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SOUTH AFRICAN NATIONAL DEFENCE FORCE
SUID-AFRIKAANSE NASIONALE WEERMAG

No. R. 1334 1 November 2002

AMENDMENT TO THE GENERAL REGULATIONS FOR THE SOUTH AFRICAN
NATIONAL DEFENCE FORCE AND THE RESERVE

The Minister of Defence has, under section 87(1)(rA) of the Defence Act, 1957 (Act No 44 of 1957), published the Regulations in the Schedule.
CHAPTER VIII

GROUP LIFE INSURANCE SCHEME FOR MEMBERS OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE

PART I: PRELIMINARY

Definitions

1. In this chapter, unless the context indicates otherwise-

   "actuary" means a fellow of an institute, faculty or society of actuaries approved by the Minister of Finance;

   "auditor" means an auditor registered in terms of the Public Accountants' and Auditors Act, 1991 (Act No 80 of 1991) and appointed in terms of the Regulations;

   "beneficiary" means a dependant or, if there is no dependant, then the person nominated by the member of the Scheme by virtue of the completion of the required beneficiary nomination form or if there is no beneficiary nomination form then the person(s) identified by the member of the Scheme in his or her last will and testament as the beneficiary or, if no such person has been identified, then a person identified in terms of the Intestate Succession Act, 1987 (Act No 81 of 1987);

   "Board" means the Board of Trustees contemplated in Regulation 8;

   "bodily injury and disability" means permanent impairment of a member's health status due to injury or disease;

   "calendar month" means a period extending from the first day of a month to the last day of that same month, both days being inclusive;

   "dependant" means-

   (a) the spouse or spouses of a member;

   (b) of necessity non-self-supporting child of a member of the Scheme (including an adopted child or step-child or a child born out of wedlock) in respect of whom the member is liable for family care and support; or

   (c) a family member of a member of the Scheme who is of necessity dependant on such member;

   "financial year" means a period extending from 1 April of a specific year until 31 March of the following year;

   "Impairment" means impairment as provided for in the Policy;

   "institution" means the institution contemplated in Regulation 10(a);

   "manager" means the authority contemplated in Regulation 11(a);

   "member of the Board" means a member appointed by the Minister in terms of Regulation 8(1);

   "member of the Scheme" means the person contemplated in Regulation 17;
"Minister" means the Minister of Defence;

"operational military-related service" means that activity, situation or action that is distinct from training or preparation for conducting of active military operations or contingencies, inside or outside the borders of the Republic as well as its territorial waters including, but not restricted to-

(a) military action against an enemy;
(b) action during any form of unrest or civil disorder, including action to maintain law and order in collaboration with the South African Police Service;
(c) all action with regard to border protection operations;
(d) service in compliance with the international obligations of the Republic regarding international bodies and other states, and which includes peace support operations and emergency relief;
(e) travelling to and from operational areas over the routes, as determined by the C SANDF;
(f) the travelling of Reserve Force members who voluntarily perform or are called up for military service, over the shortest route from their usual place of residence to the reporting point and back;
(g) service in the preservation of life, health or property, including emergency and rescue operations;
(h) the authorised handling of and utilization of military equipment, whether during training or otherwise;
(i) training in the application of military tactics and doctrines;
(j) service in the provision or maintenance of essential services; and
(k) service in support of any state department for the purpose of socio-economic upliftment.

"Portfolio manager" means a portfolio manager contemplated in Regulation 10(d) and approved in terms of section 4 of the Stock Exchanges Control Act, 1985 (Act No 1 of 1985);

"permanent Impairment" means permanent impairment as provided for in the Policy;

"premium" means an amount determined by the Board of the scheme and a member's status as determined by the policy;

"principal officer" means a person contemplated in Regulation 11(d);

"registered insurer" means the institution registered or deemed to be registered as a long term insurer under the Long Term Insurance Act, 1998 (Act No 52 of 1998) and as contemplated in Regulation 10(b).

