



## INTERNATIONAL COVER SALES TOOLKIT



### MEMBERS WHO RESIDE ABROAD

At PPS, we offer our members peace of mind through our International Cover key feature. This feature is automatically included in every life insurance policy PPS issues at no additional cost. There is no limit on the time spent abroad and no countries are excluded from this cover. PPS members also do not need to inform PPS of their travel or emigration plans.

**There are a few things to keep in mind when discussing this feature with your PPS clients:**

Although PPS offers International Cover, PPS is not authorised by South African law to conduct "insurance" outside the borders of South Africa. This means that a new member, with no existing PPS policies, may not apply for cover while abroad. All aspects of the application must be concluded in South Africa.

#### Members applying for new benefits\*:

##### STEP 01



The Provider Application Form must be completed and signed in South Africa.

##### STEP 02



All medicals must be done in South Africa.

##### STEP 03



If a member is issued with a PPS counter-offer letter, this counter offer must be accepted in South Africa.

##### STEP 04



The policy must be issued while a member is in South Africa and the policy document must be sent to the member as a confirmation while they are in South Africa.

\*All the above steps must be concluded in South Africa.

## Members with existing policies:

Existing PPS members may not apply for or purchase new stand-alone products if they are not physically present in South Africa. The same rules as members applying for new benefits apply in this instance.

Members with certain existing policies may apply for new rider or accelerated benefits. This is seen as altering an existing insurance contract which is legally allowed.

## Examples of amendments to existing policies:

Existing cover may be increased or decreased while a member is abroad.


A rider benefit or accelerated benefit may be added to an existing benefit while a member is abroad.

## Accelerated benefits that may be added to existing Professional Life Provider:

**1** **Accelerated Occupational Disability Cover**  
A benefit that accelerates the life cover should a member become occupationally disabled.




**2** **Accelerated Functional Disability Cover**  
A benefit that accelerates the life cover should a member suffer from a condition that impacts their functional ability, according to defined medical criteria.



**3** **Accelerated Critical Illness Cover**  
A benefit that accelerates the life cover should a member suffer from a listed trauma, physical impairment or critical illness condition.

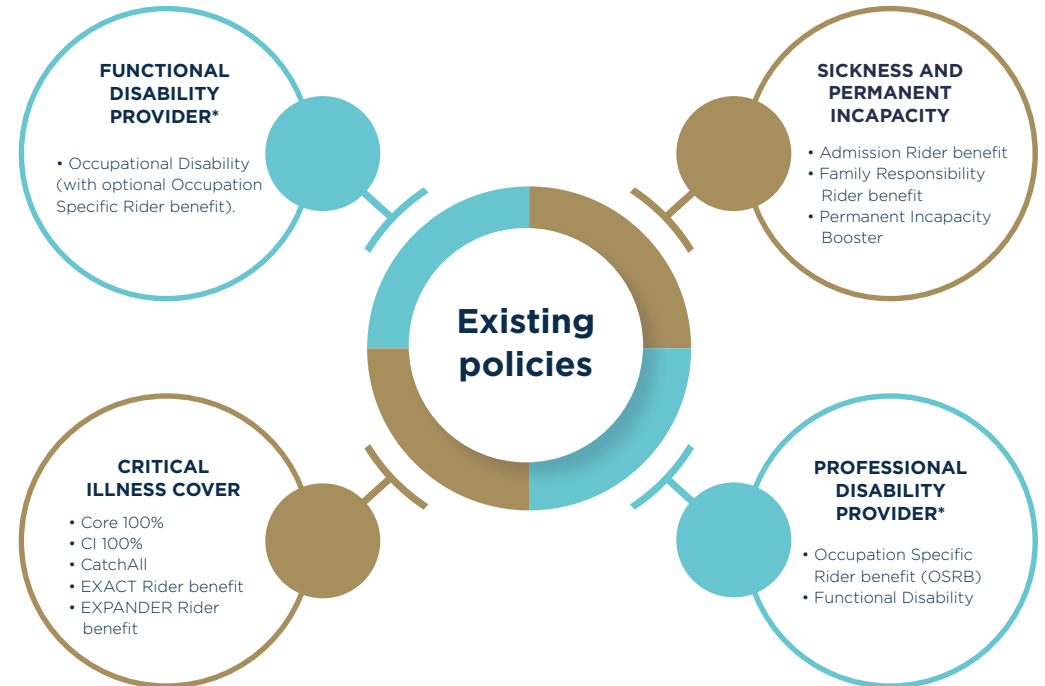


**4** **Accelerated Accidental Death Cover**  
A lump-sum benefit that pays out in addition to the life cover should a member pass away due to an accident.



