



momentum
corporate

Credit life policy

10 December 2019

Credit Life Policy

VKB Landbou (Pty) Ltd

This Policy is effective from **1 October 2019**.

ETreunich

Authorised signatory for Momentum Metropolitan Life Limited
Signed on 10 December 2019

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1 About this Policy document

1.1 Introduction

- 1.1.1 This is a credit life insurance policy.
- 1.1.2 This Policy is underwritten by Momentum Metropolitan Life Limited (registration number 1904/002186/06), an authorised financial services provider (FSP 6406). Momentum is a division of Momentum Metropolitan Life Limited, and operates this Policy as part of Momentum Metropolitan Life Limited. Any reference to Momentum in this Policy refers not only to Momentum as an operating division, but also to Momentum Metropolitan Life Limited, the insurer of this Policy.
- 1.1.3 Momentum will pay the Benefits set out in this Policy and in return, the Policyholder will pay the required premiums.

1.2 Definitions used in this Policy

- 1.2.1 In this Policy, certain words and expressions have specific meanings assigned to them and they have the same meaning throughout the Policy.
- 1.2.2 Capital letters are used to show where a defined word or expression is used in the Policy with the meaning listed below.
- 1.2.3 **Agreed Interest Rate** means the interest rate applicable to the Member's Loan.
- 1.2.4 **Automatic Acceptance Limit** means the amount specified by Momentum from time to time and set out in the Policy Schedule.
- 1.2.5 **Benefit** means the Death Benefit as set out in the Policy Schedule and subject to the terms and conditions of this Policy.
- 1.2.6 **Benefit Termination Date** means the age specified as such in the Policy Schedule, at which time Cover for the particular Benefit will cease.
- 1.2.7 **Client** means any client of the Policyholder that participates in the Policy as confirmed to Momentum by the Policyholder in writing.
- 1.2.8 **Commencement Date** means the date this Policy started, as set out in the Policy Schedule. This Policy commences on the Commencement Date, irrespective of any date of signature.

- 1.2.9 **Cover** means the cover effected by the Policyholder to secure the Benefits provided in terms of this Policy.
- 1.2.10 **Credit Agreement** means an agreement in terms of which the Client is (in whole or in part) indebted to the Policyholder and which meets all the criteria for credit agreements as set out in section 8 of the National Credit Act, No 34 of 2005 (as amended).
- 1.2.11 **Entry Date** means the date on which Cover under this Policy commences and will be the last day on which all of the following events have occurred:
- 1.2.11.1 the Client's application for a Loan is approved by the Policyholder;
 - 1.2.11.2 the Client becomes liable for repayment of the Loan in terms of the Credit Agreement; and
 - 1.2.11.3 the first premium and corresponding Membership data is received and accepted by Momentum in respect of such Client.
- 1.2.12 **Intermediary** means the Intermediary as indicated in the Policy Schedule.
- 1.2.13 **Loan** means the credit granted to a Client in terms of a Credit Agreement that is repayable in regular instalments as set out in such Credit Agreement (interest rate fluctuations excluded). The amount of the Loan must be at least equal to the Minimum Loan Amount, but not more than the Maximum Loan Amount.
- 1.2.14 **Maximum Entry Age** means the age specified as such in the Policy Schedule.
- 1.2.15 **Maximum Loan Amount** means the amount as set out in the Policy Schedule.
- 1.2.16 **Member** means a Client who is Covered under this Policy. Membership has a corresponding meaning.
- 1.2.17 **Member Category** means, if applicable, one of the categories specified in the Policy Schedule into which Members are classified.
- 1.2.18 **Minimum Entry Age** means the age specified as such in the Policy Schedule.
- 1.2.19 **Minimum Loan Amount** means the minimum initial Loan amount set out in the Policy Schedule.
- 1.2.20 **Policy** means this policy of insurance underwritten by Momentum, including the Policy Schedule, annexures and any endorsements issued by Momentum.

- 1.2.21 **Policyholder** means the party designated as such in the Policy Schedule.
- 1.2.22 **Policy Schedule** means the schedule attached to and forming part of this Policy.
- 1.2.23 **Southern Africa** means the Republic of South Africa, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Zimbabwe.
- 1.2.24 **Termination Date** means the age specified as such in the Policy Schedule, at which time all Cover ceases.

