

**CMUTUAL'S LOAN PROTECTION
GROUP LIFE INSURANCE SCHEME
With Pre-Existing Condition Limitation**

POLICY DOCUMENT

Underwritten By:

Maiden Life Försäkrings AB

BY THIS POLICY Maiden Life Försäkrings AB agrees, to pay to the group policyholder, the life insurance benefits stated in the Policy Schedule, upon the death of a life insured while the insurance remains in force but not otherwise. This is subject to the terms and conditions detailed in this policy, and any related endorsements, which supersedes all previous versions issued.
PROVIDED ALWAYS THAT:

1. The premiums described in this policy are paid by the group policyholder in the manner stated in the policy.
2. The Policy Schedule, together with all declarations and statements made by the group policyholder and the life insured shall form the basis of this policy.
3. Any data provided with respect to group policyholder membership and insured balances is true and fair at the date it is provided.

A change in this policy is valid only if it is approved by an officer of Maiden Life Försäkrings AB. A valid Endorsement is required as evidence of such approval. No agent has the authority to change the policy or waive any of its terms.

POLICY DOCUMENT

DEFINITIONS

As used in this policy, these words and terms shall have the following meanings:

ACCRUED INTEREST	the unpaid interest which has accrued on a loan.
CREDIT AGREEMENT	the loan agreement form signed by the member covering the terms and conditions of the loan.
GEOGRAPHIC AREA	Western Europe (i.e. the United Kingdom, Ireland, France, Germany, Belgium, Netherlands, Luxembourg, Italy, Spain, Portugal, Austria, Switzerland, Denmark, Sweden, Finland and Norway), North America (i.e. United States of America and Canada), Australia and New Zealand.
GROUP POLICY HOLDER	the credit union who is contracting with Maiden Life Försäkrings AB to provide insurance coverage for their members who meet the definition of lives insured .
HOLIDAY	an event where the life insured leaves the geographic area with documented arrangements to return within thirty-one (31) calendar days.
INTEREST ONLY WITH SINGLE PRINCIPAL REPAYMENT LOAN (IOSPR)	a term loan comprising interest-only repayments with a fixed termination date upon which the principal is due
LIFE/LIVES INSURED	all individual members with unpaid loan balances with the group policyholder who meet the age limit qualifications. Only the member whose signature appears first on the credit agreement is covered, unless the policy schedule shows that Joint Cover applies.
LOAN ACCOUNT	the accounting records of the group policyholder on which is recorded the loan payments and loan balance of a member .
LOAN BALANCE BALANCE OF LOAN	the unpaid principal balance of a loan, excluding any unpaid loan interest. If a member has more than one loan, loan balance means the sum of all their loans. Loan Balance does not include any unused credit of an open end loan nor does it include any legal fees or any other cost of collecting a loan.
LOAN DATE	the date the proceeds of a term loan are paid to a member and an irrevocable indebtedness is created or the date of an advance on an open end loan .
LOAN PAYMENT	an installment of principal and interest on a loan as required by the terms of the credit agreement .
LOANS FOR SAVINGS	a loan whereby the member takes out a loan in order to deposit the same loan proceeds into the member's savings account at the group policyholder .

MEMBER	a natural person who is a member of the group policyholder at the date of death.
OPEN END LOAN	a loan with no fixed termination date.
OPERATIONAL DEATH	means the death of a member resulting from his/her service as a member of the United Kingdom's Armed Forces (Armed Forces of the Crown), Reserves and Cadet Forces, such death being directly attributable to war, invasion, hostilities (whether war declared or not) civil war, rebellion, revolution, terrorism, riot or civil commotion. Death must be caused by enemy action/fire, friendly action/fire, operational accident , nuclear, chemical, radiological or chemical means;
OPERATIONAL ACCIDENT	means any accident occurring during an event referred to in the definition of operational death or during training carried out in the area where the event occurs in order to improve or maintain the effectiveness of the United Kingdom's Armed Forces (Armed Forces of the Crown), Reserves and Cadet Forces with respect to any such event.
TERM LOAN	a loan with a fixed termination date.
WE, US or OUR	Maiden Life Försäkrings AB
WRITTEN OFF LOANS	a loan balance where there has been no change to the principal amount in the preceding six (6) months or has been written off by the group policyholder in advance of this.
YOU or YOUR	the group policyholder .

