



INSURANCE FOR
PROFESSIONALS

PPS Professional Life Provider™

Disclaimer – Financial Adviser’s Guide

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INTRODUCTION

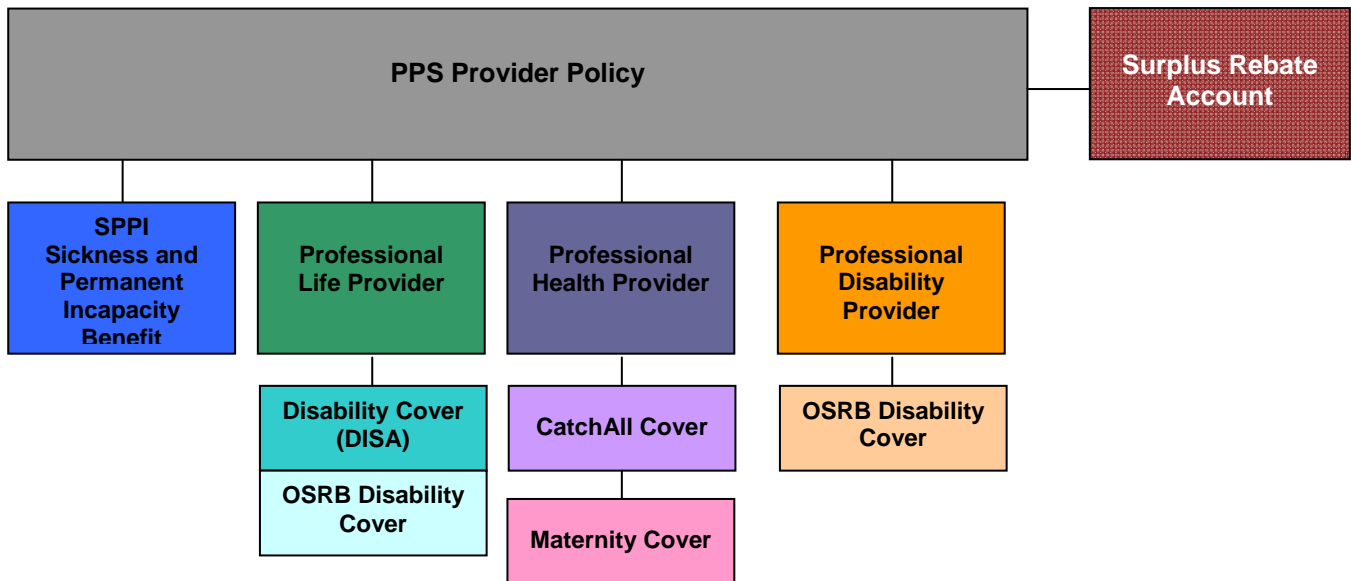
An untimely death can result in exorbitant expenses and a dramatic reduction in family income. An individual needs to be sure that his/her family are well provided for financially, in the event of such a contingency.

It is also important to ensure that in the event of an accident or illness the individual has capital available to deal with the possible financial consequences of disability.

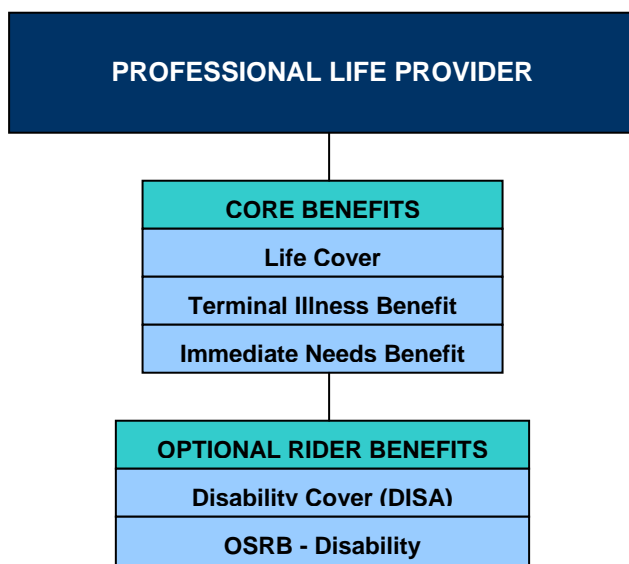
The PPS Professional Life Provider™ is a product providing life cover, including an Immediate Needs and Terminal Illness Benefit, as well as optional disability cover (DISA) with OSRB available if required that together will address these needs. By providing lump sum benefits in the event of death and disability an individual and his/her family are protected against the impact that these events can have on the family's finances.

PRODUCT OVERVIEW

The PPS Professional Life Provider™ is just one of the risk products offered as part of the PPS Provider™ range of products. The PPS Professional Life Provider™ is a stand-alone product (i.e. the policyholder does not have to have SPPI cover). A policyholder, who has a PPS Provider™ policy, qualifies for a Surplus Rebate Account (SRA).



The structure of the PPS Professional Life Provider™ product:



The life cover pays a lump sum in the event of death. The Terminal Illness and Immediate Needs Benefits are automatically included at no additional premium. (The policyholder is able to select either term or whole of life, life cover.) In addition, disability cover (DISA) is available as an optional rider benefit.

Optional OSRB benefit is available at an additional premium. This OSRB disability benefit ensures that at claim stage the assessment is based on your inability to do your own nominated occupation.

PPS Life and Disability Assurance Scheme

- The PPS Life and Disability Assurance Scheme (Scheme), underwritten by Sanlam, is closed to new business in South Africa, but in Namibia policies (LA & DISA) continue to be sold under the Scheme.
- All the existing LA & DISA policies, issued under the Scheme and underwritten by Sanlam, remain in force.
- All existing LA & DISA policyholders are still be able to apply to increase their cover.

