

LOAN PROTECTION PLAN

Key Features Document



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This document provides a summary of the main features of the Loan Protection Policy. Please read it carefully so that you understand the features and benefits of the life insurance product that you are buying. The full terms and conditions are explained in more detail in the Policy document, a copy of which is available on request.

Product manufacturer

The product is a Loan Protection Policy. Its manufacturer is Citadel Insurance p.l.c. (C 21550) of 26, Casa Borgo, Market Street, Floriana, FRN 1082, Malta and whose website is www.citadelplc.com. For more information you may call us on telephone number 2557 9000 or send us an email on info@citadelplc.com. Citadel Insurance p.l.c. is a company authorised under the Insurance Business Act, Cap. 403, to carry on long term and general business of insurance and is regulated by the Malta Financial Services Authority. The production date of this document is 1st September 2019.

Product description

The Loan Protection Policy is a life insurance policy. It is a regular premium Policy that pays a fixed sum to you, your estate or a designated beneficiary upon the death of the Life Insured that occurs during the term of the Policy. The sum insured (death benefit) is selected by you at the outset of the Policy and decreases each year in line with a typical loan repayment. The shortest Policy term is five years. The Life Insured must be between the ages of 18 and 69 when the Policy starts.

The Policy has no investment element.

If the Life Insured survives till the end of the Policy term, the Policy terminates and no benefit is payable by us. Also, if you stop paying the premiums prior to the indicated time, the cover ceases after 30 days from the premium due date and there is no refund of previous premiums paid.

Where the Policy is issued on a joint life basis, the claim payment / Policy proceeds is/are payable on the first death of the Lives Insured and the Policy will terminate.

The life cover will cease upon your Policy's expiry date or early cancellation, whichever is the earlier. In any event, the life cover terminates when any of the Lives Insured attains the age of 75 years.

What optional benefits can I choose?

There are no optional benefits on this product.

Terms & Conditions

This Key Features Document is intended to provide a brief overview of the Loan Protection Policy. The full terms and conditions are explained in more detail in the Policy document, a copy of which is available from our offices.

Key features

- **Premium payment frequency**
Annually, half-yearly, quarterly or monthly
- **Basis of Life Cover**
Single Life only or Joint Life First Death only
- **Age Limits of Life Insured**
The Life Insured must be between 18 years of age and 69 when the Policy starts
- **Policyholder**
The Policyholder can be any natural person aged 18 years and over or any corporate entity
- **Beneficiary**
You may elect that the proceeds or any benefit arising from a contract of life insurance, be payable to one or more named Beneficiaries or class of Beneficiaries in case of spouse or children

Risk Factors

- The Policy has no investment element or cash-in value
- Failure to provide us with all relevant facts may give us the right to refuse any claims or to avoid your Policy completely. When you are in doubt about a particular fact You should disclose it
- If a premium remains unpaid at the expiry of thirty (30) days from the premium due date, Your Policy will lapse
- The amount payable may not be sufficient to pay off your loan if you do not keep up your loan repayments or you change your loan in any way
- **If the interest rate charged on your loan rises above 6.5% per annum, the life cover may not necessarily be enough to pay all the capital outstanding on your loan.**



What are the Costs to take out a Loan Protection Policy?

Cost of Life Insurance

Factors which determine the cost of your life insurance include:

1. Your age
2. Your occupation and pastimes
3. Your health and medical history
4. The amount of sum insured and the duration of the Policy

You will receive a quote showing the premium for standard rates which will then be subject to our underwriting procedures.

Medical Examination and Tests

Medicals may be required when purchasing a Loan Protection Policy. The need for medical examinations will be established by the Company's medical underwriters based upon the information disclosed on the proposal form and the level of life cover required.

While always seeking to remove the need for any unnecessary medical tests, the Company's medical underwriters may request any medical examinations or medical information as they deem necessary. All medical evidence collected by the Company will be treated in strict confidence and in accordance with the requirements of the Data Protection Act, 2018 (Cap. 586).

Following completion and presentation of the proposal form, in the event of medical examinations being required, the Company will pay for the standard medical examinations. Any further medical expenses which may be incurred in connection with the proposal(s), either at the request of the Company or otherwise, will be paid by the proposer(s).

If the proposer(s) instruct(s) the Company to cancel the proposal or fail(s) to disclose correct medical information at proposal stage which is subsequently picked up through the standard medical assessments, all medical fees paid will be deducted from the deposit premium with any balance reimbursed to the proposer(s) within 21 days following receipt of written confirmation.

