



Southbury
INSURANCE



LOAN REPAYMENT
INSURANCE

Loan Repayment Insurance Policy

Southbury Insurance Limited Contact Details

0508 SOUTHBURY
(0508 768 842)

Customer Services

PO Box 1970
Christchurch

- The Insured
- Finance Agreement Number

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About Southbury Insurance Limited Loan Repayment Insurance

Southbury Loan Repayment Insurance provides you with a range of covers should you not be able to repay the loan because of Death, Accident & Sickness, Redundancy, Hospitalisation and Terminal illness.

Other products

Southbury Insurance provides a range of other products designed to cover your personal needs. These include Mechanical Breakdown Insurance and Guaranteed Asset Protection Insurance.

For further information

Our knowledge, expertise and experience are always available to you, your financier and your motor vehicle dealer. If you need any further information about this Policy, or any other products we provide, contact your financier, your dealer or Southbury Insurance at PO Box 1970 Christchurch or Tel: 0508 Southbury (768 842); Fax: (03) 962 1849.

Your Policy

This Policy records the terms and conditions of the contract of insurance between Southbury Insurance Limited ("Southbury") and You the policyholder named in the Schedule.

For the Death and Terminal Illness covers, Southbury's obligations are underwritten by Lumley Life (N.Z.) Limited (defined in the Policy as the "Life Insurer").

The purpose of this Loan Repayment Insurance is to cover the amount You owe the Financier under the Finance Agreement if an insured event occurs. In consideration of You paying the premiums stated in the Schedule, Southbury (or the Life Insurer if a Death or Terminal Illness claim) will pay the Benefit payable upon an insured event happening subject to the terms and conditions set out.

You should read all of this Policy carefully to ensure it meets Your requirements.

1. Death

- a. Should You die, after the Commencement Date and before Your 70th birthday, the Life Insurer will pay the amount owing under the Finance Agreement as at the date of death, excluding arrears.
- b. The executor of Your estate must notify Southbury that You have died, within 6 months of Your death. A death certificate and birth certificate must be produced to verify Your death and age.
- c. In addition to Your entitlement under clause 1a., the Life Insurer will pay \$10,000 to Your estate if Your death is solely and directly caused by an Accident provided that :
 - i. the Accident occurs after the Commencement Date and before the Policy ends;
 - ii. You die within 6 months of the Accident and before Your 70th birthday;
 - iii. Your death is verified by production of a death certificate. Death will not be presumed upon Your disappearance except in the event of the total destruction of a ship or aircraft in which You were travelling;
 - iv. The most the Life Insurer will pay for any and all claims made during the period of insurance is \$10,000, including if more than one person is named as the customer in the Schedule.

2. Terminal Illness

- a. Should You be diagnosed with a Terminal Illness after the Commencement Date and before Your 70th birthday, the Life Insurer will pay the amount owing under the Finance Agreement as at the date You lodge Your claim under this Policy, excluding arrears.

- b. To establish Terminal Illness, You must produce a written certificate from an independent registered medical practitioner recording the diagnosis. No claim will be considered under this cover unless and until You have provided a written certificate.

3. **Accident and Sickness**

- a. Should You suffer a bodily injury or contract an illness after the Commencement Date, which prevents You from engaging in or attending full-time employment for more than 7 consecutive days from the date when You first consult a registered medical practitioner about the bodily injury or illness, Southbury will pay the daily amount payable under the Finance Agreement commencing from the 8th day after You first consulted a registered medical practitioner about the bodily injury or illness, for each day You are prevented from engaging in or attending full-time employment until the Finance Agreement is repaid or discharged.
- b. The daily amount payable will be calculated by dividing the total amount of the monthly instalments (excluding residual or "balloon" payments) by the number of days comprising the term of the Finance Agreement.

4. **Hospitalisation**

- a. Should You be hospitalised for any bodily injury or illness for 5 or more consecutive days, Southbury will pay the daily amount payable under the Finance Agreement commencing from the 6th day after the date You are first hospitalised for each day You are in hospital until the Finance Agreement is repaid or discharged.
- b. The daily amount payable will be calculated by dividing the total amount of the monthly instalments (excluding residual or "balloon" payments) by the number of days comprising the term of the Finance Agreement.

