



EHLANZENI
DISTRICT MUNICIPALITY

GROUP SCHEME INSURANCE POLICY FOR EHLANZENI DISTRICT MUNICIPALITY EMPLOYEES

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1. INTRODUCTION

The municipality to assist in protecting its employees, it has extended its insurance portfolio which offers a group risk insurance scheme designed to insure employees in the event of accidental death, temporal disability or permanent disability caused by an accident while working.

2. OBJECTIVES

- a) To provide a framework for management of group accident insurance cover to all the Municipality employees.
- b) To address and extend to all municipal officials benefits in terms of a group scheme insurance and other stated benefits.
- c) To make a provision for support to be given to any member of staff in the event of accidental death/injury, temporary and or permanent disability.
- d) To provide employees an insurance cover under a single master life insurance policy.
- e) The application of this policy shall be balanced with the interests of the Municipality and its employees

3. DEFINITIONS

In this policy, unless the context indicates otherwise-

- a) **"accidental death"** means an unnatural death that is caused by an accident such as a slip and fall, traffic collision, or accidental poisoning. Accidental deaths are distinguished from death by natural causes and from intentional homicides and suicide.
- b) **"accidental Temporary total disability"** means disablement prevents the Insured person from attending to a substantial part of the Insured's business or occupation.
- c) **"beneficiary"** means - (a) a person nominated by the employee as the person in respect of whom the insurer should meet policy benefits; or (b) in the case of a group scheme, a person nominated by the group scheme or member of the group scheme or otherwise determined in accordance with the rules of that group scheme as the person in respect of whom the insurer should meet policy benefits;
- d) **"claim"** means, unless the context indicates otherwise, a demand for policy benefits by a person in relation to a policy, irrespective of whether or not the person's demand is valid.
- e) **"claimant"** means a person who makes a claim;
- f) **"employee"** means any person, permanent, contractual or temporary excluding an independent contractor, who works for the Ehlanzeni District Municipality and entitled to receive remuneration.
- g) **"excesses"** means amounts payable or borne by the Insured in the event of claims or losses under a policy;
- h) **"exclusions"** means a loss or risk event not covered under a policy;
- i) **"group life insurance"** means a type of life insurance in which a single contract covers an entire group of people and the policy owner is an employer;

- j) **Insurance Ombudsmen** means an appointed by the Governing Body empowered to entertain complaints on the following aspects in respect of personal life insurances: Any partial or total repudiation of claims by an insurer or any dispute in regard to premium paid or payable in terms of the policy.
- k) **“insured”** means the Ehlanzeni District Municipality.
- l) **“insurer”** means the appointed Insurance company
- m) **“member of a group scheme”** means - (a) a person who participates in a group scheme to insure him or herself; or (b) a person who participates in a group scheme to insure the lives of one or more other persons in which the first -mentioned person has an insurable interest;
- n) **“non-accidental injury or physical abuse”** means any bodily injury that is deliberately inflicted on a vulnerable person that is considered unacceptable in a given culture at a given time. This may include hitting, kicking, burning, biting or choking.
- o) **“non accidental death”** means any case of death of a person either; where there is no identifiable incident or trauma involved, or. which is the result of an apparent suicide.
- p) **“related service”** means any service or benefit provided or made available by an insurer or any associate of that insurer, together with or in connection with any policy or policy benefit;
- q) **“temporary worker”** means a worker whose services are furnished to another on a part-time or temporary basis to fill a work assignment with a finite ending date to support or supplement a workforce in situations resulting from employee absences, skill shortages, seasonal workloads, and special assignments and projects.

