



PAYMENT



PROTECTION



INSURANCE

PAYMENT PROTECTION INSURANCE

Accident, Sickness and Unemployment

A new generation of insurance products for a new generation of Credit Union Members



Payment Protection Insurance from your Credit Union (ASU)

Introduction

This Policy sets out the benefits, terms and exclusions of Your Payment Protection Plan. Please read it in conjunction with Your Loan Agreement. If You have any questions please contact Your Credit Union.

Certain words and phrases in this Policy have special meanings. These are explained in the Definitions section (section 2) of this Policy. Definitions will appear throughout the Policy and are highlighted with a capital letter at the beginning of the word.

This Policy provides a wide range of protection, but the cover only applies if You meet the conditions of Eligibility (section 1) and pay the Premiums on time. Certain Exclusions (things that are not covered) also apply and are explained in section 5.

You have the right to cancel Your policy during a period of 14 days after the day on which You receive Your policy documentation.

If You wish to do so, You will be entitled to a full refund of the premium paid. Please note that if You have made a claim and subsequently wish to cancel Your policy, We may seek to recover the monies paid to You in settlement of the claim.

To exercise Your right to cancel Your policy, please contact Your Credit Union.

If You do not exercise Your right to cancel Your policy, it will continue in force for the term of the policy and You will be required to pay the premium as stated.

1. Eligibility

You can only get cover under this Policy at the time You apply to Your Credit Union for a personal loan. To get cover under this Policy You must pay the Premium and, on the Start Date, You must:

- be 18 or over and under 65 years of age (please note cover will end under this Policy when You reach the age of 65 - see section 9 - When Cover and Benefit Will End);
- be resident in the UK, Channel Islands or Isle of Man;
- be the person named in the Loan Agreement;
- be working in paid Employment and have been continuously employed for at least the previous 6 months;
- be a current member of a Credit Union;

Important Notes

- If You know that you will become Unemployed We will not pay any claim for that Unemployment (see section 5 - Exclusions)
- If You are on holiday from Your Employment, You will still meet the eligibility conditions
- If You are on statutory maternity leave from Your Employment, You will still meet the eligibility conditions
- If You are not working at Your Employment because of bodily injury or sickness, You can apply for cover under the Policy when You return to full and active Employment.

2. Definitions

Whenever the following words or phrases appear in Your Policy, they have the meanings shown below

Loan Agreement

The personal loan agreement made between You and Your Credit Union for a loan advance of not more than £25,000 (not including the premium for this Policy) with a repayment period of between 12 months and 120 months.

Disability

Any accidental bodily injury and/or sickness that happens after the Start Date and stops You from undertaking Your normal Employment, or any other Employment for which You are reasonably qualified, as certified by a medical doctor, registered in the UK.

Employment

Any paid work (including Self-Employed work) of at least 16 hours a week.

Fixed-Term Contract, a Contract for a Specific Task or a Period of Training or Apprenticeship

Any paid work of at least 16 hours per week which has a known or implied finishing date (see section 5 - Exclusions).

Final Repayment Date

The date when the last instalment under the Loan Agreement is due to be paid to Your Credit Union.

Monthly Benefit

An amount equal to the monthly repayment You owe under the Loan Agreement.

Normal Pregnancy

Symptoms which normally accompany pregnancy (including multiple pregnancy) which are generally of a minor and/or temporary nature which do not represent a medical hazard to mother or baby or a combination of minor symptoms, and childbirth, including delivery by caesarean section or any other medically or surgically assisted delivery which does not cause medical complications.

Part-time Work

Any paid work (including Self-Employed work) of less than 16 hours a week.

Policy

Personal Loan Payment Protection Plan.

Premium

The amount You pay each month in return for cover under this Policy.

Start Date

The date on which You sign Your Loan Agreement with Your Credit Union.

Self-Employed

You are Self-Employed if:

- You are carrying on a business in the United Kingdom, Channel Islands and Isle of Man alone or as a partner in a partnership; or
- You can control the affairs of a company You work for because either You, or a relative or spouse, individually or jointly, hold the majority of the voting rights in that company; or
- You can otherwise ensure that the company You work for conducts its affairs according to Your wishes.

