



Smart Child Education Plan

Policy Terms and Conditions

Providing financial security since 1848

1. Introduction

The policy Terms and Conditions, Document of Insurance (Policy Schedule), Application Form, and Acceptance Letter form an Insurance contract between “You” the Policyholder and “Us” Prudential Life Assurance Zambia Limited (Prudential).

We will send you an acceptance letter after we review and accept the application. After receiving your first premium, you will receive your Policy Document which spells out the benefits of the contract. Please note that until we receive your first premium, you are not eligible for any form of benefit.

Please ensure to read your Terms and Conditions of this contract and the Document of Insurance (Policy Schedule), which spells out the benefits.

2. What this policy entails

A. Benefits

i. Maturity Benefit

The specified lumpsum equal to the sum assured, selected at the inception of the policy, will be paid out to you on maturity of the policy. This is paid for the sake of your nominated child's education needs.

ii. Maturity Bonus

A simple bonus, equal to 1% for each year in force will be paid out to you on maturity for policy terms greater or equal to seven (7) years, i.e. for a 7-year policy term, a simple bonus of 7% of the sum assured will be paid in addition to the maturity benefit at maturity.

iii. Waiver of premium on the Death of the Policyholder

We will pay premiums on Your behalf until the maturity of the policy if death should occur prior to the maturity of the policy.

iv. Waiver of premium on Permanent Disablement of the Policyholder (TPD Waiver)

We will pay premiums on Your behalf until the maturity of the policy if You become totally and permanently disabled prior to the maturity of the policy.

You will be considered disabled if You become totally and permanently unable to work in your own or any occupation which you are reasonably able to do, given your experience, education or training, because of an accident, injury or illness; subject to a waiting period of six months

In order for one to qualify for TPD benefit, You must be certified by a qualified medical practitioner, recommended and recognized by Prudential, to be totally and permanently unfit to carry out your occupation.

A letter from the employer confirming that You have been off work due to a TPD will be required.

TPD claims must be advised to the insurer for settlement within 6 months from the date of disability. Any TPD claims submitted after 6 months from the date of disability will not be admitted.

Exclusions for TPD Benefit

No payment shall be made if the incident or illness giving rise to such claim was directly or indirectly occasioned or accelerated by:

- ✦ Self-inflicted injuries whether the life insured be of sound or unsound mind;
- ✦ excessive use of alcohol, deliberate inhalation of gas or use of poison, narcotics or drugs;
- ✦ participation in aviation (defined to mean actual flight or any such attempted flight, or the taking off or landing of any aircraft, or collision, whether in flight or on landing, or in other circumstances related to such aerial flight) other than as a fare paying passenger on any scheduled airline or on any chartered flight with an organisation regularly providing chartered flights;

- ★ engaging in diving, power boat racing, white water rafting or yachting, horse racing, motor car or motor cycle racing, speed contests or trials, mountaineering (necessitating the use of ropes or guides), bungee jumping or potholing;
- ★ the effects of radioactivity;
- ★ war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, terrorism, rebellion, revolution, military or usurped power, riot, or civil commotion.

Medical treatment

A life assured who has an accident or injury or contracts any illness must as soon as possible procure proper medical attention and carry out and follow in full the medical instructions and advice given. Failure to do so will invalidate the potential claim.

Physical Impairment

The life assured will be covered for any incidents of a permanent nature that result in specific physical impairment. The following disablements will be considered:

- ★ Loss of or Loss of Use of One arm hand, leg or foot
- ★ Complete and irrecoverable Loss of all sight in one or both eyes

v. Waiver of premium on Policyholder being diagnosed with a Critical Illness

We will pay premiums on Your behalf until the maturity of the policy if You become diagnosed with any one of the following Critical Illnesses prior to the maturity of the policy: **a. Heart Attack**

This is defined as the death of heart muscle, due to inadequate blood supply, as evidenced by any of the following combinations of criteria:

1. Compatible clinical symptoms AND raised cardiac biomarkers OR
2. Compatible clinical symptoms AND new pathological Q-waves on ECG as defined in Annexure A (b) OR
3. New pathological Q-waves on ECG as defined in Annexure A (b) AND raised cardiac biomarkers OR
4. ST-segment and T-wave changes on ECG indicative of myocardial injury as defined in Annexure A (a) AND raised cardiac biomarkers

