BUSINESS RULES – GROUP SCHEMES

The following rules will apply to all groups administered in the Siyavika as Cell Captive and Underwriting Managers of Guardrisk Life Limited.

1. NEW BUSINESS:- QUOTATION AND MASTER POLICIES
   a. Terms and conditions of group scheme must be accepted by the group principal in writing.
   b. As soon as the terms and conditions have been accepted, the group scheme may, for practical reasons, commence on the agreed-upon effective date, irrespective of whether a master policy has been finalized.
   c. A master policy must be finalized within a maximum of 30 days after the effective date and must be signed by both parties.
   d. Dependent children who reach the age of 21 (twenty one) years will automatically be deleted from family cover unless proof of full student up to the age of 25 (twenty five) can be provided or permanent disability.

2. NUMBER OF POLICIES PER MEMBER
   a. Within Siyavika an insured life may not be insured under more than 2 (two) group schemes.
   b. An insured life may be covered as a Main Member as well as an Dependent or Extended Member on another policy under the same group scheme as long as the maximum cover is not exceeded.
   c. A member may not hold more than one policy as Main Member in any one group scheme.
   d. No insured life may enjoy more than R60 000 cover in total under all Insured policies. This fact is to be disclosed to the client at application date and must be verified by the system prior to the acceptance of any policy.

3. APPLICATION FORMS
   a. The application form forms the basis of the policy contract and must always be properly completed and signed by the applicant (main member).
   b. Completed application forms shall be submitted within 2 (two) months from the date of signature by the client.
   c. Application forms should comply with all legislation requirements.

4. TRANSFER OF MEMBERS BETWEEN GROUP SCHEMES / INSURER’S
   a. If a member can provide proof of previous, valid and uninterrupted insurance at another long-term insurance company immediately prior to joining a group scheme with Siyavika / Insurer, and a waiting period equivalent in length to that of the group scheme the member is joining, has been completed, no waiting period shall be imposed on the member by Siyavika / Insurer.
   b. A transfer certificate is required from previous Insurer to confirm status of group. This is a huge challenge in our market field.
   c. If the group end his relationship with Siyavika a transfer certificate will be issued and submitted to the new Insurer.
   d. In both cases a copy of the notification letter of new insurer to the policy holders will be required OR Siyavika will inform the clients there off.

5. PAYMENT OF CORRECT PREMIUMS
   a. If a member pays an incorrect premium from application date of the policy, the policy will remain not in force, until the date on which the correct premium is received. Thereafter, any credit will be accounted for to establish the exact inception date.
   b. If a premium is increased on a group scheme and a member continues to pay the “old” premium, the arrear premium will be deducted from the claim amount, should the claim arise within the first month after the effective date of the premium increase.
   c. Should the member continue to pay the “old” premium after a premium increase, and a claim arises any time after the first month after the effective date of the premium increase, the client will be penalized, by applying the following formula to the claim amount:

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6. POLICYHOLDER CERTIFICATES
   a. Each policy holder will be issued with a policy schedule within 30 days after inception of policy within consideration that the first payment has been received.
   b. In the event of a group moving to Siyavika / Insurer from another Long-term Insurer, new policyholder certificates shall be issued to all members of the group.
   c. In the event that a policyholder certificate is re-issued on an existing policy, it must be indicated on the certificate that it is a re-issue of the original, as well as the date on which the original certificate was issued. This is for audit as well as legal purposes. The system will also reflect a tracking of different issue dates.

7. BENEFICIARIES
   a. A nominated beneficiary is compulsory at application stage. If not, proof of direct relationship will be required at claim stage accompanied with an affidavit.
   b. If the same person is nominated as beneficiary on more than three policies, the system must flag the policies and an investigation must be undertaken.
   c. The outcome of the investigation will determine the actions to be taken.

8. STILLBORN CHILDREN
   Benefits will only be payable in respect of stillborn children if the following criteria are met:
   a. The foetus must have attained a minimum gestation period of 26 weeks of pregnancy;
   b. The claim documentation must include a form BI-1663; or
   c. The claims documentation must include a certificate / statement from the attending doctor / gynaecologist / clinic card confirming the pregnancy weeks at termination of the pregnancy.

9. CANCELLATION OF POLICIES
   a. Cancellation of a policy will only be valid if requested by the member in writing and signed by the member.
   b. No refund of premiums will be made in the event of a cancelled policy after grace period has been exceeded.

10. LAPSE RULES
    a. Irrespective of the method of payment, if a client fails to pay a premium on a policy for up to 2 (two) consecutive months, and pays in such arrear premiums, the policy may continue, subject to a 1 (one) month waiting period.
    b. If a client does not pay in the arrear premiums as contemplated in “a” above, the policy may continue, subject to the full original waiting period.
    c. Irrespective of the payment method, if a premium is not received on a policy for 2 (two) consecutive months, the policy will lapse.
    d. Where a policy has lapsed as set out in “c” above, the client will not be able to reinstate the policy, but will have to apply for a new policy or reinstate the existing policy, subject to new waiting periods.
    e. If a client fails to pay 2 (two) monthly premiums in any 12 (twelve) month cycle, the policy shall lapse. After the second failure a written notification shall be sent to the client informing him/her of the possibility of a lapse in the event of another missed payment.

