

**LIBERTY GROUP INCOME PROTECTION POLICY
LEVEL INCOME PROTECTION PLAN**

1. Background

- 1.1 The Group Policy with all annexures (which includes without limitation the Employer Participation Certificate and this product description of the Level Income Protection Plan) constitute 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 product description of the Level Income Protection Plan unless expressly stipulated otherwise or inconsistent with, or otherwise indicated by the context.
- 1.3 In the event of a conflict between the provisions of the Group Policy and this annexure, the provisions of the Group Policy shall prevail.

2. Summary of Level Income Protection Plan (available options)

	Available Scales	
	<ul style="list-style-type: none"> • Tiered scale • 75% scale • Custom scale 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
<u>Main Benefit</u>	Assessment criteria	
	<ul style="list-style-type: none"> • Occupational • Impairment (progressive) 	<p>Yes</p> <p>Yes</p>
	Initial Period	24 months
	Rehabilitation	Yes
	Insurance Limit	R175,000 per month or such additional limitations per scale as mentioned below and indicated in the Employer participation Certificate
<u>Available Waivers and Options</u>	Waiver Benefits	
	<ul style="list-style-type: none"> • Employer Contribution and Premium Waiver • Health Premium Waiver • Payback Option • Plus Benefit 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

**LIBERTY GROUP INCOME PROTECTION POLICY
LEVEL INCOME PROTECTION PLAN****3. Summary**

A summary and explanation of the available options applicable to the Level Income Protection Plan are set out below, which must be read with the terms and conditions of the Group Policy (including all Annexures) and which are at all times subject to such terms and conditions of the Group Policy.

3.1 Disability Benefit payments

3.1.1 A Disability Benefit payment equal to the scale applied to the Employee's Annual Salary shall be payable as long as the Employee meets the Disability definition, subject to the terms and conditions of the Group Policy.

3.1.2 The Disability Benefit payable shall at all times be subject to the Insurance Limits, or additional limitations per Scale as mentioned below.

3.1.3 The Employer may select for the Group and/or each Qualifying Employment Category one of the following scales on which the Disability Benefits shall be calculated:

3.1.3.1 Tier scale

3.1.3.1.1 The value of the Disability Benefits in this scale will be calculated as a percentage of the Disabled Employee's Annual Salary as follows:

3.1.3.1.1.1 80% (eighty percent) of the first R 75 000 (seventy five thousand Rand) in the Annual Salary per annum, plus

3.1.3.1.1.2 62% (sixty two percent) of the next R 175 000 (one hundred seventy five thousand Rand) in the Annual Salary per annum, plus

3.1.3.1.1.3 60% (sixty percent) of the next R 150 000 (one hundred and fifty thousand Rand) in the Annual Salary per annum, plus

**LIBERTY GROUP INCOME PROTECTION POLICY
LEVEL INCOME PROTECTION PLAN**

3.1.3.1.1.4 45% (forty five percent) of anything above in the Annual Salary per annum,

3.1.3.1.2 subject at all times to the Insurance Limits.

3.1.3.2 **75% scale**

The value of the Disability Benefits in this scale will be equal to 75% (seventy five percent) of the Disabled Employee's Annual Salary, subject at all times to the Insurance Limits and the limitation that the total of the Disability Benefit and the Waiver Benefits may not exceed the Disabled Employee's total Cost to Company package, calculated in the manner set out in the Group Policy.

3.1.3.3 **Custom scale**

The value of the Disability Benefits will be calculated on the scale determined in the Employer Participation Certificate, with reference to the Disabled Employee's Annual Salary, subject at all times to the Insurance Limits and the limitation that the total of the Disability Benefit and the Waiver Benefits may not exceed the Disabled Employee's total Cost to Company package, calculated in the manner set out in the Group Policy.

3.1.3.4 **Fixed Rand amount**

A rand amount not exceeding an overall maximum benefit of R175 000 (one hundred seventy five thousand Rand) per month in respect of a Disabled Employee, subject at all times to the Insurance Limits.

3.1.4 The Disability Benefit and Waiver Benefits if applicable, are payable to the Employer who is the policyholder in terms of the Group Policy. Liberty will only make Disability Benefit payments to the Disabled Employee in the event that the Employee -

3.1.4.1 ceases to be employed by the Employer and is no longer on the payroll of the Employer; and/or

**LIBERTY GROUP INCOME PROTECTION POLICY
LEVEL INCOME PROTECTION PLAN**

3.1.4.2 the Employer is liquidated or ceases its business operations for whatever reason, subject to the Disabled Employee accepting the terms and conditions of the Group Policy.

3.2 Assessment criteria for a claim for Disability Benefits

3.2.1 The assessment of a claim for Disability Benefits may be carried out either on an occupational basis ("**Occupational Assessment**"), or on occupational and severity of Impairment basis ("**Progressive Assessment**"). As this Level Income Protection Plan provides for both Occupational Assessment and Progressive Assessment, the Disabled Employee shall first be assessed against the Occupational Assessment, where after the Progressive Assessment criteria will become applicable:

3.2.1.1 Occupational Assessment means, 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. Thereafter the Employee will be assessed against Any Occupation to determine if the Disability Benefit may continue.

