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Intelligent  
insurance for life

# The Dollar Life Plan







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# Offshore doesn't have to mean miles away

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The movement of goods, services, technology and capital across international borders has led to the world's economy becoming integrated and interdependent, making it increasingly difficult to predict what will happen in the future.

While you may have a good idea where you will be in the next five years, do you know where you and your family will find yourselves in 20 years? Wouldn't you want to protect yourself and your family against this uncertainty?

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# Giving you global risk protection

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## Discovery Life International

The Guernsey branch of Discovery Life Limited offers you protection in the most widely used global currency, US dollars.

The Dollar Life Plan offers the following features:

- Risk protection in dollars, which is insured and paid internationally.
- Significant financial benefits for managing your health and wellness, to supplement and diversify your retirement savings.
- By adding the Dollar Discovery Retirement Optimiser administered by Discovery Invest, to your Dollar Life Plan, any unused life cover can be used to supplement your retirement savings, at age 65.

### Choose your cover

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The Dollar Life Plan consists of a Life Fund, which is payable on the death of the life assured (or if the life assured becomes disabled, if selected).

You can increase your Life Fund by adding the Cover and Financial Integrator, which offers additional cover at a significant saving relative to normal rates.

You can also select the Minimum Protected Fund. With this benefit, the Life Fund will never drop below a specified minimum dollar amount – no matter how many Capital Disability Benefit payments have been made or what the value of the payments were.

Benefits will increase annually in line with US inflation.

## Cover for disability

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Discovery Life's Capital Disability Benefit will pay a lump-sum amount if you become disabled, to ensure you remain financially secure.

Your claim payout will be based on the following categories:

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### Total disability (Category A):

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You can receive 100% of your insured amount. Your disability will be evaluated according to objective medical criteria or Activities of Daily Living.

### Partial disability (Category B):

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You can receive 50% of your insured amount. Your disability will be evaluated according to objective medical criteria or Activities of Daily Living.

### Nominated occupation (Category D):

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You can receive 100% of your insured amount if you are permanently unable to perform your nominated occupation.

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You can choose between the Core (Category A and D) and the Comprehensive Plus (Category A, B and D) options.

At benefit expiry date, the Capital Disability Benefit automatically converts to provide you with severe illness cover, without medical underwriting. This conversion ensures your risk protection will remain relevant throughout your life.

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# Rewards for managing your health

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## Integrating your Discovery products

If you are a member of a qualifying Discovery Health Plan or Vitality, you may benefit by integrating these products with your Dollar Life Plan. You will enjoy an initial premium discount, which will adjust over time, based on how well you manage your health and wellness. You will also receive a Dollar PayBack Fund, provided that the combination of the Cover and Financial Integrators makes up 60% of your Life Fund.

### The Dollar PayBack Fund

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With the Dollar Life Plan you may qualify for a Dollar PayBack Fund equivalent to 500 (Comprehensive Integrator) or 250 (Core Integrator) times your initial monthly life cover premium. Your Dollar PayBack Fund will grow every year in line with US inflation, plus an additional factor (positive or negative) based on how well you manage your health and wellness. At age 65, or 20 years after qualifying for the Dollar PayBack Fund, whichever is later, 100% of the Dollar PayBack Fund will be paid into your offshore or local bank account.

### How the Dollar PayBack Fund works

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If your life cover premium is \$250 with a Comprehensive Health Integrated Dollar Life Plan, you will receive a Dollar PayBack Fund to the value of \$125 000 ( $\$250 \times 500$ ).

This Dollar PayBack Fund will grow until it is paid out to you at age 65, or 20 years after qualifying for the Dollar PayBack Fund, whichever is later. The rate at which your fund will grow will depend on US inflation and on how well you manage your health and wellness.

Below is an example of the amounts the Dollar PayBack Fund can pay out, based on Vitality status and assuming low health claims over a 30-year term:

<b>Vitality status</b>	<b>Dollar amount</b>	<b>Equivalent rand amount</b>
Blue	\$152 805	R1 986 465
Silver	\$230 949	R3 002 337
Diamond	\$289 832	R3 767 816

*Assuming a rand/dollar exchange rate of R 13/\$, US inflation of 2% and R3 000 annual qualifying health claims (Principal only Comprehensive Health Plan), 40% Cover Integrator and 20% Financial Integrator.*

The Dollar PayBack Fund is an automatic benefit and no additional premiums will be charged for it. The Dollar PayBack Fund amount will be based purely on how well you manage your health and wellness. This benefit provides a powerful mechanism to convert your health and wellness management into a significant financial asset to supplement your retirement savings offshore.



