

# CUSTOMER PROTECTION INSURANCE POLICY FOR LOANS

## 1. INTRODUCTION

The RCS Customer Protection Insurance Policy (CPI) is administered by RCS Cards Proprietary Limited (RCS) and underwritten by Guardrisk Life Limited. The CPI Policy contains the following Terms, Conditions, Exclusions and Provisions.

## 2. INSURING CLAUSE

We agree to pay the Benefits for any Insured Event covered under this policy if You have paid Your premium subject to:

- 2.1 the Insured Event happening within the Period of Insurance;
- 2.2 the Event giving rise to a claim being covered in terms of the exclusions and/or terms and conditions of this policy;
- 2.3 You providing Us with all the relevant documents that we may require;
- 2.4 The claim being reported within the prescribed period.

## 3. HOW DOES THE RCS CPI POLICY WORK?

For Your protection CPI cover is offered where:

- 3.1 You have an approved Loan with RCS; and
- 3.2 You have a balance owing in terms of Your Loan agreement with RCS. You are not obligated to accept this CPI policy, but you will then be required to cede an alternate policy to RCS, which must have at least the same Benefits as this policy.

## 4. WHEN WILL COVER START?

Cover will start on the Entry date.

## 5. DEFINITIONS

- 5.1 "Outstanding Balance" means the balance still owing on the Loan at the time of Your Death or Permanent Total Disability.
- 5.2 "Administrator" means RCS Cards (Pty) Ltd (Reg. no. 2000/017891/07)
- 5.3 "Business Day" mean any day excluding a Saturday, Sunday or public holiday.
- 5.4 "Claim" means, unless the context indicates otherwise, a demand for policy benefits by a Claimant in relation to this policy, irrespective of whether or not the Claimant's demand is valid.
- 5.5 "Claimant" means the person who submits a claim and completes the required claim form and submits the required documentation in order to assess the validity of the claim.
- 5.6 "Claim Event" means the insured risks under this policy, being Death and/or Disability and/or Loss of Income of an Insured.
- 5.7 "Credit Life Insurance" has the meaning assigned to it in the National Credit Act.
- 5.8 "Entry Date" means the date that You enter into the credit agreement with RCS.
- 5.9 "Exclusion" means the losses or risk events not covered under this policy.
- 5.10 "Insurer" means a long-term insurer, namely Guardrisk Life Limited with Registration Number 1999/013922/06 and FSP Number 76.
- 5.11 "Medically Boarded" means the inability of an Insured to continue working for any form of an income due to poor medical health that will continue and be irreversible, regardless of any treatment or medication, and will continue for the rest of the Insured's life.
- 5.12 "National Credit Act" means the National Credit Act, 2005 (Act No 34 of 2005).
- 5.13 "Period of Insurance" means every subsequent month after the Entry Date that RCS receives Your premium.
- 5.14 "Policy" means a long-term policy.
- 5.15 "Policyholder" means "You" or "Your" as stated in the Loan Agreement.
- 5.16 "Premium" means the monthly premiums payable (forming part of the monthly instalment on your account) to cover the risk of Benefits provided by this Credit Life Insurance.
- 5.17 "Prescribe" means the legal termination of the period of time in which you can lodge a dispute in respect of a claim outcome.
- 5.18 "Reputate" in relation to a claim means any action by which the Insurer rejects or refuses to pay a claim or any part of a claim, for any reason, and includes instances where a Claimant lodges a claim-
  - 5.18.1 in respect of a loss event or risk not covered under this Policy; and
  - 5.18.2 in respect of a loss event or risk covered by this Policy, but the premium or premiums payable in respect of this Policy are not paid and "Reputiation" shall have a corresponding meaning.
- 5.19 "Short term loan" means a loan with an outstanding capital amount of less than R8,000 and a repayment term of less than 6 months as defined per the National Credit Act.
- 5.20 "Service Provider" means any person (whether or not that person is the agent of the Insurer) with whom an Insurer has an arrangement relating to the marketing, distribution, administration or provision of policies or related services.
- 5.21 "Variation" means any act that results in a change to-
  - 5.21.1 the premium;
  - 5.21.2 any term;
  - 5.21.3 any condition;
  - 5.21.4 any policy benefit;
  - 5.21.5 any exclusion; or
  - 5.21.6 the duration of this policy, and "Vary" and "Varying" shall have a corresponding meaning.
- 5.22 "Waiting Period" means a period during which a Policyholder is not entitled to policy benefits.

