

Insurance Terms and Conditions

Important notice

You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with **insurance products**. **You must read it in conjunction with Client Terms, any relevant *product terms* and any other documents forming our banking and Insurance agreement.** To the extent of any inconsistency between these terms and our Client Terms, these terms prevail.

Additional Information

Some additional information including but not limited to terms and conditions, features and benefits, exclusions that apply to the *products* referred to in these terms are explained further on the policy documents and the application forms.

How to contact us

To find out information in connection with our *products*, you should contact us at one of our branches, or through our Client Contact Centre at **+267 3615800** or by visiting our website **www.sc.com/bw**.

www.sc.com/bw

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1. Payment Protection Insurance / Credit Life Insurance

- a. I understand that Payment Protection Insurance ("PPI") or Credit Life Insurance ("CLI") is a mandatory requirement of Standard Chartered Bank Botswana ("SCBB") for personal and home loans insurance but I have the choice to purchase insurance of my own that covers death and disability and secure my loan with SCBB.
- b. I hereby also understand however, that PPI / CLI is not compulsory for my SCBB auto loan and credit card and I do not have to apply for it if I do not want to. My decision whether to take up PPI / CLI for auto loan and/ or credit card has no bearing on my auto loan or credit card application.
- c. The PPI / CLI provide a certain benefit pay-out in the event of Death, Permanent Disability ("PD") and Total and Temporary Disability ("TD") of the policy holder.
- d. The PPI/ CLI taken through SCBB is underwritten by Botswana Life Insurance Limited ("BLIL") and distributed through Standard Chartered Bank Insurance Agency (Pty) Limited ("SCBIA") which is a wholly owned subsidiary of SCBB and corporate agent of AON Botswana. BLIL, SCBIA and AON Botswana are governed by the Non-Bank Financial Institutions Regulatory Authority ("NBFIRA").
- e. I understand fully that the insurance risk is entirely borne by the Insurer/underwriter. The benefit pay-out and insurance risks covered by the insurer/underwriter are subject to the terms and conditions stipulated in the Terms & Conditions of the policy which I confirm I understand and accept. Therefore, I shall not hold SCBB and/ or SCBIA, its directors, staff, advisors, agents or assigns liable under any such cover or policy except as provided for under the PPI/ CLI;
- f. BLIL has its registered office at Plot 66458, Fairgrounds office Park, Private Bag 00296, Gaborone, Botswana. Contact number is +267-3545100.
- g. The payment of benefit under PPI/CLI will be settled by BLIL directly to SCBB in the case any risk occurs. This is covered, as mentioned above.
- h. Should the insurer/ underwriter decline my insurance cover application for any lawful reason, the premium collected from me (if any) will be refunded back to me and I will be obliged to immediately provide my own insurance cover to cover the loan outstanding balance from an insurer recognised by SCBB and governed by NBFIRA.
- i. I take note that PPI/CLI will not provide coverage for any mis-representation of facts, pre-existing medical conditions, self-inflicted injury, suicide and certain other circumstances and I will be liable for any shortfall in the amount received from the insurer, and for any amount outstanding due when my PPI/CLI is repudiated.
- j. SCBB must be notified (with proof of death) immediately in case of Life Assured's death. SCBB may request any additional documentation (if required by BLIL) to support validity of any claim submitted. I irrevocably authorise and direct my executors or assign to ensure that payment under this policy is made to SCBB on all my benefits under such PPI/ CLI to settle in full any of my indebtedness to SCBB.
- k. The Permanent Disability (PD) benefit becomes payable when the Life Assured becomes permanently unable to work in any occupation which the Life Assured is reasonably able to do, given his experience, education or training, because of an injury or illness. The PD benefit from BLIL shall be a lump sum payment of the outstanding loan or card amount paid to SCBB as at the date of disablement;
- l. To qualify for PD benefit, the life assured must be
 - I. Certified by a qualified medical practitioner, recommended and recognized by BLIL, to be totally and permanently unfit to carry out his normal duties;
 - II. A letter from the employer confirming absence from work due to a TPD will be required;
- m. TPD claims are to be advised to the insurer for settlement within 30 days after the assessment by a doctor recommended by BLIL.
- n. This product is neither a "free product" nor a "product feature" but a bundled product purchased by you in addition to the loan product you have purchased from the bank;
- o. I am aware that any misrepresentation or failure to disclose material information may render the PPI/ CLI will lead to the denial of claims or even criminal prosecution;
- p. I am aware that my personal information relating to insurance will be shared with the underwriter and or the Broker.
- q. The compliance department of SCBB and/or SCBIA is situated at 6th Floor, Standard House Plot 1124-30, Queens Road, Gaborone, Botswana;
- r. I am aware that should I have any queries or complaints, I am required to lodge them with the Head of Client Experience, 3rd Floor, Standard House, Plot 1124-30, Queens Road, Gaborone, Botswana. If I am still aggrieved, I am at liberty to refer the dispute to arbitration or obtain appropriate relief before a Court of Law. However, I confirm that I shall first exhaust the complaint's handling and internal dispute resolution mechanisms provided for under this PPI/ CLI policy before approaching any Court of Law or NBFIRA or any other regulatory body or person whether within or outside this jurisdiction for redress. Pending the final resolution of any such complaint, claim or grievance, I shall not make any press release or contact;
- s. The governing law of this PPI/ CLI shall be the laws of Botswana.
- t. I confirm that I have read and understood all the terms and conditions mentioned in the CLI Application Form regarding the insurance cover and irrevocably accept fully and without any reservation, the terms and conditions relating to CLI. I further confirm that I freely exercised my choice without any coercion or inducement prior to or during the making of this PPI/ CLI
- u. I confirm that I am aware that SCBB through SCBIA will charge risk premium to the initial loan amount as per the PPI/CLI pricing.
- v. The SCBB CLI pricing per product is as per pricing grid table below.