"Regular Force" means the Permanent Force;

"Reserve Force" means the Citizen Force (including Initial Military Service) or the Commando;

"Service" means the SA Army, SA Air Force, SA Navy and SA Military Health Service;
"spouse" means

(a) a person who is married to a member and which marriage is recognised as a valid marriage in terms of the Recognition of Customary Marriages Act, 1998 (Act No 120 of 1998); or the Marriage Act, 1961 (Act No 25 of 1961); or

(b) a partner (the partnership being either heterosexual or homosexual) in a permanent life partnership, if such partnership was attested before a Notary Public;

"Stabilisation Reserve Account" means that account established to ensure the liquidity and continuation of the Scheme as described in the policy;

"status" means a member with or without dependants as contemplated in Regulation 1.

"Surgeon-General" means the Surgeon-General of the SANDF or a medical officer acting on his or her behalf;

"the Act" means the Defence Act, 1957 (Act No 44 of 1957);

"the Policy" means the Policy of the Scheme contemplated in Regulation 10(e);

"the Reserve" means the Reserve as contemplated in section 6 of the Act;

"the Scheme" means the Group Life Insurance Scheme contemplated in Regulation 5;

"scheme anniversary" means the first day of April 1997, and the first day of April of each subsequent year; and

"scheme year" means a period of 12 months which commences on the scheme anniversary and ends on the day before the next scheme anniversary.

Statutory Authorisation

2. Section 87(1)(rA) of the Act, authorises this Chapter. The Minister has, in terms of Section 9(2)(a) and Section 80(2) of the Act, authorised the inclusion of Regular Force members and members of the Auxiliary Service respectively.

Scope of Application

3. This Chapter applies to all members of the SANDF referred to in Regulation 17.

Delegation of Authority

4. (1) The Minister, may in writing, delegate any power, duty or function which has, by this Chapter been conferred or imposed upon or entrusted to him or her, to an officer or official over whom he or she exercises control or authority, on such conditions he or she may determine.

(2) The delegation of powers, duty or function by the Minister does not prevent him or her from exercising the powers, duty or function personally.

PART II: ESTABLISHMENT OF SCHEME

Establishment of the Scheme

5. The Scheme is hereby established in accordance with the Act, as amended, and shall be known as the “Group Life Insurance Scheme for Members of the South African National Defence Force”. 
Registered Office of the Scheme

6. The Scheme shall maintain a registered office which address shall be published in the Policy.

Purpose of the Scheme

7. The purpose of the Scheme shall be to compensate members of the Scheme or their dependants or a member's beneficiary, as the case may be, within the framework of these Regulations and the Policy, in respect of bodily injury, disability or death occurring in the course of, or as a result of service in the SANDF.

PART III: MANAGEMENT OF THE SCHEME

Institution of the Board

8. (1) The Minister shall appoint a Board, which shall consist of at least-

(a) a chairperson;
(b) a representative of each of the Services, the Defence Secretariat, the Joint Operations Division, the Finance Division, the Defence Reserves Division, the Personnel Division, the Joint Support Division and the Defence Intelligence Division;
(c) a medical officer nominated by the Surgeon-General;
(d) the Sergeant-Major of the SANDF;
(e) the principal officer; and
(f) two representatives from those Military Trade Unions admitted to the Military Bargaining Council.

(2) The Minister may, if agreed thereto by the Minister of Finance, appoint a member of the Department of Finance as an observer on the Board.

(3) A member of the Board is appointed for a four-year term of office, which term may be extended by the Minister for an additional period of two years with the member's consent.

(4) A member of the Board, excluding the Chairperson, shall designate a secundus who, in the absence of such member, shall attend such meetings of the Board and shall participate in the proceedings thereof and have the right to cast a vote at such a meeting.

(5) In the absence of the Chairperson, the Board shall designate a chairperson from the members present at a meeting of the Board.

