

## Credit Contract Indemnity Terms & Conditions

### Purpose

The person named (**Borrower**) has entered into a **Credit Contract** with the **Financier** under which the **Borrower** has certain principal, interest and other payment obligations to the **Financier**. The **Borrower** is seeking for the **Company** to assume those payment obligations following the occurrence of certain **Events** specified below in consideration for making the **Premium** payment to the **Company**.

### 1. Scope of Cover

*Subject to the terms and conditions below and the agreed Scope of Cover above*, the **Company** agrees that it will pay to the **Financier** the **Credit Contract Payments** for and on behalf of the **Borrower** for -

- A. CCI Standard Cover - Death by **Accident**;
- B. CCI Plus Cover - Death by **Accident / Financial Loss** due to an **Accident** or Illness;
- C. CCI Extended Cover - Death by **Accident / Financial Loss** due to an **Accident** or Illness / **Redundancy & Industrial Action or Bankruptcy & Business Interruption**

(each an **Event**), and after the **Event** the **Borrower** shall have no obligation to pay the **Credit Contract Payments** and the **Financier** shall have no right of recourse to the **Borrower** in respect of the **Credit Contract Payments**.

For the avoidance of doubt;

- a. payments by the **Company** under this policy can only be made directly to the **Financier** in respect of the **Borrower's** obligations under the **Credit Contract** and the **Borrower** has no right to such payments; and
- b. if the **Credit Contract** is in the name of more than one person, the cover under this policy shall apply to the **Credit Contract Payments** in respect of the named person on this policy.
- c. the **Borrower** has selected the **Scope of Cover** above (either A, B or C) that is most suitable for their requirements.

### 2. Period of Cover

The **Company** will pay the **Credit Contract Payments** to the **Financier** if any of the following **Event(s)** occur;

- a. Death by **Accident** - the remaining **Credit Contract Payments** from the date of Death until the date of the last payment under the **Credit Contract**. This does not include any amount which is in arrears at the date of Death.
- b. **Financial Loss** for the period beginning 7 days after the **Event** and continuing until the **Borrower** is declared fit to return to work by a Registered Medical Practitioner; and

- c. **Redundancy and Industrial Action or Bankruptcy and Business Interruption** for the period beginning 30 days after an **Event** and continuing until the **Borrower** returns to paid employment or for a maximum of 6 months or \$12,000.

### 3. Conditions

The obligations of the **Company** are conditional upon;

- a. The **Borrower** having paid to the **Company** the **Premium** payment;
- b. The **Borrower** having paid their first payment obligation under the **Credit Contract**;
- c. The **Company** receiving a duly completed claim form within 21 days following the **Event**;
- d. Other than in the case of Death by **Accident**, the **Event** not occurring within 28 days from the date the **Credit Contract** is signed;
- e. In the case of CCI Extended Cover, the **Event** was not known, or should not have been known, in anyway by the **Borrower** prior to signing the **Credit Contract**.
- f. In the case of **Financial Loss** due to an **Accident** or Illness, the **Borrower** producing, at the **Borrower's** own expense, a medical certificate from a legally qualified medical practitioner certifying the claim and the period of the claim within 10 days of the issue of such medical certificate;
- g. The **Borrower** not being over the age of 65 at the commencement of the contract;
- h. The employment or occupation of the **Borrower** not being in the nature of seasonal work;
- i. The **Borrower** not being on a work rehabilitation program;
- j. In the case of Death by **Accident** only, all unpaid amounts due under the **Credit Contract** are paid within 14 days of such **Event**; and the executor or the next of kin, shall provide certified copies of the death certificate and birth certificate and, if required, the coroner's report;
- k. None of the exclusions in clause 4 applying;
- l. The **Borrower** giving the **Company** immediate notice that an **Event** no longer prevents the employment, occupation, profession or business of the **Borrower** being conducted.

