LOAN PLUS POLICY DOCUMENT.

What you need to know

The Cooperative Bank

IMPORTANT

This is your Policy Document for Loan Plus, a single premium Term Life Insurance Policy. It is underwritten by Co-operative Life Limited, a wholly owned subsidiary of The Co-operative Bank Limited.

Please read this and your Policy Schedule carefully to ensure your Insurance Cover meets your requirements, and contact us immediately if there are any errors.

This Policy Document is an important document and should be kept in a safe place.

CONTENTS

SECTION 1: POLICY DEFINITIONS

Application Form: The form completed by You when You apply for the Loan covered by this Policy.

Effective Date: The date shown on the Policy Schedule, indicating the date that any changes to the Policy Schedule are effective from.

Illness: Any illness, sickness or disease suffered by You.

Injury: Accidental bodily injury suffered by You.

Life Cover: The life insurance described in this Policy.

Life Cover Commencement Date: The date Life Cover commences under this Policy in accordance with section 3b.

Life Cover End Date: The date shown on the Policy Schedule indicating when the Life Cover ends under this Policy, or the date on which the Loan Balance is repaid in full, whichever is the earlier.

Life Insured: The Co-operative Bank Customer(s) named as such on the Policy Schedule.

Loan: The loan owed by the Life Insured to the Policy Owner, the account number of which is specified as the loan number on the Policy Schedule and for which We have agreed to provide Life Cover under this Policy.

Loan Balance: The outstanding balance of the Loan covered by this Policy as at the date of death of the Life Insured, plus any interest accrued on the Loan from the date of death of the Life Insured to the date the Life Cover is paid by Us, less any Loan instalment-free periods that have increased the term of the Loan, and any Loan arrears. The Loan Balance cannot exceed the total outstanding balance of the Loan on which the original Premium was based.

Medical Practitioner: A person (including a specialist) registered under the Medical Practitioners Act 1995, or any substituted Act.

Policy: This Loan Plus Policy. Where there is more than one Life Insured named on the Policy Schedule, then this Loan Plus Policy is referred to as a joint Policy.

Policy Owner: The entity named as such on the Policy Schedule or any party to whom the Policy is assigned under section 5a.

Policy Schedule: The most recent Policy Schedule that We have issued.

Premium: The single premium amount payable under this Policy on the date the Loan is advanced, and any subsequent changes advised by Us.

The Co-operative Bank Customer: The Co-operative Bank Loan customer(s) who have attained their 18th birthday, and are under age 65 on the date they completed the Application Form.

We, Us, Our: Co-operative Life Limited, or any person, firm, corporation, or company carrying on business in succession to or in amalgamation with Co-operative Life Limited.

You, Your: The Life Insured(s) named on the Policy Schedule or, in the case of a joint Policy where the context so requires, the relevant Life Insured.

SECTION 2: BASIS OF CONTRACT

Section 2a: Introduction

We want all parties named on the Policy Schedule to remain satisfied with this Policy. We have a complaints procedure to assist and resolve any dispute quickly and fairly.

Questions or complaints about this Policy should be directed to Your local branch. If the branch is not able to resolve the problem, then please write to:

Co-operative Life Limited
PO Box 54
Wellington 6140

We are currently a participant in the Banking Ombudsman Scheme. In the unlikely event We cannot resolve the complaint satisfactorily it may be directed to the Banking Ombudsman at:

Office of the Banking Ombudsman
PO Box 10-573
Wellington 6143

Section 2b: Policy wording and interpretation

2b(1) Terms and conditions

The terms and conditions of this Policy consist of:

- This Loan Plus Policy wording, and;
- The Application Form, and;
- Any information supplied by anyone in support of the application for insurance.

2b(2) Interpretation

In this Policy some words have defined meanings (see section 1). These words are indicated by initial capital letters, however the absence of a capital letter shall not alone imply that the word or phrase is used with a meaning different from that given by its definition.

The headings used in this Policy are for reference only. They do not form part of the Policy and are not to be referred to in interpreting it.

2b(3) No surrender value

This Policy does not accrue a surrender value or maturity value or provide profits or bonuses, at any time.

2b(4) Important document

This Policy is an important document, it will be needed in the event of a claim. The Policy Owner is authorised to retain it, and You are entitled to a copy on request.

Section 2c: Jurisdiction and currency

2c(1) Law

The laws of New Zealand govern this Policy. The courts of New Zealand have exclusive jurisdiction.

