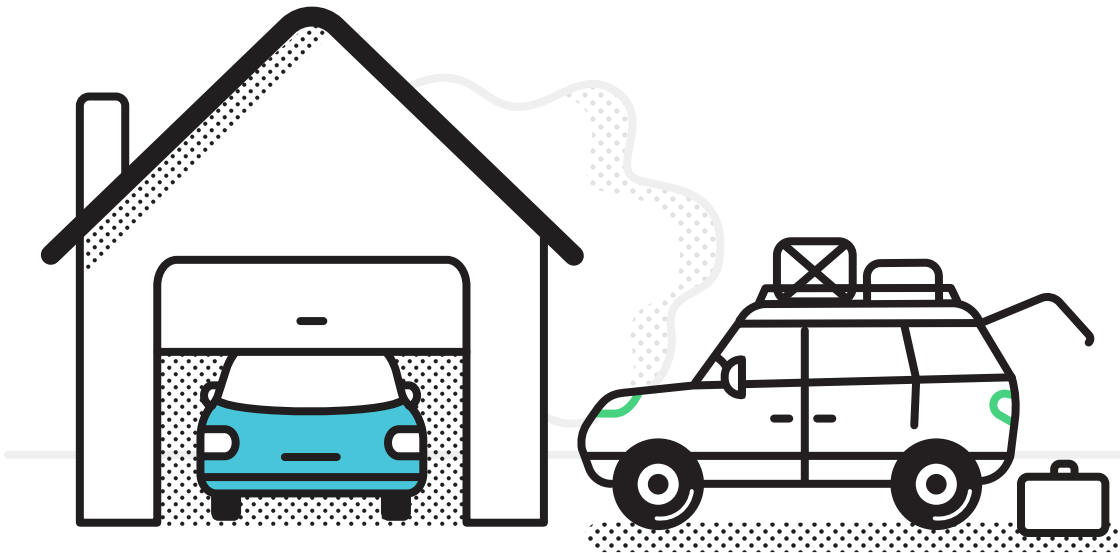


Naked

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Reduced CoverPause[®] Premiums



Underwritten by **Hollard.**

Naked Financial Technology Pty Ltd is an authorised financial services provider (FSP 48822). Policies are underwritten by The Hollard Insurance Company Limited, a registered insurer and authorised financial services provider.

6 JUNE 2020

CoverPause® 90% discount extended

We can't believe it has been almost two and a half months since we started the nationwide lockdown and we hope that you and your family are still safe and sane.

As a regular user of our CoverPause feature, we would like to share the good news that we are **extending our 90% CoverPause savings for an extra three months.**

When lockdown was announced at the end of March, we recognised it would lower car insurance claims significantly. So, we immediately decided to increase our CoverPause saving from 50% to about 90% on the days that you aren't driving. We committed to apply this saving until at least 30 June 2020.

The number of claims reported continues to stay relatively low, and is only expected to pick up over the course of the next 3 months, as the economy comes back to life. In line with this, we have decided to extend the period of 90% CoverPause savings for an extra three months. Normal CoverPause savings (which are close to 50% for most people) will then kick back in for all clients on 1 October 2020.

From this month we have also changed the timing of when we **collect and refund when you Pause and Unpause.** People have been saving a lot of money using CoverPause, but some clients were surprised that their charge - for the days on which they drove - was only added to their bill the next month. We have listened and accordingly changed the timing mechanism so that the charges are applied in the same month, thereby avoiding surprises in the next month.

We hope our news brightened up your day :)

Stay safe out there.

Team Naked

P.S. Wanna see something funny? Listen to this [car missing his owner during lockdown.](#)

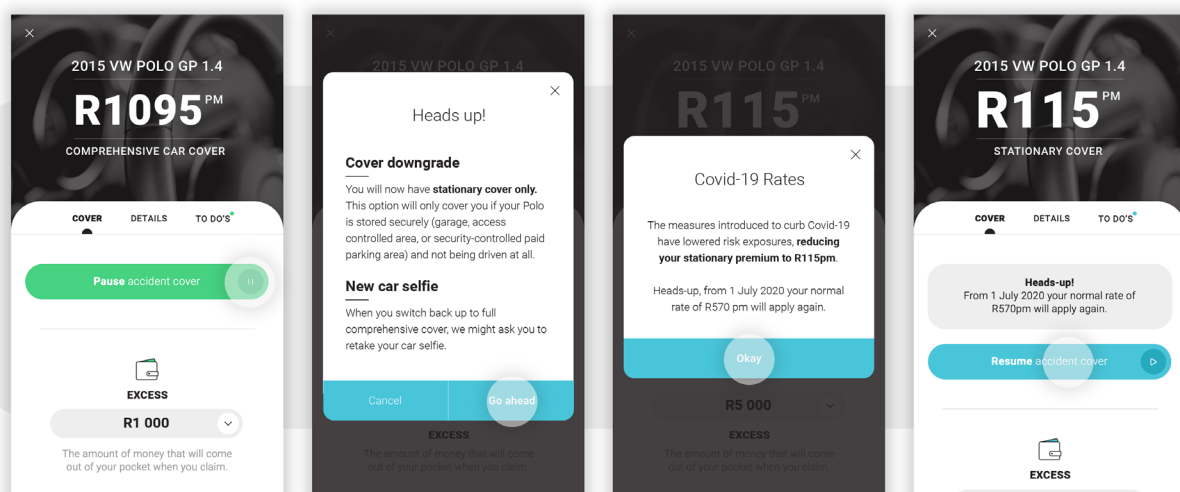
Some questions you might have about CoverPause®

