

# GROUP INCOME PROTECTION POLICY

between

**LIBERTY GROUP LIMITED**

and

**THE EMPLOYER**

(WHOSE DETAILS ARE SPECIFIED IN THE EMPLOYER PARTICIPATION CERTIFICATE)



**LIBERTY**

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## 1. PARTIES

1.1 The Parties to this Group Policy are:

1.1.1 **Liberty**; and

1.1.2 **The Employer** whose details are specified in the Employer Participation Certificate.

1.2 The Parties agree as set out below.

## 2. DEFINITIONS AND INTERPRETATION

2.1 In this Group Policy, the following words shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meanings and other words derived from the same origins as such words (that is, cognate words) shall bear corresponding meanings:

**"Actively At Work"** means an Employee being at his/her employment with the Employer attending to and capable of attending to all the normal duties of his/her Own Occupation. An Employee is deemed to be Actively at Work during weekends, public holidays, other holidays approved by the Employer or business closures if he/she was performing the usual and routine duties of his/her job on an active basis on the last scheduled working day before the weekend, public holiday, other holiday or business closure started.

**"Act(s) of Terrorism"** means any act including but not limited to the use of force or violence and/or the threat thereof, by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes, including the intention to influence any government and/or to put the public, or any section of the public, in fear, whether determined in terms of any relevant legislation to have been an act of terrorism or not.

**"American Medical**

**Association Guide"** means the American Medical Association Guide which sets out the manner in which Disability Benefits in respect of Impairment are calculated, an extract of which is set out in **Annexure 2**, as applicable at the Effective Date, and which may be updated from time to time in accordance with the amendments made to the American Medical Association Guide. The Disability Benefits shall at all times be calculated in accordance with the most recent guidelines set out in the American Medical Association Guide applicable at the Date of Disablement.

**"Annexures"** means the annexures attached to this Group Policy.

**"Annual Salary"** means the Employee's annual earnings as determined by the Employer and communicated to Liberty in accordance with clause 6.77, which Annual Salary shall be applied by Liberty for purposes of calculating Premiums and the Disability Benefits and Waiver Benefits (if applicable) applicable to an Employee, subject to clause 12.4 in the event of a change to the Annual Salary.

**"Any Occupation"** means any occupation capable of being undertaken by an Employee for remuneration or profit, irrespective whether or not such Employee is employed by the same Employer or a third party employer.

<b>"Arrear Premium"</b>	means any Premium in respect of the Group not paid on its Due Date as defined in clause 6.1.
<b>"ASISA"</b>	means the Association for Savings and Investments South Africa, and includes its predecessors and its successors in title.
<b>"Authorised Employer Signatory"</b>	means a representative of the Employer whose identity shall be specified in the Employer Participation Certificate, and amended from time to time, subject to the provisions of clause 28.
<b>"Business Day"</b>	means any day other than a Saturday, Sunday or gazetted national public holiday in the Republic of South Africa.
<b>"Continuance Period"</b>	means a period of 90 (ninety) days following cessation of payment of a Disability Benefit due to a Disability ceasing, subject to the provisions of clause 14.3.10.
<b>"Continuation Option"</b>	means the continuation option provided for in clause 15.2.
<b>"Cost to Company"</b>	<p>means the total annual amount payable by the Employer in respect of an Employee immediately before the commencement of the Waiting Period.</p> <p>This includes the gross salary, employer and member contributions to retirement funding, medical aid and the value of any fringe benefits. Employer payments means the annualised Employer's contribution to retirement funding plus group life benefits plus medical aid contributions plus the value of the fringe benefits immediately before the commencement of the Waiting Period. The tax allowance will be based on the amounts reflected in the payslips used at claim stage. The number of payslips used will be communicated by Liberty from time to time, in line with claim assessment requirements. Where pay is variable, the above numbers will be averaged over 12 (twelve) months. Discretionary bonuses are excluded from the above.</p>
<b>"CPI"</b>	means the Consumer Price Index for all groups and all items, as published from time to time by Statistics South Africa or its successor in title.
<b>"Data Protection Legislation"</b>	means any and all laws relating to or regulating the protection of data or of Personal Information, direct marketing, or unsolicited electronic communications and which may be applicable in the Republic of South Africa from time to time, including without limitation the Protection of Personal Information Act, 4 of 2013, the Consumer Protection Act, 68 of 2008, and the Electronic Communications and Transactions Act, 25 of 2002.

<b>"Date of Disablement"</b>	means the date upon which an Employee was last capable of fulfilling all his/her normal employment duties in respect of his/her Own Occupation due to the occurrence of an Insured Event, which date shall be determined by Liberty in its sole and unfettered discretion.
<b>"Disabled / Disablement"</b>	means when an Employee is no longer capable of fulfilling all his/her normal employment duties in respect of his/her Own Occupation; or the Impairment of an Employee, as the case may be, but excluding the Non-Disablement Events.
<b>"Disability Benefit(s)"</b>	means the long-term insurance benefits selected and applied for by the Employer in respect of the Employees calculated with reference to the scales in the manner stipulated in the Employer Participation Certificate, and which Disability Benefits shall be paid by Liberty to the Employer upon the occurrence of an Insured Event in respect of an Employee whilst in the employ of the Employer, subject at all times to the Insurance Limits and the provisions of clause 14.3.4, provided that a claim for Disability Benefits is approved by Liberty in accordance with the terms of this Group Policy.
<b>"Effective Date"</b>	means the Effective Date of this Group Policy as stipulated in the Employer Participation Certificate, notwithstanding the date on which this Group Policy is signed by the Party last in time.
<b>"Employee(s)"</b>	means any person, excluding an Independent Contractor or independent director, who is in the full-time permanent service of the Employer and who receives, or is entitled to receive, any remuneration, who forms part of the Qualifying Employment Categories and who satisfies the conditions of eligibility for membership to the Group as set out in clause 11, and who is an assured life for purposes of this Group Policy.
<b>"Employee Documents"</b>	means a copy of this Group Policy together with a summary and disclosure document, which the Employer shall provide or make available to and bring to the attention of the Employees, subject to clause 11.1.5.
<b>"Employer"</b>	means the employer as identified in the Employer Participation Certificate, who is the Policyholder and who enters into this Group Policy with Liberty in respect of the Employees as assured lives.
<b>"Employer Contribution and Premium Waiver"</b>	means the Waiver Benefit whereby an amount becomes payable to supplement the Employer's continuing retirement and risk premium contributions in respect of a Disabled Employee in accordance with clause 14.4.2.

**"Employer Participation**

**Certificate"** means the long-term insurance policy schedule issued to the Employer in terms of section 48 of the Long-term Insurance Act and attached hereto as **Annexure 1** and which document sets out, as a minimum, the information prescribed in clause 5.

**"Evidence of**

**Insurability"** means such medical evidence required by Liberty to assist with the underwriting requirements and to determine insurability of excess cover, subject to clause 12.5.

**"Free Cover Limits"** means the maximum amount of cover and Disability Benefits that Liberty is prepared to grant to the Employer in respect of any Employee without Evidence of Insurability, the limits of which may from time to time be amended in writing by Liberty subject to clause 12.5.

**"Grace Period"** means a period of 1 (one) calendar month during which the Employer is obliged to pay an Arrear Premium, subject to clause 6.9 and clause 6.10 below.

**"Group"** means all Employees forming part of the Qualifying Employment Categories on a compulsory basis.

**"Group Policy"** means this insurance agreement concluded between Liberty and the Employer together with all Annexures and the Quote Document.

**"Health Premium**

**Waiver"** means the Waiver Benefit whereby an amount becomes payable towards a Disabled Employee's medical aid contribution, provided that the Employee is the main member on the Employer's sponsored or subsidised medical aid scheme, subject to the conditions set out in clause 14.4.3.

**"Impairment / Impaired"** means a loss, loss of use, or derangement of any body part, organ system, or functions, calculated in the manner set out in clause 14.3.2.1.

**"Inception Date"** means the date on which insurance cover in respect of an Employee commences as specified in clause 12.1.1.

**"Independent**

**Contractor"** means an independent contractor as defined in the Labour Relations Act, 66 of 1995, "Code of Good Practice: Who is an Employee", GNR.1774 of 1 December 2006.

**"Initial Period"** means the period during which the Employee is assessed against the ability to perform his or her Own Occupation in the event of Disability, the duration of which shall be determined with reference to the relevant Product.

<b>"Insurance Limits"</b>	means the maximum Disability Benefits payable by Liberty in respect of a Disabled Employee in terms of this Group Policy, expressed either as a percentage of Annual Salary or a fixed amount as elected by the Employer and stipulated in the Employer Participation Certificate, as amended from time to time.
<b>"Insured Event"</b>	means the Disablement of an Employee.
<b>"Liberty"</b>	means Liberty Group Limited, registration number 1957/027881/06, a public company incorporated and registered in terms of the Companies Act, 71 of 2008, and licensed as a long-term insurer in terms of the Long-term Insurance Act, having its principal place of business at Liberty Centre, 1 Ameshoff Street, Braamfontein.
<b>"Long-term Insurance Act"</b>	means the Long-term Insurance Act, No. 52 of 1998.
<b>"Material Adverse Consequence"</b>	means a change in legislation, including without limitation any interpretation notes, guidelines or statements issued by a Regulator empowered to do so in terms of the applicable law, which interpretation notes, guidelines or statements are binding on Liberty.
<b>"Maximum Cover Age"</b>	means 65 (sixty five) years of age.
<b>"Medical Practitioner"</b>	means a person registered in terms of the Health Professions Act, 56 of 1974.
<b>"Non-Disablement Events"</b>	means the events listed in clause 10.
<b>"Own Occupation"</b>	means the regular and/or normal occupation in which the Employee is engaged for remuneration or profit by the Employer immediately before the occurrence of an Insured Event. If the Employee's occupation is that of a miner who is either wholly or partly employed underground, a pilot, diver, driver, seaman, security person, sportsperson, performing artist or anyone who participates in a special occupation designated as such by Liberty, which information is available on enquiry at the Inception Date, then for purposes of such Employee a reference to Own Occupation in this Group Policy will be a reference to Any Occupation.
<b>"Parties"</b>	means the parties to this Group Policy listed in clause 1.1.
<b>"Payback Option"</b>	means the Waiver Benefit whereby a once-off lump sum amount becomes payable calculated in respect of a Disabled Employee as provided for in clause 14.4.2.