Unemployment, Unemployed

Being out of work, registered as unemployed with the Department of Work and Pensions, or the Department of Health and Social Security (in Northern Ireland) or the States Insurance Authorities (in the Channel Islands), and being available for and actively looking for Employment.

We, Us, Our, Norwich Union

CGU Insurance plc, Registered in Scotland No. 2116, Registered office:

Pitheavlis, Perth Scotland PH2 0NH.

A member of the Aviva group.
Authorised and regulated by the Financial Services Authority.

You, Your

The person named on the Loan Agreement as the insured person.

3. Disability Cover

- a. If You are Disabled for more than 30 days in a row We will pay Your Credit Union the following amounts on Your behalf:
 - 1/30th of the Monthly Benefit for each day of Your Disability from the first full day of Disability to the next repayment date under Your Credit Agreement; then
 - The Monthly Benefit for each following calendar month of Your Disability; then
 - At the end of Your Disability, We will pay 1/30th of the Monthly Benefit for each day of Your Disability from the day after the last repayment date up to the last day of Your Disability.
- b. The maximum benefit We will pay for any continuous period of Disability will be an amount equal to 24 Monthly Benefit payments.
- c. If two periods of Disability (each caused by or resulting from the same physical or

mental condition or disease) are not separated by at least 3 consecutive months of Employment, the two periods will be added together when We work out whether We have paid the maximum benefit. We will not pay Monthly Benefit for the period of Employment in between.

- d. After We have paid the maximum benefit, You will not be able to make another Disability claim for the same Disability until You have actively worked at Your Employment for at least 6 consecutive months. Statutory maternity leave can form a part of these 6 consecutive months.
- e. After We have paid the maximum benefit for a Disability claim, You will qualify to make a claim for an unrelated Disability when You have actively worked at Your Employment for at least 1 month. Statutory maternity leave can form a part of the 1 month.

4. Unemployment Cover Benefit

- a. If You are Unemployed for more than 30 days in a row, We Will pay Your Credit Union the following amounts on Your behalf:
 - 1/30th of the Monthly Benefit for each day of Your Unemployment from the first full day of Unemployment up to the next repayment date under Your Credit Agreement; then

- The Monthly Benefit for each following calendar month of Your Unemployment; then
- At the end of Your Unemployment, 1/30th of the Monthly Benefit for each day of Your Unemployment from the day after the last repayment date up to the last day of Your Unemployment.

- b. Unemployment will not begin until after the end of any period for which You receive payment instead of working Your notice (payment in lieu of notice).
- c. The maximum benefit We will pay for any continuous period of Unemployment will be an amount equal to 12 Monthly Benefit payments.
- d. If two periods of Unemployment are not separated by at least 3 consecutive months of Employment, the two periods will be added together when We work out whether we have paid the maximum benefit. We will not pay Monthly Benefit for the period of Employment in between.
- e. After We have paid the maximum benefit of 12 Monthly Benefit payments for an Unemployment claim, You will not be able to make another Unemployment claim until You begin new Employment and have been continuously employed for a further 6 consecutive months.

5. Exclusions

a. You will not receive Monthly Benefit for any Disability or Unemployment caused by or resulting from the following:

- Any medical condition or disease which You know of, or should reasonably have known of on the Start Date, or any medical condition or disease for which You received treatment, advice or were referred for investigation during the 12 months immediately before the start date and which recurs within the 12 months after the start date
- Self-inflicted injuries
- Drinking alcohol
- Taking drugs, unless they are prescribed by a doctor (registered in the UK) for treatment other than drug addiction
- War, invasion, riot, revolution or any similar event.

b. You will not receive Monthly Benefit for any Disability caused by or resulting from a Normal Pregnancy unless it develops into a complication which is diagnosed by a doctor, or consultant, who specialises in obstetrics. The date Your Disability starts will be from the date a complication is diagnosed.

c. You will not receive Monthly Benefit for

Unemployment in the following circumstances:

- Unemployment which You are notified of or which occurs within 60 days of the Start Date
- Unemployment after a period of casual, temporary or occasional work
- Unemployment which is a normal or seasonal occurrence in Your line of work
- Unemployment which You knew of, or should reasonably have known of, on the Start Date
- A period of Unemployment for which payment in lieu of notice has been received
- Unemployment caused by or resulting from:
 - Misconduct
 - Your resignation, voluntary Unemployment or voluntary redundancy

Unemployment at the end of:

- A Fixed-Term Contract
- A Contract for a Specific Task- A Period of Training or Apprenticeship.

