



Guardrisk
INSURANCE
INNOVATIVE RISK SOLUTIONS

CREDIT PROTECTION PLAN

CREDIT PROTECTION INSURANCE

GENERAL OPERATIVE CLAUSE

Whereas the Insured named in the Proposal and Schedule of Insurance has applied to the Company for the Insurance as defined hereinafter and in consideration of which cover has been granted, it is hereby agreed that:

In consideration and conditional upon the prior payment of the Premium by the Insured and the receipt thereof by or on behalf of the Company and subject to the Exceptions, Conditions and Provisions of the policy the Company agrees to indemnify the Insured in respect of the Insured Events covered by and occurring during the period of Insurance of the Policy. This policy, Proposal and Schedule of Insurance should be read as one contract and any word or expression to which a specific meaning has been attached in any part thereof shall bear the same meaning wherever it may appear.

Specific Exceptions, Conditions, Provisions and Terms shall override General Exceptions, Conditions, Provisions and Terms.

INSURED EVENTS

SECTION A – Death Benefit

On the death of the Insured Person due to Sickness or Accident, an amount equivalent to but not exceeding the Outstanding Balance in terms of the Agreement entered into between the Insured and the Credit Grantor.

SECTION B – Total and Permanent Disability Benefit

In the event of the total and permanent disability of the Insured Person an amount equivalent to the death benefit as insured under this policy shall be paid.

For the purposes hereof the total and permanent disability shall mean such incapacity which renders the Insured Person incapable of following his/her own or similar occupation, defined as the regular and/or normal occupation in which the Insured Person is engaged for remuneration or profit but also extended to include any occupation for which the Insured Person is reasonably qualified to be engaged in for remuneration or profit by his/her qualifications, status, training, working and/or occupational experience.

Claims will only be considered where the Insured Person has been disabled for a minimum period of six months. The disability must also be permanent and confirmed as such by a duly recognised and accredited medical practitioner whose opinions and credentials are acceptable to the Company. The term total and permanent disability shall include the loss of both hands or feet, or one hand and one foot, or the sight of both eyes.

SECTION C – Temporary Total Disability Benefit

In the event of the Insured Person suffering a loss of normal income from his/her own normal occupation as a result of illness or bodily injury the Company shall pay, after a deferred period of 30 days, the monthly instalments agreed upon under the Agreement, or a proportion thereof if the Insured Person shall suffer only partial loss of income, until;

1. the expiry of the term of the policy
2. the Insured Person attaining the age of sixty five years of age
3. the recovery of the Insured Person
4. the total and permanent disability of the Insured Person
5. the death of the Insured Person

whichever occurs first

SECTION D – Dread Disease

In the event that the Insured Person prior to the attainment of the age of sixty years and before the expiry of the term of this policy is diagnosed as suffering from any of the following sicknesses and provided that such diagnosis is made by a registered medical practitioner and is supported by clinical, histological, radiological and laboratory evidence to the satisfaction of the Company an amount equal to the Death benefit as insured under this policy shall be paid to the Insured;

1. Heart Attack – an Ischaemic event to the Myocardium (Heart muscle) that results in the death of part of the myocardium manifested by typical chest pains or new changes to the Electrocardiogram (ECG) and elevation of the cardiac enzymes.
2. Stroke – a cerebrovascular incident or inoperable brain tumour resulting in neurological sequelae of a permanent nature. This definition includes infarction of brain tissue, intercranial and/or sub-arachnoid haemorrhage and embolisation from an extracranial source.
3. Cancer – the presence of one or more tumours classified as malignant cells and with the invasion of normal tissue. Hodgkin's disease and the Leukaemia's are included in this definition, but excluded are all skin tumours and/or carcinoma-in-situ.
4. Coronary Artery Disease requiring surgery – indefinite Coronary Artery Disease that is diagnosed via accepted angiograph testing which directly results and necessitates surgery to part or all of the diseased coronary arteries, but excluded are percutaneous angioplasty and/or intro-arterial procedures not necessitating thoracotomy.
5. Renal failure – end stage renal failure presenting a chronic irreversible failure of both kidneys to function, as a result of which regular renal dialysis is instituted.
6. Transplants – the actual and necessary transplant of a liver, heart, kidney pancreas or bone marrow.
7. Paraplegia – the total and irreversible loss of the use of both legs and/or both arms.
8. Coma – defined as a state of unconsciousness with no reaction to external stimuli or internal needs, persisting continuously with the use of life support systems for a period of at least 96 hours and resulting in permanent neurological deficit.
9. Serious burns defined as third degree burns covering at least 20% of the body surface area
10. Loss of speech – The total and irreversible loss of speech but excluding loss of speech caused by accidental, violent, external and visible means.
11. Loss of limb – The total and irreversible loss of limb but excluding loss of limb caused by accidental, violent, external and visible means.
12. HIV infection through blood transfusion.

