

momentum

Income disability
benefit policy



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Income disability benefit policy

Policy No: CJS-DI1

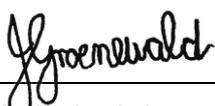
A local authority who is a participant in the LA Retirement Fund

This revised policy is effective from **1 July 2018**.

This revised policy replaces the LA Retirement Fund Income Continuation Benefit Scheme issued on 8 June 2009; and all endorsements thereto.

This policy is operated by Momentum Corporate Sector, a division of MMI Group Limited. MMI Group Limited is an authorised Financial Services Provider.

Momentum undertakes on payment of the stipulated premiums to provide Benefits in respect of the Members in accordance with the conditions of this policy.

A handwritten signature in black ink, appearing to read "J. Groenewald".

Authorised signatory for MMI Group Limited

Signed on 12 July 2018

Contents

| | Page |
|--|-------------|
| 1. About this policy document | 6 |
| 1.1. Introduction | 6 |
| 1.2. Definitions used in this policy | 6 |
| 1.3. Policy document and alterations | 12 |
| 1.4. Benefits not transferrable | 12 |
| 1.5. Surrender value | 12 |
| 1.6. Termination of policy | 12 |
| 2. Conditions for provision of Cover | 14 |
| 2.1. Eligibility for Membership | 14 |
| 2.2. Actively at work | 15 |
| 2.3. Temporary absence | 16 |
| 2.4. Automatic Acceptance Limit | 16 |
| 2.5. Accident Cover | 17 |
| 2.6. Special conditions for pilots and drivers | 19 |
| 2.7. Pre-existing conditions | 19 |
| 2.8. Exclusions | 21 |
| 2.9. Cessation of Cover | 21 |
| 3. Disability Benefit | 23 |
| 3.1. Setting the Date of Disablement | 23 |
| 3.2. Commencement and payment of Benefit | 23 |
| 3.3. Benefit escalations | 24 |
| 3.4. Requirement to submit to regular assessment | 24 |
| 3.5. Cessation of Benefit | 25 |
| 3.6. Recurrent Disability | 26 |



| | |
|---|-----------|
| 4. Reduced Benefits | 27 |
| 4.1. Partial Disability | 27 |
| 4.2. Reduced Benefit due to earnings | 27 |
| 4.3. Maximum Benefit | 28 |
| 4.4. Aggregation | 28 |
| 5. Additional Benefits | 29 |
| 5.1. Contribution waiver | 29 |
| 5.2. Rehabilitation | 29 |
| 5.3. Recovery bonus | 31 |
| 5.4. Survivor Benefit | 31 |
| 6. Continuation option | 32 |
| 6.1. Availability | 32 |
| 6.2. Individual policy conditions | 32 |
| 6.3. Availability on termination of this policy | 33 |
| 6.4. Total Disablement during option period | 33 |
| 7. Administration | 34 |
| 7.1. Provision of information | 34 |
| 7.2. Fraud and dishonesty | 35 |
| 7.3. Submitting claims | 35 |
| 7.4. Claim assessment | 36 |
| 7.5. Payment of premiums | 36 |
| 7.6. Premium rate | 37 |
| 7.7. Currency and law | 37 |
| 7.8. Address and communications | 37 |
| 7.9. Decisions not a precedent | 38 |
| 7.10. Disputes | 38 |





1. About this policy document

1.1. Introduction

- 1.1.1. This policy is underwritten by MMI Group Limited (registration number 1904/002186/06), an authorised financial services provider (FSP 6406). Momentum is a division of MMI Group Limited, and operates this policy as part of MMI Group Limited. Any reference to Momentum in this policy refers not only to Momentum as an operating division, but also to MMI Group Limited, the insurer of this policy.
- 1.1.2. Momentum will pay the Benefits set out in this policy and in return, the Policyholder will pay the required premiums.

1.2. Definitions used in this policy

- 1.2.1. In this policy, certain words and expressions have specific meanings assigned to them and they have the same meaning throughout the policy.
- 1.2.2. Capital letters are used to show where a defined word or expression is used in the policy with the meaning listed below.
- 1.2.3. **Accident** means an event that leads to the involuntary bodily injury of a Member solely through accidental, violent, external, visible and tangible means.
- 1.2.4. **Automatic Acceptance Limit** means the amount specified as such by Momentum from time to time.
- 1.2.5. **Benefit** means, subject to the terms and conditions of this policy, an amount that is payable in terms of this policy on the Member's Disability.
- 1.2.6. **Claimant** means a Member in respect of whom a Disability claim has been admitted and a Benefit is being paid.
- 1.2.7. **Commencement Date** means the date specified as such in the Schedule.



- 1.2.8. **Cover** means the cover effected by the Policyholder to secure the Benefit provided in terms of this policy, which includes the contribution waiver, if any.
- 1.2.9. **CPI** means the Consumer Price Index for the historical metropolitan areas as notified by Statistics South Africa. (The CPI is an economic indicator that reflects the change in the prices of consumer goods and services.)
- 1.2.10. **Current Earnings** means:
- 1.2.10.1. during the Initial Period, the Claimant's Gross Income from his current employment, or if he is not employed, the Gross Income that Momentum determines he could reasonably be expected to earn in the job he was routinely performing just before the Date of Disablement with his Employer, including any reasonable adaptations that the Employer can make to his duties or circumstances to accommodate his disability or any other reasonably suitable job that his Employer can offer him and that is available;
 - 1.2.10.2. after the Initial Period, the Claimant's Gross Income from his current employment, or the Gross Income that Momentum determines he could reasonably be expected to earn in the open labour market in the occupation that he was performing immediately prior to his Date of Disablement or in any other occupation that he is (or could become) qualified for or suited to, taking into account his degree of Disability, knowledge, training, education, ability and experience.
- 1.2.11. **Date of Disablement** means the date determined by Momentum in terms of clause 3.1 (Setting the Date of Disablement).
- 1.2.12. **Disability Benefit** means, subject to the terms and conditions of this policy, an amount equal to the Disability Benefit specified in the Schedule. Depending on the context, Disability Benefit could also refer to a reduced, restricted or partial Disability Benefit.
- 1.2.13. **Disabled** means Totally Disabled or Partially Disabled. Disability and Disablement will have corresponding meanings.