1.3 Policy document and alterations

- 1.3.1 This Policy is the entire contract between Momentum and the Policyholder. Any changes to this Policy must be in writing and must be signed by an authorised representative of Momentum.
- 1.3.2 This Policy may be altered by Momentum on three months' written notice to the Policyholder.
- 1.3.3 The Policyholder must notify the Members of any material changes to the Policy within one month of receiving notification of the change from Momentum.

1.4 Benefits not transferrable

- 1.4.1 The Benefits under this Policy can't be transferred, ceded, pledged or assigned in any way. No loans can be taken on this Policy and it can't be used as security.

1.5 Surrender value

- 1.5.1 This Policy does not participate in the profits of Momentum and it does not have any surrender value.

1.6 Termination of Policy

- 1.6.1 The Policyholder and Momentum may cancel this Policy by giving the other party three calendar months' written notice.
- 1.6.2 The Policyholder must inform the Members in writing of the cancellation of the Policy at least one calendar month before the termination date. The notification must be in a format agreed to by Momentum.
- 1.6.3 The Policyholder may cancel the Policy within 30 days of receipt of the Policy or of the policy summary provided in terms of section 48 of the Long-term Insurance Act of 1998. Momentum will refund all premiums paid in respect of the transaction,

adjusted at Momentum's discretion for any investment charges incurred, negative investment experience and reasonable, time-based fees for work performed. The Policyholder may not cancel the Policy in terms of this clause if a Benefit has been paid or claimed or an insured event has already occurred.

2 Conditions for provision of Cover

2.1 Eligibility

- 2.1.1 Each person who has a Loan with the Policyholder is required to have credit life insurance to cover the outstanding amount of that Loan on a mandatory basis. A Client can choose to be Covered under this Policy, or to obtain substitute cover from another insurer.
- 2.1.2 Eligibility for Cover under this Policy is restricted to a natural person who:
 - 2.1.2.1 is a Client of the Policyholder;
 - 2.1.2.2 is a citizen of a Southern Africa country and is not absent from a Southern African country for more than 12 consecutive months;
 - 2.1.2.3 is a citizen of a Southern Africa country and, where applicable, is legally allowed to work in the Republic of South Africa (i.e. have a work visa)
 - 2.1.2.4 has attained the Minimum Entry Age;
 - 2.1.2.5 has not yet attained the Maximum Entry Age;
 - 2.1.2.6 has been approved for Cover by Momentum if he was required to provide evidence of good health and insurability.

2.2 Commencement of Cover

- 2.2.1 Each Client who is eligible for Cover is required to complete and sign a declaration form. Upon Momentum's acceptance thereof he will become a Member, subject to the terms and conditions of the Policy.
- 2.2.2 If a Client consists of more than one person that is party to the same Credit Agreement, the authorised signatory shall sign the declaration form on behalf of such party. All the persons of such party who are eligible for Cover will become Members, subject to the terms and conditions of the Policy.
- 2.2.3 The signed declaration will serve as the Member's certificate of insurance.
- 2.2.4 Momentum reserves the right to decline Cover for any Client under this Policy.
- 2.2.5 A Member's Cover will start on his Entry Date.

2.3 Automatic Acceptance Limit

- 2.3.1 Momentum will from time to time determine an Automatic Acceptance Limit for Cover granted under this Policy. No evidence of health and insurability is required in respect of Cover less than or equal to the Automatic Acceptance Limit.
- 2.3.2 If the Member has more than one Loan, the Automatic Acceptance Limit applies to the total amount of the Member's multiple Loans.
- 2.3.3 A Member's Cover in excess of the Automatic Acceptance Limit will only be granted on acceptance by Momentum of evidence of the Member's good health and insurability, which will include disclosure of any hazardous activities that the Member participates in. If the evidence is not acceptable to Momentum, the cover will be declined. Momentum will pay the reasonable cost of providing the evidence of good health and insurability as envisaged in this clause.

2.4 Multiple Loans

- 2.4.1 If the Credit Agreement allows a Member to take out another Loan, the Member is entitled to the Benefits payable under the new Loan as well as the original Benefits. This clause will also apply to Loan increases, regardless of how the increase is structured.
- 2.4.2 If the Member has more than one Loan, the Cover relating to each Loan will have its own Entry Date and the Automatic Acceptance Limit applies to the total amount of the Member's multiple Loans.

