

FRIENDLY LOANS LIMITED

Our Pledge to you.....

If you purchase these Repayment Protection benefits from us, have we:

- **Told you** that the purchase of repayment protection benefits is **entirely optional** and that the choice is yours alone?
- **Told you** that it is **never** a condition of your loan that you purchase these benefits?
- **Told you** how much your loan repayments will be **with** and **without these benefits** included, so that you can make a fully informed decision?
- **Told you** that you have the **right to cancel** these benefits if you change your mind – no questions asked?
- **Taken you** through the product features and benefits and helped you to understand these and ensure that they meet your requirements and objectives before you make an informed decision to purchase these benefits?
- Given you an **opportunity to seek independent legal and financial advice** as to whether you should sign your loan contract and this Repayment Protection
- Explained to you that **if you do not think you can afford the Repayment Protection Fee and any associated charges you must not sign this document**

It is **Our Pledge** to you that we will do all these things to ensure you are totally satisfied with your benefits and to always act reasonable and ethically in our dealings with you. If you feel that we have not done so please bring it to our attention:

Call us on:

0800 799 799

Or write to:

PO Box 104243

Lincoln North, Auckland

		REPAYMENT PROTECTION	
		Loan Number	
		Effective date of Statement	
		Date of Birth	
		Age	
		Term of Benefit	
		Frequency of loan	
		Expiry Date	
Account Name			
Account Type			

DEFINITIONS

“**Consumer Credit Contract**” means the contract you have entered to with Friendly Loans Limited to govern the terms of repayment of a loan, but does not include variations or extensions to that loan contract.

“**Customer**” means the person(s) named as “Customer” on the front page of this contract. If there is more than one person so named, “Customer” means each of them separately and every two or more of them jointly. “Customer” includes the Customer’s executors, administrators, successors and assigns.

“**Event**” means:

- illness;
- temporary and/or total disablement;
- death by accident; or
- redundancy.

“**Friendly Loans**” means the insurer pursuant to this contract, Friendly Loans Limited, and its successors, assigns, representatives and agents.

“**Guarantor**” means each and every person named in this contract as a Guarantor. If there is more than one person named as a Guarantor, they will be jointly liable and each of them will be individually liable. The executors, administrators, successors and assigns of each Guarantor will be liable as if they were named as Guarantors.

“**Illness**” means an illness preventing the Customer’s usual business participation or occupation from the commencement date of medical attention.

“**Payment Amount**” means the amount payable by Friendly Loans under this contract on the occurrence of an Event in order to cover the Customer’s payment obligations pursuant to the Consumer Credit Contract.

“**Redundancy**” means that the Customer is registered as unemployed with WINZ because work is no longer offered or considered necessary by the Customer’s previous employer.

“Repayment Protection Fee” means the premium payable by the Customer to Friendly Loans in return for the benefit of Repayment Protection. The Repayment Protection Fee is set out in the Credit Details section of the Payment Schedule in the Customer’s Consumer Credit Contract.

“Temporary and/or total Disablement” means disablement caused solely by violent accidental external and visible means which entirely prevents the Customer from attending to usual business participation or occupation.

“Working Day” means any day apart from Saturday, Sunday and any public holiday (including Auckland Anniversary Day)

SICKNESS, ACCIDENT, REDUNDANCY AND DEATH BENEFIT

The Customer has entered into a Consumer Credit Contract with Friendly Loans under which the customer has certain principal, interest and other payment obligations to Friendly Loans.

The Customer and Friendly Loans have agreed that Friendly Loans will assume the Customer’s payment obligations pursuant to the Consumer Credit Contract following the occurrence of an Event, in consideration of the Customer paying the Repayment Protection Fee.

PERIOD OF COVER

Friendly Loans will cover the cost of any payments due to be paid by the Customer pursuant to the Consumer Credit Contract from the period beginning 7 days after the Event and continuing for so long as the Event continues to prevent the employment, occupation or business up to a maximum of 90 days in the case of:

- Illness;
- Temporary and/or total Disablement; or
- Redundancy.