<b>"Personal Information"</b>	means any personal information as defined in the Data Protection Legislation including but not limited to information relating to race, gender, marital status, nationality, age, physical or mental health, disability, language, education, identity number, telephone number, email, postal or street address, biometric information and financial, criminal or employment history.
<b>"Plus Benefit"</b>	means the Waiver Benefit whereby a fixed amount will become payable to supplement a Disabled Employee's contributions to an occupational retirement fund, subject to clause 14.4.5.
<b>"Policyholder"</b>	means the Employer.
<b>"Policy Anniversary Date"</b>	means every anniversary of the Effective Date.
<b>"Premium"</b>	means the monthly amount payable by the Employer to Liberty in terms of this Group Policy in respect of the Employees.
<b>"Pre-Existing Condition"</b>	means any illness, bodily injury or condition which occurred or for which the Employee sought, should have sought or received medical treatment or of which Employee was aware at any time during the Pre-Existing Period.
<b>"Pre-Existing Period"</b>	means the period stipulated in the Employer Participation Certificate.
<b>"Process"</b>	means the process as defined in the Protection of Personal Information Act, 4 of 2013, including any operation or activity, whether automated or not, concerning Personal Information, including collection, receipt, recording, organisation, collation, storage, updating or modification, retrieval, alteration, consultation, use, dissemination by means of transmission, distribution or making available in any other form, merging, linking, as well as blocking, degradation, erasure or destruction of information and <b>"Processing"</b> will have a similar meaning.
<b>"Products"</b>	means the products attached hereto as <b>Annexure 3.1</b> and further as new products are made available from time to time, which Products can be selected by the Employer and will be specified in the Employer Participation Certificate against payment of the Premiums and amended from time to time.



**"Qualifying**

**Employment**

**Categories"**

means such classes and/or categories of Employees as elected by the Employer and stipulated in the Employer Participation Certificate in respect of whom cover shall be compulsory in terms of this Group Policy.

**"Quote Document"**

means the accepted quote document and/or renewal letter as amended from time to time which sets out the Premiums payable in terms of the Group and which forms part of this Group Policy whether it is attached hereto or not.

**"Reduced Annual**

**Salary"**

means the reduced Annual Salary which an Employee receives for performing his/her Own Occupation or Any Occupation pursuant to the Disablement of the Employee.

**"Reinstate /**

**Reinstatement"**

means the reinstatement of cover in accordance with the terms of this Group Policy.

**"Reinstatement Date"**

means the date on which cover is Re-instated.

**"Rehabilitation"**

means one or more re-skilling, re-training or medical treatment programmes recommended by a Medical Practitioner in order to assist a Disabled Employee to resume his/her Own Occupation or Any Occupation, provided that Rehabilitation may not be required for certain Products, in which case it will be indicated as such in the Employer Participation Certificate.

**"Termination Age"**

means, notwithstanding the Maximum Cover Age, the retirement age specified by the Employer, as stated in the Employer Participation Certificate which Termination Age may never be higher than the Maximum Cover Age.

**"VAT"**

means value-added tax levied in terms of the Value-added Tax Act, No. 89 of 1991.

**"Waiting Period"**

means the period specified in the Employer Participation Certificate and calculated with effect from the Date of Disablement of an Employee, during which period the Disablement of an Employee must continue uninterrupted before a Disability Benefit becomes payable, subject to clause 16.

**"Waiver Benefit"**

means the Employer Contribution and Premium Waiver, Payback Option, Plus Benefit and Health Premium Waiver, as the case may be, and such other waiver benefits applicable to the Products and specified from time to time, which Waiver Benefits shall be applied for by the Employer and shall, if applicable, be set out in the Employer Participation Certificate, subject to clause 14.4.

**"Whole Person**

**Impairment / WPI"**

means the Impairment of the body and mind of an Employee, expressed as a percentage of the total use and functionality of the mind and body of the Employee as a result of such Impairment in line with the American Medical Association Guide.

2.2 In this Group Policy -

- 2.2.1 clause headings are for convenience only and are not to be used in its interpretation;
- 2.2.2 an expression which denotes -
  - 2.2.2.1 any gender includes the other genders;
  - 2.2.2.2 a natural person includes a juristic person and *vice versa*; and
  - 2.2.2.3 the singular includes the plural and *vice versa*.
- 2.2.3 references to a statutory provision include any subordinate legislation made from time to time under that provision and include that provision as modified or re-enacted from time to time.
- 2.2.4 if there is any conflict between any definitions contained in this clause 2 and a definition appearing within a paragraph or sentence, then, for purposes of interpreting any clause of the Group Policy or paragraph of any Annexure, the definition appearing in that clause or paragraph shall prevail over any other conflicting definition appearing elsewhere in the Group Policy.
- 2.2.5 where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day.
- 2.2.6 where the day upon or by which any act is required to be performed is not a Business Day, the Parties shall be deemed to have intended such act to be performed upon or by the next succeeding Business Day.
- 2.2.7 any provision in this Group Policy which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Group Policy shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated as having not been written (i.e. *pro non scripto*) and severed from the balance of this Group Policy, without invalidating the remaining provisions of this Group Policy or affecting the validity or enforceability of such provisions in any other jurisdiction.
- 2.2.8 the use of any expression covering a process available under South African law (such as but not limited to a winding-up) shall, if any of the Parties is subject to the law of any other jurisdiction, be interpreted in relation to that Party as including any equivalent or analogous proceeding under the law of such other jurisdiction.
- 2.2.9 references to any amount shall mean that amount exclusive of VAT, unless the amount expressly includes VAT; and
- 2.2.10 the rule of construction that if general words or terms are used in association with specific words or terms which are a species of a particular genus or class, the meaning of the general words or terms shall be restricted to that same class (i.e. the *eiusdem generis* rule) shall not apply.

- 2.3 Any substantive provision, conferring rights or imposing obligations on a party and appearing in any of the definitions in this clause 2 or elsewhere in this Group Policy, shall be given effect to as if it were a substantive provision in the body of the Group Policy.
- 2.4 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Group Policy.
- 2.5 Defined terms appearing in this Group Policy in title case shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.
- 2.6 Reference to "**days**" shall be construed as calendar days unless qualified by the word "**business**", in which instance it will refer to a Business Day.
- 2.7 Where the context so permits, "**writing**" (or words of similar meaning) means legible writing and in English and excludes any form of electronic communication contemplated in the Electronic Communications and Transactions Act, 25 of 2002, except in instances of submission of a claim as provided for in clause 18.7 below.
- 2.8 The words "**include**" and "**including**" means "**include without limitation**" and "**including without limitation**". The use of the words "**include**" and "**including**" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.
- 2.9 Where figures are referred to in numerals and in words, and there is any conflict between the two, the words shall prevail unless the context indicates a contrary intention.
- 2.10 This Group Policy and Annexures hereto constitute an indivisible transaction and shall be interpreted as such. To the extent that there are any discrepancies between the terms and conditions stipulated in the body of this Group Policy and the terms and conditions specified in the relevant Annexure the provisions of the Group Policy will prevail.
- 2.11 The expiration or cancellation of this Group Policy shall not affect such of the provisions of this Group Policy which are expressly provided to operate after any such expiration or cancellation, or which of necessity must continue to have effect after such expiration or cancellation, notwithstanding that the relevant provisions themselves do not provide for this.
- 2.12 Each of the provisions of this Group Policy have been negotiated by the Parties and drafted for the benefit of the Parties, and accordingly the rule of construction that the contract shall be interpreted against or to the disadvantage of the Party responsible for the drafting or preparation of the Group Policy (ie the *contra proferentem* rule), shall not apply.

### 3. BACKGROUND

- 3.1 The Employer established the Group in respect of the Employees and wishes to procure cover, the Disability Benefits and the Waiver Benefits (if applicable per Product) in respect of the Group from Liberty in the event of the occurrence of the Insured Event.
- 3.2 Liberty has agreed to provide cover, the Disability Benefits and the Waiver Benefits (if applicable per Product) in respect of the Group, subject to the provisions of this Group Policy.
- 3.3 The contractual *nexus* created in terms of this Group Policy is between the Employer and Liberty and the Employees do not stand in any contractual relationship towards Liberty other than as assured lives in terms of this Group Policy.

### 4. TERM OF THE GROUP POLICY

- 4.1 Liberty undertakes to provide cover, the Disability Benefits and the Waiver Benefits (if applicable per Product) to the Employer in respect of the Group subject to the terms and conditions of this Group Policy, for a period of 12 (twelve) months calculated from the Effective Date, whereafter this Group Policy shall automatically renew on each Policy Anniversary Date, unless the Product is a limited term product in which event the term of the Group Policy shall not exceed the term specified in the Product description, subject to the provisions of clause 7 until cancellation thereof in accordance with the provisions of clause 20.
- 4.2 To the extent that this Group Policy replaces a previous policy underwritten by Liberty (or its predecessors) and benefits are paid by Liberty in terms of such previous policy on the Effective Date -
  - 4.2.1 it shall be deemed that such benefits are payable in terms of this Group Policy; and
  - 4.2.2 the terms and conditions of this Group Policy will be applicable to the continued payment of such benefits;

subject to the condition that in the event of a conflict between the previous policy and this Group Policy, Liberty shall honour the terms of this Group Policy, unless the terms of the previous policy are more beneficial to the recipient of the benefit.

### 5. EMPLOYER PARTICIPATION CERTIFICATE

- 5.1 Liberty shall issue this Group Policy and all Annexures (which includes, without limitation the Employer Participation Certificate) to the Employer upon conclusion of the Group Policy, which documents shall constitute the entire agreement between the Parties and must be read as a whole.
- 5.2 The Employer Participation Certificate shall set out the information prescribed in terms of section 48 of the Long-term Insurance Act, but shall also contain information which are specific to the Group, as selected and applied for by the Employer upon conclusion of this Group Policy.
- 5.3 In particular the Employer Participation Certificate shall contain the following information:
  - 5.3.1 Identity of the Employer and the Authorised Employer Signatory;
  - 5.3.2 Qualifying Employment Categories;

- 5.3.3 Effective date of this Group Policy;
- 5.3.4 Product selected by the Employer in respect of a Qualifying Employment Category and/or the Group and any conditions applicable to the Products such as the applicable assessment criteria to be applied by Liberty in the event of Disablement;
- 5.3.5 Disability Benefits payable and the escalation rate (if applicable) in respect of an increase in the Disability Benefits;
- 5.3.6 Any Waiver Benefits applied for by the Employer and applicable to the Group, including any limitations thereto;
- 5.3.7 Details of the Insurance Limits;
- 5.3.8 Duration of the Pre-Existing Period;
- 5.3.9 Termination Age, if any, as applied for by the Employer;
- 5.3.10 Duration of the Waiting Period;
- 5.3.11 Level of Free Cover Limits applicable to each Qualifying Employment Category and/or the Group; and
- 5.3.12 Details of the Continuation Option, if applied for by the Employer and applicable to the Group.