## 6. WHAT IS COVERED?

- 6.1 Death
- 6.2 Temporary Total Disability
- 6.3 Permanent Total Disability
- 6.4 Loss of Income

## 7. INSURED EVENTS/BENEFITS PAYABLE

Payment of any Benefit will only be considered if You have complied with all the terms and conditions of this policy, and if You or Your representative have complied with all the requirements of the claims process as detailed below.

### 7.1. Death Benefit:

- 7.1.1 If You die from a cause not excluded, we will pay to RCS the Outstanding Balance, as at the date of death.

### 7.2. Temporary Total Disability (TTD) Benefit:

- 7.2.1 If You receive an income, and become temporarily, totally disabled from continuing to receive such an income as a result of an illness/disease or bodily injury after the Entry Date, we will pay to RCS the monthly instalments due by you in terms of the Loan agreement, for each month or part thereof that You are unable to receive an income.
- 7.2.2 For pensioners, if you become temporarily, totally disabled as a result of an illness/disease or bodily injury after the Entry Date, we will pay to RCS the monthly instalments due by you in terms of the Loan agreement.
- 7.2.3 The benefit payable is subject to a maximum of 12 months instalments from the date of the event giving rise to the temporary and total disablement claim.

### 7.2.4 When will this policy NOT pay for TTD?

- 7.2.4.1 If the date you were declared temporarily, totally disabled was prior to the Entry Date.
- 7.2.4.2 If You refuse medical treatment or You refuse to follow medical treatment prescribed by a registered medical practitioner where such treatment will improve the temporary disability sufficient enough to allow the continuation to receive an income.
- 7.2.4.3 If You recover before the 12 months payments have been paid and You are unable to provide proof that You are still eligible for this benefit.
- 7.2.4.4 If as a result of this event You are, in Our opinion, declared to be Permanently Totally Disabled (or You pass away), at which time the Permanent Total Disability benefit (or death benefit) shall become payable.
- 7.2.4.5 If You are unable to provide the required proof of your disability.
- 7.2.4.6 Also refer to General Exclusions under section 8.

### 7.3 Permanent Total Disability (PTD) Benefit:

- 7.3.1 If You become permanently and totally disabled as a result of illness/disease or bodily injury after the Entry Date, We will settle the Outstanding Balance on your RCS Loan account, as at the date You are declared to be permanently and totally disabled and medically boarded (You are medically unfit to carry out the duties of Your occupation and from receiving an income).
- 7.3.2 For pensioners, if you become permanently, totally disabled as a result of an illness/disease or bodily injury after the Entry Date, we will settle the Outstanding Balance on your RCS Loan account as at the date You are declared to be permanently and totally disabled.
  - 7.3.3 When will this policy NOT pay for PTD?
    - 7.3.3.1 If you were declared permanently and totally disabled prior to the Entry Date.
    - 7.3.3.2 If You refuse medical treatment or You refuse to follow medical treatment prescribed by a registered medical practitioner where such treatment will improve the disability sufficient enough to allow the continuation to receive an income.
    - 7.3.3.3 If you are unable to provide suitable proof of your disability.
    - 7.3.3.4 Also refer to General Exclusions under section 8.

### 7.4 Loss of Income Benefit:

- 7.4.1 If You suffer a loss of income, we will pay to RCS the monthly instalments that are due in terms of the Loan agreement up to a maximum of 12 months instalments or in the event of a short term loan, the maximum term of the loan, as the case may be, as at the date that You no longer receive an income.
- 7.4.2 For the purpose of this policy "Loss of Income" means Your total loss of permanent, contract or temporary employment, or any other form of income that You have been receiving for at least 3 months immediately prior to the Entry Date. The loss of income must be total in nature and does not include cover for loss of any supplementary income (that was not verified at application stage) and whilst the main income remains in force. The 3 month waiting period is not applicable to short term loan customers.

### 7.4.3 When will this policy NOT pay for Loss of Income?

- 7.4.3.1 If the loss of income is within the first 3 months after the Entry Date. The 3 month waiting period is not applicable to short term loan customers.
- 7.4.3.2 If the loss of income is as a result of your participation in an unprotected strike.
- 7.4.3.3 If You resign, terminate or abscond from Your employment, contract or temporary employment with Your employer or choose to accept a voluntary retrenchment or termination of employment (including to enter into a mutual separation agreement), or if You accept voluntary forfeiture of salary, wages or other income in any way.
- 7.4.3.4 If You had reasonable grounds for believing that You might, or received notification that you may, suffer a loss of income during the 3 months prior to the Entry Date (even if the notification date only becomes permanent after the Entry Date).
- 7.4.3.5 If you are lawfully dismissed, including dismissal as a result of wilful misconduct that is a violation of some established, definite rule of conduct, a forbidden act, wilful dereliction of duty or misconduct.
- 7.4.3.6 If you go on normal or early retirement.
- 7.4.3.7 Also refer to General Exclusions under section 8.

