

What is Conversion Option?

At the time that an employee leaves the services of an employer, all of his/her group insurance cover ceases should he/she not have claimed for a benefit. Sanlam Employee Benefits: Group Risk, a division of Sanlam Life Insurance, offers conversion options to accommodate employees wanting to convert such group cover into individual insurance upon leaving an employer.

What does a conversion option offer?

Should an employer policy provides a conversion option, to accommodate employees wanting to convert and continue their group cover on an individual basis, members do not have to provide medical evidence of good health upon converting to an individual policy.

The converted cover and premiums will however be subject to the conditions applicable to Sanlam Personal Finance policies. Furthermore:

- ⌚ The cover amount will not exceed the cover that was granted (at ordinary rates) under the Sanlam Employee Benefits' group risk scheme, or it may be less than the total cover the member had under the group policy.
- ⌚ If the member exercises the conversion option, no medicals are required, i.e. an HIV test and a cotinine test for non-smokers are not required on Sanlam's conversion options (if the same level of cover or less is converted).
- ⌚ The employer/broker is responsible for informing employees that conditions may differ on conversion.

Please note –

- Employees, 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.
Example, if the employee leaves 30/11/2015, then the conversion option expires 31/01/2016.
- Full cover under the group funeral insurance policy with Sanlam Group Risk will apply for 60 days after termination of employment, but will cease as soon as the individual insurance commences.
- Should an employee accept Sanlam Personal Finance's quotation (i.e. following the request to convert to an individual policy), the employee will pay an individual rate.
- Contract workers unfortunately do not qualify for an option to convert from a group scheme to a similar individual policy.



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

<p>Group life insurance</p> <p>The employee will have the option, up to the normal retirement age (NRA), benefit cessation age, or the maximum age of 70 years (if still in active service after NRA), to take out a similar individual policy with Sanlam when he/she</p> <ul style="list-style-type: none"> ⊙ withdraws; or ⊙ retire. 	<p>Spouse's insurance</p> <p>The employee'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; ⊙ divorce; ⊙ withdrawal; ⊙ retirement; or ⊙ benefit cessation age of the employee, <p>whichever event may occur first.</p>
<p>Group Critical insurance</p> <p>The employee will have the option, up to the age of 60 years, to take out a similar individual policy with Sanlam when he/she</p> <ul style="list-style-type: none"> ⊙ withdraws; or ⊙ retire. 	<p>Please Note – The option may also be exercised when the spouse reaches the age of 70 years only if the employee continues his/her service with the employer thereafter.</p>

Group Disability cover

Lump sum disability	Disability income insurance (monthly instalments)
<p>In terms of the employee:</p> <p>The employee will have the option, provided that he/she is younger than 60 years and has 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 he/she is younger than 60 years and has 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; or ⊙ benefit cessation age of the employee <p>whichever event may occur first</p>	<p>In terms of Group Income Insurance:</p> <p>The employee will have the option, provided that he/she is younger than 60 and has 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 Group IncomeCare:</p> <p>The employee will have the option, provided that he/she is younger than 60 and has not yet reached the benefit cessation date, to take out a similar individual policy with Sanlam upon withdrawal from employment.</p>

Please note – The **conversion option expires** should an employee leave the employer due to any company restructuring. Further information around the number of retrenchments may be required.



How to apply the Conversion Option?

To start the process of converting a member's existing group cover to an individual policy –

- Step 1:** Kindly please send the information requested in **Annexure A** (following page) to **e-mail: sqrconversions@sanlam.co.za**
- Step 2:** Sanlam will send a **Conversion Option-form** *confirming the employee's group life cover* (compiled from the above information). This form will be sent to either the employee, his/her personal financial advisor or any other authorised person.
- Please confirm the e-mail address this must be sent to? Should the employee no longer be working, we shall require a forwarding e-mail address?

The process, involving the personal advisor:

Why a personal financial advisor? The Group Risk team is unfortunately not in the position to provide a member with either a quotation / estimated cost or advice in this regard, hence the requirement for a personal financial advisor.

- Step 3:** The employee discusses the content of the Conversion Option form with his/her personal financial advisor in order to make arrangements for an official quotation from Sanlam Personal Finance.
- The personal financial advisor will use the form to request the relevant quotations from Sanlam Personal Finance.
- Step 4:** Sanlam Personal Finance will issue the quotation to an employee's personal financial advisor, in order for him/her to discuss with the employee; based on specialised advice, the employee can decide to either accept or decline the option.

Please note – The financial advisor is responsible for informing members that conditions may differ on conversion.

- Step 5:** Should the quotation be accepted by the employee, then a completed Sanlam Personal Finance application form is to be completed and submitted to Sanlam Personal Finance by the financial advisor, along with the signed quotation and all the relevant supporting documentation.
- Step 6:** Sanlam Personal Finance will send the member a policy upon completion.

Who can assist?

An employee's personal financial advisor (or a group risk intermediary) may also assist with the conversion option process (from step 1). A broker's note or authority letter may be required by SEB: Group Risk, if the personal financial advisor is not the appointed group risk intermediary.



Annexure A: Group Cover Conversion information

To be able to convert Group Cover (to an individual policy, by providing a quote first), kindly complete and please send the following information to: sg conversions@sanlam.co.za:

Scheme Name:

Amount of **group cover** to be converted, i.e. benefits for which the option is available via the employer policy):

Employee Name:

- Employee ID or passport no.:
- Gender:
- Risk Salary:
- Date member joined the fund/scheme:
- Date of exit (i.e. date of leaving the employer's service):
- Smoker Status:
- Highest educational qualification:
- Occupation:

Date new policy to commence :

Group life insurance:	R
Group disability insurance:	R
Group critical illness insurance:	R
R	
The reason for leaving the employer's service:	
<i>(i.e. future date)</i>	

If conversion option in respect of employee's spouse is also required (i.e. the option is available via the employer policy), please confirm the spouse's detail on the next page.

Annexure A: Option to Convert to Individual Cover

To be able to convert Group Cover (to an individual policy, by providing a quote first), kindly complete and please send the following information to: sg conversions@sanlam.co.za:

Scheme Name:		
Amount of group cover to be converted, i.e. benefits for which the option is available via the employer policy):	Group life insurance:	R
	Group disability insurance:	R
	Group critical illness insurance:	R
Employee Name:		
• Employee ID or passport no.:		
• Gender:		
• Risk Salary:	R	
• Date member joined the fund/scheme:		
• Date of exit (i.e. date of leaving the employer's service):		
	The reason for leaving the employer's service:	
• Smoker Status:		
• Highest educational qualification:		
• Occupation:		
Date new policy to commence :	<i>(i.e. future date)</i>	

If conversion option in respect of employee's spouse is also required (i.e. the option is available via the employer policy), please confirm the spouse's detail on the next page.



Amount of **spouse's cover** to be converted:

- Married or co-habiting:
- Spouse's Name:
- Spouse ID or passport no.:
- Spouse's income:
- Smoker Status:
- Highest educational qualification:
- Occupation:

Date new policy to commence :

R
R
<i>(i.e. future date)</i>

Please note – Kindly keep in mind that, in certain instances, Sanlam Personal Finance may request information to establish the rating factor/premium rates. For example: they may call for a BMI measurement (Body Mass Index) to be completed by a nurse, as well as information around pursuit of hazardous activities.