

## Myriad transition arrangement for Multiply Premier members

### A tale of two discount programmes

Momentum Myriad is synonymous with accurate pricing. Over the last 20 years, our clients have benefited from it with Momentum Interactive discounts as well as additional and annually reviewable discounts based on their Multiply Premier membership. As a reminder, Momentum Interactive is Myriad's discount programme, and membership is a prerequisite for Interactive discounts and features, of which Multiply discounts form part. For their dynamic Multiply discounts, clients had to engage regularly to improve their Healthy Heart Score, physical activity level (Active Dayz™ or Fitness Assessment) and status. In our experience, a minority of clients joined Multiply over time and even fewer of them actively and consistently engaged with the programme to receive or maintain their Myriad policy discounts. Only 25% (a quarter) of Myriad clients also have Multiply membership, while less than 15% are benefitting from a Multiply discount on their Myriad policies. Momentum Interactive was, by far, the most actively supported with a take-up rate of almost 96%.

### A need for simplicity

Analysing this disparity, our data insights, supported by client and adviser feedback, tell us that clients need simpler premium discount models with more certainty, both at point of sale and during the lifetime of the policy. We have also realised that, where ongoing engagement is required, it should be hassle-free

and at no additional cost.

### A new solution underway

Based on these insights and Momentum's new approach to wellness and rewards, Momentum Myriad will introduce a revolutionary new approach to risk selection and discounts in September 2022. It will be more inclusive, benefit more clients and enable us to help more clients on their journey to success. As part of the new approach, Myriad will de-link client policy discounts from Multiply Premier membership from 1 January 2024.

### Our living product philosophy

Our new solution will improve the perceived weaknesses of current programmes and, in line with our living product philosophy,

make it possible for existing clients to also benefit from the change. An easy alteration will enable existing Momentum Interactive clients to migrate to our new solution; more information on this will be shared when we launch.

### A long-term protected discount strategy for Myriad clients with Multiply Premier

When we de-link the discounts, a long-term protected discount transition arrangement will be implemented for all Myriad policyholders who benefit from additional discounts based on their Multiply Premier membership; this is explained in more detail below. Affected clients will benefit from a long-term

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protected discount without having to fulfil the Multiply discount requirements (pay membership fees, do annual health and fitness activities, acquire active days, etc.) which they must comply with now to earn the additional Myriad discounts. The long-term protected discount will see clients benefiting from a reduced discount compared to that offered on the 2022 Multiply discount grid. However, with the protected discount - that will remain on their Myriad policy without any further Multiply requirements or cost - they will gain long-term premium certainty.

## Honouring client expectations means we are acting in good faith

With the long-term protected discount, we also acknowledge that, although the Multiply related Myriad discounts were designed as a dynamic model without any long-term guarantees, clients have become used to these additional discounts. Momentum wants to honour this expectation by providing significant long-term certainty without any obligation on clients for further Multiply related engagements. In addition, where discounts will decrease because of the change, we want to make the transition as smooth as possible for affected clients.

## How will it work?

On 1 January 2024, when Myriad discounts will be de-linked from a client's Multiply Premier membership, the transition to the long-term protected discount will start.

From then onwards, clients will no longer have to validate their Multiply-related Myriad discounts.

Clients will be slowly transitioned from their Multiply discount levels, based on a valid Healthy Heart Score and physical activity

level (Active Dayz™ or Fitness Assessment) at the end of 2023 and Multiply status as at the start of 2024, to their long-term protected discounts as illustrated in the long-term protected discount grid below.

## Earning discounts until the end of 2023

Until 31 December 2023, standard rules and processes for earning Multiply related Myriad discounts continue to apply and clients can continue to engage with the Multiply programme to earn discounts.

*Affected clients will benefit from a long-term protected discount without having to fulfil the Multiply discount requirements which they must comply with now to earn the additional Myriad discounts.*

*The long-term protected discount will see clients benefiting from a reduced discount compared to that offered on the 2022 Multiply discount grid. However, with the protected discount - that will remain on their Myriad policy without any further Multiply requirements or cost - they will gain long-term premium certainty.*

## Discounts applicable from 2024 onward

From 1 January 2024, as part of the long-term protected discount transition arrangement, clients will experience a small annual decrease in their discount level until they reach the protected discount level they qualify for, whereafter it will remain stable.

On 1 January 2024, the discount percentage that applies to each client will be reduced by an initial five percentage points and by 2.5 percentage points every January thereafter, until they reach their long-term protected discount level.

