



FAQ INSURE

Discovery Insure: Frequently Asked Questions
Version 1.0 June 2011



Summary: Frequently Asked Questions

Obtaining a Discovery Insure policy

- A policy needs to have one motor vehicle insured for comprehensive cover
- Policies are only issued to individuals and not companies
- Discovery does not insure any assets used for commercial purposes
- Premiums are charged monthly in advance

Premiums

- Premiums are payable monthly in advance
- Premiums are annually reviewable

Available cover

- A wide range of flexible cover is available for individuals to insure their assets. The client will need to specify which covers are needed, including (where appropriate) the value of the cover and the excess that they wish to apply
- Optional benefits can be opted in and out of on a monthly basis

Car hire

- Car hire (Avis Class A) is embedded at no extra cost on all Discovery Comprehensive motor policies
- Clients have the choice of upgrading hired vehicle at an additional cost
- Car hire is only available for vehicles insured under a Comprehensive policy
- If the client chooses not to take the car hire in the event of a claim, the client will be reimbursed R100 per day in lieu of the car hire benefit

VitalityDrive™ requirements, activation and premiums

- VitalityDrive™ is a separate program to Vitality - a client does not need to be a member of Vitality to join the program
- VitalityDrive™ is activated at a policy level - all primary drivers on a policy will be activated on VitalityDrive™ if the policyholder opts to join the program
- The VitalityDrive™ premium is R49 per primary driver per month and is included in the same debit order as the Insure premium
- Primary drivers with multiple vehicles allocated to their name only need to pay R49 per month, irrespective of the number of vehicles allocated to them

DQ-Track™ requirements and installation

- A client must take out VitalityDrive™ in order to install DQ-Track™; installation of DQ-Track™ is optional
- There is no additional cost to the client of opting for DQ-Track™, regardless of how many vehicles are allocated to a primary driver
- Not every vehicle on the policy needs to have DQ-Track™ installed, however this is recommended as clients can earn DQ-Points™ based on their driver performance (and thereby improve their rewards) and get access to stolen vehicle recovery and a range of safety features at no extra cost by installing DQ-Track™

The treatment of clients with existing vehicle tracking contracts

- It is the client's responsibility to negotiate cancellation terms with their existing provider
- Upon cancellation of their contract they should request to have their existing tracking device removed (SmartService™ will not be able to remove the existing tracking device)
- DQ-Track™ can be installed in addition to an existing tracking device

The use of the DQ-Track™ information

- DQ-Track™ information will be used to:
 - Measure and reward driver behaviour
 - Assess premiums at premium review stage
 - Validate the time and place of an accident to prevent fraudulent claims
- DQ-Track™ information will not be used to determine fault in the event of an accident (and thereby repudiate claims)
- A client of Discovery Insure who has the DQ-Track™ device installed in their vehicle may request that the information recorded by DQ-Track™ be used to determine whether or not they were at fault in an accident, if for example they would like to claim back their excess from the other party involved in the accident.

Earning DQ Points™ and achieving a VitalityDrive™ status

- Each primary driver on VitalityDrive™ earns (and is rewarded) on their own VitalityDrive™ status
- A driver's status is calculated (and can change) monthly based on the number of DQ Points™ earned in the previous month, providing the opportunity to immediately increase rewards for improving behaviour
- Clients earn DQ Points™ based on the driver performance (measured by DQ-Track™) and claims history, knowledge and awareness and vehicle safety.
- If DQ-Track™ is not installed in a vehicle a driver will earn zero DQ-Points™ for their driver performance
- Where there are multiple vehicles allocated to a primary driver:
 - DQ Points™ are averaged across each vehicle based on the driver performance score (measured by DQ-Track™) in each vehicle
 - Roadworthiness points are granted for a maximum of one vehicle only

Accessing fuel rewards

- BP stations:
 - If the client has both a VitalityDrive™ card and a DiscoveryCard, he/she must first swipe the VitalityDrive™ card to lock in the BP rewards and then pay with the DiscoveryCard to receive the additional cashback. If the member has also completed the Tiger Wheel & Tyre MultiPoint Check, the cashback will be 40%.
- At other stations:
 - There is no need to swipe the VitalityDrive™ card. Only the DiscoveryCard needs to be swiped when payment is made and this will result in a 5% cashback. If the client has also completed the Tiger Wheel & Tyre MultiPoint check, the cashback will increase to 15%.
- Payment of fuel rewards
 - Fuel rewards for all the primary drivers under a policy will be aggregated and paid into the policyholder's premium paying account.

Fuel rewards for secondary cardholders

Please note that the following process has been put in place:

- A primary driver on VitalityDrive™ who makes use of a secondary DiscoveryCard will receive fuel rewards based on their own VitalityDrive™ status points earning activities and not those of the primary cardholder. Their fuel spend will accumulate to their own fuel reward entitlement.
- This same structure does not apply to DiscoveryCard partner rewards available through VitalityDrive™ – in this case the secondary cardholders expenditure will accumulate to the primary cardholders benefits and limits, as it does on the Vitality program.