11. DATA REQUIREMENTS
    a. Main Member: The minimum details required in respect of the Main Member shall be:
       i. Full names and surname
       ii. Identity number
       iii. Residential address and postal address if differ from residential address
    b. Dependents: The minimum details required in respect of dependents, including spouse, children and extended family members shall be:
       i. Full names and surname (Initials may provided)
       ii. Identity number (Date of birth where ID is not available). At claim stage will proof of ID be a requirement.
iii. **Relationship**

In the case where the age which has been provided in respect of a child, differs with less than 12 years from that of the mother, more information must be obtained as to the relationship.

c. If a dependent **child is a stepchild**, adopted or foster child, proof must be obtained.

d. In the case of a **newborn** dependent child, the date of birth may be supplied, and will be accepted as valid until the age of three months, after which the full identity number shall be a requirement.

e. **Beneficiaries**: The minimum details required in respect of beneficiaries before any claim shall paid, shall be:

   i. Full names and surname
   
   ii. Identity number
   
   iii. Relationship

f. **Minimum details required in respect of any group shall be:**

   i. Full name and trading name
   
   ii. Registration number, if applicable
   
   iii. FSP license number, if applicable
   
   iv. Correct street and postal address
   
   v. Contact details, i.e. name of contact person as well as telephone numbers

12. **CLAIMS**

a. If doubt exists as to the identity of the deceased or the identity number, a check may be conducted at Home Affairs.

b. Weekly and/or monthly samples to be drawn from “general claims population” and verify with Home Affairs for verification of death and identity.

c. If all normal rules and requirements as to the pay-out of a claim can’t be met, but compelling reasons exist that may make the payment of the claim desirable, e.g. humanitarian grounds, the claim shall be referred to senior management, along with a motivation, for consideration of an **ex gratia** claim.

d. Should a premium not have been paid for up to a maximum of two (2) consecutive months, the following the claimant may apply for considering an ex-gratia payment only if there is humanitarian grounds and proof thereof. The Insurer holds the right to make the final decision of such an application.

13. **AUDIT REQUIREMENTS**

1 **In reference to Administrators (where applicable)**

a. List of active groups for months that would be audited - last three year’s financial books have to be on premises

b. Receipt book

   i. Once calendar months daily/weekly payments in Premium account
   
   ii. That receipt that has not been paid to Premium account has to be explained & audited
   
   iii. Receipt book reference against bank statement - signed off by Compliance Officer / Key Individual
   
   iv. At least three client’s receipts will be copied & checked from the administrators premium account to Siyavika’s premium account & validations data.

c. **Bank Statement**

   i. Proof of payments from the Receipt book to the premium account - reflected on the bank statement
   
   ii. Proof of payment to Siyavika / Insurer with reference to a specific month
   
   iii. Claims paid against claims received & received at Siyavika / Insurer - according to bank statement
   
   iv. Premiums account may not incur any costs for example bank charges - Business account has to incur the costs. If costs are incurred by the premium account - these costs has to be redirected to the business account

d **Contracts / FSP / Agents Registrations**

   i. Copies of all contracts & quotations with the sub-groups
   
   ii. Proof of FSP-numbers of all groups or registration or agency under your FSP
   
   iii. Commission and fees need to be fully transparent to all clients.
   
   iv. Certificates adheres to all legislation requirements especially PPR and FAIS
v. Applications will be checked for signatures, main member, spouse, children & extended members information according to premium

**e  Claims**
   i. Claims paid against claims received & received at Siyavika / Insurer - Claims register will be checked (export from the general claim system).

**f. Following has to balance or explained:**
   i. Payments received by Group
   ii. Payments received by Siyavika / Insurer

2. In reference to Funeral Parlours (not our core business):
   a. **Receipt book**
      i. Once calendar months daily/weekly payment in premium account
      ii. That receipt that has not been paid to the premiums account has to be explained & audited
      iii. Receipt book reference against bank statement - signed of by the Compliance Officer / Key Individual
      iv. At least three client’s receipts will be copied & checked from the administrators premium account to Siyavika / Insurer premium account & validations data

   b. **Bank Statement**
      i. Proof of payments from the Receipt book to the premium account - reflected on the bank statement
      ii. Proof of payment to Siyavika / Insurer with reference to a specific month
      iii. Claims paid against claims received & received at Siyavika / Insurer - according to bank statement
      iv. Premiums account may not incur any costs for example bank charges - Business account has to incur the costs. If costs are incurred by the premium account - these costs has to be redirected to the business account