



The Discovery Life portfolio





People are at the centre of Discovery Life and everything we do. The Discovery LIFE PLAN range can be tailored to suit your pocket and risk needs. We give you peace of mind.

This brochure will give you an overview of Discovery Life and the LIFE PLANS we offer. For more detailed information, you can refer to the LIFE PLAN Guide or visit, [www.discovery.co.za](http://www.discovery.co.za)

## Your Discovery LIFE PLAN

Minimum Protected FUND	7
FUTURE FUND Benefit	7
Global Linkage Benefit	7
Cover Integrator	8

## Determine your protection

Severe Illness Benefit	13
Capital Disability Benefit	17
Income Continuation Benefit	22
Global Education Protector	26
Global Health Protector	29
Health Plan Protector	31

## Determine your premiums

Funding profile	37
Integration	40

## Boost your retirement

Discovery retirement Optimiser	53
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# 10 reasons for choosing Discovery Life

## 1 **Dynamic pricing and paybacks through Integration.**

With Discovery Health, Vitality and DiscoveryCard, Discovery Life policyholders gain access to unique benefits, such as:

- initial premium discounts of up to 32%
- the opportunity to receive as much as 60% of your LIFE PLAN premiums back and
- the ability to control premium increases and generate further savings by managing your health and DiscoveryCard spend.

## 2 **Lowest cost cover**

Maximum premium efficiency through the Cover Integrator – an average premium discount of 50% for up to 40% additional cover.

## 3 **Flexible funding:** Discovery's choice of funding profiles are designed to offer you the best balance between initial affordability and sustainability.

## 4 **Guarantees:** You have complete peace of mind with Discovery's unique guarantees. You needn't worry about the future cost of risk cover. Discovery removes that risk for you through a quantified premium guarantee, valid for life.

## 5 **Benefit certainty:** Discovery's Capital Disability and Severe Illness Benefits are designed for maximum peace of mind, with features such as:

- objective medical criteria
- whole-body coverage
- LifeTime Impact Benefit
- a multiple claims facility and
- Minimum Protected FUND.

These products can be combined to provide the most comprehensive protection of your lifestyle.

## 6 **Continuation of income:** Discovery's Income Continuation Benefit is designed to:

- maintain your standard of living, whether you are totally or partially disabled
- provide optimal solutions for salary-earners, professionals and business owners

- provide up to 100% of your income on permanent disability
- ensure your contributions to all Discovery products are maintained
- protect you in an adverse interest rate environment on temporary disability.

## 7 **Global protection:** Whether you want access to the best medical treatment in the world or to the latest technology, Discovery's Severe Illness Benefit and Global Health Protector will assist you with the necessary funding, while our Global Linkage option ensures that your cover is maintained in hard currency terms.

## 8 **Indemnity-based benefits:** Discovery's Health Plan Protector and Global Education Protector enables you to secure your family's healthcare and your children's education in case of a life-changing event, despite future costs being unpredictable. The Dynamic Spend Protector offers further protection against the cost of living on becoming permanently disabled.

## 9 **Family protection:** Discovery's Severe Illness Benefit provides automatic severe illness cover for your children and parents at no extra cost. You also have the most comprehensive range of additional family benefits in the market to choose from.

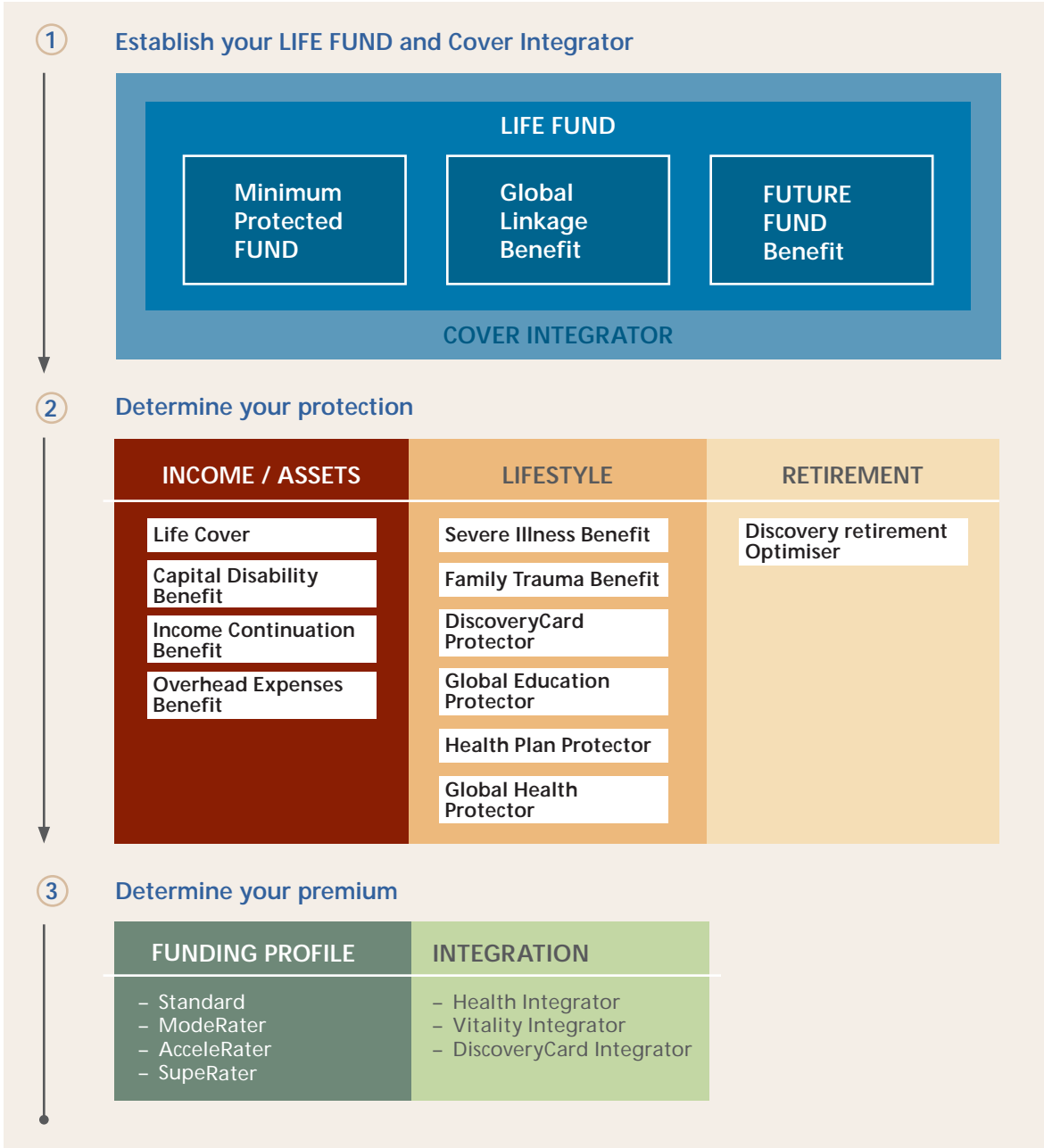
## 10 **Convertibility:** Your benefits automatically change their function according to how your needs change.

For example, at benefit expiry:

- Your Capital Disability Benefit converts to the Severe Illness Benefit for whole of life, without medical underwriting
- Your indemnity benefits convert to lump sum risk cover
- Discovery retirement Optimiser and Annuity Integrator converts excess risk cover into additional retirement income, and
- Cover Integrator converts risk benefits to medical funding in retirement through the Medical Contribution Funder.

# Customising the Discovery LIFE PLAN to meet your unique needs

The Discovery LIFE PLAN has been designed to offer you and your family a tailored solution to meet your individual needs. Every component is designed to safeguard you against the financial impact of a particular risk you may face during the course of your life. Together, the benefits combine to form the Discovery LIFE PLAN, wrapping around the entire spectrum of financial and health risks you face to create a flexible, personal solution that will protect you and your family throughout your lives.



## LIFE FUND

Used to fund benefit payments for the benefits you and your family have selected

### Minimum Protected FUND

- allows you to specify a minimum level for your LIFE FUND

### Global Linkage

- ensures your level of cover is guaranteed in hard global currencies

### FUTURE FUND Benefit

- allows you to increase your cover annually

## COVER INTEGRATOR

Gives you the ability to increase your LIFE FUND with an average premium saving of 50%.



Your Discovery LIFE PLAN

Minimum Protected FUND

Global Linkage

FUTURE FUND Benefit

Cover Integrator





# LIFE FUND and Cover Integrator

## Maximising your cover at the lowest price

- After claiming, reinstate your cover through the Minimum Protected FUND
- Grow your LIFE FUND in line with the performance of global markets and currencies
- Increase your cover without further medical underwriting
- Engage with Vitality to pay the lowest premiums for maximum cover.



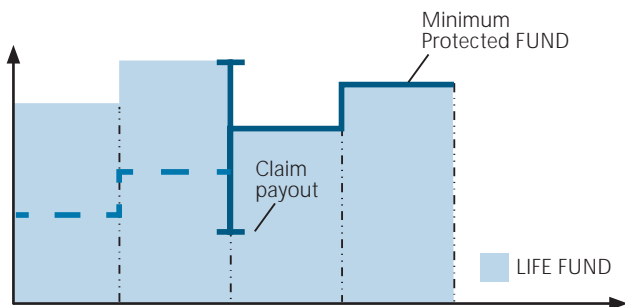
## The LIFE FUND

The LIFE FUND is used to fund benefit payments for the benefits you and your family have selected.

**The Discovery LIFE PLAN provides you with several unique methods to ensure your cover is relevant to you throughout your life:**

### The Minimum Protected FUND

With this option the balance in your LIFE FUND will never drop below your specified minimum protected level – no matter how many benefit payments have been made or what the monetary value of the payments was.



### The FUTURE FUND Benefit

The FUTURE FUND Benefit allows you to increase your cover annually.

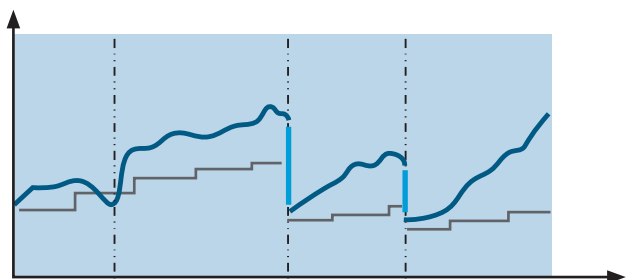
- You can increase your LIFE FUND annually without having to provide any evidence of health or insurability (except for a negative HIV test)
- To do this you nominate a FUTURE FUND amount at policy inception

- You may take between 7.5% and 15% of this amount on an annual basis
- You must take up at least one option every three years to keep this facility.

### The Global Linkage Benefit

The Global Linkage Benefit ensures your level of cover is guaranteed in hard global currencies.

Your LIFE FUND may be linked to a range of dynamic global investment portfolios allowing you to protect your level of cover in US Dollars, British Pounds or Euros, while you pay stable rand denominated premiums over your lifetime.



1. Your LIFE FUND increases annually by the prevailing South African Core CPI (Consumer Price Index). This serves as the minimum guaranteed level of cover, irrespective of which global market or currency the policy is linked to.
2. The Global Linkage ensures that your LIFE FUND increases by the investment performance of the chosen linkage.
3. Benefit payments are made from your LIFE FUND for various life-changing events. Your LIFE FUND will continue to grow by the higher of the Global Linkage return and South African Core CPI.

## Cover Integrator

The Cover Integrator gives you the ability to **increase your LIFE FUND at an approximate premium saving of 50%** on the increased cover. The level of Integrated Cover may fluctuate on an annual basis depending on your level of engagement in Vitality, but you are always protected with the ability to increase your cover to the original level.

At age 65, the remaining Integrated Cover can be converted to the:

- Medical Contribution Funder – which provides a monthly benefit, designed to fund a portion of your Discovery Health contributions (applicable to Discovery Health members) or
- In-retirement Integrated Cover Benefit – allowing the remaining Integrated Cover to continue with no future Integrated Cover Adjustments.

### How does the Cover Integrator work?

**Step 1:** At inception, select your Integrated Cover level at an average premium saving of 50%

**Option 1**

Integrated Cover at 20% of the LIFE FUND

**Option 2**

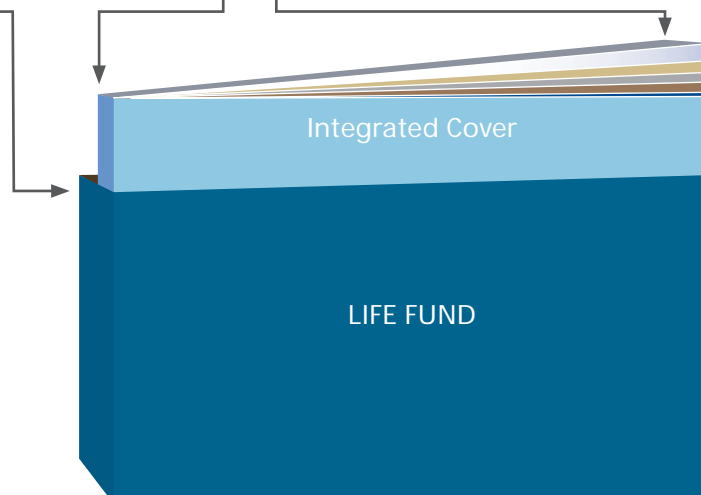
Integrated Cover equal to 40% of the LIFE FUND.

For example, if you selected a LIFE FUND of R1 000 000 with the 40% Integrated Cover Option, your initial cover will amount to R1 400 000.

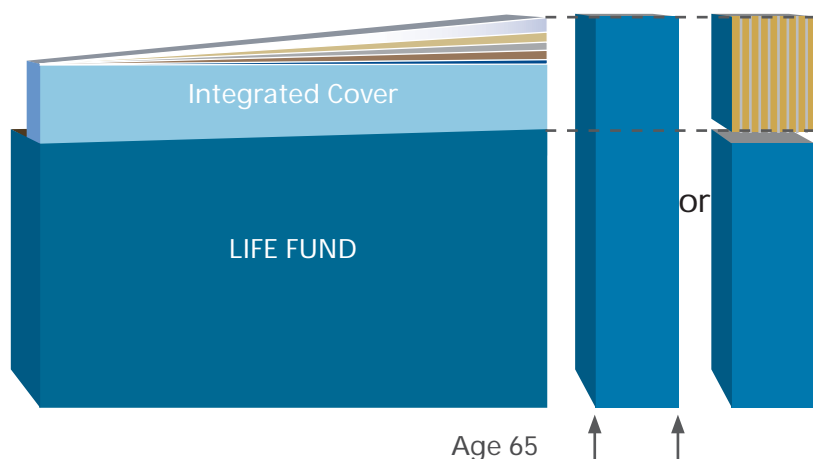
**Step 2:** The Integrated Cover level may fluctuate annually based on your health management. These annual adjustments, known as Integrated Cover Adjustments are as follows:

Vitality status	20% Integrated Cover	40% Integrated Cover
Blue	-0.63%	-1.07%
Bronze	-0.33%	-0.57%
Silver	0.00%	0.00%
Gold	0.33%	0.57%
Diamond	0.63%	1.07%

- The Integrated Cover Adjustments will stop at the earlier of the principal life assured reaching age 65 or the Integrated Cover reaching 20% of the initial Integrated Cover (including automatic annual benefit increases.)
- Through managing your Vitality status you will be able to increase your Integrated Cover level by an additional 15% on option 1 and 30% on option 2
- In the event of your Vitality status being at Blue or Bronze, you will be able to buy up the Integrated Cover Adjustments on an annual basis, without evidence of insurability (except for a negative HIV test). However, you will be required to buy up at least one adjustment in each three-year period to retain this buy up facility.