The Excess Funder Account™

- The client can opt in or out of the Excess Funder Account™ at any time on a monthly basis
- The money in the Excess Funder Account™ can be used for motor claims only
- The client's nominal contribution can be withdrawn from the Excess Funder Account™ after a period of 3 years from when the client first activated the Excess Funder Account™. No withdrawals are allowed within the first three years

Table of Contents

Summary: Frequently Asked Questions	2
Section 1: Comprehensive motor cover	6
Eligibility criteria for taking out a Discovery Insure policy	6
Benefits: Roadside assistance	9
Benefits: Theft cover and motor-related claims	9
Benefits: Car hire requirements	10
Benefits: Car hire claims process through SmartService™	11
Claim-free years	12
Claims process	12
Other general questions	14
Section 2: VitalityDrive™	15
Eligibility	15
Earning DQ Points™: Driver behaviour and DQ-Track™	16
DQ-Track™ eligibility and installation	16
Measuring driver performance with DQ-Track™	18
Earning DQ Points™: Other points earning activities and the VitalityDrive™ Status	20
VitalityDrive™ rewards	21
Fuel rewards	21
Fuel rewards: The Excess Funder Account™	22
VitalityDrive™ safety features	24
Section 3: Household and personal cover	25
General	25
Buildings and Contents	25
Portable possessions, electronic devices and motorized equipment	27
Liability	27
Section 4: Commission structure	28

Section 1: Comprehensive motor cover

Eligibility criteria for taking out a Discovery Insure policy

- 1. If a primary driver has one of his cars insured under a Comprehensive policy, do all of his other cars also need to be on the Comprehensive plan?**
No, only one car needs to be comprehensively insured. Any additional vehicles may be insured on the Comprehensive plan, Third Party, Fire and Theft plan or Third Party plan.
- 2. If my vehicle is insured in my own name, but I use it for business use, how does this affect the application form and premium?**
You need to clarify the “use” of your vehicle on the application form – “business use” is an option in the relevant section. The premium will be in accordance with the “use of vehicle” chosen. The “uses” may be social, private, business or professional use. We do not insure vehicles used for commercial purposes.
- 3. What is the difference between “business use” and “professional use”?**
Professional cover should be described as cover for someone who is predominantly office based and uses his vehicles to travel to meetings (or similar) occasionally. Business cover will apply to someone who is not typically office bound and who is often on the road for work purposes.
- 4. What is the difference between “social use” and “private use”?**
Social cover is provided for clients who use their vehicle for social purposes, such as visiting friends, going on holidays etc. It excludes driving between home and place of work. Private use means that in addition to social use, clients use the vehicle to travel between home and the workplace.
- 5. Will Discovery Insure provide cover for business insurance?**
Discovery Insure only provides insurance cover to individuals and not businesses. Policies are only issued to individuals where the vehicles and/or premises are not being used for commercial purposes. Vehicles and premises do not need to be owned by the policyholder and companies can pay the premiums on behalf of the individual.
- 6. Is there a maximum sum that can be insured?**
No, but vehicles with a large sum insured require additional underwriting and will be referred to our Underwriting department before they can be accepted.
- 7. What is the age limit for people to be able to take out cover?**
A policyholder needs be aged between 18 and 70 years old.

- 8. Can a client get access to cover if they only have a valid learner's licences?**
We require primary drivers of vehicles to have a valid driver's licence. A driver with a learner's licence may not be the primary driver of a vehicle. However, a learner is allowed to drive an insured vehicle (provided the "restricted driver" option was not taken out). In this instance, claims will only be covered if the learner was driving whilst a person with a valid driving licence was sitting in the front passenger seat, as required by law.
- 9. Is it possible to choose a zero excess policy?**
No, this is only possible for retired persons, where the default excess is zero. However, it is possible for the excess for valid motor claims to be completely covered through the use of the Excess Funder Account™.
- 10. What is the definition of a retired person?**
This is a client who has indicated his/her occupation as retired and is therefore not earning any income through formal employment. Note that the definition of "retired" is not linked to age and the retired status may be evaluated at claims stage.
- 11. How is a permanently disabled person who is still capable of driving covered?**
This person will be covered provided they comply with any special requirements endorsed on their licence, such as having to drive a specially-adapted vehicle. Any modification to the vehicle may also be insured by specifying them as 'extras' and adding the value to the policy sum insured. No additional excess will be applicable should the person have a valid claim.
- 12. Are there any requirements to be covered for Watercraft?**
Clients need to have at least one vehicle insured under comprehensive cover as well as cover for household contents.
- 13. How will the Discovery Insure premium be calculated if I join during the month instead of at the beginning?**
The premium will be pro-rated from date of joining until the end of the month. Typically, we will collect the pro-rated premium immediately upon joining unless this is within 5 days of the regular payment date. If it is within 5 days of the regular payment date, then we will not debit immediately and will collect the pro-rata premium with the next regular payment (for further information, please refer to the Plan Guide).
- 14. If a client does not pay the premium, will there automatically be another debit order once the 15 day period of grace is over?**
Discovery Insure will sms or email clients to let them know that we will automatically debit after 15 days. If we do not collect at this point, the policy is lapsed. If a client wishes to reinstate after this, it will only be done subject to underwriting and cover is not guaranteed.

15. Can clients reinstate their policy after it has lapsed due to non-payment of the premium?

Clients have 15 days from the premium due date in which to pay the premium. If the premium is not paid within this period of grace, there will be no cover for the period not paid for, no claim will be payable to the client and cover will automatically be cancelled. Cover will not be able to be reinstated retrospectively irrespective of any attempt by Discovery Insure to collect the premium.

16. What will happen in the event of the nominated value being less than the appraisal value?

If the client is insured on the Nominated value basis, it is the client's responsibility to provide Discovery Insure with the current retail value of the vehicle and to ensure that it is regularly updated. If the nominated value is less than the appraisal value at claims stage, the client will be responsible for a co-payment. For further details and co-payment calculations, please refer to page 16 of the Plan Guide.

Benefits: Roadside assistance

17. How will clients be assisted in a roadside emergency when they are far from home?

The exact nature of the cover will depend on the specific circumstances of the roadside emergency. A variety of services are available including accommodation, taxi service or rental service and vehicle towing. The Plan Guide contains more detailed information.

18. Do the roadside assistance benefits arise from Discovery Insure or from the Discovery Motor Card?

Either one - a client does not need to have a DiscoveryCard in order to have access to the roadside assistance benefits. The terms and conditions of the relevant benefit contract will apply in each instance.

