

Product Overview Series (2018)

Please note that these are exact copies of the TSA Connects sent out as part of the Product Overview Series that ran from 27 September 2018 to 20 December 2018 (including a correction on the Spouses Cover issue) and were accurate as at the time of sending.

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Intro

Introduction: Product Overview Series

We understand that keeping up to date with product information is key to meeting your client's expectations and we have received a number of requests for another of our benefits-based series'.

Over the next 12 weeks we will send you easy reference reminders, giving an overview as well as highlighting some key differences across all benefits, amongst our four insurers – Capital Alliance, Hollard, Old Mutual and Sanlam.

Thank you and regards,
The TSA Team

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Group Life Cover

Product: Pays out a lump sum when a member dies

Particulars:

- Available until normal retirement age and if selected can be extended (normally to age 70)
- Can be converted to an individual life policy on retirement or withdrawal with existing insurer (if option selected and criteria met)
- Educator cover - pays education fees for dependent children after a member's death (if option selected) - *Variations to be covered later in this series*
- Continuation of and increasing group life cover during disability (if option selected)

Current Maximums:

- Capital Alliance - 10 x annual salary
- Hollard - 10 x annual salary or R25m
- Old Mutual - 10 x annual salary or R50m (applies to the sum of death and accident cover)
- Sanlam - 10 x annual salary or R15m (uncapped on request)

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Lump Sum Disability

Product: Pays out a lump sum amount should the member become totally and permanently disabled.

Particulars:

- Available until the earlier of the Normal Retirement Age and age 65
- Accelerates the Group Life Cover
- Can be converted to an Individual Life Policy with existing insurer (if option selected and criteria met)
- Conversion option is available 5 years prior to benefit cessation age (Capital Alliance & Hollard), 10 years prior to benefit cessation age (Old Mutual) & up to age 60 (Sanlam)
- Waiting period - 6 month (Capital Alliance, Hollard & Sanlam) and Old Mutual has no waiting period
- **Tapering Period** - 5 year (Capital Alliance, Hollard & Sanlam) and Old Mutual apply a benefit maximum calculation rather than tapering the cover over a set period
- **Aggregation of benefits** applies if Disability Income Benefit is also selected and the maximum Lump Sum Disability allowed will be limited

Current Maximums:

- Capital Alliance - 10 x annual salary or R8.5m
- Hollard - 5 x annual salary or R6m
- Sanlam - 8 x annual salary or R10.5m
- Old Mutual - 5 x annual salary or R8.5m

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Educator

Product: Pays education fees for dependent children after a member's death (or disability with certain insurers)

Capital Alliance's Educator Benefit

Payable in the event of death or total disability - Foundation or Progressive options are available which offer different levels of benefits.

Fee Maximums:

- Pre-Primary R12,800 pa (public) / R67,500 pa (private)
- Primary R27,000 pa (public) / R94,300 pa (private)
- High R29,700 pa (public) / R103,700 pa (private)
- Tertiary R61,900 pa (local) / \$74,300 pa (international)

Hollard's Educator Benefit

Payable in the event of death.

Fee Maximums:

- Nursery R50,000 pa
- Primary R70,000 pa
- High R90,000 pa
- Tertiary R50,000 pa (local) / \$45,000 pa (international)

Sanlam's Educator Benefit

Payable in the event of death.

Fee Maximums:

- Nursery R38,000 pa
- Primary R75,000 pa
- High R85,000 pa
- Tertiary R55,000 pa (local) / \$60,000 pa (international)

Old Mutual – Do not currently offer an Educator benefit through TSA.

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Disability Income Benefit

Product: Pays a percentage of a member's salary on a monthly basis if they are unable to perform their occupation.

Particulars:

- Flat percentage, Scale & Tax Modified Scale options available
- Available until the earlier of the Normal Retirement Age and age 65
- Can be converted to an Individual Life Policy (if option selected and criteria met)
- Waiting period - 1,3,6 month options available
- Conversion option is available up until 5 years prior to benefit cessation age (or up to age 60 with Sanlam)
- Continuation of remaining benefits on disability may be selected
- Escalation of benefits during disability is available
- Employer Waiver can pay the Employer's retirement funding contributions & the remaining risk premiums, if selected, while the employee receives disability benefits

Additional options for this benefit include Disability Income Top-Up, Medical Aid Premium Waiver & Employer Reimbursement Cover - *to be covered in next week's issue.*

Disability Income Benefit Maximums:

- Capital Alliance - R 175,000pm (Flat, Scale & Tax Modified Scale) or net of tax income (whichever is the lesser)
- Hollard - R 165,000pm (Flat & Tax Modified Scale) and R 60,000 pm (Scale), restricted to 100% of net salary
- Sanlam - R 200,000pm (Flat, Scale & Tax Modified Scales) or 100% of the member's average net monthly income before disability (whichever is the lesser)
- Old Mutual - R 230,000pm (Flat, Scale & Tax Modified Scale) (incl. Employer Waiver) or Total post-tax cost to company (whichever is the lesser)

Employer Waiver Maximums:

- Capital Alliance - R 50,000pm
- Hollard - R 35,000pm
- Sanlam - R 51,000pm
- Old Mutual - 20% of Monthly Salary (maximum rand amount is R230,000 for the sum of the PHI benefit plus Employer Waiver)

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Disability Income Benefit - Additional Options

Disability Income Top-Up Product (Sanlam only) - Pays an additional 25% of a member's salary for certain causes of disability.