### Step 3 (at 65 and after)



**Discovery Health members** have the ability to convert their Integrated Cover into the Medical Contribution Funder.

- On reaching age 65 and having been a member of Discovery Health for at least 10 years, you will be able to convert your Integrated Cover into the Medical Contribution Funder Benefit.
- Your Medical Contribution Funder Benefit will be determined by the following Discovery Health Contribution Funder Matrices and depend on the:
  - Selected Integrated Cover option of 20% or 40%
  - LIFE FUND size at policy inception
  - The ratio of the amount of Integrated Cover in relation to the LIFE FUND at age 65.

For non-Discovery Health members, the Integrated Cover and premiums will continue for whole of life, with no additional Integrated Cover Adjustments beyond age 65.

The Discovery Health Contribution Funder: Provides a monthly contribution towards funding your Discovery Health Contribution, as follows:

#### 20% Integrated Cover option

LIFE FUND at inception	Integrated Cover as % of LIFE FUND			
	4% - 7%	8% - 12%	12% - 16%	17% +
≤ R1.4m	R254	R310	R423	R592
R1.7m	R305	R372	R508	R711
R3.4m	R609	R739	R1 015	R1 421
R5.1m	R914	R1 111	R1 523	R2 132

#### 40% Integrated Cover option

LIFE FUND at inception	Integrated Cover as % of LIFE FUND			
	8% - 15%	16% - 23%	24% - 33%	34% +
≤ R1.4m	R508	R620	R846	R1 184
R1.7m	R609	R744	R1 015	R1 421
R3.4m	R1 218	R1 478	R2 030	R2 843
R5.1m	R1 827	R2 222	R3 046	R4 264

The values in the above matrices are increased in January of each year by the average Discovery Health contribution increase, up to Core CPI + 3%.

For example, a policyholder that selected the 40% Integrated Cover option, with a LIFE FUND of R1.5 million at the policy's inception, where the Integrated Cover was equal to 25% of the LIFE FUND at age 65 would receive a monthly contribution of R900 (excluding any annual increases) to fund his Discovery Health contribution.

#### Key advantages:

- Premium efficiency is created through the Cover Integrator, as Integrated Cover can be purchased at approximately 50% of the normal rates
- You are able to increase your Integrated Cover by an additional 15% on option 1 and 30% on option 2 at no extra cost, as your Vitality status improves
- The Cover Integrator converts risk benefits to medical funding in-retirement, through the Medical Contribution Funder Benefit.

#### Technical detail

- Maximum entry age is 60 (and 55 to qualify for the Medical Contribution Funder Benefit)
- Premiums for the Cover Integrator continue for whole of life.

INCOME / ASSETS	LIFESTYLE	RETIREMENT
Life Cover	Severe Illness Benefit	Discovery retirement Optimiser
Capital Disability Benefit	Family Trauma Benefit	
Income Continuation Benefit	DiscoveryCard Protector	
Overhead Expenses Benefit	Global Education Protector	
	Health Plan Protector	
	Global Health Protector	



Determine your protection

Severe Illness Benefit

Capital Disability Benefit

Income Continuation Benefit

Global Education Protector

Global Health Protector

Health Plan Protector



# Severe Illness Benefit

## Maintaining your lifestyle

- Provides comprehensive financial and global healthcare cover against life-changing events
- Covers all major physiological and anatomical systems
- Access to the best medical facilities in the world
- Automatic parent and child severe illness cover at no extra cost
- Comprehensive multiple claims
- Boosted benefits based on objective measurement of the LifeTime Impact of your illness.



## Discovery Life offers two Severe Illness Benefit options

**Standard Severe Illness Benefit:** Your benefit payment is based on the severity of the illness at time of claim

**LifeTime Severe Illness Benefit:** Your benefit payment is based on the severity of the illness at time of claim, as well as the LifeTime Impact of your illness as objectively measured by expected medical treatment protocols and your number of dependants.

## Comprehensive lifestyle protection for you and your family against the impact of severe illnesses

Both Severe Illness Benefits cover illnesses affecting all major physiological and anatomical systems of the body.

- Heart and Artery Benefit
- Respiratory Diseases Benefit
- Connective Tissue Diseases Benefit
- Ear, Nose and Throat Benefit
- Cancer Benefit
- Gastrointestinal Benefit
- Eye Benefit
- Musculoskeletal Benefit
- Nervous system Benefit
- Urogenital Tract and Kidney Benefit
- Advanced AIDS / Accidental HIV Benefit
- Endocrine and Metabolic Diseases Benefit

Benefit payments are based on the severity of the illness

- The severity levels have been set to reflect the financial impact of the illness on your lifestyle
- The severity levels are shown in the table below.

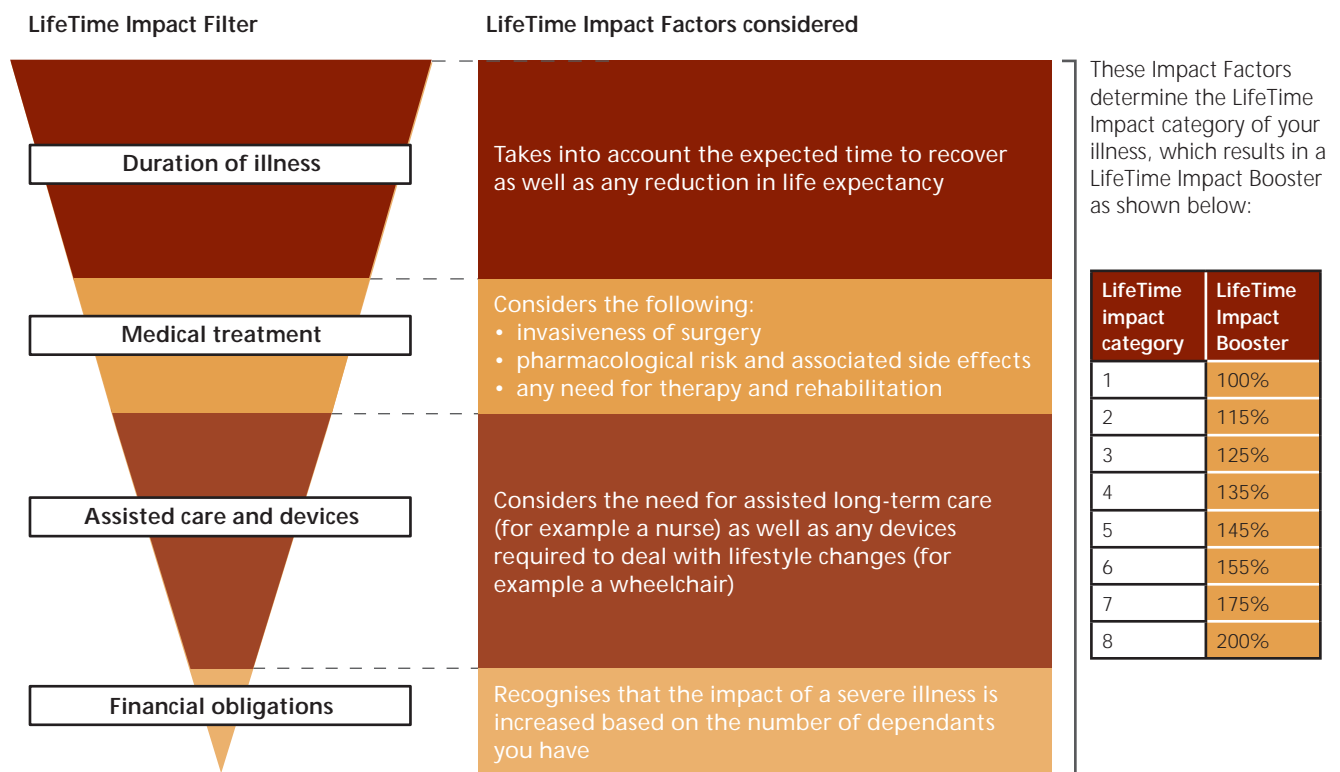
Severity	Percentage of benefit paid		
A	100%	↑ Comprehensive	↑ Comprehensive
B	75%	Benefit	PLUS Benefit
C	50%	(A – D)	(A – G)
D	25%	↓	
E	15%		
F	10%		
G	5%		↓

## LifeTime Severe Illness Benefit

New generation Severe Illness Benefit cover – dynamically adjusts benefits that reflect the long term impact of severe illnesses on your lifestyle

### The LifeTime Severe Illness Benefit Model

The traditional severity-based approach to severe illness cover takes into account the initial clinical impact of a severe illness. In addition, Discovery LifeTime Impact Factors considers the long-term impact of a severe illness, as illustrated by the LifeTime Impact Grading Filter below.



### LifeTime Severe Illness Benefit in action

The total amount payable is based on the severity level of the illness at time of claim multiplied by the LifeTime Impact Booster. This calculation is shown in the examples below:

Medical condition	Severe Illness Benefit severity level at time of claim	LifeTime Impact category	LifeTime Impact Booster	Total Severe Illness Benefit percentage
Stage IV Lung Cancer	A ≥ 100%	5	145%	145%
Paraplegia	A ≥ 100%	7	175%	175%
Medium stroke	B ≥ 75%	5	145%	109%

Assumptions: family includes a spouse plus 2 children.



### Key features of the LifeTime Severe Illness Benefit:

- The efficiency of benefit design ensures an appropriate level of cover for each illness
- Your level of cover dynamically adjusts as your number of dependants changes
- Claims assessment is based on a transparent clinical model that objectively measures the lifestyle impact of a severe illness
- Your benefit payments may exceed your LIFE FUND amount and may be partially applied to the Global Treatment Benefit.

### Technical details

- The LifeTime Impact Booster applies to illnesses of severity A to D
- The LifeTime Impact Booster does not apply to the Child and Parent Severe Illness Benefits.
- The LifeTime Impact factors will be reviewed based on advances in medical technology and treatment protocols

### Unique features of Discovery's Severe Illness Benefit

**Multiple claims facility:** Your benefits will not fall away after one claim – multiple claims mean you can enjoy continued cover.

Discovery pays subsequent claims irrespective of the severity level of previous claims.

**Your cover will never drop below a specified level:** Irrespective of how much or how many times you claim, by adding the Minimum Protected FUND.

Discovery reinstates your cover for future claims for the same illness or a related illness.

**Your children and parents are automatically covered at no extra cost:** The severe illness of a child or parent can have a significant impact on your lifestyle.

Discovery's Severe Illness Benefit is unique in that it automatically includes child and parent severe illness cover (up to a specified maximum) at no additional cost.

- Your children are covered for the same illnesses that you are covered for
- Your parents' cover is based on their inability to perform defined activities of daily living
- Additional cover may also be purchased for your children and parents with the Child Severe Illness Benefit and the Parent Severe Illness Benefit respectively

**Standalone severe illness cover:** Discovery offers you the flexibility of either adding the Severe Illness Benefit to your LIFE FUND or to purchase standalone cover through the IMPAIRMENT FUND.

**Whole-of-life cover:** You can choose cover until age 65 or for the whole of your life.

### Access to the best medical practitioners and facilities in the world through the Global Treatment Benefit

Discovery's Global Treatment Benefit can assist you in getting the best possible treatment through our network of international healthcare facilities.

This powerful benefit, included in Discovery's Severe Illness Benefit, means that you can get up to 180% of your benefit if you choose to make use of the overseas treatment facility, at no additional cost.

#### How it works:

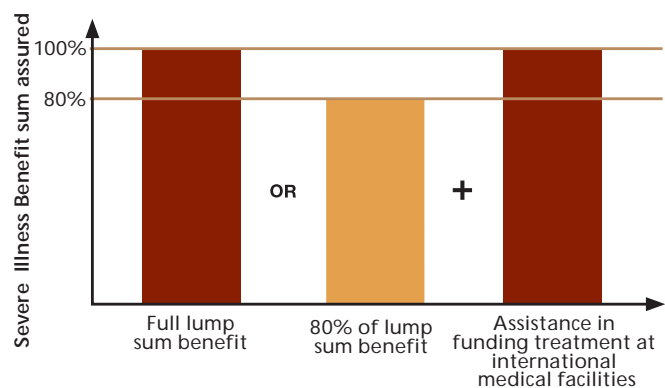
**Option 1:** You choose to have your treatment in South Africa

- You will get your normal benefit. Or, you will receive a lump sum based on the severity and LifeTime Impact of your illness.

**Option 2:** You choose to have your treatment overseas

You will get:

- A lump sum based on the severity and/or LifeTime Impact of your illness multiplied by 80%, PLUS
- The actual cost of the treatment at the overseas facility (up to the maximum payout that would have been received under option 1), less the amount paid by Discovery Health had the procedure been done in South Africa (in rand terms).
- In addition, Discovery Health members are paid the rand amount of the equivalent procedure had it been performed in South Africa.



- The benefit is available on the Comprehensive PLUS, Comprehensive, LifeTime, LifeTime Plus and Child Severe Illness Benefits.
- Your illness must be between Severity A and D to qualify.
- Only drugs approved by the Food and Drug Administration (FDA) will be covered.
- You must be a member of a recognised medical scheme.
- The benefit excludes travel and accommodation expenses.
- This benefit will expire on your 75th birthday.

Global Linkage ensures that the overseas treatment cover provided by the Severe Illness Benefit is protected in hard currency and maintains your overseas health benefits in global terms throughout the lifetime of your policy.

### Additional benefits providing further protection for your family

- **Family Trauma Benefit:** covers each family member admitted to ICU with ventilation as well as reconstructive surgery required as a result of trauma incidents.
- **Female Benefit:** covers cancers specific to women and complications of pregnancy and osteoporosis.
- **Childbirth Benefit:** covers multiple births and congenital birth defects.
- **Child Severe Illness Benefit:** covers the same illnesses you are covered for, as well as illnesses that occur more commonly in children.
- **Parent Severe Illness Benefit:** allows you to take out additional cover on the lives of your parents for the same illnesses you are covered for.
- **The Premium Waiver Benefit:** ensures that the premiums for all your risk benefits are paid should you become severely ill (Severity A criteria).

# Capital Disability Benefit

## Protecting your assets

- Benefits based on objective medical criteria
- Absolute benefit certainty through a robust claims assessment filter
- Cover up to age 70
- The LifeTime Benefit objectively measures the long-term earnings impact of your disability
- Temporary and permanent disability covered in one offering
- The Dynamic Spend Protector ensures affordability of basic living expenses while disabled.



