



Black Cygnet Life, an Authorised Financial Services Provider | FSP Number 44723

Bond Protection Policy

Retrenchment Addendum | 12 months

DEFINITIONS

Unless the contrary appears from the context, the following words and phrases shall have the meanings assigned to them where they appear in this Addendum and the Master Policy:

Master Policy

"Master Policy" means the Black Cygnet Life Bond Protection Endurance, and Death Benefit document to which this Addendum is attached.

Claim Payable Date

"The Claim Payable Date" means the date on which a valid claim becomes payable as a result of a Claim Event, and is equal to Claim Event Date plus any Deferred Period (if applicable).

Claim Event

"Claim Event" means an event of retrenchment covered under clause 2.2 of this Addendum.

Claim Event Date

"Claim Event Date" means the date on which the Life Assured ceases to earn an income, having regard to the Life Assured's last date of active service and employment record as determined by OMART.

Deferred Period

"Deferred Period" means the period, starting on the Claim Event Date, for which a Claim Event must endure continuously in order for a benefit under this Addendum to become payable.

Instalment Benefit

"Instalment Benefit" means the regular fixed monthly instalment as stipulated in the Policy Schedule. If the actual monthly instalment of the Mortgage Loan exceeds the amount stipulated in the Policy Schedule at any time during the Period of Insurance, it is the Life Assured's responsibility to increase the relevant benefit amount – for

which the Life Assured might be charged an increased premium.

Income Benefit

"Income Benefit" means the benefit to which the Instalment Benefit converts in terms of clause 2.2.

Retrenchment

"Retrenchment" means the involuntary termination of the Life Assured's full-time or part-time permanent employment with their employer in respect of a permanent employee or the early termination of his contract with their employer in respect of a contract worker:

- due to, or in anticipation of business conditions or any other business decision of the employer that results in redundancy of full-time or part time permanent employees or contract workers; or
- due to the introduction of new technology or reorganisation of their employer's business or company closure.

Satisfactory evidence that the employer is embarking on a legitimate retrenchment process or company closure will be required as part of the claims assessment process.

Waiting Periods

"Waiting Periods" means the periods, starting on the Commencement of Insurance, and any increase to the Sum Assured or benefit amount, during which the occurrence of a claim does not result in a benefit under this Addendum becoming payable. For the purpose of this definition "occurrence of a claim" means the earlier of any of the following events:

- The Life Assured is retrenched;
- The Life Assured is notified of a possible, or actual retrenchment;
- An indication of a potential retrenchment under general or specific notification.

1. Application of this Addendum

- 1.1. The terms of the Master Policy shall apply to this Addendum.
- 1.2. The Retrenchment Benefit under this Addendum shall only apply if this option has been selected in the Policy Schedule and the relevant premium paid.

2. Retrenchment Benefit

- 2.1. The Retrenchment Benefit may only be claimed for a maximum of 3 (three) Claim Events.
- 2.2. The Retrenchment Benefit provides a monthly payment equal to the Instalment Benefit in the event of Life Assured covered by this benefit suffering Retrenchment during the Period of Insurance. In the event the Life Assured is no longer liable under the Mortgage Loan then the Instalment Benefit shall convert to an income benefit, which amount will be the equivalent of the monthly instalment as stipulated in the Policy Schedule.

Any reference in this Addendum to the Instalment Benefit shall, where applicable, be deemed to include a reference to the Income Benefit.

- 2.3. The benefit will be paid for a maximum period of 12 (twelve) months.
- 2.4. All Instalment Benefits will be paid on the same date that the monthly instalments are due for the Mortgage Loan and will be paid into the Mortgage Loan account, unless the Mortgage Loan is no longer in place, in which case it will be paid to the Life Assured.
- 2.5. Payment of any particular Instalment Benefit or Income Benefit will cease on the earlier of the following per Claim Event:
 - the payment of a combination of 12 (twelve) Instalment Benefits and Income Benefits per Claim Event under this Addendum;
 - the re-employment of the Life Assured after a Claim Event.
- 2.6. The Retrenchment Benefit will cease and the benefit will fall away altogether on the earlier of:
 - The date of the Life Assured's 65th (sixty-fifth) birthday;
 - The 2nd (second) automatic reinstatement under clause 6 of this Addendum.