2.5 Exclusions

- 2.5.1 No Benefit is payable for a Member if the claim is in any direct or indirect way caused by, related to, or a result of:
 - 2.5.1.1 any violation of the criminal law by the Member or any event that occurs while the Member is in violation of the criminal law;
 - 2.5.1.2 any nuclear reaction or nuclear radiation;
 - 2.5.1.3 active participation in war, invasion, act of foreign enemy, hostilities or warlike operations (whether war has been declared or not), civil war, military uprising, military or usurped power, martial law, insurrection, rebellion or revolution;

- 2.5.1.4 active participation in any popular uprising, including any mutiny, riot or civil commotion that is part of that popular uprising;
 - 2.5.1.5 active participation in any act of terrorism or action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism, even if there are other causes or events that contribute to the claim at any stage;
 - 2.5.1.6 wilful inhalation of gas or taking of poisons, drugs or narcotics (except under proper medical direction).
- 2.5.2 No claim is payable if the Member was absent from a Southern Africa country for more than 12 consecutive months before the claim event.

2.6 Cessation of Cover

- 2.6.1 A Member's Cover will stop on the earliest of the following events:
- 2.6.1.1 the Member is no longer a Client of the Policyholder;
 - 2.6.1.2 the Member terminates his Cover;
 - 2.6.1.3 the premiums that are due in respect of the Member stop;
 - 2.6.1.4 a Death Benefit becomes payable;
 - 2.6.1.5 the Member reaches the Termination Date;
 - 2.6.1.6 this Policy is terminated by the Policyholder or by Momentum;
 - 2.6.1.7 if a working visa is required and the Member is no longer legally allowed to work in South Africa (i.e. the Member does not have a work visa);
 - 2.6.1.8 the Member is absent from a Southern Africa country for more than 12 consecutive months.

3 Death Benefit

3.1 Payment of Benefit

- 3.1.1 On the death of a Member, Momentum will have the obligation to pay the Policyholder, on behalf of the Member, the amount of the Death Benefit as set out in the Policy Schedule provided that the required documents have been submitted and the claim has been admitted by Momentum under the terms and conditions of this Policy.
- 3.1.2 Momentum will pay the Benefit to the Policyholder, who must apply the Benefit towards settlement of the Member's outstanding Loan. Any surplus is payable by the Policyholder to the Member's estate.
- 3.1.3 The Benefit amount is calculated as if all Loan repayments were kept up to date and will include any arrears and interest on arrears.
- 3.1.4 After the payment of a Death Benefit, the rest of the Member's Cover will cease.

3.2 Exclusions

- 3.2.1 In addition to the general exclusions set out in clause 2.5 (Exclusions), no Death Benefit will be paid if the Member commits suicide within 12 months of his Entry Date. This applies whether the Member was sane or insane, and no premiums will be refunded.

4 Administration

4.1 Provision of information

- 4.1.1 The Policyholder must provide Momentum with Membership data every month in a format that Momentum has agreed to.
- 4.1.2 The data must include at least each Member's name, identity number, mobile phone number, Entry Date, Loan or Cover amount and premium payable. The same data must be provided where more than one Member is party to the same Credit Agreement, as well as a copy of the resolution appointing the authorised signatory of such party. The data should also include details of Members who are ineligible for the Benefit, and Members who are not paying premiums.
- 4.1.3 The Policyholder must also provide Momentum with any other information that it needs to calculate Cover, Benefits and premiums in terms of this Policy.
- 4.1.4 If any information requested by Momentum is not provided within six weeks of Momentum requesting it and the information is material to Momentum's ability to perform its obligations in terms of the Policy, Momentum will give the Policyholder two weeks' written notice of its intention to terminate Cover and other services provided under this Policy. On the expiry of the two week notice period, services and Cover under this Policy will cease unless Momentum receives the information or agrees otherwise before then.
- 4.1.5 Momentum won't be liable to any person in respect of any misrepresentations, errors or omissions contained in the information provided to Momentum by the Policyholder.
- 4.1.6 Momentum must have satisfactory proof of a Member's age before any Benefit is paid for that Member. If the date of birth, Loan amount, Loan balance or any other relevant information previously notified to Momentum in respect of a Member proves to be incorrect, Momentum will, after consulting with the Policyholder, calculate the premiums that should have been paid and adjust the premiums retrospectively to the date on which the Member became entitled to Cover in terms of this Policy or make such adjustment to the Cover as it considers appropriate.
- 4.1.7 If it emerges at claim stage that a Member was in fact not eligible for Cover because his actual age was greater than the Termination Date or Benefit Termination Date, or for any other reason not previously known, Momentum will not be liable for the

payment of any Benefits. Any premiums paid in respect of the Member since becoming ineligible for Cover will be refunded to the Policyholder.

