

Loan Protection Insurance and Life Savings Insurance

South Herts Credit Union provides members with Loan Protection Insurance and Life Savings Insurance. The policies are held with CUNA Mutual Insurance Society, who are authorised and regulated by the Financial Services Authority.

This insurance is free to members.

Loan Protection Insurance

- If a member dies before his or her loan is fully repaid, this insurance will pay off the outstanding loan balance up to a maximum of £5,000, as long as the loan was taken out before the member's 70th birthday, and subject to the following 6 month Pre-Existing Condition Limitation*.

Pre-Existing Condition Limitation

Applies to: **all loans received from the credit union within 6 months prior to the date of death. If the member dies 6 months or more after the date of the loan, this rule will not be applied.**

If the member had knowledge, or should have reasonably known, in the 6 months prior to taking that loan that they were receiving medical advice, consultation or treatment for a condition that led to their death, then that loan will not be covered by the insurance.

Life Savings insurance

- If a member dies, their savings balance will be paid by the credit union to the appropriate person subject to the proper procedures.
- Also, subject to* the 6-month Pre-Existing Condition Limitation set out below and up to an overall maximum of £5,000**, this insurance will pay the following extra amounts of money to the credit union to pass on to the appropriate recipient.
- If the member's age on the date of a savings deposit was:

	The extra amount paid by this insurance is equal to:
16 years through 64 years	100% of the amount deposited
65 years through 79 years	25% of the amount deposited
80 years or more	0% of the amount deposited

Pre-Existing Condition Limitation

Applies to: **all savings deposits made to the credit union within 6 months prior to the date of death. If the member dies 6 months or more after the date of the deposit, this rule will not be applied.**

If the member had knowledge, or should have reasonably known, in the 6 months prior to making that deposit that they were receiving medical advice, consultation or treatment for a condition that led to their death, then that deposit will not be covered by the insurance.

* There are also some other general exclusions within both policies. For the full terms and conditions, please contact South Herts Credit Union.

** Please note that the £5,000 maximum applies ONLY to the extra amount paid by the Life Savings insurance. The maximum permissible limit on actual savings is £15,000.