

SCHEDULE REPLACEMENT ADVICE RECORD (INDIVIDUAL RISK POLICIES)

Note to policyholder: If you are considering taking out a new risk policy that wholly or partly replaces any existing risk policy, your financial adviser must complete and discuss this document with you to help you decide whether replacing your existing policy is in your best interest.

It is **important** that you do not sign this document without reading and having carefully considered the information it contains.

PART 1: GENERAL INFORMATION

Full names of policyholder:	
ID number/company registration number of policyholder:	
Full names of financial adviser ¹ :	
ID number of financial adviser:	
Name of financial services provider of the replaced policy/cies:	
FSP number:	
Name of financial services provider recommending the replacement:	
FSP number:	
Date of inception of the policy being replaced:	

PART 2: POLICY DETAILS

New policy/policies		
Policy/Application number	Product name	Insurer
1.		
2.		
3.		

Policy/policies being replaced		
Policy number	Product name	Insurer
1.		
2.		
3.		

¹ For purposes of this form “financial adviser” means an “intermediary”, as defined in the Policyholder Protection Rules made under section 62 of the Long-term Insurance Act, 1998 (Act No. 52 of 1998), – i.e. the representative of the FSP concerned or sole proprietor, as the case may be, who has provided advice to the policyholder regarding the replacement. The financial adviser must complete this replacement advice record.

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PART 3: REASONS FOR RECOMMENDING THE REPLACEMENT POLICY/IES

3.1 List the main reasons why the new policy/ies is/are considered more suitable to the policyholder's needs and objectives than keeping or altering/changing the replaced policy/ies? (If there is more than one reason, please number them).

3.2 Could the replaced policy/ies have been altered/changed to better meet the policyholder's needs and objectives? (If not, explain why).

3.3 If the replaced policy/ies could have been altered/changed, explain why a replacement is recommended instead of making such change.

PART 4: DIFFERENCE BETWEEN NEW AND REPLACED POLICIES

Detail	Description of the difference between the new policy and the replaced policy
A. SPECIFIC POLICY BENEFITS (including costs, exclusions and restrictions for each benefit type)	
4.1 Death benefits	
(a) Cover amount	
(b) Benefit premium	
(c) Standard exclusions (including suicide exclusions)	
(d) Waiting period(s)	
(e) Benefit term/expiry age	
4.2 Lump sum disability benefits	
(a) Type of cover and events covered	
(b) Accelerated or standalone cover	
(c) Cover amount	
(d) Benefit premium	
(e) Standard exclusions	
(f) Waiting period(s)	
(g) Benefit term/expiry age	

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Detail	Description of the difference between the new policy and the replaced policy
4.3 Income protection benefits	
(a) Type of cover and events covered	
(b) Cover amount	
(c) Benefit premium	
(d) Standard exclusions	
(e) Waiting period(s)	
(f) Benefit term/expiry age	
(g) Does it cover temporary or permanent disability or both?	
4.4 Accident benefits	
(a) Type of cover and events covered	
(b) Cover amount	
(c) Benefit premium	
(d) Standard exclusions	
(e) Waiting period(s)	
(f) Benefit term/expiry age	
4.5 Severe illness/Critical illness/Dread disease or Trauma Benefits	
(a) Type of cover and events covered (include key differences in number, severity or definitions of covered conditions)	
(b) Accelerated or standalone cover	
(c) Cover amount	
(d) Benefit premium	
(e) Standard exclusions	
(f) Waiting period(s) (including any specific exclusions)	
(g) Benefit term/expiry age	
(h) What diseases are covered under the new policy/ies compared to the replaced policy/ies?	
4.6 Loyalty/add-on benefits	
(a) Types of benefits provided	
(b) Value/calculation basis of benefit	
(c) Cost of benefit	
(d) Conditions to qualify for benefit	
(e) Is benefit optional or not?	