**6. PAYMENT OF PREMIUMS**

- 6.1 Premiums payable in respect of the Group shall be set out in the Quote Document as amended from time to time.
- 6.2 Premiums are payable monthly in advance on or before the first Business Day of each month in respect of the Group ("**Due Date**").
- 6.3 Without limiting the provisions of clause 6.1 above, due to practical considerations and purely as an indulgence, Liberty shall allow the Employer to transfer Premiums due for a particular month to Liberty during the course of the month, provided that the total premium is received by Liberty not later than the last Business Day of that month ("**Payment Date**"), without deduction or set-off.
- 6.4 Notwithstanding the indulgence granted in terms of clause 6.3 above, the Grace Period shall be calculated from the Due Date.
- 6.5 Premiums shall be paid in the South African currency (ZAR).
- 6.6 Premiums in respect of an Employee shall continue to be payable throughout the Waiting Period and shall cease on the date on which a Disability Benefit is paid by Liberty with effect from the first day of the month following the expiry of the Waiting Period.

- 6.7 On or before the last Business Day of each month, or as otherwise agreed by Liberty in writing, the Employer shall provide a bordereaux to Liberty for the duration of the Group Policy setting out -
- 6.7.1 the name, surname, identity number and contact details of the Employees in respect of whom insurance cover is granted during the relevant month and in respect of whom the Employer is obligated to pay Premiums;
  - 6.7.2 the cover, Disability Benefits and the Waiver Benefits (if applicable per Product) applicable in respect of each Employee;
  - 6.7.3 the Annual Salary (including any changes) of each Employee as well as the Premium payable in respect of such Employees; and
  - 6.7.4 the total Premium payable by the Employer taking into account the total membership of the Group,
- which bordereaux shall constitute *prima facie* proof of the amount due and payable by the Employer to Liberty in respect of the Group.
- 6.8 In the event of failure by the Employer to provide the bordereaux to Liberty as stipulated above in order to enable Liberty to determine the Premium for a relevant month, Liberty shall be entitled to elect, in the alternative and without prejudice to any other rights it may have, to claim an amount equal to the full Premium payable in respect of the month immediately preceding the relevant month in respect of which the Employer failed to provide the necessary information, as pre-estimated liquidated damages from the Employer, based on the failure by the Employer to fulfil its obligations in terms hereof, which amount shall be payable on demand.
- 6.9 In the event that a Premium is unpaid for a particular month, being an Arrear Premium, the Insurer shall apply the Grace Period with effect from the Due Date, during which period the cover shall continue uninterrupted despite non-payment of the Premium.
- 6.10 In the event that the Employer fails to make payment of the Arrear Premium before the expiry of the Grace Period, the cover in respect of the entire Group shall lapse automatically and the Group Policy shall terminate and no further Grace Periods shall be applied.
- 6.11 Notwithstanding the provisions of this clause 5, Liberty reserves the right to change the Premium rate at any time, on giving 60 (sixty) days written notice to the Employer upon the occurrence of any of the following events:
- 6.11.1 If there is a change in membership or Qualifying Employment Categories which in the opinion of Liberty affects the risk under this Group Policy; and/or
  - 6.11.2 The business activities or geographical area of the Employer change to such an extent that in the opinion of Liberty, it affects the risk under this Group Policy; and/or
  - 6.11.3 The cover and/or Disability Benefit structure under this Group Policy changes.

**7. ANNUAL RENEWAL AND REVISION OF DISABILITY BENEFITS AND PREMIUMS**

- 7.1 This Group Policy shall automatically renew annually with effect from the Policy Anniversary Date.
- 7.2 Liberty shall inform the Employer at least 30 (thirty) days before the Policy Anniversary Date of any new terms and conditions and the revised Disability Benefits, Waiver Benefits (if applicable per Product) and Premiums payable in terms of this Group Policy, which will become of full force and effect from the Policy Anniversary Date.
- 7.3 The Employer shall be entitled to give notice of cancellation of this Group Policy at least 30 (thirty) days before the Policy Anniversary Date, subject to the condition that the Employer provides proof to the reasonable satisfaction of Liberty that the Employees were adequately informed of the cancellation of this Group Policy. The costs of such communication shall be borne by the Employer.
- 7.4 Liberty shall at all times be entitled to refuse or reject an Employer's request for increased cover and Disability Benefits and Waiver Benefits (if applicable per Product), which entitlement Liberty shall exercise in its sole and unfettered discretion without giving reasons to the Employer for such rejection or refusal.

**8. PRODUCTS**

- 8.1 Various Products are available and are set out in **Annexure 3.1** and further as added and amended from time to time, and may be selected and applied for by the Employer against payment of the relevant Premium.
- 8.2 The Employer shall select and apply for the relevant Product in the manner prescribed by Liberty on or before the Effective Date and prior to every Policy Anniversary Date in accordance with clause 5.
- 8.3 The Product applicable to the Qualifying Employment Categories and/or the Group will be indicated in the Employer Participation Certificate.
- 8.4 Only the Disability Benefits, the Waiver Benefits (if applicable) and other conditions as indicated in the relevant Product description will be applicable to the Qualifying Employment Categories and/or the Group, if and once selected and applied for by the Employer notwithstanding the fact that additional benefits may be mentioned in this Group Policy.
- 8.5 Subject to clause 8.2, as and when new Products are added or made available to the Employer by Liberty, and if applied for by the Employer against payment of the applicable Premiums, the relevant Product will be specified in the updated Employer Participation Certificate and will become effective from the date stipulated in the amended Employer participation Certificate.

**9. INSURED EVENT**

The Insured Event giving rise to the payment of Disability Benefits and the Waiver Benefits (if applicable per Product) shall be the Disablement of an Employee.

**10. NON-DISABLEMENT EVENTS**

- 10.1 Where an Employee's Own Occupation is dependent on him/her being in possession of a valid driver's licence, pilot's licence, any other licence or certificate of competence and/or fitness, the loss of such licence or certificate for whatsoever reason shall not automatically render an Employee Disabled for purposes of this Group Policy.
- 10.2 The termination of employment of an Employee due to health related reasons shall not automatically qualify as Disablement for purposes of this Group Policy.

**11. ELIGIBILITY FOR MEMBERSHIP TO THE GROUP**

**11.1 General**

- 11.1.1 Membership to the Group shall be compulsory for all Employees who form part of the Qualifying Employment Categories.
- 11.1.2 An Employee shall become a member to the Group on the Inception Date.
- 11.1.3 Membership of the Group is available to all Employees forming part of the Qualifying Employment Categories over 18 (eighteen) years of age.
- 11.1.4 Maximum age of entry to the Group in respect of an Employee is the age immediately preceding the Maximum Cover Age or Termination Age, whichever applicable as specified in the Employer Participation Certificate.
- 11.1.5 The Employer shall be obliged to provide or make available and bring to the Employees' attention as soon as reasonably possible from the Inception Date, the Employee Documents and must, upon request by Liberty, provide proof to the reasonable satisfaction of Liberty, that such Employee Documents have been provided or made available to the Employees and brought to the Employees' attention.
- 11.1.6 Should the nature of the Employer's business or the employment activities in which the Employees are engaged change in whole or in part, which includes without limitation a change in the type of business conducted or a change in the proportion of Employees assigned to different tasks or occupations or Qualifying Employment Categories, to such an extent that it may affect the risk in terms of this Group Policy, the Employer shall inform Liberty within 30 (thirty) days of such change. Liberty shall in such an event be entitled to -
- 11.1.6.1 amend the cover and Disability Benefits and the Waiver Benefits (if applicable per Product); or
- 11.1.6.2 change the Premiums in the manner stipulated in clause 6.11; or
- 11.1.6.3 cancel this Group Policy in terms of clause 20.1.3,
- and shall inform the Employer in writing of such cancellation and/or change and the implementation date of such change.



**11.2 Residency**

- 11.2.1 All Employees in terms of this Group Policy must be permanently resident in the Republic of South Africa (or such other countries if agreed in writing by Liberty from time to time) with effect from the Inception Date and for the duration of cover in terms of this Group Policy.
- 11.2.2 All Disability Benefits and the Waiver Benefits (if applicable per Product) in terms of this Group Policy shall be paid only into a South African bank account in the South African currency (ZAR).

**12. INSURANCE COVER****12.1 General**

- 12.1.1 Subject to clause 12.2, the Inception Date in respect of an Employee shall be the day on which the Employee commences employment with the Employer or becomes part of the Qualifying Employment Category, or such other date determined by Liberty in its sole discretion which may not be later than 6 (six) months from the date of commencement of employment with the Employer or the date on which the Employee becomes part of the Qualifying Employment Category, subject to clause 12.1.2 below.
- 12.1.2 The Employer shall, within 45 (forty five) days of an Employee commencing employment with the Employer or becoming part of the Qualifying Employment Category, provide Liberty with the following information in respect of the Employee in such form and format as Liberty may, from time to time direct in writing, namely:
  - 12.1.2.1 Initials, surname, gender, identity number and date of birth;
  - 12.1.2.2 Date of employment;
  - 12.1.2.3 Annual Salary; and
  - 12.1.2.4 the monthly Premium payable in respect of the Employee determined with reference to the Annual Salary.
- 12.1.3 To the extent that the Employer fails to provide Liberty with the information required in terms of clause 12.1.2 the Employee shall not be admitted to membership to the Group, other than upon such terms and conditions as Liberty may agree to in writing.
- 12.1.4 Notwithstanding any provision to the contrary in this Group Policy, payment of Disability Benefits and the Waiver Benefits (if applicable per Product) shall be suspended until receipt by Liberty of the first Premium payable in respect of an Employee.

**12.2 Actively At Work**

- 12.2.1 An Employee must be Actively At Work -
  - 12.2.1.1 on the Inception Date; and/or
  - 12.2.1.2 upon a Disability Benefit and cover change, with effect from the date of such change; and/or

12.2.1.3 on the Reinstatement Date;

referred to as "**Actively At Work Events**".