2. Cession of Policy(ies):

- a. I also understand that I have a choice of ceding my life insurance policy to SCBB (on such terms as SCBB may stipulate) which covers both death and disability from an Insurance Service Provider ("ISP") of my preference. Provided that such ISP must at all material times be recognized by SCBB, governed by and be in good standing with NBFIRA. I understand and accept that I am required to inform such ISP about the cession of my rights to SCBB by way of a notice substantially in the form of Cession Confirmation Letter. Furthermore, I shall provide proof of cover annually thirty (30) days before the anniversary of my insurance cover from such ISP. I further acknowledge, understand and accept that I shall pay in advance my entire annual insurance premium for each subsequent year. I shall provide such proof of cover or advance payment to SCBB thirty (30) days before the anniversary of my insurance cover with such ISP;
- b. I further understand and accept that when ceding my life insurance policy to SCBB, it shall always be at the absolute discretion of SCBB to apply any insurance or premium refund due to me from SCBB on capital reduction of my loan. I further accept that my loan instalment and interest will therefore not be affected by this capital reduction;
- c. In case I do not provide the proof of cover thirty (30) days before the anniversary of such insurance policy, I hereby voluntarily and irrevocably authorize SCBB to obtain insurance cover from BLIL through SCBIA and pay any premiums towards such insurance by debiting my Loan account.

3. Portfolio Credit Life (Personal loan Protection):

- a. I understand that Credit Life for Personal Loan is taken upfront based on the loan amount and loan tenor
 - b. I understand that I am required to provide an Insurance Cover of my choice to SCBB at the inception of the loan, confirming that the personal loan is adequately insured against death and disability, from an Insurance Provider recognised by the Bank and NBFIRA.
 - c. I understand that I am also entitled to a minimum of 90% refund of unutilized premiums upon early settlement or top up of the loan. The CLI is a decreasing term assurance; therefore, the longer the policy (loan) has run the lesser the premium refund. Administration costs are deducted from the premium which also impacts on the refund
 - d. In case of an early settlement or top up of loan, I am entitled to a minimum of 90% refund of the unutilized premiums which will be paid into my account within 45 days of loan settlement or top up.
 - e. The CLI covers my outstanding loan amount in the event of Death, Permanent Disability ("PD") and the monthly instalment until the insured has recovered or the debt is paid subject to a maximum of 6 instalments in the event of Total and Temporary Disability ("TD") as defined in the Terms & Conditions of the policy.