Benefits: Theft cover and motor-related claims

19. What does 'theft' refer to in terms of motor vehicles – theft of the actual vehicle itself and/or contents inside the vehicle?

This refers to theft of the actual vehicle as well as components that are associated with the vehicle (tyres, radio etc). Other valuable contents which may be stolen out of a vehicle (e.g. laptop, camera etc) will need to be insured separately under Electronic devices, portable possessions and/or other motorized equipment.

20. How is theft covered when there has been no forcible or violent entry?

We cover theft of the vehicle but not theft of sound equipment in this circumstance (refer to page 11 of the Plan Guide for further details)

21. How will the tyres of a vehicle be covered when damaged in an accident?

We will replace the tyres with new tyres. If appropriate, reasonable wear and tear will be taken into account when we settle the claim.

22. Will windscreen damage and/or loss of keys be covered if the amount is less than the flat excess amount of R2000?

These items have a fixed excess of R500. If the claim is less than this excess amount, clients would need to pay themselves. As these claims are part of motor claims, the money in the Excess Funder Account™ may be used for claims in excess of R500.

23. Do the retail/market values get updated on a regular basis?

At each renewal, Discovery Insure will receive the latest retail/market price and update the premium accordingly. The price at renewal will factor in the vehicle depreciation. At claims stage, Discovery Insure will assess the latest available market/retail price.

Benefits: Car hire requirements

24. Is the embedded car hire option available under a Comprehensive policy or does the client need to have VitalityDrive™?

The car hire option will be available for a car that is insured under a Comprehensive plan. VitalityDrive™ activation is not a prerequisite.

25. If a car insured under a Third Party plan is involved in an accident, does the embedded car hire option apply?

No, it only applies if the car is insured under a Comprehensive Plan.

26. What happens if I don't want a hired car at claims stage?

Discovery Insure will pay the client R100 per day for the duration of the period until the car has been repaired and collected.

27. Will Avis still allow drivers under the age of 23 years to hire a vehicle?

Discovery Insure has entered into a special agreement with Avis to allow *all* Discovery Insure policyholders with valid drivers' licences to hire a vehicle.

28. What is the standard car hire option? What upgrades are available?

The Kia Piccanto (or similar) is the standard Avis Class A vehicle given to the client. There are various options to which a client may upgrade:

AVIS	Vehicle
B	VW Polo Hatch (M, AC) or
C	Toyota Corolla (M, AC) or
D	VW Polo Hatch (A, AC) or
E	Toyota Corolla (A, AC) or
F	Audi A4 (A, AC) or similar
G	Toyota Verso (A, AC) or
H	VW Kombi (M, AC) or

The upgrade option may be chosen upfront at an additional monthly premium or at claims stage, where the client will enter into a contract with Avis to upgrade to a higher class for the stipulated duration. This will be paid for by the client.

29. Is car hire included for a motorcycle insured under a Comprehensive Plan? If so, what option is available?

Car hire is not embedded with motorcycle comprehensive cover and is available as optional cover. We do not provide motorcycle hire so the driver will require a valid motor vehicle licence to receive a hired car. The person will have the choice of upgrading the class of the hired car.

Benefits: Car hire claims process through SmartService™

30. Does the client need to pay an upfront deposit or any other monies to Avis for the embedded car hire?

The client will enter into a contract with Avis upon collection of the car hire. The client needs to adhere to the terms and conditions of the contract, which includes a security deposit of R750. Other payments may include fuel charges and an excess of R2500 in the event of the Avis vehicle being damaged. At the time of contracting, the client may negotiate the terms of the contract with Avis, which will be paid for by the client. Discovery Insure will pay the daily car hire rate for an Avis Class A vehicle.

31. What is the process that is followed once your car has been dropped off at Avis?

The vehicle is taken to an authorized accredited motor body repairer. Once the vehicle has been repaired, it is returned to the Avis branch and the client is notified to pick it up.

32. Are motor vehicles still taken to Avis for minor dents and scratches?

Yes, as long as the claim amount exceeds the excess value.

33. Is the car hire limited to a certain period of time or until repairs by Discovery Insure are complete?

Clients have access to car hire for a period of 21 days, which is sufficient to cover the majority of motor repairs. In the event that the car is needed for a longer period, Discovery Insure will consider the specific conditions surrounding the repair in determining whether the car hire cover will be extended or not. Car hire will be extended due to delays caused by the motor repairer. If the delay is caused by the client, the additional cost of the car hire will be billed to the client.

The client must return the Avis vehicle within 24 hours of being notified that his/her vehicle is ready for collection. The client will be billed for car hire costs once the 24 hours have been exceeded. For further details, please refer to page 13 of the Plan Guide.

34. What happens in terms of payment if the client has already received the hired car, but the claim is subsequently repudiated?

The client will then be responsible for the full payment of the car hire.

35. Is it possible for clients to use their own panel beater for vehicle repairs or must they use an accredited Discovery Insure provider?

Discovery Insure covers a wide range of accredited panel beaters. If the client wants to use a specific panel beater which does not fall within the network, they will need to contact Discovery Insure. Only in exceptional cases where the reasons are valid, will the request be accommodated. In such instances, the insured will be required to sign a disclaimer form as Discovery Insure will not accept responsibility for any defective workmanship and will also not provide any warranty/guarantee in respect of such repairs.

Claim-free years

36. Can my claim-free years from my previous insurer be carried over to Discovery Insure so that I can earn DQ points for this?

This is only possible until August 2011. Thereafter, we will not award DQ Points™ for claim-free years at other insurers. We do however use your claims experience in the past 3 years at other insurers to calculate your insurance premium.

37. Do these claim-free years for DQ point allocation apply to motor vehicles only, or also for no claims on household and personal contents?

Motor vehicles only

38. If I have a motor claim that arose from an event that was not my fault, will this affect my claim-free years?

This will not affect claim-free years provided Discovery Insure is able to recover the full costs and excess amount.

