



OLD MUTUAL WITH PROFIT ANNUITY-KEY FACT STATEMENT

INSURE | LEND | INVEST



INTRODUCTION

This document is a guide to help you understand your **OLD MUTUAL WITH PROFIT ANNUITY PRODUCT**. It does not replace your With Profit Annuity Contract, which contains the terms and conditions that apply to your policy and is provided to you when you complete an application form.

TYPE OF PRODUCT

Old Mutual With-Profit Annuity Product provides monthly retirement income until your death. The Malawi Pensions Act allows you to commute a portion of your pension savings (currently up to 50%) as a lump sum upon retirement. You may then use the remaining balance to purchase an annuity from Old Mutual Life Assurance Company (OMLAC) or another annuity provider.

The monthly retirement income often referred to as **monthly pension** receives annual increases, making it suitable for the Malawian environment where inflation is relatively high. It aims to support real growth in your retirement income throughout your retirement years.

Monthly retirement income values are dependent on the lumpsum value used at purchase and also your gender. The categorisation can be found in the document headed "Premium amount for the product."

The annual increases depend on bonuses declared at the end of each year and become effective from 1st January of the following year. Once a bonus increase has been declared, it becomes part of your guaranteed pension income and cannot be reduced.

The product also provides a guaranteed payment period that range from 0 years, 5 years and 10 years.

The product has a minimum entry age of 50 years and its maximum entry age of 90 years for group transfers and 70 years for individual transfers.

PRODUCT TYPES

1. SINGLE LIFE ANNUITY

For a single life annuity, the monthly pension is payable to you for the rest of your life. You may choose a guaranteed payment period of either 5 years or 10 years. If you pass away within the selected guarantee period, Old Mutual will continue making the remaining monthly pension payments up to the end of the guarantee period to your nominated beneficiary or rightful dependant. If not, the selected beneficiary can withdraw the monetary value of the funds under the guarantee period.

In such cases, supporting documentation, including proof of identity, bank details, and where applicable, a marriage certificate for the eligible spouse, may be required. However, if death occurs after the guarantee period has ended, no further pension payments will be made to beneficiaries.



2. JOINT LIFE ANNUITY

For a joint life annuity, you may choose a second life (usually your spouse) at the point of purchase, who will continue receiving a portion of the pension in the event of your death. The proportion payable to the surviving spouse may be selected as 50%, 75%, or 100% of the pension and must be chosen when the annuity is purchased.

- If you pass away before your spouse during the guarantee period, the spouse will continue to receive 100% of the pension until the end of the guarantee period. Thereafter, the pension payable will be reduced to the proportion selected at the point of purchase. If death occurs after the guarantee period, the surviving spouse will continue to receive the selected proportion of the pension for life.
- If you pass away after the death of the second life and this occurs within the guarantee period, the remaining pension payments up to the end of the guarantee period will be paid to your nominated beneficiaries. However, if death occurs after the guarantee period has ended, no further payments will be made to beneficiaries.

PRODUCT BENEFITS

At the end of each year, Old Mutual will determine the return made from the pensioners' investment pool and declare a bonus increment to the pensioners. Once an increase is declared it is added to the guaranteed income and can never be taken away.

The increased amount is based on the pensioner's current monthly pension. This results in significant growth in a pensioner's income over the years.

The chart below is a demonstration of how a K1,000.00 would have grown over the years using the pensioners' increments versus how it would grow if increment were based on inflation rate.





The table below shows the increments that Old Mutual has been declaring to the With Profit Annuity pensioners compared with inflation. Please note that past performance is not a guarantee of future performance.

Year	Increment	Average Inflation	Increment	Monthly Pension
2026	60.0%		1,262,473.00	3,366,594.66
2025	20.0%	28.4%	350,686.94	2,104,121.66
2024	25.0%	32.3%	350,686.94	1,753,434.72
2023	18.0%	28.8%	213,978.47	1,402,747.78
2022	8.0%	21.0%	88,056.99	1,188,769.30
2021	7.5%	9.3%	76,793.88	1,100,712.32
2020	11.0%	8.6%	101,469.39	1,023,918.43
2019	16.0%	9.4%	127,234.35	922,449.04
2018	17.0%	11.0%	115,544.01	795,214.69
2017	13.5%	21.8%	80,841.89	679,670.67
2016	25.0%	24.9%	119,765.76	598,828.79
2015	35.0%	21.9%	124,201.53	479,063.03
2014	30.0%	24.5%	81,891.12	354,861.50
2013	12.0%	31.5%	29,246.83	272,970.39
2012	7.0%	11.0%	15,944.53	243,723.56
2011	7.0%	6.9%	14,901.43	227,779.03
2010	7.0%	7.8%	13,926.57	212,877.60
2009	30.0%	7.6%	45,911.78	198,951.03
2008	55.0%	9.9%	54,304.25	153,039.25
2007	55.0%	7.5%	35,035.00	98,735.00
2006	40.0%	10.1%	18,200.00	63,700.00
2005	30.0%	16.5%	10,500.00	45,500.00

