

CUSTOMER PROTECTION INSURANCE POLICY FOR LOANS

1. INTRODUCTION

Thank you for taking out the RCS Customer Protection Insurance Policy (CPI). The Administrator will be RCS Cards Proprietary Limited (RCS). The Policy is Underwritten by Guardrisk Life Limited (Guardrisk). The CPI Policy contains the following Terms, Conditions, Exceptions and Provisions.

2. INSURING CLAUSE

We agree to pay the Benefits for any Insured Event covered under this policy if-

You have paid Your premium subject to:

- 2.1 the Insured Event happening within the Period of Insurance;
- 2.2 the Event giving rise to that claim is covered in terms of the exclusions, and/or the terms and conditions of this policy;
- 2.3 You providing Us with all the relevant documents that we may require;
- 2.4 The claim is reported within the prescribed period.

3. HOW DO I QUALIFY FOR A POLICY?

- 3.1 You qualify for a CPI policy if:
 - 3.1.1 you have an approved Loan with RCS;
 - 3.1.2 you have a balance owing in terms of your Loan agreement with RCS; and
 - 3.1.3 at the Entry Date of your CPI policy Your maximum age does not exceed seventy-four (74) years.

For your protection CPI cover is offered in terms of the Loan agreement with RCS. You have the right not to take this CPI policy, but then you have to cede an alternate policy to RCS, which policy must have at least the same Benefits as this policy.

4. WHEN WILL COVER START?

Cover will start on the Entry date.

5. DEFINITIONS

- 5.1 "Outstanding Balance" means the balance still owing on the Loan at the time of Your Death, Permanent Total Disability or Retrenchment.
- 5.2 "Administrator" means RCS Cards (Pty) Ltd (Reg. no. 2000/017891/07)
- 5.3 "You" means the Policyholder stated in the Loan agreement.
- 5.4 "We/Us/Our" means the Insurer and Underwriter, Guardrisk Life Ltd (Reg. no. 1999/013922/06).
- 5.5 "Entry Date" means the date that RCS receives your first monthly premium.
- 5.6 "Period of Insurance" means every subsequent month after the Entry Date that We receive Your premium.

6. WHAT IS COVERED?

- 6.1 Death up to the age of 75 years.
- 6.2 Temporary Total Disability up to the age of 65 years.
- 6.3 Permanent Total Disability up to the age of 65 years.
- 6.4 Retrenchment up to the age of 65 years.

7. INSURED EVENTS/BENEFITS PAYABLE

Payment of any Benefit will only be considered or made if You have complied with all the terms and conditions of this policy, and if You or Your representative has complied with all the requirements of the policy condition detailing "How to Make a Claim".

7.1. Death Benefit:

- 7.1.1 If you die from a cause not excluded we will pay to RCS the Outstanding Balance as at the date of death.

7.1.2 When will this policy NOT pay for Death? (Specific Exclusions)

- 7.1.2.1 When you reach the end of the month in which you turn 75 years old.
- 7.1.2.2 Also refer to General Exclusions under section 8.

7.2. Temporary Total Disability (TTD) Benefit:

- 7.2.1.1 If you are a permanent employee, and in Our opinion, temporarily and totally disabled from continuing to work in your normal occupation as a result of an illness/disease or bodily injury, and provided that you are still temporarily and totally disabled after a period of 3 months from the date of the event giving rise to the temporary and total disablement claim, we will pay to RCS the monthly instalments still payable in terms of the Loan for each month or part thereof that You are unable to work, subject to a maximum of 6 months instalments.

- 7.2.1.2 If you are self-employed, and in Our opinion, temporarily and totally disabled from continuing to work in your normal occupation as a result of an illness/disease or bodily injury, and provided that you are still temporarily and totally disabled after a period of 3 months from the date of the event giving rise to the temporary and total disablement claim, we will pay to RCS the monthly instalments still payable in terms of the Loan for each month or part thereof that You are unable to work, subject to a maximum of 12 months instalments.

7.2.2 When will this policy NOT pay for TTD?

- 7.2.2.1 If you have not been employed or earning an income during the 3 months immediately prior to the date of the TTD.
- 7.2.2.2 If the temporary disability is due to pregnancy, childbirth or abortion.

