

## FNBLife

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PO Box 1153  
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www.fnb.co.za



## FNB Credit Life Terms and Conditions

The FNB Credit Life Insurance Plan (or this "Plan") is subject to the terms and conditions set out in this document and must be read with the Plan Schedule and, where applicable, your Credit Agreement.

### 1. Who is the insurer?

FirstRand Life Assurance Limited ("FirstRand Life") is the insurer and FNB Life, a business unit of First National Bank ("FNB"), a division of FirstRand Bank Limited, an authorised financial services provider (FSP No. 3071), is the administrator of the Plan. Any reference to "we, us, our, ourselves" in this document will mean FirstRand Life or FNB Life, as the case may be.

### 2. Who is covered under the Plan?

The person(s) as specified in the Plan Schedule (the "Insured Person" or "Insured Persons"). For the purposes of this document, the Insured Person(s) will be referred to as "you, your, yourself".

### 3. What are you covered for?

**You are covered in the event that you Die, become Disabled, are Retrenched or become Unable to Earn an Income.**

#### 3.1. Death

If you **Die**, we will pay the outstanding balance of the Covered Credit Product as at the date of your death.

#### 3.2. Permanent Disability

If you become **Permanently Disabled**, we will pay the outstanding balance of the Covered Credit Product as at the date you are confirmed to be Permanently Disabled in our reasonable opinion, based on medical evidence.

#### 3.3. Temporary Disability

If you become **Temporarily Disabled**, we will pay your Covered Credit Product monthly. The monthly payment will be the minimum monthly instalment due under your Covered Credit Product as at the date we confirm you were Temporarily Disabled in our reasonable opinion, based on medical evidence. This will be your claim event date.

We will pay your claim for up to 12 months and will stop your payments if:

- the Covered Credit Product is settled,
- you are no longer Temporarily Disabled,
- we determine your claim is no longer valid for any other reason, or
- you have any subsequent valid claim on this Plan.

You can make multiple claims over the lifetime of the policy. Any subsequent claim cannot be related to a previous claim event.

#### 3.4. Retrenchment or Inability to Earn an Income

If you **lose your full monthly income due to your Retrenchment or Inability to Earn an Income**, we will pay your Covered Credit Product monthly.

The monthly payment will be the minimum monthly instalment due under your Covered Credit Product as at the last day for which you received an Income. This will be your claim event date.

We will not pay your monthly payment if you have a Partial Loss of Income.

We will pay your claim for up to 12 months and will stop your

payments if:

- the Covered Credit Product is settled,
- you are no longer:
  - retrenched or
  - unable to earn an income,
- you earn any Income,
- we determine your claim is no longer valid for any other reason, or
- you have any subsequent valid claim on this Plan.

You can make multiple claims over the lifetime of the policy. Any subsequent claim cannot be related to a previous claim event.

Any subsequent Retrenchment claim cannot occur while you are employed with the same employer or occur within three calendar months of the last Retrenchment claim.

### 4. Definitions:

**4.1. "Disability or Disabled"** means your total inability

- to engage in the occupation you had for remuneration or profit, or
- to meet the obligations under the Covered Credit Product, as a direct consequence of injury, illness or disease. This will be established in our reasonable opinion based on medical evidence.

Your **Disability** can be either:

- **"Permanent"** – means that your disability is permanent and continuous. This is when you have followed all suitable treatment and rehabilitation, and your condition has reached maximal medical improvement. This is a stage where your condition is unlikely to change within the next 12 calendar months, whether you receive medical treatment or not, or
- **"Temporary"** – where the Disability is temporary and must continue for more than one month.

#### 4.2. Retrenchment

**Retrenchment** means your forced termination from employment under section 189 and/or 189A of the Labour Relations Act, in respect of adverse business conditions, the liquidation of the company, the introduction of new technology and/or the re-organisation of the business resulting in staff reductions. Retrenchment also includes the premature or natural termination of your fixed term employment contract (in the case of contract workers). You will be regarded as retrenched while you remain unemployed.

#### 4.3. Inability to Earn an Income

**Inability to Earn an Income** is when your employer does not pay you any Income for a full calendar month, without terminating your employment as a result of the following:

- Any temporary government enforced disaster management regulation. For example, a lockdown at a national, provincial or municipal level,
- Physical barriers or absolute restrictions preventing you from accessing your place of work,
- Civil unrest,
- Where you are not paid as contractually agreed for reasons that are in no way related to your performance at work or for any disciplinary action your employer takes against you. You

cannot claim for these reasons if you are Self Employed.

