

This is an extract from the Capital Alliance quotation for the Education and Retrenchment/Redundancy Benefits for the Federation of Governing Bodies of SA Schools. The originally quoted premium rates have been excluded as these are to be adjusted by the administrator to allow for commissions and fees.

## 1. Overview of benefits

### 1.1. Foundation Educator benefit

#### 1.2.

Eligibility	All parents and legal guardians with children at FEDSAS affiliated schools.
Cease age / Maximum entry age of parent	70 years
Death only/Death and disability	Death and disability
Maximum number of children	N/A
Definition of Foundation educator	<p>The Foundation Educator benefit is specifically designed to provide a cost-effective, "foundation" level of cover for all eligible members and caters for:</p> <p style="padding-left: 40px;">Tuition fees based on public schooling costs, Benefits in respect of primary and secondary schooling only, and Expenses related to items such as school clothes and stationery.</p> <p>Tuition fee payments are made directly to the academic institution to ensure that benefits are handled appropriately.</p>
Conditions of the Foundation educator benefit	<p>Cover will end at the earliest of:</p> <ul style="list-style-type: none"> <li>• Discontinuance of the parent's membership in the scheme, whether by: <ul style="list-style-type: none"> <li>- The parent electing to no longer enjoy cover under the scheme;</li> <li>- The child transferring to a school not affiliated to FEDSAS; or</li> <li>- The child completing secondary schooling.</li> </ul> </li> <li>• Death of the child; or</li> <li>• The child leaving school prior to the completion of secondary schooling.</li> </ul> <p>Where a claim is in process, following the member's death or occupational disability, the benefits will be discontinued on the earliest of:</p> <ul style="list-style-type: none"> <li>• Death of the child; or</li> <li>• The end of the academic year prior to the child turning age 19; or</li> <li>• The child completing secondary schooling; or</li> <li>• The child leaving school.</li> </ul> <p>The Foundation Educator consists of the following components:</p> <ul style="list-style-type: none"> <li>• Tuition</li> <li>• Supplementary Allowances</li> </ul>

Two components of the Foundation educator benefit

## 2. Tuition and Maximum Cover

Tuition fees payable are limited to:

- The actual school fees at the relevant school;
- Payment for a maximum term as detailed in the table below:

Education level Foundation educator

Education Level	Foundation Educator
Pre-primary School	Not applicable
Primary School	7 years
High School	5 years
Tertiary Institution: Degree or Diploma	Not applicable

and

- Tuition fees may not exceed the annual amounts detailed in the table below:

Education Level	Public and Private Schooling
Primary School	R 16,900
High School	R 18,580

Note that tuition fees in the event of retrenchment or redundancy will be paid based on the fees in the year of claim and will be paid for a maximum period of 6 months.

Note that :

These maximums will be reviewed annually.  
Pre-primary and tertiary education is not available on the Foundation Educator option.

## 3. Supplementary allowances

### Supplementary allowances

These allowances are intended to assist in covering the additional expenses associated with schooling such as textbooks, stationery, uniforms and after-school care.

This allowance is calculated annually as a percentage of the tuition benefit and differs according to the education level. Allowances will be limited to an annual maximum amount, as detailed in the table below:

Supple

Education Level	Supplementary Allowance	Public and Private Schooling
Primary School	15,0% of annual school fees	R 6,590
High School	17,5% of annual school fees	R 9,880

Note that no supplementary allowances are payable in the event of a retrenchment or redundancy claim.

Further note that:

An annual lump sum payment is made to the child or guardian in respect of any allowances; and  
The Foundation Educator option does not provide benefits in respect of tertiary education.

- Note that no supplementary allowances are payable in the event of a

Capital Alliance Life Group Risk (CAL) Foundation Educator benefit is specifically designed to provide a cost-effective, “foundation” level of cover for the cost of schooling of a group scheme member’s children if they die or become disabled.

We have adapted our product for the specific needs of the schools, pupils and parents represented by the Federation of Governing Bodies of South Africa (FEDSAS). In addition, we have provided the option of a retrenchment benefit that provides for the payment of school fees for a maximum period of 6 months.

The Foundation Educator benefit caters for:

- Tuition fees based on public schooling costs,
- Benefits in respect of primary and secondary schooling only, and
- Expenses related to items such as school clothes and stationery.

We have included the benefit in respect of stationary and clothing expenses as an additional value-added benefit in our offering to FEDSAS at no additional cost. We believe that this addition will provide added peace of mind for all parties to ensure that neither the represented schools nor FEDSAS could potentially be held liable for these expenses.

We are a wholly owned subsidiary of Liberty Group Limited, which, through the Liberty Educational Foundation, is one of the largest private-sector supporters of public education in South Africa. In addition, our Educator product is market-leading in terms of both the flexibility and the comprehensive nature of its benefits. We therefore look forward to being of assistance to FEDSAS and providing security and peace of mind to the parents, pupils and schools it represents.