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## The Dollar Life Plan has additional benefits, which can be used to supplement your retirement savings

### The Buy-up Cash Conversion benefit

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With the Buy-up Cash Conversion benefit, available through the Cover and Financial Integrators, you can choose to receive 25% or 50% of the Cover or Financial Integrator Fund as a tax-free lump sum. This is paid in dollars, at age 65 and will not reduce the value of your Life Fund. This benefit is available at an additional premium and no payment will be made under the Cash Conversion benefit if you cancel your policy before you reach age 65.

### The Dollar Discovery Retirement Optimiser

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The Dollar Discovery Retirement Optimiser allows you to save for retirement on a monthly basis through an offshore endowment policy denominated in US dollars. You can invest in a range of funds according to your risk profile.

The Dollar Discovery Retirement Optimiser can only be selected if you own a Dollar Life Plan. By taking advantage of the efficiencies created through the Dollar Life Plan, you can also qualify for the Dollar Retirement Investment Integrator and the Dollar Life Plan Optimiser.

Certain qualifying criteria and terms and conditions apply for the Dollar Discovery Retirement Optimiser, the Dollar Retirement Investment Integrator and the Dollar Life Plan Optimiser.

The Dollar Discovery Retirement Optimiser offers cost-effective fees while allowing you to maximise your returns.

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## Additional benefits available on the Dollar Discovery Retirement Optimiser

### The Dollar Retirement Investment Integrator

Through the Dollar Retirement Investment Integrator you can reduce your Discovery Invest annual administration fees, commission recoupment charges and asset management fees, by between 20-80%. Your discount will apply to your chosen funds on a monthly basis, until the age of 65, according to the table below:

Monthly Dollar Discovery Retirement Optimiser contribution size:

	First \$200	Next \$200	Next \$200	In excess of \$600
Discount	20%	35%	55%	80%

*This table will be updated each year by Discovery. The discounts will not apply after age 65.*

### How the Dollar Retirement Investment Integrator works

Your Dollar Life Plan premium is \$150 and you invest \$800 in the Dollar Discovery Retirement Optimiser each month. You will qualify for a Dollar Retirement Investment Integrator discount of 47.5%, up to the age of 65, as calculated below:

$$((\$200 \times 20\%) + (\$200 \times 35\%) + (\$200 \times 55\%) + (\$200 \times 80\%)) / \$800$$

## The Dollar Life Plan Optimiser

You can receive a tax-free boost to your Dollar Discovery Retirement Optimiser endowment policy of up to 40%, at age 65, through the Dollar Life Plan Optimiser.

This boost is based on the term of your policy up to age 65. The Dollar Life Plan Optimiser boost is paid out in 10 annual, tax-free instalments into your offshore endowment policy.

This amount will increase each year in line with US inflation (if applicable), from age 65. This boost is paid from your Dollar Life Plan and will reduce your Dollar Life Fund.

The Dollar Life Plan Optimiser boost:

Term to age 65 (in months)	0 to 119	120 to 149	150 to 179	180 to 209	210 to 239	240 to 269	270 to 299	300 +
Boost at age 65	0%	5%	10%	15%	20%	30%	35%	40%

### How the Dollar Life Plan Optimiser works

If you take out a Dollar Discovery Retirement Optimiser with 180 months to age 65, the boost percentage will be 15%. Assume at age 65 the value of your Dollar Discovery Retirement Optimiser endowment policy is \$500 000. The Dollar Life Plan Optimiser will be:

$$15\% \times \$500\,000 = \$75\,000$$

In addition to your endowment policy value of \$500 000, you will receive an annual Dollar Life Plan Optimiser income, for a period of 10 years, of \$7 500 (\$75 000/10), increasing each year in line with US inflation.

### How much you can invest in the Dollar Discovery Retirement Optimiser

The Dollar Discovery Retirement Optimiser is available for monthly contributions only. The minimum contribution is currently \$200 (as at September 2015).

