

LOAN PROTECTION



Loan
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HNB ASSURANCE PLC (PQ 108)

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LIFE ASSURANCE POLICY

Whereas the HNB Assurance PLC (hereinafter called "the Company") has received a Proposal and Declaration for Life Assurance from the Assured named in the Schedule of this Policy and Proposal, Declaration and the statement/s made in this connection shall be the basis of this contract of Life Assurance.

This policy witnesses that in consideration of the payment of premium stipulated in the Schedule, the Company will pay to the person or persons (to whom the same is therein expressed to be payable) the amounts stipulated in the said Schedule upon the happening of the events on which the amounts are to become payable subject to the terms and conditions set out hereinafter in this contract of assurance.

It is hereby declared that this Policy of Assurance shall be subject to the General Provisions attached hereto and the conditions, special conditions, clauses and endorsements hereinafter contained or attached hereto shall be deemed part of the policy.

This contract of assurance has been entered into on utmost good faith. Therefore in the event of fraud or misrepresentation by the Assured or the Life Assured the Company reserves the right to declare the policy as null and avoid.

In witness whereof these presents have been signed on behalf of the Company at Colombo.

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Date

.....

Authorized Signatory

CONTENT	PAGE
General provisions/ Privileges and Conditions	3 - 4
Specific Conditions	
1. Total Permanent Disability Benefit	
1.1 Benefit	5
1.2 Definition	5
1.3 Exclusion	5 - 6
1.4 Additional claim requirements	6

General Provisions/ Privileges and Conditions

01. World Wide Cover

This policy is free from all restrictions as to travel, residence and occupation unless otherwise stated on the Schedule or endorsed hereon.

02. Proof of Age

The Company reserves the right to require proof of the age of the Life Assured before making any claim. If the age has been inadvertently mis- stated, this alone shall not invalidate the policy but an equitable adjustment may be made to the premium and/ or sum assured under this policy.

03. Assignment

No assignment of this policy shall be binding upon the Company unless written notice of the assignment is received by the Company and the assignment is recorded by the Company. Upon receipt of written notice of assignment the Company shall be entitled to require the production of all original documents for examination to the Company`s satisfaction before recording the assignment. In recording the assignment, the Company does not accept any responsibility or express any opinion as to its validity or legal effect.

04. Confidentiality

This contract of assurance and all correspondence and documents relating to the same shall be confidential and shall not be disclosed to third parties.

05. Amendment of the Contract

This contract of assurance shall be revised and /or amended and / or supplemented at any time by way of endorsement/s duly approved and signed by an authorized officer of the Company.

06. Payment of Benefits

Subject to the general conditions and special conditions embodied in this contract of assurance and the Company shall make payments as specified in the Schedule to the person/s to whom the same is payable. All payments under this contract of assurance will be paid at the Company`s Head Office upon the submission of documentary proof at the expense of the claimant, to the satisfaction of the Company and/ or as reasonably required by the Company to determine,

1. The happening of the event on which the benefit becomes payable
2. The title of the persons(s) claiming the payment
3. The correctness of the age of the Life Assured stated in the proposal

07. Right of Cancellation

Within twenty one (21) days from the date of receipt of this policy, the proposer and/or Life Assured may cancel the policy by returning it to the Company, where upon the Company shall refund the entire premium paid under this contract of assurance after deducting all expenses incurred by the Company under and / or in terms of this contract of assurance.

08. Disappearance of the Life Assured

Where the death of the Life Assured is sought to be established on the basis of presumption generated in circumstances where Life Assured has not been heard of for a period of one (01) year by those who would have naturally heard of him/ her if he/ she had been alive, no money shall become due under the policy until the effluxion of a period of seven (07) years computed from the time when the Life Assured has ceased to be heard of, and fact notified to the Company in writing.

09. Suicide

If the Life Assured commits suicide whether sane or insane within twelve (12) calendar months from the date of commencement of the policy, this policy will become void except to the extent of the interest of third parties acquired by bona fide assignment for valuable consideration and written notice of such interest has been received and acknowledged by the Company prior to the date of death.

10. Forfeiture in Certain Events

In case any conditions here in contained or endorsed hereon shall be contravened or in case it is found that any untrue or incorrect statement is contained in the proposal, and the declaration or in any other subsequent documentation, which is provided in the terms of this contract, the policy shall be void and all claims to any benefit in virtue hereof shall cease and all moneys that have been paid in consequence hereof shall belong to the Company.

However the Company will not contest the policy because of any incorrect declaration or statement made in correction with it, after it has been enforced for two years from the policy issue date, unless the declaration or statement can be shown to have been fraudulently mis – stated.