However

1. If You have been in continuous Employment on a yearly Fixed-Term

Contract for a Specific Task with the same employer and Your contract has been renewed at least once, this exclusion will not apply; or

2. If You have been in continuous Employment on a Fixed-Term Contract for a Specific Task for at least 2 years with the same employer, and Your contract has been previously renewed, this exclusion will not apply; or
3. If You have been in continuous Employment with the same employer on an individually negotiated Fixed-Term Contract, a Contract for a Specific Task, a Period of Training or Apprenticeship basis for at least six months, We will pay Monthly Benefit until:
 - The date the Fixed-Term Contract, Contract for a Specific Task, Period of Training or Apprenticeship would have ended; or
 - We have made 12 Monthly Benefit payments; whichever is earlier.

6. Repayment or Replacement of the Loan

- a. If You repay the loan all cover will end.
- b. If You start a new Loan Agreement to replace the one connected with this Policy, all cover and all Monthly Benefit payments under this Policy will end. You may take out another Policy for the new Loan Agreement.

- c. To take out a new Policy, You must meet the conditions of eligibility for that Policy and keep to its terms and conditions.

7. Change of Premium and Cover

We may change the Premium rates and terms of cover at any time by sending You written notice at least 30 days before the changes are introduced. The minimum period between consecutive changes will be 180 days. This is with the exception of changes of law or changes outwith Our control, such as Government legislation, Equal Opportunities Commission, the Inland Revenue.

8. Paying Premiums During a Claim

When You are making a claim under this Policy You must continue to pay the Premium if You wish cover to continue after Your claim. If You do not pay the Premium when it is due, all cover will end.

Where cover and Monthly Benefit has been reduced during a claim, You will not be able to increase cover at a later date, other than at the time of arranging another Loan Agreement.

9. When Cover and Benefit Will End

- a. All cover under this Policy will end, and Monthly Benefit payments will stop when:
 - You reach age 65
 - You retire from gainful Employment

- On the Final Repayment Date.

You must tell Us immediately when one of the above happens.

b. All cover under this Policy will end when:

- We do not receive the monthly Premium when the Premium is due;
- We send You 30 days written notice of cancellation and offer an alternative insurance scheme;
- We send You 90 days written notice of the Policy being cancelled if no substitute scheme is being offered; or
- You send Us 30 days written notice of cancellation;

Whichever is first.

10. Claims

a. If You need to make a claim, contact Your Credit Union as soon as reasonably possible to get a claim form.

b. To claim Disability or Unemployment Monthly Benefit, You must do the following:

- Accurately fill in the claim form
- For a Disability claim, arrange for a medical doctor (registered in the UK, the Channel Islands or the Isle of Man) to fill in the relevant section of the form
- For an Unemployment claim, arrange for the Employment Service Official

and Your previous employer to fill in the relevant section of the form

- Then return the completed claim form to Your Credit Union

- An authorised signatory of Your Credit Union will then verify the details supplied on the claim form and will then forward the completed claim form to

Norwich Union,
Claims Unit
PO Box 209
Dundee Business Centre
Dundee
DD1 9EJ

c. If You are Self-Employed and making an Unemployment claim, You must also give evidence that You stopped work because You could not find enough work to meet all Your reasonable business and living expenses and have declared this to the Inland Revenue; and the Unemployment is not a normal or seasonal occurrence of Your line of work.

d. You cannot receive Disability and Unemployment Monthly Benefit at the same time.

e. When You make a claim, You or Your personal representative must supply, at Your expense, all reasonable information or evidence We ask for to prove your claim. You must agree to any medical

examination which We arrange and pay for. We may contact Your past employer or other Insurers for information about You.

