

“An investment in knowledge pays the best interest.”

Benjamin Franklin

TERMS AND CONDITIONS: YALU CREDIT LIFE INSURANCE PLAN

The Yalu Credit Life Insurance Plan (“the Plan”) is subject to the terms, conditions and exclusions set out in this document. This document explains how the Plan works. You must keep this document in a safe place. You are only covered for the benefits applicable to your chosen plan as per your Plan Schedule. Your Plan Schedule is part of the Plan.

1. Who is the insurer?

The Plan is insured by Old Mutual Alternative Risk Transfer Limited (“OMART”). OMART is a registered long-term insurer as per the Long-term Insurance Act. Any reference to “we, us, our, ourselves” in this document shall mean OMART or Yalu acting on OMART’s behalf, as the case may be.

2. Who is insured under the Plan?

The person(s) as specified in the Plan Schedule (the “Policyholder Name” or “Policyholder Names”). For the purposes of this document the Policyholder Name(s) will be referred to as “you, your, yourself”.

3. What are you insured for?

In the event of your **Death** or if you become **Permanently Disabled** while you are insured under the Plan, we will settle the outstanding balance of the Covered Credit Facility, as at the date of the Covered Event. For personal and student loans, this balance is limited to the Facility Outstanding Amount, as specified in the Plan Schedule. In the case of credit card debt and revolving loans, this balance is limited to the outstanding amount owing on your credit facility as at the date of the covered event.

If you qualify and have been given Retrenchment cover in the Plan Schedule, and if you are **Retrenched** during the period of insurance, we will pay according to the rules in the Plan Schedule, the minimum monthly instalment of the Covered Credit Facility. We will pay the amounts on the due dates of the instalments, after a period of 30 consecutive days of you not receiving an income because of your retrenchment. A maximum of 2 (two) claims for Retrenchment will be allowed, subject to a maximum of 12 monthly instalments being paid over the lifetime of the Plan, provided that the claim is not related to the same Retrenchment or not with the same employer or within 6 months of the last payment of the last claim.

If you become **Temporarily Disabled** during the period of insurance, we will pay according to the rules in the Plan Schedule, the minimum monthly instalment of the Covered Credit Facility. We will pay the amounts on the due dates of the instalments, after a period of 30 consecutive days of:

- You not receiving an income, or
- You being unable to meet the obligations under the Covered Credit Facility, or
- If you are a pensioner or unemployed, you being unable to continuously perform at least 3 Activities of Daily Living, because of your temporary disability.

A maximum of 2 (two) claims for Temporary Disability will be allowed, subject to a maximum of 12 monthly instalments being paid over the lifetime of the

Plan, provided that the claim is not related to the same Temporary Disability.

We are entitled to request confirmation of your employment or medical status as we deem fit at any time in any form to confirm your continued unemployment or temporary disablement.

We will cover any **Other Benefit** you had with your previous insurer, according to the terms and conditions and exclusions of that Previous Policy that was cancelled immediately after taking up the Plan.

Definitions related to what you are insured for:

“Covered Credit Facility” refers to either a personal loan, student loan, revolving loan or credit card facility.

“Previous Policy” means the credit life policy issued by a long-term insurer registered with the Prudential Authority (PA), that provided life insurance cover in respect of the Covered Credit Facility, and was immediately cancelled after the inception of the Plan. You are required to produce the policy schedule and its detailed terms and conditions when submitting a claim.

“Disability or Disabled” means your total incapability, in our reasonable opinion, based on medical evidence, due to injury or illness to engage for remuneration or profit in the occupation you had on the date you became disabled.

If you are a pensioner or unemployed, **“Disability or Disabled”** means due to injury or illness, your inability to continuously perform (aided or unaided) at least 3 of the following Activities of Daily Living:

- Feeding – Inability to chew and swallow solid food and requires liquid meals or tube feeding.
- Washing – Inability to wash the upper body and face without assistance or supervision.
- Dressing – Inability to independently put on any clothing items.
- Continence – Complete incontinence that requires an indwelling catheter or wearing of nappies.
- Transfer – Inability to transfer independently from a bed to a chair.
- Walking – Total inability to walk five steps independently.
- Stairs – Total inability to negotiate three consecutive steps.
- Telephone – Unable to operate or use the telephone under any circumstances.
- Transport – Unable to travel at all, either as a driver or passenger, by own transport or public transport.