*See Annexure 1 for a Table on the differences between PPS Life and Disability Assurance (LA and DISA) and the Professional Life Provider product **and** see LA and DISA Adviser's Guide for further details on this product.*

Underwriting

- Financial underwriting is applied, based on the policyholder's gross professional income (GPI), in order to determine the maximum cover allowed. Proof of income is required at the discretion of PPS.
- If a policyholder has a pre-existing condition, he/she will be able to apply for cover subject to the underwriting criteria and conditions as per the Chief Medical Officer's underwriting policy.
- The policyholder is not restricted with regards to travel, residence or hazardous pursuits.

See Annexure 2 – Medical Underwriting Requirements

Premiums

- Premiums are calculated based on the policyholder's age next birthday. Age next birthday is equal to actual age + 1.
- Premium patterns differ for whole life and term products.
- The premiums are not guaranteed.

Premium Pattern

- The **PPS Whole Life premium** pattern is applied to the **whole of life cover**.
- An **age related** premium pattern is applied to **term life cover, disability cover (DISA) and OSRB disability cover**, which are term benefits.

• PPS Whole Life Premium Pattern

- The premiums for whole of life cover will be calculated with respect to age next birthday at policy inception.
- Each year, in the month after the policyholder's birthday, these premiums will increase by a percentage depending on the policyholder's age.
- The PPS Whole Life premium pattern percentage increases are based on a professional's likely pattern of salary growth.
- At a younger age, increases are low whilst a career is being established and income is growing more slowly.
- Post-retirement, the increases are again lower increasing in line with current inflation expectations.
- The percentages and premium rates are not guaranteed.

- The percentage increases are as follows:

Age	Escalating percentage
Up to 29	0%
30 to 40	3%
41 to 50	6%
51 to 66	8%
67 onwards	6%

- The declared annual increases will result in the cover increasing by the declared percentage on 1 January each year. The premium for this increased cover is based on the policyholder's age next birthday at the time of the increase.
- If a policyholder wishes to increase his/her sum assured, the premium for the additional amount will be calculated according to his/her age next birthday at that time.

For Example:

Mr Policyholder, age 30, applies for whole of life cover of R 200 000. His premium will be calculated with respect to age 31 next birthday. Each year this premium will increase, in the month after his birthday, by the set PPS Whole Life premium pattern percentage increase and on 1 January premiums will increase in line with the declared increase in his cover.

15 Years later, Mr Policyholder, now aged 45 decides to increase the sum assured by R 50 000. The premium for this additional cover will be calculated with reference to age 46 next birthday. This amount will be added to his current premium to determine the total new premium.

- **Age related premium pattern**

- The premiums for term life cover, disability cover (DISA) and OSRB disability cover will be calculated with respect to age next birthday at policy inception and will increase annually thereafter based on the age next birthday of the policyholder.
- Premiums will increase annually in the month after the policyholder's birthday.
- The declared annual increases will result in the cover increasing by the declared percentage on 1 January each year. The premium for this increased cover is based on the policyholder's age next birthday at the time of the increase.
- If a policyholder wishes to increase his/her sum assured, the premium for the additional amount will be calculated according to his/her age next birthday at that time.

Note:

- A policyholder with whole of life cover (PPS Whole Life premium pattern) will pay a more expensive premium initially. This is necessary in order to pre-fund the risk in the future. This premium pattern falls between the traditional level and age related patterns, resulting in initial affordability and ensuring that post-retirement increases are more appropriate as a result of the element of pre-funding.
- The age related premium pattern is suitable for term insurance as it ensures that the policyholder gets a cheaper rate now. No pre-funding for post-retirement is required.

Premium Frequency

- Premiums are payable monthly, quarterly, semi-annually or annually in advance. The policyholder may select the premium frequency.
- A discount of 5 percent shall be granted on premiums paid twelve months in advance and a discount of 2,5 percent on premiums paid six months in advance.
- Policyholders are able to select a debit order date of either the 1st or 15th of each month.
- Premiums must be paid before the fifteenth day of the month in respect of which the premium is payable.

Temporary Cessation of Premium Payments (TCPP)

The option of temporarily ceasing premium payments **is not available** on the Professional Life Provider.

Commencement of Cover

- The policyholder will be able to choose the date of commencement of cover on his/her application form.
- The date of commencement selected by the policyholder can be any date in the 30 day period starting from the date on which the application form was completed.
- The actual date of commencement of cover will be subject to PPS accepting the applicant as a risk. Therefore:
 - if the chosen date of commencement is before the underwriting process has been completed, the actual date of commencement will be the date on which PPS accepts the cover; or
 - if the chosen date of commencement is after PPS has completed its underwriting process, the actual date of commencement of cover will be the date indicated by the applicant on the application form.
- If the actual date of commencement is any day other than the 1st day of a month, PPS will calculate a pro-rata premium with respect to the actual date of commencement. This will be collected with the first full premium.

Declared Annual Increases

- Annual benefit increases may be declared, at the discretion of PPS Insurance, to reduce the eroding effects of inflation on benefits.
- Benefits will increase by the declared percentage on 1 January each year.
- Premiums for the increased cover will be based on the policyholder's age next birthday at the time of the increase.
- The declared annual increase is granted without further medical underwriting.
- The declared annual increases apply to all the benefits on the product (including life cover, disability cover and OSRB disability cover, if this rider benefit is attached to the life cover).

Additional Cover

- A policyholder may apply for additional life and/ or disability cover and add OSRB disability cover (subject to the maximum benefit limits).
- Policyholders are re-underwritten when any additional cover is applied for.
- A policyholder may increase the sum assured of his/ her whole of life cover until age 74. Thereafter, the sum assured will only increase due to declared annual increases.
- A policyholder will be able to increase the sum assured of his/ her term life cover and disability cover and OSRB disability throughout the term of the cover.

Reduction of Cover

- A policyholder may also reduce the sums assured of the life and/ or disability cover and/or remove OSRB disability cover subject to the minimum benefit limits.
- The last cover received will be reduced first. This will include removing any loadings or exclusions relating solely to the cancelled portion of the cover.