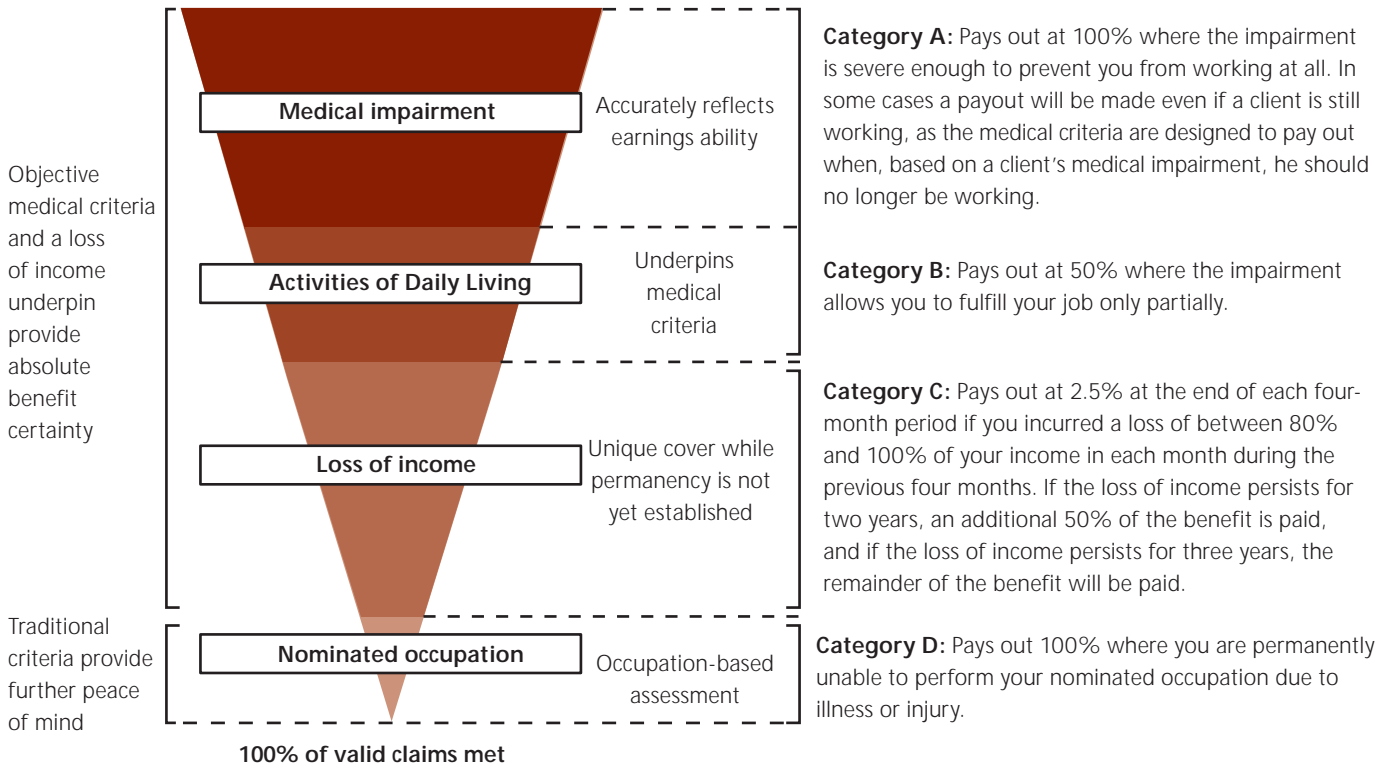
## Discovery Life's Capital Disability Benefits provide a lump sum to ensure you remain financially secure in the event of becoming disabled and not being able to earn an income

Historically, disability claims were assessed according to your ability to perform your occupation. Discovery Life's objective medical criteria for disability assessment now provides policyholders with certainty and transparency. By focusing on how your medical impairment affects your ability to generate and maintain your income, you are ensured of a quick, fair and consistent claims assessment.

## How does the Capital Disability Benefit work?

The benefit provides a lump sum on disability. The category of claim, which determines the benefit payment amount, is determined via the claims assessment filter as follows:

### Discovery's claims assessment filter

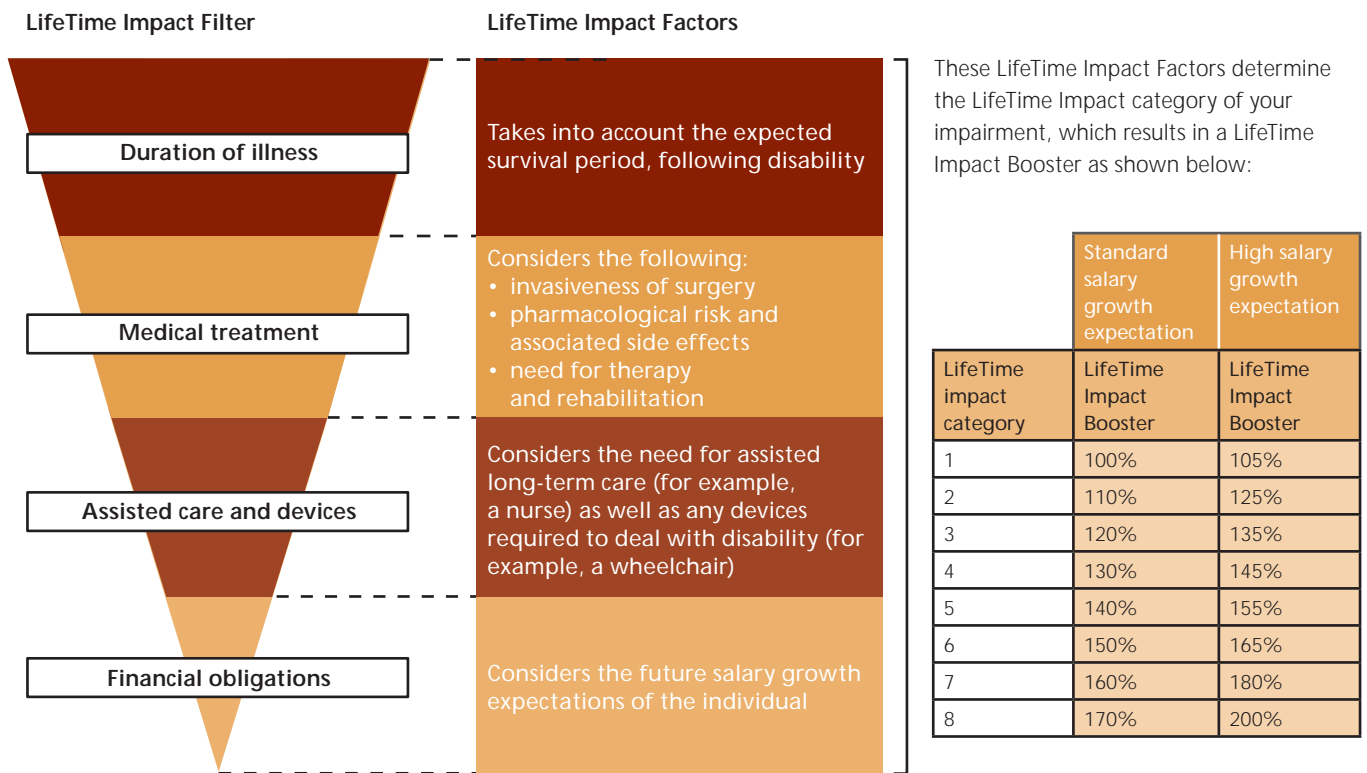


## The LifeTime Capital Disability Benefit

This new generation benefit dynamically adjusts cover to reflect the loss in future earnings relevant to your specific cause of disability and expected future salary growth

### LifeTime Capital Disability Model

The LifeTime Capital Disability Benefit objectively assesses the impact that a disability has on an individual's loss of future income to boost your Capital Disability payout. The LifeTime Impact Filter is used to measure these factors.



## LifeTime Capital Disability Benefit in action

The total benefit payable is based on the severity level of the illness at the time of claim multiplied by the LifeTime Impact Booster. This calculation is shown in the examples below:

Condition	Capital Disability Benefit claim category	Age at claim	LifeTime Impact category	Standard salary growth		High salary growth	
				LifeTime Impact Booster	Total Capital Disability payout percentage	LifeTime Impact Booster	Total Capital Disability payout percentage
Angina	A ≥ 100%	25	2	110%	110%	125%	125%
Paralysis	A ≥ 100%	35	6	150%	150%	165%	165%
Musculoskeletal	B ≥ 50%	45	6	150%	75%	165%	82.5%

### Key features of the LifeTime Capital Disability Benefit

- Efficiency of cover created by providing up to 200% of the Capital Disability Benefit
- Cover dynamically adjusts to reflect lost future earnings (based on your selected earnings growth pattern) as a result of disability
- Claims assessment is based on a transparent clinical model that objectively measures the impact of a disability on your lost future earnings.

### Technical features

- Category D disability claims are assessed to be LifeTime category 3 claims.

## Dynamic Spend Protector

### Capital Disability Benefits that dynamically protect you against cost of living increases

The Dynamic Spend Protector encompasses the SpendAssurance concept of dynamically enhancing your benefits through the DiscoveryCard. It is thus a real-time benefit that adjusts according to your actual expenditure.

#### How does the Dynamic Spend Protector work?

In the event of becoming disabled, the Dynamic Spend Protector will enhance your DiscoveryCard partner discounts as follows:

Benefit Claim Category	Vitality status at date of claim event					Term
	Blue	Bronze	Silver	Gold	Diamond	
A and D	10%	15%	25%	35%	50%	Up to selected benefit expiry
B	5%	7.5%	15%	25%	35%	10 years

#### For example: Category A disability claim

Partner spend = R2 500 per month for a Bronze Vitality member.

The monthly Dynamic Spend Protector Benefit = R375 (R2 500 x 15%) payable until benefit expiry. This is in addition to any normal cash-backs received on the DiscoveryCard.

#### Technical features

- The CashBack benefits provided by the Dynamic Spend Protector are subject to the standard DiscoveryCard CashBack limits and conditions
- The maximum Dynamic Spend Protector benefit will be based on the average DiscoveryCard partner spend in the 12 months prior to a disability event
- Policyholders that do not have a DiscoveryCard at least 12 months before a disability event will be eligible for only 50% of the above CashBack, subject to a monthly maximum of R1 500 at partner stores
- The benefit is available on all DiscoveryCards including the debit card
- The benefit is available as long as the claimant is also a DiscoveryCard holder.

## Additional Capital Disability Benefit options and flexibility

### Non-Accelerated Capital Disability Benefit

- You have the option to select the non-Accelerated Capital Disability Benefit if you wish to have disability cover that exceeds your LIFE FUND, subject to the following maximums at inception:

Age next	Multiple of LIFE FUND
30 or younger	5
Between 31 and 40	4
Older than 41	3

- Young professionals can take up life cover to the non-accelerated Capital Disability Benefit amount, without medical underwriting on the following events:
  - Mortgage bond registration
  - Marriage
  - Birth or adoption of a child
  - Establishing a new practice.

#### There are two disability benefit options:

- The **Core** option covers claims assessed at Category A and D levels.
- The **Comprehensive PLUS** option covers claims assessed at Category A, B, C and D levels.

**Note:** Categories C and D are not available for certain occupations.

The **Premium Waiver Benefit** ensures that your Discovery LIFE PLAN premiums are paid if you become disabled (according to the Category A or D criteria).

## Unique features of Discovery's Capital Disability Benefit

- Absolute benefit certainty through a robust claims assessment filter:** Subjectivity is entirely removed from the assessment. If the objective criteria are met, the claim is paid
- LifeTime Impact:** assessment dynamically adjusts benefits to take account of long term disability impact
- Cover on partial disability:** You don't have to wait until your condition leaves you totally disabled to receive a benefit
- Cover on temporary disability:** When you suffer a loss of income of more than 80%, you don't have to wait for your condition to become permanent before qualifying for a claim
- No explicit waiting period:** Claims are paid as soon as the criteria are met
- Full cover throughout the benefit term:** Unlike traditional cover which reduces from age 55 or 60, when disability incidence is highest
- Cover up to age 70:** With increasing longevity, many of us will be forced to work longer to generate sufficient retirement savings. With Discovery you may select a benefit expiry age of 65 or 70
- Protection throughout your whole life:** As your Capital Disability Benefit converts (at your choice) to the Severe Illness Benefit (Severity A and B) at benefit expiry age, without medical underwriting
- Dynamic Spend Protector:** Enhance your benefit according to your actual monthly expenditure in DiscoveryCard partner stores.

# Income Continuation Benefit

## Protecting your income

- Pays a regular income should you experience a loss of income
- Choice of waiting periods from 7 days to 12 months
- Immediate upgrade to 100% of income on permanent disability
- The ability to protect future earnings growth
- Protection against the effect of interest rate increases
- The Dynamic Spend Protector ensures affordability of basic living expenses while permanently disabled
- Cover up to age 70
- Ensures funding of a portion of your contributions to Discovery for your insurance and healthcare needs



The Income Continuation Benefit pays you a regular income if you experience a loss of income on becoming partially or fully unable to follow your nominated occupation due to disability

## How the Income Continuation Benefit works

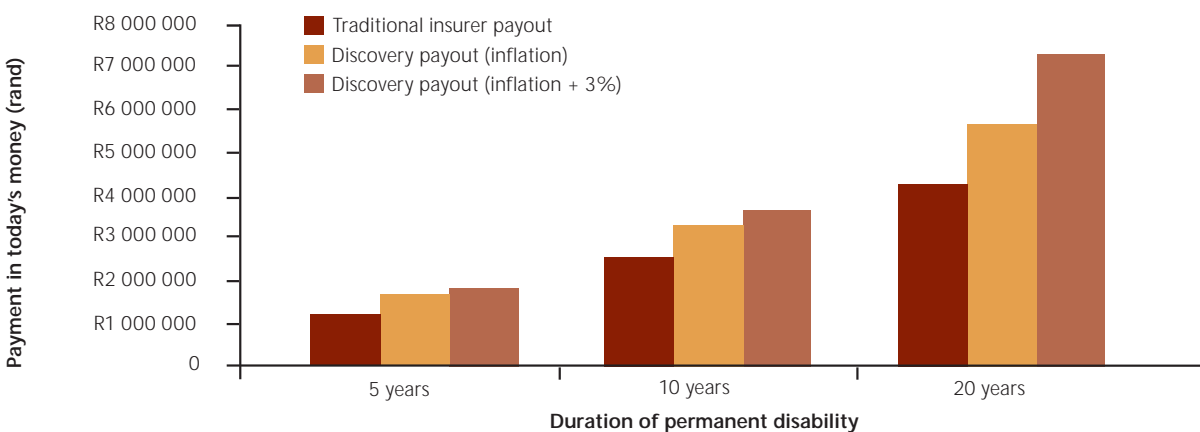
- The benefit provides you with monthly payments while disabled
- It pays you an income either until you have recovered from the disability and return to work, or until you reach the selected expiry age of 60, 65 or 70
- The premium for this benefit will be waived for the duration of the period that you receive benefit payments.

## Unique features

- **Immediate upgrade to 100% of income on permanent disability:** Traditional income disability benefits allow you to cover 66% to 75% of your income. With Discovery Life, your monthly payments will be increased from a maximum of 75% of income on temporary disability to 100% on permanent disability, should you meet the Category A or D criteria of the Capital Disability Benefit, subject to the maximum benefit amount established by Discovery Life.