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Detail	Description of the difference between the new policy and the replaced policy
4.7 Investment/savings benefits (if any of the policies involved in the proposed replacement have an investment or savings component)	
(a) Nature of investment portfolio/assets	
(b) Nature of investment risk	
(c) Amount of total premium allocated to investment	
(d) Investment related fees or charges	
(e) Investment performance guarantees	
(f) Realisability of the benefits/accessibility of funds	
(g) Benefit term/expiry age	
(h) Details of the current value of the investment benefit on the replaced policy (before deduction of any termination charges or penalties)	
(i) Details of termination charges/penalties due to termination of the replaced policy	
4.8 Any other policy benefits/special features/differences	
(a) Type and value of benefits/features	
(b) Cost of benefits/features	
(c) Other	

A. GENERAL POLICY FEATURES	
4.9 Premiums and charges	
(a) Total premium (including for loyalty/add-on benefits)	
(b) Premium pattern	
(c) Basis of contractual premium increases, if applicable	
(d) Basis of contractual benefit increases, if applicable	
(e) Period for which the premium is guaranteed (fixed) and date of next premium review	
(f) Policy administration fees	
(g) Any other fees (e.g. claims administrations fees; other transaction fees)	
(h) Age of life insured when replaced policy was entered into; and effect of increased age or any health changes on the new policy premium	

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Detail	Description of the difference between the new policy and the replaced policy
4.10 Exclusions and restrictions	
(a) Specific exclusions or premium loadings applicable to the policyholder/life insured	
(b) Any other exclusions, restrictions, special terms and conditions or circumstances in which benefits will not be provided	
4.11 Tax treatment and implications	
Tax treatment and tax implications	
4.12 Other material differences	
(a) List any other differences (not covered elsewhere) considered material to the replacement decision	
(b) Provide details of any vested rights, guaranteed benefits or other guarantees or advantages that will be lost as a result of the replacement, or any other potential disadvantages of the replacements not covered elsewhere	

Note: Where it is not possible to provide any of the information required in Section 4 above, please list the relevant item/s below and explain why the information could not be provided.

[insert details]

Policyholder confirmation regarding Part 4: Description of the difference between the new policy and the replaced policy

I have noted the differences between the new policy and the replaced policy as described in Part 4 above.

[Policyholder signature]

PART 5: FINANCIAL ADVISER REMUNERATION

(a) Provide the following details of any remuneration ² or other financial interest to be earned by the financial adviser or the FSP concerned in relation to the replacement policy/ies:	
Up-front commission:	
Ongoing commission:	
Any other direct or indirect remuneration or other financial interest:	

² According to the General Code of Conduct for Authorised Financial Services Providers and Representatives made under section 15 of the Financial Advisory and Intermediary Services Act, 2004 (Act No. 37 of 2002), details of remuneration must be reflected in specific monetary terms, provided that where an amount is not pre-determinable the remuneration basis must be explained.

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(b) Has the financial adviser or FSP earned any direct or indirect remuneration or other financial interest in relation to the replaced policy? <i>(Tick the appropriate box)</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(c) If the answer to (b) is "Yes", provide the following details of any remuneration or other financial interest earned by the financial adviser or FSP in relation to the replaced policy/ies in the past five years:		
Up-front commission:		
Ongoing commission:		
Any other direct or indirect remuneration or other financial interest:		

Policyholder confirmation regarding financial adviser remuneration:
(Policyholder to initial next to either (1) or (2) dependent on applicable statement)

(1) I am aware of the remuneration being earned by my financial adviser on the new policy/ies. Initial

OR

(2) I am aware that my financial adviser did not earn remuneration on the replaced policy/ies. Where applicable, I am aware that my financial adviser also earned remuneration on the replaced policy/ies. Initial

_____ *[Policyholder signature]*

PART 6: DECLARATIONS

6.1 Financial adviser (intermediary) declaration:

I, _____ *[Insert full name of Financial Adviser]*, hereby confirm that:

