



# OLD MUTUAL CREDIT LIFE KEY FACT STATEMENT

INSURE | LEND | INVEST



## TYPE OF PRODUCT

Credit life insurance policy is a type of insurance policy that pays off a borrower's outstanding debts in the event of their death. However, our Credit Life Product goes a step further because it is designed to provide financial security to borrowers and their families in the face of unforeseen events such as accidental death, disability, and critical illness. It offers various benefits to help ease the burden of loan repayment in such circumstances.

## PRODUCT PREMIUMS

The amount of premium for this product is not a fixed amount. It is calculated based on the following

- loan amount,
- loan term,
- characteristics of the borrower i.e. age and selected benefits.
- Negotiation agreement between the lender and Old Mutual

## PRODUCT FEATURES

The product provides a total sum assured that is equal to the loan balance upon credit life death claim. It also offers optional additional riders as per below;

- **Accidental Death Cover.**

Accidental Death Cover will offer a once off cash lump sum payment in the event of the borrower suffering an accident which directly results in their death within 14 days after occurrence of the accident.

- **Critical Illness Cover (CI)**

Critical Illness (CI) will offer to pay off outstanding loan balance in the event of a member being diagnosed with one of the specified illnesses or claim events. The illnesses and claim events covered are;

- (i) cancer,
- (ii) stroke,
- (iii) paralysis and/or permanent loss (of limbs, hearing or sight)
- (iv) major organ transplant,
- (v) coronary artery bypass graft,
- (vi) Aorta Graft Surgery,
- (vii) coma
- (viii) myocardial infarction (First Heart Attack)



The CI is an accelerated benefit. This implies that the payment of the GCI benefit zeroizes the Death Benefit payable. The GCI benefit cannot exceed the outstanding loan balance.

- **Total Permanent Disability Cover (TPD)**

This offers to pay off outstanding loan balance in the event of an illness or accident that results in incapacity. The benefit is payable if the Insured Person is totally and permanently incapable of performing his Own and Any Alternative Occupation with the current Employer as a result of a condition that arose from an injury or illness.

The Total Permanent Disability (TPD) is an accelerated benefit. This implies that the payment of the TPD benefit zeroizes the Death Benefit payable. The TPD benefit cannot exceed the outstanding loan balance.

- **Funeral Cover Solution.**

Under this, the product pays a lump sum to the dependents of the borrower on his/her death to provide cover for funeral expenses. Cover can also be extended to the immediate family of the borrower.

## **TOTAL PRODUCT SUM ASSURED**

Total sum assured is equal to the loan balance upon credit life death claim. However, if the life assured chooses the optional riders, then the sum assured depends on the following factors;

1. For Clinical illness and Total Permanent Disability, cover shall be equal to the outstanding loan balance.
2. For funeral cover, the cover will be fixed and can be related to the initial loan amount. The maximum cover will be MK5,000,000 per life, which will be reviewed from time to time to adjust for inflation.
3. For accidental death cover, the cover will be a lump sum which can be based on a percentage of loan amount subject to a maximum limit of MK50,000,000. The cover represents a windfall payment to the family to provide a legacy in the unfortunate event of an immediate and unforeseen death of the borrower. The benefit of the cover is that it is affordable cover that represents windfall benefits to dependants.

## **PRODUCT TERM**

The term of the covers will be equal to the loan repayment period, subject to meeting all the policy conditions.



## HOW THE PRODUCT WORKS

The product is accessed through a credible loan officer from a credible bank. To qualify for the Credit Life Product, the main insured life must be a borrower. This means individuals taking out loans with credible institutions qualify for this product

The borrowers to whom credit have been provided by the credit institutions will be eligible to join the Old Mutual credit assurance scheme, subject to the following requirements:

Entry ages:

- Minimum age is 18
- Maximum age is 65

Borrowers must have been continuously employed for at least 2 years prior to effecting cover, of which at least 1 year must have been with the current employer. This will only apply where retrenchment and disability (occupation definition) benefits are selected.

## PREMIUM PAYMENT OPTIONS

Premiums are paid on monthly basis in advance, based on loan amount and client age. One premium is due every month whilst the cover is in force. Single premiums can also be paid upfront for the cover. Premiums are guaranteed for the term of the contract.

If premiums are missed or not paid, Old Mutual Malawi Assurance Company (OMLAC) will not be liable for liability payments.

