (three) of the following 5 (five) Activities of Daily Living for a continuous period of at least 6 (six) months :

- a) Washing – the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means;
- b) Dressing – the ability to put on, take off, secure and fasten all garments and, as appropriate, any braces, artificial limbs or other surgical appliances;
- c) Transferring – the ability to move from a bed to an upright chair or wheelchair and vice versa.
- d) Toileting – the ability to use the lavatory or otherwise manage bowel and bladder functions so as to maintain a satisfactory level of personal hygiene;
- e) Feeding – the ability to feed oneself once food has been prepared and made available.

Psychiatric illnesses and alcohol related brain damage are excluded.

OTHER

Cancer:

A malignant tumour positively diagnosed with histological confirmation and characterized by the uncontrolled growth of malignant cells and invasion of tissue. The term malignant tumour includes leukemia, lymphoma and sarcoma.

The following conditions are excluded from this definition:

- All cancers in situ and all pre-malignant conditions.
- All tumours of the prostate unless histologically classified as having a Gleason score greater than 6 (six) or having progressed to at least clinical TNM classification T2N0M0.

All skin cancers, other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

Renal Failure:

Chronic and irreversible failure of both kidneys, requiring regular renal dialysis.

Major Organ Transplant:

Human to human organ transplantation from a donor to the Life Assured of 1 (one) or more of the following organs: kidney, liver, heart, lung, pancreas or the transplantation of bone marrow. If no organ is available, and life Assured has been classified as requiring a transplant, the benefit will also be payable.

Paraplegia:

Total and irreversible loss of use of 2 (two) or more limbs through paralysis as a result of injury or disease. The paralysis must be supported by appropriate neurological evidence. A specialist must be of the opinion that the paralysis will be permanent with no hope of recovery and must be present for more than 3 (three) months. Paralysis due to self-harm, partial paralysis, temporary post-viral paralysis or paralysis due to psychological causes are all excluded.

Blindness:

Total, permanent and irreversible loss of all vision in both eyes as a result of illness or accident. The diagnosis must be clinically confirmed by an appropriate consultant. The blindness must not be correctable by aides or surgical procedures.

Deafness/Loss of Hearing:

Total, bilateral and irreversible loss of hearing for all sounds as a result of sickness or accident. Medical evidence to be supplied by an appropriate specialist and to include audiometric and sound-threshold testing. The deafness must not be correctable by aides or surgical procedures.

Severe Burns:

Third-degree burns with scarring that cover at least 20% (twenty percent) or the body's surface area. A certified physician must confirm the diagnosis and the total area involved using standardized, clinically accepted, body surface area charts.

TERMINATION OF BENEFIT

The maximum benefit period is 104 (one hundred and four) weeks, including the waiting period. In the event of a claim being paid for the maximum period of 104 (one hundred and four) weeks the cover will be automatically cancelled.

SPOUSE BENEFIT

Should the Life Insured's spouse become disabled by accident or illness the benefit will payout R15,000 per month for a maximum of 2 (two) months. The benefit can only be claimed for once per Life Insured. The benefit has a 30 (thirty) day waiting period paid retrospective to day 1 (one). Only 1 (one) spouse of the Life Insured may be covered. Only 1 (one) claim will be paid on this benefit to the Life Insured. Should a valid claim not last the full 2 (two) months, the Life Insured is not entitled to any payment under this benefit for the balance of the benefit term not claimed on under the 1 (one) valid claim.

The Pre Existing Exclusion Clause will apply to all new spouses from the date of marriage or cohabitation and to all existing spouses from the date of commencement of this benefit. This benefit excludes disabilities that were in existence at the later of the claimant qualifying as a spouse or the commencement of the benefit. Should the claim period not last for the full second month then the claim amount will be proportioned to the number of days the spouse was in claim.

PREGNANCY AND CHILDBIRTH BENEFIT

Lombard Life will pay the Life Insured 1 (one) month benefit after the Life Insured has given birth to a child. The benefit will not be paid if the date of conception is before the commencement date of the policy or this benefit. This benefit is applicable only to female Lives Insured and relates to their own pregnancies.

SPECIAL LIMITED BENEFITS

- 1) Psychological disorders including but not limited to anxiety disorders, eating disorders, psychotic disorders, affective disorders, eating disorders, substance use disorders, mental retardation, autism, chronic fatigue syndrome or myalgic encephalomyelitis (M.E) (anticardiolipin antibody positivity) yuppie flu. These claims are excluded unless the Life Insured is unable to work for a period of longer than 90 (ninety) days , in which case a claim will be admitted but with a 90 day excess period.
- 2) No claim will be paid for minor infections e.g. Influenza, bronchitis, sinusitis, pneumonia, tuberculosis or laryngitis unless the Life Insured adheres to medical treatment protocol, and meets one of the following:-
 - Undergoing diagnostic testing
 - Specialist referral
 - Hospitalisation
- 3) If, as a direct result of a medical condition or accident your doctor recommends that you have to undergo cosmetic or reconstructive surgery, we will pay your benefit. However, we will not pay out anything for being unable to work because of any treatments, examinations or operations for purely cosmetic purposes. We will not pay out anything for breast reductions or reconstructions – except if cancer related

BUSINESS OVERHEAD EXPENSE BENEFIT

Lombard Life will only pay to the Policyholder an amount calculated in line with the expected office expenses, from the list below, charged to the ABSA Financial Adviser.