- 4.1.8 Momentum will keep a register of Members in which it will record the information supplied by the Policyholder.
- 4.1.9 Momentum is entitled to reasonable access to inspect the records kept and the processes followed by the Policyholder in connection with this Policy.

4.2 Amount of premiums

- 4.2.1 The amount of the premiums payable in respect of each Member is set out in the Policy Schedule. The monthly premium is expressed as an amount per R1 000 of Cover and includes all commission and fees payable by Momentum. The premium is based on the Member's outstanding Loan balance at the end of each month.
- 4.2.2 If a Member is ineligible for any Benefit because he is older than the Benefit Termination Age, the premium payable to Momentum will exclude the cost of the relevant Benefit.
- 4.2.3 Momentum has the right to alter the premium rates at any time upon three months' written notice to the Policyholder.
- 4.2.4 The Policyholder must notify the Members of any material changes to the premium rate within one month of receiving notification of the change from Momentum.
- 4.2.5 If any of the information provided to Momentum by the Policyholder proves to be materially incorrect, Momentum may revise the premium rate with immediate effect.

4.3 Payment of premiums

- 4.3.1 Premiums are payable monthly in arrears on the last day of the month.
- 4.3.2 The Policyholder will collect the premiums that are due in respect of each Member and pay these premiums to Momentum. Cover for each Member is subject to the receipt by Momentum of the required premiums. Momentum will not be liable for any Cover in respect of which premiums have not been received by Momentum, even if the Policyholder has collected these amounts from the Members.
- 4.3.3 A period of grace of 30 days is allowed for payment of the premiums.

4.3.4 If the Policyholder fails to pay the full premium due under this Policy in respect of a Member within the period of grace, all Cover in respect of the Member will cease with immediate effect unless Momentum agrees otherwise in writing.

4.3.5 Momentum is entitled to charge the Policyholder interest on any overdue premium at the most recent call interest rate charged by First National Bank for the period from the expiry of the period of grace to the date of payment of the overdue premium.

4.4 Commission and fees

4.4.1 The amount of the commission and fees payable by Momentum to the Intermediary or any other party for services provided in relation to this Policy are set out in the Policy Schedule.

4.4.2 These amounts are included in the total premium rate as set out in the Policy Schedule.

4.5 Submitting claims

4.5.1 The Policyholder should notify Momentum as soon as possible of any potential claim or of any occurrence that could lead to a claim.

4.5.2 Formal written notification of a claim, together with all documentation required by Momentum, must be lodged with Momentum within six months of the date of claim event, failing which, the claim won't be admitted.

4.5.3 The Policyholder and Member must provide Momentum with all the initial information and assessments required by Momentum in order to adequately assess the claim, failing which the claim won't be admitted.

4.5.4 Should Momentum request any additional information or supporting documents over and above the standard, prescribed requirements, these must be provided to Momentum within six months of Momentum's request.

4.6 Claim requirements

4.6.1 The following documents must be submitted to Momentum in the case of a Death Benefit claim:

4.6.1.1 a legible, fully completed Momentum claim form;

- 4.6.1.2 a copy of the Member's identity document, or a copy of the back and front of the Member's smart ID card;
 - 4.6.1.3 a copy of the Member's death certificate;
 - 4.6.1.4 a copy of the BI-1663 document;
 - 4.6.1.5 proof of membership, if requested by Momentum; and
 - 4.6.1.6 any other documents that may be requested by Momentum.
- 4.6.2 All claim requirements and supporting documents must be in English.