## The power of the 100% upgrade

Assume a policyholder earns R30 000 per month with an Income Continuation Benefit of R22 500 per month. If permanently disabled, the payout in today's money, (increased to R30 000 per month at 9% discount rate) would be as follows:





## Unique features of the Income Continuation Benefit (continued)

### The Interest Rate Protector

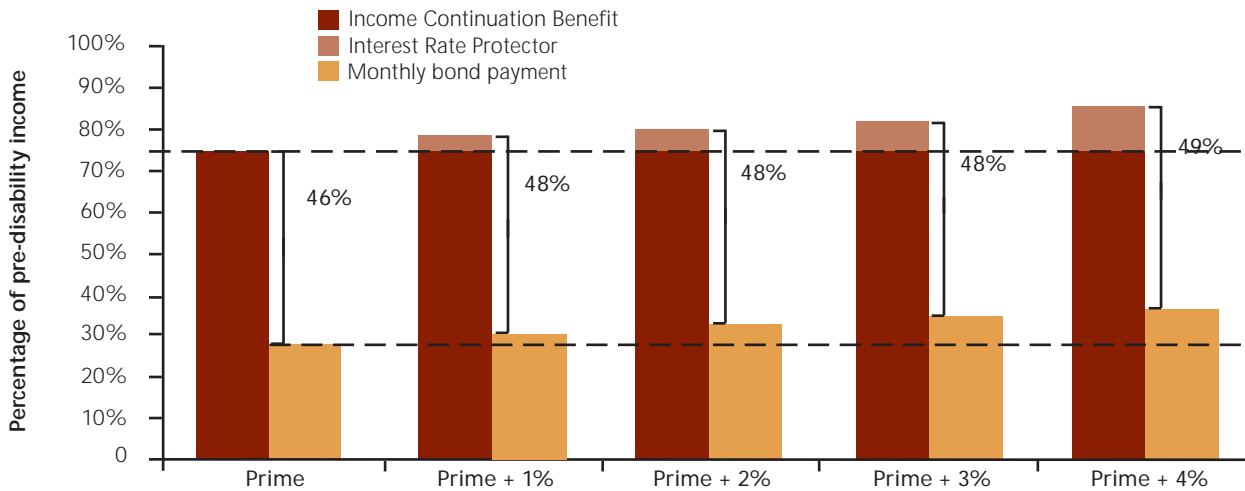
If you are temporarily disabled for a period longer than one month, the Income Continuation Benefit will be boosted by up to 15%, depending on the current prime interest rate versus the lowest prime interest rate in the 12 months prior to claim. The boost percentage is determined by the following table:

**Interest Rate Protector table**

Prime interest rate increase	Income Continuation Benefit increase
1% – 1.99%	5%
2% – 2.99%	7.5%
3% – 3.99%	10%
4% +	15%

Note: should interest rates decrease at any point in time while in claim, your boost percentage will be adjusted accordingly. The benefit is payable for up to 24 months or permanent disability if sooner.

### The value of the Interest Rate Protector: net disposable income is maintained despite increases in interest rates



**Assumptions:** Prime interest rate = 10%, Bond amount: R900 000, Bond term: 20 years, Salary: R30 000 per month, Income Continuation Benefit: R22 500 per month.

## Unique features of the Income Continuation Benefit (continued)

- **An additional payment of either 25% for 12 months (Core Option) or 100% for 24 months (Comprehensive option) of your Discovery Life, Discovery Health and Discovery retirement Optimiser™ contributions through the Contribution Protector.** Payment is subject to a maximum of 33% of the Income Continuation Benefit amount, payable on temporary disability.
- **Dynamic Spend Protector** in the event of becoming permanently disabled, your DiscoveryCard partner discounts will be boosted by up to 50%, as follows:

Benefit Claim Category	Vitality status at date of claim event					Term
	Blue	Bronze	Silver	Gold	Diamond	
A and D	10%	15%	25%	35%	50%	Up to selected benefit expiry

- **Protection of your earning ability and standard of living:** Unlike traditional income disability benefits, benefit payments for business owners are not determined by personal taxable income. Instead, payments are determined by gross fees for services rendered and net income from trading activities, less the overhead expenses of the business
- **No interruption in your cash flow** as payments are made once the waiting period has expired. You have three months from the date of the disability event to prove earnings before disability
- **Salaried employees are covered on a cost-to-company basis**
- **Comprehensive cover on a partial disability.** Unlike traditional income disability benefits, which reduce your payout by the income you still earn during partial disability, Discovery's benefit is unique, because:
  - You will receive your **full sum assured for the first three months** from the disability event, irrespective of any income still earned during disability
  - Thereafter, benefit payments are only reduced with income earned during disability to the extent that it exceeds 30% of pre-disability earnings. This applies for two years in claim
  - For professionals in private practice or partnership there is no aggregation in the first two years
  - Payments from other disability/sickness income benefits will still be aggregated.
- **A choice of waiting periods:** Seven days, one month, three months, six months or 12 months
- A choice of flexible **escalation options for benefits in claim:** 0%, CPI or CPI +3%
- **Retrospective payments from day one on the seven-day waiting period** for a comprehensive range of illnesses and injuries. Most self-employed occupations qualify for the seven-day waiting period
- **Unique cost saving opportunity for professionals in private practice**, as payments are similarly back-dated from day one on the one-month waiting period
- **Cover up to age 70:** Traditional income disability benefits have a maximum expiry age of 65. However, with increasing longevity many of us will be forced to work longer to generate sufficient retirement savings. Discovery offers the only income disability benefit in the market with an expiry age of 70
- **Increase your cover by 20% every three years without medical underwriting** through the Guaranteed Insurability Benefit. This is particularly valuable if you're expecting your earnings to grow by more than inflation.

- There are two Income Continuation Benefit options:
  - Core option
  - Comprehensive option

Features	Core option	Comprehensive option
Contribution Protector up to 25% for 12 months	✓	x
Contribution Protector up to 100% for 2 years	x	✓
Dynamic Spend Protector	x	✓
Guaranteed Insurability Benefit	x	✓
Interest Rate Protector	x	✓
In-claim escalation option of CPI + 3%	x	✓

The **Overhead Expenses Benefit** provides monthly funding for business expenses.

- This benefit provides you with cover to fund your business overhead expenses while you are disabled
- The waiting period is one month
- Professionals in private practice or partnership will be automatically upgraded to a seven-day waiting period if they have selected a seven-day waiting period for the Income Continuation Benefit
- The benefit is payable for a maximum of 24 months or until the benefit expiry age of 60, 65 or 70 is reached – whichever happens first
- The Overhead Expenses Benefit may be selected without the Income Continuation Benefit on company-owned policies.

# Global Education Protector

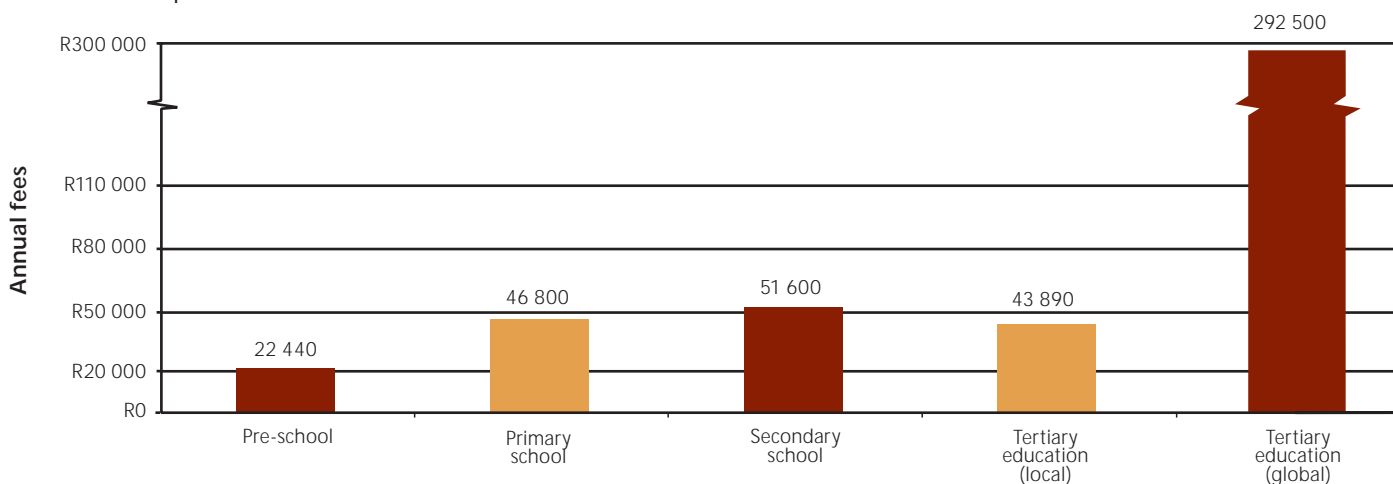
## Securing your child's education in global terms

- Ensuring your children have access to private education if you suffer a life-changing event
- Covers the costs of pre-school, primary, secondary and tertiary schooling
- Global cover at the best international universities is included
- Tuition, residence and study material fees are all covered by the benefit.



The cost of education, in particular private education, is high. The current cost of education, at various levels, is illustrated below.

### Current cost of private education – 2009



### How the Global Education Protector works

- The Global Education Protector enables you to meet the actual costs of your child's education – in South Africa and internationally – in the event of the death, disability or severe illness of the life insured.
- The following years of education are covered:
  - Pre-school : 1 year
  - Primary school : 7 years
  - High school : 5 years
  - Tertiary education : An undergraduate degree or recognised diploma/certificate
- Benefit payments will cover the actual education fees as well as an allowance of 30% of the fees to cover the costs of university residence and 10% of the fees to cover the cost of the required books.
- Discovery Life will require proof of enrolment, proof of fees and, if applicable, the previous year's education results.
- All registered education institutions (public and private schools, schools for learners with special education needs and home schooling) as set in the South African Schools Act 1996 are included in this benefit. In terms of tertiary education, all South African universities are included, as well as technikons and recognised institutions providing trade-based certification (for example plumbing and electrical). Cover is also provided within Discovery's global network of universities.

- You can select a benefit that pays in the event of death, severe illness and disability, or on severe illness and disability only, or death only. On either you as the principal life or you and your spouse
- Benefit payments are based on the severity of the illness or disability
  - If the criteria for Severity A of the Severe Illness Benefit or Category A or D (where applicable) of the Capital Disability Benefit are met, the Global Education Protector will meet the costs of your children's remaining years of education. This includes tertiary education, if relevant
  - If the criteria for Severity B of the Severe Illness Benefit are met, the Global Education Protector will fund the costs of education over the next five years.

## Global Education Protector in action

The table below illustrates the value (in today's money) of the current maximum benefits provided by the Global Education Protector for a child entering at the specified education level if the life assured were to suffer a life-changing event.

Education level	Pre-school	Primary school	Secondary school	Local tertiary Institution	Global tertiary Institution
Value of benefit	R22 440	R327 600	R258 000	R131 670	R1 228 500

Assumptions: Current costs for a child entering the appropriate level of schooling are shown, R\$ exchange rate: 9

For example, consider a family with two children, one entering primary school and one entering secondary school. Both of these children are expected to attend a local tertiary institution. The total cost of future education for this family is R1 106 940, which is the total amount that would be paid by the Global Education Protector if the life assured experiences a life-changing event.

### Key points

#### Cover is provided within Discovery's global network of universities:

Brown University (USA)	Northwestern University (USA)
California Institute of Technology (USA)	Oxford University (UK)
Cambridge University (UK)	Princeton University (USA)
Columbia University (USA)	Rice University (USA)
Cornell University (USA)	Stanford University (USA)
Dartmouth College (USA)	University of Chicago (USA)
Duke University (USA)	University of Pennsylvania (USA)
Harvard University (USA)	Washington University in St Louis (USA)
Johns Hopkins University (USA)	Yale University (USA)
Massachusetts Institute of Technology (USA)	

- To qualify for a benefit payment, the child must be the natural or legally adopted child of the assured lives. A child born after the policy commences may be added to the policy, subject to our underwriting requirements.
- All registered education institutions (public and private schools, schools for learners with special education needs and home schooling) as set out in the South African Schools Act, 1996, are included in this benefit.
- Should no claim have been made by the benefit expiry age, the benefit automatically converts to provide additional life cover, disability and severe illness cover for the assured lives.
- Benefit payments will stop on the earlier of:
  - The beginning of the education year in which the child turns 24
  - Completing their tertiary qualification – degree, diploma or trade certification
  - Principal life reaching age 65.
- Premiums are not guaranteed and will increase every year in line with the increasing costs of education and rand depreciation.
- Benefit payments for the Global Education Protector do not affect your LIFE FUND.

# Global Health Protector

Access to the most advanced international healthcare

- US \$1 million cover for each family member
- Giving you the best possible chance of survival
- Procedures include treatments, transplants and foetal surgery.



With new advances in medical technology, you and your family need access to international centres of excellence. The Global Health Protector offers you cover for health expenses in global terms.

## Providing you with access to critical healthcare services through our US network

Through our partnership with a network of leading hospitals and centres of excellence in the USA, you and your family are covered for certain procedures that either cannot be performed in South Africa or that you are significantly more likely to survive if performed in the USA.

Some of these procedures include the following:

<b>Cancer</b>	Paediatric solid tumours Radiation oncology for brain tumours Types of paediatric leukaemia
<b>Transplants</b>	Liver Heart Heart and lung Lung Pancreas Kidney or bone marrow transplants (only if suitable donor is not found after six months in SA) Kidney transplant in diabetic patients
<b>Cardiac surgery</b>	Children with congenital defects
<b>Foetal surgery (in utero)</b>	
<b>Cerebrovascular aneurysms</b>	
<b>Lung</b>	Lung volume reduction surgery
<b>Parkinson's disease</b>	Early onset Parkinson's disease (< 60 years)
<b>Epilepsy</b>	Surgery in children < 18 years

**There are over 4 000 hospitals in Discovery Life's network, including:**

- Stanford Health Care/Lucile Salter Packer Children's Hospital, Palo Alto, CA
- UCLA Medical Centre, Los Angeles, CA
- University of Chicago Hospitals, Chicago, IL
- Barnes-Jewish Hospital, St. Louis, MO
- Baylor University Medical Center, Dallas, TX
- Brigham and Women's Hospital, Boston, MA
- Duke University Hospital, Durham, NC
- Johns Hopkins Hospital, Baltimore, MD
- Massachusetts General, Boston, MA
- Cleveland Clinic Foundation Hospital, Cleveland, OH
- Mount Sinai, New York, NY
- The University of Texas MD Anderson Cancer Centre, Houston, TX
- Mayo Clinic, Rochester, MN

## Key features of the Global Health Protector

- The Global Health Protector covers the **full cost of medically necessary healthcare procedures performed**. This includes pre-return flight recuperation, necessary medications and treatments at a designated facility covered by the network.
- The **full costs of transporting the insured** and if necessary, a family member, organ donor, nurse or doctor **to the facility in the United States** will be covered.
- An overall lifetime limit of US \$1 million applies per insured member of the family.
- Cover is valid for up to 90 days after the commencement of the relevant medical procedure.
- In the case of an organ transplant, the cover will end 120 days after the medical procedure's commencement. Cover can also be extended to a maximum of 120 days before the transplant and is limited to an amount of US \$60 000.
- The cover includes a **daily allowance of \$150 per day for accommodation and meals** for those accompanying the insured and an overall limit applies of \$22 500 per person.
- Your Global Health Protector will expire when the insured life reaches the age of 65. If you select cover for your children, it will expire when they reach the age of 18.
- Premiums for this benefit are not guaranteed and will increase annually in line with medical inflation and the depreciation of the rand against the dollar.
- The Global Health Protector does not affect your LIFE FUND.



