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Sanlam Corporate

Group Risk Benefit Guide: Spouse's Life insurance

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Spouse's Life insurance

The Spouse's Life insurance is the spouse's death benefit under an unapproved policy.

The Benefit Guides provide an overview of all the benefits Sanlam offers. The structure of benefits, as selected, is set out in an accompanying quotation document together with the premium applicable to the corresponding benefits.

If accepted, the scheme will be underwritten by Sanlam Corporate: Group Risk, hereafter referred to as Sanlam.

Should there be any inconsistencies between this document and the policy, the policy will prevail.

About the benefit

The employer can choose to offer his/her employees the benefit of insuring the lives of their spouses:

- ④ The Spouse's Life insurance can either be a fixed amount or a multiple of up to 2 times the employee's annual salary; and
- ④ The Spouse's Life insurance will apply to all qualifying spouses.

Please refer to the definitions section for the definition of marriage.

Please note: An employee's spouse has to fit the definition of a 'qualifying spouse' as described in this benefit guide.

Benefit cessation age

This is the last day of the month in which the spouse reaches the age of 70 years. However, the spouse will only remain covered as long as the employee still qualifies, i.e. is still under the benefit cessation age, or 70 years if the employee is still in active service, and if the insurance still applies.

Please note: The cover in respect of the employee's qualifying spouse continues until the later of:

- midnight on the last day of the calendar month in which the employee passed away; and
- 24 hours after the employee passed away.

Maximum age at entry

The spouse must be younger or equal to the benefit cessation age, up to the maximum of 70 years.

Maximum benefit

An amount equal to the lesser of 2x the employee's annual salary and R8 000 000, is paid to the employee at the death of his/her spouse.

Medical evidence of good health

A Medical Proof Free Limit applies to the Spouse's Life insurance.

This means that an employee's spouse qualifies for the benefit up to a Medical Proof Free Limit without the spouse having to submit medical evidence of good health to Sanlam.

Please note: The Medical Proof Free Limit will not apply to spouses of employees who are living together as if married (i.e. cohabiting spouses) and medical evidence of good health for the full insurance amount must be submitted and accepted by Sanlam before the Spouse's Life insurance can commence.



Continuation of insurance during disability

In the event of the employee becoming disabled, while the employee receives a disability income and only if Continuation of insurance during disability is applicable to the employee, the Spouse's Life insurance will remain applicable with payment of premiums.

Growth in insurance during disability

In the event of the employee becoming disabled, Spouse's Life insurance can increase annually at a rate equal to the smaller of the growth applicable to the disability income instalment and 100% of the inflation rate, with a maximum of 10% per year. This can only apply if Continuation of insurance during disability is applicable to the employee.

Supplementary benefits

The employer and/or retirement fund can supplement this insurance with the following additional benefits which will be included in the accompanying **quotation document** if chosen:

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Conversion option

Provision can also be made for the Spouse's Life insurance to be **converted to a similar individual policy**.

The employee's spouse will have the option to take out a similar individual policy with Sanlam, without providing medical evidence of good health, when the following events occur:

⌚ **Spouse's Life insurance:**
at death, divorce, withdrawal, retirement or benefit cessation age of the employee, whichever event may occur first.

The option may be exercised when the spouse reaches the age of 70 years if the employee continues his/her service with the employer after the spouse reaches 70 years.

⌚ **Spouse's Lump Sum Disability insurance:**
at divorce, death, withdrawal or benefit cessation age of the employee, whichever event may occur first.

The option is available to spouses younger than 60 and who have not yet reached the benefit cessation age.

The converted Spouse's Life insurance will be subject to the conditions applicable to Sanlam Life Insurance Limited policies.

Furthermore:

- ⌚ The application for the insurance must be submitted to a Sanlam office **within 60 days of the occurrence of the events** described.
- ⌚ The maximum insurance in terms of the option may not exceed the maximum insurance applicable to similar individual policies and may thus be less than the total insurance the employee had under the group Spouse's Life insurance policy.
- ⌚ The employer/broker is responsible for informing employees that conditions may differ on conversion.
- ⌚ An HIV test and a cotinine test for non-smokers are no longer required on Sanlam's conversion options.

General

Please note:

- The conversion option may only be exercised if the employee is a South African citizen.
- The conversion option cannot be exercised in instances where the employer retrenches 3 or more employees and/or 2% of the total number of employees.
- Contract and seasonal workers do not qualify for an option to convert from the Spouse's Life insurance to a similar individual policy.



Spouse's Lump Sum Disability Insurance

If the spouse of an employee becomes disabled and the disability lasts for a waiting period of 6 months, his/her Life insurance is accelerated and paid in a lump sum to the employee.

The maximum amount is equal to the lesser of twice the employee's annual salary and R1 590 000.

Please note: The difference between the maximum amount and the Life insurance shall be paid if the spouse dies before the benefit cessation age.

Benefit cessation age

This is the last day of the month in which the spouse reaches the age of 60 years.

Maximum age at entry

The spouse must be younger or equal to the benefit cessation age, up to the maximum of 60 years.