Claims process

39. Is obtaining a case number from the police station a prerequisite before the hired car will be issued to me?

A case number must be obtained within 24 hours of occurrence of the accident for a claim to be valid. The hired car will be accessible without having to get a case number, but should the claim be repudiated the client will have to pay for the car hire.

40. How long do I have to notify Discovery Insure of a claim?

You must notify us of a claim as soon as possible, preferably within 72 hours, but no later than 30 days after the event.

41. Will the brokers be informed if their clients have been in an accident and will they be updated on the progress of the vehicle claim?

This will be available at a later stage. Currently, the claims management process needs to be done directly with the client at claims stage, however the broker is welcome to contact Discovery Insure to be informed of the details and processes to follow.

42. Which towing company will be used in the event of a claim?

In a severe accident, the DQ-Track™ device will notify us and we will contact the client at that time and inform him/her how to proceed. Information will then be given as to the towing providers which will be used. The insured will be provided with a unique “password” when calling EuropAssist. The authorised towing contractor will receive the same password and will be required to provide the client with this password.

43. Do I need to be a member of Discovery Health to have access to ER24 assistance?

ER24 response to the scene of an accident is a Discovery Insure benefit. ER24 will be dispatched in an emergency even if the client is not a member of Discovery Health. The cost of this benefit is not included and will be paid for by the client or his/her medical aid (if applicable).

44. How do I get the smart phone application?

The application will be available for downloading on Blackberry from the website in July at no additional cost. Other platforms such as iPhone and Android phones are planned and will become available later in the year.

Other general questions

45. Who is underwriting the Discovery Insure product?

Discovery Insure is a licensed short-term insurance provider as per the requirements of the Financial Services Board and therefore will be underwriting this product.

46. Will Discovery Insure be able to accommodate policies in which the bank has an insured interest in the asset and needs to be paid out in the event of a claim?

Yes, the contract of insurance provides for a cession in favour of the credit grantor.

47. Is cross border cover available?

Yes, this will be provided to the client at an additional cost.

48. What is the procedure with regards to repatriation of vehicles?

The insured is responsible for making the necessary arrangements to get the damaged vehicle to the nearest border post or within South African borders. Discovery Insure will then reimburse the client up to the amount shown in the Benefit Limit Annexure, provided the underlying claim is valid. For further details, please refer to page 19 of the Plan Guide.

Section 2: VitalityDrive™

Eligibility

- 1. Do I need to be a member of Vitality in order to join VitalityDrive™?**
No, these are standalone products and the client will have access to VitalityDrive™ without being part of Vitality. The only prerequisite is that the client needs to have a Discovery Insure policy.
- 2. Can I take out VitalityDrive™ at any point in time or only at policy inception?**
At any point in time.
- 3. Do I pay for my VitalityDrive™ premium separately?**
The VitalityDrive™ premium of R49 per driver per month will be included in the same debit order as the Insure premium.
- 4. Can I take out Discovery Insure without VitalityDrive™?**
Yes, but the client will not have an opportunity to earn any DQ Points™ and hence cannot receive any rewards.
- 5. Can I get a VitalityDrive™ card even if I do not have any other Discovery policies, e.g. a Discovery Card?**
Yes, the VitalityDrive™ card is available to all members on VitalityDrive™.
- 6. If both a husband and a wife insure their vehicles on the Comprehensive policy and they both want VitalityDrive™, must they each pay the VitalityDrive™ premium?**
The VitalityDrive™ premium of R49 per month is applicable to each driver. Therefore they will each have to pay $R49 * 2 = R98$ per month.
- 7. If I have two comprehensively insured cars for which I am the primary driver, do I need to pay the VitalityDrive™ premium for each of my vehicles?**
The VitalityDrive™ premium of R49 per month is applicable to each driver. Therefore you would only need to pay R49 even though you are the primary driver of two cars.

Earning DQ Points™: Driver behaviour and DQ-Track™

DQ-Track™ eligibility and installation

8. How do I get a DQ-Track™ installed and does this device impact my car in any way?

Discovery Insure will contact you shortly after your policy is activated to arrange the installation of the DQ-Track™ device. A DQ-Track™ can only be installed in vehicles that are covered under a comprehensive policy and if you have activated VitalityDrive™. The SmartService™ consultant will arrange a time and date which is convenient for you to either come to our nationwide network of fitment centres or for us to come to you to do the installation at your home or office.

The device is installed in a similar fashion to any other Stolen Vehicle Recovery unit in the market. The device is designed to draw a minimum amount of power. The power drain is equivalent to a cell-phone and should have little impact when the car is driven regularly. The device does not affect any other aspects of the car, for example the electronics. DQ-Track™ cannot be installed before the policy is activated.

9. How much time do I have before the DQ-Track™ needs to be installed?

When we install the device we also inspect the condition of your vehicle for insurance purposes. Both of these activities need to be completed within 3 days of policy activation.

10. Who will be installing DQ-Track™?

Discovery's dedicated SmartService™ team in partnership with C-track will perform mobile installations where we come to your home or office. Installations in fitment centres will be through C-Track's nationwide network.

11. Do I need to have VitalityDrive™ in order to install a DQ-Track™ in my vehicle?

Yes, DQ-Track™ may only be installed if the client is on VitalityDrive™.

12. Does every vehicle on VitalityDrive™ need to have DQ-Track™ installed?

No, the installation of DQ-Track™ is optional, however it is recommended that a primary driver install DQ-Track™ in every car in order to maximize his DQ Points™ and to obtain access to the stolen vehicle recovery and safety features offered by DQ-Track™. Vehicles without a DQ-Track™ installed will not be awarded DQ-Points based on driver performance.

13. If I have more than one vehicle for which I am the primary driver and have VitalityDrive™, do I need to pay for each additional DQ-Track™ installed in the vehicles?

