



DECEMBER 2006
SIMPLIFIED DESCRIPTION OF POLICY



FULL NAME AND CONTACT DETAILS OF INSURER/ LETTERHEAD TO BE SHOWN HERE

HOW THE POLICY WORKS

Before you apply for the policy you must see how it works and be happy with it. This summary tells you in clear and simple language how the policy works. If you want to know more, you can ask your insurance adviser or the insurance company who manages this policy. The name of the insurance company is ABC Insurance Company.

THE BENEFITS

The policy is a funeral insurance policy. It pays Funeral Benefits for Insured Persons. The Insured Persons are the persons named below. If an Insured Person dies and you have paid all the premiums, a cash benefit for funeral expenses will be paid to out. The premiums are the amounts of money you must pay every month for the insurance. The Conditions of the policy that are shown below must be met in order for ABC Insurance Company to pay the benefit.

HOW IT WORKS

- ? You are the person who owns and pays for the policy.
- ? The policy starts on 1 April 2006, called the Start Date.
- ? You pay premiums of R[XXX] each month to ABC Insurance Company.
- ? *[Optional: These premiums will not change for at least 1 year.]*
- ? If one of the Insured Persons dies and all the Conditions are met, his or her Funeral Benefit will then be paid by ABC Insurance Company.
- ? When you apply for the policy, you must say who will receive the benefits if you die. If you say nothing the Funeral Benefit will be paid to *[Optional; your estate]*.
- ? If any other Insured Person (not you) dies, the Funeral Benefit will be paid to you.

Funeral Benefit

When the policy starts, the Insured Persons whose names appear in the list below will receive the Funeral Benefits shown in the list.

<u>Insured Persons</u>	<u>Age</u>	<u>Funeral Benefit</u>
[Name].....	45.....	R 10 000
[Name].....	42.....	R 10 000
[Name].....	18.....	R 5 000
[Name].....	7.....	R 2 500
[Name].....	2.....	R 1 250

Child's Funeral Benefits

[Optional: Only children under age 21 can have a Funeral Benefit from this policy. On a child's 21st birthday, the child's Funeral Benefit will be cancelled.]

[Optional: May add funeral cover up to age 25 if student and may add funeral cover as additional family member.]

If the Insured Person is a child under age 14, the Funeral Benefit will be increased in the future as the child gets older, as shown below:

- If the child is under age 6, the Funeral Benefit will be R1 250,
- On the child's 6th birthday, the Funeral Benefit will be increased to R 2 500,
- On the child's 14th birthday, the Funeral Benefit will be increased to R 5 000,

Once the Child is 14 years old or older, the Funeral Benefit will not change.

Conditions of the Policy

If an Insured Person dies, the Funeral Benefit for that Insured Person will be paid only if the Conditions below are met:

Family Members Only

The Insured Persons must be members of your family. These are: your husband or wife and your children up to age 21. *[Optional: parents, siblings, and maximum number of children?]*

Premiums Must Be Paid

See the special Conditions for Premiums below.

Dying in the First 6 Months from the Start Date:

- If an Insured Person dies from an accident in the first 6 months from the Start Date, the Funeral Benefit will be paid. An accident means something that happens from outside your body or with force, and so quickly that the Insured Person was not prepared for or expecting it. Examples of an accident are a car crash or drowning.
- If an Insured Person dies from an illness in the first 6 months from the Start Date, the Funeral Benefit will **not** be paid. If an Insured Person dies from an illness **after** 6 months from the Start Date, the Funeral Benefit **will** be paid. If a new-born child dies from an illness in the first 6 months, the Funeral Benefit will be paid.
- If an additional Insured Person is named in the policy after the Start Date, the Funeral Benefit will **not** be paid if this person dies from an illness in the first 6 months from the date he or she was named. If this person dies from an illness **after** 6 months from the Start Date, the Funeral Benefit **will** be paid.

Dying in the First 2 Years from the Start Date:

- If an Insured Person commits suicide (kills himself) in the first 2 years from the Start Date or when he or she was named under the policy, the Funeral Benefit will **not** be paid.
- If an Insured Person commits suicide **after** the first 2 years from the Start Date or when he or she was named under the policy the Funeral Benefit **will** be paid.

[Optional: Maximum Funeral Benefit]

A person can have more than 1 policy with ABC Insurance Company, as long as the total Funeral Benefits are not more than RXXXX. If the cover is more than RXXXX, then ABC Insurance Company will pay only RXXXX.]

[Optional: Policy Can Continue after Your Death]

Premiums

Premiums must always be paid every month from the Start Date.

30 days are allowed to pay each premium. If any premium is not paid within the 30 days, the policy will be cancelled and no Funeral Benefit will be paid.

After 1 year from the Start Date, if you have paid all the premiums, you can miss 1 month's premium for each full year you have paid and the policy will not be cancelled.

This means after 1 year from the Start Date, if you have paid all the premiums from the Start Date, you are allowed to pay only 11 premiums in that year instead of 12 premiums. If you miss 2 months' premiums, the policy will be cancelled.

After 2 years from the Start Date, if you have paid all the premiums from the Start Date, you are allowed to miss 2 month's premiums and the policy will not be cancelled. If you miss 3 months' premiums, the policy will be cancelled.