Reinstatement of Cover

- If a policyholder does not pay premiums for more than two months his/her cover will cease.
- The policyholder will be able to reinstate the policy, subject to underwriting, if the following conditions are met:
 - All arrear premiums (with interest at the legal rate) are paid within three months of the termination.
 - No benefits shall be payable during the period from the date of termination to the date PPS agrees to reinstate the cover.
 - No benefits shall be payable with respect to any claim events that occurred during the period from the date of termination to the date PPS agrees to reinstate the cover.

Changing Occupation

If a policyholder stops practising his/her qualified profession or changes his/her occupation to one not eligible for PPS membership, then the following will apply;

- Life cover, Terminal Illness and Immediate Needs Benefits will **not** cease. The policyholder however, cannot increase the cover amount.
- Declared annual increases will still apply and the policyholder can still convert from term to whole of life cover.
- A policyholder will **not** be able to retain his/her disability and OSRB disability cover.

Exclusions

No benefits will be paid in terms of the disability cover, OSRB disability cover or the Terminal Illness Benefit if a claim for benefits arose directly or indirectly from any of the following events:

- deliberate involvement of the policyholder in war, invasion, hostility, civil war, rebellion, act of foreign enemy, warlike operations and accidental or deliberate explosion of weapons of war, during war or as a result of a previous war;
- deliberate involvement of the policyholder in terrorism, sabotage, or other acts involving violence or the use of force or not, which acts, from its nature or context are done in connection with political, social, religious, ideological or similar causes or objectives;
- deliberate involvement in strikes, labour disturbances, riots and civil commotion;
- atomic energy, nuclear fission or reaction;
- directly or indirectly attributable to, continued by or aggravated by excessive indulgence in liquor or drugs, immorality or disorderly conduct;
- indirectly attributable to, continued by or aggravated by intentionally self-inflicted or intentionally self-induced events, circumstances, disease, illness, injury or disability;
- the result of the consumption of a poisonous substance that would be known by a reasonable person to be harmful;
- due to an act committed by the policyholder that constitutes a breach of any law.

Suicide or Execution of Death Sentence Exclusion (*applicable on cover and Immediate Needs Benefit*)

A payment of the sum assured will not be made if the death of the policyholder was as a result of:

- suicide committed within 24 months after either the date of commencement of cover or date of reinstatement of cover or date of increase in cover for the increased cover (other than through declared annual increases); **or**
- the execution of the death sentence on account of an offence committed before or within 24 months after commencement or reinstatement of cover or date of increase in cover for the increased cover (other than through declared annual increases).

Termination of Cover

The life cover will cease on one of the following events occurring:

- When the policyholder dies.
- When the selected term ends (term life cover).
- Cancellation by the policyholder.
- Termination of PPS membership at Holding Company level.
- Cancellation by PPS Insurance Company Board.
- Non-payment of premiums.
- Reduction of the life cover sum assured to R0.

Surplus Rebate Account (SRA)

A policyholder, who has a PPS Provider™ policy, qualifies for a Surplus Rebate Account (SRA).

See Adviser's Guide on the SRA for more details

Cessions

- Two types of cessions are available on the Professional Life Provider:
 - Partial Security Cessions; and
 - Complete Security Cessions.

See Adviser's Guide on Cessions for further information on Cessions

Conversion of a PPS Professional Life Provider™ Product to a PPS Business Life Provider™ Product and Vice Versa.

Policyholders **are not able** to covert their individual Professional Life Provider product to a Business Life Provider product (and vice versa) due to the tax and estate duty implications of such a conversion.

PRODUCT FEATURES: CORE BENEFITS

Whole of Life Cover

Benefit Type

This is a stand-alone lump sum benefit. This option allows cover for the whole of the policyholder's life and premiums are payable until death or termination of cover.

Entry Ages

Minimum entry age	Need to meet PPS eligibility criteria
Maximum entry age	Age 74 actual (age 75 next)

Benefit Limits (as at 1 January 2009)

Minimum	R 100 000
Maximum	All subject to financial underwriting
18 – 35 age next birthday	25 x GPI*
36 – 40 age next birthday	23 x GPI*
41 – 45 age next birthday	20 x GPI*
46 – 50 age next birthday	18 x GPI*
Over 50 age next birthday	15 x GPI*
	*subject to a maximum of R 14 079 906

The maximum benefit limits are aggregated over all life cover with PPS Insurance, excluding Business Provider cover

Note: A benefit amount in excess of the specified maximum may be applied for. Each request for a benefit amount exceeding the benefit limit will be individually assessed.

Premium Pattern

The PPS Whole Life premium pattern is applied.

Waiting Periods

No waiting periods are applied to the whole of life cover.

Term Life Cover

Benefit Type

This is a stand-alone lump sum benefit. This option allows the policyholder to select the life cover term they require.

Entry Ages

Minimum entry age	Need to meet PPS eligibility criteria
Maximum entry age	Age 60 actual (age 61 next)

Benefit Limits (as at 1 January 2009)

Minimum	R 100 000
Maximum	All subject to financial underwriting
18 – 35 age next birthday	25 x GPI*
36 – 40 age next birthday	23 x GPI*
41 – 45 age next birthday	20 x GPI*
46 – 50 age next birthday	18 x GPI*
Over 50 age next birthday	15 x GPI*
	* subject to a maximum of R 14 079 906

The maximum benefit limits are aggregated over all life cover with PPS Insurance, excluding Business Provider cover

Note: A benefit amount in excess of the specified maximum may be applied for. Each request for a benefit amount exceeding the benefit limit will be individually assessed.

Benefit Term

The policyholder has the choice of either:

- cover to age 66 actual (age 67 next); or
- cover for a fixed term (in whole years) subject to:
 - a minimum term of 1 year; and
 - a maximum term to age 66 actual (age 67 next).

Premium Pattern

An age related premium pattern is applied

Waiting Periods

No waiting periods are applied to the term life cover.