5. **Redundancy**

- a. Should You be made redundant from Your full-time employment after the Commencement Date and prior to Your 70th birthday, Southbury will pay the daily amount payable under the Finance Agreement for each day You are unemployed until the Finance Agreement is repaid or discharged.
- b. Redundancy means where Your position of full-time employment has become superfluous to the needs of the employer for longer than 30 consecutive days. Redundancy begins when You register as unemployed with Work and Income New Zealand and ends when You commence full-time employment with another or the same employer.
- c. The daily amount payable will be calculated by dividing the total amount of the monthly instalments (excluding residual or "balloon" payments) by the number of days comprising the term of the Finance Agreement, up to a maximum of :
 - i. 180 days of redundancy or the sum of \$10,000 (whichever is the lesser) where You have been engaged in full-time employment for at least 12 consecutive months before You registered as unemployed with Work and Income New Zealand; or
 - ii. 90 days of redundancy or the sum of \$5,000 (whichever is the lesser) where You have been engaged in full-time employment for less than 12 consecutive months before You registered as unemployed with Work and Income New Zealand.

6. **Bankruptcy**

- a. If You are Self-employed and adjudged bankrupt by a court, or if You are employed by a company, over which You have direct financial control, and that company goes into liquidation, Southbury will pay the daily amount payable under the Finance Agreement for each day You are bankrupt or the company is in liquidation.
- b. The daily amount payable will be calculated by dividing the total amount of the monthly instalments (excluding residual or "balloon" payments) by the number of days comprising the term of the Finance Agreement, up to a maximum of 180 days from the date of adjudication or liquidation or earlier if the Finance Agreement is repaid or discharged, or the sum of \$10,000 (whichever is the lesser).

7. **Exclusions**

- a. No Benefit will be paid for any insured event occurring while You are residing or working outside of New Zealand, Australia or one of the Pacific Islands, south of the equator:
- b. Except as expressly provided in clauses 5(c) and 6(b), the maximum Benefit payable under this Policy, including the aggregate daily amount payable under clauses 3(b) and 4(b), will be \$75,000. If while a Benefit is being paid for an insured event of Accident and Sickness, Hospitalisation, Redundancy or Bankruptcy, and one of the other insured events of Death or Terminal Illness happens to the customer, for which a claim is made, payment of the daily amount payable will cease and the Benefit for Death or Terminal Illness will be paid.
- c. If more than one person is named as the customer in the Schedule and an insured event happens to one of the customers, and is claimed for; the Benefit payable on behalf of the subject customer will be one half of the amount provided for unless a joint premium has been paid, in which case the full Benefit will be paid.

- d. The period of insurance under this Policy will not exceed 5 years from the Commencement Date.
- e. No Benefit will be paid for Death, Terminal Illness, Accident and Sickness or Hospitalisation, caused directly or indirectly by:
 - i. Uncomplicated pregnancy or childbirth.
 - ii. Suicide, attempted suicide or self-inflicted injury or illness.
 - iii. AIDS, or infection with a human immuno-deficiency virus including suicide while infected.
 - iv. Any sexually transmitted disease.
 - v. Any bodily injury or physical defect, or any illness, disease or degenerative condition, or symptom of any illness, disease or degenerative condition which the customer knows existed at Commencement Date or for which the customer has sought or received medical advice within 6 months preceding the Commencement Date.
 - vi. Any psychological, psychiatric or nervous condition or disorder, including mental stress.
 - vii. Asbestos, asbestosis, mesothelioma or related disease.
 - viii. Any bodily injury suffered while under the influence of alcohol or drugs.
 - ix. Alcoholism or drug addiction.
 - x. Involvement in a criminal activity, whether a conviction is entered or not.
 - xi. Involvement in parachuting, hanggliding, competitive motor or water sport of any kind, or any professional sporting activity.

- xii. Air travel except as a fare paying or ticket holding passenger in an aircraft fully licensed for the carriage of passengers for hire or reward and operated by a regular airline or established charter service.
 - xiii. Any consequence of declared or undeclared war, rebellion or revolution, or any act or threatened act of terrorism, or any nuclear weapons material, ionising, radiation or contamination by radioactivity, or from any nuclear fuel or from nuclear waste.
- f. No Benefit will be paid for redundancy if :
- i. Redundancy is voluntary.
 - ii. Redundancy occurs within 30 days of the Commencement Date.
 - iii. The customer is Self-employed or a working director:
 - iv. Redundancy is the result of the customer's dismissal, resignation or retirement.
 - v. Where the work is for a fixed or defined period, upon the occurrence of the fixed completion date or end of the defined period.
 - vi. Where the work is of a seasonal nature, including but not restricted to fruit picking, shearing, working at a freezing works, upon the occurrence of the work season ending.
- g. No Benefit will be paid for Bankruptcy if :
- i. The adjudication of Bankruptcy is on the customer's own application.
 - ii. If the application for liquidation was filed by You or on behalf of You by an associated person.

8. **Conditions**

- a. This Loan Repayment Insurance Policy has been issued to You on the basis that You have disclosed to Southbury all information relevant to the insurance covers provided and the Benefits payable under this Policy. If You fail to provide all relevant information, or have given any information incorrectly or untruthfully, Southbury may avoid the contract of insurance and refuse to consider any claim.

