



LIBERTY
In it with you

Critical Illness Benefit.

August 2022

Liberty Group Ltd - an Authorised Financial Services Provider in terms of the FAIS Act (Licence No. 2409).

Critical Illness Benefit

Recovering from a chronic disease has a significant financial and emotional impact on any family. Our Critical Illness Benefit pays out a cash lump sum to help cover the costs associated with the employee's illness, giving them and their families the opportunity to adjust to a new way of life.

How does the Critical Illness Benefit work?

- It pays a cash lump sum if an employee is diagnosed with a stated Critical Illness (also known as a dread disease, severe or critical condition).



Which options can employers choose from?

There are three Critical Illness Benefit plans to choose from, including:

- **The Living Plan**
- **The Progressive Living Plan**
- **The Progressive Living Plan Plus**

These plans are offered as part of our unapproved Corporate Selection Unapproved Group Life Plan, which is a group risk plan.

What is the Living Plan?

- If an employee is diagnosed with a dread disease stated on our basic critical illness category list, it pays up to 100% of their critical illness cover.
- This benefit is an accelerated benefit, which means that an employee's Death Benefit is reduced by the amount of the Critical Illness Benefit paid.
- This benefit must be selected alongside an unapproved Death Benefit.

What is the Progressive Living Plan?

- If an employee is diagnosed with a dread disease stated on our comprehensive critical illness category list, it pays up to 100% of their critical illness cover.
- This benefit is an accelerated benefit, which means that an employee's Death Benefit is reduced by the amount of the Critical Illness Benefit paid.
- This benefit must be selected alongside an unapproved Death Benefit.

What is the Progressive Living Plan Plus?

- If an employee is diagnosed with a critical illness stated on our comprehensive critical illness category list, it pays up to 100% of their dread disease cover.
- This a non-accelerated benefit, which means that the employee's Death Benefits will not be reduced by the amount of the Critical Illness Benefit paid.
- Employees can make multiple claims of up to 100% per dread disease category. If an employee claims against any one of the dread disease categories, the amount they are covered for only reduces for that particular category. This excludes the trauma benefit, which always reinstates to 100%.

For the benefit maximums, see the Quotation document and/or Rate Review Letter.

✓ Eligibility

The maximum entry age is 64.

The maximum cover age is 65, or normal retirement age, whichever is earlier.

🔄 Is there a Conversion Option available?

An employee who leaves his employer's service on or before attaining age 60, who is not in claim under the policy, may under certain circumstances exercise an option in respect of all or a part of his benefit under his own individual policy.

The conversion option is available for all the Critical Illness Benefit plans.

This option is selected at group level and is underwritten by Liberty.

See the policy document for more information.

+ Re-instatement options

The Critical Illness Benefit plans may be taken with the reinstatement option except for the Progressive Living Plan Plus Benefit.

The re-instatement options available for groups with the Death Benefit and any accelerated Critical Illness Benefit plans are:

- No reinstatement option; or
- Allowing reinstatement when an employee survives 31 days after a critical illness incident



The following critical illnesses are covered:

Cancer and leukaemia

Cardiovascular system	Valvular heart disease Coronary artery disease Myocardial infarction Cardiomyopathy Carotid arterial disease	Pericardial disease Arrhythmias Peripheral arterial disease Aortic aneurysm Heart transplant Progressive dementia
Brain and cerebrovascular system	Cerebrovascular incident (stroke) Multiple sclerosis Motor neuron disease Parkinson's disease Alzheimer's disease	Benign brain tumour Coma due to causes other than trauma Intracranial aneurysm Arterio-venous malformation Myasthenia gravis
Organ failure	Renal failure Respiratory failure Chronic liver failure	
Aplastic anaemia		
Gastrointestinal system	Inflammatory bowel disease Chronic pancreatitis	
Muscular dystrophy		
Paralysis		
Connective tissue disease	Rheumatoid arthritis Systemic lupus erythematosus	
Loss of senses	Loss of hearing (deafness) Loss of sight (blindness)	
Trauma	Traumatic brain injury Coma	Loss of (and loss of use) of limbs Major burns
Accidental HIV	Occupational needle stick injury (medical or dental) Practitioner or registered nurse Rape or indecent assault	Organ transplant Blood transfusion



When will an employee's cover end?

Cover will end if the employee (whichever comes first):

- Leaves the plan membership
- Ceases employment with the participating employer and does not take up the conversion option
- Reaches the benefit's Normal Retirement Date, as outlined in the employer participation certificate
- Passes away
- Has received 100% of their Critical Illness Benefit claim (this excludes the Progressive Living Plan Plus)



Which critical illnesses are covered?

To qualify for this benefit, the critical illness must meet the specific medical diagnosis criteria applicable to each benefit option, which is explained in detail in the policy documentation.

ASISA Critical Illness Disclosure

Our Living Plan, Progressive Living Plan and Progressive Living Plan Plus are aligned with the critical illness definitions recommended by the Association for Savings and Investments South Africa (ASISA). This ensures that the plans we offer are objective and consistent with industry standards. In terms of ASISA's critical illness definitions, we are required to disclose our benefit payment criteria and/or levels. Below is a list of percentage pay-outs for the four main critical illnesses, which make up the majority of all critical illness claims.

