

ANNEXURE A: BUSINESS REQUIREMENTS SPECIFICATION DOCUMENT

1. BACKGROUND

SARS introduced the Group Life benefit for its employees in 2003. Each year the benefits and rates are reviewed to ensure the best benefit options are available at the most affordable rates. In addition to ensure that:

- The benefits are continuously benchmarked and to be in line with the market.
- The best rates and benefit options are secured and offered to employees; and
- the appointment of the Insurer is in accordance with FAIS Act; and relevant legislations.

2. IMPORTANT NOTES FOR BIDDERS

The following is to be noted by the Bidder:

- A single service provider (Insurer) is required for all the core and voluntary benefits. The appointed service provider (Insurer) will be responsible for all the value-added benefits and continuation options.
- Bidders are required to submit a detailed proposal indicating the benefits that can be provided as per the current SARS group risk insurance and benefits as indicated in 3.1 and 3.2 below.
- Should bidders include links in the proposal document, the content of that link must also be in writing (or with screen shots) in the proposal, as links would not necessarily be accessed during the evaluation.
- Annexure A1 (Group Life Mandatory Benefits Requirements) must be thoroughly completed. Any blanks will lead to disqualification
- Annexure A1 (Group Life Mandatory Benefits Requirements) and Annexure A2 (Technical evaluation) provide guidance on the requirements.
- On Annexure A2 the Bidder must indicate where in the proposal submission the offering is substantiated (page and paragraph)
- Scoring on Annexure A2 is ONLY to be completed by SARS Technical Evaluators based on information provided in the detailed proposal submission.
- SARS employee risk profile is included in the tender pack.
- SARS employees will be provided with three (3) months open period to select or review their cover.
- The successful bidder will be required to submit the Group Life benefits policy within twenty-one (21) days.
- The group life benefits are not standard and are primarily designed for SARS employees.

- The current benefit offering will continue under the existing terms (warts and all), and the new cover will comply with the minimum requirements.
- Please ensure that all items referred to in the checklist are thoroughly completed and complied with.

3. BENEFITS REQUIREMENTS FOR GROUP LIFE INSURANCE SCHEME

3.1 Core Benefit contributions payable by the Employer:

3.1.1 Unapproved Group Life Cover (Death Cover)	
Benefit	2,2 x annual salary (GTP) Revised requirement 2.5 x annual salary (GTP)
"Medical Proof Free" Cover Limit (incl Core, Voluntary flexi cover plus accidental cover)	<ul style="list-style-type: none"> • Current R18 000 000 • Revised value required: R20 000 000
Maximum Benefit with Voluntary flexi cover	No maximum amount (Subject to medical assessment)
Conversion Option included	Currently available
Accelerated Benefit	If diagnosed with terminal illness - Voluntary flexi cover included
Benefit expiry age	65 extend to 70 if appointed after 65
3.1.2 Accidental Death	
Benefit	1 x annual salary (GTP)
Benefit Structure	Paid if death as a result of accident, within 12 months of the accident
Free Cover Limit (FCL)	Combined FCL
Maximum Cover	No maximum
Benefit expiry age	65 extend to 70 if appointed after 65
3.1.3 Dismemberment Benefit/Accidental Disability Benefit	
Benefit	Up to 2.2 x annual salary (GTP) Revised requirement up to 2.5 x annual salary (GTP)
Maximum Cover	<ul style="list-style-type: none"> • Current: Lesser of 2.2 x annual salary (GTP) and R4 500 000 • Revised value required: Lesser of 2.5 x annual salary (GTP) and R5 000 000,00
Benefit expiry age	65 extend to 70 if appointed after 65
3.1.4 Terminal Illness	
Benefit	Same as death cover - core plus voluntary flex
Free Cover Limit	Combined FCL
Maximum Benefit	No maximum amount

Flex Cover	Flex cover to be added to death cover if applicable	
Accelerated Benefit	Accelerated death benefit	
Benefit expiry age	65 extend to 70 if appointed after 65	
3.1.5 Education Benefit		
Benefit	Payable on death	
Benefit expiry age	65	
Benefit structure	No limit on number of children	
Fees per annum	Amount	Term
Pre-school	Current: R47 000 Revised requirement: R52 000	1 year for grade R
Primary School	R91 000	Paid for 7 years
High/Secondary School	R105 000	Paid for 5 years
Tertiary Education	Current: R69 000 Revised requirement: R77 000	Duration of first degree or first trade diploma or first qualification granted
International Tertiary	Current: \$67 000 Revised requirement: \$70 000	Duration of first degree or first trade diploma or first qualification granted
Education booster (costs like books, extra murals or residence fees)	Book allowance up to a maximum of 10% of the actual education fees paid	
University Residence Allowance	Actual fees up to a maximum of 30% of actual tuition fees paid	
3.1.6 Lifestyle Cover/Dread Disease/Critical Illness		
Benefit	Current: Up to R100 000 Revised requirement: Up to R200 000	
Benefit Structure	Comprehensive	
Free Cover Limit	Current: R100 000 Revised requirement: R200 000	
Maximum Benefit	Up to R100 000.00 (current) Up to R200 000.00 (revised benefit)	
Benefit expiry age	65	