- I have taken all reasonable steps to confirm that the information in this Replacement Advice Record is correct and complete; and Initial
- I have explained the implications of the policy replacement – including but not limited to the information provided in this Replacement Advice Record – to the policyholder in sufficient detail and in an appropriate manner, taking into account what I know or reasonably assume to be the policyholder’s level of knowledge, to enable the policyholder to make an informed decision about the replacement. Initial
- The outcome of the advice to the policyholder is as follows:
 - (a) The policyholder has elected to proceed with the replacement contrary to my recommendation that the replacement might not be in the policyholder’s best interests, and I have alerted the policyholder to the associated risks and have advised the policyholder to take particular care to consider whether the replacement is appropriate to the policyholder’s needs, objectives and circumstances. Initial
 - OR**
 - (b) I believe that the replacement is in the policyholder’s best interests, that the policyholder has the ability to financially bear any costs or risks associated with the replacement and that the new policy/ies is/are more suitable to the policyholder’s needs and objectives than the policy/ies being replaced. Initial

(Financial adviser to initial next to either (a) or (b) dependent on applicable advice given)

Signature of Financial Adviser _____ **Date** _____

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6.2 Policyholder declaration:

I/We, _____ [Insert full name of Policyholder], hereby confirm that:

- The financial adviser who provided me with this Replacement Advice Record has explained all the information provided in it to me in a way that I understand; and Initial
 - I have carefully considered this information. Initial
 - The financial adviser has alerted me to risks associated with the replacement and has advised me to take particular care to consider whether the replacement is appropriate to my needs, objectives and circumstances and:
 - (a) Despite the financial adviser’s advice indicating that the replacement might not be in my best interest, I nevertheless wish to proceed with the replacement; Initial
- OR**
- (b) Based on this information, I agree that the replacement is in my best interest. Initial

(Policyholder to initial next to either (a) or (b) dependent on applicable decision)

I am aware that this Replacement Advice Record is not a cancellation instruction and that I still have to inform the insurer(s) to cancel my policy/ies.

Signature of Policyholder _____ **Date** _____

Signature of Hollard Manager _____ **Date** _____

REPLACEMENT ADVICE RECORD (INDIVIDUAL RISK POLICIES)
INSTRUCTIONS FOR THE COMPLETION OF THIS FORM

1. The financial adviser must complete this replacement advice record form (“Record”).
2. For purposes of this form “financial adviser” means an “intermediary”, as defined in the Policyholder Protection Rules made under section 62 of the Long-term Insurance Act, 1998 (Act No. 52 of 1998), being the representative of the FSP concerned or sole proprietor, as the case may be, who has provided advice to the policyholder regarding the replacement.
3. The information required in the Record must be completed for each life insured on the policy.
4. If any feature is not present on the policy, please indicate “None” or “Not Applicable” in the applicable field. *Do not leave the field blank.*
5. For purposes of Part 4, where there is no difference, indicate “same” or “no difference”. Only complete the sections under Part 4 where there is a difference between policy benefits of the new policy and the replaced policy.
6. Additional columns may be added as applicable where there is more than one new policy or replaced policy.
7. Where information regarding specific exclusions or premium loadings applicable to the policyholder/life insured, as required in Part 4.10 is not available at the time this Record is completed due to underwriting processes, Part 4.10 may be completed as “subject to underwriting”. In the event where a specific exclusion or loading is subsequently imposed, the new insurer will need to make appropriate arrangements with the financial adviser so that the insurer can satisfy itself that the policyholder has subsequently been afforded the opportunity to consider the implications of such loadings or exclusions on the suitability of the replacement.
8. Customisation of the Record is allowed as follows:
 - a. The provider may add its own branding.
 - b. The colour schemes and font types may be changed, provided that there is no change to the prominence or visibility of any information contained in the form.
 - c. The number of columns or fields in the columns may be customized to accommodate the number of new policies and/or replacement policies concerned.
 - d. Addition of fields may be added to enable insertion of information required by the provider for its own administrative purposes (e.g. “for office use only” type of content).
 - e. Formatting changes necessary to adapt the form for electronic completion are allowed.
 - f. Additional questions and information as required in the interest of appropriate disclosure to the policyholder may be added at the end of the Record, subject to the order and the sequencing of the Record not being changed.
9. The following format changes are **not** permitted:
 - a. Changes to the order or sequencing of the content of the Record.
 - b. Changes to the wording of any requirements, questions or declarations set out in the Record.
 - c. Any changes that will result in any requirements or information being obscured or made less prominent.

Initial

