

LET'S TALK MONEY

Issue 16



Credit Life Insurance

In this edition of Lets Talk Money, we would like to discuss Group Credit Life. Group Credit Life is an insurance product that pays benefits on the happening of an insured event such as the death or disability of the insured. The benefits payable in the case of Group Credit Life claim are equal to your outstanding debt or in the case of temporary disability up to 6 months of the loan repayments. The benefits are ceded to the financial institution where the insured has a facility and hence the benefits will be used to offset the insured's debt. Credit Life is mandatory for all Vehicle and Asset Finance and Personal loans. At Bank Gaborone we offer Group Credit Life on vehicle and asset finance and personal loans. The Group Credit Life scheme is available to anyone younger than 60 years of age (at date of joining) and has a free cover limit of P500 000.00 i.e. for facilities of less than P500 000.00 no medical tests are required.

It is also important to note that :

- The insured must be at least 18 years of age at date of joining
- The insured will only be covered up to the age 65 years
- Facilities in excess of P500 000.00 will require medical tests.

More specifically, the benefits payable under the policy are as follows :

- **Death:** On death (due to accident or illness) your outstanding debt at Bank Gaborone is paid in full.
- **Temporary Disability:** On temporary disability until you recover, your monthly installments to Bank Gaborone are paid in full.
- **Permanent Total Disability:** On permanent total disability the outstanding balance of your debt at Bank Gaborone is paid in full.
- **Retrenchment:** If you get retrenched your installments will be paid for 6 months or until you get a job.

Specific exclusions on the Group Credit Life Insurance are :

- **Death:** due to self inflicted injury (suicide) within the first 12 months from the inception of the policy
- **Death or Injury :** as a result of the use of drugs or alcohol by the insured, or as a result of the insured participating in a criminal action, or as a result of the insured participating in a dangerous activity e.g. motor car racing, or as a result of participating in riots, strikes, civil commotion etc
- **Death :** due to a pre-existing medical condition not disclosed at inception of the policy

It is important to note that the insurer must be notified of a claim within two months of the insured event occurring. If you would like to have peace of mind about your outstanding loans, or want to find out more about Credit Life or any of our products and services please contact your nearest Bank Gaborone branch at:

Mall Branch: + 267 3671600
Game City Branch: + 267 3181077
Francistown Branch: + 267 2442323
Or e-mail us at info@bankgaborone.co.bw

Alternatively, you can contact Penrich Insurance Brokers at:
Capricorn House, Plot 165 Pilane Street, Main Mall Gaborone
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