f. All claims payments will be made by Us to Your Credit Union, for credit to Your Credit Agreement account. Any claim payments so made shall completely discharge Our liability for the claims to which such payments relate.

g. We may delay or suspend paying Your Monthly Benefit if:

- We do not receive all of the documentation we need (for example monthly declarations and medical questionnaires);or
- We do not find these documents satisfactory

h. If You or anyone acting for You make a claim under this Policy knowing the claim to be dishonest or intentionally exaggerated or fraudulent in any respect, or if any false declaration or statement is made in support, We will not pay the claim and all cover under the Policy will be cancelled. We reserve the right to recover any benefits already paid.

11.The Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the

scheme if We cannot meet Our obligations. This depends on the type of business and the circumstances of the claim.

Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit.

[Further information about compensation scheme arrangements is available from the FSCS.](#)

12. Fraud Prevention and Detection

In order to prevent and detect fraud we may at any time:

- * Share information about You with other organisations and public bodies including the police;
- * Check and/or file Your details with fraud prevention agencies and databases, and if You give Us false or inaccurate information and We suspect fraud, We will record this. We can on request supply further details of the databases We access or contribute to.

13.Sensitive Data

In order to assess the terms of the insurance contract or administer claims which arise, the insurer may need to collect data which the Data Protection Act defines as sensitive (such as medical history). By proceeding with this application You will signify Your consent

to such information being processed by the insurer or their agents.

14. Customer Care

We care about the service provided to You. We make every effort to maintain the highest possible standards.

a. Choice of Law

The law of England and Wales will apply to this contract unless:

- You and the insurer agree otherwise; or
- at the date of the contract You are a resident of Scotland, Northern Ireland, Channel Islands or the Isle of Man, in which case (in the absence of agreement to the contrary) the law of that country will apply.

b. Handling Complaints

Our goal is to give excellent service to all of Our customers but We recognise that things do go wrong occasionally. We take all complaints We receive seriously and aim to resolve all of Our customers' problems promptly. To ensure that we provide the kind of service You expect We welcome Your feedback. We will record and analyse Your comments to make sure We continually improve the service We offer.

What will happen if You complain?

- Your complaint will be

acknowledged within 2 working days of receipt

- We will aim to resolve complaints within 5 working days
- Once an assessment and full investigation of Your concerns has been made, We will respond with a decision.

Most of our customers' concerns can be resolved quickly but occasionally more detailed enquires are needed. If this is likely, We will contact You with an update and give You an expected date of response. This will not be beyond 20 working days from when You first made Your complaint.

If You remain unhappy with the decision You receive You may write to the Chief Executive. If you are dissatisfied with Our final decision, You can refer the matter to the Financial Ombudsman Service (FOS).

The FOS will only consider Your complaint if You have given Us the opportunity to resolve it and You are a private policyholder so please follow the steps below. If, however, We do not resolve Your complaint within 40 working days, the FOS will accept a direct referral. Whilst We are bound by the decision of the FOS, You are not.

What You Should Do

Step 1.

If You have a question or complaint about this insurance please contact Your Credit Union who arranged Your Loan Agreement. Please have ready the details of Your insurance and, in particular, Your Loan Agreement number.

Step 2.

If You are not satisfied or You feel Your complaint remains unresolved, please write to:

The Claims Operations Manager
Norwich Union
PO Box 209
Dundee
DD1 9EJ
Telephone 01382 568400

Please quote Your Norwich Union reference number whenever You contact Us.

Step 3.

If You are not satisfied or You feel Your complaint remains unresolved please write to:

Chief Executive
Norwich Union Insurance
Surrey Street
Norwich
NR1 3NS

Please quote Your Norwich Union reference number whenever You write

to Us.

Step 4.

If, after making a complaint to Us, You are still unhappy and feel the matter has not been resolved to Your satisfaction please contact:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
Docklands
London
E14 9SR
Telephone 0845 080 1800

The Ombudsman will only consider Your complaint if You have already given Us the opportunity to resolve it.

Following the complaint procedure will not affect Your right to take legal action.

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