You must have taken all reasonable steps to avoid your Inability to Earn an Income in order to claim. This will be determined in our reasonable opinion.

#### 4.4. Income

**Income** is defined as your gross monthly income less the tax payable because of this Income. This Income includes any medical aid and pension contributions made by your employer on your behalf. It also includes any other income received as a result of your ongoing employment, such as TERS (temporary employer / employee relief) or other grants to support your ongoing employment. Income excludes UIF (Unemployment Insurance Fund) and passive income such as dividends, royalties, interests and rental income.

#### 4.5. Partial Loss of Income

**Partial Loss of Income** is where you are not paid your full or regular Income, but you are still paid a portion of your Income in a month related to your employment. Partial loss of Income includes incidents where your Income is affected by a reduced pay rate, reduced working hours (e.g. short-time), or where you were only paid for a part of the month.

#### 4.6. Self-employed

**Self-employed** means that more than 50% of your Income is earned from being:

- a sole proprietor,
- partner in a firm or association,
- a member of a close corporation,
- a director of a company (or if you are paid directorship fees) where you have more than a 10% shareholding,
- a trustee of a trust,
- employed in a family-owned business where you or your spouse have more than a 10% shareholding,
- an independent contractor, or
- a freelance worker.

#### 4.7. Informally Employed

You may be considered **Informally Employed** if all your Income is derived from a set of economic activities, businesses or jobs, in terms of an employment relationship or employment contract that is not regulated or protected by the state and on which you do not pay tax. This may also include self-employment in small, unregistered businesses or some wage employment or unprotected jobs.

#### 4.8. Unemployed

**Unemployed** or unemployment means you are not employed or engaged in any occupation, work, job or business for remuneration or profit.

#### 4.9 UIF

**UIF** means the amount payable by the employer and employee in terms of the Unemployment Insurance Contributions Act 4 of 2002.

#### 4.10 Insured Event

The events insured in terms of this Plan as set out in section 3.

#### 4.11 Start Date

The day the Plan and your cover starts as recorded in the Plan Schedule.

#### 4.12 Covered Credit Product

The credit agreement entered into between yourself and FNB, in terms of which you undertake to pay the debt thereunder to the credit provider in accordance with the terms and subject to the conditions of the credit agreement.

### 5. Additional Information

We are entitled to request confirmation of your employment or medical status at any time, in any form, to confirm your continued unemployment, Inability to earn an income or the status of your

Disability. If you do not provide a confirmation of your employment or medical status when requested, then we will stop your claim payments at our discretion.

### 6. Changes to Employment

You must always inform us of changes to your employment as this may result in changes to the benefits that you are covered for and may affect your premium. This includes becoming retired, Formally Employed, Unemployed, Self-Employed or Informally Employed.

If you fail to notify us of these changes to your employment, then we may cancel your cover and your claim may be declined.

### 7. What are the exclusions (when will you not be covered)?

We will not cover any debt that you incur or withdraw after the claim event date. We will not cover any instalments, fees or interest not related to the Covered Credit Product as at the claim event date.

#### 7.1. We will not pay any amount, including benefits or refund of premiums for any claim events, if:

- it occurs while your cover is not active,
- the terms and conditions of this Plan are not met, or
- any information provided is materially incorrect, fraudulent, misrepresented or omitted when:
  - taking out this Plan,
  - updating any of the Plan details, or
  - submitting a claim.

We also reserve our rights to recover any amount paid on a claim, which later transpires to have been a fraudulent or misrepresented claim.

#### 7.2. We will not pay any amount, including benefits or refund of premiums for Death, Permanent Disability or Temporary Disability if the claim:

- is in any way related to suicide within the first 12 calendar months of the Start Date of this Plan,
- arose within 12 calendar months of the Start Date of this Plan and is due to a Pre-Existing Medical Condition. This is any illness, physical defect, injury, disability or condition that you have (or should reasonably have) received, or have been recommended to receive, medical advice, diagnosis, care or treatment within 12 calendar months of the Start Date of your Plan (in other words that existed prior to the Start Date or reinstatement date, whichever occurred last),
- is related to any illness or condition that was caused or accelerated by any Pre-Existing Medical Condition,
- is related to Disability that arose within 3 months of the Start Date of the Plan,
- is in any way related to 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.
- is caused by wilful self-inflicted injury,
- is due to the use of nuclear, biological or chemical weapons, or any radioactive contamination
- is as a result of participation in criminal activities
- event date or diagnosis date occurred before the Start Date of the Plan.

