

# 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** though 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 purchase and/or sign this Repayment Protection contract
- ✓ **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 help ensure you have the information you need to make an informed decision about Repayment Protection and are satisfied with your benefits. We will ensure we always act reasonably and ethically in our dealings with you.

If you feel that we have not done so, please let us know:

**You can call us on: 0800 799 799**

**Or write to us at: PO Box 104243  
Lincoln North, Auckland**

<b>Friendly Loans Ltd</b> <b>PO Box 104243</b> <b>Lincoln North</b> <b>Auckland 0654</b> <b>(0800) 799 799</b>		<b>REPAYMENT PROTECTION</b>	
		<b>Loan Number</b>	]
		<b>Effective date of Statement</b>	
		<b>Date of Birth</b>	
		<b>Age</b>	
		<b>Term of Benefit</b>	
		<b>Frequency of loan payments</b>	
		<b>Expiry Date of Benefit</b>	
<b>Account Name</b>			
<b>Account Type</b>			

**DEFINITIONS:**

“**Consumer Credit Contract**” means the contract you have entered to with Friendly Loans Limited which governs 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 named, “Customer” means each of them separately and every two or more of them jointly. “Customer” includes the Customer’s executors, administrators, successors, and assignees.

“**Event**” means:

- ✓ illness.
- ✓ temporary and/or total disablement.
- ✓ death
- ✓ redundancy.

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

“**Guarantor**” means each 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 assignees of each Guarantor will be liable as if they were named as Guarantors.

“**Illness**” means an illness preventing the Customer’s usual work, employment, business, 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 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**” means the protection assumed by Friendly Loans in respect of the Customer’s payment obligations pursuant to the Consumer Credit Contract in exchange for the Repayment Protection Fee. The terms of such protection are set out in this contract.

“**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 its usual work, employment, business participation or occupation.

“**Death**” means death caused by any means – Medical or Accidental

“**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 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 all **future** payments due to be paid by the Customer, pursuant to the Consumer Credit Contract, from the date of the Customer’s death. 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 usual work, employment, occupation, or business of the Customer for up to a maximum of 180 days in the case of:

- 1) Illness.
- 2) Temporary and/or total Disablement; or
- 3) Redundancy

## CONDITIONS

Friendly Loan's will only pay a Payment Amount when:

- 4) the Customer was not over the age of 70 years old at commencement of the Consumer Credit Contract.
- 5) 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);
- 6) the Customer has made the first payment under Consumer Credit Contract.
- 7) the Customer does not have any medical condition or injury which affects the Customer's ability to carry out its work, employment, or business:
  - a. existing at or prior to the date of this contract; or
  - b. appearing within 28 days of the commencement date of this contract, as stated in the table on page 2 of this contract.
- 8) in the case of Illness and/or Temporary and/or total Disablement, the Customer provides to Friendly Loans at the Customer's expense a medical certificate from a **legally qualified** medical practitioner certifying the Customer's claim and the period of the claim, no later than 10 days following the issuance of that medical certificate.
- 9) in the case of death by accident, the Customer's executor provides certified copies of the Customer's death certificate and (if required by Friendly Loans) the coroner's report.
- 10) 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.
- 11) the Customer is not currently on a work rehabilitation or justice program.
- 12) the Customer's employment or occupation is not in the nature of seasonal work; **and**
- 13) the Customer is up to date with payments due pursuant to the Consumer Credit Contract at the date the customer makes a claim under this contract. This means that you will need to ensure that you are up to date with payments due under the Consumer Credit Contract **prior to** making 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, total cost will be paid to loan account:

- 14) the Customer must give Friendly Loans seven (7) days written notice of the Customer's intention to cancel this contract. Notice is to be given in accordance with clause 11.1 of the Consumer Credit at Friendly Loans postal address or by email.
- 15) 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.
- 16) 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:

$$\text{Refund} = (P \times S \times (S + 1)) / (T \times (T + 1));$$

**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).

## PROCEDURE

Within 20 Working Days of any Event occurring:

- 17) **the Customer must notify Friendly Loans in writing that the Event has occurred.** Notice is to be given in accordance with clause 11.1 of the Consumer Credit Contract at Friendly Loans postal address or by email.
- 18) the customer must complete the claim form and return **all** completed **claim forms** to Friendly Loans. Claim forms are available at Friendly loans offices at 27d Waipareira Ave, Henderson, Auckland or on our website [www.friendlyloans.co.nz](http://www.friendlyloans.co.nz).
- 19) in the case of Illness, the Customer must obtain **a medical certificate at the Customer's expense** and have the claim form, **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 and any medical certificate are required to be returned to **Friendly Loans' offices** (27D Waipareira Ave, Henderson, Auckland) or by email to: [Loans@Friendlyloans.co.nz](mailto:Loans@Friendlyloans.co.nz)

## DECLARATION

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

I / We acknowledge that the Repayment Protection Benefit described in this contract is optional and we can decline to take the Repayment Protection. The terms of the Repayment Protection have 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 set out page 4 of this contract)

## SIGNATURE BORROWERS

Date \_\_\_ / \_\_\_ / \_\_\_

Date \_\_\_ / \_\_\_ / \_\_\_