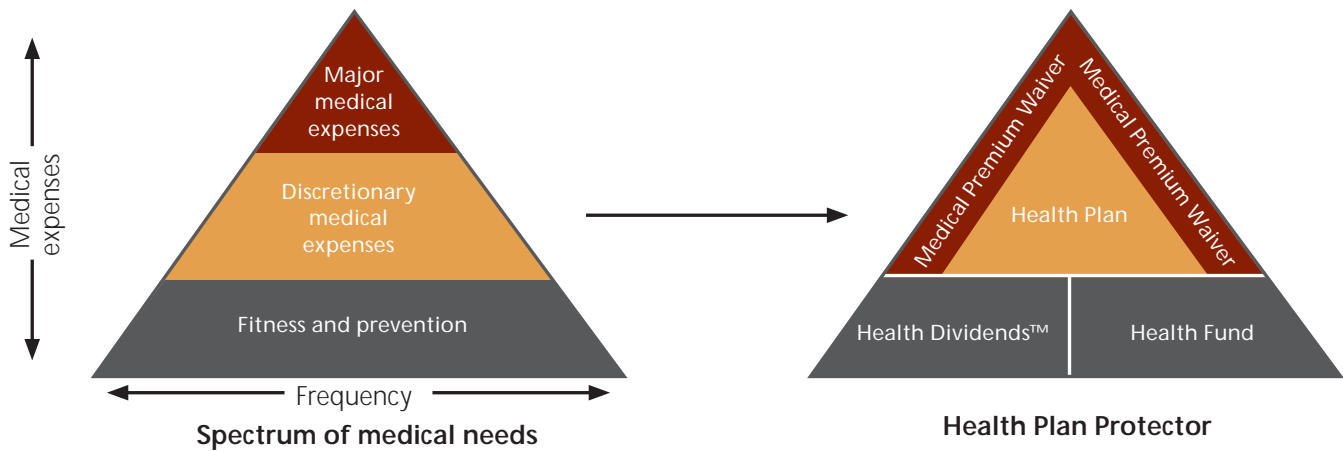
# Health Plan Protector

## Protecting your family's healthcare contributions

- Covers the cost of your family's medical scheme contributions for up to 10 years in the event of death, disability or severe illness
- Provides a tangible benefit for managing your health by giving you back "unused" health plan risk contributions.



Members of health plans are often concerned that their families will not be able to afford their health plan contributions if they die, become very ill or disabled. Members also want value for money – especially during the periods when they contribute more to their health plan than they claim from it.



### The Health Plan Protector:

- Protects the member's Health Plan contributions through the Medical Premium Waiver
- Provides value to members when they are healthy through the Health Dividends™ or Health Fund payments.

The **Health Plan Protector** is available in two forms:

- Health Plan Protector with Medical Premium Waiver and Health Dividends™
- Health Plan Protector with Medical Premium Waiver and Health Fund.

## Medical Premium Waiver

- The Medical Premium Waiver ensures that your contributions towards your Discovery Health Plan continue to be paid in the event of a life-changing event (death, severe illness or disability).
- Qualification for a benefit:
  - If the insured meets Severity A of the Severe Illness Benefit or Category A or D (if applicable) of the Capital Disability Benefit, the benefit payments equal to the Discovery Health contributions you paid at the time of the life changing event will be made for either five or 10 years (and two years on meeting Severity B of the Severe Illness Benefit).
- Monthly payments will increase in line with increases applicable to the relevant Discovery Health Plans, subject to a maximum of 20% per year.

## Health Dividends™

- At the beginning of the year, Discovery will calculate the annual excess or shortfall of your Discovery Health Plan risk contributions (equal to 80% of the total Discovery Health Plan contribution less the Medical Savings Account contribution) over your Discovery Health Plan risk claims for the previous year.
- This represents your “unused” health risk contribution, and a percentage of it will be paid to you in the form of a Health Dividend™.
- The percentage depends on your Vitality status and the duration of your Vitality membership and is shown in the table that follows:

Percentage with a DiscoveryCard					
Status	Blue	Bronze	Silver	Gold	Diamond
Years on Vitality					
Less than 3 years	10%	10%	10%	10%	N/A
3 to 5 years	10%	11%	12%	13%	15%
More than 5 years	10%	12%	14%	15%	20%
Percentage without a DiscoveryCard					
8%					

- If the Health Plan risk claims exceed the Health Plan risk contributions paid in a particular calendar year, no Health Dividend™ will be paid for that particular year.

## Health Fund

- At the beginning of every year, Discovery will calculate your unused health risk contribution in exactly the same way as a client earning Health Dividends™.
- However, instead of paying you an annual Health Dividend™, Discovery will transfer the unused health risk contribution (whether positive or negative) to your Health Fund.
- Your Health Fund will grow each year based on the size of this transfer, culminating in a final lump sum payment equal to your remaining Health Fund balance at age 65 (or in the event of death, disability or severe illness if earlier).
- A percentage of your unused health risk contribution will however be paid back to you every five years, through the Discovery PayBack™ Benefit.
- The percentage that accrues each year will depend on your Vitality status at the beginning of each calendar year.

Vitality status	PayBack™ percentage if you have the Health Plan Protector only	PayBack™ percentage if you have the Health Plan Protector and a Discovery LIFE PLAN
Blue	5%	10%
Bronze	10%	15%
Silver	15%	20%
Gold	20%	25%
Diamond	25%	30%

#### **Important information about the Health Plan Protector**

- Claims will not be admitted for any pre-existing medical condition or disability that the insured suffered from, was aware of, or received medical treatment for, in the three years before the commencement of this benefit. No payments will be made for any of these conditions for the first three years after commencement of the benefit. Thereafter, full cover is provided.
- Premiums increase annually on 1 January. These increases are determined by Discovery Life and are based on factors such as the Discovery Health Medical Scheme increase and demographic changes.
- The Health Plan Protector ceases at age 65 (if no claim has occurred for a life-changing event before age 65) or on completion of the benefit payment term under the Medical Premium Waiver. In addition, the benefit will cease before any claim if you are no longer a member of both Discovery Health and Vitality.



#### FUNDING PROFILE

A range of funding options offer you flexibility and certainty

- Standard
- ModeRater
- AcceleRater
- SupeRater

#### INTEGRATION

A unique opportunity to benefit in a number of ways by having more than one Discovery product

- Health Integrator
- Vitality Integrator
- DiscoveryCard Integrator



Determine your premiums  
Funding profile  
Integration





# Funding your LIFE PLAN

Combining affordability and sustainability

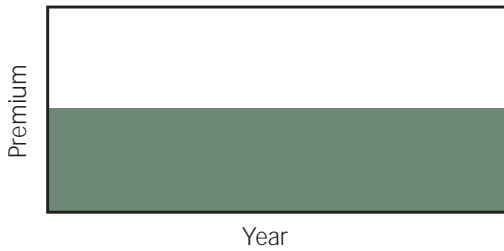


## A range of funding options offers you flexibility and certainty

There are four flexible funding methods available to suit your needs. You enjoy absolute certainty because the frequency and amount of your premium increases are defined at inception.

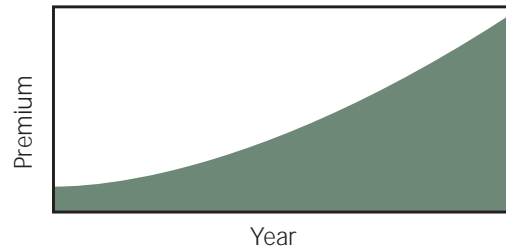
### Standard

This option has the highest initial premium, but requires no future premium increases to maintain your cover.



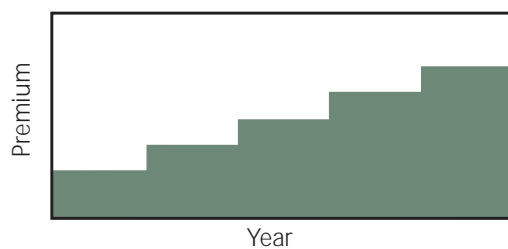
### AcceleRater

Your initial premium is lower than the Standard and ModeRater funding methods, but will increase every year to maintain your cover at the right level as you get older.



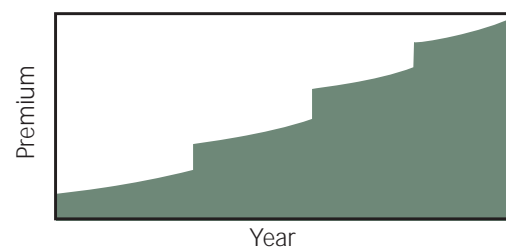
### ModeRater

Your initial premium for whole of life benefits is lower than on the Standard funding method. To maintain your cover, your premiums for these benefits increase by an additional 20% every 10 years.



### SupeRater

This option has the lowest initial premium of all the options. Annual compulsory increases maintain your cover at a specified level as you get older. In addition, your life premiums for whole of life benefits will be increased by 20% every 10 years.



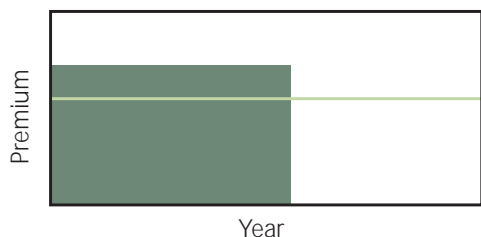
## Paid-up and Lock-in options

### Ensuring the sustainability of premiums over your lifetime

The Paid-up and Lock-in options ensure that you will be able to maintain your cover by keeping premiums affordable. This gives you the security that your retirement income will not be eroded by the increasing costs of your LIFE PLAN.

#### Paid-up

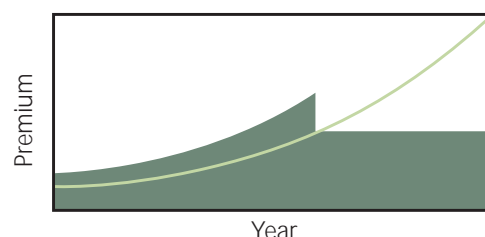
Adding the Paid-up option to your Standard Plan at the inception of your policy ensures that you stop paying premiums at age 65, but continue your benefits for the rest of your life.



- Premium for a Standard Plan with Paid-up option
- Premium for a Standard Plan

#### Lock-in

Adding the Lock-in option to your AcceleRater Plan at the inception of your policy means that both your automatic annual premium and benefit increases will cease. You may select either the 20-year or age 65 Lock-in option.



- Premium for an AcceleRater Plan with Lock-in option
- Premium for an AcceleRater Plan

## Premium guarantees

### Absolute security of your premium increases

Discovery Life guarantees that your premiums will not be increased above your automatic annual increases for the first 10 years of your policy's cover. Discovery Life further guarantees that if any premium increases are required at the end of the first 10 years and any 10-year period thereafter, these increases will never exceed 25% of your premium at that time.

As a Vitality member you can further improve these guarantees by reducing the maximum potential increase in line with your Vitality status. The percentage reduction is determined according to the number of years on each Vitality status.

Per <b>Blue</b> year:	0%
Per <b>Bronze</b> year	0.5%
Per <b>Silver</b> year	1.5%
Per <b>Gold</b> year	2.5%
Per <b>Diamond</b> year	2.5%

For example, at the end of 10 years, assuming a policyholder was on Blue status for two years, Bronze status for three years, Silver status for three years and Gold status for two years, the maximum potential premium increase is 14% as illustrated below:

$$25\% - (2 \times 0\%) - (3 \times 0.5\%) - (3 \times 1.5\%) - (2 \times 2.5\%) = 14\%$$



## Integrating your funding structure

By integrating your LIFE PLAN you receive:

- an initial premium reduction
- the power to control your premium escalations by managing your health and spend and
- the opportunity to earn five-yearly PayBacks™ (Personal Integrator).

### Integrator range:

- Personal Integrator
- Business Integrator.

### What are the differences between the Personal and Business Integrators?

	Personal Integrator	Business Integrator
Upfront discounts up to	32%	16.75%
Ancillary benefit requirements	Yes	No
PayBack™	Up to 60%	No

Both of these Integrators offer you a choice of mechanisms which give you the ability to control your premium increases and to receive the Payback™ Benefit on the Personal Integrator. The three mechanisms are:

### Health Integrator

- Discovery Health Plan members can integrate their Discovery LIFE PLAN and harness the advantages of improving their Vitality status and managing their health
- This allows you to receive an initial premium discount of up to 20%, the power to control premium increases and the opportunity to receive up to 60% of your premiums back.

### Vitality Integrator

- Discovery Vitality members (who are not members of a Discovery Health Plan) can integrate their Discovery LIFE PLAN
- This allows you to receive an initial premium discount of up to 17.5%, the power to control premium increases and the opportunity to receive up to 25% of your premiums back.

### DiscoveryCard Integrator

- The DiscoveryCard Integrator offers you an additional premium reduction of up to 15% and the opportunity to control your premium increases by channelling your spend through your DiscoveryCard (on the Business Integrator it is selected in conjunction with either the Health or Vitality Integrator).

# Health Integrator with PayBack™

Rewarding you for being fit and healthy

- Integration for Discovery Health members
- Initial discount of up to 20% gives you upfront credit for managing your health
- Up to 60% of your life premiums back every five years.



## An integrated approach that protects and enhances your health and lifestyle

As a member of Discovery Health and Vitality, Discovery Life gives you and your family the unique opportunity to benefit from the Health Integrator. The Health Integrator is designed to work for you over your entire lifetime. It provides you with upfront discounts on your life premiums and gives you the power to influence your future premiums by actively managing and improving your health and lifestyle.

### How the Health Integrator works

#### 1. Your initial premiums are lower

- Discovery Health members on the Executive, Classic or Essential Plans enjoy reduced premiums for all LIFE PLAN benefits (except Vitality) from policy inception
- The reduction is as follows:

LIFE PLAN		Standard / AcceleRater		ModeRater / SupeRater	
Integrators		Personal Integrator	Business Integrator	Personal Integrator	Business Integrator
Health Plans	Executive/Comprehensive/Priority	20%	10%	15%	7.5%
	Core/Saver	17.5%	8.75%	15%	7.5%

#### 2. Your future premiums are determined by the Personal Health Matrix™ which uses

- Your Discovery Health claims, including:
  - The Hospital Benefit and Chronic Illness Benefit claims submitted by the principal life, spouse and children on your Discovery LIFE PLAN
  - Medical expenses accumulating towards the threshold and the Above Threshold Benefit attributable to you and your spouse.
- The Vitality status of the lives assured over the previous policy year.

The following claims are excluded:

- All child and adult dependant claims accumulating towards the threshold and the Above Threshold Benefit
- Childbirth without complications
- Optometry
- Dentistry.