Disability can either be:

- **“Permanent or Permanently”** – Disability must be permanent and continuous; or
- **“Temporary or Temporarily”** – Disability must be temporary for more than 30 consecutive days but shall exclude Permanent Disability.

“Retrenchment” means your forced termination from employment under section 189 and/or 189A of the Labour Relations Act, in respect of adverse business conditions, the liquidation of the company, the introduction of new technology and/or the re-organisation of the business resulting in staff reductions. You shall be regarded as retrenched for as long as you remain

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Underwritten by Old Mutual Alternative Risk Transfer Limited (OMART), a registered Long-Term Insurer.

unemployed. A retrenchment under s189/189A of the Labour Relations Act, is subject to your employment with a Company incorporated and registered in accordance with the Company Laws of the Republic of South Africa.

Any arrear amounts (arrear instalments or interest on arrear instalments or any arrear fees or charges) that became payable by you before the date of your Death, Permanent or Temporary Disability or Retrenchment will not be paid by us.

4. What are the exclusions (when will you not be covered)?

We will not pay any amount, including benefits or refund of premiums, on: **Death, Permanent or Temporary Disability if the claim is a result of:**

- The abuse of alcohol, drugs or narcotics;
- Wilful self-inflicted injury;
- Suicide within the first 12 months after the commencement of the Plan;
- Active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, insurrection, rebellion revolution, civil commotion or uprisings, military power;
- The use of nuclear, biological or chemical weapons, or any radioactive contamination;
- Participation in criminal activities;
- Participation in hazardous activities such as mountain climbing, bungee jumping and speed racing; or
- Any pre-existing condition you were aware of that affected you in the 12 months preceding the commencement of cover under the Plan, which condition was not disclosed by you at the time the credit life insurance was applied for despite being explicitly requested to make such disclosure.

Retrenchment if the claim is a result of:

- Retrenchment or termination of employment occurs within the first 3 months after the commencement of cover of the Plan. If the Previous Policy you had cancelled immediately after taking up the Plan was in force for more than 3 consecutive months and you were covered for retrenchment, this exclusion will not apply;
- Lawful dismissal, including dismissal as a result of wilful misconduct that is a violation of some established, definite rule of conduct, a forbidden act, wilful dereliction of duty or misconduct;
- Voluntary forfeiture of salary, wages, or other employment income;
- Voluntary retrenchment or termination of employment;
- Resignation;
- Retirement;
- Participation in an unprotected strike;
- Retrenchment of which you were aware of or received notice of during the 3 months preceding the date on which the Plan commenced. If the Previous Policy you had cancelled immediately after taking up the Plan was in force for more than 3 consecutive months and you were covered for retrenchment, this exclusion will not apply; or
- You are either self-employed, or employed within a family-owned business, or are a fixed term contractor, or a partner in a partnership, or a member of a close corporation or a shareholding director of a company.

Any covered event if:

- The terms and conditions of the Plan are not met; or
- Any information provided upon taking out the Plan, or updating any of the Plan details or the submission of a claim is materially incorrect, fraudulent, misrepresented or omitted. We also reserve our rights to recover any amount paid on a claim, which later transpires to have been a fraudulent claim.

5. When does the insurance cover and Plan start?

The Plan and your cover starts (the "Start Date") on the day the Plan was taken out, as indicated in the Plan Schedule. You must at minimum be 18 years of age and at maximum be 60 years of age when starting the Plan.

6. When does the cover and Plan end?

The Plan and all cover ends:

- When the outstanding obligations under the Covered Credit Facility are settled;

- When the Plan is cancelled;
- When you miss three consecutive premium payments on the Plan;
- When you institute reverses on three consecutive premium debit orders;
- When you turn 70 years of age, excluding Disability and Retrenchment in which case those benefits end when you turn 65 years of age;
- On the date of your Death; or
- When a claim is paid on your Permanent Disability

Cancellation: Either party can cancel the Plan telephonically or in writing by giving a 31 days' notice. You may cancel the Plan at any time. You may have to provide a replacement insurance policy in terms of the Covered Credit Facility if you want to cancel the Plan.

31-day cooling-off period: If you change your mind and want to cancel the Plan within 31 days of taking it out and if no claim was made on the Plan, we will refund any premiums you have paid. If you want to cancel after this date, you'll lose any premiums paid.