Conversion from Term Life Cover to Whole of Life Cover

Policyholders are able to convert their term life cover to whole of life cover any time during the term of the life cover. The following will apply:

Conversion Age

A policyholder with term life cover will be able to convert to whole of life cover at any age.

Benefit Term

- The benefit term after conversion will be for whole of life.
- The term of the disability cover (DISA) and/or OSRB disability cover, after conversion, will be until the policyholder turns 66 actual age (age 67 next).

Premium Pattern

- The life cover will have the PPS Whole Life premium pattern after conversion to whole of life.
- The life cover premiums will increase, upon conversion from term cover to whole of life cover, for the **same** sum assured.

Waiting Period

No waiting periods are applied on conversion.

Underwriting

The conversion from term to whole of life cover will only be free of underwriting if the following requirements are met;

- The term policy must be older than two years since inception
- The initial term must be at least 10 years

Increase or Reduce of Benefits and Conversion

If the policyholder is converting his/ her policy and wants to increase or reduce his/ her benefits at the same time, two separate steps need to be done. In order to effect the free of underwriting conversion the policyholder must do the conversion on a like for like basis from Term to WL cover first. The following will occur:

- No underwriting for PLP conversion
- Existing loadings and exclusions on the term cover are added to the whole life cover

The increase or reduction in benefit amounts must then be processed as additional or reduced benefits on the whole life cover in the usual way with all the usual rules and processes applicable.

Change in Occupation and Conversion

- If a policyholder changes his/ her occupation, it will still be possible for him/ her to convert term cover to whole of life cover, however it will not be possible to increase the sum assured of the life cover.
- On a change in occupation to an ineligible occupation, the disability cover (DISA) and OSRB disability cover will fall away.

Terminal Illness Benefit

The Terminal Illness Benefit is automatically included with the life cover and **no** additional premium is charged for this benefit.

In the event that the policyholder is diagnosed with a terminal illness (as specified by PPS Insurance) and is likely to die within the next 12 months, the policyholder can claim the Terminal Illness Benefit. In terms of this benefit, half the life cover sum assured is advanced on approval by PPS of the Terminal Illness Benefit claim and the premiums reduce accordingly. The remaining half of the life cover sum assured will be paid on the death of the policyholder. If the disability or OSRB disability cover is then more than the reduced life cover amount, this cover will reduce to be equal to the life cover sum assured. The disability and OSRB disability cover cannot be more than the life cover to which it is attached as these are accelerated benefits.

For Example:

Mr Policyholder has life cover of R 1 000 000. He is diagnosed with a terminal illness and exercises the Terminal Illness Benefit. He receives payment of R 500 000 (50% of the sum assured). In the event of his death, the balance of R 500 000 will be paid to his nominated beneficiaries.

Cessions and the Terminal Illness Benefit

- When a life cover product is ceded, it is ceded in its totality (i.e. the life cover including the Terminal Illness Benefit is ceded).
- If a cession has been taken against a life cover product, a policyholder will still be able to claim the Terminal Illness Benefit.
- If a Terminal Illness Benefit claim is awarded, the cessionary(s) e.g. the Bank, will be paid first and the policyholder will then be eligible to receive any remaining benefit.

For Example:

Mrs Policyholder has life cover of R 500 000. She takes a loan from the bank for R200 000 and partially cedes

R 200 000 of her life cover as collateral to the bank. A year later she is diagnosed with a terminal illness and claims the Terminal Illness Benefit. This benefit is R 250 000 (50% of the sum assured). R 200 000 is paid to the bank, and the remaining R 50 000 will be paid to her and her premium reduces accordingly. On her death the balance, of the sum assured R 250 000, will be paid to her beneficiaries.

Terminal Illness Benefit and Disability Cover

If a policyholder made a disability or OSRB disability claim and then later a terminal illness claim, the following will occur:

- the disability cover or OSRB disability cover will be accelerated against the life cover, and then
- the Terminal Illness Benefit will be accelerated against the remaining life cover amount (i.e. the original life cover amount less the disability or OSRB disability claim amount).

In the event of a simultaneous disability or OSRB disability and terminal illness claims, the disability or OSRB disability benefit will be awarded and accelerated against the original life cover amount first before the Terminal Illness Benefit is awarded and accelerated against the remaining life cover amount (i.e. where the remaining life cover amount is the original life cover amount less the disability or OSRB disability benefit).

Example:

Mrs Policyholder has life cover of R 1 000 000 and disability cover of R 500 000. In September 2003, Mrs Policyholder claims the disability benefit she is entitled to. Her life cover benefit is reduced to R 500 000. In October 2005, Mrs Policyholder is diagnosed with a terminal illness and elects to claim the Terminal Illness Benefit. She receives a payment of R 250 000 (50% of the sum assured). In the event of her death the balance, of R 250 000, will be paid to her nominated beneficiary.

Immediate Needs Benefit

The Immediate Needs Benefit is automatically included with life cover and **no** additional premium is charged. A lump sum benefit of up to R 50 000 is payable to beneficiaries within two working days of the submission of a valid death certificate to PPS Insurance.

The aim of the Immediate Needs Benefit is to alleviate the financial strain experienced by beneficiaries in the event of the death of the policyholder. This benefit can be used to contribute towards the costs of a funeral and other financial obligations arising as a result of the death of the policyholder.

How does it work?

- The Immediate Needs Benefit of R 50 000 or the remaining sum assured (this may be less than R 50 000 as a result of disability and Terminal Illness Benefit claims) will be paid to beneficiaries within two working

days of the submission of a valid death certificate to PPS.

