

**Unified Credit Life Policy
Draft**

Chapter I Definitions and General Provisions

First: Definitions

In implementing the provisions of this policy, the following words and expressions shall have the meanings indicated next to them unless the context otherwise requires:

1. **CMA:** Capital Market Authority
2. **Licensed bank:** Any local or foreign bank or any financial institution licensed by the Central Bank to practice banking activities in Oman.
3. **The Insurer:** the insurance company licensed to operate in Oman.
4. **The Policy:** The Unified Credit Life policy for personal loans and its annexures
5. **Loan:** Money paid as per the contract between the licensed bank and the borrower.
6. **Borrower:** Any person who is within eligibility criteria to borrow and who is insured under insurance policy within the age limits in such policy and is able to pay and benefit for himself or others from the guarantee, loans and credit facilities of whatever nature.
7. **Joint loan:** Loan granted to more than one borrower and the borrowers are called joint borrower.
8. **Benefits:** Indemnity payable under this policy with regard to death or total permanent disability or partial permanent disability or any additional benefits related to such policy and duly specified as being covered under the insurance schedule or under additional clause.
9. **The Insured:** a natural person who is obliged to pay the insurance premium and in whose name the policy is issued.
10. **Insurance application:** The application filled by the insured as per the specified particulars that include the required insurance and the desired additional benefits and coverage.
11. **Policy schedule:** The schedule provided for in the insurance policy which is part and parcel of the policy detailing the particulars of the insured in the loan and the granted insurance coverage.

12. **Insurance premium:** an amount the insured is obliged to pay to the insurer in consideration for the insurer taking the insured risks.
13. **Insurance period:** the period specified in the policy during which the policy is valid or any renewal thereof based on agreement between the parties.
14. **Policy commencement date:** The date stated in the policy schedule on which the insured has been insured under the policy terms and conditions.
15. **Accident/Injury:** Unplanned occurrence or incident causing direct bodily injury or causing a loss not attributed to the insured and the insured didn't interfere in its occurrence during the insurance period.
16. **permanent Total disability:** Disability caused by injury or sickness resulting in total permanent loss of ability to earn or practice any work or use of the injured organ or any compensation for injury or permanent injuries is 100% or more.
17. **permanent Partial disability:** disability caused by injury or sickness for an organ causing permanent deficit in the ability of the injured to earn or use the injured organ or organs.
18. **Beneficiary:** any person who has the right to obtain compensation in case of covered damage or who is specified in the policy other than the insured.
19. **Competent medical committee:** Medical committee formed by the Minister of Health to assess the type and degree of disability.
20. **Date of accident:** the date on which the accident occurred and caused injury or damage to the insured as follows:
 - (i) Death for any reason
 - (ii) permanent Total disability
 - (iii) permanent Partial disability
21. **Date of commencement of disability:** the date of the accident or the date of diagnosis of the sickness that caused the disability during the validity term of the policy under report issued by the competent medical committee.
22. **Expiration date of the insurance coverage:** Expiration of the date specified in the policy or end of payment of the installments resulting from the loan contract or death or cancellation of the policy.
23. **Geographical territory:** All over the world.

Second: General Provisions

Life Insurance Policy Schedule for Borrower

Customer details	Full name					
	nationality		Gender		Marital status	
	Civil number		Date of birth			
	Employer			Work nature		
	Position		Area		Postal code	
	P.O. Box					
	Telephone		office		Mobile	
	Email					

Loan details	Financing institution					
	P.O. Box		Area		Postal code	
	Loan amount		Loan term		Interest rate	
	Loan type					

Insurance Benefits:

1	Basic coverage	Additional coverage	Amount	Signature
		Death for any cause		
		permanent Total disability caused by accident or sickness		
2	Additional benefits (optional)	permanent Partial disability 75% or more caused by accident or sickness	Amount	Signature
		permanent Partial disability causing loss of job		
		permanent Partial disability resulted from accident or disease less than 75%		
		Risks resulting from wars and breach of public order		

		Any additional coverage agreed upon		
			Premium	
			Policy fee	
			Government fee	
			Total premium	

Policy No.				
Date of commencement		Expiration date		Mode of payment

Statement of health condition (as requested by insurer)	
Medical report (if any)	
Signature of the insured	date
Insurer's signature	Date