Living Plan severity level and percentage of sum assured payable:

	A Most Severe	B Moderate Impairment	C Mild Impairment	D Almost full recovery
Heart Attack	100%	100%	100%	100%
Coronary Artery By-Pass Graft (CABG)	100%	100%	100%	100%
Stroke	100%	100%	100%	25%
Cancer	100%	100%	100%	100%

Progressive Living Plan and Progressive Living Plan Plus severity level and percentage of sum assured payable:

	A Most Severe	B Moderate Impairment	C Mild Impairment	D Almost full recovery
Heart Attack	100%	100%	75%	50%
Coronary Artery By-Pass Graft (CABG)	100%	75%	50%	25%
Stroke	100%	75%	50%	25%
Cancer	100%	75%	50%	25%

What is the Critical Illness Catch-All Benefit?

An employee may qualify for the Critical Illness Catch-All Benefit if he or she suffers from a serious physical condition, which is equal to a condition that may have qualified for a 100% pay-out under another benefit category. The severity of the condition must result in a Whole Person Impairment (WPI) level of at least 35% to qualify for payment under this category. The amount paid by this benefit will depend on which of the employee's bodily systems are affected and to what extent.

What are the tax implications?

As this is an unapproved benefit, employees may pay fringe benefit tax on the premium. The proceeds of the benefit will be paid out tax-free. Employers and employees are advised to seek appropriate guidance from a tax practitioner or from their appointed financial adviser.

Benefit Exclusions

Any act of the employee which is a wilful and material violation of any law.

The use of nuclear, biological or chemical weapons, or any radioactive contamination, or attacks on or sabotage of facilities (including, but not limited to, nuclear power plants, reprocessing plants, final repository sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents, irrespective of whether any of the aforesaid has been performed with the specific use of the information technology.

an Employee's active involvement and/or participation in any illegal mass activities, Acts of Terrorism, war, invasion, acts of foreign enemies, hostilities, war-like operations (whether war is declared or not), civil war, rebellion, revolution, insurrection, riot or civil commotion related incident, which assumed the proportions of or amounting to an uprising, military action or usurped power. "Active involvement and/or participation" will mean but not be limited to the instigation or perpetration of any or all of the acts mentioned, or voluntary association with or participation in any or all of the acts mentioned.

These exclusions above apply as at the date of the brochure. Please refer to the policy for the most recent exclusions.



Liberty Corporate contact details and complaints resolution procedure.

Contact us

For assistance, customers should contact their Liberty accredited Financial Adviser or Broker, alternatively the Liberty Corporate contact centre below.

Liberty Corporate General Contact Centre

t: 011 558 2999 | **e:** lc.contact@liberty.co.za

Liberty Corporate is a division of Liberty Group Ltd. Liberty Group Ltd is a licenced insurer and administrator of the Corporate Selection suite of Umbrella Funds.

Complaints

Complaints or comments should be directed to:

The Complaints Resolution Manager:

Liberty Corporate
P O Box 2094
Johannesburg
2000

t: 011 558 2999

e: lc.complaints@liberty.co.za

w: www.liberty.co.za

For Liber⁸ and Liberty Corporate Selection Suite of Umbrella Funds:

The Principal Executive Officer
P O Box 2094
Johannesburg
2000

t: 011 408 5685

e: roger.spence@liberty.co.za

If a complaint is not resolved satisfactorily by Liberty, customers may contact one of the legislative bodies that have been tasked to look after their interests.

For complaints regarding retirement funds:

The Pension Funds Adjudicator
P O Box 580
Menlyn
0063

t: 012 346 1738

f: 086 693 7472

e: enquiries@pfa.org.za

For complaints regarding long-term insurance:

The Ombudsman
Private Bag X45
Claremont
7735

t: 021 657 5000

Sharecall: 0860 10 3236

f: 021 674 0951

e: info@ombud.co.za

The above process is our formal complaints process and a reference number will always be provided. If you do not receive a reference number for a complaint, please contact the Complaints Resolution Manager using the contact details above.

Liberty Group Information Officer

Libridge Building
25 Ameshoff Street
Braamfontein
Johannesburg,
2001

e: privacy@liberty.co.za

Information Regulator

P O Box 31533
Braamfontein
Johannesburg,
2017

Complaints: complaints.IR@justice.gov.za

General enquiries: infoereg@justice.gov.za

Terms and conditions

Please refer to the policy for terms and conditions relating to the Critical Illness Benefit. This benefit will only be authorised if Liberty Corporate accepts the claim as valid.

Disclaimer

The information contained in this document does not constitute advice by Liberty. Any legal, technical or product information contained in this document is subject to change from time to time. If there are any discrepancies between the document and the contractual terms and conditions, or where applicable, any fund rules, the latter contractual terms and conditions or fund rules will prevail. Past performance cannot be relied on as an indication of future performance. Any recommendations made by a financial adviser or broker must take into consideration your specific needs and unique circumstances.

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For more details about benefits, definitions, guarantees, fees, tax, limitations, charges, premiums/contributions or other conditions and associated risks, please speak to a Liberty Financial Adviser.