What is CoverPause® and what am I covered for?

The Naked app allows you to pause the accident portion of your cover and downgrade to stationary cover on the days that you're not driving. You can usually save up to 50% on your premium and still be covered for theft, fire, Mother Nature or anything else that can happen to your car while it is parked. **Heads-up:** if you have paused, you have no cover if you're driving the car.

Simply unpause your cover when you want to start driving again. Click 'resume accident cover' and reactivate your comprehensive cover instantly.

How to pause my cover



How much can I save under normal circumstances?

Under normal circumstances, the average saving is 45% on your monthly premium. Therefore, the premium you pay when you CoverPause® is usually about 55% of your comprehensive monthly premium. The exact saving depends on your individual risk profile.

Example: John's comprehensive premium is R1,000 per month. His CoverPause® premium is R520. Under normal circumstances, for every day that Johan's car is parked at home, he saves 48% on his comprehensive premium. This saving is applied pro rata to his monthly premium, for the number of days that he uses CoverPause®.

How much can I save during the COVID-19 pandemic?

From the 27th of March 2020 until 30 September 2020 ***we are reducing the premium you would normally pay for CoverPause® by 80%.*** This means your car will still be covered while it is parked, but it will only cost you roughly 10% of your usual comprehensive car insurance premium.

Example continued: For days that John is not driving, his new monthly premium will be R104 applied pro rata. John is effectively paying 10.4% of his normal premium.

Why the increased saving during the Covid-19 pandemic?

Under normal circumstances, when you use CoverPause®, you will park your car and go on holiday or to work. This leaves your car exposed to significant risk of theft and Mother Nature, because you can't move the car if there's emerging danger.

However, during the Covid-19 pandemic, most people who will use CoverPause® will do so at their own home where you or your neighbours will be keeping an eye on it, which makes the average risk much lower. The chances of someone stealing your car, or the car being damaged by a flood or hail without you moving it, is much lower.

What if I need to stock-up on supplies?

No problem! If you pop out to the shops to stock up on groceries, just click the "resume accident cover" button on the app. Your comprehensive cover will then be activated immediately. Heads-up!

You will pay your comprehensive premium for that day, but only for that day. And remember to press the “pause” button again before midnight, because our billing cycle runs from midnight to midnight.

How much premium will you collect at the start of the month? And what about the rest?

When we collect your premium on your chosen debit date, we assume your current level of cover (i.e. comprehensive or paused) will apply for the coming month.

Therefore, **if your cover is not paused on the collection date**, we will collect your full comprehensive premium. If you then use CoverPause during the month, we will keep a record of the number of days for which you were paused. Depending on how long you pause (and whether the refund is more than a minimum), the savings due to you will either be paid during the month (when you finish the period of pause) or reduce the premium collected at the start of the next month.

If your cover is paused on the day of your monthly collection, we will collect your discounted premium. When you click “resume accident cover,” we will immediately collect the full comprehensive premium for the remaining days of the month. If you subsequently activate CoverPause again, we will keep a record of the number of days for which you are paused, and the savings due to you will either be paid during the month (when you finish the period of pause) or reduce the premium collected at the start of the next month.

Can I park in the street when I CoverPause?

When lockdown regulations included a curfew, theft risk was significantly lower, especially after dark, so during level 4 and 5 we waived the requirement that you can only pause accident cover (and remain covered for theft) if you park inside your complex/garage/airport security etc.

However, from level 3 we are requiring that if you pause your accident cover, you have to take some steps to help lower the risk of theft, by parking in a behind a gate/in a complex/garage/access-controlled airport parking etc.

Is this like a payment holiday?

A payment holiday on a loan is simply an extension to make the loan longer. During the 'holiday month', you don't have to pay an installment, but you are still charged interest which you will eventually need to pay. Our Covid-19 CoverPause® adjustment is not a delay or a payment holiday, it is a full discount during this period. You won't have to pay it back later.