Where raised cardiac biomarkers are referenced above, they are defined as any one of the following Troponin or Non-Troponin Markers:

Sensitive Troponin Markers

Marker		Value**	
*Assay (test)	Troponin Type	Unit: ng/L	Unit: ng/ml
Roche hsTnT	TnT	> 1000	> 1,0
Abbott ARCHITECT	TnI	> 3000	> 3,0
Beckman AccuTnI	TnI	> 5000	> 5,0
Siemens Centaur Ultra	TnI	> 6000	> 6,0
Siemens Dimension RxL	TnI	> 6000	> 6,0
Siemens Stratus CS	TnI	> 6000	> 6,0

* Use the relevant manufacturer's assay (test) or equivalent as it appears on the laboratory report.

**Values represent multiples of the World Health Organisation (WHO) MI rule in levels and not the 99th percentile values (upper limit of normal) as quoted on the laboratory result.

Conventional Troponin Markers:

Marker		Value	
Assay (test)	Troponin Type	Unit: ng/L	Unit: ng/ml
Conventional TnT	TnT	>1000	>1,0
Conventional AccuTnI***	TnI	>500	>0,5

*** or equivalent threshold with other Troponin I methods

Non-Troponin Markers

Marker	Value
Raised CK-MB mass	Raised 2 times or more the upper limit of normal laboratory reference range in acute presentation phase
Total CPK elevation	Raised 2 times or more the upper limit of normal laboratory reference range in acute presentation phase, with at least 6% being CK-MB

Definitions of ECG changes

a) ECG changes indicative of Myocardial Ischaemia that may progress to Myocardial Infarction: ★
Patients with ST-segment elevation:

- ★ New or presumed new ST segment elevation at the J point in two or more contiguous leads with the cut-off points greater than or equal to 0.2mV in leads V1, V2, or V3, and greater than or equal to 0.1mV in other leads
- ★ Contiguity in the frontal plane is defined by the lead sequence AVL, I and II, AVF, III ★ Patients without ST-segment elevation:
- ★ ST-segment depression of at least 0.1 mV
- ★ T-wave abnormalities only

b) Definition of new pathological Q-waves:

- ★ Any new Q-wave in leads V1 through V3;
- ★ A Q-wave greater than or equal to 40 ms (0.04s) in leads I, II, AVL, AVF, V4, V5 or V6;
- ★ The Q-wave changes must be present in any two contiguous leads, and be greater than or equal to 1mm in depth;
- ★ Appearance of new complete bundle branch block.

b. Stroke

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in neurological deficit lasting longer than 24 hours, confirmed by neuro-imaging investigation and appropriate clinical findings by a specialist neurologist.

For the above definition, the following are not covered:

- ★ Transient ischaemic attack;
- ★ Vascular disease affecting the eye or optic nerve;
- ★ Migraine and vestibular disorders;
- ★ Traumatic injury to brain tissue or blood vessels.

Severity levels will be assessed by a full neurological examination by a specialist neurologist any time after three months.

The stroke must have resulted in any 1 of the following findings confirmed by a neurologist as being present at least 30 days after the initial stroke:

- ✦ Loss of muscle motor function (a power score of <3/5)
- ✦ Loss of speech
- ✦ Loss of sensation
- ✦ Loss of vision or hearing
- ✦ New diagnosis of epilepsy (recurrent fits) caused by the stroke
- ✦ Loss of function of the cerebellum (balance, co-ordination and walking difficulties)
- ✦ Permanent cognitive deficit with MMSE* of less than 19

*MMSE – Mini Mental State Examination

c. Coronary Artery Disease Requiring Surgery

The undergoing of surgery, regardless of method of surgical access, to correct the narrowing of, or blockage to, one or more coronary artery(ies) by means of a by-pass graft. This diagnosis must be supported by angiographic evidence of significant coronary artery obstruction and the procedure must be considered medically necessary by a registered cardiologist.

Angioplasty and all other intra-arterial, catheter based techniques, or laser procedures are excluded.

