

At the time that an employee leaves the services of an employer, all of their group insurance cover ceases. Sanlam Corporate: Group Risk (SGR), offers conversion options to accommodate employees wanting to convert such group cover into individual insurance when leaving an employer.

What does a conversion option offer?

Should a fund or employer policy provide a conversion option to accommodate insured members wanting to convert and continue their group cover on an individual basis, the insured members (i.e. employee of scheme / member of fund) do not have to provide medical evidence of good health / insurability (e.g. assessment of a client's health condition by way of a physical screening or medical exam) when converting to an individual policy.

The converted cover and premium (i.e. individual based premium) will however be subject to the conditions applicable to Sanlam Life Insurance Limited policies (hereafter referred to as Sanlam).

Furthermore:

- ① The individual cover amount will not exceed the group cover that was granted under the SGR group scheme, or it may be less than the total cover the insured member had under the group policy.
- ② If the insured member exercises the conversion option, and the same level of cover (or less) is converted, no physical medicals, HIV test or cotinine test for non-smokers are required.

Sanlam may however request information to establish the rating factor / premium rates, for example, they may call for a BMI measurement to be completed by a nurse, as well as information around pursuit of hazardous activities.

- ③ The employer / broker is responsible for informing the insured member that conditions may differ on conversion.

Please note:

- The conversion option is valid for 60 days from the date of withdrawal/exit from the fund/employer. This means for example that, insured members who intend to exercise this option, will need to apply for the option within 60 days of termination of employment, by advising Sanlam of their intention to convert and submitting relevant documentation within that period. Full cover under the group insurance policy with SGR will apply for 60 days after termination of employment, but will cease as soon as the individual insurance commences. This means an insured member will enjoy full cover for the 60 days-period after the event, even if the member has not exercised the option.
- The conversion option may only be exercised if the insured member is a South African citizen or permanent resident (i.e. holder of an RSA ID document).
- Contract workers unfortunately do not qualify for an option to convert from a group scheme to a similar individual policy.

When does the conversion option lapse?

The option is not available in respect of an employee (insured in terms of a group policy) when they cease to be an insured as a result of –

- ① An amendment to the policy;
- ② Termination of the employer's participation in the policy, or termination of the employer's business;
- ③ The employee being retrenched in circumstances where the employer, as part of a retrenchment exercise, retrenches more than the greater of 2 employees and 2% of the total number of employees; or
- ④ The business of the employer being transferred to or amalgamated with any other business, company or organisation.



What events are included when leaving the employer's service?

Please refer the group policy for the conversion option(s) applicable to a specific group scheme.

The following is an overview of all the products (i.e. group insurance) SGR offers to employers / retirement funds:

| Life insurance | Severe / Critical Illness insurance |
|---|--|
| <p>The insured member will have the option, up to the:</p> <ul style="list-style-type: none"> • normal retirement age (NRA); • benefit cessation age; or • maximum age of 70 years (if still in active service after NRA and provided for by the group policy) <p>To take out a similar individual policy with Sanlam when they</p> <ul style="list-style-type: none"> • withdraw (e.g. resigns); or • retires. | <p>The insured member will have the option, up to the benefit cessation age or the maximum age of 65 years, to take out a similar individual policy with Sanlam when they:</p> <ul style="list-style-type: none"> • withdraw (e.g. resigns); or • retires. <p>Please note: The Group Severe Illness insurance can be converted to a similar individual policy that corresponds with the applicable group benefit, i.e. Cancer, Cardiovascular or Comprehensive Severe Illness benefit.</p> |
| Spouse's Life insurance | Disability insurance |
| <p>The insured member's spouse will have the option, up to the benefit cessation age of the spouses' cover or the maximum age of 70 years, to take out a similar individual policy with Sanlam, when the following events occur:</p> <ul style="list-style-type: none"> • at death of the employee; • divorce; • termination of employment by the employee; • retirement of the employee; or • benefit cessation age of the employee, <p>whichever event may occur first.</p> <p>Please note: The option may also be exercised when the spouse reaches the age of 70 years only if the employee continues their service with the employer thereafter.</p> | <p>Lump sum (total & permanent disability):</p> <p>In terms of the employee:</p> <p>The insured member will have the option, provided that they are younger than 60 years and have not yet reached the benefit cessation date, to take out a similar individual policy with Sanlam upon withdrawal from employment.</p> <p>In terms of the spouse:</p> <p>The spouse will have the option, provided that they are younger than 60 years and have not yet reached the benefit cessation date of the spouses' cover, to take out a similar individual policy with Sanlam at:</p> <ul style="list-style-type: none"> • divorce; • withdrawal of the employee; or • benefit cessation age of the employee <p>whichever event may occur first.</p> |
| | <p>Monthly instalments:</p> <p>The insured member will have the option, provided that they are younger than 65 and has not yet reached the benefit cessation date, to take out a similar individual policy with Sanlam upon withdrawal from employment.</p> |
| <p>Please note: A waiting period of 6 months applies before an option may be exercised in the following instances (i.e. commencing on the date of acceptance of the benefit on the scheme):</p> <ul style="list-style-type: none"> • Existing schemes at Sanlam with no conversion option, and a conversion option benefit must be added; • When we are requested to replace an existing conversion option benefit with another type of conversion option e.g. Option 1 (ordinary insurance for the member without lump sum disability benefits) to Option 2 (ordinary insurance for the member with lump sum disability benefits); or • When an increase in the existing death or disability benefits of a scheme that also offers a conversion option benefit is requested. | |



