



# Complete Income Protector Benefit

Helping your clients protect their lifestyle if they are unable to perform their occupation as a result of disability, impairment or illness.

**A stand-alone benefit that provides a flexible, simplified but comprehensive solution to address income disability, lump sum disability and impairment needs in a single cost effective solution.**

The Complete Income Protector Benefit, in combination with the Permanent Disability Enhancer rider benefit, combines the best features of income disability and lump sum disability in a unique solution.

For clients who require a long term disability income the Complete Income Protector Benefit provides peace of mind that they will continue to receive a monthly income when they can no longer perform their occupation due to a temporary or permanent disability, or suffer from a defined illness or impairment.

For clients who require a lump sum amount to settle large debt, this combination of benefits also provides the flexibility of converting a part, or all, of their future monthly income protection pay-outs to a lump sum pay-out whenever they choose to if they become permanently and totally disabled or permanently impaired

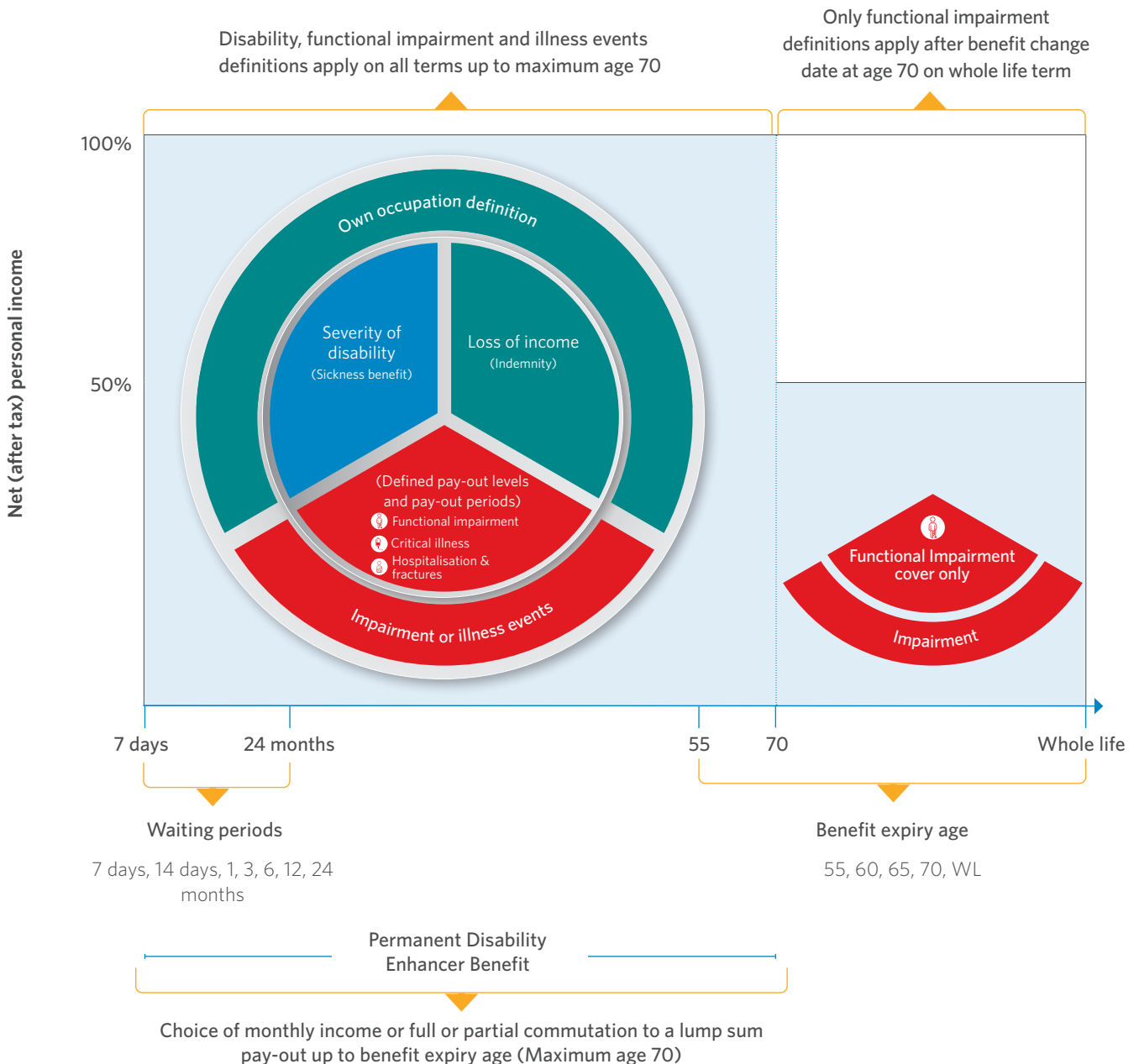
The Complete Income Protector Benefit combined with the Permanent Disability Enhancer rider benefit give clients the ultimate flexibility in how they receive pay-outs, allowing them to maintain their lifestyle and provide for their families. The Complete Income Protector Benefit is ideally suited for clients who earn a salary, commission or fees and who do not have a group income protection benefit.

