

BABEREKI DIGNITY PLAN (PTY) LTD PROFILE

Background

Babereki Dignity Plan Pty Ltd, hereinafter referred to as "Babereki", is a funeral brokerage company established by Basebenzi Investment Group (BIG), in partnership with Shandu Financial Solutions, hereinafter referred to as "Shandu", with a view to ensure that the Food and Allied Workers Union members, are covered for funeral benefits, and thereby receive a dignified send-off.

Therefore, Babereki has two share-holders namely, Basebenzi (80% majority share-holder) and Shandu (20% minority share-holder) respectively.

FAWU and Babereki, have a Service Level Agreement with the Safrican Insurance Company, and have formed a funeral scheme named the Food and Allied Workers Funeral Plan (FAWFP) for which Babereki is a broker. In addition, Babereki took over the brokering services in an identical scheme called FAWU Funeral Scheme established in 2002 with well-over 4300 members, and was administered by SALT/Thebe Employee Benefits, also underwritten by Safrican.

FAWU has, however, finally taken a decision to merge the 2 schemes into a one FAWU Funeral Plan (FAWFP) effective from 01 September 2017. Safrican will be taking over from SALT and become both the Administrator and Underwriter of FAWFP. Both the schemes have a combined membership of 14 069.

Babereki Governance

Presently Babereki has two directors. Katishi Masemola is a Board Chairperson in his capacity as Basebenzi CEO and Phumlani Mbatha is the Managing Director responsible for the day to day management of Babereki.

Katishi Masemola, in his capacity as an Acting CEO of Basebenzi, has been instrumental in the restructuring of Basebenzi Investment Company into a truly professional outfit and in its repositioning to benefit union members on employee benefits and financial services. Mr Masemola has the highest qualifications in MPhil (Economic Policy) degree from Stellenbosch University.

Phumlani Mbatha is a Key Individual in line with the Financial Services Board (FSB) requirements for an authorized FSP. He has considerable knowledge in the financial sector with respect to funeral and health benefits, having worked for Bonitas Medical Fund for 7 years and Thebe Employee Benefits for more than 2 years as its National Risk Sales manager.

Mr Mbatha has qualifications in Bachelor of Admin degree (UNIN now UFS) and Post-Graduate Dipl. in Personnel Management (UKZN) and currently studying towards LLB with Unisa. He is an accredited Financial Services Provider (FSP) licensed by the Financial Services Board (FSB).

Babereki Business Model

Babereki relies on the Union officials to introduce the Funeral benefit to the members and the shop-stewards, and to ensure that the benefit forms part of the list consolidated demands. In line with the Union Congress resolutions of the past two Congresses, the officials together with their shop-stewards negotiating teams, need to demand the implementation of the stop-order facility and also the 100% subsidy for the funeral premiums.

Babereki is responsible for detailed presentation to the members and the administrative process to the companies. Babereki, as an intermediary, works very closely with Safrican and is also responsible for after-service, which includes but not limited to membership take-up, membership amendments, credit control monitoring and claim facilitation. It is Babereki`s duty to ensure that Safrican lives up to the provisions of the Service Level Agreement as agreed.

DISCLOSURE

Commission:

Babereki is paid 13.75% commission by Safrican for placing members with the underwriter (Safrican).

Legislation:

Babereki and its Key Individual Phumlani Mbatha is governed and operates as per the requirements of the FAIS Act, which also gave rise to the industry regulatory body Financial Services Board which issues all the licenses to financial services providers including Babereki and its Key individual.

Babereki FSP no. 42305.

Fidelity cover:

Babereki does not hold or receipt members premiums and therefore doesn't require the fidelity cover. However the underwriter (Safrican) which collects the members' premiums is obliged to have the fidelity cover as they are the risk underwriters.

FOOD AND ALLIED WORKERS FUNERAL PLAN (FAWFP) BENEFITS AND PREMIUMS

FULL FAMILY BENEFIT	OPTION A	OPTION B	OPTION C	PAID UP BENEFITS
Principal Member	R20 000	R 20,000	R 30,000	R 10,000
Spouse	R20 000	R 20,000	R 30,000	R 10,000
Children 14 – 21 years	R20 000	R 20,000	R 25,000	R 10,000
Children 6 – 13 years *	R 5,000	R 5,000	R 5,000	R 5,000
Children 1 – 5 years *	R 2,500	R 2,500	R 3,000	R 2,500
Children 0 -11 months *	R 1,250	R 1,250	R 2,000	R 1,250
Stillborn	R 1,250	R 1,250	R 2,000	R 1,250
Family Rate Per Month	R 45.75	R 67.30	R 85.30	-
TYPE OF PAID UP	DEATH AND	DEATH, DISABILITY AND		

EXTENDED FAMILY MEMBER	OPTION A	OPTION B	OPTION C
	R5 000	R10,000	R20, 000
Rate below 65	R 25.00	R 41.25	R 82.50
Rate at age 65 -74	R 56.25	R 105.00	R 168.00
Rate at age 75-84	R 62.50	R 130.00	R 240.00

NB: Waiting Periods

There is no 6 months waiting period if **ALL OR MINIMUM 80%** of the members at any organized company join FAWU Funeral Plan. **Only** Extended Family Members will be subjected to waiting periods.

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