Commencement of the Policy

Your submission of the proposal form and payment of the premium and/or any Policy charge or fee do not imply that your proposal is accepted and your contract commenced. We will underwrite your application on the information provided on the proposal form and any additional information you may have provided us with.

When we have concluded our assessment we will write to you. If we accept your risk on standard terms, we will issue the Policy document immediately. If not, we will write to you of our decision which may include an increase in premium payable, different terms, postpone or decline the application. When your proposal is accepted the start date of your contract will be shown on your Policy document.

Payment frequency

All yearly premiums are payable in advance, either annually, half-yearly, quarterly or monthly as specified in the Schedule. You can choose the payment frequency at application stage. The frequency can be changed at a later stage on the Policy's anniversary. The annual premium payable for the first Policy Year is the first annual premium specified in the Schedule. We may elect that Your premiums are paid by Direct Debit.

Your premium will not change throughout the duration of the Policy provided that you pay the premium when it is due. The premium may increase if the Policy needs to be reinstated, following no payment of premium.

Policy Fee

The following are the Policy fees applicable on the Loan Protection Policy:

Frequency	Monthly	Quarterly	Half Yearly	Yearly
Policy Fee	€ 2.00	€ 6.00	€ 12.00	€ 24.00

Your Commitment

- To pay your premiums on time throughout the term of the Policy
- To answer all the questions on your application fully, honestly and accurately to the best of your knowledge
- To inform us of any changes to the information on your application that happen before your Policy starts
- To make sure the Policy continues to be right for your needs
- To inform us of any changes to your personal details such as address, occupation etc. Should your identification document expire, you need to provide us with a copy of the latest document. Any personal change will not affect your death benefit, that is the cover will remain the same as will the premium



When will the Policy pay out?

The Policy will pay out on the death of the Life Insured. If the Policy is issued on a joint life basis, the claim payment will happen when the first of the two Lives Insured dies. The Policy only pays out the death benefit once. The Policy will terminate once the death benefit has been paid.

Are there instances where the Policy does not pay out?

There are instances where no payment will be effected under the Policy:

- if you do not fully disclose all the information or provide inaccurate information prior to the commencement of the Policy
- if a claim arises from a Policy exclusion. Full details of cover, definitions, limitations and exclusions are found on the Terms and Conditions issued with your Policy schedule. A copy of the terms and conditions is available on request from Citadel Insurance p.l.c.
- if the Life Insured survives till the end of the Policy term. The Policy does not have a surrender value, hence once the Policy terminates, no payments will be made
- if you stop paying the premium for your Policy, your cover will end and we won't refund any premiums you've already paid

What happens if I stop paying the premium?

If a premium is not paid on the due date and remains unpaid at the expiry of thirty (30) days from the premium due date, your Policy will lapse. You will not get back any premiums you paid.

If the premium is not paid and the Policy lapses, you may apply to the Company in writing within six (6) months from the date of lapse, for its reinstatement, subject to any conditions contained in your Policy and evidence of insurability of the Life Insured to Our satisfaction. You must pay each unpaid premium from the due date of the first unpaid premium to the reinstatement date and any other indebtedness to Us under the Policy. Any reinstatement of the Policy is subject to the minimum premium applicable at the date of reinstatement.

Days of grace

Thirty days of grace are allowed for the payment of each premium or instalment premium after the first premium payment. During this period the Policy continues to be in force. In the event of a claim within the grace period any premium due and unpaid will be deducted from the sum insured.

Your right to change your mind & cancel the Policy

It is your right to change your mind and cancel your Policy, within the first 30 days of when you are served with the Statutory Notice. If you cancel your Policy we shall refund you any money which you have paid to us in connection with the Policy and you shall refund us any benefit under the Policy which we may have paid to you.

The Statutory Notice and the right to cancellation will not apply if the Policy is taken out in order to obtain credit or loan facilities.

Can the Policy be used as a security (pledged) against banking facilities?

The Loan Protection Policy can be used as security against a loan. In this case, any claim payments are made directly to the Bank to cover the outstanding loan balance and any excess will be paid to the designated beneficiary or the heirs of the policyholder.

Is the Policy or are the proceeds taxable?

Under current Maltese tax legislation, as on the date of providing you this information, the tax (duty on document) payable on an insurance policy is 10 cents for every €100 or part thereof of the sum insured. This tax is borne by the Company.