- 1.2.14. **Eligible Employee** means a full-time employee in Service who meets the eligibility conditions of the Fund and has applied for and was accepted as a member of the Fund as set out in the Schedule. Full-time working directors can also be Eligible Employees. An employee's entry qualifications may be waived if the Policyholder and Momentum so agree in writing.
- 1.2.15. **Employer** means the party designated as such in the Schedule.
- 1.2.16. **Entry Date** means the Commencement Date for all Eligible Employees existing at the Commencement Date and means the first day of employment for new Eligible Employees entering into the employment of the Employer after the Commencement Date.
- 1.2.17. **Fund** means the LA Retirement Fund.
- 1.2.18. **Gross Income** means the total monthly amount paid by the Member's employer to or in respect of the Member, as a result of the Member's employment and as part of his total remuneration.

The Policyholder must advise Momentum in writing of the Gross Income for all Members. If this amount has not been advised to Momentum or the amount is not accepted by Momentum for the purposes of this policy, annual Gross Income for each Member will be calculated as Salary multiplied by 1,25.

The annual Gross Income of a Disabled Member at Date of Disablement will be the annual equivalent of his monthly Gross Income at his Date of Disablement, or the Gross Income the Member earned during the 12 month period up to his Date of Disablement, whichever is the greater.

- 1.2.19. **Inflation Rate** means the change in the CPI of the relevant month of the current year compared with the CPI of the same month in the previous year, expressed as a percentage (also known as the headline inflation rate). For the purposes of Benefit escalations, the Inflation Rate as it stood three months prior to the actual escalation of the Benefit is applied to ensure timeous payment of the Benefit.
- 1.2.20. **Initial Period** means the period specified in the Schedule, starting on the expiry of the Waiting Period.



1.2.21. **Insurable Maximum** means the Member's annual Gross Income minus an amount calculated by Momentum to approximate tax, divided by 12 to get a monthly equivalent. The income tax tables and primary rebate in force at the effective date of the calculation will be used. No deductions will be taken into account for the purposes of this calculation.

The amount calculated is not affected by the Member's individual tax status or liabilities.

1.2.22. **Medical Evidence Period** means the maximum period during which Accident Cover is provided while medical evidence is being obtained, submitted and considered. The Medical Evidence Period is 90 days for a Member who has previously been required to submit medical evidence in terms of clause 2.4.3, and one year for other Members. The Medical Evidence Period will start on the date Momentum receives notice that Cover is required in excess of the Automatic Acceptance Limit and any higher previously accepted or restricted Cover.

1.2.23. **Member** means an Eligible Employee who is covered under this policy.

1.2.24. **Member Category** means, if applicable, one of the categories specified in the Schedule into which Members are classified.

1.2.25. **Monthly Salary** means one twelfth of a Member's Salary.

1.2.26. **Option Age** means the age specified as such in the Schedule.

1.1.3. **Option Date** means the last day of the month in which a Member attains the Option Age.

1.2.27. **Partially Disabled** means that:

1.2.27.1. during the Initial Period, in the reasonable opinion of Momentum, illness or injury has rendered a Member unable to perform with reasonable continuity more than 75% of the material and substantial duties of:



- (a) the job he was routinely performing just before the Date of Disablement with his Employer, including any reasonable adaptations that the Employer can make to his duties or circumstances to accommodate his disability; or
- (b) any other reasonably suitable job that his Employer can offer him and that is available;

1.2.27.2. after the Initial Period, in the reasonable opinion of Momentum, illness or injury has rendered a Member totally incapable of earning more than 75% of his Previous Earnings by engaging for remuneration or profit in the occupation that he was performing immediately prior to his Date of Disablement or in any other occupation in the open labour market that he is (or could become) qualified for or suited to, taking into account his degree of Disability, knowledge, training, education, ability and experience.

Partial Disability and Partial Disablement will have corresponding meanings.

1.2.28. **Policyholder** means the party designated as such in the Schedule.

1.2.29. **Policy Year** means the period specified as such in the Schedule.

1.2.30. **Previous Earnings** means the Gross Income of the Claimant at the Date of Disablement, adjusted annually by the greater of 75% of the Inflation Rate and the Benefit escalation rate set out in the Schedule, if any.

1.2.31. **Rehabilitation** means a programme of therapy, treatment, training or education intended to alter a Claimant's circumstances by whatever means to the extent that he is no longer disabled, including the provision of specialised equipment and physical adaptations to the Claimant's environment. Momentum has the right to determine the nature, extent and duration of the Rehabilitation. "Rehabilitated" has a corresponding meaning.

1.2.32. **Renewal Date** means the date specified as such in the Schedule.



- 1.2.33. **Salary** means the amount of a Member's gross annual salary that is regarded as pensionable in terms of the Employer's standard practice and that is advised in writing to Momentum by the Policyholder and accepted by Momentum for the purposes of the policy. A Member's Salary for the purposes of this policy may not be more than his actual gross annual salary. The Salary of a Disabled Member is his Salary at his Date of Disablement
- 1.2.34. **Schedule** means the schedule attached to and forming part of this policy.
- 1.2.35. **Service** means uninterrupted, active employment with an Employer for not less than 20 hours per week, subject to the provisions of clause 2.3.
- 1.2.36. **Southern Africa** means the Republic of South Africa, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Zimbabwe.
- 1.2.37. **Termination Age** means the age specified as such in the Schedule.
- 1.2.38. **Termination Date** means the last day of the month in which a Member attains the Termination Age.
- 1.2.39. **Totally Disabled** means that:
- 1.2.39.1. during the Initial Period, in the reasonable opinion of Momentum, illness or injury has rendered a Member unable to perform with reasonable continuity the material and substantial duties of:
- (a) the job he was routinely performing just before the Date of Disablement with his Employer, including any reasonable adaptations that the Employer can make to his duties or circumstances to accommodate his disability; or
- (b) any other reasonably suitable job that his Employer can offer him and that is available;
- 1.2.39.2. after the Initial Period, in the reasonable opinion of Momentum, illness or injury has rendered a Member totally incapable of engaging for remuneration or profit in the occupation that he was performing



immediately prior to his Date of Disablement or in any other occupation in the open labour market that he is (or could become) qualified for or suited to, taking into account his degree of Disability, knowledge, training, education, ability and experience.