## Personal Health Matrix™ 2009

Core and Saver Plans (Family)	Vitality status					Executive/ Comprehensive/ Priority Plans (Family)	Vitality status				
	Blue	Bronze	Silver	Gold	Diamond		Blue	Bronze	Silver	Gold	Diamond
Health Claims (including MSA)						Health Claims (including MSA)					
0 - R1 330	0.00%	0.00%	-0.25%	-1.00%	-1.50%	0 - R2 790	0.00%	0.00%	-0.50%	-2.00%	-2.50%
R1 331 - R2 790	1.45%	1.20%	0.45%	-0.75%	-1.25%	R2 791 - R4 620	1.35%	1.00%	0.00%	-1.00%	-1.50%
R2 791 - R5 560	1.90%	1.70%	1.00%	-0.50%	-0.75%	R4 621 - R9 360	2.10%	1.85%	1.00%	-0.50%	-0.75%
R5 561 - R9 560	2.55%	2.25%	1.50%	-0.25%	-0.50%	R9 361 - R13 920	2.80%	2.30%	1.50%	0.00%	-0.25%
R9 561 - R13 920	3.15%	2.80%	2.00%	0.00%	-0.25%	R13 921 - R23 140	3.30%	3.00%	2.10%	0.25%	0.00%
R13 921 - R23 140	3.65%	3.35%	2.50%	0.25%	0.25%	R23 141 - R32 500	3.65%	3.30%	2.50%	0.50%	0.50%
R23 141 +	3.90%	3.55%	2.80%	0.75%	0.75%	R32 501 +	3.90%	3.70%	2.95%	0.75%	0.75%

Core and Saver Plans (Principal)	Vitality status					Executive/ Comprehensive/ Priority Plans (Principal)	Vitality status				
	Blue	Bronze	Silver	Gold	Diamond		Blue	Bronze	Silver	Gold	Diamond
Health Claims (including MSA)						Health Claims (including MSA)					
0 - R950	0.00%	0.00%	-0.25%	-1.00%	-1.50%	0 - R2 090	0.00%	0.00%	-0.50%	-2.00%	-2.50%
R951 - R1 900	1.45%	1.20%	0.45%	-0.75%	-1.25%	R2 091 - R3 220	1.35%	1.00%	0.00%	-1.00%	-1.50%
R1 901 - R3 220	1.90%	1.70%	1.00%	-0.50%	-0.75%	R3 221 - R4 620	2.10%	1.85%	1.00%	-0.50%	-0.75%
R3 221 - R4 620	2.55%	2.25%	1.50%	-0.25%	-0.50%	R4 621 - R9 360	2.80%	2.30%	1.50%	0.00%	-0.25%
R4 621 - R9 360	3.15%	2.80%	2.00%	0.00%	-0.25%	R9 361 - R13 920	3.30%	3.00%	2.10%	0.25%	0.00%
R9 361 - R13 720	3.65%	3.35%	2.50%	0.25%	0.25%	R13 921 - R23 140	3.65%	3.30%	2.50%	0.50%	0.50%
R13 721 +	3.90%	3.55%	2.80%	0.75%	0.75%	R23 141 +	3.90%	3.70%	2.95%	0.75%	0.75%

Discovery Life may change the Personal Health Matrix™ annually to accommodate changes in the Discovery LIFE PLAN, Vitality and the Discovery Health Plans, as well as to allow for medical inflation.

## Discovery PayBack™

The Discovery PayBack™ enables policyholders to build a financial asset in their risk policy by managing their health,

**By 2012 Discovery Life is expected to have paid back R409 million through the PayBack™ Benefit.**

The Discovery PayBack™ gives you a refund of a percentage of your LIFE PLAN premiums every five years.

- The percentage of your premiums refunded depends on your Vitality status and your Discovery Health claims.
- The PayBack™ percentage applicable in each year varies between Core/Saver and Executive/Comprehensive/Priority Plans and according to the number of lives assured on the LIFE PLAN.
- The amount received in any five-year term will not be impacted by the experience in any previous five-year period.

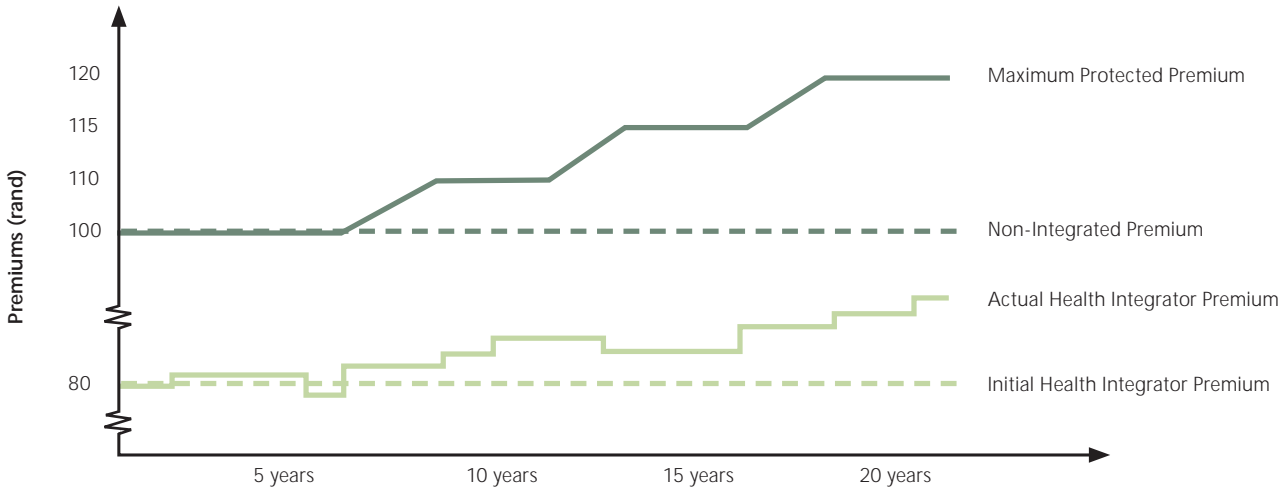
Core and Saver Plans (Family)	Vitality status					Executive/ Comprehensive/ Priority Plans (Family)	Vitality status				
	Health Claims (including MSA)	Blue	Bronze	Silver	Gold		Diamond	Health Claims (including MSA)	Blue	Bronze	Silver
0 - R1 330	15.00%	20.00%	30.00%	45.00%	55.00%	0 - R2 790	20.00%	25.00%	35.00%	50.00%	60.00%
R1 331 - R2 790	12.50%	17.50%	27.50%	42.50%	50.00%	R2 791 - R4 620	15.00%	20.00%	30.00%	45.00%	52.50%
R2 791 - R5 560	7.50%	12.50%	22.50%	37.50%	45.00%	R4 621 - R9 360	10.00%	15.00%	25.00%	40.00%	47.50%
R5 561 - R9 560	5.00%	10.00%	20.00%	35.00%	40.00%	R9 361 - R13 920	7.50%	12.50%	22.50%	37.50%	42.50%
R9 561 - R13 920	2.50%	7.50%	17.50%	32.50%	35.00%	R13 921 - R23 140	2.50%	7.50%	17.50%	32.50%	35.00%
R13 921 - R23 140	-2.50%	2.50%	12.50%	27.50%	27.50%	R23 141 - R32 500	0.00%	5.00%	15.00%	30.00%	30.00%
R23 141 +	-7.50%	-2.50%	7.50%	22.50%	22.50%	R32 501 +	-2.50%	2.50%	12.50%	27.50%	27.50%

Core and Saver Plans (Principal)	Vitality status					Executive/ Comprehensive/ Priority Plans (Principal)	Vitality status				
	Health Claims (including MSA)	Blue	Bronze	Silver	Gold		Diamond	Health Claims (including MSA)	Blue	Bronze	Silver
0 - R950	15.00%	20.00%	30.00%	45.00%	55.00%	0 - R2 090	20.00%	25.00%	35.00%	50.00%	60.00%
R951 - R1 900	12.50%	17.50%	27.50%	42.50%	50.00%	R2 091 - R3 220	15.00%	20.00%	30.00%	45.00%	52.50%
R1 901 - R3 220	7.50%	12.50%	22.50%	37.50%	45.00%	R3 221 - R4 620	10.00%	15.00%	25.00%	40.00%	47.50%
R3 221 - R4 620	5.00%	10.00%	20.00%	35.00%	40.00%	R4 621 - R9 360	7.50%	12.50%	22.50%	37.50%	42.50%
R4 621 - R9 360	2.50%	7.50%	17.50%	32.50%	35.00%	R9 361 - R13 920	2.50%	7.50%	17.50%	32.50%	35.00%
R9 361 - R13 720	-2.50%	2.50%	12.50%	27.50%	27.50%	R13 921 - R23 140	0.00%	5.00%	15.00%	30.00%	30.00%
R13 721 +	-7.50%	-2.50%	7.50%	22.50%	22.50%	R23 141 +	-2.50%	2.50%	12.50%	27.50%	27.50%

- You must keep your Health Integrator for the entire five-year period to receive a PayBack™ at the end of that five-year period.
- Any claim on your LIFE PLAN during the five-year period will be deducted from the PayBack™ at the end of the five-year period, with a minimum PayBack™ of zero.
- The Discovery PayBack™ is only available on the Personal Integrator range.

Applicable from 1 January 2009

## Health Integrator in action



Note: this example is applicable to a Standard Plan with level premiums and benefits where members are on a Comprehensive Health Plan

The Integrator provides excellent value for money as shown by the Breakthrough Term and Breakeven Term illustrated below:

### Health Integrator Breakeven Term

Number of years before cumulative Health Integrator premiums exceed non-Health integrated cumulative premiums

### Health Integrator Breakthrough Term

Number of years before Health Integrator premium exceeds non-Health integrated premium

Health claims (including MSA)	Vitality status				
	Blue	Bronze	Silver	Gold	Diamond
0 - R2 790	Never	Never	Never	Never	Never
R2 791 - R4 620	17	23	Never	Never	Never
R4 621 - R9 360	11	13	23	Never	Never
R9 361 - R13 920	9	10	15	Never	Never
R13 921 - R23 140	7	8	11	Never	Never
R23 141 - R32 500	7	7	10	45	45
R32 501 +	6	7	8	30	30

Health claims (including MSA)	Vitality status				
	Blue	Bronze	Silver	Gold	Diamond
0 - R2 790	> 50 years	> 50 years	> 50 years	> 50 years	> 50 years
R2 791 - R4 620	24	30	> 50 years	> 50 years	> 50 years
R4 621 - R9 360	17	19	30	> 50 years	> 50 years
R9 361 - R13 920	13	16	22	> 50 years	> 50 years
R13 921 - R23 140	12	13	17	> 50 years	> 50 years
R23 141 - R32 500	11	12	15	> 50 years	> 50 years
R32 501 +	10	11	13	38	38

Assumptions: Principal life and spouse age 40 next; Personal Health Integrator, Accelerater Plan; ABI = CPI and CPI = 4%; Classic Comprehensive Health Plan (family)

## PayBack™ in action

### Personal Integrator

- Principal life and spouse purchase the Health Integrator and are also members of the Classic Comprehensive Health Plan.
- Their initial LIFE PLAN premium is R1 000 per month, increasing annually at 10% plus an additional increase from the Personal Health Matrix™.

Year	LIFE PLAN premiums	Health Plan claims	Vitality status	PayBack™ percentage	PayBack™
1	R12 000	R5 200	Blue	10.0%	R1 200
2	R13 477	R9 500	Blue	7.5%	R1 011
3	R15 240	R3 000	Bronze	20.0%	R3 048
4	R16 932	R14 500	Silver	17.5%	R2 693
5	R19 016	R24 000	Gold	30.0%	R5 705
Total					R13 927
Percentage of LIFE PLAN premiums returned					18%

### PayBack™ projected over 20 years assuming the same Vitality status throughout

	Blue	Bronze	Silver	Gold	Diamond
Discovery Health claims equal to 25% of contributions	R89 630	R130 222	R194 833	R258 325	R306 761
Discovery Health claims equal to 50% of contributions	R26 145	R75 455	R156 853	R230 470	R248 198
Discovery Health claims equal to 75% of contributions	R0	R52 289	R141 512	R219 521	R219 521

## 3. Certainty is enhanced by additional guarantees

- Your premium will never be more than the premium you would have paid on an equivalent non-integrated plan, for the first five years.
- After that, your premiums will never overtake the Maximum Protected Premium set out below:
- The additional annual percentage increase will never exceed 3.9%
- If you reach Silver or Gold status on Vitality, you will be able to reverse previous premium increases if you continue to manage your health effectively and maintain your Vitality status.

### Personal Integrator

LIFE PLANS	Standard/Accelerater		ModeRater/Suprater	
Health Plan	Executive/Comprehensive/Priority	Saver/Core	Executive/Comprehensive/Priority	Saver/Core
6-10 years	NI + 10%	NI + 7.5%	NI + 7.5%	NI + 7.5%
11-15 years	NI + 15%	NI + 11.25%	NI + 15%	NI + 15%
16 + years	NI + 20%	NI + 17.5%	NI + 15%	NI + 15%

### Business Integrator

LIFE PLANS	Standard/Accelerater		ModeRater/Suprater	
Health Plan	Executive/Comprehensive/Priority	Saver/Core	Executive/Comprehensive/Priority	Saver/Core
6 + years	NI + 10%	NI + 8.75%	NI + 7.5%	NI + 7.5%

(NI is the premium for an equivalent non-integrated plan)

# Validity Integrator with PayBack™

## Rewarding you for being fit and healthy

- Integration for Validity members who are not members of Discovery Health
- Initial discount of up to 17.5% gives you upfront credit for managing your Validity status
- Up to 25% of your life premium back every five years.



Non-Discovery Health members are able to influence their future premiums by actively maintaining and improving their health and lifestyle through Validity

## How the Validity Integrator works

### 1. Your initial premiums are lower

- The reduction is as follows:

#### Personal Integrator

Standard/Accelerator	Moderator/Supervisor
17.5%	15%

#### Business Integrator

Standard/Accelerator	Moderator/Supervisor
8.75%	7.5%

### 2. Your future premium increases are determined by your Validity status each year as follows:

Validity status				
Blue	Bronze	Silver	Gold	Diamond
2.25%	1.50%	0.50%	-0.50%	-0.75%

\* Applicable to both Personal and Business Integrators

### 3. Certainty is enhanced by additional guarantees

- Your premium will never be more than the premium you would have paid on an equivalent non-Validity Integrated plan for at least the first five years.
- After that, your premiums will never overtake the Maximum Protected Premium set out below:

#### Personal Integrator

LIFE PLANS	Standard/Accelerator	Moderator/Supervisor
6-10 years	NI + 10%	NI + 10%
11-15 years	NI + 15%	NI + 15%
16 + years	NI + 17.5%	NI + 15%

#### Business Integrator

LIFE PLANS	Standard/Accelerator	Moderator/Supervisor
6 + years	NI + 8.75%	NI + 7.5%

(NI is the premium for an equivalent non-Integrated plan)

- The additional annual premium increase will never exceed 2.25%
- If you reach Gold status on Validity, you will be able to reverse previous premium increases if you continue to manage your health effectively and maintain your Validity status.

### Discovery PayBack™

Discovery Life is now extending the unique PayBack™ benefit to non-Discovery Health members with the Personal Vitality Integrator. The PayBack™ percentage will depend entirely on Vitality status as follows:

Vitality status	PayBack™ percentage
Blue	5%
Bronze	7.5%
Silver	15%
Gold	20%
Diamond	25%

Note: Only applicable to the Personal Integrator



# DiscoveryCard Integrator

Increase your risk cover with your DiscoveryCard spend

- Capitalise your DiscoveryCard spend into low-cost risk cover
- Initial premium reduction of 15%
- Ability to maintain and grow this reduction by channelling your spend through your DiscoveryCard
- You are always better off with the DiscoveryCard Integrator.