ADDITIONAL BENEFITS

1. Funeral Cover

The funeral cover is funded by allocating a portion of the initial purchase amount to the funeral benefit as an upfront single premium. The level of funeral cover is selected by the Pensioner at the time of the initial annuity purchase.



The funeral cover is payable when the person covered dies. On the death of any of the lives covered on the Annuity, a separate funeral cover can then be paid out to separate beneficiaries. The following charges apply to the funeral option in addition to the general charges:

- Initial set up fee - K10,000.00
- Monthly Charge – 1% of the monthly pension.

The funeral cover starts immediately when an annuitant is enrolled in the annuity book with the cover selected.

2. Medical Aid Cover

This is an optional medical cover called **Chipatala Scheme** and is available to Old Mutual With-Profit Annuity clients. The scheme is provided in partnership with **Precious Medical Scheme**. It gives annuitants access to healthcare services across a wide network of facilities in Malawi, including major referral government hospitals, mission hospitals, and selected private clinics. Service providers are available in all districts, ensuring nationwide access to medical care.

Clients who require broader medical coverage may upgrade to higher benefit schemes such as Silver, Super, Gold, or Gold Plus, which provide access to a wider range of private healthcare facilities.

Eligibility is limited to members of the Old Mutual With-Profit Annuity. New members may opt into the scheme during application, while existing members can join by submitting written instructions and completing a medical health form. The cover is optional, with a monthly premium of MK8,650 deducted from the annuity. Coverage remains active as long as premiums are paid and is subject to annual limits. There is no waiting period, and essential and emergency treatments are covered without shortfalls under the scheme.

The medical cover starts immediately upon the deduction of the premium.

PREMIUM FOR THE PRODUCT

The annuity income and funeral benefit under this product are purchased using a single lump sum premium paid at the start of the policy. No regular premium payments or additional top-ups are permitted after the annuity has been purchased, except for delayed interest or dividend payments from the retirement fund source and existing annuitants who wish to add the funeral benefit. The purchase amount may be made up of funds combined from different sources.

For the optional medical cover, premiums are deducted monthly from the annuity payments. There is no maximum limit on the initial purchase amount.



Premiums may be refunded if the medical cover policy is terminated due to misrepresentation.

PREMIUM AMOUNT FOR THE PRODUCT

The product does not have set minimum monthly pension. The monthly pension value is determined by several factors namely;

- The retiree's fund value at retirement
- The retiree's pension type selected
- The retiree's age
- The retiree's gender
- The retiree's guarantee period choice
- The retiree's benefit options

Below is a sample of income payments based on one of the above criteria.

RETIREMENT OPTION: JOINT ANNUITY WITH CONSIDERATION OF K40,000,000.00		
Joint Life Annuity	Male Customer Monthly Pension Amount - 10 yr Guaranteed Period	Female Customer Monthly Pension Amount - 10 yr Guaranteed Period
Monthly Pension Without Funeral Cover	K160,626	K164,000
Monthly Pension with 1 Times Funeral Cover	K160,003	K163,421
Monthly Pension with 2 Times Funeral Cover	K159,424	K162,886
Monthly Pension with 3 Times Funeral Cover	K158,850	K162,355
Monthly Pension with 4 Times Funeral Cover	K158,279	K161,828
Monthly Pension with 5 Times Funeral Cover	K157,713	K161,303
Monthly Pension with 6 Times Funeral Cover	K157,151	K160,783
Monthly Pension with 7 Times Funeral Cover	K156,593	K160,265
Monthly Pension with 8 Times Funeral Cover	K156,038	K159,751
Monthly Pension with 9 Times Funeral Cover	K155,488	K159,241
Monthly Pension with 10 Times Funeral Cover	K154,941	K158,733



PRODUCT FEES AND CHARGES

The annuity is subject to a range of fees and charges, which are applied at both inception and throughout the duration of the policy. These charges impact the overall value of the annuity and should be considered when assessing the product.

