



INVESTMENT LIFE INSURANCE U TYPE POLICY

A GUIDE FOR POLICY HOLDERS

Website: www.kwilainsurance.com.pg

INVESTMENT LIFE INSURANCE WITH SAVINGS

1. WHAT IS LIFE INSURANCE?

This is a means of insuring your life and/or your wife or the life of your husband and/or the life of your children.

In the event of the death of the person or persons insured under the policy the life cover is paid out to the beneficiary named in the policy or the public curator if no beneficiary is named who in turn pays the life cover to the next-of-kin.

It is also a means of saving by either maintaining the policy to the maturity date or by setting aside a proportion of the fortnightly deduction as savings.

You pay a relatively small amount of your choice each fortnight – between 10 and 50 kina, and your life is insured along with any other life named in the policy, for the life cover shown in the policy. If more than one life is named in the policy then the life cover is divided equally on the lives named.

2. WHAT HAPPENS IF THE LIFE INSURED LIVES TO THE MATURITY DATE OF THE POLICY AND THE POLICY PREMIUMS ARE PAID TO THE MATURITY DATE?

The policy owner may continue the policy. But if the policy owners choose, the deductions will cease. Upon cessation the policy cash value less outstanding loans is paid to the policy owner.

If the policy owner continues the policy the life cover continues on the life or lives insured but with a reducing life cover for those aged between 45 and 54 years of age inclusive. The policy can continue for those aged 55 and over, as a saving account with no life cover. Such savings attract very competitive deposit interest rates.

3. WHAT HAPPENS IF THE PREMIUM IS NOT PAID BY THE POLICY OWNER PRIOR TO THE POLICY REACHING THE MATURITY DATE?

The life cover ceases. If the policy owner DOES NOT surrender the policy any value is held to the credit of the policy owner until claimed.

If the policy owner DOES surrender the policy the cash value less outstanding loans and arrears is paid to the policy owner. Notice to surrender can only be given 3 or more years after commencement.

Remember that life insurance is a long term contract and if you think that you will not keep the policy going for at least 3 years – we suggest DO NOT COMPLETE THE APPLICATION FORM.

Policy owners who do decide to surrender their policy before their maturity date will incur a early surrender fee.

4. CAN LOANS BE TAKEN OUT USING THE POLICY AS SECURITY?

Yes, loans are available generally after the policy has been in force for 12 months and is paid up to date.

5. MAJOR DEATH CLAIM EXCLUSIONS

- War, Civil War and Terrorism
- Insanity, suicide or intentional Self Injury
- Venereal Disease, Acquired Immune Deficiency Syndrome or Human Immunodeficiency Virus. Blood test results to be supplied on request.
- Tribal or Clan wars
- Participation in any criminal act
- Death if caused by a Beneficiary named under the policy.

Meaning of some words used in life insurance

DEDUCTION – The money taken from your wage or salary each fortnight by your employer and paid by them to Kwila. The deduction can be divided into premium, FP or loan repayment.

PREMIUMS – The part of the deduction you choose to allocate to buy the live cover.

LIFE COVER / SUM ASSURED – This is the amount of money that Kwila pays out in the event of the death of the life insured named in the policy up to age 44. From 45 to age 54

this sum reduces. If more than one life named the life cover is divided equally on the named lives. The cost of the life cover is deducted from the premium.

APPLICATION / PROPOSAL – The form completed and signed by the policy owner when applying for life insurance.

POLICY CERTIFICATE – The document issued by Kwila to the policy owner confirming the existence of the contract and showing the contract details.

INTEREST – The money added by Kwila each year to the cash value of the policy.

SURRENDER – The permanent cancelling or cessation of the policy after 3 or more years from commencement.

LIFE INSURED – The person or persons shown in the policy who are insured by the life cover or part thereof.

POLICY OWNER – The person named in the policy as the owner usually the person whose deduction is paying the premium on the policy.

CLAIM – The act of claiming money payable under the policy in the event of the death of the life insured.

MATURITY – The nominal date of the cash value less loans and debts becomes payable to the policy owner.

POLICY STATEMENT – The notice issued by Kwila and sent to the policy owner showing the policy details.

LOAN STATEMENT – The notice issued twice a year and sent to the policy owner showing the loan details.

FP – This is the Future Premium and is a savings account on which attractive interest per year is added. This account is used to repay loans or arrears of premium.

LOANS – Loans granted against the cash value of the policy.

LOAN VALUE – The maximum amount Kwila is prepared to lend against a paid up to date policy.

REFUND – The net value of the policy paid to the policy owner upon surrender of the policy.

PROCEDURES TO TAKE OUT A POLICY

1. You must be employed and you read and understand this "Guide for policy holders" brochure.
2. Your employer must agree to effect Kwila deduction from your pay fortnightly and send deduction to Kwila at the end of each month.
3. You decide the amount of the deduction and the division into premium and savings. We suggest K10 to K30 fortnightly is enough premiums. The balance can be savings but you must decide the division.
4. Complete the application information Form B and sign the application form and deduction form.
5. Send the forms to Kwila Insurance Corporation, P.O Box 1457, Boroko, NCD.
6. Kwila receives the forms for checking and acceptance.
7. If rejected, a letter is sent informing you of the rejection and the application forms and file are then destroyed.
8. Rejection can be for many reasons such as:
Deduction too high
Existing Policy on life insured
Poor Health
Forms Incomplete, Etc.
9. If accepted, acceptance notice is sent to policy owner and deduction order sent to employer pay office to action.
10. When first deduction is received by Kwila it is entered into computer and at the end of the month of first entry a policy certificate is printed and despatched to the policy owner after address has been confirmed.

POINTS TO REMEMBER

- PREMIUM** – This is not a pure savings but the amount of money you pay to Kwila to buy your life cover.
- LETTERS** – If writing to Kwila always print your policy number and pay file number on your letter.



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