12.2.2 It is recorded for clarity that the requirement that an Employee must be Actively At Work does not apply in the event of any ordinary annual increase or decrease to the Annual Salary or Reduced Annual Salary of an Employee granted in the ordinary course of the employment of an Employee.

12.2.3 If the Employee is not Actively At Work as a result of an accident, disease, illness or injury, has been absent from work, or is unable to perform all of the duties of his/her Own Occupation on the occurrence of the Actively At Work Events, the cover in respect of such Employee shall be suspended until the Employer submits Evidence of Insurability to the satisfaction of Liberty, or until the Employee is Actively At Work for a period of 20 (twenty) uninterrupted Business Days, whichever occurs first.

### 12.3 Temporary absence

12.3.1 In the event that an Employee is temporarily absent from his/her employment, and therefore not Actively at Work -

12.3.1.1 for a period not exceeding 12 (twelve) consecutive months ("**Permissible Period**"), the Premiums payable in respect of the Employee shall remain payable, and insurance cover shall remain in-force uninterrupted for the duration of the Permissible Period;

12.3.1.2 for a period exceeding 12 (twelve) consecutive months ("**Impermissible Period**"), the cover in respect of the Employee shall cease on the first day of the month on which the Impermissible Period commences, and no further Premiums shall be payable in respect of such Employee, unless an extension of the Permissible Period is agreed to in writing between Liberty and the Employer at least 30 (thirty) days prior to the end of the Permissible Period.

12.3.2 In the event that cover ceases in respect of an Employee in accordance with clause 12.3.1.2 above, the Employer shall be entitled to re-apply for cover in respect of such Employee provided that all Waiting Periods and exclusions shall re-commence with effect from the new Inception Date in respect of that Employee, unless otherwise agreed to in writing by Liberty. It is recorded for clarity, that such an application for cover does not qualify as a Reinstatement, and all terms and conditions applicable to new members will apply with effect from the new Inception Date.

### 12.4 Change in Annual Salary

12.4.1 In the event of any change in the Annual Salary of an Employee, the cover, Disability Benefits, the Waiver Benefits (if applicable per Product) and Premiums in respect of such Employee shall be changed in accordance with the cover, Disability Benefits, the Waiver Benefits (if applicable per Product) and Premiums stipulated in the amended Employer Participation Certificate with reference to the Annual Salaries payable by the Employer.

12.4.2 The changes to the cover, Disability Benefits, the Waiver Benefits (if applicable per Product) and Premiums shall, for the purposes of this Group Policy, take

effect on the first day of the month following the change and/or amendment of the Employee's Annual Salary, or such other date as agreed in writing between Liberty and the Employer.

- 12.4.3 For the avoidance of doubt, Annual Salary is limited to remuneration received from the Employer for performing services in respect of the Employee's Own Occupation and excludes any other form of income which the Employee may receive from the Employer or any other source.

**12.5 Free Cover Limits and Evidence of Insurability**

- 12.5.1 Liberty shall, subject to such conditions as it may prescribe in respect of the Products from time to time, be entitled in its sole discretion to determine the Free Cover Limits applicable to the Group, which will be specified in the Employer Participation Certificate.
- 12.5.2 Liberty shall be entitled to request such Evidence of Insurability as it deems necessary to assess whether the total value of the cover and Disability Benefit in excess of the Free Cover Limits will become applicable after assessment of the Evidence of Insurability.
- 12.5.3 The cover and Disability Benefits shall be restricted to the Free Cover Limits (or such other limits as agreed by Liberty from time to time and set out in the Employer Participation Certificate) until Liberty receives Evidence of Insurability. The Evidence of Insurability must be provided within the period prescribed in the Employer Participation Certificate, failing which the Free Cover Limits will remain applicable for the duration of this Group Policy against payment of the Premiums, unless otherwise agreed to by Liberty in writing.
- 12.5.4 Upon receipt of Evidence of Insurability to the satisfaction of Liberty, the full value of the cover and Disability Benefits as set out in the Employer Participation Certificate will become applicable.
- 12.5.5 If the Evidence of Insurability is not acceptable to Liberty, the full value of the cover and Disability Benefits may be granted subject to -
- 12.5.5.1 special terms and conditions; and/or
  - 12.5.5.2 additional Premiums agreed to by Liberty and the Employer, and/or
  - 12.5.5.3 the right of Liberty to decline to provide the full value of the cover Disability Benefits.
- 12.5.6 The reasonable cost of providing the Evidence of Insurability as envisaged in this clause and as requested by Liberty shall be borne by Liberty.

**12.6 Cessation of cover**

- 12.6.1 Insurance cover in terms of this Group Policy in respect of an Employee shall cease on the occurrence of the events mentioned below, whichever occurs first, namely that -
- 12.6.1.1 this Group Policy is cancelled;
  - 12.6.1.2 Disability Benefits are paid;

12.6.1.3 the Employer fails to pay the Premium on the Due Date thereof, and fails to remedy such failure within the Grace Period, subject to clause 6.99 and clause 6.100 above;

12.6.1.4 the Employee -

12.6.1.4.1 reaches the Maximum Cover Age, in which event cover shall cease on the first day of the month following the Maximum Cover Age, unless the Employer selected a Termination Age, in which event the cover in respect of an Employee shall cease on the first day of the month following the Termination Age;

12.6.1.4.2 no longer qualifies for membership to the Group;

12.6.1.4.3 ceases for whatsoever reason to be a member of the Group;

12.6.1.4.4 ceases to be an Employee or ceases to form part of the Qualifying Employment Categories for whatsoever reason, subject to the Continuation Option; or

12.6.1.4.5 is deceased;

12.6.1.4.6 is absent from the Republic of South Africa for a period exceeding 12 (twelve) consecutive months, subject to clause 14.3.9 below.

12.6.2 The Employer shall notify the Employees in writing and provide proof to the satisfaction of Liberty of any event contemplated in clause 12.6.1 (other than the event listed in clause 12.6.1.5) no later than 30 (thirty) days of the event occurring.

### **13. REINSTATEMENT OF LAPSED COVER IN RESPECT OF AN EMPLOYEE**

13.1 Where the cover in respect of an Employee or the Group lapses for whatsoever reason, the Employer shall be entitled to request Liberty in writing to Reinstatement cover in respect of that Employee and/or the Group.

13.2 Reinstatements of the cover in respect of an Employee or the Group shall at all times be subject to such further conditions as Liberty may determine at that time.

13.3 Reinstatement of the cover in respect of an Employee or the Group shall not be entertained by Liberty until all Arrear Premiums have been received by Liberty.

### **14. DISABILITY BENEFITS AND WAIVER BENEFITS**

#### **14.1 General**

14.1.1 Notwithstanding the provisions of clause 7, Liberty shall at all times be entitled to amend the Disability Benefits payable in terms of this Group Policy by way of a 60 (sixty) days written notice to the Employer.

- 14.1.2 Liberty shall not be liable for any interest on late or delayed payment of Disability Benefits resulting from the Employer's failure to provide timeous and/or accurate information, which include without limitation Evidence of Insurability and/or medical evidence from a Medical Practitioner as required in terms this Group Policy.

**14.2 Assessment of a claim for Disability Benefits**

- 14.2.1 The assessment of a claim for Disability Benefits may be carried out either on an occupational basis set out in clause **Error! Reference source not found. "Occupational Assessment"**), or on occupational and severity of Impairment basis set out in clause 14.2.4 ("**Progressive Assessment**"), depending on the relevant Product and if such assessment methodology is applicable in respect of the relevant Product and as stipulated in the Employer Participation Certificate.

- 14.2.2 In the event that the Product provides for Occupational Assessment and Progressive Assessment, the Disabled Employee shall first be assessed against the Occupational Assessment, whereafter the Progressive Assessment criteria will become applicable.

**14.2.3 Occupational Assessment**

- 14.2.3.1 In the event of an Employee becoming Disabled so as to be incapable of fully performing his/her Own Occupation for the duration of the Waiting Period, a Disability Benefit shall only be paid for the duration of the Initial Period, calculated from the Date of Disablement.

- 14.2.3.2 Thereafter the Employee will be assessed against Any Occupation which he or she could reasonably be expected to follow taking into account his/her education, previous training, abilities, any Rehabilitation programme and work experience, to determine if the Disability Benefit may continue.

**14.2.4 Progressive Assessment**

- 14.2.4.1 In the event of an Employee becoming Disabled he or she shall first be assessed against the Occupational Assessment criteria as set out in clause 14.2.3.

- 14.2.4.2 Should the Employee not qualify in terms of the Occupational Assessment, the following assessment criteria shall apply:

- 14.2.4.2.1 The Disability Benefit payable will be a stated percentage of the Employee's Disability Benefit, in accordance with the Employee's degree of Impairment according to the Whole Person Impairment percentages.

- 14.2.4.2.2 A Disability Benefit payable of less than 100% Whole Person Impairment shall only be paid for the duration of the Initial Period, calculated from the Date of Disablement.

### 14.3 Disability Benefits

#### 14.3.1 Payment of Disability Benefits

- 14.3.1.1 Liberty shall, subject to the provisions of this Group Policy and on the acceptance of a claim, pay the Disability Benefits to the Employer in respect of a Disabled Employee, subject to clause 14.3.2.
- 14.3.1.2 The Disability Benefits shall be paid by Liberty to the Employer in full and final settlement of a claim for Disability Benefits in respect of a Disabled Employee, subject to 15 below.
- 14.3.1.3 Employees shall not have any claim against Liberty and the Employer shall be the sole party entitled to the Disability Benefits in terms of this Group Policy, which Disability Benefit shall be paid for the direct or indirect benefit of a Disabled Employee. The provisions in this Group Policy shall not create or establish any rights or obligations between Liberty and the Employee and shall further not constitute a *stipulatio alteri* for the benefit of a third party, other than in the instances listed in clause 15 below.
- 14.3.1.4 Payment of the Disability Benefit by Liberty shall at all times be subject to such evidence (medical or otherwise) as Liberty in its discretion may require subject to clause 14.3.6 below.
- 14.3.1.5 Payment of the Disability Benefit shall be made monthly in arrears and shall commence on the first day of the month after the Waiting Period has expired. In the event that the Waiting Period expires on a date other than the last day of a particular month, a *pro rata* portion of the Disability Benefit for that month will become payable at the end of that month.