I confirm that I am aware that SCBB through SCBIA will charge risk premium as per table at the bottom of the terms and conditions and earn 30% commission on gross premiums plus VAT

4. SCB Poelo Life Cover

- a. I understand that SCB Poelo Life Cover is an individual life policy designed to assure the life of the policyowner in the event of Death and disability.
- b. I understand that I have a choice to use this policy to cover my Personal loan or Mortgage as protection against death and disability as required.
- c. I also understand that, with the choice of SCB Poelo Life Cover, disability cover is mandatory to satisfy lending parameters for my loan.
- d. In my choice of using this policy, I understand that I'm required to pay all due premiums to keep the policy Active at all times for the duration of the loan. If I miss 3 monthly premiums consecutively or 6 months non- consecutively, I know that my policy will lapse and my loan will not be covered.
- e. If used for a mortgage:
 - i. I understand that I am required to provide an Insurance Cover of my choice to SCBB at the inception of the loan and for each subsequent year, a confirmation of cover by the 30th of March must be submitted, confirming that the mortgaged property is adequately insured against death and disability, from an Insurance Provider recognised by the Bank and NBFIRA.
 - ii. In case I do not provide the Insurance Cover before 1st April of each year, I irrevocably authorize SCBB to use BLIL through SCBIA as a provider for my Credit Life Insurance. I also authorize SCBB to pay any premiums towards such Insurance by debiting my loan account I understand that the insurance premium collected from my personal account or debited from my loan account is amortized over 12 months till the next renewal cycle
- f. In case the policy lapses, I hereby voluntarily and irrevocably authorize SCBB to obtain insurance cover from BLIL through SCBIA and pay any premiums towards such insurance by debiting my Loan account (for mandatory insurance).
- g. In case of an early settlement, I can cancel my policy and be entitled to a minimum of 90% refund of the unutilized premiums which will be paid into my account within 45 days of loan settlement or top up. There is no refund for monthly premium payments. I also understand that I have a choice to leave my policy to run to maturity date.

- h. I understand that this policy will not provide coverage for death and disability due to suicide or attempted suicide in the first 24 months of policy commencement, intentional self-inflicted injuries or exposure to risk, whether sane or insane, participation in aviation and any other exclusions as set out in the policy terms and conditions.
- i. SCBB through SCBIA earn 40% of Annual Premium upfront on this policy and one third of 1st year commission on the 2nd year.

5. Credit life for Home Loans

6. Portfolio Credit Life (Mortgage Protection):

I understand that Credit Life for Home Loan is renewed annually, based on the outstanding loan amount.

- a. I understand that I am required to provide an Insurance Cover of my choice to SCBB at the inception of the loan and for each subsequent year, a confirmation of cover by the 30th of March must be submitted, confirming that the mortgaged property is adequately insured against death and disability, from an Insurance Provider recognised by the Bank and NBFIRA.
- b. In case I do not provide the Insurance Cover before 1st April of each year, I irrevocably authorize SCBB to use BLIL through SCBIA as a provider for my Credit Life Insurance. I also authorize SCBB to pay any premiums towards such Insurance by debiting my loan account I understand that the insurance premium collected from my personal account or debited from my loan account is amortized over 12 months till the next renewal cycle.
- c. I understand that I am also entitled to a minimum of 90% refund of unutilized premiums upon early settlement or top up of the loan. The CLI is a decreasing term assurance; therefore, the longer the policy (loan) has run the lesser the premium refund. Administration costs are deducted from the premium which also impacts on the refund
- d. In case of an early settlement or top up of loan, I am entitled to a minimum of 90% refund of the unutilized premiums which will be paid into my account within 45 days of loan settlement or top up.
- e. The CLI covers my outstanding loan amount in the event of Death, Permanent Disability ("PD") and the monthly instalment until the insured has recovered or the debt is paid subject to a maximum of 6 instalments in the event of Total and Temporary Disability ("TD") as defined in the Terms & Conditions of the policy.
- f. I confirm that I am aware that SCBB through SCBIA will charge risk premium of 0.77% of the outstanding loan amount and earn 30% commission on gross premiums Plus VAT