Friendly Loans will cover the cost of all future payments due to be paid by the Customer, pursuant to the Consumer Credit Contract, from the date of the Customer’s death in the event of death by accident only. Friendly Loans is not obliged to cover the cost of any amount owed by the Customer pursuant to the Consumer Credit Contract which is in arrears at date of Customer’s death.

CONDITIONS

Friendly Loan’s obligations to pay a Payment Amount are conditional upon:

- the Customer not being over the age of 70 years old at commencement of the Consumer Credit Contract;
- the Customer having paid the Repayment Protection Fee (as set out in the Credit Details section of the Payment Schedule in the Consumer Credit Contract);
- the Customer having made the first payment under Consumer Credit Contract;
- the Customer not having any medical condition or injury which affects the Customer’s ability to carry out its employment:
 - a. existing at or prior to the date of this contract; or
 - b. appearing within 28 days of the commencement of this contract;
- in the case of Illness and/or Temporary and/or total Disablement, the Customer producing at the Customer’s expense a medical certificate from a legally qualified medical practitioner certifying the claim and the period of the claim within 10 days of the issuance of that medical certificate;
- in the case of death by accident, the Customer’s executor providing certified copies of the Customer’s death certificate and (if required by Friendly Loans) the coroner’s report;
- in the case of Redundancy, a formal letter from the Customer’s employer confirming that the Customer’s position has been made redundant. If the Customer is dismissed for breach of employment contract or within 90 days of the Customer commencing employment with that employer, Friendly Loans will not be liable to pay a Payment Amount;

- the Customer not being on a work rehabilitation or justice program;
- the Customer's employment or occupation not being in the nature of seasonal work; and
- the Customer being up to date with payments due pursuant to the Consumer Credit Contract at the date the customer makes a claim under this contract.

CANCELLATION

The Customer may cancel this Repayment Protection contract at any time. The Customer acknowledges that if the Customer elects to cancel this contract:

- the Customer must give Friendly Loans seven (7) days written notice of the Customer's intention to cancel this contract;
- no portion of the Repayment Protection Fee will be refunded if the Customer has made a claim for a Payment Amount which has been accepted by Friendly Loans;
- if the Customer's Consumer Credit Contract is repaid early (and the Customer has not made a claim for a Payment Amount which has been accepted by Friendly Loans), then a portion of the Repayment Protection Fee will be refunded to the Customer by Friendly Loans. The formula used to calculate the portion of the Repayment Protection Fee that Friendly Loans must refund to the Customer is set out below:

Rebate = $(P \times S \times (S + 1) / (T \times (T + 1)))$:

P is the premium (i.e. the Repayment Protection Fee)

S is the number of whole months in the unexpired portion of the period for which the Repayment Protection was agreed to be provided

T is the number of whole months for which the Repayment Protection was agreed to be provided (as identified on page 2 of this contract).

CLAIM PROCEDURE

Within 20 Working Days of any Event occurring:

- the Customer must notify Friendly Loans in writing that the Event has occurred;
- all claim forms must be received by Friendly Loans; and
- in the case of Illness, Friendly Loans must receive a medical certificate obtained by the Customer at the Customer's expense and must receive the claim form, which is signed by the Customer's doctor. Friendly Loans reserves the right to request a second opinion from a doctor of Friendly Loans' choosing at Friendly Loans' cost.

Friendly Loans will not be liable to pay any Payment Amount if the Customer does not follow this claim procedure.

Claim forms are available at Friendly Loans' offices (27D Waipareira Ave, Henderson, Auckland).

DECLARATION

I / We declare and warrant that all information provided to Friendly Loans is true and correct and complete and agree to accept the terms, conditions and exclusions set out in this contract

I / We acknowledge that this Repayment Protection Benefit is optional and has been fully explained to me / us

I / We acknowledge that I / We may cancel this benefit at any stage during the term of the loan (subject to clause(s) – Cancellation)

BORROWERS SIGNATURE

Date ___ / ___ / ___

Date ___ / ___ / ___