- ✦ Coronary artery bypass graft (CABG) of 3 or more coronary vessels OR
- ✦ Coronary artery bypass graft (CABG) of 2 coronary vessels OR
- ✦ Coronary artery bypass graft (CABG) of LAD or the left main coronary artery.

d. Cancer

Any malignant solid tumour (carcinoma or sarcoma) which is microscopically characterized by uncontrolled growth of the cancer cells breaking through the basement membrane (a thin layer of tissue that covers a surface, lines a cavity, or divides a space or organ) or invading the normal surrounding tissue of origin. Borderline solid tumours, tumours considered to have a low-malignant potential, prostate and non-melanoma skin cancers are not included in this definition. For prostate cancer please see below. Any cancer of the blood or lymph nodes (lymphoma) treated in any of the following ways:

- ✦ Chemotherapy
- ✦ Radiation therapy
- ✦ Bone marrow or stem cell transplant
- ✦ Maintenance biological or targeted therapy

Borderline blood or lymph node tumours are excluded from this definition.

Tiering of all Cancers except prostate, leukaemia, lymphoma and brain tumours stages 2,3 and 4.

Prostate Cancer

Prostate cancer lesions will be paid if the cancer has spread outside of the prostate gland, or if a prostatectomy has been performed, or if following a prostate biopsy there is microscopic confirmation of a prostate cancer lesion with a Gleason Score of 7 or more (a score that describes the aggressiveness of the cancer and likelihood that it will spread or progress).

Stage 4: T4, any N, any M, any Gleason OR Stage 3: T3, any N, any M, any Gleason

Leukaemia

- ✦ Acute myeloid leukaemia
- ✦ Chronic lymphocytic leukaemia, stage III or IV on the Rai classification
- ✦ Chronic myeloid leukaemia (requiring bone marrow transplant)
- ✦ Acute lymphocytic leukaemia (adults)
- ✦ Hodgkins/Non-Hodgkins lymphoma stage IV on Ann Arbor classification system
- ✦ Multiple myeloma stage III on the Durie-Salmon scale

OR

- ✦ Hodgkins and Non-Hodgkins lymphoma stage III on Ann Arbor classification system OR
 - ✦ Chronic lymphocytic leukaemia (stage II on the Rai classification)
 - ✦ Acute lymphocytic leukaemia (children)
 - ✦ Chronic myeloid leukaemia (no bone marrow transplantation)
 - ✦ Hodgkins/Non-Hodgkins lymphoma stage II on Ann Arbor classification system
 - ✦ Multiple myeloma stage I and II on the Durie-Salmon scale
- OR
- ✦ Chronic lymphocytic leukaemia (stage 0 or 1)
 - ✦ Hairy cell leukaemia
 - ✦ Hodgkins/Non-hodgkins lymphoma (stage I on Ann Arbor classification system)

Brain Tumours

- ✦ WHO grade IV- Confirmed diagnosis OR
- ✦ WHO grade III - Confirmed diagnosis OR
- ✦ WHO grade II –Confirmed diagnosis with neurological deficit.

Exclusions

- ✦ WHO grade II - Without neurological deficit
- ✦ WHO grade I – All

e. Coma

A condition of unconsciousness where the life insured:

- ✦ presents with a Glasgow Coma Scale (GCS) of 8 or less, and
- ✦ is dependent on life-sustaining aids, such as a ventilator and/or intravenous infusion, for an uninterrupted period of at least 96 hours.
- ✦ End stage chronic renal failure with a glomerular filtration rate (GFR) of <15 ml/min/1.73m² according to the MDRD equation OR
- ✦ Ongoing peritoneal dialysis

Exclusions

- ✦ - Coma resulting directly from alcohol or drug abuse is excluded.

f. Kidney Failure

Chronic irreversible total failure of both kidneys as a result of which regular renal dialysis is instituted.

vi. Paid up

The policy will automatically become paid up, if after initially being active and premiums paid for twenty four months or more, the premiums are not paid for a period of two years. If this happens you will be entitled to a Paid Up Benefit at Maturity calculated as follows (all other benefits would cease):

$$\text{Paid Up Benefit} = t/n \times \text{Sum Assured}$$

Where:

t = the months the policy was in force (premiums being paid)

n = the original policy terms in months

vii. Surrender Benefits

You will also be entitled to a surrender benefit should you cancel the policy prior to maturity calculated as the total risk premiums paid less the surrender penalty. The surrender penalties apply as follows:

- ✦ Year 1 = 100% of premiums paid (i.e. no surrender value is payable in the first year)

B. General Conditions

i. Currency

Premiums and benefits will be paid in the legal currency of the Republic of Zambia

ii. Commencement of Benefit

The policy will commence the moment Prudential receives your first premium.

iii. Age Limits

The minimum age at entry for the policyholder is 18 years age next birthday.

