

THE MUTUAL BENEFITS PLAN AND YOU.

ALL YOU NEED TO KNOW

WHAT IS THE MUTUAL BENEFITS PLAN (MBP)?

The MBP is the co-operative way of pooling financial resources in order to provide **(1) Life Savings** and **(2) Loan Protection Benefits** to credit union members. Ownership and control of the resources are retained within the credit union movement since the company offering this programme is owned by credit unions and the League.

HOW DO MEMBERS BENEFIT FROM THE MBP?

Members and their beneficiaries benefit by way of three benefit categories. They are:

1. **Life-Saving**
2. **Loan Protection**
3. **Funeral Grants**

Members should take note of the fact that benefits listed hereunder are only available if the credit union participates in the MBP.

LIFE SAVINGS – DEATH BENEFITS

These benefits are payable on the death of a member. For every dollar saved by the member, the MBP matches this dollar up to a maximum of **\$25,000**. However, the amount of benefit is dependent on the age of the member at the date of death. A schedule of benefits is set out below:

Age of Member at Date of Death	Percentage (%) of Eligible Savings Entitled to Benefits
0 to 6 months	25
7 months to 54 years	100
55 years to 59 years	75
60 years to 64 years	50
65 years to 69 years	25
70 years or older	0

LIFE SAVINGS – ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) BENEFITS

AD&D benefits provided by the MBP are available to any member under the age of 65 who suffers loss of life, limb or sight only as a direct result of an accident, provided that the loss occurs within 90 days of the accident. The maximum amount of the benefit is **\$25,000**, but the actual amount of the benefit is detailed in the “Schedule of Maximum Benefits”.

FUNERAL GRANTS

In order to assist the family of a deceased member in their time of loss, a Funeral Grant is available to assist in defraying the funeral expenses. The grant matches the savings of the member up to a maximum of \$3,000. However, this benefit is not available to members in cases where the credit union only insures loan balances.

LOAN PROTECTION – DEATH BENEFITS

Loan Protection Benefits are available where the deceased member has an outstanding loan at the date of death. The MBP pays in full the loan balance and accrued interest, provided that the loan is free of delinquency at the date of death. The maximum benefit available is **\$500,000**, and all benefits cease on the member’s seventieth birthday. A health declaration form is required for amounts of **\$200,000** and above.

LOAN PROTECTION – TOTAL AND PERMANENT DISABILITY BENEFITS

Disability is here defined as any physical impairment which renders the member totally and permanently unable to engage in any activity for remuneration. Other conditions are similar to the Loan Protection – Death Benefit, except that a member is not eligible for benefits after his/her sixtieth birthday. The maximum amount of the benefit is **\$500,000**.

LOAN PROTECTION – TEMPORARY DISABILITY BENEFIT

In the event that a member becomes temporarily disabled by way of an accidental injury such as a sprain or fracture or such other condition as the insurer may determine, the MBP will pay three monthly loan instalments, up to a maximum of **\$3,000**. The period of disability must be at least one month in order for the member to benefit.

JOINT MEMBERSHIP

Many credit union members now have joint accounts. The MBP can provide benefits to both members in a joint account situation at an additional cost to participating credit unions. In cases where the option to insure both joint members is not exercised, benefits are only payable to the primary account holder.

DO MEMBERS PAY FOR THESE BENEFITS?

Unlike similar programmes, individuals do not pay for these benefits. On a monthly basis, your credit union pays a premium to the plan to cover the costs of the benefits.

CLAIMS PROCEDURES

The credit union shall give written notice of death or commencement of disability within ninety (90) days and furthermore shall submit the claim within one hundred and twenty (120) days.

SCHEDULE OF MAXIMUM BENEFITS

Benefit Category	Maximum Benefit
LIFE SAVINGS – DEATH BENEFIT	
Death	100% of savings \$25,000.00
ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) BENEFITS	
Death	100% of savings \$25,000.00
Loss of both hands or eyes or feet	100% of savings \$25,000.00
Loss of sight of one eye	50% of savings \$25,000.00
Loss of one hand or foot	50% of savings \$25,000.00
FUNERAL GRANT	
Funeral Grant	100% of savings \$3,000.00
LOAN PROTECTION – DEATH BENEFIT	
Death	100% of loan plus interest \$500,000.00
LOAN PROTECTION – TOTAL AND PERMANENT DISABILITY	
Total & Permanent Disability	100% of loan plus interest \$500,000.00
LOAN PROTECTION – TEMPORARY DISABILITY BENEFIT	
Fractured/Sprained Limbs, etc.	3 monthly loan payments \$3,000.00

Please note that this is not a contractual document and that conditions apply.

Contact your credit union for further details