



Myriad Premium Pause Option - Frequently asked questions

Question: Can clients reduce their life insurance cover if they can't afford their premiums?

Answer: Yes. However, Momentum strongly urges clients to first discuss the impact of this decision with their financial advisers. If they decide to proceed with this solution, clients can contact their financial adviser or **Myriad's client service team** on Myriad@momentum.co.za for assistance in reducing their life insurance cover. There are still minimum premium requirements that will apply.

Question: If a client cannot afford to pay any further Myriad life insurance premiums, will they lose their cover?

Answer: Yes, unless they apply for Myriad's Premium Pause Option (PPO) which will only temporarily pause their premiums and cover for three consecutive months.

Question: Who must make the application to have policy premiums paused?

Answer: The policyholder (owner) must apply to have the premiums paused.

- In the event of multiple policyholders, all policyholders must apply.
- If the owner is a juristic entity (for example a company, trust or close corporation), the application must be done by the authorised representatives.

Question: Can a client (policyholder) use one Premium Pause Option form to apply for a premium pause on all the policies where they are the owner or do they have to nominate the policies individually on a separate form per policy?

Answer: Clients (policyholders) must complete and submit a separate Premium Pause Option application form per nominated policy for which they are requesting a premium pause.

Question: How will a client (policyholder) know whether their request, to have premiums paused, has been approved?

Answer: An e-mail confirmation will be sent to the policyholder.

Question: While premiums on qualifying nominated policies are paused, will a client have the *ex gratia* life cover on the paused policies only or on all the policies where they are listed as the policyholder?

Answer: The *ex gratia* life cover will only apply to the policies on which the policyholder has applied for a premium pause and only if it has been approved by Momentum.

Question: What is the maximum *ex gratia* life cover that a client will have on policies for which the premiums are paused?

Answer: Clients will have *ex gratia* life cover equal to 20% of the paused life cover amount (no living benefit cover included), capped at R3 million per paused policy.

Question: What happens to policies for which no PPO was applied for, or for which it has not been approved?

Answer: Standard business processes will apply.

- If the premiums are paid, cover remains in force.
- If the premiums are not paid, the standard lapse process is followed and no guaranteed insurability applies if the policy lapses and a reinstatement is requested.

Question: When will a request for a PPO on a policy not be approved?

Answer: A request for a PPO will not be approved if the policy:

- Is in arrears with payments;
- Has already lapsed;
- Has not been on the books for at least three months;
- Is a Modified Death Benefit;
- Is paid annually in advance;
- Is ceded;
- If a claim has previously been submitted for any of the benefits on the policy.

Question: Will clients still have living benefit cover (for example critical illness, disability, income protection, impairment) on premium paused policies?

Answer: No, the *ex gratia* cover only applies to the life cover benefit on the policy.

Question: What happens with a client's policies after the premium pause period?

Answer: The premiums and cover will resume automatically, all benefits will remain intact and continue without any alteration. No additional requirements or underwriting will apply.

Question: If a client suffers from a claim event, e.g. a heart attack, during the period that his premiums are paused and they have critical illness cover on the policy for which premiums are paused, can they claim for the critical illness event?

Answer: No, if any claim event occurs during the pause period Momentum will not be liable for the payment of any benefit amount under any benefit on the paused contract. Only the *ex gratia* life cover will apply.

Question: If a client suffers from a critical illness (or any other living benefit) claim event during the time that their premium is paused, will their living benefit cover automatically resume after the pause period and can they then claim for the claim event they experienced during the premium pause period?

Answer: No. Although the cover on the living benefits will resume after the pause period, only claim events that occur after the PPO period has ended and when living benefit cover has resumed, will be considered for a claim payment. Claim events that occur during the premium pause period, will not be considered as valid claims as no cover exists for that claim event during the pause period.

Question: What happens to a client's premium and cover after the premium pause period?

Answer: After the pause period premiums will again become payable and cover will commence as per standard contract rules.

Question: What happens to a client's premium and cover if they would have had a scheduled premium or cover increase during the three month premium pause period?

Answer: The premiums and cover, including scheduled increases, will resume as if it was never paused, after the premium pause period has expired.

Question: What happens if a client can still not afford to pay their life insurance premium after the premium pause period?

Answer: After the premium pause period the standard lapse process will apply.

Question: Can a client cancel the premium pause to start paying premiums again before the premium pause period has expired?

Answer: Yes, but then they will be subject to full underwriting again.

Premium pause period debit order examples

[Important note: If your selected debit order date is from the 21st to the end of the month, you are paying for the following month's cover. For other debit order dates, you are paying for the current month's cover.]

Example 1: A client's debit order date is scheduled for the 25th of every month, this means the payment is for the next month's cover.

Question: If a client's debit order was deducted on the 25th of March 2020 and the client choose to pause three future premiums, which premiums will not be collected?

Answer: In this example, the premiums due on 25 April, 25 May and 25 June will not be debited.

Start date of the premium pause period (Date from when only the <i>ex gratia</i> cover will apply.)	End date of the premium pause period (Date when <i>ex gratia</i> cover will expire.)	Date on which the next payment is due after the selected pause period	Date from which full cover will resume
01 May 2020 (This is because the cover for April was already paid for with the 25 March debit)	31 July 2020	25 July 2020 (This is because the 25 July debit pays for August's cover)	1 August 2020

Example 2: A client's debit order date is scheduled for the 15th of every month.

Question: If the client's last debit order was collected on the 15th of March 2020 and the client choose for the premium pause period to start from the 1st of April 2020, which premiums will not be collected?

Answer: In this example (dated 26 March 2020), the premium for the April 2020 cover needs to be collected on 15 April 2020. The premiums due on 15 April, 15 May and 15 June will not be debited:

Start date of the premium pause period (Date from when the <i>ex gratia</i> cover will apply.)	End date of the premium pause period (Date when <i>ex gratia</i> cover will expire.)	Date on which the next payment is due after the selected pause period	Date from which full cover will resume
01 April 2020	30 June 2020	15 July 2020 (for July's cover)	1 July 2020