2.7. Termination of Benefit:

The Retrenchment Benefit in respect of the Life Assured will cease on the earlier of:

- The payment of the 12th (twelfth) Instalment Benefit under this Addendum;
 - the date of the Life Assured's 65th (sixty-fifth) birthday;
 - the re-employment of the Life Assured on a temporary or permanent basis.
- 2.8. On admission of a claim, if the Claim Payable Date is reached, Instalment Benefits that fell due after the Claim Event Date will be paid, subject to the provisions of this Addendum. All Instalment Benefits will be paid on the same date that the monthly instalments are due for the Mortgage Loan and will be paid into the Mortgage Loan account, unless the Mortgage Loan is no longer owing, in which case it will be paid to the Life Assured.

3. Deferred Period

The Deferred Period applicable the Retrenchment Benefit shall be 90 (ninety) days.

4. Waiting Period

The Waiting Periods for this Benefit shall be:

- From Commencement of Insurance - 180 (one hundred and eighty);
- In the case of an increase as contemplated in clause 10.1.1 of the Master Policy- 90 (ninety) day;
- In the case of an increase as contemplated in clause 10.1.2 of the Master Policy- 180 (one hundred and eighty) days, as referred to in clause 10.4 of the Master Policy.

5. Exclusions

5.1. Additional Exclusions Retrenchment Benefit

For the Retrenchment Benefit, in addition to the Waiting Period and Deferred Period referred to above and in addition to the exclusions in the Master Policy, OMART will not be liable to pay a Retrenchment Benefit if any of the following directly or indirectly applies:

- 5.1.1. the Life Assured resigned, retired or accepted voluntary retrenchment or redundancy;
- 5.1.2. the Life Assured was aware at the Commencement of Insurance or had reasonable grounds for believing that he/she would become unemployed, retrenched or redundant;
- 5.1.3. the Life Assured lost his/her job due to theft, fraud, dishonesty or any misconduct on his/

her part, or received in the 6 (six) months prior to the Commencement of Insurance one or more verbal or written reprimands which constituted part of his/her employer's disciplinary procedures;

- 5.1.4. The Life Assured had not been employed on a full-time or part-time or permanent basis for at least 12 (twelve) consecutive months at the time he/she was retrenched;
- 5.1.5. Life Assured was self-employed, or employed as a partner in a partnership, a member of a close corporation or a director of a company, or employed in a business owned by a family member of his/hers, or where the Life Assured undertook seasonal work, or where unemployment is a regular feature of his/her work;
- 5.1.6. the Life Assured's unemployment was caused by or due to:
 - 5.1.6.1. a strike, labour dispute or industrial action whether the Life Assured was participating or not;
 - 5.1.6.2. pregnancy, childbirth, illness or injury;
 - 5.1.6.3. expiry of the fixed term of a renewable contract of employment;
 - 5.1.6.4. caused by any lawfully constituted authority nationalising, confiscating or commandeering the assets of his/her employer.

6. Reinstatement

- 6.1. After a payment of the total Instalment Benefits and Income Benefits to which the Life Assured is entitled under this Addendum for a particular Claim Event, the Retrenchment Benefit shall automatically be reinstated on the same terms, subject to the recommencement of all Waiting Periods, Deferred Periods and Exclusions (in particular clauses 3, 4 and 5 of this Addendum).
- 6.2. In particular, after each reinstatement, the period referred to in 5.1.4 will apply again.
- 6.3. The Retrenchment Benefit shall only be automatically reinstated twice under clause 6.1.
- 6.4. The premium shall continue to be paid while the Retrenchment Benefit is in place even if after a reinstatement or a Claim Event.