7. What is the premium for the Plan?

Your monthly premium will be calculated as shown in the Plan Schedule. We will attempt to deduct your premium on the debit order date you've selected, but we may track your bank account and deduct on another day.

8. How and when to make a claim?

Notification and submission: The claimant (you, a family member, or appointed executor) must notify us of a claim as soon as possible after the event, but no later than 12 months after the claim event occurring. If the claimant doesn't do this, we shall not be liable to pay any benefits under the Plan for such claim. Notification can be done telephonically or by e-mail at Tel: 010 880 0857; E-mail: claims@yalu.co.za.

Documentation: The claimant can request claim forms, documentation or information from us by using the contact details provided above. The claimant must provide us with all documents, reports and information necessary to assess the claim. We reserve the right to request any additional information, in order to verify or process the claim, which must be provided at the claimant's cost.

Conditions: If you submitted any Disability claim under the Plan, you have the obligation to undergo reasonable medical treatment by appropriate medical specialists. (We reserve the right to request a second opinion from a medical practitioner of our choice at our own expense). The medical practitioner's report will be final and binding.

If OMART rejects your claim: You have 90 calendar days to lodge your objection in writing. OMART will reassess your claim based on any representations made in support of your request for a review and advise you of our final decision in writing. OMART shall be relieved of liability and a claim shall be deemed to have prescribed should summons not have been served on OMART within a period of 180 calendar days of your receipt of the final decision. This 180 calendar day period is in addition to the 90 calendar days referred to above.

9. General terms and conditions

The Plan does not have any surrender or paid up value. Money cannot be borrowed against the Plan and no money will be paid out if the Plan is cancelled. The Plan may not be used as security for a loan other than the Covered Credit Facility.

You may increase and decrease your Facility Limits on the Covered Credit Facility. If your Facility Limit increases, the cover in excess of previous facility limits will be subject to the Exclusions in clause 4 above. All amendments made to the Plan require written confirmation thereof, in order to validate the said amendments.

We may collect information periodically from you directly or from any third parties (including but not limited to ASISA, Astute, Home Affairs and credit bureaus etc.) for underwriting, issuing of policies, assessment of claims and all other insurance related purposes.

Reviews: We have the right to change the Plan, its terms and conditions and/or premiums for any reason including changes in legislation or other rules applicable to the Plan. We will notify you via SMS, email or any other means within 31 days of any such change being implemented. Any legal issues will be decided in accordance with South African Law.

It is your obligation to accurately disclose all material facts. You remain responsible for the accuracy and completeness of all answers, statements or other information provided by you or on behalf of you. Misrepresentation, non-disclosure of a material fact or an incorrect or inaccurate statement or information by you or on your behalf is likely to have materially affected OMART's ability to assess the risk under this policy at the time of issue and may lead to the rejection of a claim or the cancellation of the Plan and no refund of any premiums.

We may immediately cancel the Plan or place it on hold, refuse any transaction or instructions, or any other action that we consider necessary in order to comply with laws and prevent or stop undesirable or criminal activity.

You are entitled to a copy or written or printed record of the Plan and any transaction requirement upon your request.

Financial Advice: Because of the nature of the Plan and the fact that it only applies to the Covered Credit Facility, Yalu has not done a complete financial analysis about your risk profile and financial needs. You should make sure that the Plan meets your needs and that you have all the information you need to make a decision. If you are unsure, you need to speak to your financial adviser.

Accuracy: If Yalu completes or submits any transaction requirement on your behalf, you must be satisfied as to the accuracy and completeness of the details.

10. The Insurer

OMART, registration number 1997/008994/06, is a registered long-term insurer; with its offices at Mutualpark, Jan Smuts Drive, Pinelands. The Insurer is a member of the Old Mutual Group. The Insurer's Compliance Officer can be contacted at 021 509 2191.

11. Regulatory Disclosures

Financial Services Provider: Yalu Financial Services (Pty) Ltd ("Yalu"), company registration number 2017/091303/07, is an authorised financial services provider (FSP). FSP Number: 48495, licensed by the Financial Sector Conduct Authority (FSCA) to provide long-term insurance products in categories A, B1 and B1-A. Yalu's Compliance Officer can be contacted on compliance@yalu.co.za.