DRAFT

General Terms and Conditions

1. The policy and schedule are one contract and every word or expression which has special meaning in any part of the policy or insurance application shall have the same meaning in any other place unless the context otherwise requires. The insured shall read the policy and ensure obtaining the insurance coverage.
2. The material information and statements and recognized practices in life insurance contracts of borrowers provided by the insured or on his/her behalf stated in the insurance application shall be the basis of this contract.
3. Where false or erroneous material information is provided intentionally the same shall be deemed a violation if established, the insurance benefits specified under the policy shall not be payable by the insurer.
4. Insurer shall be obliged to disclose any known or diagnosed medical condition (such as chronic and incurable diseases). In case of disclosure of such diseases the insurer shall have the right to request medical checkup.
5. Insurer shall be obligated to indemnify for any medical condition that lead to death or total permanent disability or partial permanent disability which is not disclosed after two years from the commencement of the policy.
6. Insurer shall be liable for the remaining amount of the loan of the policyholder as from the occurrence of accident or sickness to the extent not contradicting with the terms and conditions of the policy. The coverage shall comprise all the financial claims and other issues related to such policy as specified in the amount reduction table (annexure 1) with the insurer.
7. Where the loan amount is RO 50,000 or more, the borrower shall provide the insurance company with a medical checkup showing his health conditions. The insurer may exempt the borrower from this condition.
8. Where the borrower reaches 50 years of age or more, the borrower shall provide medical checkup showing his health condition. Insurer may exempt the borrower from this condition.
9. Subject to Paragraphs 7 and 8 above, the insurer may request medical checkup as when sees fit.

1. Compensation in the event of death

Subject to the exclusions in Clause (7), the insurer shall in case of death of the insured for whatever reason during the policy validity term, pay the remaining amount of the loan as specified in the amounts reduction table (annexure 1) as from the date of death established by the official entities.

2. Compensation in the event of permanent total disability (due to accident or sickness)

Subject to clause (5) of the general terms and conditions, compensation shall be for permanent total disability from the date of occurrence of accident or diagnosis of the disease if the disability is direct result of accident or disease occurred after the commencement of the policy provided the percentage of permanent disability is no less than 100% under decision of the competent medical committee. Compensation amount shall be determined in accordance with the clauses of the loan reduction table (annexure 1).

3. Compensation in the event of permanent partial disability (due to accident or sickness)

Subject to clause (5) of the general terms and conditions compensation shall be for partial permanent disability from the date of occurrence of accident or diagnosis of the disease that resulted in the partial permanent disability that reduces the ability of the insured to practice his life normally and affects his ability to earn provided the same is established by medical report issued by the competent medical committee. If the percentage of permanent partial disability is 75% or more, the compensation shall be for the remaining amount of the loan as stated in the loan reduction table (annexure 1).

4. Commencement of the policy

The loan insurance policy shall commence after satisfying the following:

- (i) Completed statement provided by the borrower together with the identification papers.

- (ii) Loan application form together with borrower's declaration that the statements are valid.
- (iii) Agreement to pay the premiums as per the agreed method.

5. Insurance Policies for Joint Borrowers (loan on pro rata basis)

Insurance coverage of the joint borrowers shall be as follows:

- Each joint borrower shall be covered according to his share in the joint loan (insured amount).
- Insurance premium shall be specified for each borrower in accordance with his age and share in the joint loan (insured amount).
- Insurer shall issue separate insurance policies for each joint borrower.
- Loan reduction table (annexure 1) shall be applied separately for each policy.

6. Age Limit

From 18 years to 64 years on commencement of the policy.

