

Liberty Corporate

Capital Disability and Impairment Benefits



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Capital Disability and Impairment Benefits

Capital disability and impairment benefits pay a lump sum when a member becomes disabled or impaired. Cover is dependent on the option selected by the employer and assessed on the basis of severity of impairment.

How do Capital Disability and Impairment Benefits work?

- Benefits are expressed as a multiple of salary (salary-based schemes) or as a Rand amount (Rand based schemes)
- Benefits can also vary for different membership categories
- Capital Disability benefits can be offered both as a stand-alone, unapproved benefit on a Corporate Insured Series scheme, or as part of a Corporate Selection retirement scheme.
- A continuation option allows members to continue their cover after leaving the scheme with minimal or no underwriting.

Occupational vs. Progressive Capital Disability

There are two types of capital disability benefits available to a member.

Occupational Capital Disability

- This benefit covers the member against the risk of becoming permanently occupationally disabled, resulting in “own or reasonable occupational disability” or “total disability”.
- A 100% benefit is payable and the member retires due to ill-health.
- In this case the member’s group life benefit will cease.

Progressive Capital Disability

- This comprehensive Capital Disability benefit covers the member against the risk of becoming permanently occupationally disabled, impaired, or both.
- Where the impairment results in occupational disability, the same conditions as stated above for Occupational Capital Disability apply.
- Where the member is permanently impaired, but not occupationally disabled, the benefit payment could be staggered, with multiple claims being possible up to 100% of the total benefit.
- Partial claim payments do not reduce the member’s group life cover.
- However, on receiving the full Capital Disability benefit a member’s group life cover ceases and the member retires due to ill-health.

Maximum cover

Capital disability cover may not exceed the lesser of:

For salary based;

- The member’s group life assurance cover; or
- 10 times the member’s annual salary; or
- R7,000,000; or
- If taken with Income Disability (other than Limited Term Income Protection Plan);
- 2.5 times the member’s salary, subject to maximum of R650 000.

For Rand based;

- 100 times the total contribution by and on behalf of the member.

When will cover cease?

Cover will cease on the earliest of the date of:

- Discontinuance of member's membership of the scheme; or
- The member reaching the scheme's retirement age; or
- The member attaining age 65; or
- The death of the member.

For your ease of reference, "own or reasonable occupational disability", "total disability" and "impairment" is defined below:

- Own or reasonable occupational disability means incapacity arising from bodily injury, illness, disease or surgical operation that results in the member being totally and permanently disabled and incapable of performing the duties of the member's own occupation, or of any reasonable occupation for which they could be expected to become suited. This must take into account their education, previous training, abilities and work experience.
- Total disability means incapacity arising from bodily injury, illness, disease or surgical operation leaving the member continuously and wholly incapable of engaging in any occupation for remuneration or profit.
- Impairment means any bodily injury, illness, disease or surgical operation that has stabilised sufficiently over a period of time to allow optimal tissue repair and is unlikely to change in spite of further medical or surgical treatment.

The percentage of the impairment benefit is based on the Whole Person Impairment principle (WPI), where the benefit payable is dependent on the severity of the impairment. The WPI will be evaluated using the latest American Medical Association (AMA) guides to the evaluation of permanent impairment.

Waiting period

A waiting period of 90 days from date of incapacity will be applied before a claim is paid. Liberty Corporate will waive this waiting period if it is established that the condition is permanent prior to the expiry of the 90 days.

Limitation and reduction of benefits

This applies where a member becomes disabled within 5 years of the earliest of:

- Age 65;
 - The benefit expiry age;
 - Or the scheme's retirement age
- the benefit payable will be made in accordance with the following table:

Period from the date of disablement to the earliest of age 65, benefits expiry age and the scheme's retirement age	Percentage of benefit payable
Less than 1 year	16.67%
At least 1 year but less than 2 years	33.33%
At least 2 years but less than 3 years	50.00%
At least 3 years but less than 4 years	66.67%
At least 4 years but less than 5 years	83.33%
5 years and more	100.00%

Exclusions

Please refer to the table of exclusions listed as part of the Benefit Parameters brochure.

Terms and Conditions

Please refer to the Benefit Parameters brochure for terms and conditions relating to the payment of Capital Disability and Impairment Benefits.

Capital Disability and Impairment Benefits will only be authorised if Liberty Corporate accepts the claim as valid.

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