## 8. GENERAL EXCLUSIONS

- When will this policy not pay for any benefit across all sections?
- 8.1 We will not pay any Benefit under this policy if, within the first 6 months of this policy, Your death or disablement is as a result of, or is directly or indirectly traceable to, or as a consequence of, a medical condition, illness or disease that You knew about 6 months before the Entry Date – whether or not You declared this in the application/proposal form at the Entry Date. The waiting periods stated in this clause are not applicable to short term loan customers.
  - 8.2 We will not pay any Benefit under any section of this policy if the Insured Event is caused by, resultant from, traceable to or as a consequence of:
    - 8.2.1 Wilful self-injury, which will include suicide during the first 12 months from the Entry Date;
    - 8.2.2 Your participation in any criminal activities;
    - 8.2.3 Your participation in hazardous activities such as mountain climbing, bungee jumping and speed racing;
    - 8.2.4 The abuse of alcohol, drugs or narcotics;
    - 8.2.5 Active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not); civil war, insurrection, rebellion revolution, civil commotion or uprisings, military power;
    - 8.2.6 The use of nuclear, biological or chemical weapons, or any radioactive containment.
  - 8.3 We will not pay any Benefit under this policy if You have not paid the premium or You do not comply with all Your obligations and the conditions of this policy, or where you are under debt review or been handed over for non-payment of your instalment, as in such instances no insurance premium will be charged and no insurance cover will be in place.
  - 8.4 We do not cover any arrear instalments or any additional interest charges arising from the non-payment of Your instalments or if Your debt is restructured or when You apply for debt counselling.

## 9. AMENDMENT OF POLICY RATES, TERMS AND CONDITIONS

We may amend the rates, terms and conditions of this policy at any time after giving You 31 days' notice of such change in writing.

## 10. COOLING-OFF RIGHTS

You have the right to cancel this policy within 31 days from the receipt of the terms and conditions or within 31 days from the date on which it is deemed that You received the terms and conditions or within 31 days of the Entry Date, provided no benefit has been claimed or paid or an event giving rise to a claim has not yet occurred, in which instance any premium paid will be refunded less the cost of any risk cover enjoyed by You by making a written request for cancellation. If you elect to cancel, you must cede an alternate policy to RCS with the same minimum benefits as this policy offers failing which we reserve the right not to cancel this insurance.