7. Exclusions

Subject to the terms and conditions of the policy, the insurer shall not be obliged to pay the stipulated compensation amount in the event of occurrence of death or disability directly or indirectly due to the following reasons:

- (a) Previously existing disease not disclosed and resulted in complications during first two years from the commencement of the policy.
- (b) If an intentional attempt by the insured to obtain the benefits of coverage through misrepresentation or forging documents and the same is established by the insurer.
- (c) Taking part or direct influence in invasion or acts of foreign enemy or acts of war whether or not war is declared or civil war or strike or terrorism or public disruption or rebellion or revolution or coupe or sequestration or nationalization or radioactive material resulting from war or nuclear or atomic explosions or any factor that is directly or indirectly related to any of the above reasons.
- (d) Suicide or self inflicted bodily injury regardless of the causes during 12 months from commencement of the loan,

- (e) Voluntarily exposing the body to nuclear or atomic radiation unless the same is part of treatment plan supported by medical reports certified by the Ministry of Health.
- (f) Taking part in any hazardous sports resulting, if failed, in deadly results and which include but not limited to motorcycling races, mountains or rocks climbing using ropes, rope jumping, high diving (other than diving from diving board in swimming pools), martial arts, parachuting and bungee jumping.
- (g) Disability of the insured which cannot be detected using laboratory measurements or microbiological or biochemical methods or imaging and cannot be established by a medical report.

8. Cancellation of the Policy

The insured may request cancellation of the policy in the following events:

- a. Cancellation of the loan application.
- b. Concluding another insurance policy with a licensed insurer in Oman commencing on the day following the date of cancellation of the policy.

In all events the insured shall provide the insurer with no objection certificate from the licensed bank subject to the provisions of Clause (11) of this policy to refund the insurance premium after deduction of the following:

- RO 15 policy issuance fee
- Any taxes or government fees.

9. Refund of Insurance Premium

Insurance premium shall be refunded in case of cancellation of the policy within 30 days from issuance. Insured may redeem the amount of insurance premium in case of cancellation of the policy or early payment as per the below formula:

Refunded premium = (Premium – fees and taxes) X 80% X (outstanding loan/ total loan) X (remaining period/total period)

The remaining premium shall be refunded within thirty (30) working days from the date of completed documents. In case of applying for Top-up loan or rescheduling of the loan no deduction shall be made from the remaining premium.

10. Claim Settlement Procedures

Insured or beneficiary shall report any claim within 365 days from the date of occurrence of the cause of claim.

No claim shall be settled except after the insured or beneficiary providing the following documents:

- **Documents in case of death:**

- Original copy of death certificate from ROP. If the policyholder dies outside Oman the death certificate shall be attested by the Omani embassy. Insured shall have the right to allow the bank officers to verify the original documents.
- Copy of death report (if any)
- True copy of police report if the death is due to accident or abnormal incident.
- True copy of the medical report with detailed diagnosis showing commencement date of the disease and the cause of death.
- Copy of passport and resident card.
- Copy of loan reduction table (annexure 1) from the date of commencement of the loan.

- **Documents in case of total/partial permanent disability:**

- Copy of disability certificate from the disability committee specifying the percentage of disability.
- Copy of police report if disability is due to accident.
- Copy of all medical reports with detailed diagnosis and date of commencement of the disease, cause of disability and treatment details.
- Copy of passport and resident card.
- Copy of loan reduction table (annexure 1) from the date of commencement of the loan

Insurer shall be obliged to pay the claim amount within thirty (30) working days from the date of submitting all the above documents. Where the insurer requests conducting investigation based on the exclusions of the policy or authenticity of the claim they shall complete such procedures within 90 working days from the date of submitting all the relevant documents by the insured or beneficiary.

11. Insurance coverage shall terminate in the following events:

- a. Expiration of the policy term
- b. Policy cancellation date.

- c. Compensation of the beneficiary the total compensation amount due to death or total permanent disability
- d. Refund of the premium
- e. Early payment of the loan.
- f. Assignment of the loan to another borrower.

12. Arbitration

In the event of dispute about the compensation amount this dispute shall be referred to an arbitrator to be appointed by the parties in accordance with the applicable legal provisions which is condition precedent for any legal right against the insurer that any difference in the claim settlement amount shall be referred to arbitration.

13. Authorization for Medical Reports

Insurer shall be deemed authorized by the insured to directly contact hospitals and concerned authorities to verify the medical history and medical reports or attestation in case of compensation claim.

14. Jurisdiction

This policy shall be governed by the laws of the Sultanate of Oman.

15. Seals and Stamps

Insured or beneficiary shall bear all the expenses of stamps and seals and other obligations under the law.

16. Language

The policy shall be issued in Arabic and English languages. In case of dispute on construing the policy the Arabic text shall prevail.