This policy is referable to the Co-operative Life statutory fund, established under the Insurance (Prudential Supervision) Act 2010 with effect from 1 July 2012.

2c(2) Currency

All amounts referred to in this Policy are expressed and payable in New Zealand dollars and include Goods and Services Tax where applicable.

Section 2d: Correspondence

All notices sent by Us to You or the Policy Owner must be in writing, and posted to the Policy Owner's (or Your, as applicable) last address notified to Us.

Section 2e: Authority

2e(1) Authority given by Policy Owner

All information about this Policy will be sent to the Policy Owner. The Policy Owner authorises Us to notify You of changes to the Policy as We consider appropriate and provide You with information about this Policy on request.

2e(2) Changes

The Policy Owner is authorised to enquire about, and can apply to Us in writing to make changes to this Policy.

SECTION 3: INSURANCE COVER

Section 3a: Scope of Cover

The Loan Balance insured under this Policy will be payable on the death of the Life Insured, or on the death of the first Life Insured to die if this is a joint Policy (subject to this section 3).

The Life Cover applies 24 hours a day, anywhere in the world.

Section 3b: Commencement of Cover

The Life Cover will commence under this Policy on the Life Cover Commencement Date detailed on the Policy Schedule.

Section 3c: Termination of Cover

The Life Cover will end under this Policy from the date that any of the following occur:

- The Loan Balance has been repaid in full, or;
- The Loan contract terms and conditions are in default, and all monies owing on the Loan become immediately due and repayable to the Policy Owner, or;
- On the Life Cover End Date, or;
- Where any underpaid Premium is invoiced by Us under section 4a(5) and payment is not made in full within 60 days from the date of invoice, or;
- The Life Insured dies or, if this is a joint Policy, on the death of the first Life Insured to die resulting in a payment of the Loan Balance insured under this Policy.

Section 3d: Claims procedure

3d(1) When will We consider a claim?

We will consider a claim under this Policy for the Loan Balance when the Life Insured dies, or on the death of the first Life Insured to die if this is a joint Policy, and as soon as We are satisfied that We have all the information necessary to make the payment.

3d(2) How to make a claim

Your legal representative must notify Us immediately any event occurs that might result in a claim. We will then advise the information that is required to progress the claim. The information required includes, but is not limited to, the following:

- A copy of Your birth certificate, for proof of age, and;

(Note: If there is a discrepancy between the information supplied in support of a claim and the age previously provided by You then:

- *if Your correct age on application meant that You would not have been eligible for this Policy, We reserve the right to make this Policy void back to the Life Cover Commencement Date. In this situation We will refund the Premium paid (without interest), less any applicable administration fee, to the relevant Loan account.*
- *if it is found that You would have been eligible for this Policy, despite the incorrect age notified to Us, then We will either reduce the Loan Balance payable by the amount of underpaid Premium, or refund the amount of overpaid Premium by crediting Your Loan account, in both cases without interest).*

- A certified copy of Your death certificate, and;
- The completion of a standard Loan Plus Policy claim form.

3d(3) Authority to access records

You authorise Us to access any of Your records held by any doctor, hospital, health agency, insurance office, Accident Compensation Corporation, or any other person, and obtain any and all information that We may require in order for Us to verify and assess a claim under this Policy. This will generally be at Our expense.

We will not consider a claim for payment unless all the information We request is provided to Us.

3d(4) Truthfulness

All information given to Us in support of a claim must be true, correct, and complete.

If any information given to Us is untrue, incorrect, or incomplete and We consider or would have considered that information material to the claim, We reserve the right to withhold all claim payments. We also reserve the right to cancel this Policy (and/or any other insurance contract that the fraudulent party(ies) may have with Us).

If We cancel the Policy under this section after We have paid the claim, then We have the right to recover from Your estate the full amount paid by Us, together with all costs incurred by Us in association with the collection of any amount We have paid or in association with the cancellation of this Policy.

3d(5) Claim payments

We will pay claim payments under this Policy to the relevant Loan account.

Payment of the Loan Balance is a complete discharge of Our obligations in respect of this Policy.