No, the R49 VitalityDrive™ premium is applicable to each driver. Therefore you will need to pay R49 per month and this will cover the installation of all the DQ-Track™ devices you require in your vehicles.

14. If I do not install DQ-Track™ in my vehicle, do I still need to have some form of tracker installed?

Certain vehicles (typically, but not limited to, vehicles with a sum insured above R250 000) will require a stolen vehicle and recovery device to be installed as a condition of theft cover. Discovery Insure has partnered with C-track to provide clients with such a device, which will come at a cost to the client, if the client chooses not to install the DQ-Track™.

15. If my original tracking device was installed with C-Track, is there any contract in place to negotiate a shift from C-Track to DQ-Track™?

You can switch immediately from a C-Track contract a Discovery DQ-Track™ device. C-Track will manage this process. However if you leave Discovery Insure and VitalityDrive™ before your original contract with C-Track has expired, you will have to return to the original terms, conditions and timeframe of your C-Track contract.

16. What happens if I buy a car that already has another tracking device installed in it?

If your car already has a tracking device installed, it is likely that this is well hidden in the vehicle and therefore unlikely that we will be able to locate and remove it. The DQ-Track™ device will be installed in addition to the original tracking device.

Clients should contact their previous tracking device service operator to cancel the contract and have the old device uninstalled.

17. What happens to the DQ-Track™ if I leave Discovery Insure or sell my car? Will it be uninstalled?

When the client sells his/her car and removes it from the policy, we will contact the client to schedule the removal of the device. This is done in the same manner as an installation. When the client purchases a new car, we will contact the client to arrange the installation of a new device. The removal and re-fitment can be scheduled separately. If a client leaves Discovery Insure, we will contact him/her to schedule the removal of the device. If we are not able to retrieve the device for any reason, the client will need to pay R1000 in the first 12 months, R750 from month 13 to 24 and R500 thereafter to cover the cost of the device.

If the client chooses to become a C-Track client at this time, he/she will be able to keep the device and may enter into a new contract with C-Track at a reduced rate.

Measuring driver performance with DQ-Track™

18. What will the information obtained from the DQ-Track™ be used for?

The data measured by DQ-Track™ will be used to allocate DQ Points™ to the primary driver in order to determine his/her rewards. At claims stage, the telematics information from the DQ-Track™ will be used to determine only the time and place of the incident in order to validate legitimate claims. The DQ-Track™ will not be used as a primary premium rating factor for premium reviews. Claims history, inflation rates etc form the basis of premium reviews. DQ-Track™ results could be used as a secondary factor in a minority of cases for extremely high or low risks where either a deterioration or improvement in the risk is noted.

19. Can information from the DQ-Track™ be used to repudiate a claim?

No, the information will not be used for this purpose. In the event of a claim repudiation, clear reasons will be given as to the reason for repudiation and there are processes in place to allow policyholders to raise complaints, including sending cases to the short term insurance Ombudsman.

20. Will the courts be able to subpoena information from the DQ-Track™?

The DQ-Track™ data is no different from standard stolen vehicle tracking device data in this regard. If we receive a subpoena, we have to abide by the law and provide the information.

21. Can my spouse's bad driving influence my DQ Points™?

When there are two primary drivers (each for different vehicles), they each accumulate their own DQ Points™. Therefore the driving behavior of one cannot impact the DQ Points™ of the other. If your spouse (or anybody else) drives your car, the DQ-Track™ device will capture the trip information and allocate it to your behaviour.

22. What happens with regards to my DQ Points™ if I have more than one restricted driver for a vehicle?

DQ-Track™ is installed at a vehicle level and therefore there is no way of determining which specific individual is driving at any point in time. Therefore all points will be allocated to the primary driver of that vehicle, irrespective of who is driving.

23. Will DQ-Track™ penalize me for braking harshly in an emergency instance if necessary?

DQ-Track™ measures the *frequency* of the harsh braking and other key metrics to develop a holistic driver profile. The client will not be penalized heavily if this was a once-off event. Regular occurrence of harsh braking, cornering, acceleration etc will result in fewer DQ Points™ for the driver performance score.

24. Can I track my DQ Points™ on a regular basis?

DQ Points™ are monitored on a continuous basis by Discovery Insure, and an overall score will be given to the client at the end of each month.

25. Do I regularly need to check if my DQ-Track™ is in working condition?

No, Discovery Insure receives a daily health check from your DQ-Track™ and will contact you should the need arise to carry out maintenance on the device.

26. Who do I contact for queries or issues arising from my DQ-Track™?

You can call Discovery Insure on 0861 751 751.

27. Is there a logbook facility available with DQ-Track™?

Yes, at an additional cost and this will be available from July 2011.

28. What happens to my DQ Points™ if I am out of the country/not driving the car for a specified period of time?

We use the last three months of driving history to calculate your driver performance score. If you have not been driving your car, there will be no acceleration, braking, night driving, etc for a period in your history and this could in fact boost your driving performance score. If you are out of the country, your DQ-Track™ device is able to store data for a period and transmit this to us when you return to SA.

Earning DQ Points™: Other points earning activities and the VitalityDrive™ Status

29. If DQ Points™ are allocated on a monthly basis, how are my points distributed for activities that are only done annually or quarterly etc?

For annual activities such as the annual service or MultiPoint check, the points earned will be allocated per month for that full year. For example, if a client has completed an annual service, the 50 points received will be applied to every month for that whole year. For the quarterly online quizzes, clients will receive the points up until the end of that quarter. Therefore clients are advised to complete these quizzes at the beginning of every quarter so that points extend to the end of that quarter. Points for the driver performance score are updated on a monthly basis.

