

SEYCHELLES CREDIT UNION

GUIDE TO

LIFE SAVINGS AND LOAN PROTECTION SCHEME

1. INTRODUCTION

- 1.1 This guide is issued purely as an informative document for members of the Seychelles Credit Union. It does not in any way represent or purport to represent a contractual agreement between the Credit Union and its members. All statements or explanations contained therein shall be deemed to be representations and not warranties, and such statements or explanations shall not, under any circumstance, be used in litigation for or against the Credit Union.
- 1.2 As part of the overall service to its members, the Seychelles Credit Union has, since its inception, put in place a savings and loans protection scheme which covers permanent disability, accidental and non-accidental death of its members. The scheme is offered to the members of the Credit Union at no extra cost to them.
- 1.3 The scheme, which was in the past administered by the Cuna Mutual Insurance Society of USA has, since 1999 been operated as an in-house scheme directly under the control of the Credit Union, and the maximum benefit coverage which was Rs 15,000 and Rs 60,000 for savings and loans respectively has, effective 1st July 2007, been increased to a maximum individual coverage of Rs 250,000 for both the savings and loans of a member.
- 1.4 Subject to the eligibility provisions and any exclusion clause contained in this guide, the aim of the scheme is to ensure that the beneficiary of a member, in the event of death of the member, or the member himself, in the event of suffering permanent disability receives or obtains:
- (a) for non-accidental death, the percentage of benefits specified in the Table of Savings Coverage, up to the maximum value of Rs 250,000, in respect of the member's savings;
 - (b) subject to Clause 4.3, twice the benefits specified in 1.3(a) above if cause of death results from a fatal accident prior to the member's sixty-fifth (65th) birthday;
 - (c) the full settlement by the scheme of any outstanding loan inclusive of interest due to the Credit Union by the deceased or disabled member, up to a maximum value of Rs 250,000;
 - (d) in respect of permanent disability resulting from an accident prior to the member's sixty-fifth (65th) birthday, the benefits specified in the Table of Accidental Death & Disability Benefits, provided the accident is not related or attributed to events or activities as elaborated under Clause 4.3.2.

2. SAVINGS PROTECTION

2.1 Coverage

Savings protection covers the life or permanent disability of a member and is based upon the aggregate balances each member has in his/her individual account or accounts at the time of his/her disability or death, in accordance with the Table of Savings Coverage herein but having regard to the specific qualifying time limit in respect of any savings deposit in excess of Rs 10,000 in value. The term "savings" means all form of savings purchased from or placed in the Seychelles Credit Union either in ownership shares or deposit accounts and "withdrawal of deposits" means any amount of fund withdrawn from savings by a member from his Seychelles Credit Union account or accounts at any time.

Table of Savings Coverage

Member's Age on Date of Deposit	Per Cent Covered
0-6 months	25% of deposit
6 months thru 54 years	100% of deposit
55 years thru 59 years	75% of deposit
60 years thru 64 years	50% of deposit
65 years thru 69 years	25% of deposit
70 years or older	0% of deposit

2.2 Determination of Savings Balance

Subject to Clause 2.4, the percentage amount of coverage afforded on any member's savings balance is determined as to each deposit by the member's age at the time of making the deposit or upon its inclusion in the category of qualified deposits, according to the percentage of balance covered as provided for in the Table of Savings Coverage. Where the amount of savings balance covered changes from 25% to 100% at the age of 6 months, any member at the age of 6 months will be accorded 100% coverage on his then balance which qualifies for cover.

2.3 Cover Unaffected By Age Change

Coverage will remain in force as to each particular deposit made in the amount of the percentage of the qualified savings balance covered irrespective of the subsequent age change of a member, **provided always such deposit is not withdrawn prior to the death of the member.** Furthermore, the scheme is applicable to each member in the order of deposits made on a first-in basis and for the purpose of calculating any benefit payable in respect of a member, **any withdrawal of deposits by the member shall be considered or offset as from the last-in deposits until the withdrawal is fully absorbed.**

2.4. Exclusion of Coverage

2.4.1 No coverage is afforded on any member's deposit which is in excess of ten thousand rupees (Rs10,000) in value unless such deposit was made six (6) months before the date of death or permanent disability of the member.

2.4.2 No coverage is afforded on that portion of any member's savings balance deposited after the member has attained the maximum age of 70 years as stipulated in the Table of Savings Coverage.

2.4.3 In respect of joint membership or joint account, coverage is applicable to only the first-named member of the joint membership or joint account.

2.4.4 No coverage is afforded to associations of persons or body corporate members.

2.5 Eligibility Provisions

2.5.1 There are three classes of members eligible for coverage under the scheme, namely:

(a) **Employed Members**

An employed member is eligible for coverage so long as he/she is actively at work and regularly performing all the usual duties of his/her occupation.

(b) **Self employed Members and Housewives**

A self-employed person or housewife is eligible for coverage on the conditions that he/she is actively at work and regularly performing all the usual duties of the occupation of either a self employed person or a housewife.