(6) The Board may at any time co-opt a person or persons to assist the Board in an advisory capacity in respect of the financial planning and management of the Scheme, the administration of the Scheme or the policy relating to the scheme.

(7) The Minister may dismiss a member of the Board or secundus from his or her post and may appoint another member in his or her stead who shall designate a secundus, as contemplated in Subregulation (4).

(8) The Minister may dismiss a member of the Board or his or her secundus if-

(a) he or she resigns his or her appointment;
(b) he or she becomes incapable of acting lawfully or becomes incapacitated;
(c) his or her estate is sequestrated or handed over to his or her creditors;

(d) he or she is found guilty by a court on a criminal offence;

(e) he or she is discharged by a competent court from a position of trust on the grounds of misconduct;

(f) he or she terminates his or her membership of the scheme as provided for in these Regulations; or

(g) the Scheme is dissolved in terms of these Regulations.

Management Committee of the Board

9. (1) The Board may appoint a Management Committee, which shall consist of members of the Board and who shall take decisions on matters on behalf of the Board in circumstances when such decisions cannot be postponed until a full sitting of the Board can be convened. The Management Committee shall consist of at least the Chairperson and three other members of the Board. The Board shall specify under which circumstances such decisions may be made.

(2) Any action or decision taken by the Management Committee shall be confirmed by the Board at an ensuing meeting. Should the Board not uphold a decision taken by the Management Committee, the Board shall, with due observance of the effect that the decision taken by the said Committee will have, determine measures to amend the decision accordingly.

Duties and Powers of the Board

10. The Board shall-

(a) obtain tenders from financial institutions and appoint a suitable tenderer (hereafter referred to as "the institution") who shall be responsible for the administration, financial management, and control of the Scheme (including investment, actuarial, management and secretarial services);

(b) obtain tenders from registered insurers and appoint a suitable tenderer (hereafter referred to as "the registered insurer") who shall be responsible for the underwriting of the Scheme;

(c) in collaboration with the institution, establish and maintain contracts for the management, administration and control of the Scheme;

(d) in collaboration with the institution appoint a portfolio manager for the Scheme;

(e) in collaboration with the institution and the registered insurer appointed on the same basis as prescribed in Regulation 10(a), procure an insurance policy (hereafter referred to as, "the Policy") and determine the Policy for the Scheme;

(f) enter into an agreement with the institution regarding the services to be rendered and the remuneration payable for the rendering of such services;

(g) in collaboration with the institution procure a fidelity guarantee and professional indemnity for the Scheme;

(h) ensure that the institution, portfolio manager and the registered insurer procure and maintain a fidelity guarantee and professional indemnity: Provided that the cost of such fidelity guarantee and professional indemnity not be borne by the Scheme or the Department of Defence;
(i) in consultation with the institution, determine the monthly premiums payable by members of the Scheme and the benefits provided by the Scheme;

(j) in co-operation with a registered insurer and in terms of Sec 2 of the Consolidation Act on Finance Acts (Act No 78 of 1992), obtain a written agreement, entered into by such insurer and the Government representative, in terms of which the Minister binds the Government of the Republic to indemnify such insurer against losses sustained under the Scheme on the terms and conditions set forth in the said agreement; and

(k) authorise persons to sign any contract or other document that commits the Scheme or any document empowering any action on behalf of the Scheme on such conditions as determined by the Board.

Appointments by the Board

11. The Board may-

(a) appoint a competent member of the Regular Force (or a retired member of that Force) or any employee of the Department of Defence, or any other civilian person who is not in the employ of the Department of Defence as manager of the Scheme to control, co-ordinate and perform the administrative duties related to the Scheme on behalf of the Board on a day to day basis: Provided that if such a person is not a member of the SANDF or an employee of the DOD, the fund shall carry the full cost of employment of such a person;

(b) appoint members of the SANDF or employees of the Department of Defence to assist the manager in the execution of his or her administrative tasks in respect of the Scheme;

(c) at any time co-opt a person or persons to assist the Board in any advisory or supportive capacity;

(d) appoint a competent member of the Regular Force, who may not be the manager, as principal officer of the Scheme and such principal officer shall be responsible for the execution of the functions and duties which are from time to time dedicated to him or her by the Board.