Total Disability and Total Disablement will have corresponding meanings.

- 1.2.40. **Waiting Period** means the waiting period specified in the Schedule commencing at the Date of Disablement.

1.3. Policy document and alterations

- 1.3.1. This policy is the entire contract between Momentum and the Policyholder. Any changes to this policy must be in writing and must be signed by an authorised representative of Momentum.
- 1.3.2. This policy may be altered by Momentum on one month's written notice to the Policyholder.

1.4. Benefits not transferrable

- 1.4.1. The Benefits under this policy cannot be transferred, ceded, pledged or assigned in any way.

1.5. Surrender value

- 1.5.1. This policy does not participate in the profits of Momentum and it does not have any surrender value.

1.6. Termination of policy

- 1.6.1. The Policyholder and Momentum may cancel this policy by giving the other party one calendar month's prior written notice.
- 1.6.2. Subject to the provisions of this policy, a Claimant's right to his Benefit will not terminate on termination of this policy. In such a case, payment of the Benefit will continue as if the policy had remained in force.



1.6.3. When this policy terminates, there may be Members who are entitled to submit claims for a Benefit on the basis that their entitlement to such claims arose prior to the date of termination. The Policyholder must provide Momentum with the following details of each of those Members within one month of the termination date of the policy:

1.6.3.1. the Member's name;

1.6.3.2. the date of incident that gave rise to the claim for a Benefit; and

1.6.3.3. the Member's occupation.



2. Conditions for provision of Cover

2.1. Eligibility for Membership

2.1.1. In respect of all new Eligible Employees on or after 1 August 2017, they will automatically be insured as Members under this policy unless they select not to be covered. Electing to be Covered at a later stage is restricted to the events stipulated in clause 2.1.2.3. A Member who joined the scheme at Entry Date will not be allowed to cease his Cover at a later stage.

2.1.2. In respect of all existing Eligible Employees prior to 1 September 2017, but excluding those who joined on or after 1 August 2017:

2.1.2.1. Conversion Members and Risk Benefit Option A and B Members will be insured as Members under this policy; and

2.1.2.2. Risk Benefit Option C and D Members will not be insured as Members under this policy.

2.1.2.3. All Eligible Employees who chose not to be covered will have the option to select Cover, on the following future life events:

- (a) marriage;
- (b) divorce;
- (c) the death of a spouse;
- (d) the birth of a child;
- (e) promotion, or
- (f) the employment contract changes from permanent and full-time Service to a fixed-term contract.



- 2.1.2.4. The application for Cover, together with proof of the life event as decided by Momentum, needs to be provided within three months of the occurrence of the life events listed above.
- 2.1.3. The Cover in respect of a Member will, subject to compliance with clause 2.2 and clause 2.3, commence on his Entry Date.
- 2.1.4. Where an employee becomes a Member by the waiving of any entry condition, then the Cover for such Member will not commence until Momentum has agreed thereto in writing.

2.2. Actively at work

- 2.2.1. On the first working day on which an Eligible Employee's Cover is due to start, the Eligible Employee must be actively at work. This means that the Eligible Employee must be:
 - 2.2.1.1. at work;
 - 2.2.1.2. attending to his normal duties; and
 - 2.2.1.3. capable of attending to the duties for which he is employed.
- 2.2.2. If an Eligible Employee is not actively at work as set out above, his Cover will be restricted to Accident Cover only. (Accident Cover is explained in clause 2.5.)
- 2.2.3. If the Member's Cover is restricted to Accident Cover only, his full Cover will only start when:
 - 2.2.3.1. the Member submits evidence of his good health and insurability satisfactory to Momentum; or
 - 2.2.3.2. the Member completes eight weeks of Service without absence.
- 2.2.4. If a Member's Cover increases because of a change in the Benefit structure or an increase in his Salary, the restrictions and Accident Cover set out above will also apply from the date that his Cover is due to increase. The restrictions and Accident Cover will only apply to the amount of the increase, and not to the Member's existing Cover.



- 2.2.5. If the actively at work clause waiver is required in terms of the Schedule, the restrictions set out above will not apply to Cover that is less than the cover that a Member enjoyed immediately prior to the Commencement Date under a previous group disability income benefit policy effected by the Employer for the benefit of employees. Any Cover over this amount is subject to the actively at work requirements.

2.3. Temporary absence

- 2.3.1. Should a Member be temporarily absent from the Service of the Employer, the Member may, at Momentum's discretion, continue to be Covered at the level he enjoyed immediately before his absence, subject to the following conditions:
- 2.3.1.1. the Policyholder must notify Momentum of the absence of the Member from Service in writing;
 - 2.3.1.2. the Member must remain employed by the Employer; and
 - 2.3.1.3. premiums must continue to be paid based on the Member's previous Cover levels even if the Member is receiving reduced or no remuneration during his absence.
- 2.3.2. This continued Cover is granted for a maximum period of:
- 2.3.2.1. six months if the Member's absence is related to ill health or disability; or
 - 2.3.2.2. twelve months if the Member's absence is for other reasons.
- 2.3.3. The Policyholder can ask Momentum to Cover a Member who is absent from Service for longer periods. If Momentum agrees to this, it will confirm its agreement and any additional conditions in writing to the Policyholder.

2.4. Automatic Acceptance Limit

- 2.4.1. In respect of all existing Eligible Employees prior to 1 August 2017 with:
- 2.4.1.1. Risk Benefit Option A, B, and E, no evidence of health and insurability is required, and



- 2.4.1.2. Risk Benefit Option C and D, evidence of health and insurability will be required if they do select to be covered.
- 2.4.2. Momentum will from time to time determine an Automatic Acceptance Limit for Cover granted under this policy. No evidence of health and insurability is required in respect of Cover for an amount less than or equal to the Automatic Acceptance Limit.
- 2.4.3. A Member's Cover in excess of the Automatic Acceptance Limit will only be granted on acceptance by Momentum of evidence of the Member's good health and insurability, which will include disclosure of any hazardous activities that the Member participates in. If the evidence is not acceptable to Momentum, the excess Cover may be granted subject to special terms and conditions, extra premiums or a combination of both, or declined.
- 2.4.4. Where the Member's Cover is limited to the Automatic Acceptance Limit or to an amount previously agreed to by Momentum, the Cover in respect of any contribution waiver that may be payable under this policy will be reduced in the same proportion as the total Disability Benefit Cover.
- 2.4.5. Momentum will pay the reasonable cost of providing the evidence of good health and insurability as envisaged in this clause.