Definition for spouse's disability

⌚ In respect of a **spouse who has an occupation**: the spouse is totally, permanently and continuously prevented, even with further in-service training:

- from following the regular occupation which he/she practised immediately before; and
- from following the occupations which he/she, in view of his/her training and experience, may reasonably be expected to follow,

and experiences loss of income.

(The Spouse's Lump Sum Disability insurance will be reduced pro rata, if the disability benefit becomes payable during the last 5 years before attaining the age of 60 years.)

⌚ In respect of a **spouse who does not follow an occupation** for income: the spouse is totally, permanently and continuously prevented from performing the normal actions and functions with regard to the care of his/her body or from taking care of his/her personal interests.

(The Spouse's Lump Sum Disability insurance will be reduced pro rata, if the disability benefit becomes payable.)

Pre-existing health conditions

The Spouse's Lump Sum Disability insurance will not be paid, or will be limited, where a pre-existing health condition is present.

A pre-existing health condition is any condition for which an employee's spouse has already received medical advice or treatment prior to the employee becoming a member belonging to the policy and applies to all new employees' spouses.

The Spouse's Lump Sum Disability insurance will not apply to existing employees' spouses, should the date of commencement of disability occur within 12 months of the entry date and the disability directly or indirectly arises from, or is traceable to:

- ⌚ a bodily injury which occurred; or
- ⌚ a condition of which the employee's spouse was aware of or experienced symptoms or for which the employee's spouse received medical treatment during the 6 months immediately prior to the entry date.

Please note: When taking over an existing fund/scheme,

- Pre-existing conditions exclusions will apply to new employees' spouses.
- When taking over an existing fund/scheme, start date is the date on which membership with a previous underwriter commenced. Should any benefits change (e.g. as a result of the take-over), the smaller between the previous or the new benefit will apply.



No insurance will be payable in the event of a condition:

- ④ being attributable to the employee's spouse having negligently or wilfully exposed himself/herself to danger, except in the interests of the law or to protect his/her or another's life or property;
- ④ being attributable to intentional, self-inflicted injury; and
- ④ that can be substantially removed by surgery or any other medical treatment which, taking into account the risk and the prospect of success of that treatment, the employee's spouse can reasonably be expected to undergo.



Administrative requirements

Specific employee data is needed to quote for and administer the insurance. Therefore, Sanlam requires the marital status of the employees.

④ **If the marital status was provided –**

The spouse's insurance is calculated **on actual marital status of the employees.**

For funds with more than 200 employees, we preferably require the marital status of the employees as the exact data will allow for more accurate pricing.

④ **If marital status was NOT provided –**

For **quotation purposes only**, the spouse's insurance is calculated on an assumed basis:

- all males aged 25 next birthday and older are assumed married and three years older than their spouses; and
- all females aged 22 next birthday and older are assumed married and three years younger than their spouses.

Preferably we require the marital status of the employees and the dates of birth of their spouses as the exact data will allow for more accurate pricing.

At inception date, the actual marital status of the employees must be submitted, where after the cost for spouse's insurance will be recalculated.

Definitions

Marriage

Marriage means:

- ① a marriage or union in accordance with the Marriage Act, 1961, the Recognition of Customary Marriages Act, 1998, or the Civil Union Act, 2006, or the tenets of a religion (applicable to both approved and non-approved business); or
- ② a union where two persons are living together as if married, with the commitment of continuing to do so permanently provided that (only applicable to non-approved business) -
 - they have been doing so for a continuous period of at least 6 consecutive months; and
 - they continued doing so until the time of death of the spouse; and
 - the insured provides, upon request, satisfactory proof of the permanency of the relationship to Sanlam.

Please note: In terms of the above definition of marriage, it is important to note that

- Spouses may also be of the same gender.
- Spouses of employees who are living together as if married:
 - Should always submit medical evidence of good health in respect of the full insurance amount. This must be accepted by Sanlam before insurance can be granted/commence. The Medical Proof Free Limit will, therefore, not apply to these co-habiting spouses; and
 - Sanlam does not accept a cohabiting spouse's claim in cases where the employee is legally married to another person.

Qualifying spouse

Qualifying spouse with regard to an employee, is the person with whom he/she is joined in marriage (or two persons who are living together as if married), provided that such person has been advised in writing to Sanlam by the employer.

If an employee is married to more than one person, qualifying spouse means:

- ① only that one of them whom the employee nominated in writing during that person's life and before that person becomes disabled;
- ② if the employee does not nominate a qualifying spouse the person that he/she married first will be the qualifying spouse.

Once a nomination has been made, it remains in force as long as the employee is joined in marriage with the relevant spouse.

A qualifying spouse will cease to be insured on the date on which the employee and qualifying spouse are no longer joined in marriage.

The relationship of the qualifying spouse to the employee must be substantiated by a valid marriage certificate, or other evidence recognised in law, or other proof acceptable to Sanlam.

Please note: The employee must nominate a qualifying spouse to be insured, but at the death/permanent disability of that spouse, another legally married spouse must be nominated within 3 months after the spouse's death/permanent disability (i.e. once a benefit has been paid in terms of the spouse).



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Sanlam Life Insurance Limited Reg no 1998/021121/06.
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