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# Terms & Conditions

*Bond Protection*

**OMART**

Products Underwritten by Old Mutual  
Alternative Risk Transfer Limited



# Terms & Conditions

## Important Notes on Black Cygnet Life's Bond Protection Policy

The Black Cygnet Life's Bond Protection Endurance Insurance policy underwritten by OMART is a pure risk product that pays out a set Death Benefit and/or Instalment Protector (if selected), Retrenchment (if selected), and Dread Disease (if selected) Benefit as selected by the policyholder. In the event of a valid claim, the Death Benefit and/or Instalment Protector, Retrenchment and Dread Disease Benefit as stipulated in the policy document, will be paid into the home loan (bond) account against which the policy is ceded.

## Termination of benefits

- The Death Benefit is a Whole of Life Benefit.
- The Dread Disease Benefit will terminate on the policy anniversary preceding the life assured's 80th birthday
- The Instalment Protection Benefit, Permanent Disability Benefit, and Retrenchment Benefit will terminate on the policy anniversary preceding the life assured's 65th birthday
- On the payment of the sum assured amount on the Death, Permanent Disability, or Dread Disease of the life assured, the policy would terminate.
- When premiums are not paid within the 30 day grace period, the policy lapses. On termination or repayment of the underlying home loan, the policy may continue as a Whole of Life policy. The Instalment Protection Benefit and Retrenchment Benefit will convert to an Income Benefit. It is the life assured's responsibility to nominate a beneficiary.

Termination of Retrenchment Benefit- The Retrenchment Benefit in respect of the life assured will cease on the earlier of:

- the payment of 6 (six) or 12 (twelve) Loan Instalments under this benefit; or
- the date of the life assured's 65th (sixty-fifth) birthday; or
- the re-employment of the life assured; or
- the expiry of the Period of Insurance.

## Exclusions

### Pre-existing conditions

- Pre-existing Condition(s) are defined as any condition, defect, illness, injury, and disability that was diagnosed and/ or treated, for which signs and/or symptoms were present, within 24 months prior to the commencement, reinstatement, or increase of cover.
- Claims on a Pre-existing Condition will be treated in the following manner:
- If the Life Assured dies within 24 months of the Commencement of Insurance, reinstatement or increase in cover, due to a Pre-existing Condition or any condition or event arising directly or indirectly from or traceable to a Pre-existing Condition, no claim will be paid and all premiums paid will be forfeited.
- If the Life Assured becomes ill, injured or disabled while the policy is in force due to a Pre-existing Condition or any condition or event arising directly or indirectly from or traceable to a Pre-existing Condition, no claim will be paid and all premiums paid will be forfeited.
- The aforementioned Pre-existing Conditions will apply from the date of any increased Sum Assured, increased Benefit Option, addition of any Benefit Option, or date of any reinstatement, in respect of these amendments.

If at the commencement of insurance, the Life Assured already has a physical defect, bodily injury or disability ("the Existing Condition") then any subsequent physical defect, bodily injury or disability which is the same or substantially similar as the Existing Condition ("the Subsequent Condition") shall also be considered a Pre-existing Condition and no claim will be paid and all premiums paid will be forfeited.

### Suicide or suicide attempt

- If the life assured dies or becomes disabled, whether sane or insane, by his or her own intentional act within 24 months of the commencement date or date of any reinstatement, or increase in cover, no claim will be entertained or paid and all premiums paid to date will be forfeited.

### Psychological disorders

No Instalment Protection or Disability claim will be admitted if the claim results directly or indirectly from any of the following;

- depression or dysthymia, whether as an episode or disorder, or as part of the symptom complex of another psychiatric diagnosis;
- post traumatic stress disorder;
- fibromyalgia
- chronic fatigue syndrome and its synonyms.

### Back and neck conditions

No Instalment Protection or Disability claim will be admitted if the claim results, directly or indirectly, from any back or neck condition, unless it qualifies as one of the following, unless covered under a Dread Disease Benefit;

- paraplegia
- quadriplegia
- malignant tumours of the spinal cord and vertebral column
- failed back syndrome after multiple spinal operations
- fractures of the spine.

## General exclusions

No claim will be admitted if the claim results directly or indirectly from any of the following;

- The life assured being affected (temporarily or otherwise) by alcohol or drugs, other than as prescribed by a medical practitioner.
- The life assured committing any breach of criminal law.
- The life assured participating in war, riots, civil commotion, terrorism or military action
- The life assured being participating in a hazardous sport/activity.

## Retrenchment exclusions

No Retrenchment claim will be admitted if the claim results directly or indirectly from any of the following;

- the life assured resigned, retired or accepted voluntary retrenchment or redundancy 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
- 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 the life assured had not been employed on a fulltime permanent basis for at least 12 (twelve) consecutive months at the time he/she was retrenched
- 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
- the life assured's unemployment was caused by or due to:
  1. A strike, labour dispute or industrial action whether the life assured was participating or not
  2. Pregnancy, childbirth, illness or injury
  3. Expiry of the fixed term of a renewable contract of employment
  4. Caused by any lawfully constituted authority nationalising, confiscating or commandeering the assets of his/her employer

## Replacement of policies

It may not be in your interest to cancel or stop paying premiums on an existing policy in order to take out a new one. It is important that you understand the effects that this might have on your financial planning. Among the potential implications, costs and consequences of a replacement are;

- Payment of new charges
- Future insurability
- Loss of cover

## Right to cancel

A 31 day Cooling-off period is applicable, this means the policy may (if the cessionary approves) be cancelled in the first 31 days, and any premiums paid will be refunded.

## Premiums

The premiums payable is not level or guaranteed during the term of the policy and may be reviewed and amended by the underwriter as follows;

- On the anniversary of the commencement date of the policy.
- If the cover amount or any of the terms of the policy are amended.
- On the advice of OMART chief actuary to reflect the claims experience of the relevant risk pool into which the policy is categorized, economic experience and overall experience of the product.

In the case of a change above the underwriter will give the life assured one months notice of the altered premium.

The premium payable under the policy is recalculated, under the above circumstances, based on, without limitation, the amount, the age, gender, smoking habits and socioeconomic rating factors of the life assured.

## Changes to policies

- Black Cygnet's Bond Protection Policy provides flexibility in that you are able to choose the benefits you want in accordance to your needs and budgetary constraints. It also allows you to increase or decrease your cover amount at any time. This flexibility allows you to include or exclude benefits at any stage as your needs change, subject to the recommencement of all exclusions, preexisting clauses, and waiting periods.
- In order to affect any changes, a written request must be sent to the underwriter.

## Maximum Sum Assured amount

The maximum sum assured amount cannot exceed the registered bond amount, or R3.5 million.



Products Underwritten by Old Mutual Alternative Risk Transfer Limited, a Licensed Life Insurer.