2.5. Accident Cover

- 2.5.1. Accident Cover is provided by Momentum in the following circumstances:
 - 2.5.1.1. during a Member's Medical Evidence Period;
 - 2.5.1.2. where a Member's Cover is delayed because he has not met the Actively at Work requirements.
- 2.5.2. For Accident Cover provided during the Member's Medical Evidence Period:
 - 2.5.2.1. the amount of Accident Cover provided is the Member's required Cover in excess of the Automatic Acceptance Limit;



- 2.5.2.2. the Accident Cover will cease on the expiry of the Medical Evidence Period or once the Policyholder has been notified that the additional Cover required has been declined, accepted or re-negotiated, whichever happens first.
- 2.5.3. For Accident Cover provided because the Member has not met the Actively at Work requirements:
 - 2.5.3.1. the amount of Accident Cover provided is the Member's full potential Cover or the increase in the Member's potential Cover, as the case may be;
 - 2.5.3.2. the Accident Cover will cease when the Member submits evidence of his good health and insurability satisfactory to Momentum or completes eight weeks of Service without absence.
- 2.5.4. This Accident Cover is limited to claims resulting from an Accident where the Member's Date of Disablement occurs within 180 days of the Accident.
- 2.5.5. The Accident Cover is provided at the current premium rate applied to Cover granted under this policy.
- 2.5.6. In addition to the exclusions set out in clause 2.8, no Accident Cover is payable in respect of claims arising wholly, or partly, directly or indirectly as a consequence of:
 - 2.5.6.1. attempted suicide or any self-inflicted injury, whether the Member is sane or insane, and whether by his own hand or not, or by the hands of justice;
 - 2.5.6.2. excessive use of intoxicating liquor, wilful inhalation of gas or taking of poisons, drugs or narcotics (except under proper medical direction);
 - 2.5.6.3. any violation of the criminal law by the Member, or any event occurring whilst the Member is in violation of the criminal law;
 - 2.5.6.4. participation in any type of aviation or airborne pursuit anywhere in any capacity, except as a passenger travelling solely for the purpose of transport:



- (a) in a registered passenger aircraft owned and operated by a licensed airline or air-transport company and flown by a pilot holding a commercial pilot's licence on a recognised route between licensed airfields, or
- (b) in a military passenger aircraft from one airfield to another.

2.6. Special conditions for pilots and drivers

- 2.6.1. If a Member is required to have a valid pilot's or driver's licence for his employment, the Member will not automatically be regarded as Disabled if the Member has lost this licence.
- 2.6.2. In deciding if a Member is Disabled, Momentum will take into account the fact that the Member has lost his licence where this is on medical grounds relevant to the Member's ability to perform his occupation. Momentum must be satisfied, based on the medical evidence provided, that the loss of licence or the failure to reinstate the licence is justifiable on medical grounds.
- 2.6.3. Momentum will only take into account the loss of licence where the loss is as a result of illness or injury. Momentum will not consider any loss of licence related to the abuse of drugs or alcohol or where the loss of licence is the result of the Member not following reasonable medical advice or taking reasonable steps to ensure that his licence is not revoked or withheld.

2.7. Pre-existing conditions

- 2.7.1. No Benefit is payable under this policy if a Member has a pre-existing condition. A Member will be regarded as having a pre-existing condition if, during the first 12 months following the new Member's Entry Date, in the opinion of Momentum, the Member is Disabled as a result of any illness, injury or condition that the Member knew about, or could reasonably be expected to have known about or was diagnosed with or was treated for, or displayed symptoms of within the six months prior to the Member's Entry Date.



- 2.7.2. Where a Member's Benefit increases due to a change in the Benefit structure, the amount of the Benefit attributable to the increase in Cover will not be paid in respect of the Member, if:
- 2.7.2.1. he is Disabled during the 12 month period immediately following the change in Benefit structure; and
 - 2.7.2.2. his Disability, in the opinion of Momentum, arises from any illness, injury or condition that the Member knew about or could reasonably be expected to have known about or was diagnosed with or was treated for or displayed symptoms of within the six months prior to the effective date of the change in Benefit structure.
- 2.7.3. If the pre-existing condition clause waiver is required in terms of the Schedule, then a Member who has a pre-existing condition, but who was covered immediately before the Commencement Date under a similar group income disability benefit policy taken out by the Employer for the benefit of employees, will be Covered up to a maximum of the amount of the cover that was granted by the previous insurer to the Member without restrictions or loadings. The pre-existing condition exclusion set out in clause 2.7.1 will then not apply to the Member.
- 2.7.4. if Disabled which arises directly or indirectly from or is traceable to a condition for which the Member was being treated, or about which he knew or could reasonably be expected to know, or about which he sought medical advice in the six months before his Commencement Date and the Date of Disablement occurs within 12 months of his Commencement Date, provided that this provision shall not apply to a Member who submits proof of insurability for the benefit in terms of this policy to the satisfaction of Momentum after his Commencement Date.

The above will be waived for existing Risk Benefit Option A, B and E Members as at 1 September 2017. The above will not be waived for new Risk Benefit Option C and D Members as at 1 August 2017.



2.8. Exclusions

2.8.1. No Benefit is payable for a Member if the claim is in any direct or indirect way caused by, related to, or a result of:

2.8.1.1. any nuclear reaction or nuclear radiation;

2.8.1.2. active participation in war, invasion, act of foreign enemy, hostilities or warlike operations (whether war has been declared or not), civil war, military uprising, military or usurped power, martial law, insurrection, rebellion or revolution;

2.8.1.3. active participation in any mutiny, riot or civil commotion that assumes the proportions of or amounts to a popular uprising;

2.8.1.4. active participation in any act of terrorism or action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism, even if there are other causes or events that contribute to the claim at any stage. In this policy terrorism means an act, the threat of an act, or any preparation for an act:

- (a) that may or may not involve violence or the use of force by any person or group (whether they are acting alone or on behalf of or in connection with any organisation, regime or any constitutional or practicing government); and
- (b) that is, or appears to be, intended to intimidate, harm or influence any government, the public, or a section of the public, or to disrupt any segment of the economy; and
- (c) that from its nature or context is or appears to be done in connection with political, social, religious, ideological or similar causes or objectives.