Under current legislation there is no tax payable on the benefits when you receive them if you are a Maltese resident.

Tax treatment depends on your individual circumstances and may be subject to change in the future. You are encouraged to consult your professional tax advisor for advice on your individual circumstances.

Communicating with you

Our Policy document and terms and conditions are in English. Any information which we will provide you in connection with your insurance policy will be in English.



Solvency & Financial Condition Report

Citadel Insurance p.l.c. publishes the Solvency and Financial Condition Report (SFCR) annually. This can be accessed through our website www.citadelplc.com.

How can I complain

If you have a complaint concerning your contract:

1. discuss it with The Head of Life or your insurance intermediary;
2. if you are not satisfied, make a written complaint to our Compliance Officer;
3. if you remain dissatisfied with the manner in which your complaint was handled, you may refer the complaint to the Office of the Arbiter for Financial Services or to any other Alternative Dispute Resolution (ADR) scheme, such as, arbitration and the Consumer Claims Tribunal, enclosing a copy of our investigations.

These three remedies are without prejudice to your right to take legal proceedings against us.

Other relevant information

If a proposal form, claim form or any other material document is completed by another person on your behalf, then such person is deemed to have acted as your agent. All answers and statements in any form or document are your own responsibility. It is, therefore, in your own interest to check the details because any incomplete or inaccurate information may result in a proposal or claim being repudiated.

Your contract of insurance is subject to Maltese law. If during the term of your contract, the insurer becomes insolvent and is unable to discharge its obligations under your contract, you may be entitled to limited compensation under the Protection and Compensation Fund Regulations, 2003. For further explanations, you may contact MFSA at Triq I-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010 or phone on +356 2144 1155.

Citadel Insurance p.l.c. is a company authorised under the Insurance Business Act, Cap 403, to carry on general and long term business of insurance. The tied insurance intermediary is enrolled under the Insurance Distribution Act, Cap 487 to carry out tied insurance intermediaries activities on our behalf. Both are regulated by the Malta Financial Services Authority of Triq I-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010.

If your contract is being entered into from a company branch or through a tied insurance intermediary of the company, these are their respective particulars.

Representative Details

Enrolment No (*if applicable*):

Name:

Company:.....

Address:

.....

Policies concluded through a tied insurance intermediary

The tied insurance intermediary is under a contractual obligation to conduct its activities with respect to long term business exclusively on behalf of the company. The tied insurance intermediary is enrolled in MFSA's Tied Insurance Intermediaries List and enrolment may be verified by consulting MFSA website <https://www.mfsa.mt>.

The company remunerates tied insurance intermediaries by a fixed commission and other variable benefits in terms of their tied insurance intermediary agreement. No remuneration is paid by the customer.

Citadel does not have a holding, direct or indirect, representing 10% or more of the voting rights or of the capital in the tied insurance intermediary. The tied insurance intermediary does not have a holding, direct or indirect, representing 10% or more of the voting rights or of the capital in Citadel.

Policies concluded by sales employees of Citadel Insurance p.l.c.

The company remunerates sales employees by a fixed monthly salary and other variable benefits in terms of their employment agreement. No remuneration is paid by the customer.

Citadel Insurance p.l.c. and the tied insurance intermediary do not provide advice about the insurance product.

Policies concluded through an insurance broker

If your contract is being entered into through a broker, more information must be obtained directly from your broker.



Definition of Terms

Beneficiary: The person(s) designated by the Policyholder or, in the absence of any designated person(s), the Policyholder or his/her heirs at law to whom the Policy proceeds and/or any benefit are payable on the death of the Life Insured.

Life Insured: The person/s on whose life cover is granted under the Policy.

Policy: This contractual document including the Policy Schedule and any Endorsement issued and the Proposal Form.

Policyholder: The person named in the Policy Schedule as the owner and/or joint owner of the Policy.

We/Us/Our/Citadel/Company: Citadel Insurance p.l.c.

You/Your: The Policyholder/s named in the Policy Schedule.

Information Acknowledgement

(Please surrender receipt to provider of information)

I hereby acknowledge receipt of the key features document which the insurer/ tied insurance intermediary furnished me with before entering into a life insurance contract.

Name and surname:

Address:

.....

Signature: Date:

Policy number *(for office use)*:

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Iż-Żejtun 21807779 • Paola 21806247 • Ta' Xbiex 21336911 • Il-Mellieħa 21525232 • Victoria 21566660

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