- 7.2.2.3 When you reach the end of the month in which you turn 65 years old.
- 7.2.2.4 If you are permanently employed and have recovered before the 6 months payments have been paid or if you are self-employed and have recovered before the 12 months payments have been made and you are unable to provide proof that You are still eligible for this benefit.
- 7.2.2.5 If as a result of this event You are, in Our opinion, declared to be Permanently Totally Disabled (or you pass away), at which time the Permanent Total Disability benefit (or death benefit) shall become due.
- 7.2.2.6 If You are unable to provide the required proof of your disability.
- 7.2.2.7 Also refer to General Exclusions under section 8.

7.3 Permanent Total Disability (PTD) Benefit:

- 7.3.1 If You are, in Our opinion, deemed to be permanently and totally disabled as a result of illness/disease or bodily injury, and provided that you are still permanently and totally disabled after a period of 3 months from the date of the event giving rise to the permanent and total disablement claim, we will pay to RCS the Outstanding Balance as at the date You are declared to be PTD and boarded from your company (being boarded from one's company means that you are declared medically unfit to carry out your job). For the purpose of this policy, PTD means that You are, in Our opinion, incapable of working for an income or profit in your own occupation or another occupation for which you are or could reasonably be expected to become qualified by knowledge, training, education, ability, age and/or experience.

7.3.2 When will this policy NOT pay for PTD?

- 7.3.2.1 When you reach the end of the month in which you turn 65 years old.
- 7.3.2.2 If you have not been employed or earning an income during the 3 months immediately prior to the Date that You become permanently and totally disabled.
- 7.3.2.3 If suitable proof of your disability is not provided.
- 7.3.2.4 Also refer to General Exclusions under section 8.

7.4. Retrenchment Benefit:

- 7.4.1 If you are retrenched we will pay to RCS the Outstanding Balance as at the date of Your Retrenchment. For the purpose of this policy Retrenchment means Your loss of employment due to the implementation of a staff reduction program by Your employer, reorganisation by Your employer or as a result of the introduction of new technology by Your employer.
- 7.4.2 The payment of any Benefit under this section of the policy is subject to the following Special Conditions:
 - 7.4.2.1 The date of Retrenchment must not fall within the first 3 months from the Entry Date;
 - 7.4.2.2 You may not be self-employed.

7.4.3. When will this policy NOT pay for Retrenchment?

- 7.4.3.1 When you reach the end of the month in which you turn 65 years old.
- 7.4.3.2 If you have not been employed or earning an income during the 3 months immediately prior to the date of your Retrenchment.
- 7.4.3.3 If the Retrenchment arises and is traceable to a strike, labour dispute or industrial action or interaction whether You were participating or not.
- 7.4.3.4 If You resign or choose to accept a voluntary retrenchment or redundancy package, or if you have been aware that your Company was laying off employees at the Entry Date.
- 7.4.3.5 If You had reasonable grounds for believing that you might or would become unemployed, retrenched or redundant in the 6 months prior to the Entry Date.
- 7.4.3.6 If You, prior to the Entry Date of this policy, received one or more verbal or written reprimands or warnings which constituted part of the employer's disciplinary procedures and which leads to or results in Your dismissal.
- 7.4.3.7 If any action taken by You resulted in dismissal in terms of the employer's employment conditions.
- 7.4.3.8 If Your unemployment or retrenchment is due to the expiry of a fixed term contract of employment or if You become self-employed, go on normal or early retirement, or become a partner in a partnership, or a member of a close corporation or a director of a company.
- 7.4.3.9 If the Retrenchment is due to a lawfully constituted authority nationalising, confiscating or commandeering the assets of the employer.
- 7.4.3.10 If You are retrenched from any business where You are a partner, member, director, or where You own a share exceeding 10% of such business.
- 7.4.3.11 If your employment depended on you being in possession of a valid licence (pilot, driver, agent or other) and the loss of employment is due to the loss of the licence by any cause.
- 7.4.3.12 Also refer to General Exclusions under section 8.

8. GENERAL EXCLUSIONS

When will this policy not pay for any benefit across all sections?