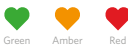
## Determining the long-term protected discount level

At the beginning of 2024, Momentum will calculate the long-term protected discount level that will apply to each client, based on the following criteria:

- The valid Healthy Heart Score result at the end of 2023.
- The valid physical activity level (Active Dayz™ or Fitness Assessment) as at the end of 2023, adjusted for a MaxFit Tier 1, 2 and 3 long-term protected discount percentage



Table1: Long-term protected discount grid

Healthy Heart Score	Physical activity level (Average Active Dayz™ or Fitness assessment level)		Bronze	Silver	Gold	Platinum	Private Club*
 Green Amber Red	<div>MaxFit</div>	Tier 3	10%	15%	20%	30%	40%
		Tier 2	7.5%	12.5%	17.5%	25%	35%
		Tier 1	5%	10%	15%	20%	30%
	12+ p.m. or Level 4		5%	10%	15%	20%	30%
 Green Amber Red	8+ p.m. or Level 3		0%	5%	10%	15%	20%
	4+ p.m. or Level 2		0%	0%	5%	10%	15%
 Green Amber Red	0+ p.m. or Level 1		0%	0%	5%	10%	15%

\* Two years membership is required for Private Club Status  
Tier 3 - requires a fitness assessment with a MaxFit result in 2021/2022/2023.  
Tier 2 - requires two fitness assessments, with MaxFit results. One between 1 January 2022 and 31 March 2023, and another between 1 July 2023 and 31 December 2023.  
Tier 1 - requires a fitness assessment with a MaxFit result in 2023.

- The Multiply Premier status earned at the end of 2023 for the 2024 calendar year (i.e. the 2024 Multiply Premier status)

The protected discount levels, illustrated in the long-term protected discount grid above, will replace the current Multiply discount grid discounts for affected clients and indicates what discounts will apply as long-term protected discounts:

Practical example 1

During 2023, John retains his Platinum Multiply Premier status for 2024, achieves a fitness level 4 and an amber Healthy Heart Score. John enjoys a 30% discount at the end of 2023 and, according to the protected discount grid above, his protected discount will be 20%. At the beginning of 2024, John's discount will immediately reduce to 25% (5 percentage points lower than 30%) and at the beginning of 2025, to 22.5% (2.5 percentage points lower than 25%). Finally, again at the beginning of 2026, it reduces to 20% (2.5 percentage points lower than 20%), where it will remain.

Continued value where Momentum Interactive discount exceeds the protected discount

Where clients are benefiting from a Momentum Interactive discount or any other permanent special discount that exceeds the protected discounts shown above, the higher

of the two discounts will apply provided that the clients continue to complete their three-yearly Momentum Interactive reassessments on momentum.co.za. This excludes any temporary guaranteed discounts offered as part of Interactive new business special offers.

Practical example 2

Peter enjoys a 25% Multiply discount and qualifies for a long-term protected discount of 15% in accordance with the discount grid above. However, Peter's Momentum Interactive discount is equal to 20%. At the beginning of 2024, Peter's discount will reduce to 20% (5 percentage points lower than 25%) and thereafter further reductions will only apply if his Momentum Interactive discount reduces, but his discount will not reduce below his long-term protected discount of 15%.

Clients have become used to these additional discounts. Momentum wants to honour this expectation by providing significant long-term certainty without any obligation on clients in return.

Future cover increases will also benefit from the protected discount

After 2024, clients will be able to add new benefits or increase cover on their existing policies that have a long-term protected discount; the protected discount will also apply to these changes. The only restriction is that new insured lives cannot be added to these policies from 1 December 2022.



## How to earn the best possible long-term protected discount

Until the end of 2023, nothing changes, and clients will still be able to improve their physical activity level (Active Dayz™ or Fitness Assessment), Healthy Heart Score and Multiply Premier status to get the most out of their Multiply related Myriad discount. For the best possible long-term protected discount, clients should try to meet the requirements for the MaxFit tier 3 long-term protected discount as indicated in the long-term protected discount grid.

### Practical example 3

During 2023, Clive qualifies to retain his Private Club Multiply Premier status for 2024, achieves a level 5 (MaxFit) fitness assessment result and a green Healthy Heart Score. Clive enjoys a 60% discount at the end of 2023. However, Clive only achieved a MaxFit fitness level in 2023 and therefore his long-term protected discount, according to the protected discount grid above, will be 30% as he only qualified for a MaxFit tier 1 long-term protected discount. Had he achieved a MaxFit fitness assessment result in 2021, 2022 and 2023 he would have qualified for a MaxFit tier 3 long-term protected discount.



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