- 11. CANCELLATION PROCEDURE AND CONSEQUENCES**
- 11.1 You have the right to cancel this policy by giving us 31 days' notice of Cancellation, provided that You cede an alternate policy to RCS, which policy must have at least the same benefits as this policy.
- 11.2 We may cancel this policy by giving You 31 days' written notice of cancellation.
- 11.3 Either cancellation as stated in 11.1 and 11.2 above will not attract a refund of any premiums paid.
- 12. TERMINATION OF THE POLICY**
- This policy will terminate or end:
- 12.1 On the day that the Loan agreement with RCS ends;
- 12.2 On Your Death or on the date of Your Permanent Total Disability;
- 12.3 On the last day of the last month You paid Us a premium.
- 13. NO SURRENDERS OR CESSIONS**
- This Policy may not be surrendered, ceded, assigned or transferred. This policy also acquires no surrender, loan or paid up values.
- 14. PREMIUM**
- 14.1 The premium payable is based on the initial Loan amount deferred and is stated in your Loan agreement. The premium is calculated at a rate of R4.50 per R1000 of the initial Loan amount. The premium must be paid to us on the 1st day of each month. If we do not receive Your premium, We will try to collect this premium on the first day of each subsequent month thereafter.
- 14.3 If the premium is still not paid after 3 consecutive months Your policy will automatically terminate with effect from the last day of the month for which a premium was paid. The policy may be reinstated at Our discretion and upon such terms as we impose having regard to any waiting period.
- 15. HOW TO CLAIM**
- 15.1 When there is a Claim Event that is covered in terms of this policy, You or Your representative (in the event of death) must, at Your own cost:
- 15.1.1 notify the Administrator in writing within 3 months of the date of the event giving rise to the claim;
- 15.1.2 complete and send the claim form to the Administrator;
- 15.1.3 supply full details of the Claim Event in writing and provide the Administrator with all the necessary documentation and proof that We require;
- 15.1.4 submit copies of medical examinations and/or any other reasonable request the Administrator require in order to assess the claim.
- 15.2 If You do not meet these conditions within 6 months of the date of the event giving rise to a claim, the claim may be rejected and You will lose all Benefits in respect of this claim unless there are extenuating circumstances for the late submission of a claim and such extenuating circumstances are acceptable to the Insurer.
- 15.3 If Your claim is rejected and You do not agree with this decision or You do not agree with the amount paid, You can, within 90 days after We have rejected or settled Your claim, discuss with Us the reason for the rejection or settlement. To view our Claims Escalation process, please visit [www.rcs.co.za](http://www.rcs.co.za), alternatively you can call us on 0861 729 727. Where necessary, your claim will be reassessed, as per our Insurance Appeal, Complaints and Escalation Process. If after this period You still do not agree with Our reasons You have a further 180 days to institute legal action against Us by way of the service of summons. You may also follow the Complaints Procedure as set out in clause 19 hereof. If you do not do anything then You give up Your rights to any further Benefits in respect of this claim and the matter will prescribe.
- 16. COMMISSIONS OR OTHER REMUNERATION PAYABLE TO THE ADMINISTRATOR**
- The Administrator will be earning fees and commission of 20% of the total monthly premium payable to RCS Cards.
- 17. ADDITIONAL DISCLOSURE DETAILS**
- 17.1 Details of the Administrator:** RCS Cards (Pty) Ltd, Reg No. 2000/017891/07
- 17.1.1 RCS is licensed as a Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act 2002. FSP Licence No. 44481.
- 17.1.2 Contact Details**
- Physical Address: RCS Building Golf Park, Raapenberg Road, Mowbray, 7700
- Postal Address: P.O. Box 111, Goodwood, 7459
- Telephone Number: (021) 597 4000 or 0861 SAY RCS / 0861 729 727
- Fax Number: 0861 237 483
- Web Address: [www.rcs.co.za](http://www.rcs.co.za)
- Claims department contact details:
- Postal Address: P.O Box 111, Goodwood, 7459
- Tel: 0861 729 727
- Fax: 0861 237 483
- Email Address: [claims@rcs.co.za](mailto:claims@rcs.co.za)
- Key individual email address: [fais@rcs.co.za](mailto:fais@rcs.co.za)
- 17.1.3 RCS Compliance Officer is available on the above numbers or on the following email address: [compliance@rcs.co.za](mailto:compliance@rcs.co.za)
- 17.1.4 RCS operates as a private company with limited liability. We perform services as an administrator under the Long Term Insurance Act 52 of 1998 entering into long term policies, maintaining, servicing and dealing with the policies on the insurer's behalf.
- 17.1.5 RCS has an association with Guardrisk Life Limited and confirm that we do not earn more than 30% of our total income from the insurer.
- 17.1.6 RCS does have Professional Indemnity cover as well as the necessary Agreement in place to act on behalf of Guardrisk.
- 17.1.7 RCS has a conflict of interest management policy in place and is available on our website [www.rcs.co.za](http://www.rcs.co.za)
- 17.2 Details of the Insurer:** Guardrisk Life Limited, Reg No. 1999/013922/06
- 17.2.1 Guardrisk Life Limited is licensed as a Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act 2002. FSP Licence No. 76
- 17.2.2 Contact Details**
- Physical Address: 102 Rivonia Road, Sandton, 2196
- Postal Address: P.O. Box 786015, Sandton, 2146