After 2 years from the Start Date, if you have missed 1 premium in the second year, you are allowed to miss another 1 month's premium in the third year and the policy will not be cancelled. If you miss another 2 months' premiums, the policy will be cancelled.

The same applies:

- After 3 years, when you can miss 3 premiums in total from the Start Date;
- After 4 years, when you can miss 4 premiums in total from the Start Date;
- After 5 years, when you can miss 5 premiums in total from the Start Date;
- After paying all the premiums for 6 years or longer from the Start Date, you are allowed to miss 6 months' premiums in total without the policy being cancelled. If you miss 7 months' premiums, the policy will be cancelled.

[Optional: If you claim (see below) a Funeral Benefit when premiums have not been paid as above, the benefit will] be reduced by the premiums you have not paid.]

[Optional: ABC Insurance Company can increase the premium because more people with this type of funeral policy die than was expected. The premium will not change because of Funeral Benefits paid on your policy. If the premium is changed, ABC Insurance Company will tell you [Optional: 30 days] before the premium is increased. If you are not satisfied with the changed

premium, you can then ask ABC Insurance Company to tell you about the other options you have.]

Policy Can Be Reinstated

If the policy is cancelled because the premiums have not been paid, it can be reinstated (started again) at any time in the 3 months from the date it was cancelled. If the policy is reinstated, the missed premiums do not have to be paid. No Funeral Benefit will be paid from the date the policy was cancelled until the policy was reinstated. The policy will have the same Conditions as it had at the Start Date. For example, no Funeral Benefit will be paid in the first 6 months if an Insured Person dies from an illness during this period.

Charges

All charges for this policy are included in the premiums.

The law says how much commission can be paid to insurance advisers for their work. The commission payable to your insurance adviser for this policy is [X]% of the premium. This means the commission will be R [XXX] in the first year.

If your insurance adviser is a representative or agent of ABC Insurance Company, the commission payable can be a little different because the representative can get other benefits that do not come directly from this policy.

How to Claim a Funeral Benefit

If one of the Insured Persons dies, you can claim that person's Funeral Benefit. This means that you must tell ABC Insurance Company as soon as you can or at any time in the [12] months after that person's death to get the benefit. If you do not tell ABC Insurance Company before the [12] months are up, the Funeral Benefit will not be paid. Please contact your insurance adviser for the forms to be filled in or phone ABC Insurance Company's [Customer Care Line].

Early Cancellation – in 30 days

If you have not claimed, you can cancel the policy in the first 30 days from the date you receive the policy. *[Optional: If no benefit was paid you will receive a full refund of all the premiums you have paid]* To cancel, write *[Optional: phone]* to ABC Insurance Company to tell them to do so.

Cancellation – after 30 days

You can cancel this policy at any time by writing *[Optional: phone]* to ABC Insurance Company to tell them to do so. It will take 30 days to cancel the policy.

Replacing an Existing Policy

If you were told to cancel or change a policy that you had before, so you can take this policy, you must be told why this can be bad for you. This can be:

- paying charges twice
- higher premiums because of your age and health
- not being able to insure yourself and the other people insured

- not being able to claim benefits for the first six months of your new policy for sickness
- early cancellation charges on the old policy

Ask your insurance adviser or previous insurance company if you want to know more. If you are not happy with your new policy, you can take Early Cancellation shown above.

FRAUD

If any claim under this policy involves fraud (cheating) or misrepresentation such as telling ABC Insurance Company a wrong age or relationship, the policy may be cancelled with no benefits and no refund of any Premiums.

The Law - Financial Advisory and Intermediary Services Act

Representative's responsibility

ABC Insurance Company is a licensed financial services provider in terms of the law. The licence number is XXXXX. This means that its insurance advisers (representatives or agents) are trained and allowed to give you advice on ABC Insurance Company's products.

Staff responsibility

ABC Insurance Company's staff members, who are not representatives, are allowed to explain how policies work and how things are done at ABC Insurance Company. They are not allowed to give you any advice.

Your Responsibility

You must answer all the questions on the application form correctly. This is your responsibility. If the answers are not correct or if something is missing, the Funeral Benefits may not be paid. If the adviser writes up the application form for you, you must be happy that every statement is correct and complete. You must not sign forms that have not been completed.

Questions or Complaints

If any part of this summary is not the same as the original policy document, the original policy document will be taken as correct.

If you have any questions or complaints about your policy, first talk to your insurance adviser. If you are not satisfied with the answer, contact ABC Insurance Company's [Customer Care Line on XXXXXX or fax XXXXXX]. For a problem that has not been cleared up, contact ABC Insurance Company's Compliance Department at the head office. The contact details are shown at the top of this summary.

[Optional: If you are still not satisfied you can write to:

The ABC Insurance Company Internal Ombudsman

P.O. Box XXXXXX

XXXXXX.]

Then, if the problem is still not fixed and it is about **the advice you were given**, you can write to or phone:

The FAIS Ombudsman

Mr. Charles Pillai

The Ombud for Financial Service Providers

P O Box 74571

LYNWOOD RIDGE 0040

Telephone Numbers (012) 470-9080/99

Facsimile number (012) 348-3447

Sharecall Number 0860 3247 66

If you are still not satisfied, you can write to:

The Long-term Insurance Ombudsman

Private Bag X45

CLAREMONT 7735

Tel: (021) 674-0330

Fax: (021) 674-0951