7. Credit Life for Auto Loans:

- a. I understand that CLI on Auto Loans is not compulsory and I do not have to apply for it if I do not want to.
- b. If I opt for CLI, I understand that the insurance premium collected will be added to my loan amount and amortized over the life of the Auto Loan.
- c. I am aware that should I choose CLI, I will not be able to change/cancel/swap/switch to any other insurance policy for the entire period of the loan.
- d. I understand that I am also entitled to a minimum of 90% refund of unutilized premiums upon early settlement or top up of the loan. The CLI is a decreasing term assurance; therefore, the longer the policy (loan) has run the lesser the premium refund. Administration costs are deducted from the premium which also impacts on the refund.
- e. In case of an early settlement or top up of loan, I am entitled to a minimum of 90% refund of the unutilized premiums which will be paid into my account within 45 days of loan settlement or top up.
- f. Since the CLI is optional, I can also cancel the cover within 14 days from the date of start of cover (also known as free-look cancellation period); in that case the premium charged for CLI will be fully refunded.
- g. The CLI covers my outstanding loan amount in the event of Death, Permanent Disability ("PD") and the monthly instalment until the insured has recovered or the debt is paid subject to a maximum of 6 instalments in the event of Total and Temporary Disability ("TD") as defined in the Terms & Conditions of the policy.
- h. Should I opt for CLI, I confirm that I am aware that SCBB through SCBIA will charge risk premium as per the below PPI/CLI grids pricing table below and earn 30commission plus VAT

8. Credit Life for Credit Cards:

- a. I understand that CLI on Credit Cards is not compulsory and I do not have to apply for it if I do not want to.
- b. I also understand that my enrolment for CLI is subject to approval by BLIL
- c. Since the CLI is optional, I can also cancel the cover within 14 days from the date of start of cover (also known as free-look cancellation period); in that case the premium charged for CLI will be fully refunded.
- d. The CLI covers my outstanding card balance in the event of Death, Permanent Disability ("PD") and the minimum monthly repayment until the insured has recovered or the debt is paid subject to a maximum of 6 instalments in the event of Total and Temporary Disability ("TD") as defined in the Terms & Conditions of the policy.
- e. Should I opt for CLI, I confirm that I am aware that SCBB through SCBIA will charge risk premium of **0.16%** on the outstanding balance and earn 30 commission plus VAT

9. Home Owners Insurance:

- a. I understand that I am required to provide a valid Insurance Cover to SCBB at the inception of the loan and for each subsequent year, a confirmation by the 30th of March that the mortgaged property is insured against fire and damage at gross replacement value.
- b. In case I do not provide the Insurance Cover before 1st April of each year, I irrevocably authorize SCBB to use Botswana Insurance Company Pty Limited ("BIC") through SCBIA as a provider for my Home Owners Insurance. I also authorize SCBB to pay any premiums towards such Insurance by debiting my loan account.
- c. Premiums for collateral Insurance that covers fire and damage is at gross replacement value, which is adjusted upwards at **10% every year** for loan tenor above 12 months, in the absence of recent valuation report provided by client.
- d. I understand that while I have the choice of using my own preferred insurance provider; it is my responsibility to ensure that I have provided SCBB sufficient proof of cover before the due date.
- e. I also understand that the proof of cover must be from an insurer recognised by SCBB and governed by NBFIRA.
- f. Notwithstanding the insurance cover provided, I understand and agree to be personally liable to SCBB for the insurance cover provided. I also agree to pay on the agreed date to ensure full cover at all times.
- g. BIC has its registered office at Plot 50372, Fairgrounds Business Park, and P. O. box 715, Gaborone, Botswana. Contact number is +267 3600500.
- h. I confirm that I am aware that SCBIA receives a commission of 20% of the premium amount on the sale of this Home Owners policy to me.