4. LEGISLATIVE FRAMEWORK

For the purpose of this policy the legislative framework is as follows:

- a) Constitution of SA, 108 of 1996, Chapter 2
- b) Basic Conditions of Employment Act, 75 of 1997, as amended
- c) Short -term Insurance Act, 1998 (Act No. 53 of 1998), and it promulgated Regulations
- d) Financial Advisory and Intermediary Services Act of 2002 (Act no 37 of 2002)

5. SCOPE AND APPLICATION OF THIS POLICY

- a) This policy will apply to all temporary, contract (Municipal Manager and Managers reporting directly to the Municipal Manager), permanent employees of the Municipality.
- b) Provisions of this policy will be binding to Council, Management and Employees of the Municipality.
- c) Application of this policy may not be extended to non-employees of the Municipality.
- d) Application of Special Insurance risk for Councillors shall be dealt with in accordance with the Councillor’s Upper limits determination.

6. DELEGATIONS

- a) The responsibility to ensure that the Group insurance premiums are paid timeously lies with Finance (Payroll unit) as well as adjustment of the premium rate on the payroll system from time to time in consultation with the Insurer.
- b) The Human Resource section to ensure that all claims on arising from this group insurance cover are completed in the prescribed claim form to the Insurance company/Insurance broker and submitted in liaison with the Finance Department and the claimant.
- c) Human Resource unit and finance to keep a register with progress of each claim related to the group scheme insurance.

7. POLICY PROVISIONS

- a) The Municipality shall have a Group Accident Insurance which has a basis of 24hour coverage to its employees fulltime and temporary workers.
- b) The insurance cover shall be applicable only in the event of accidental death, accidental injury, temporary disability caused by accident and permanent disability caused by an accident and any other situations that cannot be controlled and deemed accidental.
- c) The Insurance against accidents shall be paid by Ehlanzeni District Municipality and by employees, on a 50/50 basis at a rate determined by an actuary of the Insurer based on a number of assumptions which includes the following: estimated future pay raises, estimated number of employees, estimated employee mortality rates and estimated interest costs.

- d) All employees of the insured (Municipality) the following schedule of benefits shall be applicable:

<u>Circumstances</u>	<u>Compensation (Benefit)</u>
Accidental Death	5 times annual salary
Permanent Disability (caused by accident)	% of death benefit
Temporary Total Disability (caused by accident)	100% of average weekly earnings per week for a period not longer than 104 weeks (first week is excluded)

- e) The schedule of the Insurer with indicative amounts shall also be extended to all employees in the event of accidental death/or accident with the following benefits which will be subject to standard policy wording of the Insurer:

- Repatriation costs
- Additional death benefit,
- Mobility costs,
- Medical expenses; and;
- Relocation costs.

8. POLICY EXCLUSIONS/LIMITATIONS

- a) The Group Scheme Insurance will not cover the following:
- Natural Death;
 - Death caused by an existing medical condition, physical defect or other Health-related Issues (heart attacks, kidney failures, HIV/AIDS, Covid-19 etc);
 - Death by Suicide or intentional self-inflicted injuries or exposure to obvious risk of injury (unless in an attempt to save human life);
 - Being under the influence of drugs or narcotics;
 - Being under the influence of or in a state of intoxication of any controlling substance whilst driving any motorised or mechanically operated vehicle as per statutory limit unless administered under the advice of a physician and taken as prescribed;
 - Homicide;
 - Any mental and or nervous disorders or any like condition arising from or attributable to stress or stress related situations;
 - Tsunami or Natural Calamity/disaster;
 - Whilst participating in any riot or civil commotion public disorder or arising from war, invasion;
 - Death arising directly or indirectly from radioactive contamination;
 - Or any natural death subject to standard policy wording in the policy document of the Insurer;
- b) The coverage shall not continue or follow the employee if the event the employee leaves the Municipality for whatsoever reason.
- c) The coverage does not preclude employees to have their own life insurance in place nor the pension fund joined when in the employ of the Municipality.