A summary of the applicable fees is presented in the table below.

FEES AND CHARGES

DESCRIPTION	CHARGES/FEES
Initial Administrative Fee	0.50%
Initial set up fees	MK 3,500
Commission Deducted upfront	0%-2.5% incl. VAT of perchance/top up amount
Investment fees	0.4% per annum
Ongoing Admin Fee (deducted at fund level – Annuity in Payments)	3%
Minimum Ongoing Admin Fee	MK250
Maximum Ongoing Admin Fee	MK3,400
Discontinue Fee	MK1,100
Disinvestment Fee	1%
Discount Rate	3.50%
Annuity Commutation Admin Fee	3%
Maximum Monthly Commutation Admin Fee	MK3,400
Residual Fee Percentage	1.50%
Quote Recurring Percentage Expenses	3%
Funeral Benefit Cost (Once off)	MK10,000
Capital Charge	1%

Note that;

All fees are not deducted from the monthly pension but debited to the pensioners' fund. The fees are subject to review from time to time.



The benefit payable under the annuity takes the form of a monthly pension. For with-profit annuities, this pension is subject to annual increases, which are typically linked to the performance of the underlying assets. In contrast, non-profit annuities provide a fixed monthly pension with no annual increases.

EXCLUSIONS UNDER THE PRODUCT

- No cover is provided for clients in ill health at inception.
- Benefits are payable for life, with death benefits subject to the guarantee period.

Misrepresentation or fraud may lead to policy cancellation.

PRODUCT TERM

There is no fixed contract term under this annuity product, as it is designed to provide you with a guaranteed income for life. However, the product includes a guaranteed payment period, which is selected at the start of the policy and cannot be changed thereafter. The guarantee period ensures that the pension income will continue to be paid for the selected period, regardless of whether the annuitant or annuitants survive during that time.

If no guarantee period is selected, pension payments will stop upon the death of the annuitant in the case of a single life annuity, or upon the death of the last surviving life covered under a joint life annuity.

If the last surviving annuitant passes away during the guarantee period, the remaining guaranteed payments will be payable to the nominated beneficiary or beneficiaries. Where there is more than one beneficiary, the remaining value will be paid as an equal lump sum to all beneficiaries. Where there is only one beneficiary, the beneficiary may choose either to continue receiving the remaining guaranteed payments at the existing payment frequency or to receive the remaining value as a lump sum.

Any lump sum payable will be determined using the commutation value, which represents the present value of the remaining guaranteed pension payments based on the prevailing pricing basis.

PAYMENT OF PRODUCT BENEFITS

All annuity payments will be made by the last day of the applicable month. The first payment for the annuity will be made on the next schedule payment date, where this is possible. The first annuity payment should be paid within one month from the issue date.

The issue date is the date when all requirements have been received, and contract is issued, i.e. the date on which the contract starts. If an income payment date falls on a non-banking day (i.e. weekend or public holiday), the payment must occur on the previous working day.



After the guaranteed terms have lapsed, Old Mutual requires every pensioner to confirm their current contact and bank details as a way of confirming that the monthly pension is being received by the rightful beneficiary. The process is as follows:

- A Certificate of Existence form is sent out on 1st September to the pensioners' address in Old Mutual's records. Pensioners are also advised to visit Old Mutual Offices in Blantyre, Lilongwe and Mzuzu to collect and fill in the forms.
- Once the forms have been filled out and certified by the legible officers indicated on the form they must be returned to Old Mutual as soon as possible but before 1st January the following year.
- If a duly filled form is not received back by 1st January Old Mutual will suspend payment of monthly pension until pensioner brings completed certificate of existence form. Once this is received pension payments resume with arrears.

It is important that pensioners must have valid and acceptable identification documents (passport, driver's license, voter's identity, national identity card) as these are required when filling in a form.

CLAIMS PAYMENT

Once a claim has been validated and approved, the benefit amount will need to be paid within 48 hours (excluding weekends and public holidays).

The claim will be paid into the Beneficiary's designated account used when submitting the claim. Old Mutual will manage all servicing of claims payments and is also responsible for depositing the benefit amount to the Beneficiary.