2.9. Cessation of Cover

2.9.1. A Member's Cover will cease on the earliest of the following:



- 2.9.1.1. the admission of a claim for a Benefit in respect of the Member;
 - 2.9.1.2. the absence of the Member from Southern Africa for a period of 12 months (unless Momentum decides to extend this period at its sole discretion);
 - 2.9.1.3. the Member ceasing to be a member of the Fund;
 - 2.9.1.4. cessation of Service, unless the Member remains Covered under clause 2.3;
 - 2.9.1.5. the Member reaching Termination Date;
 - 2.9.1.6. the Member's death;
 - 2.9.1.7. cessation of payment of premiums, subject to clause 7.5;
 - 2.9.1.8. termination of this policy by Momentum or the Policyholder.
- 2.9.2. Absences from Southern Africa that are separated by less than six consecutive weeks are added together to determine whether or not the 12 month period in clause 2.9.1.2 has elapsed.



3. Disability Benefit

3.1. Setting the Date of Disablement

- 3.1.1. Momentum will determine the date on which the Member was last capable of fulfilling his normal employment duties and this is referred to as the Date of Disablement.
- 3.1.2. When determining the Date of Disablement, Momentum will take into account:
 - 3.1.2.1. objective medical evidence;
 - 3.1.2.2. the definition of Disablement in this policy;
 - 3.1.2.3. the Member's work history; and
 - 3.1.2.4. the Member's normal employment duties.
- 3.1.3. If a Member's employment duties were changed to accommodate his disability and he has been capably performing these duties for six months or more, these are regarded as his normal employment duties.

3.2. Commencement and payment of Benefit

- 3.2.1. Momentum will, subject to the provisions of this policy, on the admission of a claim, pay the Benefit after the expiry of the Waiting Period. No claim will accrue before the expiry of the Waiting Period.
- 3.2.2. A claim in terms of this policy will only be admitted if the Member provides evidence, to the satisfaction of Momentum, that he suffered uninterrupted Disablement throughout the whole of the Waiting Period.
- 3.2.3. If the payback option is required in terms of the Schedule, any Benefit payable in respect of the Waiting Period will only accrue upon the expiry of the Waiting Period.



- 3.2.4. Where the payback option is required in terms of the Schedule, the first Benefit payment will include an amount equal to the monthly Disability Benefit and contribution waiver specified in the Schedule, multiplied by the number of months in the Waiting Period. This amount is payable to the Policyholder or such other person as the Policyholder may direct.
- 3.2.5. Payment of the Benefit is made monthly in arrears and will commence on the last day of the month during which the Waiting Period expires. Any payment in respect of a portion of a month is made pro rata.
- 3.2.6. The Disability Benefit is paid by Momentum to the Claimant, whether or not the Claimant remains in Service. Momentum will not make any deductions from the benefit other than the required Member contribution as required by the Fund. The Member contribution will be added to the contribution waiver and paid as recorded in clause 5.1.3. The Policyholder can also ask Momentum to make the payment directly to the Policyholder.
- 3.2.7. The contribution waiver is payable in terms of clause 5.1.
- 3.2.8. No Benefit is payable in respect of a Member under this policy if the Date of Disablement occurs before the Entry Date, after the Termination Date, or after the date of termination of the policy.

3.3. Benefit escalations

- 3.3.1. If required in terms of the Schedule, a Claimant's Benefit (including any contribution waiver) will be increased each year on the anniversary of the commencement of payment of the Benefit, at the Benefit escalation rate set out in the Schedule.

3.4. Requirement to submit to regular assessment

- 3.4.1. The onus is on the Member to submit medical evidence in order to substantiate his entitlement to a Benefit. Momentum does not pay the cost of providing this evidence. Momentum will however pay the cost of any additional assessment or medical evidence it asks for to establish entitlement to a Benefit. If these costs are incurred outside South



Africa, Momentum will only pay the reasonable equivalent cost of obtaining the requested information in South Africa.

- 3.4.2. A Claimant is required to submit to medical and other assessments at regular intervals, as may reasonably be required by Momentum, to establish his continued entitlement to a Benefit, or to a Benefit at the level at which it is being paid. Momentum will pay the cost of any medical assessment or medical evidence it asks for under this clause. If these costs are incurred outside South Africa, Momentum will only pay the reasonable equivalent cost of obtaining the requested information in South Africa.
- 3.4.3. Should a Claimant fail to submit to medical examinations or provide Momentum with information requested in terms of the policy, Momentum is entitled, at its sole discretion, to deem the Claimant to be no longer Disabled or to suspend the Claimant's Benefit for up to 12 months. After the 12 month suspension period, if the Claimant has still not submitted to the required medical examinations or provided Momentum with the requested information, Momentum is entitled to terminate the Claimant's Benefit.
- 3.4.4. Momentum is entitled to reduce, suspend or terminate a Claimant's Benefit depending upon the outcome of the assessments. Notice of Momentum's determination of the outcome of the assessment must be conveyed to the Policyholder.
- 3.4.5. Notwithstanding anything to the contrary contained in this policy, the availability of job opportunities is not taken into account for the purposes of assessing a Member's or a Claimant's entitlement to a Benefit.
- 3.4.6. A Member or Claimant may at his own expense be required to provide Momentum with adequate financial records and documentary evidence as is reasonably necessary to determine the level of the Benefit payable. The Member will also be required to submit completed claim statements to the satisfaction of Momentum as well as his signed consent for Momentum to obtain any information that Momentum may reasonably require in order to assess his Disability claim.

