

Loan Protection Insurance and Life Savings Insurance

Watford 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 £5000, 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 (PCL).

Pre-Existing Condition Limitation (PCL)

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 (PCL) set out below and up to an overall maximum of £5000**, 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 (PCL)

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 Watford Credit Union.

** Please note that the £5000 maximum applies ONLY to the extra amount paid by the Life Savings insurance. The maximum permissible limit on actual savings is £10000.