## Why is it important?

Your clients' quality of life depends on their income – their income ensures access to good medical care, an education, owning a home, going on holiday and retiring with peace of mind. But what if something happens to your clients and they are unable to work? Depending on their circumstances, this could mean extra debt, drastic lifestyle changes or even complete financial ruin. The Complete Income Protector Benefit helps your clients put plans in place to protect their income and ultimately their long-term financial well-being.

## How does it work?

- The Complete Income Protector Benefit covers a maximum of 100% of net income<sup>1</sup> until benefit expiry age (55, 60, 65 or 70). The 'whole life' term option includes an automatic cover change to functional impairment claim definitions at the age of 70 which covers a maximum of 50% of the benefit amount insured before the cover change date.
- Clients can choose between a 7 day<sup>2</sup> (backdated to day 1), 14 days, 1 month, 3 months, 12 months or 24 months waiting period which means that pay-outs can start as early as 7 days after the client has been booked off work.
- By adding a Permanent Disability Enhancer Benefit, clients purchase the ability to convert a part, or all, of their monthly income protection claim pay-outs to a commuted lump sum pay-out if they become permanently and totally disabled or permanently impaired.
- It offers objective claim definitions together with guaranteed minimum pay-out levels and periods for defined functional impairment, critical illness and hospitalisation and fractures claim events.

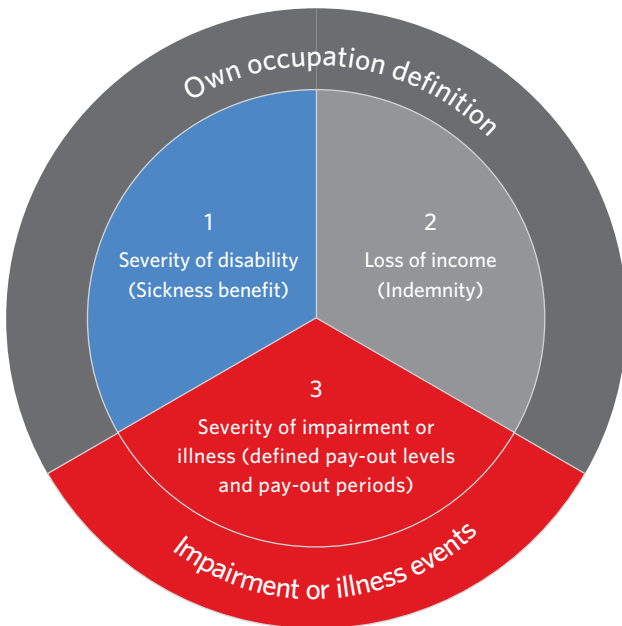


<sup>1</sup> Net income is defined as gross income, less the income tax payable on this income according to the relevant year of assessment's income tax tables.

<sup>2</sup> Only self-employed individuals with no access to sick leave payments qualify for a 7 day waiting period.

## How the claim amount is calculated

We have a unique approach to determining the claim amount. The claim amount is the highest of the severity of the disability, the loss of income, or the severity of impairment or illness.



### 1. Severity of the disability

The severity of disability assessment criteria, including the partial claim upgrade, will only apply during the first year after the claim. For professionals these criteria will apply for the first two years after the claim. The pay-out will be between 25% and 100% of the benefit amount, depending on the extent to which your clients are unable to perform the main duties of their own occupation.

### 2. Loss of income

We will pay the actual loss of income up to the maximum of the benefit amount. Actual loss of income is calculated as being the difference between the client's pre-disability income and any income that the client earns during disability.

However, if the disability is total and permanent and a Permanent Disability Enhancer Benefit was added to their Complete Income Protector Benefit, the client will qualify for a Permanent Disability Enhancer Benefit pay-out. This means that they can elect to have a part or all of the income commuted as a lump sum pay-out. If the client decides to rather keep on receiving an income (full or partial), the future income will not be aggregated against other income after a claim was admitted.

### 3. Severity of the impairment or illness

We will pay a percentage of the benefit amount for a specified pay-out period if your client meets any of the requirements for functional impairment, critical illness or fracture and hospitalisation claim events.