Following the death of the annuitant, the next of kin will be required to notify Old Mutual. In the case of a single life annuity:

Notification of death would immediately suspend the annuity payments, while the death is verified. The same will be done for the medical insurance cover.

For beneficiaries to access the funeral benefit, they will be required to submit

- A copy of the Life Assured's death certificate or
- A letter from the hospital confirming death or a letter from the village chief confirming death
- Their certified Identification Document (Nzika).



In the case of a joint life annuity:

Notification of death would immediately suspend the annuity payments, while the death is verified. The same will be done for the medical insurance cover. Upon verification, the applicable annuity will be paid to the Spouse upon receipt of the bank account details, Copy of ID and completion of an option form.

For beneficiaries to access the funeral benefit, they will be required to submit:

- A copy of the Life Assured's death certificate or - -
- A letter from the hospital confirming death or a letter from the village chief confirming death
- Their certified Identification Document (Nzika).

The documents must be submitted to Old Mutual Life offices.

RIGHTS OF BENEFICIARIES IN CASE OF DEATH OF THE POLICY HOLDER

If death of an annuitant occurs during the guarantee period, the spouse/beneficiary becomes the main benefactor and can receive annuity benefits up until the guarantee period is exhausted. There is no further annuity payment after the guarantee period and beneficiaries cannot benefit from the annuity if death occurs after this period

TERMINATION OF THE PRODUCT

Termination of the policy can occur in the following scenarios:

1. Death of the principal annuitant:
 - Outside the guaranteed term, for a single life annuity.
 - Outside the guaranteed term, provided that the second life is no longer alive.
 - Inside the guaranteed term: for a single life annuity, commutation paid to beneficiaries.
 - Inside the guaranteed term: for a joint life annuity provided that the second life is no longer alive, commutation paid to beneficiaries.
2. Misrepresentation.
3. Cancellation within the cool off period.

COOL OFF PERIOD

A fifteen-day cool-off period will apply to all purchases. Cool-off will be forfeited if any claim is made on the death of a covered life – either on the annuity or on the funeral rider benefit. In the case of a cool-off request, the full purchase amount (and related top-ups) will be returned to the customer, along with all charges, but less any income payments that were made.



COMPLAINTS HANDLING

Any complaint in respect of this policy is required to be made in writing together with any relevant supporting documentation and sent to the Customer Experience Manager via:

Physical Address:

Old Mutual Life Assurance Company
(Malawi) Ltd,
Old Mutual Building,
30 Glyn Jones Road,
Blantyre
Malawi

Postal Address:

Old Mutual Life Assurance Company
(Malawi) Ltd,
P.O. Box 393
Blantyre
Malawi

Alternatively, you can hand it in at any of our branches.

Resolution of the complaint will be made within the time limits as stated in the acknowledgment of your complaint letter and you will be kept informed throughout the process.

- If dissatisfied with the level or quality of service provided, and complaints have not been handled in a satisfactory manner, within stipulated timeframes, customers have a right to escalate complaints to the regulator, Reserve Bank of Malawi through the consumers protection and financial literacy unit via as below:
 1. email: complaints-handling@rbm.mw
 2. post: Consumer Protection and Financial Literacy Unit, Reserve Bank of Malawi, 10 Hannover Avenue, or P.O. Box 565, Blantyre.
 3. Telephone: +265 (0) 111 820 299/444
 4. Toll Free Line: 459 (TNM & Airtel)

NOTE: Customers can lodge a complaint to Old Mutual or appeal to Reserve Bank of Malawi **within 7 years** of lodging a complaint.

PRIVACY NOTICE

The policyholder's personal information is collected and processed in accordance with applicable data protection laws and company policies. This information is used solely for policy administration and related services and is treated with strict confidentiality.

Further details are contained in the Privacy Notice provided with the application form, which is also available on our website www.oldmutual.co.mw/about-us/privacy-policy/



If you wish to contact us, you can phone us or write to us at:

Physical Address:

Old Mutual Life Assurance Company
(Malawi) Ltd,
Old Mutual Building,
30 Glyn Jones Road,
Blantyre
Malawi

Postal Address:

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Phone : +265 111 820 773
Fax : +265 111 822 649
Email : info@oldmutual.co.mw
Website : <https://www.oldmutual.co.mw/>

I have read and understood the Key Fact Statement and the attached Privacy Notice relating to the policy I am applying for.

Name

Signature

Date

