

**FIRST CREDIT UNION  
Loan Protection Insurance (LPI)**

**IMPORTANT INFORMATION:**

**Starting and Stopping Cover**

Cover can be started at any time if you are aged between 16 and 69 years (inclusive) upon completion and acceptance of the Statement of Insurability and subject to any further evidence of health that may be required. Note: No cover exists until a loan has been advanced by First Credit Union. The Loan Protection Insurance policy only covers loans by First Credit Union for a maximum loan balance of \$100,000 and a maximum loan term of 20 years.

**Cover is optional** and, if taken, can be stopped by an insured at any time by the insured advising First Credit Union in writing. A claim cannot be made after cover has been stopped.

Cover for an insured can be stopped by First Insurance Ltd if it believes false or misleading material information has been provided when the cover started or a claim is made. All cover stops when the insured dies, reaches 70 years of age, the loan is fully repaid, or the Loan Protection Insurance Group Policy is terminated. Cover can be stopped or changed if the Loan Protection Insurance Group Policy is terminated by First Credit Union, or First Insurance Limited, or altered by First Insurance Limited.

Cover may also stop if the loan agreement is varied. After a claim has been made and accepted for Critical Illness or Bankruptcy, that form of cover stops.

There is a 6 month stand down period for Redundancy cover following each and any Redundancy claim.

**Premium**

A premium is payable by the insured at the end of each calendar month and is based on the cover type/s selected by the insured, the loan duration and the balance of the insured loan. The premium payable by the insured includes all applicable taxes and commission charged by First Credit Union.

**Making a Claim**

Contact your First Credit Union branch in person or by phone. You will be asked for some simple details about your claim and an administrator will then contact you directly to seek further information about your claim and explain the documentation required from you and your obligations and entitlements.

**Claim Disputes**

If a dispute arises please contact First Credit Union in the first instance. All efforts will be made to resolve this dispute by agreement.

**General**

All amounts stated are in New Zealand dollars and the operation of the policy is governed by the laws and courts of New Zealand. If disability, redundancy or bankruptcy occur concurrently, the maximum benefit payable is the largest of the benefits payable on any one of the cover types.

**FIRST CREDIT UNION LOAN PROTECTION INSURANCE is underwritten by First Insurance Limited. First Insurance Limited has a BB+ (stable) insurer financial strength rating issued by Fitch Ratings in May 2018.**

**Fitch Ratings Insurer Financial Strength Ratings Scale:**

AAA: Exceptionally Strong | AA: Very strong | A: Strong | BBB: Good | BB: Moderately weak B: Weak | CCC: Very weak | CC: Extremely weak | C: Distressed.

Notes: "+" or "-" may be appended to a rating to indicate the relative position of a credit within the rating category. Such suffixes are not added to ratings in the 'AAA' category or to ratings below the 'B' category.

**For claims enquiries, please  
contact First Credit Union.**



**FIRST CREDIT UNION  
Loan Protection Insurance Certificate**

## FIRST CREDIT UNION (LPI)

**This certificate provides** a summary of the key terms and conditions of the First Credit Union Loan Protection Group Insurance Policy. For full details you may inspect the policy at your Credit Union branch during their business hours. You qualify for this insurance in accordance with the policy issued by First Insurance Limited. **IMPORTANT NOTE - THIS INSURANCE IS OPTIONAL**

You are insured for the benefits summarised on the Insurance Record below (depending on the cover taken by you). Once insured for a loan you do not lose your insurance on that loan if, because of ill-health, you would no longer qualify.

There are standard exclusions and conditions in the policy and there is a summary of these contained in this certificate.

**This certificate, together with that policy, forms your individual contract of insurance.**

These important rules and policy conditions apply to each separate loan or refinancing approved for cover under the policy.

- First Credit Union holds a policy of insurance with First Insurance Limited and the members of First Credit Union together with non-members, i.e. joint borrower or guarantor, are eligible to be covered by that insurance.
- You may be asked to complete a Statement of Insurability to be insured and further evidence of your health may be required.

- You are eligible for cover if aged between 16 and 69 (inclusive).
- You pay a premium each month to First Credit Union for the insurance protection.
- The premium includes commission payable to First Credit Union.

**A full copy of the group policy document issued by First Insurance Limited to First Credit Union is available to view at your Credit Union branch.**