3.5. Cessation of Benefit

- 3.5.1. The Benefit payments in respect of a Claimant will cease on the date of the happening of the earliest of the following:



- 3.5.1.1. his ceasing to be deemed Disabled by Momentum;
 - 3.5.1.2. his failing to reasonably comply with his Rehabilitation agreement;
 - 3.5.1.3. his living outside of Southern Africa for 12 consecutive months, unless Momentum decides otherwise at its sole discretion;
 - 3.5.1.4. his reaching the Termination Date;
 - 3.5.1.5. his death.
- 3.5.2. Upon acceptance of a Benefit, the Claimant is entitled to the Benefit irrespective of the winding up, cessation of business or deregistration of the Policyholder.

3.6. Recurrent Disability

- 3.6.1. Payment of a Benefit that has ceased due to a Claimant's recovery will recommence with no Waiting Period if:
- 3.6.1.1. the Member becomes Disabled within 90 days after the cessation of the Benefit, and
 - 3.6.1.2. Momentum deems both the current and the earlier Disablement to have resulted from the same cause.



4. Reduced Benefits

4.1. Partial Disability

4.1.1. If a Member is not Totally Disabled, but is Partially Disabled, a partial Benefit is payable.

4.1.2. The partial Benefit is calculated using the following formula:

$$\frac{\text{full Benefit x (Previous Earnings – Current Earnings)}}{\text{Previous Earnings}}$$

4.1.3. At any stage after the payment of a Claimant's Benefit has commenced, Momentum is entitled to assess whether the Claimant is still Disabled. Should Momentum, on the basis of objective medical or financial evidence, regard the Claimant as no longer Disabled, the Benefit will cease.

4.2. Reduced Benefit due to earnings

4.2.1. If a Claimant engages for remuneration or profit in any occupation or acquires an earned income at any stage, his Benefit will be proportionately reduced, provided he is still Disabled.

4.2.2. The reduced Benefit is determined using the following formula:

$$\frac{\text{full Benefit x (Previous Earnings – Current Earnings)}}{\text{Previous Earnings}}$$

4.2.3. If the activities of a Claimant lead Momentum to believe that the Claimant is engaging for remuneration or profit in any occupation at any stage and information required by Momentum in terms of this policy has not been provided to the satisfaction of Momentum, the Claimant's Benefit will be reduced, suspended or terminated.



4.3. Maximum Benefit

- 4.3.1. The sum of the Disability Benefit and any waiver Benefit is limited to the Member's Insurable Maximum.

4.4. Aggregation

- 4.4.1. Momentum will limit any Benefit payable in respect of a Claimant if the Claimant is in receipt of an insured disability income benefit from another source.
- 4.4.2. The Benefit will be reduced so that the total benefit received by the Claimant in a month does not exceed the maximum Benefit that would have been payable to the Claimant under this policy.
- 4.4.3. Where the Claimant's Benefit is limited in terms of the above, Momentum will review the Benefit on each anniversary of the Date of Disablement, to take into account the effects of inflation.
- 4.4.4. Any Benefit not paid to a Claimant under these limitations, may be used in such a manner as may be agreed between Momentum and the Policyholder, subject to any fiscal requirements that may be applicable.



5. Additional Benefits

5.1. Contribution waiver

- 5.1.1. If required in terms of the Schedule, the Cover of each Member will be increased by an amount that approximates the Employer's monthly contribution or a portion thereof in respect of such Member towards retirement funding and other insurance expenses.
- 5.1.2. The amount of the contribution waiver must be agreed between the Policyholder and Momentum and recorded in the Schedule.
- 5.1.3. On a Member's Disablement, the contribution waiver is payable to the Fund who is responsible for the distribution of the contribution waiver towards retirement fund contributions and other risk expenses on behalf of the Claimant.
- 5.1.4. Should the Claimant's membership of the retirement fund cease, or should the Policyholder so direct, the contribution waiver will be paid on behalf of the Claimant to an approved retirement annuity fund in the Claimant's name.
- 5.1.5. The contribution waiver will cease when the Claimant's Disability Benefit ceases.
- 5.1.6. The contribution waiver is reduced proportionately where a reduced or restricted Benefit becomes payable in terms of this policy.

5.2. Rehabilitation

- 5.2.1. If, in the opinion of Momentum, a Claimant is capable of being fully or partially Rehabilitated, the Claimant is required to enter into a written undertaking agreeing to his Rehabilitation.
- 5.2.2. If the Claimant does not agree to Rehabilitation, or at any stage fails to comply with the terms or conditions of his Rehabilitation agreement, Momentum may decline the claim, terminate or suspend the Claimant's Benefit, or adjust the Claimant's Benefit as appropriate based on the expected outcome of the Rehabilitation.



- 5.2.3. The Rehabilitation of a Claimant will not commence until the Claimant has signed a written Rehabilitation agreement.
- 5.2.4. The costs of the Rehabilitation are paid by Momentum directly to the party providing or facilitating the Claimant's Rehabilitation, but will not include any costs that are covered by a registered medical scheme in which the Claimant participates.
- 5.2.5. The Rehabilitation costs payable by Momentum per Claimant are subject to a maximum of 24 times the Claimant's Benefit payable immediately prior to the date on which the Rehabilitation agreement is signed. However, if the Rehabilitation is being provided to a Claimant in respect of substance abuse or psychological conditions, the maximum costs payable by Momentum will be reduced from 24 to six times the Claimant's Benefit.
- 5.2.6. Momentum may, at its sole discretion, and taking into account the nature and extent of a Member's illness or injury, consider it appropriate for a Member who is not in receipt of a Benefit to undergo Rehabilitation, in which event, the provisions of clause 5.2 will apply to such Member.
- 5.2.7. The Rehabilitation and the payment of the Rehabilitation costs by Momentum will cease on the happening of any of the following events:
- 5.2.7.1. the completion of the Rehabilitation programme;
 - 5.2.7.2. the successful Rehabilitation of the Claimant as determined by Momentum in its sole discretion;
 - 5.2.7.3. a Claimant failing to comply with the requirements of the Rehabilitation agreement or the requirements of the party facilitating or providing the Rehabilitation;
 - 5.2.7.4. the party or parties providing or facilitating a Claimant's Rehabilitation ceasing to provide or facilitate such Rehabilitation for whatever reason;
 - 5.2.7.5. Momentum, at its sole discretion, deciding that the Claimant's Rehabilitation is no longer or is unlikely to be effective;
 - 5.2.7.6. the Claimant's Benefit ceasing.