## Standard features that are automatically included

Benefit	Benefit details	What this means for your clients
Guaranteed insurability	<ul style="list-style-type: none"> <li>If your client's income increases by more than the maximum voluntary benefit amount increase percentage, we will allow an increase in the benefit amount, over and above the voluntary benefit amount increase, without any medical underwriting after the benefit anniversary.</li> <li>The annual total increase (annual voluntary benefit amount increase plus guaranteed insurability increase) is limited to twice the inflation rate used for increases by us at that point, capped at 20%.</li> </ul>	Your clients will have the benefit of being able to increase their cover to keep up with salary increases which would not be adequately covered by normal annual benefit increases.
Annual Income Commutation Option	Your clients can choose between a monthly income stream, an annual commuted lump sum pay-out or a combination of both.	To allow the commutation of pay-outs provides more flexibility with the size and timing of their benefit pay-outs to cater for expenses that are infrequent but substantial.
Partial Claim Upgrade	If the full benefit amount has been paid for a continuous three months under the severity of disability category, we will continue to pay the full benefit amount (first year after the claim event, or first two years after the claim event for professionals), provided that your client is partially disabled and still qualifies for a claim under the severity of disability category.	It provides cover for unexpected extra expenses, for example out-of-hospital costs like medication and rehabilitation costs, while encouraging clients to recover and return to work as soon as possible.
Claim Increase Booster	<ul style="list-style-type: none"> <li>In addition to regular benefit increases the monthly post-claim benefit amount will increase by an extra percentage for young professionals below the age of 30.</li> <li>This increase is based on the client's age at their next birthday on the claim anniversary.</li> </ul>	This boosts regular benefit increases for young professionals with higher earning ability.

## Your clients can also choose to pay for these extra features and benefits

Benefit	Benefit details	What this means for your clients
<b>Momentum Interactive</b>	Clients who choose the interactive option can receive discounts on their risk premiums.	The discounts can make higher levels of cover more affordable.
<b>Income Enhancer Benefit</b>	It provides your clients with 50% more cover during the initial period away from work following a claim.	Your clients have extra money to cover additional, unplanned expenses related to lifestyle and out-of-hospital medical expenses that are not covered by the normal income replacement cover. This means that they do not have to delve into their savings.
<b>Complete Family Protector Benefit</b>	It provides your clients with a lump sum pay-out if they or any of their immediate family members (spouse and children) must stay in hospital for an extended period, are diagnosed with a critical illness, or pass away.	It helps ease the financial pressure of unexpected expenses and medical bills following a life-changing event relating to immediate family members and the life assured.
<b>Permanent Disability Enhancer Benefit</b>	<ul style="list-style-type: none"> <li>It provides your clients with the option to convert a part, or all, of their future monthly income protection claim pay-outs to a lump sum pay-out whenever they want to once they qualify for a claim on this benefit.</li> <li>It provides an automatic commutation and lump sum pay-out on death of all future monthly claim pay-outs; payable until the selected benefit expiry age.</li> <li>Depending on the remaining term to the benefit expiry date, a different commutation factor will apply. The calculation is, monthly claim amount x 12 x commutation % x outstanding term (Years) x commutation factor.</li> <li>When a client qualifies for a Permanent Disability Enhancer Benefit claim pay-out and chooses a full or partial monthly income pay-out, no financial reassessment will be done again to determine loss of income.</li> <li>It increases the Retirement Booster multiplication factor to 4.5% if the client has a qualifying retirement annuity.</li> <li>It extends the defined events guaranteed pay-out period on 25% and 50% severity functional impairment events from two and five years respectively to the benefit expiry age (maximum age 70).</li> </ul>	Your clients have the ultimate flexibility of choice in how they want to receive their disability pay-outs if they qualify for a claim pay-out on this benefit. They will have the choice of lump sum pay-outs to meet their needs like settling a bond or large amount of debt or monthly income pay-outs, to meet cash flow requirements for regular living expenses. They can also select a combination of lump sum and monthly income pay-outs.

## The best of both worlds

Your clients' financial needs can change in a heartbeat especially if they become disabled. When the Complete Income Protector Benefit is combined with the Permanent Disability Enhancer rider benefit your clients have the ultimate flexibility in choice when replacing their income as it combines the best features of income disability and lump sum disability. They will have the advantage of cover for temporary and partial disability that is not provided by lump sum benefits while also having the option of lump sum pay-outs if they qualify for a claim on the Permanent Disability Enhancer Benefit criteria; something that is not normally available on income protection benefits. This gives the ultimate flexibility of choice as they can choose to receive lump sum pay-outs to meet certain needs, for example settling a bond or other large debt, or to receive monthly income pay-outs to meet cash flow requirements for regular living expenses. As life is unpredictable clients also have the flexibility to select a combination of both lump sum and monthly income pay-outs which will help them to maintain their lifestyle and meet their financial commitments.

**If you would like more detail, please refer to the financial adviser guide.**

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