SECTION E – Retrenchment

On the termination of the Insured Person's position by his/her employer based on adverse conditions or anticipation thereof, or upon any other business decision by his/her employer resulting in staff reductions, four months instalments (as payable in terms of the Agreement and subject to the procedures set out in General Condition two (2) having been met) will become payable by the Company.

SECTION F – Redundancy

On termination of the Insured Person's position by his/her employer due to the introduction of new technology or reorganisation of the employer's enterprise, four months instalments (as payable in terms of the Agreement and subject to the procedures set out in General Condition two (2) having been met) will become payable by the Company.

SPECIFIC TERMS AND CONDITIONS APPLICABLE TO SECTIONS E AND F

1. The Company's liability in terms of this Insurance does not extend to cover Retrenchment or Redundancy arising from:
 - 1.1 the Insured Person's retirement in the normal course of events or the Insured Person agreeing to an early retirement, or by any action that results in the Insured Person being dismissed.
 - 1.2 the expiry of a non-renewable fixed term employment contract.
 - 1.3 the nationalisation, confiscation, commandeering of the assets of the Insured Person's employer, strike, labour disputes or industrial action from whatever cause.
 - 1.4 the happening of any event or events which may occur after the termination date of the Insurance as provided for in this policy, or the settlement date of the Agreement.
2. The Company's liability in terms of this Insurance does not extend to cover the Insured Person's resignation, retrenchment or redundancy, whether voluntary or otherwise, where the Insured had reasonable grounds or awareness at the inception date or renewal date of this Insurance that such action or event was foreseeable.
3. If the Insured makes a claim within the first ninety (90) days after the Commencement Date of this policy the claim benefit will be restricted to a single payment equal to the sum of all those premiums paid up until the date such redundancy/retrenchment occurs.
4. Contractors and /or self employed persons are excluded from the cover provided in respect of these sections.

DEFINITIONS

THE INSURED: Shall mean the person or legal entity who has entered into the Agreement and whose details are noted on the Proposal and Schedule of Insurance.

THE INSURED PERSON: Shall mean the Insured Person or Second Insured Person whose details are noted on the Proposal and Schedule of Insurance (the benefits provided by this policy is restricted in respect of the Second Insured Person to Death and Permanent Disability only).

THE AGREEMENT: Shall mean the Instalment Finance Agreement entered into between the Insured and the Credit Grantor for the purchase of goods supplied to the Insured under a sale transaction in terms of a credit transaction as defined in section 1 of the Usury Act 1968 (Act No.73 of 1968).

OUTSTANDING BALANCE: Shall mean the balance owing to the Credit Grantor in terms of the Agreement as at the date of Death or Disability of the Insured Person or Second Insured Person and which amount would have been owing had regular payments been maintained of every instalment under the Agreement.

CREDIT GRANTOR: Shall mean the Financial Institution stated in the Proposal and Schedule of Insurance.

ADMINISTRATOR: Shall mean the Administrator stated on the Proposal and Schedule of Insurance.

COMPANY: shall mean Guardrisk Insurance Company Limited

GENERAL EXCEPTIONS

- 1 This policy does not cover death or bodily injury directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.
- 2 Notwithstanding any provision of this policy including any exclusion, exception or extension, this policy does not cover bodily injury directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the bodily injury
For the purpose of this exception an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.
- 3 Consequential loss of any description or delay.
- 4 This policy shall not indemnify the Insured or be liable to pay any compensation/benefit to the Insured for death, sickness or bodily injury to the Insured Person
 - 4.2 who is under eighteen or over sixty five years of age
 - 4.3 caused by or resulting from
 - 4.3.1 his/her suicide within the first twenty-four months after commencement of this insurance or intentional self injury.
 - 4.3.2 sustained during service on duty in any armed or police force.
 - 4.3.3 pregnancy, childbirth or any physical defect, infirmity, illness or disease existing prior to the Insured entering into the Agreement
 - 4.4 who is participating in civil commotion, labour disturbances, riot, strike, lockout or any activities associated with any of the aforementioned.
 - 4.5 during the first twelve months of this Insurance resulting from an injury or illness for which the Insured Person has received medical treatment in the six-

month period immediately prior to the Commencement Date stated on the Proposal and Schedule of Insurance.

