



**LIBERTY**



# Flexibility is already an option with Liberty and we have just added more

Dear Valued Business Partner

The COVID-19 virus is impacting the world through an unprecedented global lockdown to slow the spread of the virus and flatten the curve. This has knocked the global economy and the South African economy has equally felt the ripple effects. People are understandably grappling with this situation and the impact it is having on them. Foremost in their minds is their ability to pay their monthly bills. We have had many requests from Clients and Advisers for relief from the payment of premiums, and the flexibility we offer must be guided by appropriate advice.

At Liberty, we have taken a holistic approach to flexibility around financial wellbeing, while maintaining the long-term benefits provided by Lifestyle Protector.

**Instead of cancelling the premium and lapsing the cover, we offer the option of a six-month reduction in premiums with a commensurate reduction in cover. Premiums can be reduced to as low as R200 per month.**

Before the six-month period is over, the Client or Financial Adviser must request for the cover to be reinstated. This is not a knee-jerk response to COVID-19, it is an option we have made available to Clients for many years. **We have however increased the previous life cover limit from R5.0million to R9.0million.** Now might be the time to remind Clients about the genuine flexibility of their Liberty Lifestyle Protector.

**During these times of extraordinary uncertainty, such genuine flexibility will help us conquer the consequences of COVID-19 together.**

*The following conditions and exclusions apply:*

## GENERAL RULES

- Only available to policies paid monthly
- Premiums after the reduction can't be lower than the minimum premium (currently R200 per month)
- Minimum sums assured per benefit still apply
- The policy must be active
- The policy must be paid up to date i.e. no arrear premiums due
- The policy must have been in force for at least six months
- In order to reinstate cover, without being subject to full underwriting, the Client or Financial Adviser must request cover to be reinstated within the six-month period



## THE FOLLOWING BENEFITS DO NOT QUALIFY

Retrenchment Protector, EduCator, Funeral Benefit, Female Living Lifestyle and Child Living Lifestyle, Premium Protector (Death, Disability and Retrenchment) and Future Protector.

**Disclaimer:** The information contained in this document does not constitute advice by Liberty. Any legal, technical, or product information contained in this document is subject to change from time to time. This document is a summary of the features of Lifestyle Protector as at the time of publication. If there are any discrepancies between this document and the contractual terms and conditions the latter will prevail. Any recommendations made by a Financial Adviser or Broker must take into consideration the client's specific needs and unique circumstances.

Liberty Group Ltd is the Insurer of Lifestyle Protector and an Authorised Financial Services Provider (no. 2409). Terms and Conditions, risks and limitations apply.

## UNDERWRITING CONSIDERATIONS ON REINSTATEMENT

On reinstatement of cover the Client will be required to complete a Declaration of Health and a COVID-19 declaration. Provided there has been no deterioration in health over the six month period, cover will be reinstated. Cover will not be reinstated if a claim has been submitted, an application for cover has been declined or loaded, or if health has deteriorated within the six-month period. If after six months the Client still wants to maintain the reduction in premium, this will be treated as a permanent reduction in benefits and to reinstate cover thereafter, the client will need to be re-underwritten.

### THIS OPTION IS AVAILABLE TO POLICIES WITH

- Sum of Life Cover and Renewable Life Cover up to R9.0million (previously this was R5.0million)
- Lump sum disability up to R5.0million
- Dread disease benefit up to R4.5million
- Income disability up to R50 000 per month
- Overhead expense benefit up to R50 000 per month

The option is not available on the policy if any of the benefits are above these limits.

## PROCESS

# 1

The Financial Adviser identifies that the benefits on the policy will not be affordable at the current level of premium for the next few months and assesses if the policy qualifies for the temporary reduction in premium.

# 2

The Financial Adviser explains to the Client the impact of their cover reduction and the rules about how their future reinstatement will be treated. The premium will reduce and the cover will reduce accordingly.

# 3

A What-if-Quote is required from BPO. The Financial Adviser or Broker Consultant does a What-if-Quote on BPO to show the Client the reduced benefits and premium for approval, electronic signatures are accepted.

# 4

To action the request, process the change on BPO servicing. Select the temporary reduction indicator after completion of loading the request. If you are unable to load the request via BPO servicing, email [info@liberty.co.za](mailto:info@liberty.co.za) with a copy of the signed What-If-Quote, use subject line **Lifestyle Protector Flexibility**.

If you have any queries on this process please contact us on [info@liberty.co.za](mailto:info@liberty.co.za) with the subject line **Lifestyle Protector Flexibility** and the contract number.

## IMPLICATIONS FOR COMMISSION

As per the Long-term Insurance Act: If a premium reduction takes place, commission clawback will occur if any commission advanced is still in the clawback window. We are looking at ways of addressing commission clawbacks within the ambit of the commission regulations.

**For more details about benefits, definitions, guarantees, fees, tax, limitations, charges, premiums or other conditions and associated risks, please refer to the Lifestyle Protector Technical Specifications document.**

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