11. Total Exclusion of Liability

The Company shall not be liable to pay any payment in the event of death or disability of Life Assured;

11.1 arising directly or indirectly as a result of active participation or any attempted participation, of the Life Assured in any war, invasion, act of foreign enemies, hostilities or war like operation (whether war be declared or not) , civil war, mutiny, riot, strike, civil commotion assuming the proportion of or amounting to a popular rising, military insurrection, rebellion, military or usurped power or any act of any person acting on behalf of or in connection with any organization directed towards the overthrow by force of any Government or to the influencing of it by terrorism or violence.

11.2 Was occasional as a result of any action taken by any member of the armed or police forces whilst attempting to quell such war, rebellion, insurrection, mutiny or terrorist activity or whilst attempting to arrest or apprehend the Life Assured in connection with his/her direct or indirect participation or involvement in any such war, rebellion riot, insurrection, mutiny or terrorist activity.

11.3 where the proposer and /or Life Assured has failed and / or neglected to make a full and frank disclosure of all material facts in the Proposal, Declaration/s and/ or in any other documents related to and /or required under this policy of assurance and / or the claim be in any respect fraudulent and/or false.

12. Law and Interpretation

- a) The policy shall be governed by the laws of Sri Lanka.
- b) Where the context admits, reference to the Life Assured includes reference to his or her personal representatives and the singular includes the plural and vice versa.
- c) Any reference to the masculine gender shall also apply to the feminine gender and vice versa.

Special Conditions

1. Total Permanent Disability Benefit

1.1 Benefit

If at any time when the policy is in full force and effect and before the expiry of the Term indicated in the schedule, or before the 65th birthday of Life Assured, Whichever is earlier, the Life Assured becomes subject to the Permanent Disability (as defined) due to an accident or sickness and proves the same to the Company, the Company agrees on receipt of satisfactory proof of such disability to pay the outstanding loan amount (excluding interest) as on the date of event or the sum Assured shown against relevant year in the main amortization Schedule agreed with the Company and mentioned in the Schedule whichever is less. The total Permanent Disability Benefit under the policy together with other policies issued by all life insurance companies in Sri Lanka on the life of the Life Assured shall not exceed Rs. 50,000,000.

1.2 Definition of Total and Permanent Disability

Total and Permanent Disability shall mean disability caused by sickness or bodily injury, happened solely and directly by outward, violent and visible means and within hundred and eighty (180) days of such accident or sickness result in a Total and Permanent Disability and the disability wholly prevents the Assured person from engaging in any business, or occupation or performing any work, for compensation or profit, provided, however that to determine if the total disability has become a permanent one, it must continue uninterruptedly for a period of at least six (06) months. However Total and Permanent Disability shall be understood to have begun on the first day that such disability has occurred and it has continued.

The loss of both arms and legs, or of one arm and one leg, or of both eyes shall be considered Total and Permanent Disability, without prejudice to other causes of Total and Permanent Disability. Loss shall mean with regard to arms and legs, dismemberment by physical separation at or above the wrist or ankle, with regard to eyes total and irrevocable loss of sight.

Accidental injuries which independently of all other causes and within hundred and eighty (180) days of such accident results in the irrecoverable loss of the entire sight in both eyes or the amputation of two limbs or above the wrist or the ankle or the loss of or loss of use of any two of the following i.e: hands, feet or eyes, shall also be considered as Total and Permanent Disability.

1.3 Exclusions

Total and Permanent Disability (as defined) Benefit shall not be payable in respect of disability resulting directly or indirectly from injury or sickness caused or aggravated by any of the following.

- a) An act or attempted act of self injury, suicide (while sane or insane) or participation in any criminal act.
- b) Racing of any kind other than on foot and any practice thereof, participation in any kind of hunting, mountaineering, parachuting or underwater or underground activity, or any dangerous or hazardous sport, competition , or occupation.
- c) Participation in terrorist activities, felonious acts or riots
- d) Consequences of declared or undeclared war, civil war, rebellion, revolution, insurrection, any warlike operation or restoration of public order.
- e) Any risk from the influence of alcohol or the taking of drugs or narcotics unless prescribed by a legally qualified physician or surgeon and taken in accordance with the prescribed dosage.
- f) Any form of aerial flight other than as fare paying passenger of a recognized commercial airline.
- g) Active service in any Military, Naval, Air Force , Police or similar regimented force or organization.
- h) Any breach of Law by the Life Assured.
- i) Disablement as a result of injury which occurred before the commencement of this cover or after 65th birthday of the Life Assured.
- j) In the event the insured refusing any examination and investigations deemed necessary by the Company or making such impossible.
- k) By nuclear fusion, nuclear fission or radioactive contamination.

1.4 Additional claim requirements

1. The Company should be served with written notice of any disability upon which a claim be based within a period of thirty (30) days from the date of sustaining such disability. Failure to give notice within such time shall not invalidate any claim if it shall be shown to have been not reasonably possible to give such notice and that notice was given as soon as was reasonably possible.
2. The Company may require the Life Assured to submit himself for a medical examination by a medical practitioner specified by the Company whenever it may reasonably require.