**What if... every rand you spend on your DiscoveryCard could increase your risk protection and increase the financial security of you and your dependants?**

The DiscoveryCard Integrator (patent pending) allows you to grow the benefits provided by your Discovery LIFE PLAN in line with the spend on your DiscoveryCard.

This is achieved through a simple mechanism which provides you with credit for future expected DiscoveryCard spend upfront and dynamically adjusts your future Discovery LIFE PLAN premium according to your actual DiscoveryCard spend and Vitality status.

## How the DiscoveryCard Integrator works

- You receive an immediate 15% premium reduction on your LIFE PLAN premiums.
- Your future premiums will increase/decrease annually based on:
  - Your average monthly DiscoveryCard spend in the previous policy year
  - Your Vitality status over the previous policy year.

This is reflected in the Personal Spend matrices below:

### Personal Integrator

Average monthly spend	Vitality status				
	Blue	Bronze	Silver	Gold	Diamond
0 - R1 190	7.50%	7.50%	7.50%	7.50%	7.50%
R1 191 - R2 360	3.25%	3.25%	3.25%	3.25%	3.25%
R2 361 - R3 550	2.50%	2.00%	1.75%	1.25%	1.00%
R3 551 - R4 720	1.50%	1.25%	1.00%	0.75%	0.50%
R4 721 - R5 910	1.00%	0.75%	0.25%	0.25%	0.25%
R5 911 - R8 850	0.50%	0.25%	0.25%	0.25%	0.25%
R8 851 +	0.00%	-0.50%	-0.50%	-0.50%	-0.50%

### Business Integrator

Average monthly spend	Vitality status				
	Blue	Bronze	Silver	Gold	Diamond
0 - R5 910	7.50%	7.50%	7.50%	7.50%	7.50%
R5 911 - R7 670	3.25%	3.25%	3.25%	3.25%	3.25%
R7 671 - R9 440	2.50%	2.00%	1.75%	1.25%	1.00%
R9 441 - R11 800	1.50%	1.25%	1.00%	0.75%	0.50%
R11 801 - R14 750	1.00%	0.75%	0.25%	0.25%	0.25%
R14 751 - R17 710	0.50%	0.25%	0.25%	0.25%	0.25%
R17 711 +	0.00%	-0.50%	-0.50%	-0.50%	-0.50%

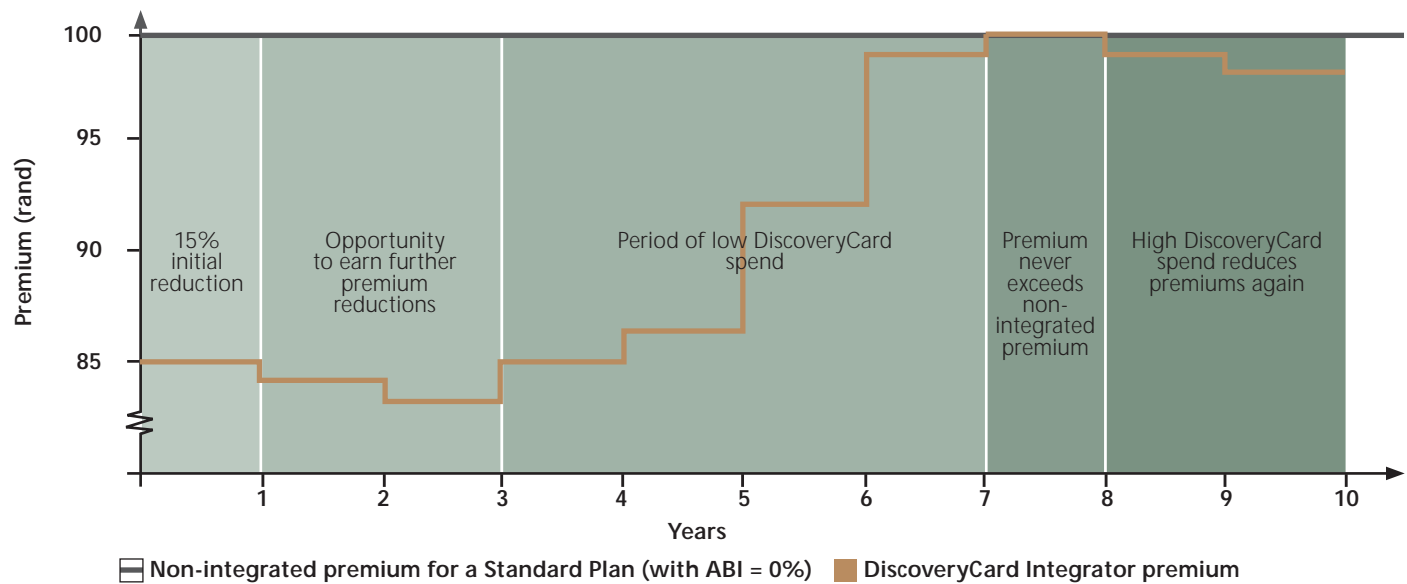
As you spend on your DiscoveryCard you increase the value attributed to your Discovery LIFE PLAN through the DiscoveryCard Integrator. Policyholders have the ability to receive further premium reductions over and above the 15% upfront reduction, making their premiums up to 20% cheaper on the Personal Integrator and 10% cheaper on the Business Integrator than the equivalent non-DiscoveryCard Integrated premium.

Even the lowest DiscoveryCard spenders have the comfort that their premium will never be higher than the equivalent non-DiscoveryCard integrated premium.

## DiscoveryCard Integrator in action

### Personal Integrator

The figure below compares the DiscoveryCard Integrator premium to the equivalent non-DiscoveryCard integrated premium for a Standard Plan.



The DiscoveryCard Integrator capitalises on whatever you spend today to increase your financial security, as well as that of your dependants in generations to come.

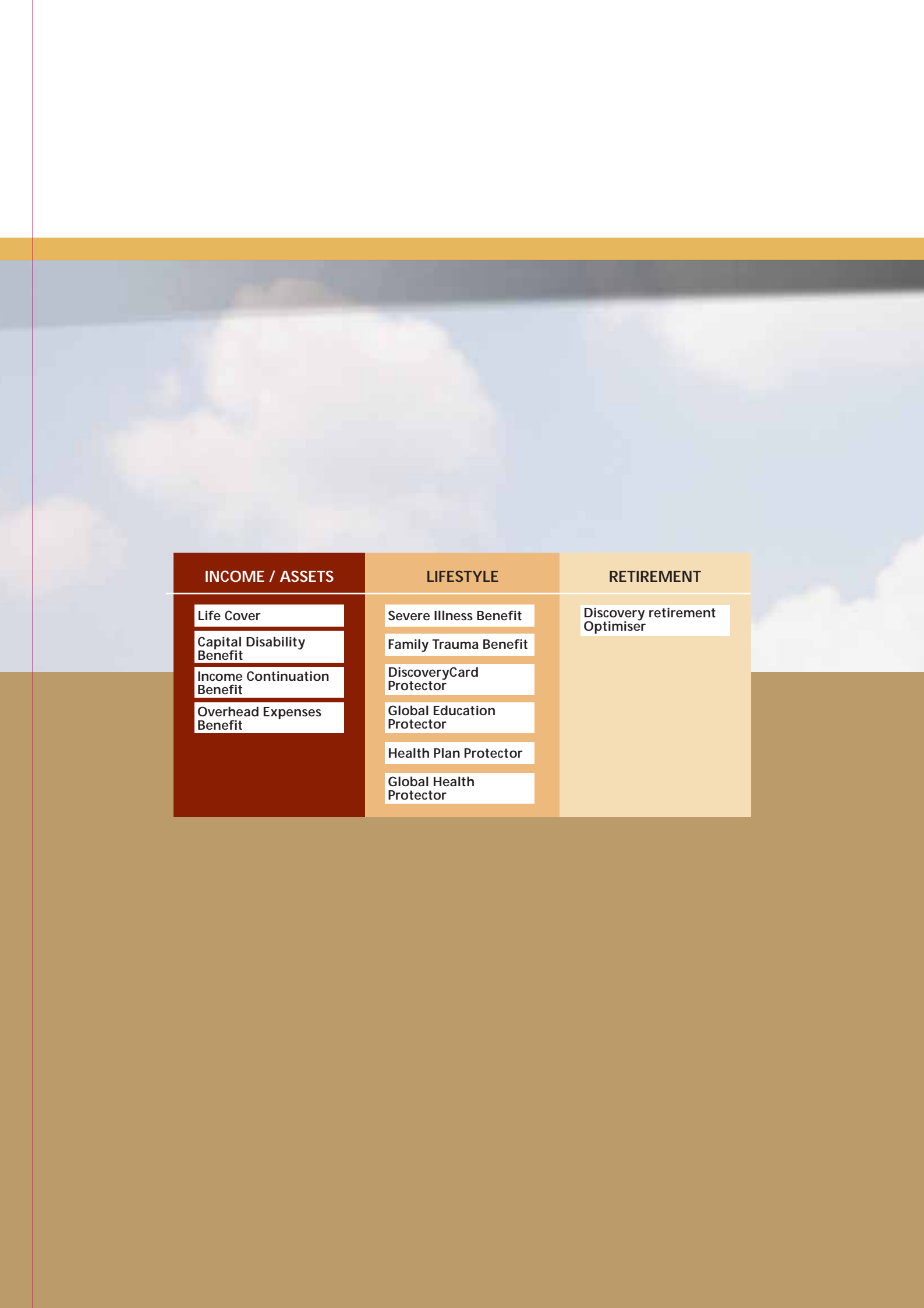
## DiscoveryCard Integrator equivalence terms

The table below shows the number of years until the DiscoveryCard Personal Integrator premium reaches the equivalent non-DiscoveryCard Integrator premium on the Personal Integrator.

### Personal Integrator

Average monthly spend	Vitality status				
	Blue	Bronze	Silver	Gold	Diamond
0 - R1 190	3	3	3	3	3
R1 191 - R2 360	6	6	6	6	6
R2 361 - R3 550	7	9	10	14	17
R3 551 - R4 720	11	14	17	22	33
R4 721 - R5 910	17	22	Always better off with the DiscoveryCard Integrator by paying less than the equivalent non integrated premium		
R5 911 - R8 850	33				
R8 851 +					

The DiscoveryCard Integrator allows you to capitalise your monthly DiscoveryCard spend into lower cost risk cover.



INCOME / ASSETS	LIFESTYLE	RETIREMENT
<p data-bbox="336 1039 451 1066">Life Cover</p> <p data-bbox="336 1086 528 1135">Capital Disability Benefit</p> <p data-bbox="336 1144 571 1193">Income Continuation Benefit</p> <p data-bbox="336 1202 557 1252">Overhead Expenses Benefit</p>	<p data-bbox="667 1039 903 1066">Severe Illness Benefit</p> <p data-bbox="667 1086 914 1113">Family Trauma Benefit</p> <p data-bbox="667 1135 831 1184">DiscoveryCard Protector</p> <p data-bbox="667 1202 857 1252">Global Education Protector</p> <p data-bbox="667 1272 903 1299">Health Plan Protector</p> <p data-bbox="667 1321 821 1370">Global Health Protector</p>	<p data-bbox="1002 1039 1236 1088">Discovery retirement Optimiser</p>



Boost your retirement  
Discovery retirement Optimiser





# Discovery retirement Optimiser™

## Enhancing your retirement income

- Capitalise your unneeded life cover in retirement to boost your retirement income
- Boost your retirement income every 10 years in retirement
- Enhance your retirement income in the event of a severe illness
- Keep at least 85% of your fund value on early termination.



## The Discovery retirement Optimiser™ is a structural breakthrough achieved by combining five elements into a seamless, more efficient retirement plan

The Discovery LIFE PLAN forms the foundation of the Discovery retirement Optimiser™. This fundamental principle, combined with four other unique design elements, delivers you the most secure retirement plan available:

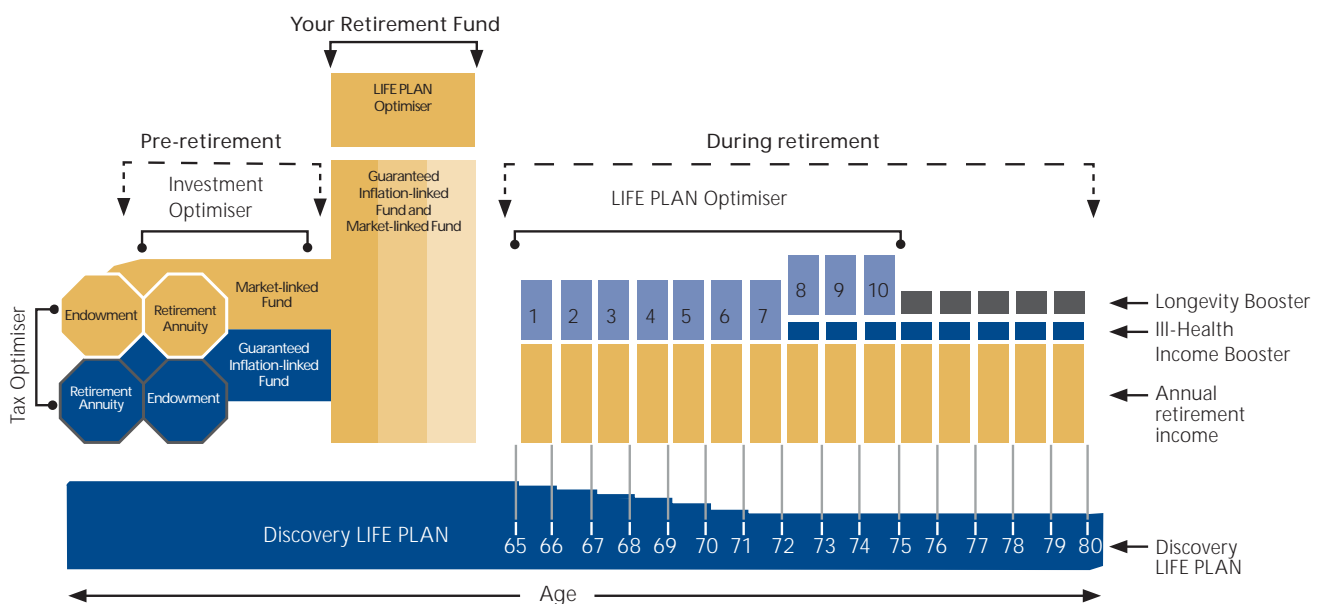
**1. LIFE PLAN Optimiser:** By attaching your retirement plan to your Discovery LIFE PLAN, your unneeded risk cover in retirement is capitalised at retirement to boost your retirement income.

**2. Investment Optimiser:** Dynamic investment guarantees through the Guaranteed Inflation-linked Fund can be enhanced with Market-linked Funds according to your investment needs.

**3. Tax Optimiser:** You are able to maximise the tax efficiency of your retirement plan through the flexible combination of an endowment and retirement annuity.