#### 7.3. We will not pay any amount, including benefits or refund of premiums for Retrenchment or an Inability to Earn an Income if:

- you were Retrenched or had an Inability to Earn an Income event within three calendar months from the Start Date of the Plan,
- you did not earn an Income for at least three consecutive calendar months after the Start Date of the Plan
- you did not earn an Income for at least three consecutive calendar months immediately before the claim event occurred,
- you were aware of or received notice of your Retrenchment or Inability to earn an Income during the three calendar months prior to the Start Date of the Plan,

- any voluntary act by you resulted in your Inability to Earn an Income or loss of employment, this includes non-payment as a result of not fulfilling the required performance by your employer,
- your Inability to Earn an Income was as a result of not fulfilling the reasonable requirements of your work. This includes, but is not limited to, not attaining or maintaining the relevant qualifications to perform your duties,
- you are not employed within South Africa or employed by a South African company, or
- your employment ended or you had an Inability to Earn an Income because you:
  - resigned,
  - accepted voluntary retrenchment or termination of employment,
  - were medically boarded,
  - became Disabled,
  - had a pregnancy or maternity event,
  - were forced to take paid leave,
  - voluntarily took unpaid leave (for example a sabbatical),
  - retired or became a pensioner,
  - were lawfully dismissed from your contract of employment,
  - failed to perform the tasks related to your employment,
  - participated in an unprotected strike, or
  - are a seasonal or casual worker.

#### 7.4. We will not pay any amount, including benefits or refund of premiums for:

- **Retrenchment** if you are retired, Self-employed, Informally Employed or Unemployed at the time of the claim event date.
- **Inability to Earn an Income** if you are retired, Informally Employed or Unemployed at the time of the claim event date.

#### 8. When does the cover and Plan start?

The Plan and your cover starts (the "Start Date") on the day the Plan was taken out. If the Plan is reinstated, then the new Start Date of the Plan will be the date on which the Plan is reinstated.

#### 9. When does the cover and Plan end?

The Plan and all cover ends:

- When the Covered Credit Product ends,
- When the Plan is cancelled,
- On the date of your Death,
- When a claim is paid on your Permanent Disability, or
- When your Plan lapses

#### 10. Two months cooling-off period

If this cover is not suitable for you and you wish to cancel the Plan, within the first two months from the Start Date of this Plan, we shall refund any premium paid, provided that no Benefit has yet been paid, you have not claimed and/or an Insured Event has not yet occurred.

#### 11. What is the premium for the Plan and when must I pay?

Your premium will be calculated as shown in your Plan Schedule. Partial premium will not be accepted.

You can at any time be up to 3 premiums in arrears and still be covered. Your Policy will lapse when you are 3 premiums in arrears and we were unable to collect a premium 30 days after the last unpaid premium.

You authorise us to collect up to 3 times your initial premium, to allow for future cover and premium increases.

You will enjoy cover up until your Plan lapses. We will not refund any of the premiums already paid.

##### 11.1. Premium Adjustment

Premiums may be reviewed every year and may be adjusted. Premium adjustments will only be done if it is not viable for us to provide cover

under this Plan at this pricing anymore. The increase or decrease of premiums, or the termination of the Plan, will be done for everyone who has this Plan and not only you. In such cases, we will tell you 31 days ahead of time before any changes or termination is made.

#### 12. How and when to make a claim?

##### 12.1. Notification and submission:

The claimant (you, a family member, or appointed executor) must notify us of a claim as soon as possible after the event, but no later than 12 calendar months after the claim event date. If the claim is reported more than 12 calendar months after the claim event date, we shall not be liable to pay any benefits under this Plan for such claim. Notification can be done telephonically or by e-mail at Tel: 087 736 7775; E-mail: fnblifeclaims@fnb.co.za.

##### 12.2. Documentation:

You can request claim forms, documentation or information from us by using the contact details provided above. The claimant must provide us with all documents, reports and information necessary to assess the claim. We reserve the right to request any additional information in order to verify or process the claim, which must be provided at the claimant's cost.

#### The following documents and any additional documents are required to assess your claim (these may be communicated to you):

- When submitting a Retrenchment claim:
  - Permanent employment ending: Section 189 / 189A notification on your employer's letterhead
  - Fixed term contract ending: Letter confirming your end of your contract on your employer's letterhead
- When submitting an Inability to Earn an Income claim:
  - Letter proving Inability to Earn an Income on your employer's letterhead
- When submitting any Disability claim:
  - If you submitted any Disability claim under this Plan, you have the obligation to undergo reasonable medical treatment by appropriate medical specialists. We reserve the right to request a second opinion from a medical practitioner of our choice at our own expense. The medical practitioner's report will be final and binding.

