

THE R14.90/\$ DOLLAR LIFE PLAN OFFER

Get the most out of **Life**

Lock in an exchange rate of **R14.90/\$** for **three years** when your clients take out the Dollar Life Plan with the Vitality Exchange Rate Protector.

Discovery Life International | Your future is global. Protect it.

Limited offer available on SmartAdvice

Valid until 30 June 2024

The market's only **authentic offshore life insurance** policy

Discovery Life International is the only South African life insurer to offer an authentic offshore life insurance policy denominated in the most widely used global currency, the US dollar. This ensures that your clients' financial protection remains stable in the long term, regardless of the macroeconomic environment.

The Dollar Life Plan

KEY FEATURES



The **Vitality Exchange Rate Protector** provides additional premium certainty for all premiums billed in rands by providing an immediate 15% discount to the rand-dollar exchange rate at the start of the policy and locking this in for the first three years. After the first three years, a new discounted exchange rate locks in for another three-year period, followed by one final discounted exchange rate for three more years. The 15% discount can be increased in subsequent periods up to 21% through engagement in Vitality. This means that clients can benefit from enhanced value as well as exchange rate and premium certainty for nine years.



Clients can receive **five-yearly PayBack** of **up to 50%** in dollars, with a guaranteed PayBack of up to 15%.



The Dollar Life Plan offers **market-leading benefits**, including the LifeTime Max 200% Severe Illness Benefit and the Dollar Global Education Protector.

Vitality

Clients can add **Vitality** to their Dollar Life Plan, allowing access to Vitality-linked benefits, such as the Vitality Exchange Rate Protector and the PayBack benefit.



Clients can benefit from **offshore billing**, as long as this is paid annually which offers more flexibility.



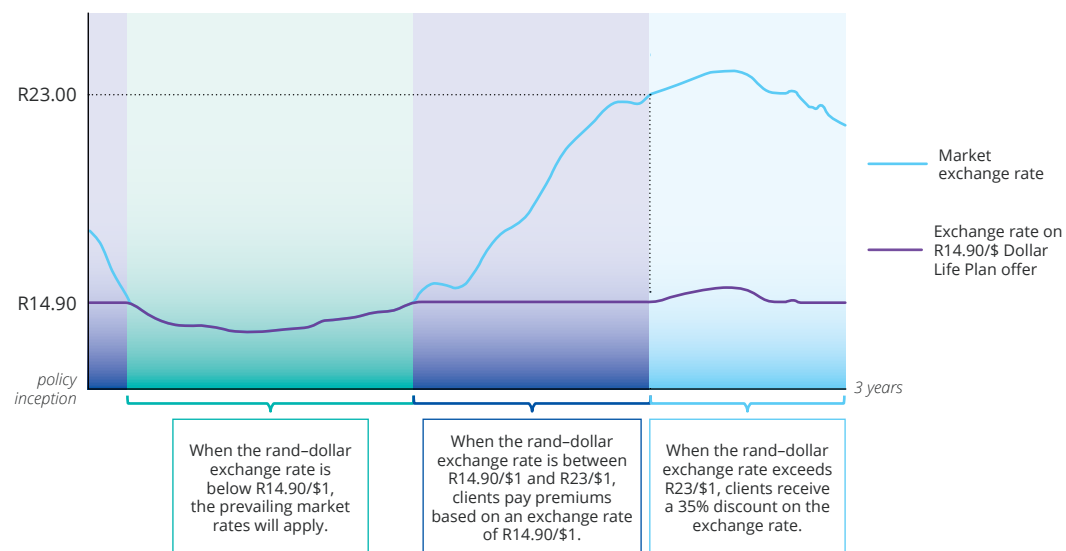
Offshore-billed Dollar Life Plans can be owned by **offshore trusts and companies**, meaning **business assurance structures** are available.

Offer your clients **more** by **increasing** the value of their **rand**

With the economic volatility that we are experiencing globally, diversifying your clients' risk cover is becoming more important than ever. Discovery Life is introducing much-needed certainty, value and protection for new policies through the R14.90/\$ Dollar Life Plan offer when clients add the Vitality Exchange Rate Protector to a new Dollar Life Plan. The offer allows clients to lock in an exchange rate of R14.90 to the dollar for the first three years when paying their premiums in rands.

THE R14.90/\$ DOLLAR LIFE PLAN OFFER IN ACTION

Effective exchange rate applied over the first three years



For illustrative purposes only. We randomly generated the market exchange rate in this illustration to represent a possible scenario under the offer.

Under this offer, when clients add the Vitality Exchange Rate Protector to their new Dollar Life Plan, they can pay their rand premiums for a Dollar Life Plan based on an exchange rate of R14.90/\$1 for the first three years of their policy, as long as the rand-dollar exchange rate remains between R14.90 and R23 to the dollar. This amounts to a premium discount of up to 35% over the first three years of the policy, thereby enhancing the value and certainty that the Vitality Exchange Rate Protector provides.