#### **How will our Educator Benefit for FEDSAS work?**

1. The benefit will be paid in the event of death, occupational or total disability of one or both parents.
2. Premiums will be collected as part of annual tuition or school fees and paid to CAL by FEDSAS.
3. We propose that the benefit be offered on a voluntary or “opt-out” basis. Therefore parents will have the option not to be included in the Educator insurance policy provided to FEDSAS and will hence not have the premiums billed as part of their tuition fees.
4. We have provided our pricing rates per school grade as a Rand amount per R1000 of school fees per annum. This means that a premium will be calculated for each child based on their grade and the amount of school fees for their particular school. This will enable the participating schools to simply and accurately calculate the premium in respect of each child as part of the school fees payable.
5. We propose that FEDSAS provide CAL with an annual schedule containing the following information:
  - School name;
  - Child name;
  - School grade;
  - Identity number(s) of the parent(s);
  - School fees per annum; and
  - Premium paid in respect of child.
6. In the event of a claim, FEDSAS will provide the following information to CAL:
  - Completed claim forms;
  - Copy of Identity Document of deceased or disabled parent;
  - Unabridged death certificate or medical report in respect of disability;
  - Name(s) of child(ren);
  - Copy(ies) of Birth Certificate(s) of child(ren) or proof of guardianship;
  - Confirmation from school in respect of grade(s) of child(ren) and school fees; and
  - Confirmation and details of legal guardian(s) of child(ren).
7. Tuition fee payments are made directly to the academic institution, based on invoices received, to ensure that benefits are handled appropriately. Supplementary allowances in

respect of stationary, uniforms and other items are paid directly to the children or their legal guardians.

8. The benefit will be paid in respect of each child undergoing education at an FEDSAS affiliated school. Children not of school-going age will not be covered and no benefit will be provided in respect of tertiary education.

### **Benefit parameters, exclusions and restrictions**

CAL's standard terms, conditions, restrictions and exclusions in respect of death, occupational and permanent disability will be applied in order for cover to apply and an Educator claim to be accepted as valid. These will be set out in the relevant policy document.

#### **3.1. Retrenchment / redundancy benefit**

#### **3.2.**

Eligibility	All members
Maximum entry and cease age	65 years
Definition of what is to be insured	6 months school fees, based on fees in the claim year
Definition of retrenchment	Means the termination of the member's position by his employer based on adverse trading conditions or anticipation thereof, or upon any other business decisions of his employer resulting in staff reductions.
Definition of redundancy	Means the termination of the member's position by his employer as a result of the introduction of new technology or reorganisation of his employer's enterprise.
Waiting period	30 days
Maximum payment period	6 months
Exclusions	<p>Exclusions applicable to the credit life loss of earnings premium replacement benefit are:</p> <p>The ill-health or incapacity of the member due to accident, injury, childbirth, abortion, pregnancy, miscarriage, disease or illness or a mental disorder of the member</p> <p>A strike, labour dispute or industrial action or interaction whether the member was participating or not</p> <p>The member resigning or accepting voluntary retrenchment or redundancy or having been aware at his entry data, or having had reasonable grounds for believing that he would become unemployed, retrenched or redundant or in the 6 months prior to his entry data having received 1 or more verbal or written reprimands which constituted part of his employer's having disciplinary procedures</p> <p>Any action or omission by the member that resulted in his dismissal in terms of his employment contract</p> <p>The expiry of a fixed term contract of employment which was renewable or the member being, or becoming self employed, going on normal or early retirement, or becoming a partner in a partnership, a member of a close corporation or a director of a company</p> <p>Any lawfully constituted authority nationalising, confiscating or commandeering the assets of the member's employer</p> <p>Member's are not covered under the following circumstances:</p> <p>Once they have secured part time / temporary employment</p> <p>A member is not eligible for the loss of employment benefit until he has completed 90 consecutive days' membership of the scheme</p> <p>Senior personnel who are in a position to influence their own retrenchment</p>

### **How will our Retrenchment and Redundancy Benefit work?**

1. This is an optional addition to our Educator death and disability benefit. We proposes that this also be provided on an "opt-out" basis to parents and schools and that it can be selected in addition to the death and disability benefit.
2. The benefit will be paid for a maximum period of 6 months in the event of a parent being declared redundant or retrenched from their employment. The benefit payment is subject to a waiting period of 30 days.
3. Please note that self-employed individuals are not eligible for the benefit and it is further subject to terms and conditions, including 90 days membership of the scheme. Please see the annexure for the relevant terms and conditions.
4. In the event of a claim, the similar information as listed in point 6 under the previous heading will be required, in addition to any proof of employment, retrenchment or redundancy as may be required by CAL.