##### 12.3. If we reject your claim:

You have 90 calendar days from the date of the letter of the outcome of your claim to lodge your objection in writing. We will reassess your claim based on any representations made in support of your request for a review and advise you of our final decision in writing. We shall be relieved of liability and a claim shall be deemed to have prescribed should summons not have been served on us within a period of six calendar months of your receipt of our final decision. This six-month period is in addition to the 90 calendar days referred to above.

#### 13. General terms and conditions

This Plan does not have any surrender or paid-up value. Money cannot be borrowed against this Plan and no money will be paid out if the Plan is cancelled. The Plan may not be used as security for a loan other than the Covered Credit Product.

You may increase and decrease your limits on the Covered Credit Product. If your limit increases, the cover in excess of previous product limits will be subject to the Exclusions in clause 7 above.

At times, we may be lenient in enforcing the Terms and Conditions of this Plan or the rights that we have in terms of it, if it is to your benefit. Such leniency will not prevent us from being able to enforce any existing or future right we have under the Plan.

**Changes to the Plan:** You can cancel a change to the Plan within the first two months of making it. We shall refund any additional premium paid as a result of that change if you haven't claimed.

#### 14. FirstRand Privacy Term and Privacy Notice

- Your personal information (which, for the purposes of this term, includes special personal information) will be held by entities within the FirstRand Group.

- To better understand the entities that form part of the FirstRand Group and how your personal information is treated, please refer to FirstRand's Privacy Notice which forms part of this privacy term. The Privacy Notice can be found on our Platform, website or contact us to request a copy.
- In this privacy term references to "we", "us" or "our" are references to the entities in the FirstRand Group, and all affiliates, associates, cessionaries, delegates, successors in title or third parties (authorised agents and contractors), when such parties are acting as responsible parties or operators in terms of applicable privacy laws, unless stated otherwise.
- By accepting this Plan or by utilising any products or services ("Solutions") offered by us, you acknowledge that in order to:
  - conclude and fulfil contractual terms or obligations to you;
  - comply with obligations imposed by law; or
  - to protect or pursue your, our, or a third party's legitimate interests, including offering Solutions that best meet your needs,
 your personal information may be processed through centralised functions and systems across entities in the FirstRand Group and may be used for the purposes, in the manner, and with the appropriate controls as set out in our Privacy Notice.
- Where it is necessary to obtain consent for processing outside of this privacy term, we will explicitly seek your consent separately.
- We want to ensure that you fully understand how your personal information may be used. We have described the purposes for which your personal information may be used in detail in our Privacy Notice. We have also set out further information about accessing, correcting or objecting to the processing of your personal information in our Privacy Notice. We strongly advise that you read our Privacy Notice.
- For the purposes of this Plan, the responsible party is the party with whom you are contracting a Solution, as well as other entities in the FirstRand Group, which are listed in our Privacy Notice as responsible parties. For the contact details of these responsible parties, please see our Privacy Notice.

## 15. Reviews and Cancellations

Either party can cancel the Plan telephonically or in writing by giving a 31 days' notice. You may cancel the Plan at any time. You may have to provide a replacement insurance plan in terms of the Covered Credit Product if you want to cancel this Plan.

We have the right to change or cancel the Plan, benefits, premiums and/or eBucks rewards for any reason, including but not limited to:

- complying with legislation or other rules applicable to this Plan;
- ensuring the Insurer's reputation remains intact and/or is not compromised;
- products/plans no longer remaining financially feasible for the Insurer. This may be applicable to a product line and/or an individual policy;
- undesirable and/or criminal activity.

In addition, we may place the Plan on hold and/or refuse any transaction, instructions or take any other action that we consider necessary to comply with the law and prevent or stop undesirable and/or criminal activity. Any legal issues will be decided in accordance with South African Law.

We will notify you via post, SMS, email or any other means at least 31 days before we make any changes.

## 16. Disclosure of material facts:

It is your obligation to accurately and properly disclose all material facts to us. If any of the information or statements that you give us is wrong or if you did not give us the information or statements or if you did not give us the relevant information when starting, or updating your Plan, we have the right to:

- Change the Terms and Conditions of your Plan;
- Cancel your Plan from any date that we choose and to keep your premiums for the cover you had until the date of

cancellation;

- Treat your Plan as if it had never started and refund your premiums, less any costs we have incurred (for example, administration costs);
- Not pay out any claims; or
- Recover from you any amounts that we have paid for previous claims.

You are requested not to sign any blank or partially completed document.

You are entitled to a copy of written or printed record of your policy and any transaction requirement upon your request.