Section 3e: Policy exclusions

We will not pay the Loan Balance under this Policy where Your death is directly or indirectly due to:

- A medical condition for which You had sought advice or received treatment (this includes any prescription medication) from a Medical Practitioner in the 12 months immediately preceding the Life Cover Commencement Date. This exclusion only applies if death occurs within the first 24 months following the Life Cover Commencement Date, or;
- Intentionally self-inflicted, whether sane or insane, Injury or Illness (including the deliberate misuse of prescribed or non-prescribed drugs), or;
- Involvement of either Life Insured, if this is a joint Policy, in a deliberate criminal act that results in the intentional death of the other Life Insured, or;
- Any act of war, invasion, foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, insurrection, terrorism, military or usurped power or engagement in peacekeeping duties.

The above are referred to in this Policy as exclusions, and apply from the Life Cover Commencement Date. We may add further exclusions by excluding any other events or circumstances We reasonably consider have, or are likely to, materially increase the risk of death or reduce life expectancy amongst the general population or any section of the general population. Any exclusion added under this power will apply to all policies of a similar nature to this Policy, and will only apply once We have sent You notice in writing of the additional exclusion.

If a claim is declined by Us under this section, or if all claim payments are withheld or the Policy cancelled under section 3d, then no Premium refund will be payable by Us.

Where this is a joint Policy and a claim is declined under this section or all claim payments withheld under section 3d in respect of the first Life Insured to die then, unless cancelled under this section 3, this Policy will continue in force in respect of the surviving Life Insured.

SECTION 4: INSURANCE PREMIUM

Section 4a: Single Premium

4a(1) Payment of Premium

The Premium for this Policy is paid to Us by the Policy Owner on the date the Loan is advanced, and is included in the Loan Balance.

4a(2) Premium frequency

The Premium for this Policy is a one-off single Premium payment.

4a(3) Calculation of Premium

The Premium is calculated on the Life Cover Commencement Date, and is based on the age of the Life Insured, the Loan Balance, and Loan term.

4a(4) Refund of Premium if Loan repaid early

If the Loan is repaid in full before the Life Cover End Date, then You will be entitled to a refund of the unexpired portion of Premium calculated in accordance with the Credit Contracts and Consumer Finance Act 2003, except in the following circumstances:

- Where the Loan has been repaid under this Policy due to Your death, or;
- Where the Loan contract terms and conditions are in default, and all monies owing on the Loan become immediately due and repayable to the Policy Owner.

4a(5) Discrepancy in age

If, at any time after the Life Cover Commencement Date (but before a claim is made under this Policy) We are notified that Your age is incorrect, as recorded in the Policy Schedule, then We may take whichever of the following actions is appropriate in the circumstances:

- If Your correct age on application meant that You would not have been eligible for this Policy, We reserve the right to make this Policy void back to the Life Cover Commencement Date. In this situation, We will refund the Premium paid (without interest), less any applicable administration fee, to the relevant Loan account, or;
- If it is found that You would have been eligible for this Policy, despite the incorrect age notified to Us, then We will either refund the amount of overpaid Premium to You (without interest) by crediting Your Loan account; or We will invoice You for the amount of underpaid Premium (without interest) with the amount invoiced being immediately due and payable to Us.

Where this Policy is a joint Policy and We are notified that the age of either Life Insured is incorrect, as recorded on the Policy Schedule, Our rights and obligations under this section will not be affected by the fact that the age of the other Life Insured might be correctly recorded in the Policy Schedule.

SECTION 5: POLICY OWNERSHIP

Section 5a: Who owns this Policy

The Policy Owner shown on the Policy Schedule owns this Policy.

We will pay a claim under this Policy to the relevant Loan account, which is full and final settlement of Our liability under this Policy, subject to section 3d(4). Once paid to the Loan account, the Policy Owner is required to apply the amount towards repayment of the Loan.

This Policy cannot be assigned or transferred by You. If the Loan is assigned to another party by the Policy Owner, then this Policy will also be assigned to that same party.

Section 5b: Policy amendments

5b(1) Changing the Cover

We require the written consent of the Policy Owner before We will make any changes to the terms of the cover provided under this Policy other than in the circumstances outlined in section 5b(2) or an exclusion added in accordance with section 3e.

5b(2) Changes in law

If changes in the law occur after the Life Cover Commencement Date that affect Our liability for tax, or the way in which the terms of this Policy are interpreted or the terms on which We are lawfully able to provide insurance cover, then We may change any of the terms and conditions of this Policy that We consider necessary by giving the Policy Owner and You written notice.

LIKE TO KNOW MORE?

Visit our website, give us a call or pop in to your local branch.

0800 554 554

co-operativebank.co.nz

The Cooperative Bank

CP581 03/15