- 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.

Minimum Cover: R1,000 per month
Maximum Cover: R20,000 per month

WAITING PERIODS

In respect of:

- a) Bodily Injury: **7 (seven)** consecutive days following the date of loss payable retrospectively from day 1 (one).
- b) Illness: **14 (fourteen)** consecutive days following the date of loss payable retrospectively from day 1 (one).

DREAD DISEASE EXTENSION

Should the ABSA Financial Adviser qualify for a Business Overhead Expense benefit and the claim had been as a result of a dread disease, Lombard Life will pay an additional 20% (twenty percent) of the Business Overhead Expense Benefit cover for the lesser of the length of the Business Overhead Expense benefit claim or 6 (six) months. The same waiting periods as the Life Insured's Business Overhead Expense cover applies.

This benefit is linked to the Business Overhead Expense benefit so the life insured may have a claim under the Business Overhead Expense benefit and also be paid the extra 20% (twenty percent) in the event of a Business Overhead Expense claim as a result of one of the dread diseases as listed under the TIP benefit.

SPECIFIC CONDITION

The pregnancy and childbirth benefit is not paid under the Business Overhead Expense Benefit.

PRE-EXISTING CONDITION

An injury, disease or illness which is, in the opinion of Lombard Life, related to a previous injury, disease or illness for which the Life Insured had symptoms of, or could reasonably have known about, or received advice, diagnosis, care or treatment at any time during the 6 (six) months prior to becoming a Life Insured or a benefit improvement, and for which the Life Insured claims a benefit within the first twelve months of his cover commencing. Any benefit improvement which is deemed to be in the opinion of Lombard Life to be an inflationary increase or regular income increase of not more than 20% (twenty percent), which had been exercised as a benefit improvement in prior years (at least 2 (two) years) then the pre-existing exclusion will not apply and the benefit amount will be included in the claim payment amount.

SPECIAL LIMITED BENEFITS

1. Psychological disorders including but not limited to anxiety disorders, eating disorders, psychotic disorders, affective disorders, eating disorders, substance use disorders, psychotic disorders, affective disorders, eating disorders, substance use disorders, disorders, mental retardation, autism, chronic fatigue syndrome or myalgic encephalomyelitis (M.E) (anticardiolipin antibody positivity) yuppie flu. These claims are excluded unless the Life Insured is unable to work for a period of longer than 90 (ninety) days , in which case a claim will be admitted but with a 90 (ninety) day excess period.
2. No claim will be paid for minor infections e.g. Influenza, bronchitis, sinusitis, pneumonia, tuberculosis or laryngitis unless the Life Insured adheres to medical treatment protocol, and meets one of the following:-
 - 2.1 Undergoing diagnostic testing
 - 2.2 Specialist referral
 - 2.3 Hospitalisation
3. If, as a direct result of a medical condition or accident the Life Insured's doctor recommends that the Life Insured has to undergo cosmetic or reconstructive surgery, Lombard Life we will pay the Life Insured the benefit. However, Lombard Life will not pay out anything for being unable to work because of any treatments, examinations or operations for purely cosmetic purposes. Lombard Life will not pay out anything for breast reductions or reconstructions – except if cancer related

CONTINUATION BENEFIT

In the event that a Life Insured leaves the scheme he/she may effect the appropriate individual active disability income protection product through FMI. The Life Insured must be a member of the ABSA Insurance & Financial Adviser scheme for at least 12 (twelve) months to qualify for the continuation option. The Life Insured will receive an individual BPE policy with the same cover levels as on the ABSA scheme free of underwriting. Any increases in cover will be subject to underwriting. The new individual policy will commence on the first day of the month following the last day of employment. This option will be subject to the Life Insured having a similar occupation. The Life Insured must have enjoyed at least the minimum cover amount available on the ABSA scheme. FMI require notice of the intention to take up this offer before the 24th (twenty-fourth) day of the month prior to which cover under the ABSA scheme will terminate.

An example would if the cover is to terminate on the last day of the month of March then the policy holder needs to notify FMI before the 24th (twenty-fourth) of February and if the continuation option is exercised, cover on the individual policy will commence on the 1st (first) of April. If the member had benefits on the ABSA group scheme that are unavailable on BPE, those benefits will fall away.