## 17. General

Because of the nature of this Plan and the fact that it only applies to the Covered Credit Product, FNB has not done a complete financial analysis about your individual risk profile and financial needs for the purposes of the Plan. FNB has considered the actual risk and liabilities of the Covered Credit Product and the likelihood of the events occurring on a group basis. You should make sure that this Plan meets your needs and that you have all the information you need to make a decision. If you are unsure, you need to speak to your financial adviser. If FNB completes or submits any transaction requirement on your behalf, you must be satisfied as to the accuracy and completeness of the details.

Generally, premiums are not tax deductible and benefits paid are not taxable. However, any additional interest received by a Plan Holder will be taxable in their own hands. This should not be considered tax advice and Plan Holders are advised to contact their own tax consultants for tax advice.

## 18. Regulatory Disclosures

**Product Supplier and Underwriter:** FirstRand Life Assurance Limited ("FirstRand Life"), a licensed life insurer, Licence No. 00102/001; Registration No. 2014/264879/06; 3rd Floor, 5 First Place, 9 Kerk Street, Johannesburg, 2001; PO Box 1153, Johannesburg, 2000; Tel. 087 736 7775; fnblife@fnb.co.za.

**FAIS class and type of product:** Category 1, Sub-category 1.22 (Long-term Insurance – Category B1-A). FNB is a registered financial services provider for this class and type of product.

## 19. Financial Services Provider and Intermediary:

First National Bank ("FNB"), a division of FirstRand Bank Limited, an authorised financial services provider (FSP No. 3071); Registration No. 1929/001225/06; 3<sup>rd</sup> floor, 1 First Place, Simmonds Street, Bankcity, 2001; PO Box 1153, Johannesburg, 2000; (visit the FNB website) Tel: 087 575 9404; E-mail: fnblife@fnb.co.za.

The Plan is provided under a contractual agreement between FirstRand Life and FNB, authorising FNB to distribute the Plan and attend to certain administrative functions. FNB has a written mandate to act for FirstRand Life.

The Insurer is FirstRand Life Assurance Limited who has an agreement with FNB to sell this Plan and FNB receives a fee for this service.

FNB and FirstRand Life are associates in terms of the FAIS Act.

FirstRand Life and FNB hold professional indemnity insurance cover.

FNB takes responsibility for the actions of its authorised representatives insofar as they are providing financial services. Some representatives may be rendering services under supervision and will inform you accordingly.

A Financial Services Provider in terms S3A(2)(a) of the FAIS General Code of Conduct is required to have a Conflict of Interest Policy. A copy of the FirstRand FAIS Conflict of Interest Policy, that also covers this FSP, can be accessed by searching governance and compliance on the FirstRand website.

## **20. Complaints procedures**

**Plan or claim Complaints:** If you have any complaint about this Plan or a claim, please contact the Complaints Call Centre on Tel: 087 575 9408; Email: [care@fnb.co.za](mailto:care@fnb.co.za). You can contact the FirstRand Life compliance officer on Tel: 087 736 7775; Email: [Insurancepillarcompliance@fnb.co.za](mailto:Insurancepillarcompliance@fnb.co.za)

**Financial Services Provider Complaints:** If you have any complaint about the financial services provider, FNB, or how the Plan was sold to you, you can contact the Complaints Call Centre at Tel: 087 575 9408; Email [care@fnb.co.za](mailto:care@fnb.co.za). You can contact the FNB Compliance Officer on Tel: 011 371 7953;

## **21. Unresolved Complaints:**

If we still dispute or reject your claim and you are not satisfied with the reasons provided for such rejection or if you have any unresolved dispute about this Plan, you may refer the matter to the Ombudsman for Long-term Insurance: Third Floor, Sunclare Building, 21 Dreyer Street, Claremont, Cape Town, 7700; Private Bag X45, Claremont, 7735; Tel: (021) 657 5000; Fax: (021) 674 0951; Email: [info@ombud.co.za](mailto:info@ombud.co.za); Website: [www.ombud.co.za](http://www.ombud.co.za).

If after you have contacted FNB and you have any unresolved dispute about the financial service provided to you, you can contact the FAIS Ombudsman: Kasteelpark Office Park, 2nd Floor, Orange Building, Cnr Nossob & Jochemus Streets, Erasmuskloof, Pretoria or PO Box 74571, Lynnwood Ridge, 0040. Tel: 012 470 9080 / 012 762 5000, Email: [info@faisombud.co.za](mailto:info@faisombud.co.za), Website: [www.faisombud.co.za](http://www.faisombud.co.za)