- 8.1 We will not pay any Benefit under this policy if, within the first 24 months of this policy, your death or disablement is as a result of or is directly or indirectly traceable to or as a consequence of a serious medical condition, illness, infirmity or disease that you knew about (or should have reasonably known of) before the Entry Date – whether or not you declared this in the application/proposal form at the date of Entry.
- 8.2 We will not pay any Benefit under any section of this policy if the Insured Event is caused by, resultant from, traceable to or as a consequence of:

- 8.2.1 wilful self-injury, which will include suicide (whether sane or insane);
- 8.2.2 pregnancy, abortion, childbirth or miscarriage;
- 8.2.3 Your participation in any criminal activities.
- 8.3 We will not pay any Benefit under this policy if You have not paid the premium or You do not comply with all Your obligations and the conditions of this policy.
- 8.4 We do not cover any arrear instalments or any additional interest charges arising from the non-payment of Your instalments or if Your debt is restructured.

9. AMENDMENT OF POLICY RATES, TERMS AND CONDITIONS

We may amend the rates, terms and conditions of this policy at any time after giving You 30 days' notice of such change in writing to Your known address recorded on our system.

10. CANCELLATION PROCEDURE AND CONSEQUENCES

- 10.1 You have the right to cancel this policy by giving us 30 days' notice of cancellation.
- 10.2 We may cancel this policy by giving You 30 days' written notice of cancellation.
- 10.3 Either cancellation as stated in 10.1 and 10.2 above will not attract a refund of any premiums paid.

11. TERMINATION OF THE POLICY

This policy will terminate or end:

- 11.1 On the day that the Loan agreement with RCS ends;
- 11.2 On Your Death or on the date of your Permanent Total Disability or Retrenchment;
- 11.3 When you reach the maximum expiry age of seventy-five (75);
- 11.4 On the last day of the last month You paid Us a premium.

12. NO SURRENDERS OR CESSIONS

This Policy may not be surrendered, ceded, assigned or transferred. This policy also acquires no surrender, loan or paid up values.

13. PREMIUM

- 13.1 The premium payable is based on the initial Loan amount and is stated in your Loan agreement. The premium is calculated at a rate per R1000 of the initial loan amount outstanding.
- 13.2 The premium must be paid to us on the 1st day of each month. If we do not receive Your premium, We will try to collect this premium on the first day of each subsequent month thereafter.
- 13.3 If the premium is still not paid after 3 months your policy will automatically terminate with effect from the last day of the month for which a premium was paid. The policy may be reinstated at Our discretion and upon such terms as we impose.

14. HOW TO CLAIM

- 14.1 When there is an Event that is covered in terms of this policy, You or Your representative (in the event of a Your death) must, at Your own cost and as soon as possible:
 - 14.1.1 notify the Administrator in writing within 3 months of the date of the event giving rise to the claim;
 - 14.1.2 fill in and send the claim form to the Administrator;
 - 14.1.3 supply full details of the event in writing and provide Us with all documentation and proof that We require;
 - 14.1.4 submit any medical examinations or comply with any reasonable request We may require to allow Us to process the claim.
- 14.2 If You do not meet these conditions within 6 months of the date of the event giving rise to a claim, the claim may be rejected and You will lose all Benefits in respect of this claim.
- 14.3 If your claim is rejected and you do not agree with this decision or You do not agree with the amount paid, You can, within 180 days after We have rejected or settled Your claim, discuss with Us the reason for the rejection or settlement. If after this period You still do not agree with Our reasons You have a further 180 days to institute legal action against Us by way of the service of summons. You may also follow the Complaints Procedure as set out in clause 19 hereof. If You do not do anything then You give up Your rights to any further Benefits in respect of this claim and the matter will prescribe.

15. COMMISSIONS OR OTHER REMUNERATION PAYABLE TO THE ADMINISTRATOR

The Administrator will be earning fees and commission of 20% of the total monthly premium payable to RCS Cards.