Maximum:

Limited to the lesser of 25% of monthly salary or R 67,000pm.

Medical Aid Premium Waiver Product (Capital Alliance, Hollard and Sanlam) - Pays the medical aid contributions for up to 24 months on successful disability income benefit claims.

Maximums:

Capital Alliance - R 8,500pm

Hollard - R 4,800pm

Sanlam - R 3,400pm (Member), R 2,700pm (Spouse), R 1,500pm (Child)

Employer Reimbursement Cover Product (Capital Alliance and Sanlam)

Capital Alliance - Refunds the benefit payment during the waiting period.

Sanlam - Refunds the salary during the waiting period (plus the option of adding 10 or 20%).

Cash4♥Ones (Old Mutual only) - Pays a benefit equal to three times the monthly income replacement benefit on the death of the claimant provided the employer has an existing policy with Old Mutual and provided that a beneficiary nomination form has been submitted to Old Mutual prior to the death.

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Trauma Cover

Product: Pays an amount should the member contract a traumatic illness or suffer a traumatic event.

Particulars:

- Available until the earlier of the Normal Retirement Age and age 65
- Accelerates the Group Life Cover (Capital Alliance, Hollard and Old Mutual) or is available as Standalone/Free-standing cover (Hollard and Sanlam)
- Options available - Standard (Capital Alliance, Hollard, Sanlam and Old Mutual) and Comprehensive (Hollard and Sanlam)
- Continuation of Trauma Cover during Disability - if option selected (Capital Alliance, Hollard, Old Mutual and Sanlam)
- Can be converted to an Individual Life Policy (if option selected and criteria met)
- Conversion option is available 5 years prior to benefit cessation age (Capital Alliance & Hollard), 10 years prior to benefit cessation age (Old Mutual) and up to age 60 (Sanlam)

Current Maximums:

- Capital Alliance - 3 x annual salary or R3m
- Hollard - 3 x annual salary or R3m
- Sanlam - 3 x annual salary or R2.3m
- Old Mutual - 3 x annual salary or R1.75m

Reinstatement Option, Survival Period and Pre-existing Condition Clause information will follow in next weeks issue.

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Trauma Cover continued...

Trauma Cover accelerates the Group Life Cover with Capital Alliance, Hollard and Old Mutual or is available as Standalone cover with Hollard and Sanlam.

Reinstatement Option Period (if selected):

- Capital Alliance - 31 days (GLA & Trauma Cover benefit, excluding the condition claimed for, would be reinstated).
- Hollard - 30, 90 or 120 days (GLA benefit is reinstated, when trauma is an Accelerated benefit and Trauma would also be reinstated if the top-up benefit was selected. The reinstatement option does not apply if Standalone/Free-Standing Trauma Cover is selected).
- Old Mutual - 30 days, 3, 6 or 12 months (GLA & Trauma Cover benefit, excluding condition claimed for, would be reinstated).
- Sanlam - This does not apply as Trauma Cover is always a Standalone benefit.

Survival Period (for Trauma Claim to be paid):

- Capital Alliance - if the member dies whilst the claim is being assessed, no claim will be paid.
- Hollard - 14 days, this may be waived for an Accelerated benefit but not for a Standalone benefit.
- Old Mutual - 30 days, if the member dies while the claim is being assessed, no trauma benefit will be paid.
- Sanlam - 7 days, may be waived at Sanlam's discretion.

Pre-existing Condition Clause:

- Capital Alliance - 1 year prior / 2 years post (No Trauma Cover benefit is payable in respect of a Condition which occurred or existed prior to the Member's Entry Date).
- Hollard - 6 months prior / 12 months post.
- Old Mutual - 2 years prior / 2 years post.
- Sanlam - 2 years prior / 2 years post (No Trauma Cover benefit is payable in respect of a Condition which occurred or existed prior to the Member's Entry Date).

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Accident Cover

Product: Pays an amount should the member die or suffer any form of bodily loss due to an accident.

Particulars:

- Accident Cover has the same Normal Retirement Age and Deferred Age as Group Life Cover with Old Mutual and Capital Alliance. With Hollard and Sanlam the lesser of the Normal Retirement Age and age 65 applies to this benefit.
- Accidental death cover is available with Capital Alliance, Hollard, Old Mutual and Sanlam.
- Accidental disability cover is available with Capital Alliance, Hollard and Sanlam.
- No conversion option is available. (Hollard previously offered conversion on Accident Cover (Death) so existing schemes with this benefit will retain it).
- Continuation of Accident Cover during Disability (if option is selected).