(e) appoint a Secretary to take minutes of every Board and Management Committee Meeting;

(f) delegate certain responsibilities to the principal officer; and

(g) outsource the administrative functions to the institution to control, co-ordinate and perform the administrative duties related to the Scheme on behalf of the Board on a day to day basis: Provided that the fund shall carry the full cost of such outsourcing.

Appointment of an Auditor

12. The Board shall appoint an auditor who shall have unrestricted access to all books, accounts and other documents of the Scheme.

Meetings and Decisions of the Board

13. (1) The Board shall convene as often as the Chairperson deems necessary, but at least twice every financial year, of which one meeting shall constitute an AGM.

(2) A quorum for a meeting of the Board constitutes a two-thirds attendance of the full number of Board members.
(3) A decision shall be reached by a majority vote of the members of the Board attending the meeting and, in the event of an equality of votes, the Chairperson of the meeting shall have the casting vote.

(4) A two-thirds majority of votes of the members of the Board attending a meeting shall be required for setting aside, amending or superseding any decision on the amounts of and the method of payment of claims in terms of the Policy or amendments thereto.

(5) The minutes of every meeting of the Board shall be minuted by a secretary designated by the chairperson and the minutes of the previous meeting shall, after approval, and after the Chairperson has signed them, serve as *prima facie* proof that the business, as minuted, was indeed the business of the previous meeting.

(6) A deed, contract, power of attorney, or any other similar document shall be deemed to have been executed on behalf of the Board or the Scheme, if it has been signed by one of the members of the Board, who is duly authorised thereto, or any other person or persons authorised thereto by the Board.

Legal Capacity

14. The Scheme is incorporated as a legal person independent of its members, is the owner of its assets and is competent to procure rights and incur liabilities in its own name and to act as claimant and defendant in litigation. The manager of the Scheme may, with the consent of the Board, or if the Board or the Management Committee cannot be convened timeously, on behalf of the Scheme, act to the aforementioned extent: Provided that any such actions, which can be taken only with the consent of the Chairperson, shall be submitted by the manager of the Scheme to the Board for confirmation at the next meeting.

Special Meeting of the Board

15. Any member of the Board may request the Chairperson, in writing, to convene a meeting of the Board to discuss the matters raised by the request. The Chairperson shall, without delay, inform the other members of the Board of such a request. Should the majority of the members of the Board support the request, the Chairperson shall convene a meeting of the Board within 30 days after having been informed. If the Chairperson fails to convene such a meeting within 30 days, the members of the Board may, after informing the Chairperson, convene a meeting themselves. If a quorum is present at such a meeting, the decision of the majority of members of the Board present at such meeting, subject to the provisions in Subregulation 13(4), shall be binding.

Work Processes of the Board

16. The Board may implement any additional measures regarding their method of work: Provided that such measures are not in conflict with the provisions contained in these Regulations.

PART IV: MEMBERSHIP

Membership of the Scheme

17. Each-

(a) member of the Regular Force;
(b) member of the Reserve Force component rendering service in terms of the Act;
(c) person doing military service in accordance with a ballot system in terms of the Act;
(d) member of the controlled reserve (with the exception of those members contemplated in Section 46(1)(a)(i) of the Act) who have been appointed in terms of the Act; and
any member contemplated in Regulation 19.(1)(f),

qualifies for membership of the Scheme with effect from the date that he or she reported for service in the SANDF: Provided that premiums are up to date.

Premiums Payable by Members

18. (1) Every member of the Scheme shall pay a premium as determined and approved by the Board in terms of his or her status as described in the Policy.