3.2.1.2 Progressive Assessment means that 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. A Disability Benefit payable in the event of Impairment, of less than 100% Whole Person Impairment shall only be paid for the duration of the Initial Period, calculated from the Date of Disablement.

3.3 Waiver Benefits

The Employer may select any of the following Waiver Benefits payable in the manner set out in the Group Policy to the Employer:

3.3.1 Employer Contribution and Premium Waiver benefit

**LIBERTY GROUP INCOME PROTECTION POLICY
LEVEL INCOME PROTECTION PLAN**

3.3.1.1 The Employer Contribution and Premium Waiver benefit provides cover to supplement the Employer's continuing retirement and risk premium contributions in respect of a Disabled Employee, and is payable to the Employer, subject to the conditions stipulated in the Group Policy.

3.3.1.2 An 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.

3.3.1.3 The total value of the Employer Contribution and Premium Waiver benefit may not exceed-

3.3.1.3.1 the percentage of the Employee's Annual Salary as specified in the Employer Participation Certificate; or

3.3.1.3.2 35% (thirty five percent) of the Employee's Annual Salary; or

3.3.1.3.3 R45 000 (forty five thousand Rand) per month,

whichever is less, subject to escalation as stipulated in the Group Policy at the same time as the escalation in respect of the Disability Benefits.

3.3.2 Health Waiver benefit

3.3.2.1 The Health Waiver benefit is 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 and is payable to the Employer, subject to the terms of the Group Policy.

3.3.2.2 Only 24 (twenty four) monthly contributions will be made in respect of a Disabled Employee, which contributions will be calculated from Date of Disablement.

3.3.2.3 The value of the Health Waiver Benefit may not exceed -

3.3.2.3.1 The medical aid contribution; or

**LIBERTY GROUP INCOME PROTECTION POLICY
LEVEL INCOME PROTECTION PLAN**

3.3.2.3.2 R7 200 (seven thousand two hundred Rand) per month,

whichever is less, subject to escalation as stipulated in the Group Policy at the same time as the escalation in respect of the Disability Benefits.

3.3.3 Payback Option benefit

3.3.3.1 The Payback Option benefit is payable as a once-off lump sum to cover the short-fall between a Disability Benefit payment and the cost to company payments in respect of a Disabled Employee and is paid to the Employer, subject to the terms of the Group Policy.

3.3.3.2 The Payback Option benefit shall be calculated as the total monthly Disability Benefits payable in respect of an Employee, multiplied by the number of months selected as the Waiting Period

3.3.3.3 The value of the Payback Option benefit may not exceed-

3.3.3.3.1 The amount specific in the Employer Participation Schedule; or

3.3.3.3.2 The maximum amount of R525 000 (five hundred and twenty five thousand Rand),

whichever is less, subject to escalation as stipulated in the Group Policy at the same time as the escalation in respect of the Disability Benefits.

3.3.4 Plus Benefit

3.3.4.1 The Plus Benefit is a fixed amount payable to supplement a Disabled Employee's continuing retirement and risk premium contributions calculated as the difference between the escalation of the Level Income Protection Plan and the Annual Salary increase, which the Employee would have received had the Employee not become Disabled, and is payable to the Employer, subject to the terms of the Group Policy.

**LIBERTY GROUP INCOME PROTECTION POLICY
LEVEL INCOME PROTECTION PLAN**

- 3.3.4.2 The Plus Benefit shall be payable 24 (twenty four) months after Date of Disablement.
- 3.3.4.3 The Plus Benefit shall be equal to 1/9th (one ninth) of each Disability Benefit payment payable as at 24 (twenty four) months after Date of Disablement.
- 3.3.4.4 The value of the Plus Benefit may not exceed-
 - 3.3.4.4.1 The amount specific in the Employer Participation Schedule; or
 - 3.3.4.4.2 The maximum amount of R19 444 (nineteen thousand four hundred and forty four Rand),

whichever is less, subject to escalation as stipulated in the Group Policy at the same time as the escalation in respect of the Disability Benefits.

4. EVIDENCE OF INSURABILITY

- 4.1 When Liberty requests medical evidence the Employee is entitled to cover for a period ending on the earlier of:
 - 4.1.1 The completion of 60 days from the date the evidence was first requested by Liberty, or
 - 4.1.2 The date on which a decision on the assessment of the risk is made.
- 5. The amount of cover shall, in respect of a newly admitted Employee as well as an Employee whose cover was previously accepted at ordinary terms and rates, be the Employee's full entitlement in terms of the Group Policy. In both instances, the cover will be limited to the maximum amount of cover that Liberty is prepared to make available for this type of insurance from time to time.