## CLAIM PROCESSING

Beneficiaries of the insured or the insured is to notify the Bank of the claim through email/writing, phone call and within three months period of claim occurrence.

Fill in the old Mutual claim form, if necessary.

## HOW BENEFITS ARE DETERMINED

The benefit shall be in the form of a fixed benefit (funeral cover and accidental death) or a benefit related to the loan amount (all other enhancements).



## CLAIMS PAYMENT

Claim is paid/honoured within 24 hours upon notifying us with all relevant documentations.

Payments will be made to the clients nominated bank account or, where applicable, through another approved payment method as determined by the Scheme.

## PRODUCT EXCLUSIONS

### 1. Pre-existing condition exclusion

For TPD and CI, a moratorium clause shall apply for CI pre-existing conditions. Pre-existing conditions that have occurred in the past 5 years shall not be covered for the first 2 years. This applies on a condition for which the member received or would reasonably have received medical advice, a diagnosis or treatment during the 5 years before the individual's cover began (or benefit basis was increased). These exclusions will be backdated to the previous insurance arrangement.

### 2. Accidental Death Exclusions

The Accidental death will be subject to the following exclusions; -

- I. Deliberate exposure to exceptional danger (except in an attempt to save human life) or attempted suicide or self-inflicted injury or the Life Assured's own criminal act, irrespective of whether the Life Assured is sane or not.
- II. war or armed hostilities (whether declared or not), terrorist or insurgency activities, rebellion, civil commotion, sedition sabotage or any activity related to the above or the defence, investigation, suppression or containment of same by any security force.
- III. Service in any military or police organization
- IV. Unlawful acts, duelling and fighting.
- V. Atomic poison, radioactivity or nuclear explosion
- VI. Being under the influence of alcohol or drugs (temporarily or otherwise) other than that prescribed by and taken according to instructions of a qualified medical practitioner.



### 3. Critical Illness Exclusions Group

Critical Illness cover will be provided if all terms and conditions are met. However, without prejudice to the exclusions mentioned elsewhere in this document, the following exclusions shall apply to the benefits admissible under the cover:

No benefit shall be paid for the following circumstances, for the following conditions/ tests/ treatments and/or any Critical Illness directly or indirectly arising thereof or there from:

- i. Benefits will not be available for any Pre-Existing conditions or related condition(s) or any complications arising thereof for which an Insured member has been diagnosed, received medical treatment, had signs and / or symptoms, prior to inception of the Insured's first Policy, unless such a condition is stated in the Proposal form and specifically accepted by Old Mutual Life Assurance Company (OMLAC) and endorsed thereon.
- ii. OMLAC shall not be liable to make any payment under this Policy in connection with or in respect of any Insured Event during the Waiting Period as defined under the Policy.
- iii. Any diseases causing the death of the Insured member within the stipulated Survival Period, measured from the date of incidence of the illness. Any medical procedure or treatment, which is not medically necessary or not performed by a Medical Practitioner.
- iv. Any congenital Illness/Conditions.
- v. Attempted suicide (whether sane or insane) or intentionally self-inflicted Injury or Illness.
- vi. Use/Abuse of drugs, alcohol, or other intoxicants or hallucinogens unless properly prescribed by a Medical Practitioner and taken as prescribed
- vii. War, invasion, act of foreign enemy, hostilities (whether war be declared or not), armed or unarmed truce, civil war, mutiny, rebellion, revolution, insurrection, military or usurped power, riot or civil commotion, strikes
- viii. engaging in or taking part in professional sport(s) or any hazardous pursuits, including but not limited to, diving or riding or any kind of race, underwater activities involving the use of breathing apparatus or not, martial arts, hunting, mountaineering, parachuting, bungee jumping.
- ix. AIDS, HIV related complications or any sexually transmitted diseases except for those specified in Critical Illness definition.



- x. Any illness or injury for which the Life Assured received (or would reasonably have sought) medical advice, a diagnosis or treatment during the 6 months immediately before the date on which he first became a Life Assured.
- xi. Participation in a criminal or unlawful act with a criminal intent.