#### 14.3.2 Calculation of Disability Benefits

- 14.3.2.1 The Disability Benefits shall be calculated depending on the relevant scale elected by the Employer and indicated in the Employer Participation Certificate with reference to the Annual Salary of an Employee.
- 14.3.2.2 A Disability Benefit in respect of an Impairment shall be determined in the manner set out in the American Medical Association Guide and provided further that any such Disability Benefit payments shall not exceed 24 (twenty four) monthly payments calculated from the Date of Disablement.

#### 14.3.3 Insurance Limits in respect of Disability Benefits

Payment of the Disability Benefits shall at all times be limited to the Insurance Limits elected by the Employer and specified in the Employer Participation Certificate, irrespective of the Employee's total Annual Salary.

14.3.4 Increase of Disability Benefits

- 14.3.4.1 Disability Benefits increase annually at the lower of CPI or the escalation rate reflected in the Employer Participation Certificate if provided for in respect of the Products selected by the Employer, provided that any such annual increases shall not exceed the Insurance Limits specified from time to time.
- 14.3.4.2 Any such escalation of the Disability Benefits shall occur annually with effect from the anniversary date of the payment of the Disability Benefits.
- 14.3.4.3 Any Waiver Benefits (if applicable) shall increase at the same time and in the same manner as the Disability Benefits, subject at all times to the limitations as prescribed in the Product schedules.

14.3.5 Reduced Disability Benefits due to other disability benefit payments

Liberty is a member of ASISA, and any Disability Benefit may be limited in accordance with any regulations and/or limitations that are relevant in terms of prevailing legislation and/or any recommendation proposed by ASISA at the time of a claim for Disability Benefits, taking into account the total of all disability benefits from all sources in respect of the same Insured Event.

14.3.6 Requirements to submit to regular assessment for continued payment of Disability Benefits

- 14.3.6.1 Continued payment of Disability Benefits is subject thereto that the Employee submits himself/herself to regular medical examinations or Rehabilitation programmes as Liberty may in its sole discretion direct from time to time.
- 14.3.6.2 The Employer shall, in respect of all Employees who are entitled to Disability Benefits, provide Liberty upon request, and no later than 90 (ninety) days from the date of such request with -
  - 14.3.6.2.1 confirmation whether the Disabled Employee is engaged in Own Occupation or Any Occupation, irrespective whether or not against payment of remuneration or consideration; and
  - 14.3.6.2.2 such other information as Liberty may reasonably require, which may include, without limitation, a certificate by a Medical Practitioner of the continued Disability of the Disabled Employee.
- 14.3.6.3 The Employer shall ensure that the Employee undergoes such reasonable medical and or other treatment as prescribed by the treating Medical Practitioner or instructed from time to time by Liberty to establish the continued entitlement to the Disability Benefits, or to a Disability Benefit at the level at which it is being paid and to assess whether such Employee is able to recommence his/her Own or Any Occupation. The reasonable cost of these assessments and/or reports relating to continued Disablement, shall be paid by Liberty.

- 14.3.6.4 Without limitation of the above-mentioned, Liberty shall from time to time review Employee's Disablement in order to assess whether the Employee's Disablement is capable of Rehabilitation. In such an event, Liberty, shall in its sole discretion and in consultation with a Medical Practitioner and/or Medical Practitioners, develop a programme of Rehabilitation in respect of a Disabled Employee.
- 14.3.6.5 The costs of any non-medical aid expenses in respect of a Rehabilitation programme shall be borne by Liberty, up to such a maximum as determined by Liberty in advance and agreed separately between Liberty, the Employee and the Employer. Liberty shall not be liable for the costs in respect of a Rehabilitation programme which is covered by a medical aid, irrespective whether or not such payments are in fact paid by the medical aid.
- 14.3.6.6 In the event that the Employee refuses to undergo medical treatment, a Rehabilitation programme and/or other treatment as prescribed by the treating Medical Practitioner or instructed by Liberty from time to time, or in the event that the Employer fails to provide Liberty with such information as it may reasonably require in respect of such Disabled Employee, Liberty may reduce or cease payment of the Disability Benefits in respect of the Employee in Liberty's sole discretion.
- 14.3.6.7 Liberty shall be entitled to adjust or terminate any Disability Benefit in its sole discretion depending upon the outcome of the aforementioned assessment or Rehabilitation programme and to apply the Reduced Annual Salary at any time in accordance with the results of the Rehabilitation programme. Liberty shall provide the outcome of the assessment in writing to the Employer as soon as reasonably possible after the assessment and/or the outcome of the Rehabilitation programme.

14.3.7 Reduced Annual Salary

In the event that an Employee who is Disabled returns to his/her Own Occupation or Any Occupation pursuant to such Disablement, Liberty's liability to provide Disability Benefits may be reduced proportionally to the difference between the Annual Policy Salary and the Reduced Annual Salary, subject to such limitations as set out in the Employer Participation Certificate.

14.3.8 Deduction of debts from Disability Benefits

- 14.3.8.1 Liberty shall be obliged, before payment of the Disability Benefits, to deduct any money -

14.3.8.1.1 owing by an Employee to the South African Revenue Services ("**SARS**"); or

14.3.8.1.2 owing in terms of a maintenance court order, an original copy of which must be provided to Liberty before deduction thereof,

and to pay such amounts to SARS and/or the person indicated in terms of the said court order.



- 14.3.8.2 Notwithstanding the provisions of clause 14.3.8.1 above, it shall at all times remain the responsibility and liability of the Employer to deduct any retirement benefit contributions, medical aid, unemployment insurance and any other applicable tax or deductions which may be due in respect of its Employees, and the Employer indemnifies Liberty against any loss or liability arising directly or indirectly from its failure to deduct and pay such amounts.

14.3.9 Temporary absence from the Republic of South Africa

In the event that Disability Benefits are payable in terms of this Group Policy in respect of an Employee who is resident, either temporarily or permanently, outside of the Republic of South Africa, the Employer must notify Liberty as soon as reasonably practical but in any event before the Employee's departure from South Africa if such Employee intends to be outside the Republic of South Africa for a period of longer than 90 (ninety) consecutive days, in which event Liberty shall not be obliged to make more than 6 (six) Disability Benefit payments, whereafter the Disability Benefit payments shall cease in the event that the Employee does not return to the Republic of South Africa on a permanent basis and for a period of at least 6 (six) months before leaving the Republic of South Africa again, either temporary or permanently, in which event the same conditions shall apply.

14.3.10 Continuance Period

- 14.3.10.1 In the event that a Disablement ceases and Liberty ceases payment of the Disability Benefit, if the Employee becomes Disabled within the Continuance Period from the same cause which gave rise to payment of the Disability Benefit -

14.3.10.1.1 the period of Disablement will be regarded as a continuation from the previous period of Disablement without interruption; and

14.3.10.1.2 Liberty will resume payment of the Disability Benefits without requiring new medical evidence of the Disablement; and

14.3.10.1.3 no new Waiting Periods will be applied.

**14.4 Payment of Waiver Benefits**

14.4.1 General

- 14.4.1.1 In the event of payment of a Disability Benefit, Liberty shall pay the Waiver Benefits elected by the Employer in respect of the Product as specified in the Employer Participation Certificate (if applicable).

- 14.4.1.2 The Waiver Benefits are at all times subject to such limitations as specified in the Product schedules and the Employer Participation Certificate.

**14.4.2    Employer Contribution and Premium Waiver**

- 14.4.2.1    The Employer Contribution and Premium Waiver benefit shall be paid to the Employer in respect of Disabled Employees.
- 14.4.2.2    The Employer can select the value of the Employer Contribution and Premium Waiver benefit, calculated either as a percentage of the Employee's Annual Salary or a fixed rand amount.
- 14.4.2.3    The Employer Contribution and Premium Waiver benefit shall remain payable as long as the Employee (a) remains a member of a retirement fund; (b) is eligible for cover for the risk insurance benefits; and (c) remains an employee of the Employer.
- 14.4.2.4    The Employer Contribution and Premium Waiver benefit shall at all times be subject to such limitations and restrictions and the maximum amount payable as specified in the relevant Product schedule and the Employer Participation Certificate.

**14.4.3    Health Premium Waiver**

- 14.4.3.1    The Health Premium Waiver shall be paid to the Employer in respect of Disabled Employees.
- 14.4.3.2    The Health Premium Waiver will be paid to the Employer at the same time as the first Disability Benefit payment in respect of a Disabled Employee.
- 14.4.3.3    Only 24 (twenty four) monthly contributions will be made by Liberty in respect of a Disabled Employee, which contributions will be calculated from Date of Disablement.
- 14.4.3.4    The Health Premium Waiver benefit shall at all times be subject to such limitations and restrictions and the maximum amount payable as specified in the relevant Product schedule and the Employer Participation Certificate.

**14.4.4    Payback Option**

- 14.4.4.1    The Payback Option benefit will be paid to the Employer at the same time as the first Disability Benefit payment in respect of a Disabled Employee.
- 14.4.4.2    The Payback Option benefit shall only be paid once per Disabled Employee for the duration of cover in terms of this Group Policy.
- 14.4.4.3    The Payback Option benefit shall be calculated as the total monthly Disability Benefit payable in respect of a Disabled Employee, multiplied by the number of months selected as the Waiting Period in respect of the Qualifying Employment Category of which the Disabled Employee forms part of.
- 14.4.4.4    The Payback Option benefit shall at all times be subject to such limitations and restrictions and the maximum amount payable as specified in the relevant Product schedule and the Employer Participation Certificate.

**14.4.5 Plus Benefit**

- 14.4.5.1 The Plus Benefit shall be paid to the Employer in respect of Disabled Employees.
- 14.4.5.2 The Plus Benefit shall be payable 24 (twenty four) months after Date of Disablement.
- 14.4.5.3 The Plus Benefit shall be equal to 1/9<sup>th</sup> (one ninth) of each Disability Benefit payment payable as at 24 (twenty four) months after Date of Disablement.
- 14.4.5.4 The Plus Benefit shall at all times be subject to such limitations and restrictions and the maximum amount payable as specified in the relevant Product schedule and the Employer Participation Certificate.