| Death                   |                                                                                                                                                                                                                | Critical Illness                                                                                                                                                                                                                                       | Disability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Redundancy                                                                                                                                                                                                                                                                                                      | Bankruptcy                                                                                                                                                                                                          | Hospital Cash                                                                                                                                                                                                                  |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Insured Event</b>    | • The death of the insured.                                                                                                                                                                                    | The insured suffering any of the following events, as defined in the policy document: <ul style="list-style-type: none"><li>• Heart attack</li><li>• Coronary artery surgery</li><li>• Stroke</li><li>• Cancer</li></ul> Note - Some limitations apply | The insured is disabled by injury or illness and declared medically unfit to complete their normal employment duties for seven (7) or more consecutive days.<br><br>Important: If the insured is not a full-time employee i.e: seasonal, casual or part-time worker, please refer to the "20 Hour Test" Chart below.                                                                                                                                                                                       | The insured is made redundant from permanent employment in accordance with the terms of their written employment agreement.<br><br>Important: Redundancy cover cannot be taken if the insured does not have a written employment contract (individual or collective). Please consult your employer if in doubt. | The insured is declared bankrupt in New Zealand.<br><br>Important: Bankruptcy cover cannot be taken where the insured has been previously bankrupted.                                                               | Hospitalisation of the insured Member for seven (7) or more consecutive nights<br><br><b>Please note this benefit is automatically included at no extra charge to the insured when one or more benefit is already selected</b> |
| <b>Benefit Payable</b>  | • The balance of the loan at date of death, to a maximum of \$100,000.<br>• Paid to First Credit Union and credited against the loan balance                                                                   | • A fixed sum of \$10,000<br>• Paid to First Credit Union to be offset against the loan and/or paid to the insured                                                                                                                                     | • Insured's scheduled loan instalments at the date of disability to a maximum of \$1,500 monthly and \$100,000 in total.<br>• Paid to First Credit Union and credited against the loan balance<br>• Payable until insured declared medically fit to complete employment duties, at a minimum of 20 hours per week                                                                                                                                                                                          | • Insured's scheduled loan instalments payable to a maximum of \$1,500 monthly and \$9,000 in total<br>• Payable as a single sum or as agreed<br>• Paid to First Credit Union and credited against the loan balance                                                                                             | • Insured's scheduled loan instalments payable to a maximum of \$1,500 monthly and \$9,000 in total<br>• Payable as a single sum or as agreed<br>• Paid to First Credit Union and credited against the loan balance | • \$30 per night of hospitalisation for a maximum of 30 nights from the date of entitlement (minimum payable \$210, maximum \$900 in total)<br>• Paid to First Credit Union and credited to the insured Member as agreed       |
| <b>Major Exclusions</b> | • War and violence<br>• Terrorism<br>• Suicide within the first 12 months of insured's cover start date (new loan)<br>• Suicide exclusion also applies to loan top-ups within first 12 months from top-up date | • War and violence<br>• Terrorism<br>• Insured must survive 14 days after suffering the illness<br>• Must not have suffered any critical illness event in the past<br>• Only payable once                                                              | • War and violence<br>• Terrorism<br>• Intentional self-inflicted injury or disease<br>• No cover exists where insured is disabled for less than seven (7) days, but cover is backdated to day one if disability lasts seven (7) days or longer.<br>• Disability must first occur or manifest itself after insured's cover start date<br>• Insured must have obtained immediate medical advice after injury or illness<br>• Cover suspended or stopped if insured fails to return to work or rehab if able | • War and violence<br>• Terrorism<br>• Redundancy from insured's own business, or family owned business.<br>• Resignation, retirement or dismissal<br>• Technical redundancy<br>• 6-month stand-down period following redundancy claim                                                                          | • War and violence<br>• Terrorism<br>• No cover if previously declared bankrupt in NZ, or gone through the NAP procedure<br>• Only payable once                                                                     | • War and violence<br>• Terrorism<br>• Intentional self-inflicted injury or disease<br>• Reason for hospitalisation must occur or manifest itself after insured's cover start date                                             |
| <b>Claim Time</b>       | Claim must be made within six (6) months of the date of death (a claim cannot be made after cover has stopped)                                                                                                 | Claim must be made within six (6) months of the date of illness (a claim cannot be made after cover has stopped)                                                                                                                                       | Claim must be made within three (3) months of the insured first being declared medically unfit (a claim cannot be made after cover has stopped)                                                                                                                                                                                                                                                                                                                                                            | Claim must be made within three (3) months of the date of redundancy (a claim cannot be made after cover has stopped)                                                                                                                                                                                           | Claim must be made within three (3) months of the date of bankruptcy (a claim cannot be made after cover has stopped)                                                                                               | Claim must be made within three (3) months of the insured first being declared medically unfit (a claim cannot be made after cover has stopped)                                                                                |

**If you are a seasonal, casual or part-time worker there are important conditions specifically relating to the duration of benefit payable under the Disability section of the policy. This is known as the 20 HOUR TEST:**

| At the date of the loan if you have worked...    |                                                                   |                                                                   |
|--------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>At the date of the Disability you were...</b> | ...More than 20 hours per week (Averaged over the last 12 months) | ...Less than 20 hours per week (Averaged over the last 12 months) |
| <b>Working</b>                                   | Benefit payable up to end of loan                                 | Benefit payable up to 12 months from the date of entitlement      |
| <b>Not working</b>                               | Benefit payable up to 12 months from the date of entitlement      | No benefit premium refunded                                       |

### INSURANCE RECORD:

| Date | Death | Critical Illness | Disability | Redundancy | Bankruptcy | Hospital Cash |
|------|-------|------------------|------------|------------|------------|---------------|
|      |       |                  |            |            |            |               |

**IMPORTANT NOTE:** Only First Credit Union can confirm the cover is current.