

Premium Pause Option 2



Myriad's Premium Pause Option 2 (PPO2) (available until 31 August 2020)

Momentum strongly discourages clients from cancelling their life insurance in this difficult economic time and encourages them to explore every possible option to ensure that they maintain their cover to protect them, their families and their businesses financially if the worst happens.

Clients in extreme financial distress after this extended lock down period are at risk of losing all their life insurance benefits. For clients in the affected industries, that are still not allowed to resume their business (or will only be allowed to resume in the near future), Momentum is proactively taking steps to support them with a new temporary premium pause option for their life insurance premiums.

What is the PPO2?

Myriad will offer clients in affected industries, who can still not resume their business as a result of the continuing lock down restrictions (or will only be allowed to resume in the near future), a second premium pause option (PPO2) to **temporarily pause their life insurance premiums and life insurance cover for three consecutive months** while maintaining **guaranteed insurability** until their premiums are automatically resumed.

Pausing premiums will normally result in all life insurance cover being forfeited for the period that the premiums are paused. However, if clients proactively apply for the PPO2 between 1 July and 31 August 2020, they will get **free ex gratia cover**¹ equal to **20% of their paused life cover benefit** during the premium pause period. The *ex gratia* cover will apply for the duration of the premium pause period at no cost to the policyholder, funded by Momentum. This will mitigate their financial vulnerability and exposure while they explore additional funding options to resume cover on all their life insurance benefits.

Clients who can qualify for PPO2

Some industries are still prohibited from resuming their activities (or will only be allowed to resume in the near future) and for clients in these industries we will offer a new opportunity to take up a three month premium pause. This option will be available to clients in the affected industries below, until 31 August 2020:

- Gyms and fitness centres
- Flea markets
- Fêtes and bazaars
- Night clubs
- Casinos
- Hotels, lodges, bed and breakfasts, resorts and guesthouses
- Private and public game reserves
- Conference facilities
- Any on-consumption premises (including restaurants, bars, taverns and shebeens)
- Theatres and cinemas
- Hair salons and beauty centers

¹ The *ex gratia* cover is applicable to life cover only and capped at a cumulative maximum of R3 million per policy. The *ex gratia* cover does not apply to any living benefit cover (no critical illness, disability, income protection or impairment cover).

If a client in one of these identified industries has already benefited from a premium pause with the first PPO, they can apply again for a further premium pause with the PPO2 when their initial premium pause expires.

Which policies can qualify for the PPO2?

All Myriad life insurance policies that have been in force for three months or longer will be eligible² for the PPO2, except for the following exceptions:

- Policies that are in arrears with payments will not qualify.
- Policies for which premiums are paid annually in advance will not qualify.
- Policies that are ceded will not qualify unless the cessionary's authorisation is provided.
- Policies in lapse status will not qualify.
- Modified Death Benefit policies will not qualify.
- Policies on which claims have already been submitted for any of the benefits on the policy will not qualify.
- Policies that have not been on the books for at least three months (since inception and after a reinstatement) will not qualify.

What is the process to apply for the PPO2?

Clients (policy owners) who want to apply for the PPO2 have to complete the new application form per qualifying policy and submit it via e-mail to **MyriadPremiumPauseOption@momentum.co.za**. *The PPO2 application has to reach us at least **five business days before** the regular debit order date.*

If their request is approved, they will receive confirmation via e-mail where after three consecutive life insurance premiums on the qualifying policy(ies) will be paused.

Policies will resume automatically after the premium pause expires.

After the three month premium pause period, premiums will again become payable and will resume automatically. As clients approach their next premium due date, Momentum will send them a courtesy SMS reminder that their next life insurance premiums are due soon. When premium payments resume, no additional requirements or underwriting will apply. After the pause period cover will commence as per the contract rules.

² The PPO2 and the *ex gratia* life cover during the premium pause period is a temporary solution and Momentum Myriad reserves the right to cancel the availability of this option at its sole discretion.