**14.5 Application of Disability Benefit and Waiver Benefit payments**

- 14.5.1 The payment of Disability Benefits shall be applied in the following order, if applicable:
  - 14.5.1.1 Firstly towards payment of the Payback Option benefit;
  - 14.5.1.2 Thereafter any balance shall be contributed towards payment of the Employer Contribution and Premium Waiver benefit;
  - 14.5.1.3 Thereafter any balance shall be contributed towards payment of the monthly Disability Benefit payments;
  - 14.5.1.4 Thereafter any balance shall be contributed towards payment of the Plus Benefit; and
  - 14.5.1.5 Lastly any balance shall be contributed towards payment of the Health Premium Waiver benefit,

provided, however, that Liberty shall in its discretion be entitled to change the order of preference if the circumstances so require.

**14.6 Termination of payment of Disability Benefits and Waiver Benefits**

- 14.6.1 Without limitation of any other provisions of this Group Policy, Liberty shall at all times be entitled to stop payment of Disability Benefits and the Waiver Benefits upon the occurrence of any of the following, whichever occurs first, namely in the event that -
  - 14.6.1.1 the Employee resumes his/her Own Occupation, subject at all times to the Continuance Period;
  - 14.6.1.2 the Employee is no longer Disabled;
  - 14.6.1.3 the Employee is deceased;
  - 14.6.1.4 the Employee reaches the Maximum Cover Age or the Termination Age, whichever applicable;

- 14.6.1.5 in the event contemplated in clause 14.3.6.6 occurring;
- 14.6.1.6 36 (thirty six) monthly Disability Benefit payments were made in respect of a claim for Disability Benefits relating to a back or mental Disability, unless such Disablement is considered to be permanent, as determined in the sole discretion of Liberty;
- 14.6.1.7 the Employee commits or attempts to commit or is involved in any Act of Terrorism or related activity;
- 14.6.1.8 in the event of a failure to inform Liberty if an Employee resumes his/her Own Occupation or Any Occupation;
- 14.6.1.9 after payment of the Disability Benefits for the duration of the Initial Period in the event of the Impairment of an Employee; or
- 14.6.1.10 after the maximum number of payments have been made as it relates to the relevant Product.

## **15. EMPLOYEES AS POLICYHOLDERS**

### **15.1 Payment of Disability Benefits**

- 15.1.1 In the event that Liberty makes payment of a Disability Benefit and the Waiver Benefits (if applicable per Product), and the Employee -

- 15.1.1.1 ceases to be employed by the Employer and is no longer on the payroll of the Employer; and/or
  - 15.1.1.2 the Employer is liquidated or ceases its business operations for whatsoever reason,

Liberty shall forthwith make all Disability Benefit payments to the relevant Employee, subject to receipt of such information as Liberty may request from time to time, provided that the Employee accepts the terms and conditions of this Group Policy, either expressly or tacitly as the case may be.

- 15.1.2 In the event contemplated in clause 15.1.1, all Waiver Benefits, if applicable, shall cease and no further Waiver Benefits will be payable. Liberty may however, at the request of the Disabled Employee and in Liberty's sole discretion pay the Employer Contribution and Premium Waiver amount to a registered retirement fund to which the Disabled Employee is an active contributing member.
- 15.1.3 Upon acceptance of the Disability Benefits the Employee shall become the Policyholder and all rights and obligations in respect of the Employer shall equally apply to such Employee.

### **15.2 Continuation Option**

- 15.2.1 In the event that the Continuation Option was selected by the Employer and is indicated on the Employer Participation Certificate, if an Employee leaves the employ of the Employer as a result of the Employee resigning from the employment of the Employer, the Employee may apply to Liberty for an individual disability income benefit policy in the manner prescribed by Liberty from time to time in writing, subject to the following conditions:

- 15.2.1.1 The Employee must not be older than 60 (sixty) years of age;
- 15.2.1.2 The Employee must give written notice of his/her intention to exercise the Continuation Option to Liberty within 60 (sixty) days from the date of leaving the employ of the Employer;
- 15.2.1.3 An Employee exercising such a Continuation Option shall not have to submit Evidence of Insurability except for such evidence as may be required in terms of Liberty's underwriting requirements specified in the relevant individual policy document;
- 15.2.1.4 By exercising the Continuation Option, the Employee shall be entitled to such products as are available at the time of exercising this Continuation Option, which products shall at all times be subject to such restrictions and limitations as provided for in the relevant policy, irrespective whether or not such limitations and restrictions existed in terms of this Group Policy;
- 15.2.1.5 Notwithstanding anything to the contrary contained herein, any individual income protection policy issued in terms of this clause will be subject to the requirements, conditions and/or exclusions in respect of Acquired Immunodeficiency Syndrome (AIDS) or Human Immunodeficiency Virus (HIV) as Liberty may specify in terms of its practice in respect of individual income protection policies at the time of issue; and
- 15.2.1.6 If this Continuation Option has been previously exercised by an Employee, or if a similar option has been exercised by the Employee under any policy issued by Liberty in connection with an arrangement of the Employer, and the individual policy effected in terms of such option is still in force, Liberty may at its discretion reduce the cover and disability benefits under the individual policy to be effected, by the amount of the cover under the individual policy previously issued.
- 15.2.2 In the event of an Employee becoming Disabled within the 60 (sixty) day period from leaving the employment of the Employer without exercising this Continuation Option during such period in the prescribed manner and provided that -
  - 15.2.2.1 the Waiting Period in respect of the Disabled Employee has expired; and
  - 15.2.2.2 the Disabled Employee would otherwise have qualified for purposes of exercising this Continuation Option,the amount of cover and benefits that would have been granted in terms of the individual policy for which the Employee would have qualified, shall be paid to the Employee, subject to the terms of this Group Policy and the relevant individual policy.
- 15.2.3 Notwithstanding the provisions of this clause 15.2 Liberty shall at all times be entitled to withdraw this Continuation Option if it is not able, for whatsoever reason, to issue an individual policy.
- 15.2.4 The Continuation Option is not available in the following circumstances:

- 15.2.4.1 Where an Employee has been employed by the Employer for less than 12 (twelve) months;
- 15.2.4.2 Where an Employee is receiving a Disability Benefit;
- 15.2.4.3 Where an Employee is suffering from ill-health, which assessment thereof is subject to Liberty's sole discretion;
- 15.2.4.4 Where the Employer is placed under liquidation; or
- 15.2.4.5 In the event that this Group Policy is cancelled by Liberty or the Employer in accordance with the terms of this Group Policy.

**16. EXCLUSIONS AND LIMITATIONS IN RESPECT OF DISABILITY BENEFITS AND WAIVER BENEFITS (IF APPLICABLE PER PRODUCT)**

- 16.1 No insurance cover shall be granted or Disability Benefits and the Waiver Benefits (if applicable per Product) paid to the Employer upon the occurrence of an Insured Event in respect of an Employee -
- 16.1.1 in respect of a claim arising as a result of a Pre-Existing Condition for which the Employee sought or should have sought treatment during the Pre-Existing Period prior to:
    - 16.1.1.1 the Inception Date of that Employee; or
    - 16.1.1.2 the Reinstatement of cover.
- 16.2 If an Employee was covered for a similar income replacement benefit with another insurer immediately prior to the Effective Date, membership under the previous scheme will be taken into account to determine if the Pre-Existing Period has lapsed.
- 16.3 No insurance cover shall be granted or Disability Benefits and the Waiver Benefits (if applicable per Product) paid to the Employer upon the occurrence of an Insured Event in respect of an Employee resulting directly or indirectly from, or which is caused, attributable to or accelerated by -
- 16.3.1 the negligence, recklessness, transgression of the law or intentional exposure to danger by such an Employee; and/or
  - 16.3.2 wilful self-infliction of injuries by the Employee; and/or
  - 16.3.3 war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power by Employer and/or Employee; and/or
  - 16.3.4 involvement in any riot, civil commotion whether assuming the proportions of or amounting to, an uprising or not, infringement of martial law, or any act incidental to, or arising from, such an occurrence by Employer and/or Employee; and/or
  - 16.3.5 an Act of Terrorism or related activity by Employer and/or Employee; and/or
  - 16.3.6 the use of nuclear, biological or chemical weapons, or attacks on, or sabotage of, facilities and storage depots, whether direct or remotely initiated, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents by Employer and/or Employee; and/or

- 16.3.7 consumption of alcohol or taking of poisons or drugs or the application of medications by the Employee except as *bona fide* prescribed by a Medical Practitioner, and/or
  - 16.3.8 participation in any form of aviation other than as a passenger travelling between licensed airfields in a licensed aircraft flown by a duly licensed pilot; and/or
  - 16.3.9 non-recreational participation in any hazardous sport or pursuit, including but without limitation, rock climbing, scuba diving, hang-gliding and speed contests of any kind. For the sake of clarity, non-recreational participation refers to participation on a social basis and not as part of a profession of for which any consideration or remuneration is earned.
- 16.4 No insurance cover shall be granted or Disability Benefits and the Waiver Benefits (if applicable per Product) paid in the event that the Date of Disablement occurs before the Inception Date, or after the Maximum Cover Age or the Termination Age (if applicable), or after the cancellation of the Group Policy.
- 16.5 The exclusions and limitations as set out in this clause 16 are in addition to the exclusions and limitations as set out in the Employer Participation Certificate and will furthermore also apply in respect of Reinstated cover and Disability Benefits and the Waiver Benefits (if applicable per Product) or increased Disability Benefits and the Waiver Benefits (if applicable per Product) with effect from the Reinstatement Date or the commencement date of the increased Disability Benefits and the Waiver Benefits (if applicable per Product).

**17. CLAIMS EVIDENCE**

- 17.1 The Employer shall provide Liberty with duly completed claims statement in order to enable Liberty to obtain any information which Liberty may reasonably require in order to assess a claim for Disability Benefits and the Waiver Benefits (if applicable per Product) in terms of this Group Policy.
- 17.2 A claim in terms of this Group Policy shall only be paid if the Employer provides evidence to the satisfaction of Liberty, that an Employee suffered uninterrupted Disablement throughout the Waiting Period, the costs of providing such evidence shall be borne by the Employer, subject at all times to the claim procedure specified in clause 18.
- 17.3 Any cost of additional assessments requested in writing by Liberty in addition to the assessments as provided for in clause 17.2 shall be borne by Liberty.