How to apply for the Conversion Option?

An official quotation can be obtained from Sanlam, who deals with individual insurance. The following information is essential:

- ① Insured member's ID number;
- ① Date of exit (e.g. date of leaving the employer's service); and
- ① The reason for leaving the employer's service (resignation / dismissal / retirement/ retrenchment, etc.)

Who can assist?

An insured member's personal **financial advisor** (or group risk intermediary) may assist with the conversion option process from **Step 1**, but will however be required to assist from **Step 3** to *obtain an actual quote*.

For assistance from a Graviton Financial Planner, please send your request to financialplanning@gravitonwm.com. Please include your ID number, date of exit and reason for leaving along with your contact details and a planner will contact you to assist.

Why a personal financial advisor?

The Sanlam Corporate: Group Risk (SGR) team is unfortunately not in the position to provide an employee / member with either a quotation / estimated cost, or advice in this regard – an accredited financial advisor is required to assist in obtaining a quote.

A broker's note or authority letter may be required by SGR, if the personal financial advisor is not the appointed group risk intermediary.

What documentation is required?

Step 1

Kindly please send a mail with the insured member's ID number, date of exit and reason for leaving the employer's service to: sgrconversionoption@sanlam.co.za

Members of the Sanlam Staff Umbrella fund do not follow this process. The HCSS team will provide members with conversion option letters which explains the process as well as how to calculate the cover that can be converted.

Please note: The employee must exercise this option within 60 days of termination of employment. The attached Annexure A must be completed and submitted to sgrconversionoption@sanlam.co.za

Step 2

SGR will, upon receiving the information / Annexure A, reply with a **Conversion Option Form**, confirming the insured member's group cover that can be converted to an individual policy.

This completed form will be *returned to either the insured member, their personal financial advisor or any other person*, as authorised by the employee (in order to request a quote).

Please confirm the e-mail address this must be sent to (e.g. should the employee no longer be working for the employer, we shall require a forwarding e-mail address).

How to receive a quote / estimate cost?

Step 3

A risk quotation is available from **SanPort** (i.e. Sanlam Life Insurance limited).

The accredited financial advisor uses the content of the Conversion Option form, as well as other personal information, to obtain an official quotation from the *SanQuote web* (on **SanPort**) using their Sanlam code, or alternatively they ask the Sales Support Assistant (SSA) assigned to the brokerage for assistance.

For any queries regarding the process or how to get accredited, please contact:

- E-mail: supportservicestraining@sanlam.co.za
- Tel. no.: 021 947 5653

Please note: As the converted cover will be subject to the conditions applicable to Sanlam Personal Finance policies, Sanlam may request certain information to establish the rating factor / premium rates. For example, they may call for a BMI measurement to be completed by a nurse, as well as information around pursuit of hazardous activities.



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|---------------|--|
| Step 4 | <p>The financial advisor is responsible for informing employees of conditions that may differ when converting to an individual policy. Sanlam will therefore issue the quotation to the financial advisor (i.e. accredited to provide specialised advice), in order for him/her to discuss the cost and applicable conditions of the individual policy with the employee.</p> <p>Please note:</p> <ul style="list-style-type: none">• The maximum benefit, in terms of the conversion, may not exceed the maximum benefit applicable to similar individual policies, which means it may be less than the total cover the member had under the group policy. <p>All quotes will confirm the maximum benefits the employee may convert without providing medical evidence of good health.</p> <p>An employee may choose to insure any amount less than the quoted benefits. Should he/she however want to insure an amount higher than the quoted benefits, the amount in excess will be subject to medical underwriting (i.e. the employee is required to provide medical evidence of good health).</p> <ul style="list-style-type: none">• Should an employee accept Sanlam's quotation (i.e. following the request to convert to an individual policy), the employee will pay an individual rate applicable to the individual policy. |
| Step 5 | <p>If the employee accepts the quotation, then a completed Risk application form must be completed by the financial advisor and submitted to the SSA, along with the signed quotation and all the relevant supporting documentation:</p> <ul style="list-style-type: none">• Advice documents,• CDD Documents (Requirements in terms of the Financial Intelligence Centre Act, 2001; Act no. 38 of 2001),• Conversion Option form <p><i>Please note: The application may be submitted electronically as well.</i></p> |
| Step 6 | <p>Sanlam will send the insured member their policy upon completion.</p> |