4.7 Claim assessment

- 4.7.1 Momentum will assess a claim within a reasonable time of receiving it.
- 4.7.2 On admission of the claim, and on the satisfaction of the provisions of this Policy, Momentum will pay the Benefit in accordance with the provisions of this Policy.
- 4.7.3 Momentum is entitled to call for any medical or other evidence at any stage while a Member's claim is being considered, or at any relevant time thereafter. Any such evidence submitted must be as comprehensive as is required by Momentum and must be satisfactory to Momentum in all respects.

4.8 Fraud and dishonesty

- 4.8.1 Momentum won't be liable for any claim if the Policyholder, Member or Intermediary commit any act of dishonesty or fraud in relation to this Policy.
- 4.8.2 Momentum can investigate any circumstances where it suspects dishonest or fraudulent behaviour. Such investigation may include, but won't be limited to, the use of photographs, video and other recordings or documents that may be used as evidence for the purposes of the investigation, subject to the rules governing the law of evidence.

4.9 Currency and law

- 4.9.1 All amounts payable in terms of this Policy, either to or by Momentum, are payable in the lawful currency of the Republic of South Africa at the registered office of Momentum.
- 4.9.2 Any question of law arising under this Policy will be decided according to the laws of the Republic of South Africa.

4.10 Address and communications

- 4.10.1 Momentum and the Policyholder will choose a physical address for legal notices related to this Policy. Their chosen addresses are set out in the Policy Schedule.
- 4.10.2 Either party may change its address by giving written notice of the new physical address to the other party. Until receipt of such amended address, the last notified address will remain in force and of effect.
- 4.10.3 All communications in connection with this Policy must be in writing.

4.11 Decisions not a precedent

- 4.11.1 If Momentum or any other party waives or relaxes any conditions or rights under this Policy, this is not a precedent or an alteration of the Policy terms in any way.

4.12 Disputes

- 4.12.1 Disputes that arise out of the interpretation or implementation of this Policy are referred to the Ombudsman for Long-Term Insurance for resolution.
- 4.12.2 Nothing in this Policy prevents any party to this agreement from applying for urgent or interdictory relief.

Policy Schedule

This Policy Schedule must be read in conjunction with, and forms an integral part of, the Credit Life Policy, issued to the Policyholder listed hereunder.

General Policy information

Automatic Acceptance Limit	:	R10 562 000
Category A Member	:	A Member who has had a Loan with the Policyholder and who is 75 years or older prior to the Commencement Date
Category B Member	:	A Member who has had a Loan with the Policyholder and who is under the age of 75 years prior to the Commencement Date
Category C Member	:	Any Member other than a Category A Member and a Category B Member
Commencement Date	:	1 October 2019
Commission and fees	:	1.900c per R1 000 Cover
Effective date of this Policy Schedule	:	1 October 2019
Intermediary	:	Jocolri Financial Planning CC
Maximum Entry Age	:	Category A Member: Not applicable Category B Member: Not applicable Category C Member: 60 years
Maximum Loan Amount	:	R20 000 000
Minimum Entry Age	:	18 years
Minimum Loan Amount	:	R500
Physical address: Momentum	:	268 West Avenue, Centurion, 0157
Physical address: Policyholder	:	31 President CR Swart Street, Reitz, 9810

Policyholder : VKB Landbou (Pty) Ltd (registration no 2015/165238/07)

Premium rate per R1 000 Cover (age band rates):

Age next birthday	Unit rates in cents per R1 000
19 – 40	36.00
41 – 50	102.00
51 – 55	139.00
56 – 60	164.00
61 – 65	193.00
66 – 70	231.00
71 – 75	325.00
76 – 81	450.00

Reference code : D3R-CL1

Termination Date : Category A Member: on the day the Member turns 81 years old
Category B Member: on the day the Member turns 76 years old
Category C Member: on the day the Member turns 76 years old

Benefit details

Death Benefit

Amount of Benefit : The portion of the outstanding balance in the Loan account a Member is Covered for, as confirmed to Momentum in writing by the Policyholder, at the date of his death (including any arrear amounts or interest accrued as a result of the Member's Loan being in arrears)

Mode of payment : Lump sum

Benefit Termination Date : Category A Member: on the day the Member turns 81 years old

Category B Member: on the day the Member turns 76 years old

Category C Member: on the day the Member turns 76 years old

ETreunich

Authorised signatory for
Momentum Metropolitan Life Limited