**18. CLAIM PROCEDURE**

- 18.1 The Employer shall inform Liberty in writing as soon as reasonably possible of becoming aware of an incident which may give rise to a claim for Disability Benefits and the Waiver Benefits (if applicable per Product), but no later than 6 (six) months from the occurrence of the Insured Event, subject to the provisions of clause 21.1.3 in the event of cancellation of this Group Policy.
- 18.2 Subject to clause 18.1, no claim instituted by the Employer in respect of an Employee shall be recognised unless written notification of the claim on the claim form prescribed by Liberty from time to time, together with all supporting documents as prescribed in the claim form was received by Liberty within 6 (six) months after the occurrence of the Insured Event.

- 18.3 The Employer shall follow the claims procedure as prescribed in writing by Liberty from time to time.
- 18.4 Liberty shall assess a claim within a reasonable time after receipt of formal lodgement of the claim, but shall have no obligation to admit or reject the claim prior to the expiry of the Waiting Period.
- 18.5 Liberty shall be entitled to apply set-off between any Disability Benefits and the Waiver Benefits (if applicable per Product) payable in terms of the Group Policy and any outstanding Premiums payable in terms of the Group Policy or any other amounts due and payable to Liberty by the Employer arising from whatsoever cause. In the event that Liberty is not able to apply set-off, Liberty shall be entitled to deduct any such amounts outstanding from the Disability Benefits payable.
- 18.6 Notwithstanding the provisions of the Group Policy relating to claims, Liberty reserves the right to cancel the cover in respect of an Employee and declare all Premiums paid by the Employer in respect of that Employee forfeited, should there be evidence of, or an attempted submission of a fictional claim, fraud or misrepresentation.
- 18.7 Claims may be submitted electronically in the manner prescribed by Liberty from time to time.

**19. REPUDIATION**

- 19.1 In the event that Liberty repudiates liability for any claim the Employer shall have 90 (ninety) days from the date of notice of the repudiation within which to make written representations to Liberty disputing the repudiation of the claim, failing which Liberty shall not be liable to pay the claim and its liability in terms of such a claim will be extinguished.
- 19.2 If the Employer does not, in respect of the subject matter of such claim, within 12 (twelve) months from the date of the occurrence of the Insured Event, commence legal proceedings in a competent court and prosecute such proceedings to final judgment, should it elect to do so, any liability of Liberty shall be extinguished and no Disability Benefits and the Waiver Benefits (if applicable per Product) shall be payable in respect of such claim and/or the Insured Event concerned. The 12 (twelve) month period will be suspended during the 90 (ninety) day period mentioned above and provided further that the Employer will at all times have at least 6 (six) months after the expiry of the 90 (ninety) day period to institute legal action in a court of law, lodge a complaint with the Long-term Insurance Ombudsman against Liberty or commence arbitration proceedings with regards to the claim.

**20. CANCELLATION**

- 20.1 Liberty shall at all times be entitled to cancel this Group Policy by means of a:
- 20.1.1 3 (three) month written notice to the Employer; or
- 20.1.2 1 (one) month written notice to the Employer in the event that the number of Employees falls below the minimum number that Liberty is prepared to insure in respect of an insurance policy of this nature or applicable to the type of business of the Employer;
- 20.1.3 1 (one) month written notice upon the occurrence of the event mentioned in clause 6.111 if the Employer fails to pay the adjusted Premium amount;
- 20.1.4 1 (one) month written notice upon the occurrence of a Material Adverse Consequence.



- 20.2 Liberty shall furthermore be entitled to immediately cancel this Group Policy if -
- 20.2.1 the Employer fails to pay the Arrear Premiums within the period of Grace; or
  - 20.2.2 the Employer is provisionally or finally liquidated or wound-up or placed under curatorship, gives any notice of a meeting of its shareholders to adopt a resolution placing it in liquidation, whether provisionally, voluntary or final or resolves to or commences business rescue proceedings; or
  - 20.2.3 the Employer commits, attempts to commit or is involved in any Act of Terrorism related activity.
- 20.3 The Employer may discontinue its participation in this Group Policy, provided 1 (one) calendar month's written notice has been given to Liberty.
- 20.4 Either Party shall, in the event of breach be entitled to -
- 20.4.1 cancel this Group Policy by written notice should the breach be -
    - 20.4.1.1 incapable of remedy; or
    - 20.4.1.2 capable of being remedied upon failure by the defaulting party to remedy such breach within 14 (fourteen) days after receiving written demand to remedy, or
  - 20.4.2 to claim specific performance of all of obligations, whether or not due for performance; and
  - 20.4.3 to claim damages.
- 20.5 The Employer shall give notice of the cancellation of the Group Policy to the Employees, the costs of which communication shall be borne by the Employer, and upon request by Liberty, provide proof to the reasonable satisfaction of Liberty that the Employees were adequately informed of the cancellation of this Group Policy.

**21. EFFECT OF CANCELLATION**

- 21.1 Cancellation of this Group Policy shall not affect -
- 21.1.1 the Disability Benefits and the Waiver Benefits (if applicable per Product) payable where the Insured Event occurred prior to the date of cancellation of this Group Policy; or
  - 21.1.2 the continuation of a Waiting Period for purposes of payment of a Disability Benefit; or
  - 21.1.3 a claim for Disability Benefits and/or the Waiver Benefits (if applicable per Product) in respect of the occurrence of an Insured Event prior to the date of cancellation of this Group Policy, provided that Liberty receives notice of the occurrence of the Insured Event within 30 (thirty) days from the earlier of -
    - 21.1.3.1 the occurrence of the Insured Event; or
    - 21.1.3.2 the cancellation of this Group Policy.
- 21.2 In the event of cancellation of this Group Policy, the provisions of clause 20.4 shall apply.

**22. ACCESS TO INFORMATION**

- 22.1 Liberty shall at all reasonable times have access to the financial and business records of the Employer relating to this Group Policy and the performance of any obligations in terms hereof relating to the data of the Employees.
- 22.2 The Employer shall for purposes hereof allow Liberty or any of its auditors, attorneys, consultants or agents access during office hours, to inspect and make copies of any such documentation relevant to the Employee data, subject at all times to the relevant Data Protection Legislation and shall provide all assistance and co-operation necessary.

**23. CONSENT TO DISCLOSURE OF PERSONAL INFORMATION**

- 23.1 Liberty may be required to share and collect certain Personal Information to assist them with services, assess risks and consider claims for the Disability Benefits and the Waiver Benefits (if applicable per Product) under the Group Policy or any other proposal or change to the Group Policy as required by the Employer.
- 23.2 Liberty is limited by legislation to only collecting and Processing information that specifically relates and is relevant to the Group Policy, and is accountable for this information. Liberty undertakes to keep it confidential, secure and only for as long as it is needed.
- 23.3 The Employer authorizes Liberty's staff, representatives, contracted third party service providers, applicable reinsurers and certain subcontractors to:
- 23.3.1 Collect and Process certain Personal Information from the Employer and its Employees or any third party;
  - 23.3.2 Collect, share and Process information through certain registers and databases maintained by or on behalf of ASISA or any similar organisation, as well as other insurers and reinsurers in order to save costs and combat fraud; and
  - 23.3.3 Share the Employer and its Employee's product information with any appointed financial adviser or other insurer.
- 23.4 This authorisation applies only for above purposes. The Employer and its Employees are entitled to request access to the information collected, Processed or shared by Liberty.

**24. COMPLAINTS PROCEDURE**

- 24.1 In the event of a complaint, such complaint must be dealt with in terms of Liberty's complaint procedure applicable from time to time and available on request.
- 24.2 Should the dispute not be resolved after compliance with the above paragraph, such dispute may be submitted to and decided by a court of competent jurisdiction or, upon agreement between the parties, by arbitration subject to the rules of the Arbitration Foundation of South Africa.

**25. NOTICES AND DOMICILIA**

- 25.1 The Parties to this Group Policy choose as their *domicilia citandi et executandi* their respective addresses set out in this clause for all purposes arising out of or in connection with this Group Policy at which addresses all processes and notices arising out of or in

connection with this Group Policy, its breach or cancellation may validly be served upon or delivered to the Parties.

25.2 For purposes of this Group Policy the Parties' respective addresses shall be -

25.2.1 in the case of Liberty to:

address : Liberty Centre  
1 Ameshoff Street  
Braamfontein, 2001.

and marked for the attention of the Public Officer;

25.2.2 in the case of the Employer to the address indicated in the Employer Participation Certificate,

or at such other address in the Republic of South Africa of which the party concerned may notify the others in writing provided that no street address mentioned in this sub-clause shall be changed to a post office box or *poste restante*.

25.3 Any notice given in terms of this Group Policy shall be in writing and shall -

25.3.1 if delivered by hand be deemed to have been duly received by the addressee on the date of hand delivery;

25.3.2 if posted by prepaid registered post be deemed to have been received by the addressee on the seventh calendar day following the date of such posting;

unless the contrary is proved.

## **26. AMENDMENTS**

26.1 Liberty shall at all times be entitled to amend any provision of this Group Policy by 60 (sixty) days written notice to the Employer.

26.2 No amendment, waiver or cancellation of the Group Policy as a whole or of any term or condition thereof shall be of any force and effect unless such amendment, waiver or cancellation is in writing and signed by Liberty.

## **27. MATERIAL ADVERSE CONSEQUENCE**

27.1 Subject to clause 20.1.4, upon the occurrence of a Material Adverse Consequence, Liberty shall be entitled to make such amendments to this Group Policy as it deems necessary and shall inform the Employer of any such changes and the effective date of such changes.

27.2 The Employer shall be entitled to cancel this Group Policy with 30 (thirty) days written notice if such amendments due to the occurrence of a Material Adverse Consequence is not acceptable and shall comply with the provisions of clause 7.3.

## **28. AUTHORISED EMPLOYER SIGNATORY**

28.1 Only the Authorised Employer Signatory shall have the right to give instructions on behalf of the Employer, and no instructions from a person other than the Authorised Employer Signatory shall be accepted or executed by Liberty.

- 28.2 The Authorised Employer Signatory may be changed from time to time, provided that such change shall only be allowed if instructions for such change is completed on Liberty's standard forms and are received in writing by Liberty. The standard forms may be requested from Liberty at any time and will at all times be available on the website of Liberty at [www.liberty.co.za](http://www.liberty.co.za).

**29. GENERAL**

- 29.1 The Group Policy does not accumulate cash, or surrender value and may not be converted into a paid up policy. Liberty specifically determines that no loans will be allowed in terms of this Group Policy.
- 29.2 The Parties agree to perform any further acts and to execute and deliver any further documents, which may be necessary or appropriate to carry out the purposes and the implementation of this Group Policy.
- 29.3 The Parties consent to the jurisdiction of the High Court of South Africa (Gauteng Local Division, Johannesburg), to hear and determine any action or proceeding which may result from or arises from the Group Policy.