## Wider benefit options on the back of existing standalone policies:

### Examples of rider benefits and enhancements that may be applied for while abroad, if a member has any one of these existing policies:



\*When members have either Occupational or Functional Disability (stand-alone or accelerated) the member may add the other. This is seen as an alteration to the existing Professional Disability Provider contract.

## MEDICAL REQUIREMENTS OVERSEAS:

Should a member apply to increase existing cover or add rider benefits to their existing cover, PPS underwriting may call for medical requirements. The member would need to pay for these medical expenses and PPS will reimburse the member according to the standard South African tariffs.

## ONCE THE COVER IS IN PLACE, THE FOLLOWING WILL APPLY

- PPS members with existing Provider™ Policies will enjoy full cover while abroad. This cover will remain in rand value.
- In cases where a member earns more in comparison to their sum assured, they may align their cover to their current earnings-this will remain in rand value.
- PPS members will be eligible to claim while overseas. PPS will require a Declaration by Member claim form and a Declaration by Doctor claim form to process the claim.

# EXAMPLES



### Meet Tim

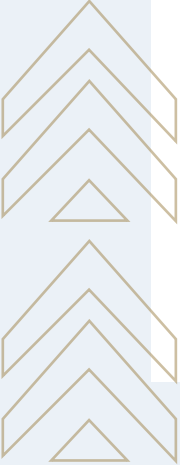
Tim is a new PPS member. He is planning to emigrate and contacts his financial adviser to discuss the process. Tim is single and has no debt. He is also premium sensitive since he does not know what his exact expenses will be abroad. His financial adviser suggests the following:

Professional Life Provider	R500 000
Sickness and Permanent Incapacity benefit	R6 000 pm

### WHY?

- This provides Tim with the opportunity to add Accelerated Critical Illness, Accelerated Professional Disability and Accelerated Accidental death while abroad.
- He can increase his cover while abroad.
- He can add rider benefits to his Sickness and Permanent Incapacity benefit, for example the Admission Rider benefit, while abroad.

The whole application process is completed while Tim is still in South Africa.



# EXAMPLES



Meet Jane

Jane is a new PPS member. She and her family are planning to emigrate. Her new company contract is in place and she has a fair idea of her expenses. Jane's financial adviser suggests the following:

Professional Life Provider	R2 000 000
Professional Disability Provider	R2 000 000
Critical Illness Cover	R2 000 000
Sickness and Permanent Incapacity benefit	R90 000 p.m

## WHY?

- Jane still has a mortgage that needs to be covered in the event of her death, disability or critical illness.
- Her full new salary is covered in rand value.
- She may increase or decrease her cover; she may also add all rider benefits as needed while abroad.

The whole application process is completed while Jane is still in South Africa.

For South African residents who have not formally emigrated, premiums must be collected from a South African bank account. PPS is not authorised to collect premiums from an international bank account due to each country's Foreign Exchange Regulations. Claims will be paid into the premium payer's account.

## FINANCIAL EMIGRATION

Financial emigration is the only formal process to cease tax residency in South Africa.

When a PPS member has formally emigrated, PPS would be able to collect premiums from a **non-resident account held with a South African bank** and pay claims into this account.

A **non-resident account held with a South African bank** does not allow for unlimited or indiscriminate withdrawals or other access but instead has certain restrictions for instance, a R1 000 000 discretionary allowance in a foreign currency per year.

There is a distinction between emigration and working overseas. A person working in another country is considered an ordinary South African resident. They will still be paying tax in South Africa.

## PPS PROFIT-SHARE ACCOUNT™

A member's PPS Profit-Share Account™ will remain in force as long as the member has any PPS Provider™ products in force.

Members who cancel their PPS Provider™ products before the age of 60 may receive their PPS Profit-Share Account™ after an early access charge has been applied. This will be paid into the non-resident account where a member has emigrated. If a member does not formally emigrate, the PPS Profit-Share Account™ must be paid into a South African bank account.

Members older than 60 have the option to vest their PPS Profit-Share Account™ with PPS Investments. After vesting, the amount may be paid into a South African bank account.

The PPS Profit-Share Account™ is a non-vesting account. The member would not need to cancel their PPS Provider™ products and withdraw their PPS Profit-Share Account™ for the purpose of financial emigration.

The PPS Profit-Share Account™ is paid out tax-free after the age of 60\*.

\* Profit-Share allocations are taxed in the policy, therefore, the payment after vesting is made free of any additional tax. Members holding qualifying products share in the profit and the loss of PPS and past performance is not necessarily indicative of future performance.

## BENEFICIARIES THAT ARE NON-RESIDENTS

The proceeds of the life cover and PPS Profit-Share Account™ would be payable to a beneficiary overseas if they provide PPS with all FICA requirements and a completed Exchange Control Questionnaire.