(c) **Pensioners and students**

Pensioners and students who are receiving either a pension (SSF, Pension Fund or Retirement Benefits) and students receiving a monthly allowance are eligible for coverage as long as they are in good health and receiving income on a monthly basis.

2.5.2 Only individual members, including any member using a registered business name, and in the case of joint account holders, the person whose name appears first on the certified record of the Credit Union, are eligible for cover.

3. LOAN PROTECTION

3.1 Coverage

Subject to Clause 3.2 (Eligibility & Exclusion), this cover is specifically designed to partly protect a member, in the event of permanent disability suffered, or the relatives of a deceased member, from the burden of having to settle in full any outstanding Credit Union loan of the disabled or deceased member. It is a scheme whereby the outstanding balance of a member's loan, up to a maximum value of Rs 250,000, is automatically paid off by the scheme or dies with the member. Naturally any thing over and above the stipulated limit will still be due and payable to the Credit Union by either the disabled member or his guarantors or heirs.

3.2 Eligibility & Exclusion

3.2.1 Clauses 2.4 and 2.5 above are also applicable to this part.

3.2.2 Cover is up to the age of sixty nine (69) years, but for permanent disability resulting from an accident, cover is reduced to sixty five (65) years subject to Clause 4.3.

3.2.3 All delinquent loans for which repayments either in the form of interest or principal have not been received for a period of 12 months and over will automatically be disqualified and excluded from the scheme.

3.2.4 Loans are covered for a maximum period of ten (10) years from date of disbursement. Thereafter any outstanding balance of a loan will automatically not be afforded coverage.

4. PERMANENT DISABILITY

4.1 Coverage

If any member prior to his/her sixty-fifth (65th) birthday, suffers a loss as specified in the Table of Accidental Death & Disability Benefits below, which is directly linked to bodily injury, as evidenced by a visible contusion or fresh wound on the exterior of the body (except in the case of drowning or internal injuries revealed by an autopsy), sustained as a result of an accident, the Credit Union will pay on receipt of due proof of loss the amount shown opposite such loss up to the maximum savings coverage of SR 250,000. In addition, any outstanding loan of the member, up a maximum value of Rs 250,000 will be treated as fully paid on basis of the loss suffered and in accordance with the related percentage of savings balance covered as per the Table of Accidental Death & Disability Benefits but subject to Clause 3.2.

Table of Accidental Death & Disability Benefits

Loss of:	Percentage of Savings & Loan Balance Covered
Life	100% of Savings Protection benefits computed as per the Table of Savings Coverage and 100% of loan balance subject to the maximum limit of Rs 250,000
Both hands or both feet or sight of both eyes	100% of savings balance and 100% of loan balance at time of accident subject to the maximum limit of Rs 250,000
One hand and one foot	100% of savings balance and 100% of loan balance at time of accident subject to the maximum limit of Rs 250,000
One hand and sight of one eye	100% of savings balance and 100% of loan balance at time of accident subject to the maximum limit of Rs 250,000
One foot and sight of one eye	100% of savings balance and 100% of loan balance at time of accident subject to the maximum limit of Rs 250,000
Sight of one eye	50% of savings balance and 50% of loan balance at time of accident subject to the maximum limit of Rs 250,000
One hand or one foot	50% of savings balance and 50% of loan balance at time of accident subject to the maximum limit of Rs 250,000

4.2 Interpretation

Loss, as elaborated in the Table of Accidental Death & Disability Benefits means, with regard to hands and feet, complete severance through or above the wrist or ankle joint; with regard to eye, entire and irrevocable loss of sight.

4.3 Eligibility & Exclusion

4.3.1 The eligibility and exclusion Clause 3.2 is also applicable to this part.

4.3.2 No permanent disability or accidental death benefits shall be payable if the loss occurs, or results directly or indirectly from, or is contributed to any of the following:

- (a) any accident or injury sustained outside Seychelles;
- (b) insurrection or war or any act attributable to war, whether or not the member is in military service;
- (c) participating or engaging in a riot by the member;
- (d) suicide or any attempt thereat, while sane or insane;
- (e) bodily or mental infirmity or illness or disease of any kind or medical or surgical treatment thereof, even though the proximate or precipitating cause of loss is accidental bodily injury;
- (f) committing or attempting to commit an assault or felony by the member;
- (g) voluntary or involuntary; (i) asphyxiation from or inhalation of any kind of gas, except in the course of the member's occupation; or (ii) taking of any poison, drug or sedative;
- (h) operating or riding in or descending from any kind of aircraft if the member is a pilot, officer or member of the crew of such aircraft or is giving or receiving any kind of training or instruction or has any duty aboard such aircraft or is being flown for the purpose of descent from such aircraft while in flight (except as a pilot, officer or member of the crew of a commercial airline licensed as a common carrier)

For further information/clarification please contact:
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