PAYMENT OF PREMIUM

WHO PAYS THE PREMIUM	The premium is payable by the group policyholder.
HOW PREMIUM PAYABLE IS CALCULATED	The premium payable for a term of insurance is based on the month end insured balances of the members' loans and is arrived at by multiplying the sum of those balances on that date by the premium rate.
INSURED BALANCE	The total of the members' loan balances in the group policyholder for which a premium has been paid and is payable during the time this policy is in force excluding:

1. All **loan balances** of non-members of the **group policyholder**, non-natural persons, clubs, associations or other organisations;
2. All **loan balances** of a member after the member has attained the age limit;
3. All **loan balances** in excess of the loan amount limit as defined in this policy;
4. All **loan balances** existing after the expiration of the loan term limit; and
5. All **loan balances** of a member as loans for savings;
6. Classes of loans which have been specifically excluded as shown on the Policy Schedule;
7. All single payment loans with repayment periods exceeding six (6) months, other than **IOSPR Loans** are excluded from coverage until refinancing with a repayment period of six (6) months or less.
8. All loan balances, other than those of **IOSPR Loans** that are not regularly reducing under the loan agreement and whereby a principal payment is not made in the last six (6) months.

If all or part of any loan is excluded under more than one of the above provisions, it is deducted only once from the insurable balance total.

WHEN PREMIUM IS DUE

The premium for each term of insurance is due and payable to us on or before the 15th day of the next calendar month following each month of coverage.

RIGHT TO CHANGE PREMIUM RATE

We have the right to change the premium rate. If we do, we will give **you** thirty-one (31) days advance written notice. Unless coverage is changed, we will not change the premium rate more often than once every twelve (12) months.

TERMINATION OF THIS POLICY

RIGHT TO TERMINATE THE POLICY

This policy may be terminated at any time either by **us** or by the **group policyholder** after it has been in effect for at least one year. One must give the other at least thirty-one (31) days advance written notice of intention to terminate this policy.

In addition we may terminate the policy in the following circumstances:

1. Thirty-one (31) days after a receiver or liquidator is appointed for your credit union;
2. Immediately when **you** merge into or are taken over by, another credit union or financial institution; or
3. Immediately when your regulatory authorisations are cancelled.

In the above circumstances, we have the right to deduct any premium due to **us** from any life insurance benefits due to be paid to **you**.

AFTER THE
GRACE PERIOD

We may automatically terminate this policy if any premium is not paid within the grace period. The **group policyholder** will be liable for payment of any premium due to us.

COVERAGE OF LOAN PROTECTION GROUP LIFE INSURANCE SCHEME

COVERAGE

This policy provides insurance on the lives of the **members** of the **group policyholder** which is based on the insured balances of their loans from the **group policyholder**.

WHO QUALIFIES AS A LIFE INSURED

ELIGIBILITY
FOR COVER

All **members** who meet the age limit and whose loans meet eligibility standards set forth in this policy are included for cover.

AGE LIMIT

A **member** does not qualify for cover on their loan if, at the time the loan was made, the **member's** age was equal to or greater than the agreed age limit indicated in the Policy Schedule. Their cover will also stop when they reach this age limit.

EXCLUDED LOANS

If the **group policyholder** has elected to exclude specific classes of loans, as shown in the Policy Schedule, a **member** does not qualify for cover for those classes of loans.

REFINANCED
LOANS

In the event of refinancing:

1. Any loan balance insured under this policy prior to such refinancing which is included in the refinanced loan shall continue to be covered, notwithstanding the fact that any new or additional advance is not insured by reason of the terms or conditions of this policy. Any repayment by the **member** of the refinanced loan shall first be applied to the insured portion of the refinanced loan balance.
2. Such insured portion shall continue to be insured subject to the terms of coverage applicable at the time each Loan was originally advanced and
3. Any **loan balance** then in existence which was excluded from coverage or not insured for any reason prior to such refinancing, shall be subject to the same terms and conditions for coverage as a new loan.