Lifestyle illness covered		
Accidental HIV infection, Alzheimer's disease, Angioplasty, Aortic artery surgery, Aplastic anaemia, Arrhythmia, Benign brain tumor with malignant behavior, Blindness in one eye, Blindness in two eyes, Cancer, Cardiomyopathy, Chronic liver failure, Chronic renal failure, Coronary artery bypass surgery, Deep coma, End-stage lung disease, Heart valve surgery, Loss of hearing, Loss of limb function due to medical causes, Major burns, Motor neuron disease, Multiple sclerosis, Muscular dystrophy, Myocardial infarction, Organ transplant, Paraplegia, Parkinson's disease, Pulmonary embolism, Sero-positive rheumatoid arthritis, Stroke.	100%	All the listed illnesses covered. The severity level and % allocation is specified in “Annexure A1 Group Life Mandatory Benefits Requirements”
3.1.7 Lump sum Disability/Permanent Total Disability		
Benefit	Up to 2,2 x annual salary (GTP) Revised requirement up to 2.5 x annual salary (GTP)	
Benefit Structure	Total and Permanent; and partial disability	
Accelerated Benefit	Accelerated core death cover	
Free Cover Limit	Combined FCL	
Waiting Period	No waiting period	
Maximum Cover	Lesser of 2.2 x annual salary (GTP) or R10 500 000,00 Revised requirement Lesser of 2.5 x annual salary (GTP) or R10 500 000,00	
Benefit expiry age	65	
3.1.8 Funeral Benefit Structure		
Benefit Structure	Member, Spouse and Children aged 14 years and older	Current: R50 000 Required: R60 000
	Children older than 6 and younger than 14	Current: R20 000 Required: R25 000
	Stillborn and Children younger than 6	Current: R10 000 Required: R12 000
Benefit expiry age	65	

Additional Benefits provided	<p>If member retires: the member, spouse and children's cover to continue. ("paid-up benefit"). Premiums are waived</p> <p>The benefit ceases when principal member passes away</p>
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3.2 Additional Flexi Benefit contributions payable by the employee

3.2.1 Flex Cover						
Flex Cover	Additional 6 x annual salary (GTP)					
Conversion Option included	Currently available					
Accelerated Benefit	If diagnosed with terminal illness					
Benefit expiry age	65 extend to 70 if appointed after 65					
3.2.2 Spouse's Life cover						
Benefit	Current: 1 or 2 x annual salary (GTP)					
	Revised requirement: Choice of 1/2 or 1 or 2x Annual Guaranteed Total Package					
Free Cover Limit	Current: R2 750 000					
	Revised requirement: R3 000 000					
Maximum Benefit	Current: Lesser of 2 x annual salary (GTP) or R2 750 000					
	Revised Requirement: Lesser of 2 x annual salary (GTP) or R3 000 000					
Benefit expiry age	65 extend to 70 if appointed after 65					
3.2.3 Extended Funeral Cover Premiums						
Benefit structure - extended family	Up to 12 extended family members, voluntary for new entrants					
Waiting period	- 6 months for natural causes for new added dependents. - 6 months for option changes to higher cover.					
Options:	Age grouping categories					
	0-5 years	6-21 years	22-45 years	46-65 years	66+ years	
R5 000						
R10 000						
R15 000						
R20 000						
R25 000						
R30 000						

Additional benefit/option required: R35 000						
Additional benefit/option required: R40 000						
Conversion Option included	Currently available					
<p>Currently we have the following age categories (as indicated in the above columns):</p> <ul style="list-style-type: none">• Less than 6 years• Between 6 years and less than 22 years• Between 22 years and less than 46 years• Between 46 years and less than 66 years• 66 Years and older						
<p>An extended family member must be under 75 years when cover first commences. Cover for extended family members reaching the age of 75 continues. No option changes for members 75 and older.</p>						

3.3 Value Added Benefits

3.3.1 Family Assistance Benefit

Benefit providing assistance should a member or a member's immediate family pass away, this includes but not limited to:

- Repatriation;
- Referral to Undertakers;
- Discounted Funeral Packages;
- Legal Assistance; and
- Advice on handling of necessary documentation.

Note: This is not a Mandatory benefit

3.3.2 Premium Refund (Profit Share)

Bidders to propose a Premium refund over a two (2) year cycle based on claims experience on a 50/50 basis.

Note: this is a mandatory benefit.

3.4 Turn-around Time for Processing Claims

The bidder's average period to process claims	Funeral Cover (Paid within 2 to 3 business days)
	Death Cover (Paid within 21 calendar days)

4. PREMIUMS AND RATES

Bidders must refer to Annexure B: Premiums and Rates Schedule, which details the schedule that must be completed. Bidders are required to consider the following prior to the completion of the premiums and rates schedule:

- 4.1 Bidders must submit Annexure B that reflects premiums and rates for all benefits indicated in 3.1 and 3.2 above and in Annexure A1, as part of their submission.
- 4.2 All rates should be based on revised amounts/benefits and exclude any provision for commission; and
- 4.3 Bidders should include additional added benefits, if any as an annexure to their pricing submission, and indicate the rates for these additional benefits.
- 4.4 Bidders must note that they will be evaluated for both core and voluntary cover at a weighted average as outlined below:

a) Core benefit contributions payable by the employer

- Core benefit weighted at 65/100 points.

b) Additional voluntary benefit contributions payable by the employee

- Flexi cover weighted at 10/100points
- Spouse's life cover weighted at 10/100 points
- Extended funeral cover weighted at 15/100 points

END