



Personal Financial Advice
Mutualpark, Jan Smuts Drive, Pinelands 7405.
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Tel +27 (0)21 509 0000, Fax +27 (0)21 509 0000
www.oldmutual.co.za

Our Ref: **G Cilliers /policy-13235286**

25 June 2015

Via e-mail: **GCilliers@verorep.com**

Dear Mr. Cilliers

GREENLIGHT OCCUPATIONAL DISABILITY (OWN) INCOME BENEFIT – POLICY NO: 013235286

We refer you to the afore-mentioned matter, more specifically to the e-mail that you had addressed to Mr. Derick Ferreira in this regard, dated 2 June 2015. The contents of the e-mail have been noted, to which our response is submitted below.

1. Firstly, we are saddened to hear of your current state of health and financial position and would like to make it clear that the ceasing of the income payments being paid to you is not as a result of us disregarding your circumstances.
2. Instead, the payments had ceased as a result of the structure of the Greenlight Occupational Disability (Own) Income Benefit financial product ("the product") at the time during which it was offered to you, as during that period of time the product was only offered to cover the life assured for a specified term (selected by the customer purchasing the product) and not for the life assured's entire life. Therefore, once that term selected by the customer expires, any benefits due under that product would also expire.
3. We accordingly note your comment that the product was marketed as one that would cover you for your entire life. We also note your comment that an Old Mutual employee, one Mr. Kryn Hogendoom ("Mr. Hogendoom"), had marketed the product (around the time during which you had purchased it) as one that would cover you for the whole of your life, with the use of and reference to the attachment that you had referred to and submitted that you had filed at that stage. For ease of reference, we have attached the document that you had referred to and marked it "**Annex A**".
4. As mentioned in paragraph 2 above, at the time during which you had purchased the product, it was only offered to cover the life assured over a specified term. Furthermore, the document that you submit Mr. Hogendoom had used to market the product at that stage i.e. **Annex A** is an extract of an updated Greenlight reference guide and not from the reference guide that was effective at the time that you had purchased the product.
5. Therefore, Mr. Hogendoom could never have marketed the product as one that would cover you for the whole of your life and could furthermore never have used **Annex A** during the alleged marketing, as the contents of **Annex A**, as it pertains to the product, was only effective towards the end of September 2012, which was the period during which Greenlight had changed the structure of certain benefits, which included having income disability benefits being covered over the period of a life assured's entire life and not only over a specified term.
6. We therefore submit that you could have made an error during the filing of your documents, as **Annex A** that you submitted was filed at the time that you had purchased the product, was in fact only drafted by Greenlight's marketing team during the course of 2012.
7. During the afore-mentioned re-structure, Old Mutual customers could "trade-up" their existing benefit for the newly structured income benefit (i.e. to one that covered the life assured over his or her whole life). The "trade-up" was however only eligible to persons who had lump sum disability cover and not to persons who had "income benefits" or who were already receiving disability benefits. Therefore, even after this re-structure, you would still not have



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been eligible to be covered for the whole of your life and your benefit would have been limited to the term that you had chosen.

8. It has come to our attention though, that despite the term of your cover ending on 31 December 2012, erroneous payments had continuously been made to you during a period that fell out of your benefit's cover term. It was further discovered that these erroneous payments totaled an amount of **R855 753.10** (eight hundred and fifty five thousand and seven hundred and fifty three rand and ten cents). However, considering your current circumstances, we will not be asking for repayment of any portion of the **R855 753.10** (eight hundred and fifty five thousand and seven hundred and fifty three rand and ten cents) that was erroneously paid.
9. We trust that you now fully understand the reason for your income payments having ceased and will realise that you have not been unfairly treated or handled.

Kindly note that you may still submit your complaint to the Old Mutual Office of Internal Arbitration if this matter is not resolved to your satisfaction:

Old Mutual Office of Internal Arbitration
PO Box 80
Mutual Park
7451
Telephone: 021 – 509 1770
Fax: 021 – 504 7700
E-mail: arbitrator@oldmutual.com

Yours sincerely,

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