

## Protecting your loan

Your credit union pays for cover on your credit union loan through our Members' Death Benefit Scheme. This means that if you die, your credit union loan balance could be paid off, so you needn't worry about passing on debt to your next of kin (terms and conditions apply). This benefit aims to fulfil one of the credit union movement's principles by ensuring that the members debt dies with them. It is a unique benefit for our members, for which other financial service providers would charge you extra.

- No direct cost to the member
- Peace of mind for your next of kin
- We automatically cover 100% of a maximum value of £2,500 towards loans (terms and conditions apply)

## FAQ

### **How much cover do I have on my loan?**

We automatically cover 100% of a maximum value of £2,500 towards loans held by members aged between 18 and 70.

### **When does the cover not apply on my loan?**

If you die as a result of a pre-existing medical condition (for which medical advice, consultation or treatment was received), within 6 months of taking out your loan, the cover will not apply. It also does not cover death due to HIV/Aids, suicide, terrorism or war.

### **Does the Members Death Benefit Scheme cover Savings?**

No. The Members Death Benefit Scheme replaces the Life Savings Loan Protection Insurance which was previously available to Hull & East Yorkshire Credit Union and North Lincolnshire Credit Union members.

## Terms and Conditions

### **Who is the scheme for?**

The Members' Death Benefit (MDB) Scheme applies to members of Hull & East Yorkshire Credit Union who have been a member for a minimum of one year, and is provided at no direct cost to the member.

### **When is MDB paid?**

MDB is paid only:

- in the event of the member's death;
- where the member was aged between 18 and 70 at the time of death; and
- when loan repayments were being made regularly on time up to the time of death.

### **Does cover apply to all of my accounts?**

MDB applies to outstanding loan accounts only:

The outstanding loan (after offsetting any savings held by the member) will be fully paid off up to a maximum amount of £2,500.

### **How can MDB be claimed?**

We require an original death certificate and GP details before processing any MDB claims relating to the deceased member. Claims cannot be processed with an interim death certificate. A medical report may be obtained from the GP regarding medical conditions.

### **Where do the deceased member's funds go once approved?**

Funds in the deceased member's account(s) will firstly be used to clear any monies owed to Hull & East Yorkshire Credit Union, secondly be transferred to the beneficiary(ies) previously nominated by the deceased member for an amount up to £5,000.

If the funds in the deceased member's account(s) exceed the amount of £5,000 any excess will be paid to the deceased member's estate in accordance with Grant of Probate or Letter of Administration.

If beneficiary details have not previously been provided by the deceased member, the funds will be distributed according to current Testacy Law.

### **If I had a pre-existing medical condition, would this affect the benefit?**

If the deceased member dies from a pre-existing medical condition, any new loan agreements made in the last six months before death are not covered by MDB. The outstanding loan would need to be settled from the deceased member's estate.

### **Are there any causes of death which may affect the benefit?**

The MDBS does not cover death due to HIV/Aids, suicide, terrorism or war.

### **Once the claim has been approved, can the funds be withdrawn immediately?**

Normally, however, the credit union may require a beneficiary to complete an Indemnity Form to certify that they are entitled to the funds, which are released in full and final settlement of the member's property in the credit union.

### **Can the MDB scheme be changed now or in the future?**

The Board of Directors of Hull & East Yorkshire Credit Union has the discretion to alter, amend or withdraw the MDB scheme at any time. The scheme that applies to a particular member is the one, if any, that is in force at the time of their death.

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