- This benefit is accelerated against the life cover sum assured at the time of death of the policyholder.
- PPS will then go through the usual validation process before the remainder of the life cover amount is paid to the nominated beneficiaries.
- The amount payable, after validation of the death claim, will be the life cover sum assured, as at the time of death of the policyholder, less the Immediate Needs Benefit already paid.
- **Note:** Death as a result of unnatural causes may cause a delay in payment. A valid death certificate accompanied by a police report needs to be submitted to speed up the payment. If the police report cites suicide or suspected suicide and the claim is within the two year suicide exclusion period, **no** Immediate Needs Benefit will be paid. If after investigation it is ruled not to be suicide, the full life cover benefit will be paid out in the usual way.

Cessions and the Immediate Needs Benefit

- If a cession has been taken against the life cover, the Immediate Needs Benefit **will not** be payable for the period of the cession.
- If all the cessions have been removed from the life cover, the Immediate Needs benefit will once again become payable on the death of the policyholder.

PRODUCT FEATURES: DISABILITY RIDER BENEFIT

Disability Cover (DISA)

Benefit Type

The disability cover (DISA) is an optional rider benefit, which is attached to the life cover i.e. it is not a stand-alone benefit. This benefit is paid to the policyholder in the event that he/ she is unable to work due to an accident or illness. The disability benefit accelerates the life cover sum assured when a claim under this benefit is made, which means that the life cover sum assured will be reduced by the amount of the disability claim.

Example:

Ms. Policyholder selects R 1 000 000 life cover and R 800 000 disability cover. She claims the disability benefit and subsequently her life cover sum assured is reduced to R 200 000.

Entry Ages

Minimum entry age	Need to meet PPS eligibility criteria
Maximum entry age	Age 60 actual (age 61 next)

Benefit Limits

Minimum	R 12 500
Maximum	100% of the life cover sum assured

Benefit Term

- Whole of life cover
 - Disability cover ceases at age 66 actual (age 67 next).
- Term life cover

The term of the disability cover will be the same as the term of the life cover and will cease either:

- at the end of the fixed term; **or**
- at age 66 actual (age 67 next).

Note: Disability cover (DISA) will cease if the policyholder changes his/ her occupation to one which does not meet PPS eligibility criteria.

Premium Pattern

An age related premium pattern is applied.

Benefit Payable

The full disability cover (DISA) benefit selected by the policyholder will be payable in the event that the policyholder satisfies the disability criteria (i.e. submits a successful disability claim).

The following disability criteria will apply if a policyholder submits a disability cover (DISA) claim:

- The life insured is in the opinion of PPS Insurance, significantly unable to use his professional training and knowledge to carry out his / her own profession as well as any other profession that could be carried out by persons with similar or comparable qualifications; and
- The disability is in the opinion of PPS Insurance, permanent, significant and severe.

The time period to assess the permanence of the condition will vary based on the condition of the policyholder. There is **NO** standard waiting period. The sum assured will only be paid once the disability criteria are met and the condition is seen as irrefutably and unquestionably permanent.

The following list of indicates the types of conditions that will be covered. The list is NOT exhaustive.

Central Nervous System:

- Advanced Stages of Motor Neuron Disease
- Advanced Stages of Multiple Sclerosis
- Advanced Stages of Parkinson's Disease
- Total Loss of Vision
- Total Loss of Hearing
- Total Loss of Speech
- Wheelchair bound
- Paraplegia
- Quadriplegia and Tetraplegia
- Stroke / CVA with significant cognitive dysfunction
- Dementia
- Head trauma with significant cognitive dysfunction
- Total loss of use of dominant hand / both hands

Respiratory:

- End stage Chronic Obstructive Pulmonary Disease (COPD)

Gastro-Intestinal:

- End stage Liver failure

Neoplastic / Oncology:

- Malignant tumours stage III and IV
- Benign tumours of the brain with significant cognitive dysfunction

Infective:

- End stage AIDS related disease

Cardio-Vascular:

- End stage Cardiac failure

Note: The abovementioned is applicable to existing and new policyholders.

Cessions and Disability Cover (DISA)

- When the life cover is ceded, it is ceded in its totality (i.e. the life and disability cover will both be ceded).
- If a cession has been taken against the life cover with disability cover attached, a policyholder will still be able to claim for a disability event.
- If a disability claim is awarded, the cessionary(s) e.g. the Bank, will be paid first, the policyholder will then be eligible to receive any remaining benefit.

For Example:

Ms. Policyholder has life cover with a sum assured of R 1 000 000 and R 500 000 disability cover. She takes a loan from the bank for R 300 000 and cedes her life cover to the bank as collateral. Five years later she is awarded a disability claim. This benefit of R 500 000 is paid to the bank. Since the outstanding loan is only R 100 000, the bank pays the remaining R 400 000 to her.

The Occupation Specific Rider Benefit (OSRB) is an optional rider that can be added to the disability benefit, the assessment at claim stage is then based on the nominated specific occupation and the benefit is known as the OSRB disability benefit, as described in the following section.

PRODUCT FEATURES: DISABILITY RIDER BENEFIT WITH OCCUPATION SPECIFIC RIDER BENEFIT (OSRB DISABILITY)

The Disability Occupation Specific Rider Benefit (OSRB)

By selecting the Occupation Specific Rider Benefit (OSRB) as a rider on the disability benefit (DISA), the disability benefit is assessed on the nominated specific occupation at claim stage.

The occupation Specific Rider Benefit (OSRB) can be added to the disability benefit at any time, subject to underwriting and meeting the entry age criteria.

An additional premium will be paid for this rider benefit and the assessment of the claims based on the nominated specific occupation, as defined below, will apply only whilst this rider benefit is added and the disability benefit is effectively the OSRB disability benefit.

The Occupation Specific Rider Benefit (OSRB) can also be removed at any time and the definition for claim will revert to the disability benefit definition from this date. The additional premium will also no longer be charged. Commission claw-back will apply in the usual way.

Definition of Claim:

The definition of claim for this OSRB disability benefit is:

If the life insured is disabled during the benefit term, PPS Insurance will pay the sum assured in respect of the disability benefit.