(2) The premium and the benefits payable in terms of the Policy may, on recommendation of the actuary, be adjusted from time to time by the Board: Provided that the Plenary Defence Staff Council be informed of all increases in premiums and benefits prior to their implementation.

(3) Any premium referred to in Subregulation (2) shall be deducted from such a member’s salary, wage or allowance by the employer, and shall be deposited into the operating account of the Scheme.

(4) Any change in the status of a member of the Scheme that may affect the premiums payable, shall be reported by the member when reporting for duty: Provided that failure to report a change in status by a member shall not oblige the Scheme to pay any benefit other than in accordance with the prior declared status of the member.

(5) The premiums payable by members of the Scheme shall be paid over to the institution within 15 days from the date upon which such deductions were effected: Provided that the full premium for any part of a month during which a Reserve Force member enjoyed such membership shall be recovered on a differentiated basis as determined by the Board and the short fall is to be recovered from the Reserve Fund.

(6) Notwithstanding the provisions of this regulation, a member of the SANDF may indicate in writing to the Board that he or she does not wish to become a member of the scheme, or that his or her membership of the scheme be terminated. Such a member forfeits all dues paid to the scheme and forfeits his or her right to enter into the scheme at any future date.

Termination of Membership

19. (1) Membership of the Scheme shall terminate when a member-

(a) of the Reserve Force arrives at his or her place of residence after having completed a period of service in the SANDF;

(b) whose health or physical fitness is adversely affected by his or her own misconduct: Provided that such a person has been found guilty of such an offence as provided for in Defence legislation;

(c) passes away;

(d) resigns from the SANDF;

(e) is discharged from the SANDF for any reason as provided for in the Regulations; or

(f) has at any stage received 100% compensation payment against an approved claim(s).

(2) When a member of the Scheme is absent without leave or in civilian detention and is subsequently found guilty by a competent court, he or she shall forfeit his or her benefits for the duration of such absence or detention in terms of the Policy of the Scheme.
(3) A member of the Scheme whose membership has been terminated in terms of Subregulation (1)(b) shall not be re-admitted to the Scheme at a later date: Provided that if the member submits recent and conclusive medical evidence of recovery, his or her re-admittance may be considered by the Board: Provided further that such evidence is corroborated by the Surgeon-General of the SANDF.

(4) Any premiums paid by a member of the Scheme in terms of Regulation 18, are not refundable to such member should his or her membership of the Scheme be terminated for the reasons contemplated in Subregulation (1).

(5) Membership of the scheme is terminated upon dissolution of the Scheme in terms of these Regulations.

PART V: BENEFITS

Benefits Payable by the Scheme

20. (1) The scale of benefits payable shall be based upon an internationally accepted standard which shall be described in the Policy, and shall be subject to annual revision.

(2) The percentage of the benefit payable to a member in the case of disablement or death, sustained either during operational military related-service or any other cause within the framework of the Policy, shall be prescribed in the Policy.

(3) The Board may, without negating the generality of the Policy, set aside any restrictions on the payment of claims as prescribed in the Policy.

(4) All claims for the payment of a benefit in terms of the Scheme-

(a) shall be submitted to the manager of the Scheme within six months from the date of death or from the commencement date of a disability;

(b) that result from bodily injuries, disabilities or deaths that occurred prior to the effective date of these Regulations shall be assessed in terms of the Regulations that prevailed immediately prior to such commencement;

(c) shall be submitted on the forms and according to the instructions laid down by the Board from time to time;

(d) resulting from operational military-related service shall be administered and recorded separately from all other claims;

(e) shall be recorded in a proper register which may be on an approved electronic medium;

(f) shall be assessed by the Surgeon-General in terms of the Policy, with regard to the ability to serve in the military as well as in the general labour market as norm, and the Surgeon-General shall also recommend a percentage of disability to each claim; and

(g) shall be submitted to the registered insurer for final approval and payment.

(5) When a claim is considered for the payment of a benefit, the premium paid by the claimant at the date of injury or death shall determine the amount payable.