The maximum age at entry for the policyholder is 60 years age next birthday.

The minimum age for a child to be covered on the policy is 1 year age next birthday.

The maximum age for a child to be covered on the policy is 16 year age next birthday.

iv. Minimum and Maximum Policy terms

The minimum term for a policy is 5 years.

The maximum term for a policy is 20 years.

v. Premium Payments

Premiums are payable in advance or before the first day of the selected payment frequency unless you lose your life suddenly, cancel the policy or there is a waiver of premiums benefit in force.

If the first premium required for the commencement of the policy is not received within six (6) months, your application for insurance will be cancelled. Cover shall only begin on the first day of the next month after we receive your first premium.

It is your responsibility to ensure that we receive the premium on the scheduled date.

vi. Premium Payment Frequency

The premium payment frequency can be monthly, quarterly, semi-annually or annually. Prudential reserves the right to determine the conversion adjustments from monthly to other payment frequency modes as it sees fit from time to time.

vii. Lapse rule

If the premiums are not received within three calendar months from the due date, the policy will lapse. The policy can only be re-instated on the condition that it has not lapsed for more than one calendar year and that all the outstanding premiums will have been paid with interest.

The policy will not be reinstated if it lapses beyond reinstatement (i.e. after one calendar year of the lapse)

During the lapse period, all risk benefits such as death, critical illness and disability waiver benefits cease to apply.

viii. Policy Fee

There is a non-refundable policy fee of K20 per month in addition to the monthly premium. Prudential reserves the right to revise the policy fee annually if necessary

ix. Premium Guarantee

The premiums are guaranteed for the term of the policy except for the policy fee portion.

x. Reporting a claim event

In the event that any of the insured lives passes on, you must notify us in writing within six (6) months, from the date of death or else, the death claim will not be valid. You have the right to re-file if we reject your initial claim.

xi. Claims Procedure

The processing of claim will start when the policy is active and only after we have received these documents:

✦ A completed claim form.

✦ The original Document of Insurance (Policy Schedule) and any other documents that we require to process the claim.

- ✦ A death certificate or medical cause of death or a legal document that confirms the occurrence of the event for which the claim is being made.
- ✦ A police report for accidental deaths.
- ✦ A burial permit.
- ✦ Any national form of identity that establishes the name and date of birth of the deceased and trustee/beneficiary.

If we identify any inconsistency in the documents contrary to the information provided on the application form, we have the right to refuse to pay the benefit or revise the initial benefit under the policy.

Note: Failure to disclose relevant information may result in non-payment of a claim.

xii. Policy amendment and the Trustee

On the death of any one of your nominated children prior to the maturity of the policy, the policyholder can nominate another child to continue with the policy.

If the nominated children will be minors at maturity, you can nominate a trustee at the inception of the policy who can receive the benefits on behalf of the nominated children should you happen to pass on prior to the maturity of the policy.

In the event where the trustee dies first or his/her appointment is cancelled, a replacement should be made. Any provision made in the “Last Will and Testament” with regards to the appointment or cancellation of a trustee will not be considered in the payment of the benefits of the policy.

In the absence of a valid trustee, the benefits of the policy will be payable to your estate.

xiii. Policy Exclusions

We are not liable under this policy to pay claims if while sane or insane you indulge any of the following directly or indirectly:

- ✦ Participation in dangerous sports and recreational activities like hiking, horse riding, hunting, any speed contest other than on foot or fighting except in self-defense;
- ✦ Suicide, attempted suicide or self-inflicted injury within two (2) years from the inception of the policy;
- ✦ Committing or attempting to commit a criminal offence;
- ✦ Use of intoxicating drugs and excessive use of alcohol;
- ✦ Any involvement in act of war, military action, terrorist activities, riots, strikes or civil uprising;
- ✦ Carried in a private plane and not as a passenger on a commercial flight (as a fare-paying passenger)

C. Other Policy Conditions

i. Geographical

All the lives insured should be permanently resident in Zambia at the time of application but the insured lives are not prohibited from travelling outside Zambia.