### 4. Exclusions

The obligations of the **Company** will not apply if the **Event** is caused directly or indirectly by or results from;

- a. Any cause or condition which is known, or ought reasonably to be known, to exist at or prior to the date of the commencement of the **Credit Contract**;
- b. Declared or undeclared war or any act thereof, invasion, civil war or civil unrest, act of terrorism and related risks; or
- c. The **Borrower** engaging or taking part in;

- i full or part time service in the armed forces of any country;
  - ii driving or riding in any kind of race, or motorcycling either as a rider or a passenger;
  - iii all sports activities, including motor sports, professional sports or extreme sports/activities;
  - iv flying, hang gliding, parachuting or other aerial activity except as a passenger or aircrew in a properly licensed power driven aircraft;
  - v the operation of any vehicle or equipment the **Borrower** is not legally authorized to operate;
  - vi any activity outside New Zealand.
- d. Any natural disaster, including but not limited to an earthquake, tsunami, landslip, volcanic event or flood.
  - e. Intentional self injury or suicide (felonious or not) or deliberate exposure to harm, while sane or insane;
  - f. Sickness arising out of pregnancy, child birth, miscarriage or menopause;
  - g. Venereal disease, HIV and/or AIDS;
  - h. Alcohol, chemical or drug dependency, including any happening whilst under the influence of alcohol or drugs
  - i. Any criminal act (whether charged with such act or not);
  - j. Any existing illness or any illness which manifests within 28 days of the commencement of this policy.
  - k. Any psychiatric or psychological illness, including but not limited to anxiety, mental stress and/or depression.
  - l. Your election to have surgery of a non-essential or non-emergency nature
  - m. Exposure to asbestos

## 5. Repayments if No Loss

The **Borrower** will indemnify the **Company** of any amount paid by the **Company** under this policy where it is discovered that the **Borrower** has not suffered a loss in wages (or similar loss) as a result of an **Event** or where it is discovered that the **Borrower** has been compensated in any manner for a loss in wages (or similar loss).

## 6. Definitions

**Accident** means the happening of an occurrence unintended and unexpected by you resulting in your bodily injury.

**Bankruptcy** means being declared bankrupt by a New Zealand court. This does not include bankruptcy if the application for bankruptcy was filed by you or an associated person on your behalf.

**Borrower** means the person specified on the **Credit Contract**.

**Business Interruption** means loss of or damage to or prevention of access to or failure of essential services within, the Business premises.

**Company** means Beneficial Insurance Limited.

**Contract Number** means the specific **Credit Contract** to which this Policy applies.

**Credit Contract** means the agreement between the **Borrower** and the **Financier**.

**Credit Contract Payments** means the principal and interest payment obligations of the **Borrower** under the **Credit Contract** excluding any arrears in payment.

**Event** means an occurrence within the selected **Scope of Cover**.

**Financial Loss** means the **Borrower** has suffered a loss in wages or similar income due to the **Event**.

**Financier** means the Financial Institution who advanced funds to the **Borrower** under the **Credit Contract**.

**Immediate** means within 14 days.

**Industrial Action** means a strike, work to rule or similar action taken by employees to protest against working conditions or other matters relating to the employer's relationship with its employees.

**Period of Cover** means the maximum term specified for which cover under this policy applies.

**Premium** means the amount specified to be made by the **Borrower** to the **Company** as consideration for the cover provided under this policy.

**Redundancy** means termination of your employment because your position of employment has become superfluous to the needs of your employer (for example, as a result of changes to systems, processes, technology or inefficiency initiatives), and resulting in you registering with Work and Income New Zealand as unemployed. Your employer must notify you of your redundancy in writing. This does not include:

- a. voluntary redundancy or resignation; or
- b. persons or people who are self-employed or employed on a seasonal, contractual, temporary or part-time basis; or
- c. redundancy as a result of dismissal or retirement.

**Scope of Cover** means the Policy Type chosen by the **Borrower**.

## Financial Strength Rating

All licensed insurers are required to have a financial strength rating from a rating agency authorised for this purpose by the Reserve Bank of New Zealand. Beneficial Insurance Limited has been rated. B++ Outlook Stable by AM Best Company.

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