WHO IS INSURED

FIRST-NAMED
BORROWER

Cover is on the **member** whose signature appears first on the credit agreement. Second-named borrowers are not covered unless the policy schedule shows that Joint Cover applies.

NO ENROLLMENT All **members** who meet the age limit qualifications and who qualify as **lives insured** are included for coverage.

NEW ENTRANTS All new **members** of the **group policyholder** who are eligible for cover shall be added, from time to time, to the group of **members** originally covered under this policy, as of its effective date. The **group policyholder** shall include all such **members** in the information required to calculate the premium. The **group policyholder** shall not unlawfully withhold coverage from any eligible **member**.

WHEN DOES COVER START AND STOP FOR YOUR MEMBERS

COVER STARTS Cover for a **member** starts, for each separate loan that makes up the **loan balance**, on its **loan date** or, if later, on the date the **member** qualifies for cover on that loan or on the date this policy starts.

COVER STOPS Cover for a **member** stops on the earliest date when:

1. the **member's** loan is repaid, or
2. the **member's** loan reaches the loan term limit, or
3. the **member** ceases to be a **member** of the **group policyholder**, or
4. this policy is terminated or
5. when a loan becomes a **written off loan**.

WHAT WE WILL PAY

HOW MUCH DO WE PAY The amount of a **member's** insurance is equal to the insured balance on the date the claim was incurred. We will also pay up to six (6) months **accrued interest**, unless the loan is written off, from the date of the last payment of principal or interest to the date the claim was incurred.

WHO GETS THE PROCEEDS If a **member** dies while covered under this policy we will pay the proceeds to the **group policyholder**. If the insurance proceeds exceed the balance of a **member's** loan and **accrued interest**, the excess will be paid by the **group policyholder** in accordance with its membership rules.

NOTICE AND PROOF OF DEATH Proof of death must be submitted to us within two (2) years of the occurrence of death.

If notice and/or proof cannot reasonably be given within the period, the claim will not be invalidated if it is shown to have not been reasonably possible to give notice and/or proof, prior to the date it is first presented.

HOW TO MAKE A CLAIM For proof of a death claim, the **group policyholder** must send us certified copies of:
(a) the death certificate;
(b) proof of age;
(c) a copy of the **member's loan account** records (if requested);

- (d) the loan application form and **credit agreement**; and
- (e) an original claim statement.

In addition a letter of consent to gather medical information must be completed, if requested.

WHAT WE WILL NOT PAY

MISSTATED AGE

If a **member** has misstated their age to the **group policyholder**, the amount of life insurance benefit will be determined by the **member's** correct age.

If the **member's** correct age is equal or greater than the age limit, **we** will only return the premium paid to **us** for the period after the **member** reached the age limit for cover and **we** will not pay a claim.

PRE-EXISTING CONDITION LIMITATION

We will not pay a life insurance benefit for the loan on an insured **member** if their death results from an illness or injury for which they received medical advice, consultation or treatment within the six (6) month period prior to the **loan date**. **We** will not apply this rule if the **member** dies six (6) months or more after the **loan date**.

WAR/TERRORISM NUCLEAR EXCLUSION

Life Insurance Benefits under this policy are not payable if a **Member** dies resulting from:

1. insurrection or any act of war, declared or undeclared, or revolution, terrorism, usurped power or action taken by the governmental authority in hindering or defending against any of these; or
2. nuclear reaction, radiation or radioactive contamination.

SUICIDE EXCLUSION

Life insurance benefits under this policy are not payable if a **member** commits suicide within six (6) months from the **loan date**.

TIME LIMITATION

If the policy is terminated, there will be a period of two (2) years from the date of termination in which the **group policyholder** may submit a claim that was incurred during the term of insurance.

GEOGRAPHIC JURISDICTION:

We will not pay a life insurance benefit if a **member** dies outside the **geographic area**. However, a claim may be valid if the death of the **member** occurs while they are on holiday, or as part of normal working duties on the United Kingdom's Stations and Armed Forces Bases worldwide; in such a case, written proof of death must be submitted to us demonstrating that no other policy exclusions apply. For the purposes of this exclusion the place of death of a **member** is determined by the location where death occurs or where the body is found.