The disability benefit will only be payable if:

- the life insured is in the opinion of PPS Insurance significantly unable to perform his own specific nominated occupation; and
- the disability is in the opinion of PPS Insurance permanent, significant and severe.

All the other product features are identical to the Disability Benefit Product Features.

Note: The OSRB is not available to Student policyholders as they have no own nominated occupation to protect.

STUDENT POLICYHOLDERS AND PPS PROFESSIONAL LIFE PROVIDER™

Eligibility

- A student is defined as a person who is younger than 30 years of age and is studying towards a qualification eligible for PPS membership by either:
 - being enrolled for the fourth year of study of an eligible degree consisting of four or more years; or by
 - being enrolled for an additional eligible qualification, following the completion of a three year degree.

Entry Ages

Maximum age at entry is 29.

Conversion Options

- The student will be able to increase his/ her sum assured above the benefit limits, as detailed above, when he/ she exercises one of the conversion options after completing his/ her qualification.
- To take up any of the conversion options, the policyholder has to provide PPS with proof of graduation/ qualification and satisfy the PPS membership criteria.

There are two conversion options available:

Automatic Conversion from Student Policyholder Status

- The policyholder will then qualify for the higher benefit limits under Professional Life Provider (not available to student policyholders).
- This occurs when the policyholder attains age 30 and provides PPS with proof of graduation/ qualification.
- A grace period of 6 months exists to confirm graduation/ qualification.
- Reduced underwriting applies

Voluntary Conversion from Student Policyholder Status

- This option allows the policyholder to now qualify for higher limits (not available to student policyholders) prior to age 30.
- The policyholder will be underwritten.
- This is subject to proof of graduation/ qualification.

Graduate Enhancer Benefit Option

- This option is offered to all students and can be exercised anytime within 4 years of the date of application for the life cover, before reaching 30.
- This option is subject to proof of graduation/ qualification.
- The option allows the student to obtain up to an additional R 200 000 life cover, with reduced underwriting.
- The option allows the student to increase his/ her disability cover (DISA) sum assured by up to R 100 000 with reduced underwriting.

Benefit Limits for student policyholders (term and whole of Life) as at 1 January 2009.

	Minimum	Maximum
Life Cover	R 25 000* R 100 000	R 200 000
Disability Cover (DISA)	R 12 500	R 200 000

* **Note:** Minimum of R 25 000 life cover is only available if the student has taken a 100 units of ordinary benefit under SPPI.

Immediate Needs Benefit

The Immediate Needs Benefit is **not** available to student policyholders.

OSRB Disability Benefit

The OSRB disability benefit is **not** available to student policyholders.

Termination Cover

Life cover will cease if the student policyholder, on attaining age 30, does not meet the PPS eligibility criteria as applied to life cover.

SUMMARY OF THE FEATURES OF THE PPS PROFESSIONAL LIFE PROVIDER™

	Life Cover
Type of Cover	Stand-alone lump sum benefit, payable in the event of death.
Eligibility	Need to meet PPS membership eligibility criteria.
Maximum Entry Age	<ul style="list-style-type: none"> • Term: 60 • Whole of life: 74
Benefit Term	<p>Term Cover</p> <ul style="list-style-type: none"> • Specified in whole years, subject to a minimum of 1 year and a maximum to age 66; or • Term cover to age 66. <p>Whole of life cover</p> <ul style="list-style-type: none"> • Whole of life i.e. until death. <p>Policyholder may convert from term to whole of life, life cover.</p>
Minimum and Maximum Cover	<p>Minimum cover is R 100 000</p> <p>All of the benefit limits will be subject to financial underwriting</p> <ul style="list-style-type: none"> • 18 – 35 age next birthday: 25 x GPI* • 36 – 40 age next birthday: 23 x GPI* • 41 – 45 age next birthday: 20 x GPI* • 46 – 50 age next birthday: 18 x GPI* • Over 50 age next birthday: 15 x GPI* <p>*all subject to a maximum of R 14 079 906</p> <ul style="list-style-type: none"> • Aggregated over all life cover with PPS, excl Business Provider cover
Increase in Cover	<p>A policyholder may apply for additional life and disability cover (subject to the maximum limits and underwriting).</p> <ul style="list-style-type: none"> • Whole of life: can apply for increases until 74, thereafter sum assured will only increase due to declared annual increases. • Term life cover, disability and OSRB disability cover: can apply for increases in cover throughout the term of the cover. • OSRB disability cover can be added at any time subject to underwriting
Decrease in Cover	<ul style="list-style-type: none"> • Amount of life and disability cover can be reduced, subject to the minimum benefit limit. • OSRB disability cover can be removed at any time. • The last cover received will be reduced first. This will include removing loadings or exclusions relating to the only to the cancelled portion of the cover.
Reinstatement of Cover	<ul style="list-style-type: none"> • Cover will cease if premiums are not paid for more than two months. • Reinstatement is allowed (subject to underwriting) if all arrear premiums (with interest at the legal rate) are paid within three months of the termination. • No benefits shall be payable during the period from the date of termination to the date PPS agrees to reinstate the cover. • No benefits shall be payable with respect to any claim events that occurred during the period from the date of termination to the date PPS agrees to reinstate the cover.
Cessation of Cover	<p>Life cover ceases when:</p> <ul style="list-style-type: none"> • The policyholder dies. • Cancellation by the policyholder. • Non – payment of premiums. • Termination of PPS membership at Holding Company level (policyholder). • Cancellation by PPS Insurance Company Board. • When the specified term of the term cover has run to completion • Life cover amount is reduced to R0.