If the rand-dollar exchange rate is higher than or equal to R23/\$1 during the first three years of their policy, Dollar Life Plan clients with the offer will still receive significant value by paying premiums based on an exchange rate reduced by the maximum discount available through the offer, which is 35%. If the exchange rate drops below R14.90/\$1, the prevailing market rates will apply. At the end of the offer period, Integrated clients will receive a discounted exchange rate for six more years through the Vitality Exchange Rate Protector.



IMPROVED ACCESSIBILITY OF THE DOLLAR LIFE PLAN

With a minimum Dollar Life Plan premium of \$50, combined with the R14.90/\$ Dollar Life Plan limited offer, clients can access offshore protection from only R745 per month.

R14.90/\$ Dollar Life Plan offer in action



MEET GEORGE

George is considering diversifying his life cover with the Dollar Life Plan. He compares the cost of this to a local life cover option. The Dollar Life Plan he is considering has life cover of \$500k with an initial monthly premium of \$172. George's nominated beneficiaries have an offshore bank account for the proceeds to pay into, which means George's Dollar Life Plan is a non-domestic policy and will not be subject to 20% estate duty (assuming an estate of below R30m). The local plan that he considers would have life cover of R9,5m for an initial monthly premium of R3,061.

* Assumptions: Single male, 45 years old, SE Class 1, Life Cover including 20% CI 40% FI, 50% Accelerated Capital Disability Benefit; Comprehensive Health Integrated, Funding pattern: AcceleRater, ABI: CPI, Exchange rate: R19/\$1. 'Local Offer' refers to the Classic Life Plan.

UPFRONT PREMIUM COMPARISON



Assuming an exchange rate of R19/\$1 means that the Dollar and local plans considered currently offer an equivalent amount of life cover. However, the Dollar Life Plan monthly premium converted to rands is R3,268, making this premium 7% more expensive than the local offering, before considering estate duties and the R14.90/\$ Dollar Life Plan offer.

With the local offering, when George passes away, his life cover will form part of his estate and will be subject to 20% estate duty. However, with the Dollar Life Plan, his life cover will not form part of his estate and his loved ones will receive the full \$500k.

+7%

HIGHER NET
EFFECTIVE
PREMIUM

PREMIUM COMPARISON CONSIDERING ESTATE DUTIES



George decides that he wants his loved ones to receive R9,5m after estate duty tax has been allowed for. To receive this amount of cover under the local offering, he increases his life cover to R11,875m, which corresponds to an upfront premium of R3,826. George's premium under the Dollar Life Plan is still \$172 (R3,268), making it 15% more efficient than his premium under the local offering.

-15%

LOWER NET
EFFECTIVE
PREMIUM

PREMIUM COMPARISON INCLUDING THE OFFER



George adds the Vitality Exchange Rate Protector to his new Dollar Life Plan for an additional \$18, which increases his premium to \$190. By adding the new Vitality Exchange Rate Protector, he now qualifies for the R14.90/\$ Dollar Life Plan offer, and his premium converted to rands is now R2,831. This makes his premium 26% cheaper than the local offering.

-26%

LOWER NET
EFFECTIVE
PREMIUM

By adding the Vitality Exchange Rate Protector, Vitality and Health Integrated clients benefit from discounted exchange rates for an additional 6 years even after the end of the offer period. Through the Dollar Life Plan, George benefits from authentic offshore protection, tax efficiencies and exchange rate certainty which results in diversified risk protection and increased premium efficiency.

TECHNICAL DETAILS

- Applies to all new Dollar Life Plans with the Vitality Exchange Rate Protector submitted between 15 March 2024 and 30 June 2024 with a start date of any time from 1 March 2024 to 1 September 2024.
- The preferential exchange rate is applied to all premiums on the Dollar Life Plan for the first three years after the inception of the policy. The offer does not apply to Vitality contributions.
- Any premium increase due to a policy anniversary or servicing increase in the first three years of the policy will also qualify for the guaranteed rand-dollar exchange rate, which will apply until the end of the original three-year period.
- Existing clients can buy an additional Dollar Life Plan and qualify for the offer on the new policy. The total premium across the Dollar Life Plans will be subject to the maximum premium allowed on one policy.
- We will remove the limited offer if an insured person on the new policy (with the limited offer) reduces or cancels the Life Fund (including the Cover Integrator and Financial Integrator) on an existing Dollar Life Plan between 15 March 2024 and 11 September 2024.
- Reinstatements of policies that lapsed before the guaranteed offer period will not qualify for the offer.
- Commission payable is determined based on the rand-dollar exchange rate that applies to the client's premiums at the time of the commission calculation.
- We will not waive the Vitality Exchange Rate Protector premium during this first three-year period.





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