30. Does the VitalityDrive™ status change monthly?

Yes. The client starts off at 400 Driver performance points in the first month, thereby automatically starting on neutral VitalityDrive™ status. Drivers can earn DQ Points™ for knowledge and awareness activities and vehicle safety checks from their first day on VitalityDrive™. Clients will start to receive DQ Points™ based on their actual driver performance one calendar month after SmartService™ installs their DQ-Track™. As clients accumulate points, they will be able to elevate their VitalityDrive™ status.

31. How are the points calculated for a Primary Driver with multiple vehicles?

This differs depending on whether the calculation is for the driver performance score or roadworthiness assessment.

- Driver performance score: For primary drivers with multiple vehicles, the average DQ Points™ across all vehicles is taken. Where a vehicle does not have the DQ-Track™ installed, the DQ Points™ for that vehicle will be zero.
- Roadworthiness: For primary drivers with multiple vehicles, points will be allocated for a maximum of one vehicle.

32. If a vehicle has been serviced elsewhere, will Tiger Wheel & Tyre be able to pick up that this service has already been done?

Tiger Wheel & Tyre will be able to look in the client's service book to see whether a service has been performed within the last year. If so, they will send this information through to VitalityDrive™ and 50 points will be awarded to the client.

33. Is it possible to do both pro-active driving courses offered so that I can double my points?

No, points will only be awarded for one of the pro-active driving courses. Therefore you have the choice of completing either course as the same number of points will be allocated for each one. There will be no additional points for choosing to complete both.

34. If I have attended a driving course at another provider (other than Top Gear and Mercedes), will I still be able to earn DQ Points™?

No, Discovery has contracts in place with Top Gear and Mercedes and therefore only courses done through these providers qualify for DQ Points™.

VitalityDrive™ rewards

Fuel rewards

35. What is the swiping procedure with regards to the VitalityDrive™ card and the DiscoveryCard at BP as well as other petrol stations?

- BP stations:
 - If the client has both a VitalityDrive™ card and a DiscoveryCard, he/she must first swipe the VitalityDrive™ card to lock in the BP rewards and then pay with the DiscoveryCard™ to receive the additional cashback. If the member has also completed the Tiger Wheel & Tyre MultiPoint Check, the cashback will be 40%.
- At other stations:
 - There is no need to swipe the VitalityDrive™ card. Only the DiscoveryCard needs to be swiped when payment is made and this will result in a 5% cashback. If the client has also completed the Tiger Wheel & Tyre MultiPoint check, the cashback will increase to 15%.

36. Is the cashback reward considered to be taxable income for the policyholder?

No

37. How are my DiscoveryCard rewards calculated if I have both Vitality and VitalityDrive™?

The discount percentages are additive. Therefore a Vitality member who has been on gold status for more than 5 years and who is an engaged driver will receive a total discount of 22.5% (15% for gold status and 7.5% for being an engaged driver). The additional VitalityDrive™ rewards accumulate to the current DiscoveryCard rewards limit and do not increase the current monetary limits in any way.

38. If the client buys other goods at the BP store (in addition to filling up with fuel) and uses the DiscoveryCard to pay for both transactions, does the amount spent for the other goods accumulate to the Network spend?

Fuel spend is billed for separately, therefore the purchasing of other goods does not affect the fuel rewards.

39. Do you need a VitalityDrive™ card if you have a DiscoveryCard in order to get the fuel cash back reward?

Yes. A VitalityDrive™ card will be issued to all drivers who are on VitalityDrive™. This card needs to be presented when filling up at BP in order to get the higher discount. If you do not use your VitalityDrive™ card and pay with your Discovery Card, you will only receive the lower Discovery Card discount.

40. Will clients still receive the same cashback amount if they fill the *hired* vehicle with fuel and pay with their DiscoveryCard?

Yes, the same DiscoveryCard cashbacks apply.

41. What happens if I am at a BP with no card facilities?

VitalityDrive™ card: These BPs will have paper forms that you can complete whilst there and they will manually send this through to us for capturing. If you have done your Tiger Wheel and Tyre MultiPoint Check you will be eligible for a 25% cash back.

DiscoveryCard: You will not be able to pay with your credit card and will not be able to get the rewards associated with DiscoveryCard spend.

42. If a BP has a credit card facility, but will only accept the Motor Card, is there any way the client can still use his DiscoveryCard to pay and earn points?

No, unfortunately the credit card will not be able to be used. However, if you use your Discovery Motor Card, you will accrue the full DiscoveryCard cash back benefit.

43. What happens if a family member fills up my car with petrol? Can they use my VitalityDrive™ card?

Your VitalityDrive™ card should ideally be used by yourself to fill fuel in your vehicle. It is possible for a family member to use your card to fill petrol in your car.

44. What happens if I have secondary card holders who are primary drivers on my policy too?

A primary driver on VitalityDrive™ who makes use of a secondary DiscoveryCard will receive fuel rewards based on their own VitalityDrive™ status points earning activities and not those of the primary cardholder. Their fuel spend will accumulate to their own fuel reward entitlement.

This same structure does not apply to DiscoveryCard partner rewards available through VitalityDrive™ – in this case the secondary cardholders expenditure will accumulate to the primary cardholders benefits and limits, as it does on the Vitality program.

Fuel rewards: The Excess Funder Account™

45. Can I choose between the Excess Funder Account™ and the cashback option at any time?

Yes, there is flexibility between these two options and the client may opt in to either one on a monthly basis.

46. Will Discovery Insure double all cashbacks into my Excess Funder Account™ even if I do not fill up at a BP station?

Yes, all cashbacks into the Excess Funder Account™ will be doubled no matter where you fill up with petrol.

47. Can the money in my Excess Funder Account™ be used to fund the excess on all claims that arise?

No, it may only be used for motor claims.

48. Can the money in my Excess Funder Account™ be used to fund the Avis excess if I have an accident in the hired car?

No, the Excess Funder Account™ may only be used for Discovery Insure claims.

