



INVESTMENT LIFE INSURANCE

U TYPE POLICY

A GUIDE FOR POLICY HOLDERS

Kwila Insurance Corporation Ltd.

P.O. Box 1285,
Boroko

Telephone:

Boroko : 325 8811
 : 323 6194
Fax : 325 9374

Lae : 472 6211
 : 472 7562
Fax : 472 4997

Goroka : 732 2851
Fax : 732 3192

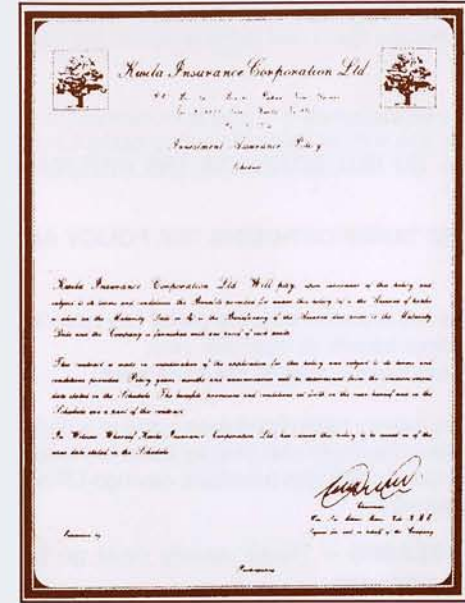
PROCEDURES TO TAKE OUT A POLICY.

1. You must be employed and you must read and understand the "Guide for policy holders" brochure.
2. Your employer must agree to effect Kwila deduction from your pay fortnightly and send the deductions 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 K6 to K10 fortnightly is enough premium. 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 1285, Boroko.
6. Kwila receives the forms for checking and acceptance.
7. If rejected, 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. The pure savings are savings LR or FPDF allocations.

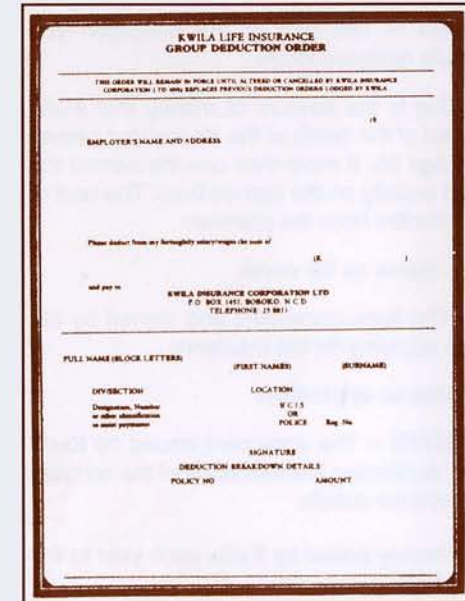
LETTERS – If writing to Kwila always print your policy number and pay file number on your letter.



INVESTMENT =
U TYPE

POLICY
EXAMPLE

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INVESTMENT LIFE INSURANCE

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 or proportion thereof in the case of more than one life being insured under the policy 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.

After about twelve years the cost of the life cover is more than offset by the yearly interest addition to the cash value and the cash value exceeds the premiums paid.

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 a savings.

You pay a relatively small amount each fortnight usually not more than K10.00 and your life is insured along with any other life named in the policy for the life cover or proportion thereof 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 or if the policy owners chooses the deduction is ceased and upon cessation the policy cash value less outstanding loans is paid to the policy owner. The paid to date of the policy should be paid to the maturity date for maximum return 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 55 years. The policy can continue beyond age 55 but with no life cover. This is usually on policies with large outstanding loans when the whole deduction become a loan repayment

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 debts is paid to the policy owner.

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

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

Yes, small loans are available after the policy has been in force for some time usually at least one year.

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, savings LR or FPDF or loan repayment.

DEDUCTION INCREASES – These usually must go to savings and not to premiums.

PREMIUM – The part of the deduction you choose to allocate to buy the life cover.

SAVINGS – The part of the deduction you choose to allocate to savings either LR or FPDF.

LOAN REPAYMENT – The part of the deduction you choose to allocate to repaying loans.

LIFE COVER – 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 55. 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

SUM ASSURED – Same as life cover.

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

PROPOSAL – Same as application

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.

BONUS – Similar to interest. But only payable in full on the maturity date.

SURRENDER – The permanent cancelling or cessation of the policy.

INVESTMENT ASSURANCE – The name Kwila gives to the policy issued for Investment Life policies.

UIO OR U 15 – The computer code used by Kwila to identify an investment life policy from other types of policies.

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 that the cash value less loans and debts becomes payable to the policyowner.

POLICY STATEMENT – The notice issued once a year by Kwila and sent to the policy owner showing the policy balances.

WITHDRAWALS – None allowed other than by way of loans or surrender.

LOAN STATEMENT – The notice issued twice a year by Kwila and sent to the policy owner showing the loans balance.

FPDF – This is the Future Premium Deposit Fund and is a savings account on which interest of 6% per year is added. This account is used to repay loans or arrears of premium.

SAVINGS LR – This is another savings account on which interest of 8% per year is added. This account is also used to repay loans or arrears of premium.

LOANS – Loans granted against the cash value of the policy. Only small loans are granted when these are repaid or when there is a loan value net of outstanding loans another loan can be given.

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

GROSS – Higher figure before reduction by outstandings or debts or charges.

NET – Lower figure after deduction of outstandings or debts or charges.

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