No benefits will be paid if you are a permanent resident of a foreign country. We have the sole prerogative to waive this restriction.

ii. Occupation

There is no restriction on the occupation of the lives insured.

iii. Loans and Cessions

Policy loans are not permissible under this contract and you cannot cede the Policy to another person as collateral for a loan or any kind of business.

iv. Correspondence

The acceptable means of communicating with us and Zanaco is in writing. Information can be transmitted to us via:

- ✦ Post using a registered mail service to Zanaco and Prudential offices

✦ Submitting to our Client Service Centre or email to customercare@prudential.co.zm or customerservice@zanaco.co.zm

*Please note that it is important to keep the proof of transmission

v. Cancellation of policy (Free look period)

You have thirty (30) days from the date of policy inception to cancel the policy. All premiums paid will be refunded on the condition that no form of benefit has been paid to you during this period.

For policies that have exceeded the 30-day period and yet are cancelled, all risks covered under the policy will cease at the end of the period for which the premium has been received. The effective date of termination of the policy will be the last payment period.

Note:

All cancellations should be communicated directly to us or Zanaco in writing.

vi. Incontestability

Prudential will contest the validity of the insurance contract with you on the grounds of material misrepresentation in the application/proposal for insurance within two (2) years of the inception of the policy. A material misrepresentation in an application for life insurance is a misrepresentation that is relevant to the evaluation of the application. The misrepresentation is material when, if the truth had been known, we would not have issued the policy or would have issued the policy of a different basis. Such as a higher premium or a lower face amount.

vii. Misstatement of age

The benefit at the point of claim will be adjusted if the age of any of the covered lives has been misstated.

The amount of the benefit payable will be adjusted to the amount of insurance that the premiums paid would have provided had the insured's age been stated correctly.

The Product Benefits, Terms and Conditions have been provided to you for an Insurance solution that you purchased through ZANACO. ZANACO is merely a distributor of the product and all risks pertaining to the product are managed by Prudential.

D. Policy Definitions

Acceptance Date	Acceptance Date is the date on which Prudential approves your application for a policy.
Active Policy	Expected premiums are being paid or policy has not lapsed
Maturity Date	This is the end date of the policy at which time the Sum Assured is expected to be paid out if the policy has been kept active throughout the term.
Nominated Beneficiary	This is the child who should receive the benefit proceeds. The maximum number of children is 4 on the policy.
Policyholder	This is the person who takes out the policy; owner of the policy
Policy Start Date or Issue date	The first day of the month following the month in which we received the first premium
Policy Term	The total number of years the policy is expected to be active
Premium	This is the regular payment made by the policyholder toward this policy. Minimum is K250 per month inclusive of the policy fee.
Sum Assured	This is the amount selected at the start of the policy as the amount which should be paid out at maturity for purposes of supporting the nominated children's education needs.

Trustee	This is the person chosen to receive the proceeds of the policy on behalf of the minor nominated children if any of the nominated children is a minor in the event the policyholder happens to pass on prior to the maturity of the Policy.
Monthly Premium rates	These premiums are subject to a 5% Insurance Levy (tax) on gross risk premiums
Insurance Levy	Gross risk premiums are subject to 5% insurance levy (tax)

Contact us

Prudential Offices

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3	Kasama Office	Stand Number 754, Compensation House Zambia Way	+26 (0) 214 221 075
4	Lusaka Sales Office	Central Park, Exchange Building, 1st Floor Cairo Road, P.O Box 31357	+26 (0) 211 228 109
5	Livingstone Office	Shop 5 Nongo-Kalimba House Mosi-o-Tunya Road P.O Box 60140	Tel: +26 (0) 213 322 228 Tel: +26 (0) 213 322 817 Tel: +26 (0) 213 322 603
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