5.3. Recovery bonus

- 5.3.1. A recovery bonus is payable if a Member successfully completes a Rehabilitation programme and returns to work.
- 5.3.2. To qualify for the recovery bonus, the Member's Benefit must have ceased and the Member must have been back at work for a period of at least six continuous months during the 12 month period since his Benefit ceased.
- 5.3.3. The recovery bonus is an amount equal to three times the Member's last Disability Benefit before the Member returned to work.
- 5.3.4. The recovery bonus is payable to the Policyholder or such other person as the Policyholder may direct, and will only be payable once in respect of any Member.

5.4. Survivor Benefit

- 5.4.1. On the death of a Claimant, a monthly survivor Benefit is payable to the deceased Claimant's dependants as determined by the Fund and in such equitable proportions as the Policyholder may direct.
- 5.4.2. The survivor Benefit will consist of the payment of an additional three months of the Benefit, unless the Benefit would have ceased earlier in terms of the policy had the Claimant not died.
- 5.4.3. If any overpayments have been made in respect of a Claimant, the survivor Benefit will be reduced by any overpayments.
- 5.4.4. To qualify for the payment of a survivor Benefit, the claim and all the information and documentation required by Momentum must be supplied to Momentum within six months of the Claimant's death.



6. Continuation option

6.1. Availability

- 6.1.1. If required in terms of the Schedule, a Member whose Cover ceases on or before the attainment of the Option Date for any reason other than retirement, has the option to effect an individual policy with Momentum.
- 6.1.2. Momentum will offer the Member the option to effect the individual policy type from its current Myriad product range that, in the opinion of Momentum, is best suited to replace the Cover provided under this policy.
- 6.1.3. To effect the individual policy, the Member must do so in writing within 90 days of the termination of his employment.

6.2. Individual policy conditions

- 6.2.1. No evidence of insurability is required for the individual policy. A Member can however choose to provide a voluntary cotinine test to obtain non-smoker rates.
- 6.2.2. The maximum cover available under such an individual policy is the Cover granted free of restrictions or special terms under this policy.
- 6.2.3. Any Cover granted subject to special terms and restrictions under this policy may be granted by Momentum under the individual policy, but then all special terms and restrictions that apply to this policy will apply under the individual policy as well.
- 6.2.4. The individual policy issued by Momentum is subject to the restrictions specified in this Continuation Option clause as well as any other terms and conditions that may be applied by Momentum to the type of cover provided under the individual policy. The individual policy is subject to Momentum Myriad's terms, conditions, minimum premiums and benefit levels and might provide cover that is not identical to the existing group Cover.



- 6.2.5. If this option has been previously exercised by a Member, or if a similar option has been exercised by the Member under any policy issued by Momentum in connection with an arrangement of the Employer for the benefit of employees, and the individual policy effected in terms of such option is still in force, Momentum may at its discretion reduce the cover under the individual policy to be effected, by the amount of cover under the individual policy previously issued.

6.3. Availability on termination of this policy

- 6.3.1. A Member who satisfies the conditions of clause 6.1, provided that his employment with his Employer need not have terminated, may effect an individual policy on termination of this policy provided that his Cover is not being, or to be, continued under any new or revised arrangement of the Employer.
- 6.3.2. For such a Member, the provisions of clauses 6.2 and 6.4 will also apply.
- 6.3.3. To effect the individual policy, the Member must do so in writing within 90 days of the termination of this policy.

6.4. Total Disablement during option period

- 6.4.1. If the Member becomes Totally Disabled within 31 days of the Cover ceasing but before beginning an individual policy in terms of this option, Momentum will pay an amount equal to the maximum cover that the Member could have chosen without any restrictions or special terms under an individual life policy.
- 6.4.2. This amount is paid to the Member.



7. Administration

7.1. Provision of information

- 7.1.1. The Policyholder must provide Momentum with all the Member information it requires on a monthly basis, including Member names, identity numbers, salary details, categories, classifications and all other information needed by Momentum to perform its obligations under this policy.
- 7.1.2. In addition, the Policyholder must provide any information requested by Momentum that Momentum considers relevant to the determination of Cover, Benefits and premiums in terms of this policy.
- 7.1.3. If Momentum does not receive any information within six weeks of requesting it, Momentum will give the Policyholder two weeks' notice of its intention to terminate services and Cover.
- 7.1.4. Momentum will keep records of the Member information supplied by the Policyholder.
- 7.1.5. Momentum must have satisfactory proof of a Member's date of birth before any Benefit is paid for that Member. If Momentum was previously notified of an incorrect date of birth for a Member, Momentum will adjust the Member's Cover or retrospectively re-calculate the premiums payable for that Member, if appropriate. If any re-calculated premiums are not paid by the Policyholder to Momentum within 30 days of Momentum's request to do so, the Member's Cover will be adjusted appropriately instead.
- 7.1.6. Momentum is entitled, at all reasonable times, to inspect or request copies of the payrolls and other records of the Employer relevant to the Cover, Benefits and premiums under this policy. Momentum may request that any information provided is validated or certified by an auditor.
- 7.1.7. Momentum is not liable to any person in respect of any misrepresentations, errors or omissions contained in the information provided to Momentum by the Policyholder.



7.2. Fraud and dishonesty

- 7.2.1. Momentum is not liable for any claim if the Policyholder, Member, Claimant or Employer commit any act of dishonesty or fraud in relation to this policy.
- 7.2.2. Momentum can investigate any circumstances where it suspects dishonest or fraudulent behaviour. Such investigation may include, but is not limited to, the use of photographs, video and other recordings or documents that may be used as evidence for the purposes of the investigation, subject to the rules governing the law of evidence.
- 7.2.3. Depending on the outcome of the investigation, Momentum may terminate, suspend or adjust a Claimant's Benefit as appropriate in accordance with the relevant provisions of the policy. Notice of Momentum's determination of the outcome of the investigation must be conveyed to the Policyholder.