49. Can the money in my Excess Funder Account™ be used to pay for claims that fall below the excess, irrespective of the excess amount I have chosen?

If the claim is below the flat excess amount of R2000, you will not be able to access the Excess Funder Account™. If the claim is above R2000, you can access the money in the Excess Funder Account™ to pay for the claim even if the policy excess is greater than R2000.

50. Is the Excess Funder Account™ applied at a policy level or a driver level?

The Excess Funder Account™ works at a policy level. If you select this option, we will aggregate the fuel rewards for all drivers on the policy, double this amount and deposit this into a single account for the policy. The account may then be used for any vehicle covered on the policy.

51. What happens if I don't have enough money to pay the excess upfront, but I will have enough money for the excess by the end of the month?

The maximum amount that can be withdrawn from the Excess Funder Account™ is the account balance at the time of claim notification. The excess needs to be paid when your vehicle is being collected at Avis. If you don't pay your excess at this point in time, you will not be able to receive your vehicle back. However, if the repair is complete, you will have to give the hired car back.

52. Can I manage the Excess Funder Account™ online?

Yes, but this functionality will only be available later in the year.

53. Will the broker be informed if the client has used money in the Excess Funder Account™ in order to be able to advise the client accordingly?

This is not currently possible, but may be incorporated at a later stage.

54. What happens to my Excess Funder Account™ balance when I leave Discovery Insure?

If you leave before 3 years, the money in the Excess Funder Account™ is forfeited. If you leave after a period of 3 years, starting from the date of activation of the Excess Funder Account™, you may withdraw the nominal value of your contributions to the account. In other words, you can withdraw your contributions towards the fund, but the corresponding contribution that Discovery made towards the fund is forfeited. Note that the funds may be withdrawn at a single point in time after 3 years have lapsed even if you opted in and out of the Excess Funder Account™ option at any time during the policy period.

Example: If a client receives cashbacks of R100 per month to be deposited into the Excess Funder Account™, he would have accumulated R3600 at the end of 3 years. As a result of Discovery Insure doubling the contribution, the total value of his Excess Funder Account™ will be R7200. However, the client will only be able to withdraw his contributions of R3600 at the end of 3 years (the remaining R3600 contributed by Discovery Insure will be forfeited).

55. What happens to the balance in the Excess Funder Account™ if the policyholder dies?

If this happens within the first three years of the contract, there will be no benefit. The policy can be transferred into a different policyholder's name in which event the benefit will not be lost as long as there has not been a break in cover. If the policyholder dies after three years, the policy can either be transferred or the nominal amount in the Excess Funder Account™ can be paid out to the estate of the policyholder.

VitalityDrive™ safety features

56. Is there any way I can notify Discovery Insure when I am in an emergency or dangerous situation?

- A panic button is available through the VitalityDrive Family Protector™ at an additional cost (the FamilyProtector™ will only be available in July 2011). If this panic button is pressed, emergency assistance will be dispatched.
- There is also a panic button associated with the smartphone application. Clients can use this panic button to notify us if they are in an accident. Discovery Insure will call the client to assess the severity of the accident and will send appropriate emergency assistance.
- Emergency assistance is also available via the Discovery Insure emergency number 0860 999 911.

57. How do I activate an optional VitalityDrive™ benefit?

To activate an optional benefit, a broker or policyholder should call Discovery Insure on 0860 751 751.

58. If a client uses the Discovery Motor Card to pay for fuel instead of the DiscoveryCard, does the 15% cashback still apply?

Yes, the fuel reward will be granted provided the client is a VitalityDrive™ member. The reward is 5% for those clients who have not completed the Tiger Wheel & Tyre Annual MultiPoint check and increases to 15% once this has been completed.

Section 3: Household and personal cover

General

1. What are the requirements for taking out household cover?

At least one vehicle needs to have Comprehensive cover on the policy.

Buildings and Contents

2. What are the limits for the sum insured in respect of specified and non-specified items under household contents?

The limits and excesses are provided in the policy schedule and vary per item. It is recommended that items not defined as *general clothing and personal effects* and items with a value more than the maximum *general clothing and personal effects* claim limit are insured separately, to avoid averaging and no cover. The maximum *general clothing and personal effects* claim limit is the lesser of 20% of the *general clothing and personal effects* sum insured or R1500.

3. Is subsidence and landslip cover included in my Discovery Insure policy?

Subsidence and landslip is included under Comprehensive Buildings cover. There are certain events which may be excluded from cover, which may be found on page 35 of the Plan Guide. There is also an optional benefit to extend subsidence and landslip cover. For household contents, comprehensive subsidence and landslip is included as an optional benefit which the client may choose. It may be necessary to survey your building before we can provide you with landslip and subsidence cover. Our underwriting department will contact you to arrange such a survey, should it be necessary.

4. Are holiday homes covered?

Holiday homes are covered. Limitations exist in that we require another home on the policy that is occupied for most of the year i.e. no standalone holiday homes are permitted. The holiday homes will be subject to underwriting if there is no alarm linked to an armed response.

5. Are white goods covered?

Yes, all white goods such as stoves, fridges, freezers and washing machines are covered in the home, under the contents section of cover.

6. How does the inventory option work?

Discovery Insure will contact all clients who have total content values in excess of R750 000 to arrange for an inventory of their household contents. A Discovery SmartService™ assessor will come to your house to conduct the survey, at no cost. We have designed the survey to be as convenient and unobtrusive as possible. Each stage of the process will be explained by our consultants when we contact you. Clients will be able to update the inventory via the web from the end of 2011.

Clients with content values less than R750 000 may choose to have an inventory done on their household contents. Discovery Insure will charge a nominal once-off fee for this service.

Once the inventory has been assessed, clients can update their inventory within 30 days of making any changes by contacting Discover Insure on 0861 751 751.

