



**Note to Advisor:**

This section has been added for your convenience if this application is to replace any other policy for life insurance. You may use an equivalent RAR if you prefer but either this or your preferred RAR must be submitted with this application if it is a replacement.

**Note to Plan Holder:**

If you are considering taking out a new risk policy that wholly or partly replaces any existing risk policy, your Financial Advisor 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.

**Instructions for the completion of this form**

1. The Financial Advisor must complete this replacement advice record form ("Record").
2. For purposes of this form "Financial Advisor" 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 Plan Holder regarding the replacement.
3. The information required in the Record must be completed for each life insured on the Plan.
4. **If any feature is not present on the Plan, please indicate "None" or "Not Applicable" in the applicable field. Do not leave the field blank.**
5. **When completing Part 3 of the Record, please ensure that the reasons stated are specific and not general, e.g. avoid using terms like 'better benefits' or 'cheaper premiums' but rather use terms like 'better future insurability benefits'.**
6. **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 Plan Benefits of the new Plan and the replaced Plan.
7. **Where information regarding specific exclusions or premium loadings applicable to the Plan Holder / life insured, as required in Part 4 is not available at the time this Record is completed due to underwriting processes, Part 4 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 Advisor so that the insurer can satisfy itself that the Plan Holder has subsequently been afforded the opportunity to consider the implications of such loadings or exclusions on the suitability of the replacement.

**Part 1** General Information

Full names of Plan Holder:

ID number/Company Registration Number of Plan Holder:

Full names of Financial Advisor<sup>1</sup>:

ID number of Financial Advisor:

Name of Financial Services Provider of the Replaced Plan(s):

FSP number:

Name of Financial Services Provider recommending the Replacement:

FSP number:  Date of Inception of the Plan being replaced:

<sup>1</sup> For purposes of this form "Financial Advisor" 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 Plan Holder regarding the replacement. The Financial Advisor must complete this Replacement Advice Record.

**Part 2** Plan Details

New Plan(s)		
Plan/Application Number	Product Name	Insurer
1.		
New Plan/Plans Being Replaced		
Plan/Application Number	Product Name	Insurer
1.		
2.		
3.		

**Part 3**

## Reasons for recommending the replacement Plan(s)

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

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

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If the replaced Plan(s) could have been altered/changed, explain why a replacement is recommended instead of making such change.

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**Part 4**

## Difference between new and replaced Plans

Detail	Description of the difference between the new Plan and the replaced Plan
<b>A. Specific Plan Benefits (including costs, exclusions and restrictions for each Benefit type)</b>	
<b>4.1 Death Benefits</b>	
a) Cover amount	
b) Benefit premium	
c) Standard exclusions (including suicide exclusions)	
d) Waiting period(s)	
e) Benefit term/expiry age	
<b>4.2 Lump Sum Disability Benefits</b>	
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	
<b>4.3 Severe illness/Critical illness/Dread disease or Trauma Benefits</b>	
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 date	
h) What diseases are covered under the new Plan(s) compared to the replaced Plan(s), and does it cover temporary or permanent disability, or both?	
<b>4.4 Any other Plan Benefits/special features/differences</b>	
a) Type and value of Benefits/features	
b) Cost of Benefits/features	
c) Other	

B. General Plan features	
Detail	Description of the difference between the new Plan and the replaced Plan
<b>4.5 Premiums and charges</b>	
a) Total premium (including loyalty/add-on Benefits) investment portfolio/assets	
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) Plan administration fees	
g) Any other fees (e.g. claims administration fees, other transaction fees)	
h) Age of life insured when replaced Plan was entered into and effect of increased age or any health changes on the new Plan premium.	
<b>4.6 Exclusions and restrictions</b>	
<b>4.7 Tax treatment and implications</b>	
a) Tax treatment and tax implications	
<b>4.8 Other material differences</b>	
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.	
<p><i>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.</i></p>	

**Plan Holder confirmation regarding Part 4: Description of the difference between the new Plan and the replaced Plan.**

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

Part 5	Financial Advisor Remuneration
a) Provide the following details of any remuneration <sup>2</sup> or other financial interest to be earned by the Financial Advisor or the FSP concerned in relation to the replacement Plan(s):	
Up-front commission:	<input type="text"/> Ongoing commission: <input type="text"/>
Any other direct or indirect remuneration or other financial interest:	<input type="text"/>
b) Has the Financial Advisor or FSP earned any direct or indirect remuneration or other financial interest in relation to the replaced Plan? <input type="checkbox"/> Y <input type="checkbox"/> N	
c) If the answer to (b) is 'Yes', provide the following details of any remuneration or other financial interest earned by the Financial Advisor or FSP in relation to the replaced Plan(s) in the past five (5) years:	
Up-front commission:	<input type="text"/> Ongoing commission: <input type="text"/>
Any other direct or indirect remuneration or other financial interest:	<input type="text"/>

# Plan holder confirmation regarding Financial Advisor remuneration

Plan Holder to initial next to either (1) or (2), as applicable.

1. I am aware of the remuneration being earned by my Financial Advisor on the new Plan(s).

OR

2. I am aware that my Financial Advisor did not earn remuneration on the replaced Plan(s).

Where applicable, I am aware that my Financial Advisor also earned remuneration on the replaced Plan(s).

\_\_\_\_\_  
Plan Holder Signature

<sup>2</sup> 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.

## Part 6

## Declarations

### 6.1 Financial Advisor (intermediary) declaration

I,  hereby confirm that:

I have taken all reasonable steps to confirm that the information in this Replacement Advice Record is correct and complete; and

I have explained the implications of the Plan replacement - including but not limited to the information provided in this Replacement Advice Record - to the Plan Holder in sufficient detail and in an appropriate manner, taking into account what I know or reasonably assume to be the Plan Holder's level of knowledge, to enable the Plan Holder to make an informed decision about the replacement.

The outcome of the advice to the Plan Holder is as follows:

a) The Plan Holder has elected to proceed with the replacement contrary to my recommendation that the replacement might not be in the Plan Holder's best interests, and I have alerted the Plan Holder to the associated risks and have advised the Plan Holder to take particular care to consider whether the replacement is appropriate to the Plan Holder's needs, objectives and circumstances.

OR

b) I believe that the replacement is in the Plan Holder's best interests, that the Plan Holder has the ability to financially bear any costs or risks associated with the replacement and that the new Plan(s) is/are more suitable to the Plan Holder's needs and objectives than the Plan(s) being replaced.

*(Financial Advisor to initial next to either (a) or (b) as applicable to advice given)*

\_\_\_\_\_  
Signature of Financial Advisor

\_\_\_\_\_  
Date

### 6.2 Plan Holder Declaration

I, We  hereby confirm that:

The Financial Advisor 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

I have carefully considered this information.

The Financial Advisor 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 Advisor's advice indicating that the replacement might not be in my best interest, I nevertheless wish to proceed with the replacement;

b) Based on this information, I agree that the replacement is in my best interest.

**(Plan Holder 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 Plan(s).

\_\_\_\_\_  
Signature of Plan Holder

\_\_\_\_\_  
Date