7.3. Submitting claims

- 7.3.1. The Policyholder should notify Momentum as soon as possible of any potential claim or of any occurrence that could lead to a claim.
- 7.3.2. Formal written notification of a claim, including all claim documents and medical evidence, must be lodged with Momentum within three months immediately following the last day during which the Member was at work attending to all his normal duties, failing which, the claim will not be admitted.
- 7.3.3. The Member must, at its own cost, provide Momentum with all the initial information and assessments required by Momentum in order to adequately assess the claim, failing which the claim will not be admitted.
- 7.3.4. Should Momentum request any additional information or supporting documents over and above the standard, prescribed requirements, these must be provided to Momentum within six months of the Member's Date of Disablement.
- 7.3.5. All claim requirements and supporting documents must be in English.



7.4. Claim assessment

- 7.4.1. Momentum will assess a claim within a reasonable time of receiving it, but has no obligation to admit or reject any claim before the expiry of the Waiting Period.
- 7.4.2. On admission of the claim, and on the satisfaction of the provisions of this policy, Momentum will pay the Benefit to the Claimant or such other person as the Policyholder may direct in accordance with the provisions of this policy.
- 7.4.3. Unless Momentum agrees otherwise in writing, no claim will be paid before the expiry of the Waiting Period.
- 7.4.4. In order for a claim to be admitted, premiums in respect of a Member's Cover must be paid during the Waiting Period. If this policy terminates during a Member's Waiting Period, the premiums in respect of his Cover for the balance of the Waiting Period must be paid in advance on the date of termination.
- 7.4.5. Momentum is entitled to call for any medical or other evidence at any stage while a Member's claim is being considered, or at any relevant time thereafter. Any such evidence submitted must be as comprehensive as is required by Momentum and must be satisfactory to Momentum in all respects.
- 7.4.6. The Member must, at his own expense, undergo reasonable medical treatment by appropriate medical specialists if it could have the effect of alleviating or improving the impairment or disability that led to the claim. This could include taking medication and undergoing non-invasive surgical procedures, but will exclude any treatment or procedure regarded as experimental or unproven, or that would entail an unreasonable danger or threat to the Member's life. If the Member does not comply with this requirement, Momentum may decline the Disability claim, or terminate, suspend or adjust the Benefit, as appropriate.

7.5. Payment of premiums

- 7.5.1. Premiums are payable monthly in arrears on the last day of the month.



- 7.5.2. At the end of each Policy Year Momentum will compare the premiums due for the Cover with the premiums paid during the Policy Year. Any amount under or overpaid must be paid by the Policyholder to Momentum or refunded by Momentum to the Policyholder, as the case may be. The premiums due for the Cover are determined in accordance with Momentum's standard census method, or on such other basis as agreed in writing by Momentum and the Policyholder.
- 7.5.3. A period of grace of 30 days is allowed for payment of the premiums.
- 7.5.4. If Momentum does not receive the full amount of premiums due within the period of grace, no Benefits will be paid, no claims will accrue and all Cover will cease from the last date in respect of which the full amount of premiums has been paid, unless it is agreed otherwise by Momentum in writing.
- 7.5.5. Momentum is entitled to charge the Policyholder interest on any overdue premium at the most recent call interest rate charged by First National Bank for the period from the expiry of the period of grace to the date of payment of the overdue premium.

7.6. Premium rate

- 7.6.1. Momentum has the right to alter the premium rates at any time during any Policy Year upon one month's prior written notice to the Policyholder.

7.7. Currency and law

- 7.7.1. All amounts payable in terms of this policy, either to or by Momentum, are payable in the lawful currency of the Republic of South Africa at the registered office of Momentum. Any question of law arising under this policy will be decided according to the laws of the Republic of South Africa.

7.8. Address and communications

- 7.8.1. Momentum and the Policyholder will choose a physical address for legal notices related to this policy. Their chosen addresses are set out in the Schedule.



7.8.2. Either party may change its address by giving written notice of the new physical address to the other party. Until receipt of such amended address, the last notified address will remain in force and of effect.

7.8.3. All communications in connection with this policy must be in writing.

7.9. Decisions not a precedent

7.9.1. If Momentum or any other party waives or relaxes any conditions or rights under this policy, this is not a precedent or an alteration of the policy terms in any way.

7.10. Disputes

7.10.1. Disputes that arise out of the interpretation or implementation of this policy are referred to the Ombudsman for Long-Term Insurance for resolution.

7.10.2. Nothing in this policy prevents any party to this agreement from applying for urgent or interdictory relief.



Schedule

This Schedule must be read in conjunction with, and forms an integral part of, the Income Disability Benefit Policy, Policy Number CJS-DI1, issued to the Policyholder listed hereunder.

| | | |
|--------------------------------|---|---|
| Actively at work waiver clause | : | Not required |
| Benefit escalation | : | Required |
| Benefit escalation rate | : | The lesser of 7% per annum and the Inflation Rate |
| Commencement Date | : | 1 July 2002 |
| Continuation option | : | Required |
| Contribution waiver | : | 18% of Monthly Salary, less the cost of the Benefit, subject to a maximum contribution waiver of R50 000 per month |
| Disability Benefit | : | A monthly payment of 75% of Monthly Salary subject to a maximum Disability Benefit of R200 000 per month The Disability Benefit is limited to the Member's Insurable Maximum |
| Employer | : | A local authority who is a participant in the LA Retirement Fund |
| Entry qualifications | : | All Eligible Employees who have not attained the Termination Age and who are members of the Fund |
| Initial Period | : | 24 months |
| Member Categories | : | Risk Benefit Option A, B, C and D Member shall mean an eligible Member who is classified as option A, B, C and D Member in terms of the rules of the Fund |



Conversion Member shall mean an eligible Member who converted from defined benefit to defined contribution on or after 1 August 2014, or such later conversion date chosen by the Employer and who as part of the conversion elected, or was defaulted to Risk Benefit Option E

| | | |
|--------------------------------------|--------------|--|
| Option Age | : | 60 years |
| Payback option | : | Not required |
| Physical address | | |
| | Momentum | : 268 West Avenue, Centurion, 0157 |
| | Policyholder | : Belmont Office Park, Twist Street, Bellville, 7535 |
| Policyholder | : | A local authority who is a participant in the LA Retirement Fund, who will hold this policy on behalf of the Members |
| Policy Year | : | 1 July to 30 June |
| Pre-existing condition clause waiver | : | Not required |
| Renewal Date | : | 1 July |
| Termination Age | : | 65 years |
| Waiting Period | : | 3 months |