- Telephone Number: (011) 669 1000
- Email Address: [info@guardrisk.co.za](mailto:info@guardrisk.co.za)
- Web Address: [www.guardrisk.co.za](http://www.guardrisk.co.za)
- In terms of the FSP license, Guardrisk is authorised to give advice and render financial services for product CATEGORY I: Life-term Insurance: A, B1, B2 and C
- 17.2.3 Guardrisk Compliance Officer is available on tel: +27-11-669-1039 or via email: [compliance@guardrisk.co.za](mailto:compliance@guardrisk.co.za) Guardrisk has a Professional Indemnity Cover and a Fidelity Guarantee Cover in place. You can access the Guardrisk Conflict of Interest Management Policy at [www.guardrisk.co.za](http://www.guardrisk.co.za)
- 18. OTHER MATTERS OF IMPORTANCE**
- 18.1 You must be informed of any material changes in the detail provided about Your Administrator and Guardrisk.
- 18.2 If the information about the Administrator was given orally, it must be confirmed in writing within 31 days.
- 18.3 You may submit a complaint to the Registrar of Long Term Insurance or to one of the Ombud Schemes (details provided under Clause 20 below).
- 18.4 Polygraph or any lie detector test is not obligatory in the event of a claim and the failure thereof may not be the sole reason for repudiating a claim.
- 18.5 You will always be provided with a reason or reasons for a Repudiation of a claim.
- 18.6 Guardrisk may not cancel Your insurance merely by informing the Administrator. There is an obligation on Guardrisk to make sure the notice has been sent to You.
- 18.7 You are entitled to a copy of the policy document free of charge.
- 19. WARNING**
- 19.1 Do not sign any blank or partially completed application forms.
- 19.2 Complete all forms in ink.
- 19.3 Try and keep all documents handed to You.
- 19.4 Make a note as to what is said to You.
- 19.5 You may not be pressurised to buy any product.
- 19.6 Incorrect information or a material non-disclosure by You of relevant facts may influence an insurer on any claims arising from Your contract of insurance.
- 19.7 If any claim under this Policy is in any way misrepresented or any fraudulent means are used by You or anyone acting on Your behalf to obtain any benefit under this Policy or if any of the Events insured against are occasioned by your intentional act, or with your connivance, all benefits under this Policy and all premiums paid in terms of the Policy will be forfeited and the Policy will be voidable at Our discretion. Appropriate action will be taken as deemed necessary by RCS.
- 20. COMPLAINTS PROCEDURE**
- 20.1 Please first contact the Administrators (RCS) if You have any complaints or queries on (021) 597 4000 or 0861 SAY RCS / 0861 729 727. You can access our Complaints Policy at [www.rcs.co.za](http://www.rcs.co.za) or email [complaints@rcs.co.za](mailto:complaints@rcs.co.za)
- 20.2 If any complaint to the Administrator is not resolved to Your satisfaction, You may then submit the complaint to the Insurer:
- 20.2.1 Guardrisk Life Limited: You can access our Complaints Resolution Policy at: [www.guardrisk.co.za](http://www.guardrisk.co.za) or email: [complaints@guardrisk.co.za](mailto:complaints@guardrisk.co.za)
- Postal Address: P.O. Box 786015, Sandton, 2146
- Tel: (011) 669 1000
- E-mail: [complaints@guardrisk.co.za](mailto:complaints@guardrisk.co.za)
- 20.3 If any complaint to the Insurer is not resolved to Your satisfaction, You may then submit the complaint to the following regulators:
- 20.3.1 **The Long Term Insurance Ombudsman** – In the event of claims problems not being satisfactorily resolved as per the processes referred to in section 15.
- Postal Address: Private Bag X45, Claremont, 7735
- Tel: (021) 657 5000
- Sharecall: 0860 103 236
- Fax: (021) 674 0951
- E-mail: [info@ombud.co.za](mailto:info@ombud.co.za)
- Website: [www.ombud.co.za](http://www.ombud.co.za)
- 20.3.2 **The FAIS Ombud** – In respect of complaints about the selling of the financial service provided.
- Postal Address: PO Box 74571, Lynwood Ridge, 0040
- Tel: (012) 762 5000 or (012) 470 9080
- Fax: (012) 348 3447 or 0860 764 1422
- E-mail: [info@faisombud.co.za](mailto:info@faisombud.co.za)
- Website: [www.faisombud.co.za](http://www.faisombud.co.za)
- 20.3.3 **Financial Services Conduct Authority** – if any complaint to the Administrator or Insurer is not resolved to Your satisfaction.
- Postal Address: PO Box 35655, Menlo Park, 0102
- Tel: (012) 428 8000
- Contact centre: 0800 110 443 / 0800 20 20 87
- Fax: (012) 346 6941
- Email: [info@fsca.co.za](mailto:info@fsca.co.za)
- Website: [www.fsca.co.za](http://www.fsca.co.za)
- 21. TREATING CUSTOMERS FAIRLY**
- This product has been created to meet the requirements of our clients. We will at all times deliver on customer service and customer expectations by enforcing the principles of Treating Customers Fairly (TCF). The TCF principles ensure we apply fairness to all client experiences relating to new business, policy terms, service and claims processes. The TCF framework has 6 outcomes which are:
- 21.1 You are confident that Your fair treatment is key to our culture.
- 21.2 Products and services are designed to meet Your needs.
- 21.3 We will communicate clearly, appropriately and on time during the lifespan of Your policy.
- 21.4 In the event of us providing advice, such advice is suitable to Your needs and circumstances.
- 21.5 Our products and services meet your standards and deliver what You expect.
- 21.6 There are no unreasonable barriers to access our services, or to lodge a claim or to lodge any complaints.