16. ADDITIONAL DISCLOSURE DETAILS

- 16.1 **Details of the Administrator:** RCS Cards (Pty) Ltd
- 16.1.1 RCS is licensed as a Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act 2002. FSP Licence No. 44481.
- 16.1.2 **Contact Details**
Physical Address: Ground floor Liberty Grande Building, Cnr Voortrekker & Vanguard Drive, Goodwood, 7460
Postal Address: P.O. Box 111, Goodwood, 7459
Telephone Number: (021) 597 4000 or 0861 SAY RCS / 0861 729 727
Fax Number: 0861 237 483
Web Address: www.rcs.co.za
- 16.1.3 RCS Compliance Officer is available on the above numbers, or at legal@rcsgroup.co.za, or at www.rcs.co.za.
- 16.1.4 RCS operates as a private company with limited liability. We perform services as an administrator under the Long Term Insurance Act 52 of 1998 entering into long term policies, maintaining, servicing and dealing

- with the policies on the insurer's behalf.
- 16.1.5 RCS has an association with Guardrisk Life Limited and confirm that we do not earn more than 30% of our total income from the insurer.
- 16.1.6 RCS does have Professional Indemnity cover as well as the necessary Agreement in place to act on behalf of Guardrisk.

16.2 Details of the Insurer: Guardrisk Life Limited

- 16.2.1 Guardrisk Life Limited is licensed as a Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act 2002. FSP Licence No. 76
- 16.2.2 **Contact Details**
Physical Address: Tower 2, 102 Rivonia Road, Sandton, 2196
Postal Address: P.O. Box 786015, Sandton, 2146
Telephone Number: (011) 669 1000
Web Address: www.guardrisk.co.za
- 16.2.3 Guardrisk Compliance Officer is available on the above numbers or at compliance@guardrisk.co.za

17. OTHER MATTERS OF IMPORTANCE

- 17.1 You must be informed of any material changes in the detail provided about your Administrator and Guardrisk.
- 17.2 If the information about your Administrator was given orally, it must be confirmed in writing within 30 days.
- 17.3 If any complaint to the Administrator or Insurer is not resolved to your satisfaction, you may submit the complaint to the Registrar of Long Term Insurance.
- 17.4 Polygraph or any lie detector test is not obligatory in the event of a claim and the failure thereof may not be the sole reason for repudiating a claim.
- 17.5 Guardrisk and not the Administrator must give reasons for repudiating your claim.
- 17.6 Guardrisk may not cancel your insurance merely by informing the Administrator. There is an obligation to make sure the notice has been sent to you.
- 17.7 You are entitled to a copy of the policy document free of charge.

18. WARNING

- 18.1 Do not sign any blank or partially completed application forms.
- 18.2 Complete all forms in ink.
- 18.3 Try and keep all documents handed to you.
- 18.4 Make a note as to what is said to you.
- 18.5 You don't have to be pressurised to buy any product.
- 18.6 Incorrect information or a material non-disclosure by you of relevant facts may influence an insurer on any claims arising from your contract of insurance.

19. COMPLAINTS PROCEDURE

- 19.1 Please first contact the Administrators (RCS) if you have any complaints or queries on (021) 597 4000 or 0861 SAY RCS / 0861 729 727.
- 19.2 Only if any complaint to the Administrator or Insurer is not resolved to your satisfaction, may you then submit the complaint to the following regulators:
 - 19.2.1 The Long Term Insurance Ombudsman – In the event of claims problems not being satisfactorily resolved.
Postal Address: Private Bag X45, Claremont, 7735
Tel: (021) 657 5000 Fax: (021) 674 0951
Sharecall: 0860 103236
E-mail: info@ombud.co.za
Website: www.ombud.co.za
 - 19.2.2 The FAIS Ombud – In respect of complaints about the selling of the financial service provided.
Postal Address: PO Box 74571, Lynwood Ridge, 0040
Tel: (012) 762 5000 or (012) 470 9080
Fax: (012) 348 3447 or 0860 764 1422
E-mail: info@faisombud.co.za
Website: www.faisombud.co.za
 - 19.2.3 Financial Services Board – if any complaint to the Administrator or Insurer is not resolved to your satisfaction.
Postal Address: PO Box 35655, Menlo Park, 0102
Tel: (012) 428 8000
Contact centre: 0800 110 443 / 0800 20 20 87
Fax: (012) 347 0221
Email: info@fsb.co.za
Website: www.fsb.co.za