10. Comprehensive Auto Insurance:

- a. I understand that I am required to provide a valid comprehensive insurance cover to SCBB at the inception of the loan and within 30 days before the date of expiry every year of the insurance cover or policy, confirming the motor vehicle is insured against fire, theft and damage at gross replacement value.
- b. In case I do not provide the insurance cover before expiry of the policy, I irrevocably authorize SCBB to use Botswana Insurance Company Pty Limited ("BIC") through SCBIA as a provider for my Comprehensive Auto Insurance. I also irrevocably authorize SCBB to pay any premiums towards such insurance by debiting my loan account.
- c. Premiums for collateral Insurance that covers fire, theft and damage is at market value, which is adjusted downwards by 10% every year to cover theft, fire, damage and third-party liability subject to terms and conditions of the Comprehensive Auto Insurance Cover.
- d. I understand that while I have the choice of using my own preferred insurance provider; it is my responsibility to ensure that I have provided SCBB sufficient proof of cover before the due date.
- e. I also understand that the proof of cover must be from an insurer recognised by SCBB and governed by NBFIRA.
- f. Notwithstanding the insurance cover provided, I understand and agree to be personally liable to SCBB for the insurance cover provided. I also agree to pay on the agreed date to ensure full cover at all times.
- g. BIC has its registered office at Plot 50372, Fairgrounds Business Park, and P O box 715, Gaborone, Botswana. Contact number is +267 3600500.
- h. I confirm that I am aware that SCBIA receives a commission of 12.5% of the premium amount on the sale of this Comprehensive Auto Insurance policy to me.

11. Embedded Insurance Covers (Credit Card only):

- a. I understand that my Credit Card offers me a **complimentary, Travel Insurance and Lost Card cover**.
- b. I also understand that the Travel Insurance and Lost Card cover are offered through the SCBIA and are underwritten by BIC which has its registered office at Plot 50372, Fairgrounds Business Park, and P O box 715, Gaborone, Botswana. Contact number is +267 3600500
- c. The Lost Card cover provides cover in the event of unauthorized transactions on stolen or lost cards up to a maximum of P125,000 per any event.
- d. Any fraudulent or unauthorized charges should be reported within 30 days of receipt of bank statement.
- e. The **Travel Insurance** provides cover to the cardholder in the event of defined travel related incidences such as emergency medical related expenses and assistance, personal accident (accidental death and/or Permanent Total Disablement), cancellation and curtailment, theft or loss of baggage, loss of money, credit cards and travellers cheques, fraud and baggage delays, travel delays and missed connections.
- f. In the event of an accidental medical related emergency the cover will be paid up to a maximum of P300,000 per any event.
- g. Injury leading to accidental death or accidental Total and Temporary Disability ("TTD") and entirely prevents insured from following their usual occupation or any other occupation for 12 consecutive months or being permanently bedridden as a direct result therefore the following will be paid
 - i. Accidental death - P150,000
 - ii. Accidental total permanent disablement - P150,000
- h. The benefits under the Travel policy will be available for the first 90 (ninety) days of the cardholder's journey or until the cardholder reaches the final destination set out on his/her travel ticket, whichever occurs first payments are per cardholder, whether clients travel or not.
- i. In an event of Internal Journey cancellation, cancellation cover or refund penalties incurred and cost of getting home if insured has to cancel their trip or cut it short for specified reasons the following benefit will be paid.
 - i. Travel delay: P1,000 Excess 4 hours

- ii. Flight cancellation: P1,000 limit, Excess P250
- iii. Luggage delay : P2,000 limit Excess P200 (single item limit 25% of the sum Insured)

PPI/CLI Pricing Grid

The pricing for PPI/CLI per product is as per grid below and is subject to change with notice.

Product	Premium rate
Auto Loans	12 months 0.94% 24 months 1.96% 36 months 2.98% 48 months 3.98% 60 months 4.92% 72 months 5.90% of loan amount
Personal Loans	12 months 0.71% 24 months 1.47% 36 months 2.24% 48 months 2.99% 60 months 3.69% 72 months 4.43% of loan amount
Mortgage Protection	0.77% of the outstanding loan amount (Annual)
Credit card	0.16% of the outstanding balance (monthly)

Customer Name		Sales Staff Name	
Customer ID		Sales Staff Sales Code	
Customer Signature		Sales Staff Signature	
Date		Date	