**4. Longevity Booster:** Boosts your retirement income every 10 years in retirement.

**5. Ill-Health Income Booster:** Boosts your retirement income in the event of severe ill-health.

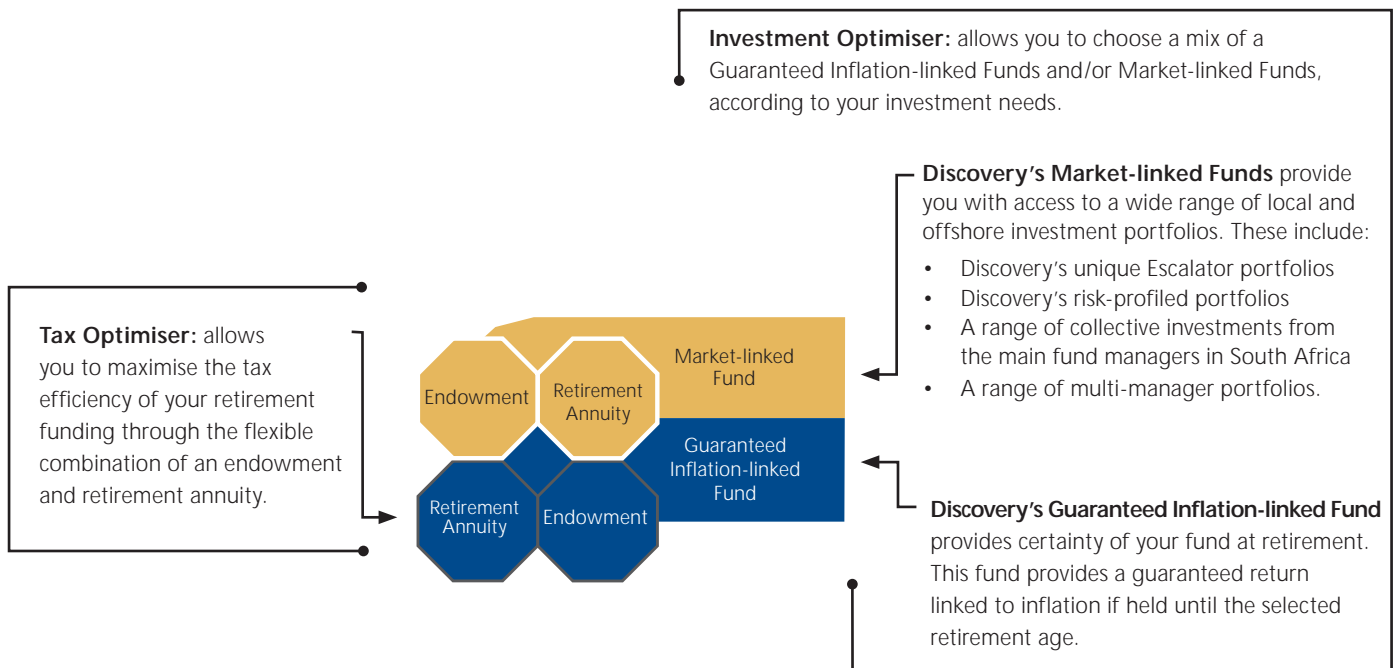


The seamless integration of these elements into an elegant retirement solution results in three key deliverables:

- Your retirement fund is significantly boosted
- You enjoy certainty of your retirement benefits
- Your income during retirement is protected, regardless of your health status.

## Before retirement

The Discovery retirement Optimiser™ offers you a flexible way to build up your retirement capital through the Tax Optimiser and Investment Optimiser.



### Technical facts

- Only when your retirement Optimiser™ is linked to your LIFE PLAN is a combination of a Retirement Annuity and an Endowment allowed on the same plan.
- You can select any retirement age between 55 and 69, provided the minimum term is 10 years. Where your Endowment is not linked to your LIFE PLAN, you may select any age at which your Endowment will mature, provided that the minimum term is 10 years.
- The total minimum contribution is R300 per month into either the Retirement Annuity or the Endowment.
- There are two funding plans that apply to the Discovery retirement Optimiser™:
  - Contributions increase annually at CPI.
  - Contributions increase annually at CPI plus an age factor, based on your age at the policy anniversary set out in the following table:

Age at policy anniversary	CPI + age factor
20 - 30	CPI + 1%
31 - 40	CPI + 2%
41 - 50	CPI + 3%
51 +	CPI + 4%

- Your contributions to the Retirement Annuity are tax deductible within certain limits. Contributions to the Endowment policy are not tax deductible.



The value of your investment is secure in the event that you need to reduce or stop paying your investment contributions. If this happens, your Discovery retirement Optimiser™ will be made paid-up or surrendered.

There is a choice of two structures:

### Structure 1

The surrender value is equivalent to a percentage of the value of your accumulated fund which will vary depending on the number of years until your selected retirement age. The percentage applicable is defined in the table below:

Duration when policy is made paid-up	Percentage of member's share
From inception until 5 years before selected retirement age	90%
Between 2 and 5 years before selected retirement age	95%
In the 2 years before selected retirement age	98%

### Structure 2

The surrender value is equivalent to a percentage of the value of your accumulated fund. This percentage of fund value will be a minimum of 85% in the first month, increasing linearly to 100% over half the term of your investment. The minimum term over which it will increase to 100% is five years and the maximum is 10 years.

In addition to the paid-up or surrender values, a percentage between 20% and 100% of the LIFE PLAN Optimiser will accrue to you in the last five years before your selected retirement age.

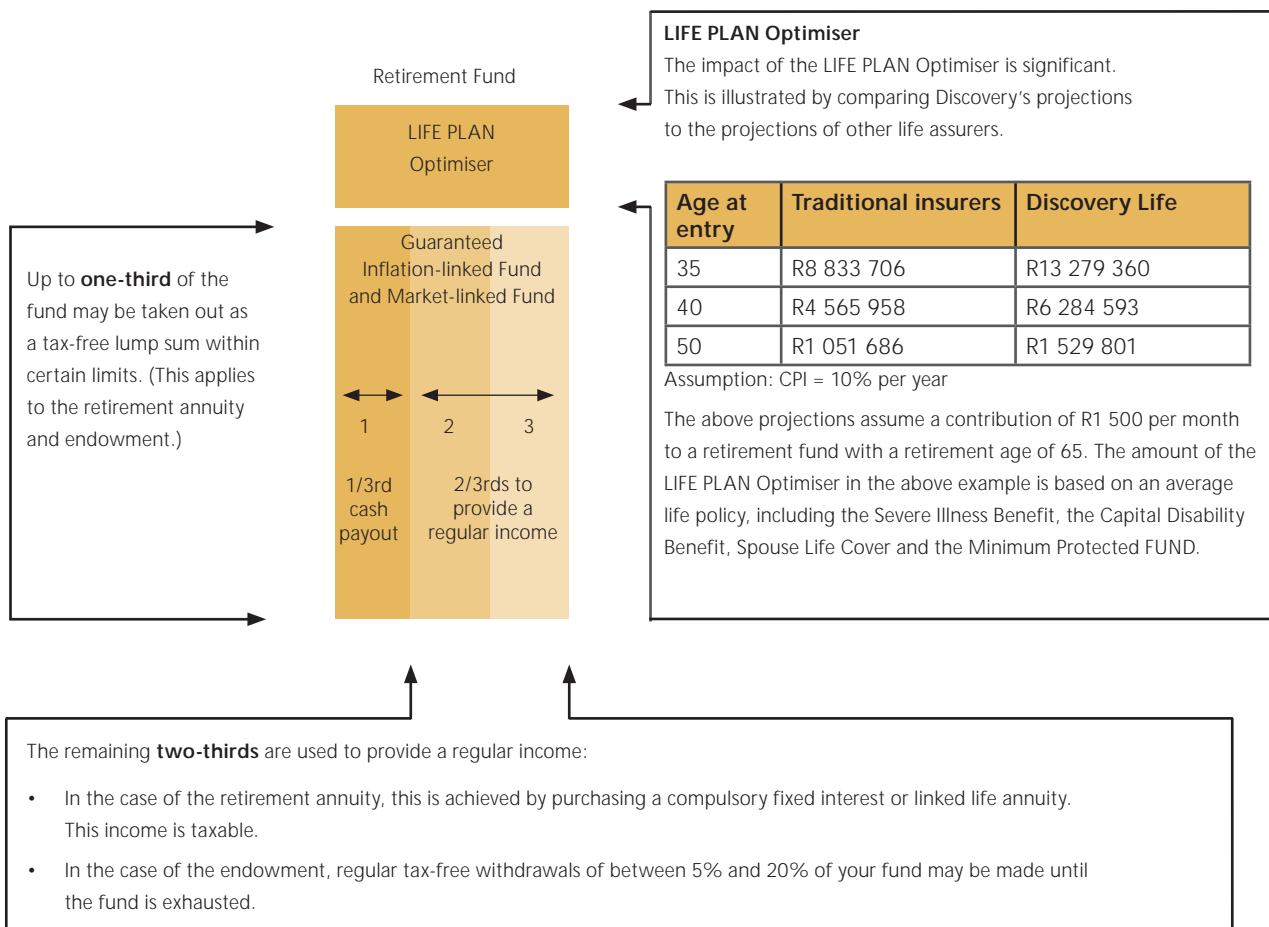
- Because your LIFE PLAN is the foundation of the Discovery retirement Optimiser™, it is essential to maintain your contributions to your LIFE PLAN to entitle you to the LIFE PLAN Optimiser, as well as the income enhancements provided by the Ill-health Income Booster and the Longevity Booster. Changes to your LIFE PLAN before retirement may affect your entitlement to these unique benefits.
- If you die before your selected retirement age, the death benefit is equal to the fund value of your Discovery retirement Optimiser™, subject to a minimum of your contributions paid.

### Technical facts

- In the case of the Guaranteed Inflation-linked Fund, the fund value at the paid-up date or surrender date is determined as follows:
  - Retirement Annuity: Contributions accumulated at CPI less an annual management fee of 1%, plus VAT.
  - Endowment: Contributions accumulated at CPI less an annual management fee of 1%, plus VAT.
- If you lapse your LIFE PLAN before retirement, you will not be entitled to the LIFE PLAN Optimiser as well as the income enhancements provided by the Ill-health Income Booster and the Longevity Booster.

## Your Retirement Fund

Whilst you continue to fund your LIFE PLAN in retirement, your contributions to the Discovery retirement Optimiser™ stop at the selected retirement age.

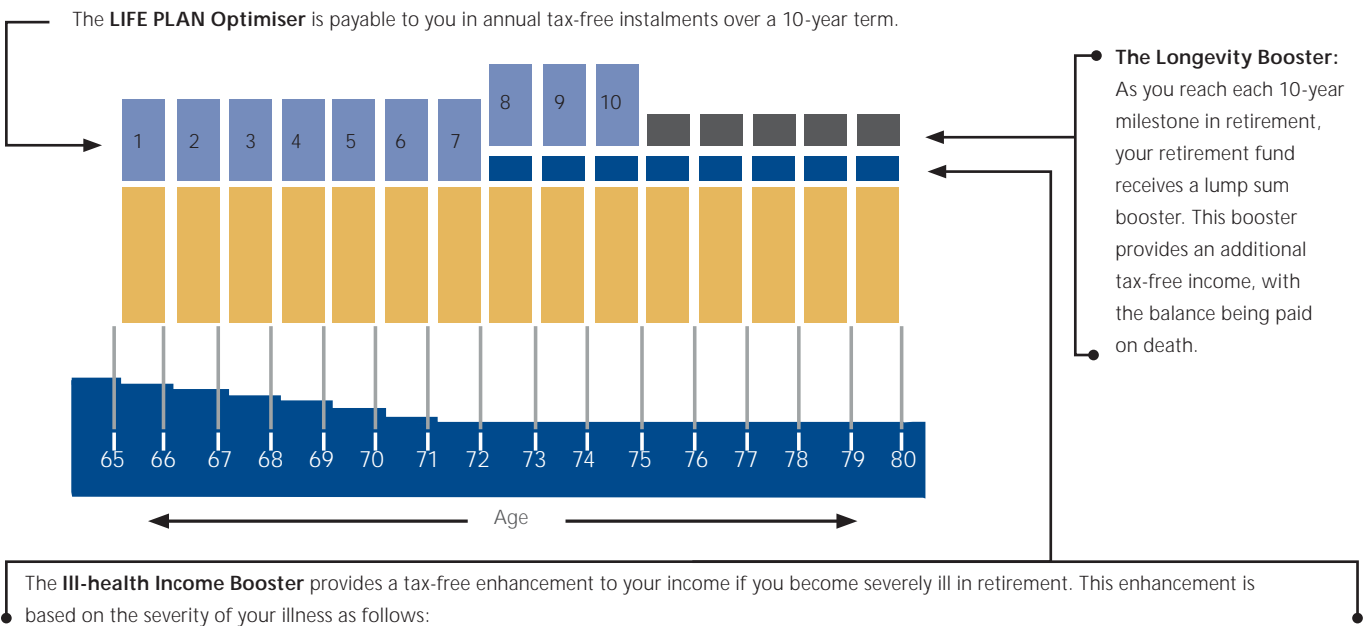


### Technical facts

- If you change your LIFE PLAN in the first five years following retirement, you may partially or fully forfeit your right to any future instalments from the LIFE PLAN Optimiser.
- The Ill-health Income Booster and Longevity Booster are payable as long as you maintain your LIFE PLAN.
- The income enhancements from the Ill-health Income booster are tax-free under current tax practice.
- Severity of illness for the Ill-health Income Booster relates to severity levels A to D of the Severe Illness Benefit and Category A and B levels of the Capital Disability Benefit on your Discovery LIFE PLAN. Category D Capital Disability claims are treated the same as Category A claims.
- The Longevity Booster is equivalent to 10% of your retirement fund (after deduction of the lump sum) accumulated at CPI to the 10-yearly payment dates. It is paid in annual instalments.
- Your risk benefits attached to your LIFE FUND reduce proportionately as your LIFE PLAN reduces in retirement.
- If you have a Minimum Protected FUND, this will reduce proportionately with the reducing LIFE FUND in retirement.

## During retirement

During retirement, you will receive a monthly income purchased by the remaining two-thirds of your retirement fund after deduction of the one-third lump sum amount.



Severity of illness	Category of capital disability	Income enhancement	Effective pre-tax enhancement to income*	Duration of III-health Income Booster
A	A and D	25.00%	41.6%	Whole of life
B	B	18.75%	31.3%	10 years
C		12.50%	20.8%	5 years
D		6.25%	10.4%	2 years

\*Assuming 40% marginal tax rate on other income

## Your LIFE PLAN in retirement

- The benefits payable to you in retirement reduce your LIFE FUND on a monthly basis as follows:
  - The one-third lump sum payable at retirement is not drawn from your LIFE FUND in one amount, but is deducted over 60 months by an amount of 1/60th of the lump sum amount each month.
  - The monthly income payable from your retirement fund, LIFE PLAN Optimiser and Longevity Booster will not reduce the LIFE FUND value at the selected retirement age by more than 8% per year in the first five years and 4% per year thereafter, irrespective of the income amounts.
  - The income payable from the III-health Income Booster has no impact on your LIFE FUND
- Irrespective of the number and amount of income payments received, your LIFE FUND may never be reduced as a result of income payments below 50% of the LIFE FUND value at the selected retirement age.
- Selection of the Paid-up or Lock-in options will make your LIFE PLAN more affordable in retirement.







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