PERMANENT INCOME PROTECTOR

DEFINED EVENT

A Life Insured shall be regarded as disabled and entitled to a benefit, if in the opinion of Lombard Life, after the waiting period, an illness, disease or injury, has resulted in the Life Insured being unable, even with reasonable training, rehabilitation and/or job accommodation, to totally engage in gainful employment in his own occupation, taking his training, experience, abilities and educational levels into account.

BENEFIT

The maximum is the lesser of 100% (one hundred percent) of Pensionable Salary (Pensal) or 100% (one hundred percent) of basic salary and R120,000. Basic salary refers to new members. Should ABSA INSURANCE AND FINANCIAL ADVISERS change the formula used to calculate the pensionable salary Lombard Life reserves the right to review rates. The onus is on ABSA INSURANCE AND FINANCIAL ADVISERS to advise Lombard Life of any change in the calculations used to derive the Pensionable Salary.

WAITING PERIODS

24 (twenty-four) months from date of commencement of disablement.

MAXIMUM ENTRY AGE

61 (sixty-one) years.

TERMINATION

Claim payments cease at the end of the month the Life Insured attains age 63 (sixty-three).

FREE COVER LIMIT

R60,000

SPECIFIC PROVISIO

In the event of a claim under this benefit the Life Cover & Flexi Cover benefit will be terminated.

CONTINUATION BENEFIT

In the event that a Life Insured leaves the scheme he/she may effect the appropriate individual active disability income protection product through FMI. The Life Insured must be a member of the ABSA Insurance & Financial Adviser scheme for at least 12 (twelve) months to qualify for the continuation option. The Life Insured will receive an individual BPE policy with the same cover levels as on the ABSA scheme free of underwriting. Any increases in cover will be subject to underwriting. The new individual policy will commence on the first day of the month following the last day of employment. This option will be subject to the Life Insured having a similar occupation. The Life Insured must have enjoyed at least the minimum cover amount available on the ABSA scheme. FMI require notice of the intention to take up this offer before the 24th (twenty-fourth) day of the month prior to which cover under the ABSA scheme will terminate.

An example would if the cover is to terminate on the last day of the month of March then the policy holder needs to notify FMI before the 24th (twenty fourth) of February and if the continuation option is exercised, cover on the individual policy will commence on the 1st of April. If the member had benefits on the ABSA group scheme that are unavailable on BPE, those benefits will fall away.

LIFE COVER BENEFIT

BENEFIT:

The Life Cover Benefit consists of:

COMPULSORY FIXED LIFE COVER BENEFIT

This benefit is compulsory and pays on the death, as a result of an accident or illness, of the Life Insured to the Estate or nominated beneficiary. The benefit is set at 30% of the Annual TIP cover.

VOLUNTARY FIXED LIFE COVER BENEFIT

This benefit is voluntary and pays on the death, as a result of an accident or illness, of the Life Insured to the Estate or nominated beneficiary. The benefit is set at 70% of the Annual TIP cover. This benefit may be cancelled by the Life Insured after one month's notice.

VOLUNTARY FLEX LIFE COVER BENEFIT

This benefit is only available to members of AAA (ABSA Advisers Association). This benefit is voluntary and pays on the death, as a result of an accident or illness, of the Life Insured to the Estate or nominated beneficiary. The benefit allows an additional 1, 2 or 3 times of Annual TIP cover. This benefit may be cancelled by the Life Insured after one month's notice.

MAXIMUM LIFE COVER

The maximum life cover, including compulsory and voluntary cover, is limited to 4 (four) times Annual Tip cover.

CHANGES IN COVER AMOUNT

The cover amount may be increased by one times annual TIP cover at each scheme anniversary.

The cover amount can be changed to any amount within the product limits within 3 (three) months of the following events:

1. Date of announcement of this agreement
2. New member joining for the first time
3. Marriage
4. Birth or adoption of a child

All changes to cover amounts are still subject to the maximum total compulsory and voluntary life cover of 4 (four) times annual TIP cover.

FREE COVER LIMIT ("FCL")

Any cover in excess of the FCL will be subject to underwriting.

The FCL only applies to life cover entered into before age 55 (fifty-five). Any voluntary cover entered into from age 55 will be subject to underwriting regardless of the FCL.

FCL is equal to R2,750 000 - this includes cover under the compulsory and voluntary options.

If a person under the age of 55 already had R1 million life cover on the compulsory benefit, they could only get a further R1,750 000 cover below the FCL on the voluntary benefit.

MAXIMUM ENTRY AGE

63 (sixty-three) years

TERMINATION AGE

70 (seventy) years

PRE-EXISTING CONDITION

In the event that a claim arises in the first 12 (twelve) months following the commencement of the benefit, no benefit will be payable if the cause of the claim was as a result of an illness, disease, injury or accident for which the Life Insured was treated for or could reasonably have known about in the 6 (six) months, prior to the commencement of joining the group.

SPECIFIC PROVISIO

In the event of a claim under this benefit the policy will be terminated.