- 4.6 caused by an act or deed of the Insured Person in violation of any criminal law.
- 4.7 caused by the excessive use of intoxicating liquor (defined as having a level of alcohol in the blood in excess of 0.100 grams per 100ml of blood) the use of narcotics or drugs other than as prescribed by a registered medical practitioner other than himself/herself but not if prescribed as a treatment for drug addiction of the Insured Person.
- 4.8 whilst the Insured Person is driving a vehicle with more than the statutory permitted level of alcohol in the blood.
- 4.9 caused by the Insured Person's participation, or attempted participation in motorised speed contests and/or racing, parachute jumping, skydiving, hang-gliding, bungy-jumping, mountaineering necessitating the use of ropes.
- 4.10 which is in the opinion of the Company related to or caused by venereal disease, sexually transmitted diseases or infection with the Human Immunodeficiency Virus (HIV), except as provided for under Section D.
- 4.11 caused by investigations, treatment or operations of a cosmetic nature or for obesity.
- 4.12 caused by the Insured Person's participation in aviation in any capacity other than as a passenger in a passenger aircraft for which there is a valid certificate of airworthiness and which is flown by a duly licensed pilot on a recognised route between established and licensed airports.

GENERAL CONDITIONS

1. This policy shall be voidable in respect of any item or section in priority to the policy as a whole if:
 - 1.1 non disclosure – there is misrepresentation, misdescription or non disclosure of any material particular.
 - 1.2 Insurable Interest – the Insured's interest ceases except by will or operation of law unless such alteration has been accepted by the Company.
 - 1.3 Breach of warranty – the Insured breaches any warranty.
2. On the occurrence of an event which may give rise to a claim under this policy the Insured shall within sixty days and at his/her own expense notify the Administrator and submit all relevant forms and give such details as may be required in substantiation of any claims to be made against this Insurance.
3. Premium Payment – the premium is payable on or before the inception date or renewal date or instalment date as the case may be. The Company shall not be obliged to accept premium tendered to it or any intermediary more than 15 days after such date but may do so upon such terms as it in its sole discretion may determine.
4. Cancellation – this policy may be cancelled at any time by the Company or the Insured giving 30 days notice in writing. On cancellation by the Insured the Company is entitled to retain the commission paid and refund to the Insured a pro rata of the net premium (annual/term premium less commission) for the remainder of the period of insurance from the date of cancellation. On cancellation by the Company the Insured is entitled to claim a pro rata proportion of the premium for the remainder of the period of insurance from the date of cancellation.
5. Fraud – If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his/her behalf to obtain any benefit under this policy or if any loss or damage or liability be occasioned by the wilful act or with the connivance of the Insured all benefit under this policy in respect of such claim shall be forfeited.

6. Jurisdiction – The parties consent to the jurisdiction of the High Court situated in Pretoria. This policy is subject to the laws of the Republic of South Africa whose courts shall have sole jurisdiction to the exclusion of the courts of any other country.
7. The maximum age of any Insured Person at the inception date /renewal date of this policy shall not exceed sixty five years of age.
8. The Company's liability shall not extend beyond the sixty fifth birthday of any Insured Person.
9. The Company's liability shall not extend beyond the earlier termination or the settlement date of the Agreement.
10. The Company's liability shall cease on the settlement of any claims which results in the full and final settlement of the Outstanding Balance owing to the Credit Grantor and made by the Company on behalf of the Insured.
11. Should the Insured settle the Outstanding Balance due to the Credit Grantor prior to the expiry of this policy then the Insured shall be entitled to a refund of the net premium (premium less commission paid) paid in respect of the remainder of the period of insurance from the date of the settlement.
12. There shall be no liability in terms of this policy when the indebtedness in respect of which this policy was issued has been paid in full to the Credit Grantor or when it would have been paid in full had the Insured complied with his/her obligation to the Credit Grantor as originally undertaken, whichever shall happen first.
13. The Company's liability shall not be affected by any arrangements which the Insured and the Credit Grantor may enter into in respect of any reductions in the amount of the instalments originally agreed upon or the extension of the period for the repayment of the Outstanding Balance beyond that originally agreed upon.
14. Except for the irrevocable cession and the assignment by the Insured to the Credit Grantor, neither this policy nor any of the rights granted hereunder shall be capable of further assignment or any claim be ceded without the written consent of the Company.
15. No waiver of any of the terms, exceptions, conditions or exclusions under this insurance shall be valid unless it has been made in writing by the Company and duly stamped and signed by an authorised employee of the Company or its appointed agent.
16. The Company's liability in terms of this policy shall cease in the event of the death of the Insured Person, or by the cancellation of this Insurance either by the Insured or the Company.
17. The Company's liability in terms of this Insurance does not extend to cover arrear instalments and interest.
18. Monthly Premium Payment – the premium is payable by bank debit order or by transmission account. The premium is due in advance and if it is not received by the Company by the first day of every calendar month (due date) or the instalment date this insurance shall be deemed to have been cancelled at midnight on the last day of the last month for which a premium has been received. The Company shall not be obliged to accept premium tendered to it after the inception date provided that premiums due with effect from the second month of the currency of the policy will be accepted if paid within 15 days of the due date or the instalment date. Clause 11 is not applicable in respect of monthly policies.
19. Cancellation – this policy may be cancelled at any time by the Company or the Insured giving 30 days notice in writing.