	Life Cover
Changing Occupation	<p>If a policyholder stops practising his/her qualified profession or changes his/her occupation to one not eligible for PPS membership:</p> <ul style="list-style-type: none"> • the life cover, Terminal Illness and Immediate Needs Benefits will not cease; • the life cover sum assured cannot be increased; and • disability cover and OSRB disability will cease.
Declared Annual Increases	<ul style="list-style-type: none"> • Annual benefit increases may be declared, at the discretion of PPS Insurance, to reduce the eroding effects of inflation on benefits. • Benefits will increase by the declared percentage on 1 January each year for which an increase was declared. • The declared annual increase is granted without further medical underwriting. • Premiums for the increased sum assured are based on age next birthday at the time of the increase. • The declared annual increases apply to all the benefits (including life cover and disability and OSRB disability cover, if attached to the life cover).
Underwriting	<ul style="list-style-type: none"> • Financial underwriting is applied based on the policyholder's gross professional income (GPI). • The policyholder is not restricted with regard to travel, residence or hazardous pursuits.
Premium Pattern	<p>Term life cover</p> <ul style="list-style-type: none"> • Age related premiums. • The premiums payable will increase annually at the end of the month of policyholder's birthday. <p>Whole of life</p> <ul style="list-style-type: none"> • PPS Whole Life premium pattern
Premium Frequency	<ul style="list-style-type: none"> • Premiums are payable monthly, quarterly, semi-annually or annually in advance. • There is a discount of 5% on premiums paid twelve months in advance and a discount of 2,5% on premiums paid six months in advance. • The policyholder may select the premium frequency. • Policyholders are able to select a debit order date of either the 1st or 15th of each month.
Terminal Illness Benefit	<ul style="list-style-type: none"> • Automatically included with the life cover. • Accelerates 50% of the life cover sum assured, if the policyholder is diagnosed with a terminal illness and is likely to die within the next 12 months. • No additional premium.
Immediate Needs Benefit	<ul style="list-style-type: none"> • Automatically included with the life cover. • Accelerates a lump sum of up to R 50 000 of the life cover sum assured within 48 hours on submission of a valid death certificate. • No additional premium.
Cessions	<p>Two types of cessions are available on the life cover:</p> <ul style="list-style-type: none"> • Partial Security Cessions; and • Complete Security Cessions. <p>If a cession has been taken against the life cover, the Immediate Needs Benefit will not be payable while cession is in place.</p>
Surplus Rebate Account	<ul style="list-style-type: none"> • A PPS Provider™ policy qualifies for a Surplus Rebate Account (SRA).

	Optional Rider Benefit
Disability Cover (DISA)	<ul style="list-style-type: none"> • Accelerated benefit, attached to the life cover. • Policyholder may choose whether or not to include it. • Premium pattern is age related. • The full benefit will be payable in the event that the policyholder satisfies the disability criteria. • Limited to a maximum of 100% of the life cover sum assured. • Cover will cease if a policyholder changes occupation to one not eligible for PPS membership. • OSRB disability is available at an additional premium <p>Whole of life cover</p> <ul style="list-style-type: none"> • Disability cover ceases at age 66. <p>Term life cover</p> <p>Disability cover will cease when the term life cover to which it is attached expires. Therefore the term of the disability cover will end either:</p> <ul style="list-style-type: none"> • at the end of the fixed term, or • at age 66.
	Student Policyholders
Students	<ul style="list-style-type: none"> • Students are defined as individuals who have not attained age 30 and are undertaking an acceptable course of study, as defined by PPS Insurance. • Maximum age at entry is 29. <p>Life Cover</p> <ul style="list-style-type: none"> • Minimum – R 100 000 (minimum of R 25 000 if 100 units of ordinary benefit was taken out) • Maximum – R 200 000 <p>Disability cover</p> <ul style="list-style-type: none"> • Minimum – R 12 500 • Maximum – R 200 000 <p>Automatic conversion from student policyholder status when the policyholder attains age 30 (and qualifies for PPS membership).</p> <p>Voluntary conversion options available before age 30 when the student policyholder qualifies for PPS membership.</p>

FEATURES OF THE PROFESSIONAL LIFE PROVIDER

- Life and disability cover will reduce the financial impact, on policyholders or their beneficiaries, in the event of the disablement or death of the policyholder.
- Policyholders with life and disability cover are not restricted in terms of travel or residence.
- No loadings or exclusions are applied to policyholders who are involved in hazardous pursuits, for example extreme sports like scuba diving, climbing and flying.
- In today's world careers are changeable, people move between jobs and industries more than before. The PPS Professional Life Provider™ provides ongoing life cover for an individual who ceases to be a member of his/her professional organisation or for someone who changes their occupation and no longer practices their qualified profession.
- The policyholder can select the term of life cover required and has the option to convert to whole of life cover. Conversion from term life cover to whole of life cover is free of underwriting. Thus the product provides cover that is flexible enough to match the policyholder's changing circumstances.
- The Terminal Illness Benefit is available to assist the policyholder when diagnosed with a terminal illness (as defined by PPS Insurance) and is expected to die within 12 months. It is automatically included with the life cover and no additional premium is paid for it.
- The Immediate Needs Benefit, of up to R 50 000, will alleviate the financial strain experienced by beneficiaries in the event of the death of the policyholder. This benefit can be used for a number of immediate expenses e.g. funeral costs, daily living costs, other financial obligations. This benefit is included at no additional premium.
- Disability cover (DISA) protects individuals against the risk of becoming permanently unable to perform duties of their chosen profession by providing a lump sum payout. A lump sum payout allows an individual to settle debts immediately and pay for any lifestyle changes the disability may require e.g. modified motor vehicle.
- OSRB disability gives the client the added benefit to receive a payout based on own nominated occupation
- A policyholder with a PPS Provider™ policy automatically qualifies for a Surplus Rebate Account.
- Students can purchase life cover with lower minimum benefit limits, ensuring that in the event of the student's death money is paid to his/ her beneficiaries to settle student loans and other debts and thereby reducing the financial burden on family and beneficiaries. Students are able to use their life cover as collateral for a loans e.g. car finance.