- b. When making a claim You must disclose to Southbury all information relevant to the claim and the insured event, whether or not the matter is the subject of a specific question in the claim form. If You fail to provide all relevant information, or have given any information incorrectly or untruthfully, Southbury may decline Your claim. If any claim is fraudulently made, the contract of insurance will be void and You will forfeit any entitlement to a Benefit which would otherwise be payable.

9. **Claims**

- a. You should notify us of any claim as soon as possible but no later than 28 days after the insured event (except for Death : refer to clause 1 b.) which is the subject of Your claim. To make a claim You should :
 - i. Telephone Southbury Insurance at 03 962 1848 (free calling number 0508 768 842) or facsimile at 03 962 1849.
 - ii. Write to Southbury Insurance at PO Box 1970, Christchurch.
 - iii. E-mail : enquiry@southbury.co.nz
 - b. You should also notify Your Financier that You have made or are going to make a claim.
 - c. To make a claim You must complete a claim form and provide us with all of the information we require. You must assist us with Your claim in any way we request. You are responsible for providing any certificates or other evidence we may ask for to support Your claim at Your expense. We may require You to undertake a separate or additional medical examination for our confidential information at our expense.
10. As soon as possible after sustaining an injury or contracting an illness You must consult a registered medical practitioner and follow their advice and treatment at Your expense.
 11. All Benefits payable will be paid to the Financier for Your credit. Payment will be made in New Zealand Dollars.
 12. Insurance cover under the Loan Repayment Insurance Policy begins at the Commencement Date and ends on the first of the following occurrences :
 - a. Your 70th birthday.

- b. When the Finance Agreement is repaid, discharged or expires.
 - c. This Policy is cancelled by You or Southbury.
 - d. Your death.
 - e. The sale, gift or repossession of the chattel secured under the Finance Agreement.
 - f. Expiry of 5 years from the Commencement Date.
13. If during the period of insurance You pay to the financier the full amount due under the Finance Agreement, Southbury will pay to the Financier an amount equal to the proportionate rebate of the premium paid or credited to You under the Credit Contracts and Consumer Finance Act 2003.
14. If You change Your mind and decide You don't want this Loan Repayment Insurance policy, You may cancel by writing to Southbury and returning the Policy documents within 20 working days of the Commencement Date. You may only cancel this Policy, after this period, if you have repaid to the Financier the full amount due under the Finance Agreement.
15. This Policy may be amended by Southbury with Your written consent. Southbury may make any amendment required by law without Your consent.
16. You may not transfer the ownership or benefit of this Policy.

17. **Meanings of Words**

Accident

means something that happens or a series of things that happen resulting from, or are attributable to, one source or original cause. What happens must be unexpected and unforeseen by You. Further, what happens must be violent, external (to Your body) and visible. It does not include a sickness or disease.

Application

means the form completed by the Customer to apply for Loan Repayment Insurance.

Benefit

means a benefit payable under any of clauses 1 to 6 inclusive of this Policy.

Commencement Date

means the date Your loan was drawdown under the Finance Agreement.

Finance Agreement

means the credit contract You entered into with the Financier described in the Schedule.

Financier

means the finance company named in the Schedule.

Full-time employment

means working for salary, wages, commission, compensation, fees or other financial gain for at least 25 hours per week, or self-employment involving work for the sole purpose of a business for more than 25 hours a week.

Hospitalisation

means the admission as a patient to a hospital licenced under the Hospitals Act 1957.

Life Insurer

means Lumley Life (N.Z.) Limited, who underwrite the Death and Terminal Illness Benefit covers under this Policy. Lumley Life (N.Z.) Limited is a wholly owned subsidiary of Lumley General Insurance (N.Z.) Limited.

Policy

means the Loan Repayment Insurance Policy together with the application and Schedule and any other documents or endorsement issued in writing to the Customer

Registered medical practitioner

means a person registered as a medical practitioner under the Medical Practitioners Act 1995.

Schedule

means the schedule issued to the customer with the Finance Agreement.

Self-employed

means carrying on business as a sole trader or as a partner in a partnership.

Terminal Illness

means the final stage of a fatal disease which is incurable and irreversible and is likely in the opinion of Southbury to result in Your death within 6 months of the date You lodge a claim under this policy.

You/Your

means the person or persons named in the Schedule as the customer:

Insurer Financial Strength Rating

Southbury Insurance Limited is not required to have, and has elected not to have, a rating under the Insurance Companies (Ratings and Inspections) Act 1984.

Lumley Life (N.Z.) Limited as a life insurer is not required to be rated.



Southbury Insurance Limited

Customer Services

0508 SOUTHBURY

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Office Hours: Monday - Friday 8am - 5pm

PO Box 1970, Christchurch