9. OBLIGATIONS OF THE EMPLOYER

The Employer shall:

- a) submit to the Insurer the total number of employees as well as the total salary bill on an annual basis for calculations of the contributions
- b) In the event of an accident/accidental death or whatsoever circumstance notify or lodge a claim with the Insurer within 30 days of the accident.
- c) adjust the percentage according to the schedule of the Insurer to ensure that the correct premium is paid on an annual basis.
- d) pay over what is due to the claimant and or nominated beneficiary in respect of whom the Insurer should meet policy benefits in the event a claim is successfully processed and paid over by the Insurer.
- e) inform the employees of any variation or means any act that results in a change to the premium, any term, condition, policy benefit, any exclusion or the duration the short-term insurance
- f) enter into a Service Level Agreement with the Council insurer which will be inclusive of the Group scheme benefit

- g) In the event of intended withdrawal or termination of the group scheme insurance by the employer for whatsoever reason, employees be notified accordingly as reasonably possible.

10. OBLIGATIONS OF THE INSURER

The Insurer shall:

- a) at all times, act with due skill, diligence and professionally when dealing or in any engagement with the Insured.
- b) process all claims submitted by the Employer and communicate all details required.
- c) promptly and fairly investigate every claim submitted.
- d) In the event the insurer denies the claim, it must give an explanation to the Insured the reason/s for the denial so that he or she can respond appropriately.
- e) Claims processed successfully shall be paid to the Insured.
- f) disclose significant facts or circumstances it uncovers to the Insured and throughout its investigation into a claim.
- g) inform the Insured of any variation or any act that results in a change to the premium, any term, terms and conditions, policy benefit, any exclusion or the duration the short-term insurance.
- h) use plain language as a means communication that is clear and easy to understand, avoids uncertainty or confusion; adequate and appropriate in the circumstances, taking into account the factually established or reasonably assumed level of knowledge of the person or average persons at whom the communication is targeted.
- i) not charge a member of a group scheme any fee or charge in addition to the premium payable under the policy.
- j) have an effective data management framework that includes appropriate strategies, policies, systems, processes and controls relating to the processing of any data which enables the Insured at all times to have access, as and when required, to data that is up-to -date, accurate and reliable.
- k) Have an effective claims management system and representative/independent intermediary mandated to manage and oversee the implementation of the Insured claims
- l) not harass or intimidate the Insured during the claims process, ask the Insured to make false statements or threaten to cancel a policy if the Insured does not accept a proposed claim settlement amount.
- m) act without discrimination and cannot restrict the terms or benefits listed in an insurance policy because of the Insured member's marital status, race, disabilities, religion or sexual orientation.
- n) Inform the Insured of what cooling-off rights are offered and procedures for the exercise thereof
- o) Inform the Insured of concise details of any significant exclusions and limitations
- p) from time to time review its policies and procedures and document any changes thereto.

11. OBLIGATIONS OF THE EMPLOYEES

The Employee shall:

- a) inform the Municipality of any accident related as per the conditions of the Group Insurance scheme to the enable the Insured to lodge the claim within 30days of the accident.
- b) Comply with the terms and conditions as required by the Insured and the Insurer

- c) nominate a beneficiary in accordance with the rules of that group scheme as the person in respect of whom the insurer should meet policy benefits;

12. DETERMINATION OF PREMIUMS AND EXCESSES

- a) For the purposes of calculating the premium, the estimated annual earnings for the forthcoming twelve months must be indicated in where the Stated benefits have been requested as well as the breakdown of the employees into the various categories/occupations
- b) A premium payable under this policy and the manner in and extent to which the risk of loss is borne by the Insured through the use of excesses must reasonable balance the interest of the Insurer and the reasonable benefit expectations of the Insured or members of a group scheme and be based on assumptions that are realistic and that the insurer believes are likely to be met over the term of the policy

13. DISPUTE RESOLUTION

- a) Any dispute arising from the provisions of this policy shall be dealt with by the Insured in terms of the Short-term Insurance Act and its applicable regulations

14. EFFECTIVE DATE

- a) This policy will become effective from date of approval by Council.

15. REVIEWAL OF THE POLICY

- a) This policy will be reviewed as and when required and when there are material changes as prescribed or whichever comes first.