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Home Loan Credit Life Assurance Cover

What is Credit Life Assurance Cover on your Home Loan?

Absa Personal Banking is carefully designed to help meet your needs by offering quick and easy access to affordable superior financial solutions through our professional and friendly personal bankers, wide branch coverage and digital solutions. Open an account today and enjoy the ultimate banking experience.

Which company is providing this protection?

Your cover under this Credit Life Assurance policy is offered by Absa Life Zambia Ltd.

What are the key benefits of the Home Loan Credit Life Assurance Cover?

- **Death benefit:** Your family is protected from the burden of repaying your loan. The death benefit provided by this policy reduces on a monthly basis during the term of the loan. The death benefit will be paid to Absa Bank Zambia Plc to settle the outstanding balance on your loan less any arrears.
- **Permanent total disability benefit:** In case of total permanent disability, an amount will be paid to Absa Bank Zambia Plc to settle the outstanding balance on your loan less any arrears.

What are the additional benefits under this coverage?

- **Accidental death benefit:** In case of accidental death, an additional benefit equal to 10% of the initial loan amount will be paid to the nominated beneficiary apart from settling the outstanding balance on your loan.
- **Easy sign up for cover:** Quick and easy enrolment process. You simply need to read and sign the declaration/certificate of insurance which is available at any Absa Bank Zambia branch.
- **There is a Free Cover Limit of up to K3M,** this means no medical examination will be required for any amount below the K3M threshold, however customers will be required to go through medical underwriting for any amount above K3M.

Who is eligible for this cover?

You must be a home loan customer of Absa Bank Zambia Plc and satisfy the following conditions:

Age at entry	Maximum loan amount	Term of cover
18 - 65 years (age next birthday)	ZMK10,000,000	<ul style="list-style-type: none">• Death cover continues for the remaining term of the loan agreement.• Disability cover will stop at age 65.

How do I enroll for this coverage?

All you need to do is to complete the loan application form and sign the acknowledgment, after which you will receive the facility letter and the terms and conditions, at any Absa Bank Zambia Plc branch.

When does the coverage start?

Cover commences on the date the loan is disbursed by Absa Bank Zambia Plc to the life assured.

When does the coverage end?

- On expiry of the loan coverage term.
- If a claim benefit is paid out for death or disability.
- On early settlement or prepayment of the loan facility.

What do I need to pay and how much will it cost?

- You need to pay a premium to protect yourself. The premium for a single and joint life insured is calculated as a percentage of the initial loan amount:

Annual rate on initial loan amount

Age	Joint life	Single life
All	1.700%	0.850%

Monthly rate on initial loan amount

Age	Joint life	Single life
All	0.142%	0.071%

How do I pay my premium?

The premium will be deducted from your account and calculated based on your initial loan amount

Do I have to take out Credit Life Assurance cover with the loan?

Yes. This protection is required as part of your home loan terms and conditions.

Do I have to take out Credit Life Assurance cover from Absa Life Assurance Company?

No.

You have freedom of choice regarding your credit life insurance underwriter and you can provide credit life cover from any other reputed life insurance company in Zambia and this should be done prior to you accessing the facility/funds.

Your choice of insurance provider has no bearing on the loan decision and is at your sole discretion

Does the credit life coverage have a surrender/maturity value?

No.

There is no surrender value. This policy provides cover for debt for as long as premiums are paid.

Can I Cancel this coverage?

- Yes, you are entitled to a 30 day free look period after loan disbursement where you can surrender the policy and get a full premium refund if no benefits have been paid out and no claim has been submitted, as long as an alternative policy from insurer of your choice is provided.
- You can cancel the policy anytime thereafter and get a prorated unexpired premium refund as long as an alternative policy from insurer of your choice is provided.

What if I pre-pay the loan - do I get any refund?

Yes, a proportional (pro rata) amount of the remaining term in the year shall be refunded.

What will happen to the cover if I take a top-up facility on my existing loan?

The top up amount will be added to your current outstanding balance and the total of the two will become your new loan amount. Your premium will be recalculated based on your new loan amount.

What are the key claim exclusions under this credit life protection policy?

For permanent total disability

- Disablement prior to commencement of cover;
- Pre-existing medical conditions that existed in the 6 months prior to commencement of cover will be excluded for a period of 6 months after commencement of cover.

What are the general claims exclusions under this credit life

The Insurer shall not be obliged to make any payment in respect of any condition or event arising directly or indirectly from or traceable to:

- Intentional self-inflicted injury, suicide or attempted suicide by the Policyholder within the first 24 months of cover under this Policy;
- Any act of war, military action, terrorist activities, riots, strikes, civil commotion or insurrection;
- The Life Assured being affected (temporary or otherwise) by alcohol or drugs other than as prescribed by a medical practitioner;
- The Life Assured committing any breach of criminal law,
- Active participation in military or police service in any country.

For this purpose, "military service" includes the armed forces, naval and air forces.

- Active participation in mountaineering, horse riding, hunting, motor racing, power boat racing or fighting.
- Participation in any form of aviation other than as a fare paying passenger on a scheduled air service over an established passenger route.

Are there any waiting periods to claim for benefits under this policy?

There is no waiting period applicable.

Are there any deferred periods to claim for benefits under this policy?

There is a 6 month deferred period for disability benefit.

What is the claims process?

Claims must be reported at any Absa Bank Zambia Plc branch within twelve (12) months of the event giving rise to the claim.

For information on the required claim documentation, please contact your nearest Absa branch.

What happens if there is never a claim under this protection policy?

Nothing happens. The policies will cease at the end of the loan agreement term.