Protection of Personal Information Disclosure

Why Personal Information is required: Sanlam Life Insurance Limited ("Sanlam Life"), a subsidiary of Sanlam Limited, will process and protect your personal information as required by relevant laws and the Constitution of the Republic of South Africa ("RSA"). The personal information requested in this form, which may include special personal information is being collected and will be processed for the following purposes:

- underwriting and providing accurate and effective insurance cover and related value-added services;
- member communication;
- market research and statistical analysis;
- verification of the personal information provided;
- to comply with all legal and regulatory requirements, including applicable codes of conduct;
- for operational and administrative processes;
- to protect Sanlam Life's interests; and
- any purposes related to the above.

Failure to provide the mandatory information will prejudice your insurance cover.

Changing and correcting Personal Information: You have the right to:

- Request a copy of your personal information as processed by Sanlam Life;
- Ask for an update and/or correction of your personal information;
- Lodge a complaint with the Information Regulator.

Sanlam Life may charge an administrative fee subject to prior notice of any such cost before executing the request for a copy of your personal information.

Other parties that may receive the Personal Information:

- We may share your personal information within Sanlam Limited and/or with other service providers where required for any of the purposes listed above, or with third parties where Sanlam Life is lawfully required to do so.
- We may send your personal information to service providers outside the RSA for storage or further processing on Sanlam Life's behalf. We will not send your information to a country that does not have information protection legislation similar to that of the RSA, unless we have a binding agreement with the service provider which ensures that it effectively adheres to the principles for processing of personal information in accordance with the Protection of Personal Information Act, 2013.

For more information, please refer to the [Sanlam Group Privacy Notice](#).



ANNEXURE A: Application to Convert to Individual Cover

To be able to convert your group insurance cover to an individual policy, kindly complete (either by yourself or by your financial advisor) and return this form to: sgconversionoption@sanlam.co.za

Should you not have a personal financial advisor, a Sanlam accredited licensed broker or financial advisor will be able to assist.

Please note – The application for the individual insurance must reach a Sanlam office not later than 60 days from exit date (from the employer).

Employees or members belonging to the Sanlam Umbrella Fund or Sanlam Staff Umbrella Funds are excluded from this application process

The conversion of the existing group insurance to a similar individual policy is provided on the condition that the group policy includes the provision for a conversion option:

| | | | |
|-----------------------------|--|--------------------|--|
| Employer / Fund Name | | Scheme Code | |
|-----------------------------|--|--------------------|--|

Personal details of the employee

| | | | |
|--|--|----------------------|----------|
| Full name and surname | | | |
| RSA identity number | | | |
| If not RSA, passport number | | Passport expiry date | |
| Nationality | | Gender | |
| Date of birth | | | |
| E-mail address | | Contact number | |
| Date joined fund / scheme | | Annual risk salary | R |
| Employment exit date (i.e. date of leaving employer's service) | | | |
| Reason for leaving the employer's service: | | | |
| Resignation | | Retirement | |
| | | Dismissal | |
| | | Other | |
| If <i>Other</i> , please specify: | | | |

Group insurance to be converted, i.e. benefits for which the option is available via the group policy:

| | | | | | | | |
|----------------|--|-------------------------|--|----------------------|--|----------------------------|--|
| Life insurance | | Critical/Severe illness | | Disability: Lump Sum | | Disability: Monthly Income | |
|----------------|--|-------------------------|--|----------------------|--|----------------------------|--|

Spouse's Life Insurance (only if option is available via the employer policy)

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|---|----------|--|-------------|--|
| Is a conversion option in respect of the employee's spouse also required? (only if available) | Yes | | No | |
| If Yes, please confirm the spouse's details: | Married | | Co-habiting | |
| Spouse's name | | | | |
| Spouse's ID / passport number | | | | |
| Spouse's income | R | | | |

To obtain a quote

Upon receipt of the completed Annexure A, a **Conversion Option form** will be provided confirming the current group insurance amounts that can be converted to an individual Sanlam policy. (This form is used by the financial advisor to obtain a quote from Sanlam).

If the Conversion Option form should be returned to a financial advisor to request a quote:

| | |
|-----------------------|--|
| Advisor / Broker name | |
| E-mail address | |
| Contact number | |

Please note: Sanlam Corporate: Group Risk cannot be held accountable for the accuracy of the information provided.