ANNEXURE 1

Summary of the main differences between the PPS Life and Disability Assurance Scheme and the PPS Professional Life Provider™

	PPS Life Assurance and DISA Scheme	PPS Professional Life Provider™
Eligibility	<ul style="list-style-type: none"> • PPS Eligibility criteria • Linked to SPPI and amount of life cover is limited by the number of Ordinary Units of Benefit held by the policyholder. 	<ul style="list-style-type: none"> • PPS Eligibility criteria • Stand-alone benefit i.e. not linked to SPPI.
Term	<p>The term of the cover is until the earliest of the following dates, either:</p> <ul style="list-style-type: none"> • the 1st January after the policyholder has turned 65; and • the date on which the policyholder turns 71 if policyholder had taken up the Continuation of Cover option; and • the 1st January after the policyholder has stopped holding Ordinary Units of Benefit. 	<p>Policyholders can choose between:</p> <ul style="list-style-type: none"> • term life cover to age 66; or • term life cover, where the term is a whole number of years, is more than one year and will expire before age 66; or • whole of life cover. <p>Policyholder may convert from term to whole of life, life cover.</p>
Maximum Entry Ages	<ul style="list-style-type: none"> • 55 	<ul style="list-style-type: none"> • 74 – Whole of Life • 60 – Term
Maximum Cover	<ul style="list-style-type: none"> • 400 X Ordinary Units of Benefit, subject to a maximum R14 079 906. 	<p>All benefit limits are subject to financial underwriting:</p> <ul style="list-style-type: none"> • 18 – 35 age next: 25 x GPI* • 36 – 40 age next: 23 x GPI* • 41 – 45 age next: 20 x GPI* • 46 – 50 age next: 18 x GPI* • Over 50 age next: 15 x GPI* <p>*subject to a maximum of R 14 079 906</p> <p>Aggregated over all life cover with PPS Insurance, excluding Business Provider cover.</p>
Premium Patterns	<ul style="list-style-type: none"> • Premiums determined with respect to age as at 31 December previous year and increase annually per age category. 	<p>Whole of Life</p> <ul style="list-style-type: none"> • PPS Whole Life premium pattern <p>Term</p> <ul style="list-style-type: none"> • Age related



	PPS Life Assurance and DISA Scheme	PPS Professional Life Provider™
Change in Occupation	<ul style="list-style-type: none"> Cover will cease if a member stops practising his/her qualified profession or changes his/her occupation to one not eligible for PPS membership. 	<p>In the event that the policyholder changes his/ her occupation to one not eligible for PPS membership or stops practising his/her qualified profession:</p> <ul style="list-style-type: none"> Life cover will not cease; however The policyholder cannot increase the life cover sum assured; and Disability cover and OSRB disability will cease.
Cessions	<ul style="list-style-type: none"> Collateral cessions permitted, against the full amount of life cover. 	<p>Two types of cessions are available:</p> <ul style="list-style-type: none"> Partial Security Cessions Complete Security Cessions
Terminal Illness & Immediate Needs Benefit	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Accelerated benefits automatically included with the life cover at no additional premium.
Rider Benefits		
Disability Cover (DISA)	<ul style="list-style-type: none"> Premiums are age related as at 31 December the previous year. Maximum entry age is 50. 	<ul style="list-style-type: none"> The premium pattern is age related. Maximum Entry age is 60. OSRB disability available at additional premium.

ANNEXURE 3 UNDERWRITING REQUIREMENTS

Sum assured	Ages < 40	Ages 41 -45	Ages 46 -50	Ages 51 and over
Up to R1.5million	HIV	HIV	HIV GPMR Random Cholesterol/HDL	HIV GPMR Random Cholesterol/HDL
R1.500 001 to R2 million	HIV	HIV Random cholesterol/HDL	HIV GPMR Random cholesterol/HDL Random Glucose	HIV GPMR Random cholesterol/HDL GGT Random Glucose
R2.000 001 to R 3 million	HIV Random cholesterol/ HDL	HIV Random cholesterol/HDL GGT Random glucose	HIV GPMR Random cholesterol/HDL Random glucose GGT	HIV GPMR R/E ECG Random cholesterol/HDL GGT Random glucose
R3.000 001to R5 million	HIV Random cholesterol/HDL Random glucose	HIV GPMR Random cholesterol/HDL Random glucose GGT	HIV GPMR Random Cholesterol/HDL GGT Random glucose R/E ECG	HIV GPMR Random Cholesterol/HDL LFT's ie: GGT/AST/ALT Random glucose R/E ECG
R5 million +	HIV GPMR Random: cholesterol /HDL LFT's i.e.: GGT/AST/ALT Random glucose	HIV GPMR Random: Cholesterol /HDL LFT's i.e.: GGT/AST/ALT Random glucose	HIV GPMR Random: Cholesterol /HDL LFT's i.e.: GGT/AST/ALT Random glucose R/E ECG	HIV GPMR Random: Cholesterol /HDL LFT's ie: GGT/AST/ALT Random glucose R/E ECG

Call for requirements per application form.

Application form	Requirement	Rule
PPS Provider™ Policy Application form	Standard medical requirements (document sent on 16/04/2007)	Mandatory
	ID	Mandatory (first application only)
	Proof of Qualification	Mandatory (first application only)
	Replacement form	If Section B5 has been completed as YES
	Description occupation other than in profession the policyholder is qualified	If Section A4 question 6 is answered YES
	Proof of income	If GPI exceeds R1.2 million
	Financial Questionnaire	If Life Cover or DISA is above the maximum sum assured allowed. Max Life Cover: R 14 079 906 Max DISA Cover: R 14 079 906
PPS Membership Application form	ID	Mandatory
	Proof of Qualification	Mandatory
	Proof of registration of Association	Optional
	Proof of residence	Optional
Student Application for PPS Provider™ Policy	ID	Mandatory (first application only)
	Proof of registration at Tertiary Institution	Optional (but need to get it)
Option form for Graduate Enhancer Benefit: PPS Provider™ Policy	Proof of Qualification	Mandatory



INSURANCE FOR
PROFESSIONALS