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# How the premiums work

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## The Dollar Life Plan

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Premiums will be denominated in dollars and will fluctuate monthly in rand terms with the prevailing exchange rate. Your premium will increase annually in line with US inflation, plus an additional age-related factor. You can influence this increase through Integration and by effectively managing your health and wellness. The minimum monthly premium is \$100.

## The Dollar Discovery Retirement Optimiser

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Certain qualifying criteria and terms and conditions apply for the Dollar Discovery Retirement Optimiser, the Dollar Retirement Investment Integrator and the Dollar Life Plan Optimiser.

You must maintain your Dollar Life Plan above the required minimum premium level to qualify for the Dollar Life Plan Optimiser and Dollar Retirement Investment Integrator. If you reduce your monthly contributions, make a withdrawal, or make your Dollar Discovery Retirement Optimiser paid-up, you may forfeit a part or all of your Life Plan Optimiser and your Dollar Retirement Investment Integrator.

Discovery may update the list of funds that qualify for the Dollar Retirement Investment Integrator from time to time.

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# The fees charged on your Dollar Discovery Retirement Optimiser

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## Summary of fees

Discovery Invest will not charge initial fees.  
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### Annual fees charged

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#### By Discovery Invest

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You will be charged an annual fee of 1.5% of your investment value. A part of this fee goes towards paying your financial adviser an upfront fee at the start of your investment, as well as ongoing additional payments. This fee is divided by 12 and deducted monthly by selling units from your policy.  
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#### By the fund manager

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You will be charged an annual fund manager's fee for investing in their funds.

This fee is priced within the unit price of the fund. Your financial adviser can advise on the fees for the different funds.  
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### Transaction Fees

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#### Switch fees

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You will be charged a switching fee of 0.25% of the amount switched (up to a maximum of \$50) for each switch made.  
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#### Early exit fees

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Discovery Invest charges an early exit fee if your policy is paid-up, or if you make a withdrawal from your Dollar Discovery Retirement Optimiser within the first five years of your policy start date. This early exit fee will be up to 15% of your investment value,

and will reduce linearly to 0% over a five-year period. As the Dollar Discovery Retirement Optimiser is an endowment policy, only one withdrawal will be allowed during the first five years from your policy start date. The maximum withdrawal is restricted to your contributions plus 5% interest, compounded each year.

Discovery Invest also charges this early exit fee (as mentioned above) if you reduce the contributions to your Dollar Discovery Retirement Optimiser within five years from your policy start date.

All fees quoted may be reviewed by Discovery from time to time. Discovery will inform you in writing should this happen.

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## Reporting and exchange control implications