Current Maximums:

- Capital Alliance - 2 x Annual Salary or R3m (Death), R2.5m (Accidental Disability)
- Hollard - 6 x Annual Salary or R4m (Death), R2m (Accidental Disability)
- Old Mutual - 5 x Annual Salary or R50m (Death) (applies to the sum of Death and Accident cover)
- Sanlam - 6 x Annual Salary or R3.2m (Death and Accidental Disability)

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Spouse's Cover - Death and Disability

***Correction - Further to the TSA Connect sent this morning please note the updated detail below regarding medical underwriting of this benefit ***

Product: Pays an amount should the spouse of a member die or become totally and permanently disabled.

Particulars:

- Spouse's Death Cover is available with Capital Alliance, Hollard, Old Mutual and Sanlam.
- Spouse's Disability Cover (lump sum) is available with Capital Alliance, Old Mutual and Sanlam.
- Conversion option is available with Capital Alliance, Old Mutual and Sanlam. Hollard assess on a case-by-case basis at quote stage.
- Medicals are not required for underwriting of Spouse's Cover with Capital Alliance and Old Mutual.
- Hollard and Sanlam can offer a proof-free limit if membership meets requirements and they will underwrite cover in excess of this. Sanlam also require medicals for cohabiting spouses even if their cover is below the proof-free limit.

Current Maximums:

Spouse's Death Cover:

- Capital Alliance - 2 x Annual Salary or R2.5m
- Hollard - 2 x Annual Salary or R3m
- Old Mutual - R2m
- Sanlam - 2 x Annual Salary or R8m

Spouse's Disability Cover:

- Capital Alliance - 2 x Annual Salary or 1.5m
- Hollard - Not Applicable
- Old Mutual - On request only
- Sanlam - 2 x Annual Salary or 1.3m

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Funeral Cover

Product: Pays an amount should the member, spouse or child die.

Particulars:

- A sliding scale applies to this benefit.
- Minimum and maximum entry ages, as well as spouse and children maximums, apply ([click here for details](#)).
- Continuation of Funeral Cover during Disability available (if option selected at inception).
- Repatriation Benefit is available - details to be covered in a future issue.
- Extended Family Funeral Cover is available - details to be covered in a future issue.
- Exit Cover and Debt Helper is available with Sanlam - details to be covered in a future issue.

Current Maximums for Main Member:

- Capital Alliance - R50,000
- Hollard - R30,000
- Old Mutual - R60,000
- Sanlam - R60,000

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Burial Repatriation Benefit within the SADC region

Purpose: This service allows for the transportation of the deceased member's body, to be brought back to the final funeral home closest to the place of burial in South Africa if the death occurred far from his/her home.

This is free and offered automatically by certain insurers. Our insurers provide this service in the following countries:

- Sanlam - Lesotho, Swaziland, Zimbabwe, Botswana, Namibia or Mozambique.
- Capital Alliance - Lesotho, Swaziland, Zimbabwe, Botswana, Namibia or Mozambique.
- Old Mutual - Lesotho, Swaziland, Zimbabwe, Botswana, Namibia or Mozambique (up to Vilakulo).
- Hollard - This is not a free benefit provided by Hollard but can be added to quotes on request.

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Extended Family Funeral Cover

Product: The purpose of this benefit is to provide a lump sum payment to assist with the funeral costs in the event of the death of an extended family member.

Please note that the extended family funeral benefit is offered on a case by case basis assessed by our insurers.

Particulars:

- Capital Alliance – parents or parents-in-law of the main member, a sibling of the main member or a relative of the main member through blood or marriage, who is financially dependent upon the main member for the payment of such relative's funeral costs.
- Hollard – parents or parents-in-law (financial dependence has no bearing on cover).
- Old Mutual – offered on a case by case basis
- Sanlam – additional spouse/s, parents and parents-in-law, children (other than qualifying children) who are financially dependent upon the main member, any other person, including brothers, sisters, uncles, aunts, nephews and nieces, who are financially dependent on the main member.

Financial dependence means that the extended family member depends on the main member's income and/or salary for survival. This is important to disclose and if not disclosed it could result in the claim being rejected.

For all insurers, extended family members need to be on cover for a minimum of six months before a claim can be considered.

Full details of each extended family member (full name, ID/DoB, gender and the relationship to the main member) are required on a monthly basis.

Current maximums:

- Capital Alliance – May not exceed the amount stipulated for the main member.
- Hollard – R 5,000.00
- Sanlam – May not exceed the amount stipulated for the main member.

Maximum entry age for Capital Alliance, Hollard and Sanlam – Age 74.

Maximum exit age for Capital Alliance, Hollard and Sanlam – No maximum exit age for extended family members, whilst main member is insured.

***Further to yesterday's TSA Connect, please also note that this product is closed to new business via Sanlam Group Risk.*

Requests for this product can be referred directly to Sanlam SKY at GBGAPservicing@sanlamsky.co.za.

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