**30. MISCELLANEOUS MATTERS**

**30.1 Entire contract**

This Group Policy contains all the provisions agreed on by the Parties with regard to the subject matter of the Group Policy and supersedes and novates in its entirety any previous understandings or agreements between the Parties in respect thereof, and the Parties waive the right to rely on any alleged provision not expressly contained in this Group Policy.

**30.2 No stipulation for the benefit of a third person**

Save as is expressly provided for in this Group Policy, no provision of this Group Policy constitutes a stipulation for the benefit of a third person (ie a *stipulatio alteri*) which, if accepted by the person, would bind any party in favour of that person.

**30.3 No representations**

A party may not rely on any representation which allegedly induced that party to enter into this Group Policy, unless the representation is recorded in this Group Policy.

**30.4 Variation, cancellation and waiver**

No contract varying, adding to, deleting from or cancelling this Group Policy, and no waiver of any right under this Group Policy, shall be effective unless reduced to writing and signed by or on behalf of the Parties, subject to clause 2.7.

**30.5 Indulgences**

The granting of any indulgence, extension of time or relaxation of any provision by a Party under this Group Policy shall not constitute a waiver of any right by the grantor or prevent or adversely affect the exercise by the grantor of any existing or future right of the grantor.

**30.6 Cession and delegation**

Except as provided for elsewhere in this Group Policy, a Party may not cede any or all of that party's rights or delegate any or all of that Party's obligations under this Group Policy without the prior written consent of the other Party.

**30.7 Applicable law**

This Group Policy is to be governed, interpreted and implemented in accordance with the laws of the Republic of South Africa.

**30.8 Signature in counterparts**

This Group Policy may be executed in counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement.

**30.9 Independent advice**

Each of the Parties hereby respectively agrees and acknowledges that:

30.9.1 it has been free to secure independent legal advice as to the nature and effect of each provision of this Group Policy and that it has either taken such independent legal advice or has dispensed with the necessity of doing so; and

30.9.2 each provision of this Group Policy is fair and reasonable in all the circumstances and is part of the overall intention of the Parties in connection with this Group Policy.

**30.10 Co-operation**

Each of the Parties undertakes at all times to do all such things, perform all such acts and take all such steps, and to procure the doing of all such things, within its power and control, as may be open to it and necessary for and incidental to the putting into effect or maintenance of the terms, conditions and import of this Group Policy.

Signed at on day of.

for **Liberty Group Limited**:

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duly authorised and warranting such authority

**Employer Participation Certificate**

## Impairment Description

### 1. Background

- 1.1 The Group Policy together with this **Annexure 2** constitutes an indivisible agreement between the Parties in respect of the Group.
- 1.2 All words and expressions defined in the Group Policy shall have a similar meaning in this **Annexure 2** unless expressly stipulated otherwise or inconsistent with, or otherwise indicated by the context.
- 1.3 This **Annexure 2** contains an extract from the American Medical Association Guide which provides a description of Impairment and the manner in which the Disability Benefits will be calculated. This **Annexure 2** may be amended and updated from time to time as the American Medical Association Guide is updated. Liberty shall at all times apply the Impairment description in the most recent version of the American Medical Association Guide, irrespective of the information contained in this **Annexure 2**. An updated extract may be requested from Liberty at any time and will at all times be available on the website of Liberty at [www.liberty.co.za](http://www.liberty.co.za).

### 2. Impairment

- 2.1 The Disability Benefits payable in respect of the Impairment of an Employee shall be determined according to the instances of Impairment as specified below, calculated with reference to a percentage of the Whole Person Impairment of the Disabled Employee, which percentage shall be determined by Liberty in its sole discretion.
- 2.2 In the event of the Impairment of more than one body system due to the occurrence of the same Insured Event, the Disability Benefit payment in respect of the Impairment with the highest percentage of WPI will be applied.

#### Cardiovascular

This includes:

- Valvular Heart Disease
- Coronary Artery Disease
- Cardiomyopathy
- Pericardial Disease
- Arrhythmias
- Hypertensive Heart Disease
- Diseases of the Aorta
- Diseases of the Pulmonary Arteries

with a resultant Impairment as follows:

<b>WPI between</b>	<b>Percentage of Disability</b>
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			<b>Benefit payable</b>
		30% to 49%	50%
		50% to 74%	75%
		75% to 100%	100%
<b>Vascular disorders of the extremities</b>	This includes:		
	<ul style="list-style-type: none"> <li>Vascular Disease of the Upper Extremities</li> <li>Vascular Disease of the Lower Extremities</li> </ul>		
	with a resultant Impairment as follows:		
	<b>WPI between</b>	<b>Percentage of Disability</b>	<b>Benefit payable</b>
	40% to 649%		50%
	70% to 89%		75%
	90% to 100%		100%
<b>Respiratory system</b>	This includes disorders of the respiratory system with a result impairment as follows:		
	<b>WPI between</b>	<b>Percentage of Disability</b>	<b>Benefit payable</b>
	26% to 50%		50%
	51% to 75%		75%
	76% to 100%		100%
<b>Digestive system</b>			
Upper and Lower Gastro-intestinal Tract	This includes disorders of the upper and lower gastro-intestinal tract with a resultant Impairment as follows:		
	<b>WPI between</b>	<b>Percentage of Disability</b>	<b>Benefit payable</b>
	25% to 49%		50%
	50% to 75%		75%
Liver Disease	This includes Liver disease with a resultant impairment as follows:		
	<b>WPI between</b>	<b>Percentage of Disability</b>	<b>Benefit payable</b>
	30% to 49%		50%
	50% to 74%		75%
	75% to 95%		100%
Urinary Tract (upper)	This includes disorders of the upper urinary tract with a resultant Impairment as follows:		
	<b>WPI between</b>	<b>Percentage of Disability</b>	<b>Benefit payable</b>



		<b>Benefit payable</b>
	35% to 60%	50%
	61% to 95%	100%
Bladder	This includes Disorders of the Bladder with a resultant Impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	41% to 70%	75%
Urethra	This includes disorders of the urethra with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	20% to 40%	50%
<b>Skin</b>	This includes disorders of the skin with a resultant Impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	25% to 54%	50%
	55% to 84%	75%
	85% to 95%	100%
<b>Blood</b>		
Anaemia	This includes Anaemia with a resultant Impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	31% to 70%	50%
	71% to 100%	100%
White Cells and Platelets	This includes disorders of the white blood cells and platelets with a resultant Impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	34% to 55%	50%
	56% to 79%	75%
	80% to 100%	100%
<b>Endocrine</b>		
Hypothalamic Pituitary Axis	This includes disorders of the Hypothalamic Pituitary Axis with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability</b>

		<b>Benefit payable</b>
	25% to 50%	50%
Hypo-adrenalism	This includes Hypo - adrenalism with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	30% to 90%	50%
Hyper-adrenocorticism	This includes Hyper - adrenocorticism with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	40% to 100%	50%
Pheochromocytoma	This includes Pheochromocytoma with a resultant Impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	30% to 90%	50%
Diabetes Mellitus	This includes Type 1 or 2 Diabetes Mellitus with evidence of organ damage with a resultant impairment as follows:	
		<b>Percentage of Disability Benefit payable</b>
	The claim will be assessed as per the appropriate affected organ system	
<b>Ear, nose and throat</b>		
Hearing	This includes disorders of hearing with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	31% to 35%	50%
Vestibular Disorders	This includes vestibular disorders with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	31% to 60%	50%
	61% to 95%	100%
Upper Air Passages	This includes disorders of the upper air passages with a resultant Impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability</b>

		<b>Benefit payable</b>
	30% to 49%	50%
	50% to 89%	75%
	90% to 100%	100%
Voice/Speech Impairment	This includes voice and/or speech impairments with a resultant impairment as follows:	
	WPI between	Percentage of Disability Benefit payable
	31% to 35%	50%
<b>Visual system</b>	This includes blindness with a resultant Impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	Blindness in both eyes	100%
<b>Central nervous system</b>		
Impairment of Consciousness	This includes impairment of consciousness with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	40% to 69%	75%
	70% to 90%	100%
Episodic Loss of Consciousness	This includes episodic loss of consciousness with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	30% to 49%	50%
	50% to 70%	75%
Sleep Disorders	This includes sleep disorders, where to qualify as a valid claim, the claimant must have been treated through a sleep clinic. with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	30% to 69%	50%
	70% to 90%	100%
Mental Status	This includes Mental disorders, a waiting period of two years will apply for all mental disorder claims. with a resultant Impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	30% to 49%	50%

	50% to 70%	75%
Aphasia	This includes Aphasia with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	25% to 39%	50%
	40% to 60%	75%
Cranial Nerves (number 5)	This includes impairment of cranial nerves (number 5) with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	25% to 35%	50%
Cranial Nerves (number 7)	This includes impairment of cranial nerves (number 7) with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	25% to 35%	50%
Cranial Nerves (number 8)	This includes impairment of cranial nerves (number 8) with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	20% to 49%	50%
	50% to 70%	75%
Cranial Nerves	This includes impairment of cranial nerves with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	40% to 60%	75%
Gait Disorders	This includes Gait disorders with a resultant Impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	40% to 60%	50%
Neurological Impairment of Respiration	This includes neurological impairment of respiration with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	50% to 89%	75%
	90% to 100%	100%

<b>Spine</b>	This includes disorders of the cervical spine with a resultant impairment as follows:	
	<b>WPI between</b>	<b>Percentage of Disability Benefit payable</b>
	35% and 38%	50%
<b>Limbs</b>	This includes the loss or loss of use of the limbs with a resultant impairment as follows:	
		<b>Percentage of Disability Benefit payable</b>
Upper Limbs	Loss or loss of use of:	
Both Hands at MP joint		50%
Both Arms below the elbow		75%
Both Arms below the shoulder		75%
		<b>Percentage of Disability Benefit payable</b>
Lower Limbs	Loss or loss of use of:	
Both Legs through the hip		50%
Both Legs above the knee		50%
Both Legs below the knee		50%
Hemipelvectomy		50%
Cancer	Claims for the cancer will be assessed based on the Impairment of the affected organ system	

**Products**