#### **4. Funeral Cover Exclusions**

The funeral cover will be subject to the following exclusions; -

- i. deliberate exposure to exceptional danger (except in an attempt to save human life) or attempted suicide or self-inflicted injury or the Life Assured's own criminal act, irrespective of whether the Life Assured is sane or not.
- ii. war or armed hostilities (whether declared or not), terrorist or insurgency activities, rebellion, civil commotion, sedition sabotage or any activity related to the above or the defence, investigation, suppression or containment of same by any security force.
- iii. Service in any military or police organization Unlawful acts, duelling and fighting.
- iv. Atomic poison, radioactivity or nuclear explosion
- v. Being under the influence of alcohol or drugs (temporarily or otherwise) other than that prescribed by and taken according to instructions of a qualified medical practitioner

#### **POLICY CANCELLATION**

The Credit Life Contract may be discontinued at any time by the lending institution or OMLAC, subject to notice stipulated in the contract. Involuntary cancellation may happen if the lending institution failed to adhere to the premium payment rules of the scheme.

Cover for an insured life will end:

- i. For Accidental Death Cover
  - On the death of the insured life.
  - Upon payment of the loan balance.
  - On termination of the credit life contract.
- ii. For Critical illness Cover
  - On the death of the insured life.
  - Upon payment of the loan balance.
  - On termination of the credit life contract.



- iii. For TPD Cover
  - On the death of the insured life.
  - Upon payment of the loan balance.
  - On termination of the credit life contract.
- iv. For Funeral Cover
  - On the death of the borrower.
  - Upon payment of the loan balance.
  - On termination of the credit life contract.

## PENALTIES FOR TERMINATION OF THE POLICY

There are no penalties or charges on termination of the contract.

## COMPLAINTS HANDLING

Any complaint in respect of this policy is required to be made in writing together with any relevant supporting documentation and sent to the Customer Experience Manager via:



**Email:** [info@oldmutual.co.mw](mailto:info@oldmutual.co.mw)



**Post:** Old Mutual Life Assurance Company (Malawi) Limited, Old Mutual Building, 30 Glyn Jones Road, Blantyre P.O. Box 393, Blantyre, Malawi



**Telephone:** +265(0) 111 820 677 / +265 0891 002 010



**Toll Free:** 329 (Airtel & TNM)



**Fax:** +265 (0) 1 822 649

Social Media



**Old Mutual Malawi** ||



**@Old Mutual Malawi**

Alternatively, you can hand it in at any of our branches.

Resolution of the complaint will be made within the time limits as stated in the acknowledgment of your complaint letter and you will be kept informed throughout the process.

- If dissatisfied with the level or quality of service provided, and complaints have not been handled in a satisfactory manner, within stipulated timeframes, customers have a right to escalate complaints to the regulator, Reserve Bank of Malawi through the consumers protection and financial literacy unit via as below:
  1. email: [complaints-handling@rbm.mw](mailto:complaints-handling@rbm.mw)
  2. post: Consumer Protection and Financial Literacy Unit, Reserve Bank of Malawi, 10 Hannover Avenue, or P.O. Box 565, Blantyre.
  3. Telephone: +265 (0) 111 820 299/444
  4. Toll Free Line: 459 (TNM & Airtel)



**NOTE:** Customers can lodge a complaint to Old Mutual or appeal to Reserve Bank of Malawi **within 7 years** of lodging a complaint.

### PRIVACY NOTICE

The policyholder's personal information is collected and processed in accordance with applicable data protection laws and company policies. This information is used solely for policy administration and related services and is treated with strict confidentiality.

**Further details are contained in the Privacy Notice provided with the application form, which is also available on our website [www.oldmutual.co.mw/about-us/privacy-policy/](http://www.oldmutual.co.mw/about-us/privacy-policy/)**

If you wish to contact us, you can phone us or write to us at:

**Physical Address:**

Old Mutual Life Assurance  
Company (Malawi) Ltd,  
Old Mutual Building,  
30 Glyn Jones Road,  
Blantyre  
Malawi

**Postal Address:**

Old Mutual Life Assurance  
Company (Malawi) Ltd,  
P.O. Box 393  
Blantyre  
**Malawi**

Phone: +265 111 820 773

Fax: +265 111 822 649

Email: [info@oldmutual.co.mw](mailto:info@oldmutual.co.mw)

Website: <https://www.oldmutual.co.mw/>

I have read and understood the Key Fact Statement and the attached Privacy Notice relating to the policy I am applying for..

**Name** .....

**Signature** .....

**Date** .....