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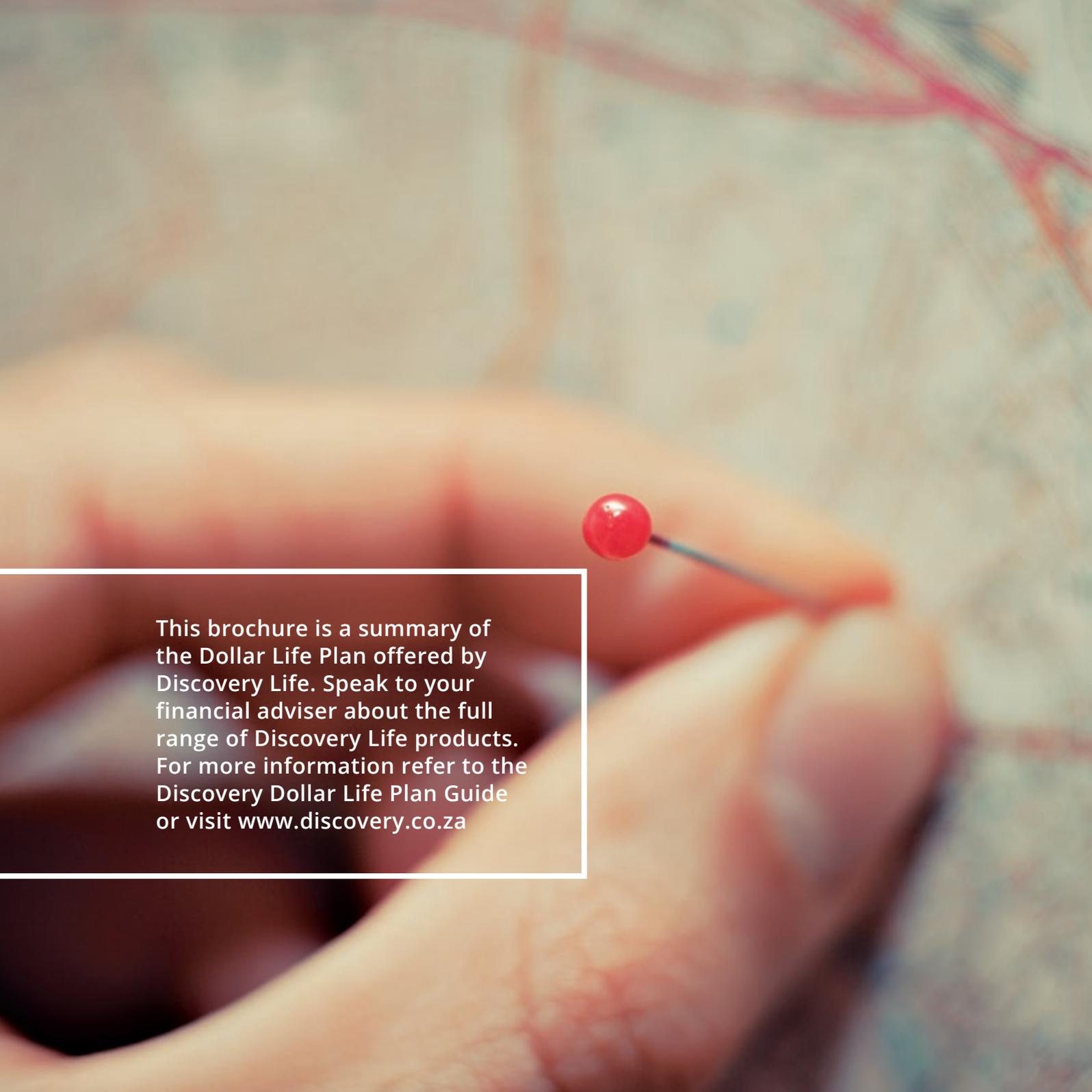
Discovery will facilitate an automatic, seamless reporting process to the South African Reserve Bank, on your behalf. The Dollar Life Plan and the Dollar Discovery Retirement Optimiser are offered on the premise that you use your R1 million Single Discretionary Allowance to pay the premiums. It is your responsibility to make sure you comply with exchange control regulations. Discovery Life will not accept any legal responsibility if you fail to meet your exchange control obligations.

## In the event of a claim

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Claim and benefit proceeds will be paid in dollars into an offshore or local bank account. If you do not have an offshore bank account, Discovery Life will assist you or your beneficiaries to set one up.

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A close-up photograph of a hand holding a red pushpin. The pushpin is pinned to a map, with its sharp point visible. The background is a blurred map with various colors and lines. The text is overlaid on the left side of the image, enclosed in a white-bordered box.

This brochure is a summary of the Dollar Life Plan offered by Discovery Life. Speak to your financial adviser about the full range of Discovery Life products. For more information refer to the Discovery Dollar Life Plan Guide or visit [www.discovery.co.za](http://www.discovery.co.za)



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Speak to your financial adviser about the range of Discovery Life products to suit your individual, personal or business needs.

The Dollar Life Plan and Dollar Discovery Retirement Optimiser are issued by Discovery Life International, the Guernsey branch of Discovery Life Limited (South Africa), licensed by the Guernsey Financial Services Commission, under the Insurance Business (Bailiwick of Guernsey) Law 2002 to carry on long-term insurance business. The Dollar Life Plan and the Dollar Discovery Retirement Optimiser are also subject to the South African Long-term Insurance Act of 1998.

Discovery Life is an authorised financial services provider. Registration number 1966/003901/06. The Dollar Discovery Retirement Optimiser is administered by Discovery Life Investment Services (Pty) Limited trading as Discovery Invest, a subsidiary of Discovery Limited.

The trustee appointed by the Branch must hold the licensed insurer's assets representing at least 90% of policyholder liabilities in trust as imposed by a standard condition on the licence of the Insurer under section 12 of the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended).

The information given in this document is based on Discovery's understanding of current law and practice in South Africa and Guernsey.

No liability will be accepted for the effect of any future legislative or regulatory changes.