Yalu's business details are:

- Physical Address: Atholl Towers, 129 Patricia Road, Sandown, 2031
- Postal Address: Atholl Towers, 129 Patricia Road, Sandown, 2031
- Website: www.yalu.co.za
- Tel: 010 880 0857

Yalu does not hold any interest in OMART. Yalu is OMART's representative authorised to market and sell the Plan. Yalu receives more than 30% of its total remuneration from OMART. Yalu sales consultants earn a salary and a percentage of remuneration. The monthly remuneration paid by OMART will not exceed 3.25 times the monthly premium in regard of the Plan. Yalu acts as administrator of the Plan under a binder contract with OMART and collects a binder fee for services rendered on the Plan. A binder fee of 9% of the total monthly premium is payable to Yalu. All fees are included in the monthly premium.

Yalu holds professional indemnity and fidelity insurance cover.

Our consultants who do not meet the full Fit and Proper Requirements as defined by the Financial Advisory and Intermediary Services Act (FAIS), render services under management supervision. Yalu takes responsibility for the actions of the representatives relating to the rendering of a financial service.

Cell Captive arrangement: Yalu is one of OMART's preference shareholders, which means Yalu shares in profits and losses that result from the insurance

business generated by Yalu. In the insurance industry, this is called a cell captive arrangement. As OMART's representative, Yalu markets and sells policies such as yours, in return for remuneration from OMART. Yalu does not market or sell the policies of another insurer.

The Yalu contract: Your contract consists of your application, Plan Schedule and these Terms and Conditions. The Plan is underwritten by OMART, which means that OMART is responsible for paying valid claims under the Plan. Yalu markets, distributes and assists holder of policies, such as your Plan, issued through Yalu. Your agreement to pay the monthly premium in return for cover is with OMART.

Financial Advice: Yalu is an authorised FSP; marketing, distributing and servicing long-term insurance products underwritten by OMART. Yalu does not provide financial advice as defined by FAIS. The Yalu insurance calculator offers you an opportunity to consider your financial commitments. This does not constitute advice.

Premium Payment: Yalu facilitates the collection of your premium on behalf of OMART. You agree that you will pay the premium on the specified date(s) and authorise OMART to debit your bank account using the bank account or bank card information provided in your application. We will attempt to deduct your premium on the debit order date you've selected, but we may track your bank account and deduct on another day. Premiums will be payable monthly in arrears from the start date of the Plan, and your obligation to pay a monthly premium will continue as long as the Plan is in effect. Should you fail to pay any premium due or reverse a debit order, you will be granted a period of 1 (one) month to pay your policy up to date. Should you neglect to pay arrear premiums within the grace period, you will no longer be covered.

Personal Information: We respect your privacy and take great care to protect the confidential information you give us; we will deal with it in a lawful manner. We will not share your personal information with any third party except if it is required to do so in the ordinary course of business, or where required by law, or with your consent. We don't like spam and we won't sell your details to anyone for their marketing purposes. We may collect and process certain personal information for communication and administrative purposes. Collection and processing of this information will help us give you better service and create products tailored to meet your needs. By accepting the terms and conditions, you consent to the sharing of your information and any additional information provided pertaining to your beneficiaries. We take measures to ensure that our third parties keep your information confidential and protected. For more information on our processing activities, please refer to our Privacy Policy on www.yalu.co.za.

12. Complaints procedures

Plan, Claim or Claim Process Complaints: If you have any complaint about the Plan, a claim, or the claim process, please contact Yalu on Tel: 010 880 0857; E-mail: complaints@yalu.co.za. You can contact Yalu's compliance officer on E-mail: compliance@yalu.co.za. The Compliance Officer deals with issues relating to Yalu's FAIS compliance. You can contact OMART on OMARTcomplaints@oldmutual.com.

Unresolved Complaints: If we still dispute or reject your claim and you are not satisfied with the reasons provided for such rejection or if you have any unresolved dispute about the Plan, you may refer the matter to the **Ombudsman for Long Term Insurance**; post: Private Bag X45, Claremont, Cape Town, 7735; fax number: 021-674-0951; telephone number: 021-657-5000 or 0860-103-236; email: info@ombud.co.za; website: www.ombud.co.za.

If after you have contacted Yalu and you have any unresolved dispute about the financial service provided to you, you may refer the matter to the **Ombudsman for Financial Services Providers**; post: P. O. Box 74571, Lynwood Ridge, 0040; fax number: 012-348-3447 or 012-470-9097 or 086-764-1422; telephone number: 012-762-5000 or 012-470-9080; email: info@faisombud.co.za; website: www.faisombud.co.za.