OPERATIONAL DEATH:

We will not pay a life insurance benefit if a **member's** death falls within the definition of an **Operational Death**

GENERAL PROVISIONS

THE CONTRACT	This policy, the Policy Schedule and any attached endorsement is the entire insurance contract.
NOTIFICATION AND AMENDMENTS	We shall not be affected by notice of any fact relating to this policy unless and until express notice in writing of such fact has been received by us. No change in terms of this policy will be valid unless produced in writing and signed by an authorised officer of ours. An agent of ours cannot change this contract, waive any of its terms or make any promise that will be binding on us.
CHANGES TO POLICY TERMS	We reserve the right to alter and amend this policy, by providing the group policyholder with at least thirty-one (31) days written notice of such change.
UTMOST GOOD FAITH	All statements made by any person relating to their insurability shall be made in utmost good faith. Incorrect or fraudulent information provided by the member to the group policyholder , or the group policyholder to us , may result in a denial or reduction of life insurance benefits under this policy.
PREMIUMS AND REPORTS	The group policyholder needs to complete reports of coverage using forms provided by us. All premiums and reports of coverage shall be submitted to us or to such other place as we may designate.
GRACE PERIOD	This policy has a thirty-one (31) day grace period. This means if a premium is not paid on or before the date it is due, it may be paid during the following thirty-one (31) days. During the grace period the policy will stay in force. The grace period will not apply if this policy is terminated by us or by the group policyholder .
GROUP POLICYHOLDER RECORDS	The group policyholder shall make available to us, on request, any books and records of the group policyholder pertaining to coverage under this policy or other documents as we may reasonably require. We shall be entitled to act upon the data, information and evidence so furnished. We shall not be liable for any loss or consequential loss occurring as a result of any error, omission or inaccuracy made by the group policyholder or their agents in any data, information or evidence so furnished.
DATA PROTECTION	We will ensure that any data provided by the group policyholder or others is used for its specified purpose as required under this policy only and in line with data protection legislation.
PAYMENT OF BENEFITS	Any life insurance benefits under this policy will be paid to the group policyholder once we receive written proof of death and

the claim has been assessed. These payments will completely discharge **our** liability to the extent of the payment.

TRANSFER OF EXISTING COVER

We will accept a transfer of existing cover for all **members** based on the current rules of loan protection scheme(s) in place prior to the effective date of this policy only upon written notification from **us** and where indicated as such in the Policy Schedule. Where cover in the new scheme is more beneficial, **members** will be automatically granted those benefits. If the rules of this policy differ from those of the previous scheme, details of the differences must be submitted to **us** prior to any acceptance being given.

COMPENSATION SCHEME

We are covered by the Financial Services Compensation Scheme (FSCS) in respect of UK risks. **You** may be entitled to compensation from the scheme if **we** cannot meet **our** responsibilities. Most insurance contracts are covered for 90% of the claim with no upper limit. **You** can get more information about the compensation scheme arrangements by contacting the FSCS on 0800 678 1100 or by visiting their website at www.fscs.org.uk.

COMPLAINTS

If **you** have any questions or complaints about this policy, please contact **us** as follows:

- By phoning **us** on 021 359 0221, or
- By emailing **us** at insurance@cmutual.co.uk

Making a complaint will not affect **your** right to commence legal action.

* To make sure **we** maintain a high-quality service, **we** may monitor or record phone calls.

LAWS

This policy shall be subject to the laws of England and Wales, unless one of the following applies:

- the **group policyholder** is based in Scotland in which case the policy is subject to the law of Scotland, or
- the **group policyholder** is based in Northern Ireland in which case the policy is subject to the law of Northern Ireland.

INVALID AND/OR UNENFORCEABLE PROVISIONS

In the event of any one or more of the provisions contained in this policy being invalid or unenforceable, the validity and enforceability of the remaining provisions contained herein shall not in any way be affected. The policy shall apply as if the invalid and/or unenforceable provisions had not been included.