7. How will the inventory list be updated when there is a claim?

If the item is replaced, then it will still appear on the inventory list. If the client is reimbursed with cash, then the onus is on the client to provide an updated version of the inventory list.

8. Is there a limit as to the value of that can be covered for temporary storage of stock-in-trade?

The client selects an option of the limit of indemnity required from R1500 or R4000 or R7500. The excess will be R500 in the event of a claim.

9. Do I need valuation certificates?

Valuation certificates are typically required for jewellery, artwork, collections and other similar items whose replacement values are not easily obtained. Depending on the value of the item, we may require a valuation certificate at activation or at claims stage. If the client has had a Discovery Insure inventory assessment, then it will not be necessary to produce valuation certificates at claims stage.

10. How am I covered for new items just purchased?

Under the contents section, new items are covered whilst in transit from the shop to the house for the same perils that they are covered for in the house. Discovery Insure needs to be notified of new items within 30 days of purchase to avoid the application of averaging at claim stage. If a claim occurs within the 30 day period and Discovery Insure has not yet been notified of the purchase, the client will need to produce proof of purchase in order to get the claim paid.

11. Will cover be provided for small businesses that operate from home?

We do not provide small business insurance, only personal household insurance. There is the option to take out cover for 'use of your dwelling to temporarily store stock-in-trade' and 'use of your dwelling to temporarily store business equipment'.

12. Will clients in all areas have access to HomeAssist (in particular a security guard for 2 nights)?

Discovery Insure has a list of reputable providers who can provide this type of assistance. If these providers do not fall within a specific area, we will make appropriate arrangements for the client to still be covered.

13. Will the client be covered for the provision of accommodation of up to R3000 at certain hotels only?

Discovery Insure is not prescriptive in respect of which hotel the client needs to stay at. The client can choose to use the R3000 in any way (e.g. 1 night at R3000 or 6 nights at R500).

Portable possessions, electronic devices and motorized equipment

14. Are there any items which are required to be kept in a safe?

Yes, jewellery in excess of R20 000 needs to be kept in the safe. Please refer to the Plan Guide for more detailed information.

15. How does the estimated maximum loss cover work?

The client can *choose* an estimated maximum loss per category of item in this section. For example if the client has 5 watches worth R10 000 each, but will only be travelling with 2 at any point in time, the client will specify all 5 watches, but will state his/her maximum estimated loss to be R20 000. The client's premium will be based on R20 000 and not on R50 000. The client will be covered for any combination of two watches whilst not on the premises. For further details, please refer to page 32 of the Plan Guide.

16. Is cash covered under portable possessions?

No, we do not cover cash under portable possessions (for a full list of exclusions, please refer to page 33 of the Plan Guide).

17. Is there a limit on the value of clothing I can insure?

We do not have a limit on the total value that may be insured as General Clothing and Personal Effects. However, the maximum amount that we will pay for a single item claimed for under this category is equal to the lesser of R1 500 or 20% of the total sum insured. We recommend that items with a value in excess of this should be specified to ensure that they are fully covered.

Liability

18. Is personal liability covered?

Yes, including SASRIA, as is standard in the industry.

Section 4: Commission structure

1. What is the commission structure and process for Discovery Insure?

Commission to intermediaries will be ongoing, as-and-when commission. The following table illustrates the various commission rates:

Motor	12.5%
Non-motor	20%
Motor – SASRIA	7.5%
Non-motor – SASRIA	7.5%

Those that use DSI to sell on their behalf will be paid 70% of these rates (please refer to the Remuneration Manual for more detailed information).

The commission for VitalityDrive™ will be 12.5% of the annual VitalityDrive™ premium, payable upfront. If a policy lapses, this unearned pro-rata portion of other commission will be clawed back by Discovery Insure.

2. What is SASRIA and how does this work with Discovery Insure?

SASRIA is an insurer covering special risks such as riot, strike and civil commotion. We automatically include SASRIA cover in our policy for motor vehicles as well as home contents, buildings, electronic devices, portable possessions, other motorized equipment and watercraft. For further details on SASRIA, please refer to pages 54-60 of the Plan Guide.

3. Will Discovery Insure pay a financial advisor to perform administration services in return for an additional administration fee?

No, this is not available at this stage. However, financial advisors may specify the collection of an additional policy fee which is explicitly agreed to by the client and which will be collected on behalf of the financial advisor by Discovery Insure.

4. What will Discovery Insure's commission offering be for a financial advisor who does not have a short-term licence?

The financial advisor can sign a referral agreement with Discovery Insure in which permission is granted to cross-sell the Discovery Insure product to his existing client base. The commission will be 70% of the statutory commission amount.

5. Can a financial advisor that has a short-term licence sign a referral agreement?

Yes, but he will still be subject to a 70%/30% commission split.

6. What is the procedure for applying for a short-term licence?

The FSB requires that the applicant must have at least six months' experience within the short-term industry before submitting his/her application. The applicant must also have the required credits to be able to qualify for a licence. It could take between three and six months for the application to be approved and therefore the turnaround time from submission to approval could last up to twelve months.

7. Is it possible for commission to be split amongst financial advisors?

Yes, as long as the split totals 100% of the maximum statutory commission rates.

8. What are the benefits associated with a financial advisor signing a referral agreement with Discovery Insure as opposed to outsourcing his short-term clients to an Administration House or another adviser?

By signing a referral agreement with Discovery Insure, the financial advisor will have the opportunity to 'ring fence' his clients, create sales opportunities through Discovery's integration strategy and thus add a valuable annuity income stream to his business with minimal effort, which will result in more profitability compared to outsourcing his clients.

9. Will Discovery Insure be distributing the short-term product directly to the market?

Discovery Insure is committed to distributing its product through brokers. If a client insists on dealing with Discovery Insure directly, this will be accommodated.