(6) The benefits shall be payable as prescribed in the Policy.

(7) The Board may require satisfactory proof of age in respect of any minor beneficiary before a benefit is paid to or in respect of such beneficiary or member.
Currency of Payment

21. Premiums and benefits shall be payable only in the currency of the RSA.

PART VI: ADMINISTRATION

Duty to Keep Records

22. (1) The scheme shall keep such records as it deems necessary, and as prescribed by
the Board to ensure that the scheme is administered in a proper and accountable manner.

(2) The institution shall submit the following to the Board within twelve months after the
financial year end:

(a) All audited financial statements reflecting the assets, liabilities, income and
expenditure of the Scheme for the year concerned.

(b) A report on the performance of functions for the period concerned, as well as
the aims and planning in respect of the future activities of the Scheme.

(3) The financial statements contemplated in Subregulation (2)(a) shall, if so requested in
writing by a member of the Scheme, be made available to such a member.

Copy of the Policy

23. A copy of the Policy shall, if so requested in writing by a member of the Scheme or a
registered Military Trade Union, be made available to such a member or registered Military Trade
Union.

Process of Administration

24. The administrative processes of the Scheme shall be specified in the Policy: Provided that the
Policy shall be made available to all officers and officials who require such policy in the execution of
their duties.

Financing of the Scheme

25. (1) Notwithstanding the provisions relating to the payment of premiums by members of
the Scheme, the State shall guarantee a contribution or contributions to the Scheme as provided for in
the policy.

(2) Should financial circumstances so dictate, funds from the Stabilisation Reserve
Account may be utilised for the maintenance of the financial viability of the Scheme: Provided that the
Board shall ratify such utilisation.

Actuarial Valuation

26. The Scheme shall be subject to actuarial valuation on a basis as determined by the Board.

Accounting Procedures

27. (1) The Scheme shall keep and execute its financial responsibilities in accordance with
generally recognised accounting principles.

(2) The Scheme shall open and maintain a banking account at a registered commercial
bank within the boundaries of the RSA.
(3) The Scheme is responsible for the payment of all costs arising from the management of the Scheme including investment, actuarial, auditing and mediating costs.

Indemnity against Liability

28. The Board, the SANDF, any other person employed by the SANDF, a member or beneficiary of the Scheme, or any other official of the Scheme shall not be personally liable for any lawsuit, costs or expenses incurred as a result of any claim against the Scheme: Provided that such lawsuit, costs or expenses incurred are in accordance with the Policy, and excluding cases involving negligence, dishonesty or fraud.

Resolution of Disputes

29. Any dispute that may arise in respect of a claim in terms of the Regulations and the interpretation thereof, shall be resolved by the Board: Provided that if any party to the dispute is dissatisfied with the outcome, the Board may, with the approval of such party, refer the dispute for arbitration. The arbitrator shall be appointed by mutual agreement between the parties concerned. The arbitrator's decision shall be binding on the parties concerned.

Amendment of the Policy

30. The Policy may be amended by the registered insurer at any time in consultation with the actuary and the institution as contemplated in Regulation 10(a), as provided for in the Policy: Provided that the Board is informed in writing of such amendment and the reasons for the amendment.

PART VII: TERMINATION OF SCHEME

Termination of the Scheme

31. The Minister may for valid reasons or upon the recommendation of the Board, terminate the continuation of the Scheme.

32. Upon the termination of the Scheme, the Board shall, in consultation with the institution, ensure that all outstanding-

(a) premiums and any other moneys payable to the Scheme are collected; and that

(b) claims and any other moneys payable by the Scheme are settled: Provided that any credit balance shall be paid into the Stabilisation Reserve Fund of the Scheme.

33. Upon the termination of the Scheme, the Board, in consultation with the Minister, has the sole authority to invest any surplus funds in the Stabilisation Reserve Fund of the Scheme to the benefit of the members of the SANDF and their dependants or beneficiaries.