

**PAYMENT PROTECTION PLAN (optional)**

Acc Code: [code]



**PARTIES:** This agreement is made between:

- A. **NOMINATED BORROWER**  
**Name** **Address**  
 [Table\_SecurityEntity]  
 ("Nominated Borrower")
- B. Xceda Finance Limited ("XFL")

The Nominated Borrower hereby requests XFL to provide them with Payment Protection Plan in respect of Loan Contract [code] ("the Loan Contract"). It is understood that the cost of \${Item\_PPPFEE} will be added to the loan advance and that the Payment Protection Plan covers only payments required pursuant to the Loan Contract.

**The Payment Protection Plan provides as follows:-**

**(A) DEATH OF NOMINATED BORROWER**

Upon the death of the Nominated Borrower from any cause whatsoever (except suicide, self administered drug overdose, driving a motor vehicle with a concentration of alcohol in his/her blood exceeding the legal maximum) XFL will remit the balance of the loan owing under the Loan Contract or \$10,000 - whichever amount is the lesser.

**Examples**

- (a) If the Nominated Borrower dies at a time when the balance owing under the loan is \$4000, then \$4000 is the sum remitted by XFL
- (b) If the Nominated Borrower dies at a time when the balance owing under the loan is \$15,000, then \$10,000 is the sum remitted by XFL (\$10,000 being the maximum sum which can be remitted).

**Exceptions**

- (1) No remittance of the loan balance shall be made or allowed by XFL if the repayment instalments or any portion thereof under the Loan Contract are more then 21 days in arrears/overdue on the date of death of the Nominated Borrower.
- (2) No remittance of the loan balance shall be made or allowed by XFL in respect of death of any party to the Loan Contract other then the Nominated Borrower (for example, the death of a co-borrower or guarantor does not enable or entitle the Nominated Borrower to any remittance or deductions from the outstanding loan balance).

**(B) ACCIDENTAL BODILY INJURY TO NOMINATED BORROWER**

- (1) If the Nominated Borrower suffers permanent physical disablement as a result of an accident caused after the commencement of the Loan Contract caused solely by violent accidental external and visible means, XFL will remit a percentage of the balance of the loan owing under the above Loan Contract that equals and equates to the percentage of total permanent physical disablement suffered by that Borrower in the accident (to a maximum of \$10,000), such percentage to be estimated by an independent qualified New Zealand medical specialist to be nominated by XFL such assessment estimate to be carried out at the expense of XFL.
- (2) If the Nominated Borrower suffers an accident after the commencement of the Loan Contract caused solely by accidental external and visible means which prevents him/her attending his/her usual business or occupation then and in such event XFL will remit all normal loan instalments due and payable (excluding arrears and excluding balloon payments) for the period the Nominated Borrower is unable in the written opinion of his/her medical practitioner to resume working at his/her usual business or occupation up to a maximum of 6 calendar months from the date of such accident, after which time no further remittance or deductions from the outstanding loan balance shall be required to be made by XFL.

Nominated Borrower to initial in box



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**Exceptions**

No remittance or deductions shall be required to be made from the outstanding loan balance in respect of any accidental bodily injury suffered by the Nominated Borrower if such injury occurred whilst the Nominated Borrower was:

- (1) Under the influence of any drugs or other banned or prohibited substances
- (2) Intoxicated
- (3) Driving a motor vehicle with a concentration of alcohol in his or her blood exceeding the limit prescribed by law under the justification in which injury occurs
- (4) Attempting suicide or self injury

**(C) ILLNESS OF NOMINATED BORROWER**

If the Nominated Borrower suffers illness which prevents him/her attending his/her usual business or occupation from the commencement date that qualified medical attention is sought, then after such illness has existed for a further 7 consecutive days, XFL will thereafter remit all future normal loan instalments due and payable (excluding arrears and excluding balloon payments) in respect of the Loan Contract during the period such illness continues up to a maximum period not exceeding 6 calendar months PROVIDED HOWEVER

**Exceptions**

- a) That XFL shall not be required to make remittance or deductions from the outstanding loan balance during the term of the Loan Contract in respect of illness suffered by the Nominated Borrower for a total aggregated period or periods exceeding 6 calendar months in total.
- b) XFL shall not be required to make remittances or deductions from the outstanding loan balance in respect of any illness suffered by the Nominated Borrower if such illness is wholly or partly attributed or caused by:
  - (i) The consumption, ingestion, injection or inhalation of drugs or other banned or prohibited substances PROVIDED that this exclusion shall not relate to or include the taking of drugs or medicines prescribed by, and taken in accordance with the directions of, a qualified medical practitioner.
  - (ii) Pregnancy, childbirth or miscarriage
  - (iii) Mental illness
  - (iv) Glue or petrol sniffing
  - (v) Alcoholism
  - (vi) Any illness, disability or disease which is known by the Nominated Borrower or required medical advice or medical treatment within six months prior to the commencement of the Loan Contract.

**Example**

Nominated Borrower suffers first illness which results in 4 months of loan instalments being remitted by XFL. Nominated Borrower subsequently suffers from a second illness which lasts for 3 months. Only 2 months loan instalments are remitted by XFL in respect of the second illness because the maximum aggregated total period of 6 months has been reached.

**Remittance Procedure**

- 1. Notify XFL in writing within 14 days of any likely event to give rise to a remittance entitlement by the Nominated Borrower under the Loan Contract. Such notification should be made by the Nominated Borrower or if he/she is unable to do so, then by the Nominated Borrower's next of kin.
- 2. Obtain a remittance form from XFL. To be valid, all remittance entitlement forms MUST be received by XFL duly completed within 28 days of the event giving rise to the remittance entitlement. Upon acceptance of the remittance entitlement the appropriate instalment remittances will be deducted from the outstanding loan balance

Nominated Borrower to initial in box

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**Arbitration**

Any disputes between XFL and the Nominated Borrower (or personal representatives of the Nominated Borrower) relating to the interpretation of this Payment Protection Plan or the entitlement of the Nominated Borrower to remittance of loan instalments due to death, accidental bodily injury or illness suffered or allegedly suffered by the Nominated Borrower shall be determined by arbitration in accordance with the provisions of the Arbitration Act 1996.

**Important – Overall Exclusion to Any Entitlement to Loan Contract Remittances or Deductions**

- (1) NO remittance or deductions in the outstanding loan balance shall be required to be made by XFL due to death, accidental bodily injury or illness by the Nominated Borrower IF at the time such death, accidental bodily injury or illness occurred the Nominated Borrower's repayment instalments or any portion thereof under the Loan Contract are MORE than 21 days in arrears/overdue AND in such event the Nominated Borrower shall not be entitled to any remittance or deductions.
  - (2) NO remittance or deduction in the outstanding loan balance shall be required to be made by XFL due to the death of Nominated Borrower unless and until the personal representatives of the Nominated Borrower have applied to XFL including certified copy of a death certificate issued by the Registrar of Births Deaths and Marriages which states the cause of death.
  - (3) NO continuing remittance or deductions in the outstanding loan balance shall be required to be made by XFL due to accidental bodily injury or illness suffered by the Nominated Borrower unless and until such Nominated Borrower supplies XFL with medical certificates from his/her qualified medical practitioner on a weekly basis (or at such other intervals as may be reasonably required by XFL) confirming the unfitness of the Nominated Borrower or resume his/her normal occupation or business
  - (4) NO remittance for any illness, disability or disease which you know about or which required medical advice or medical treatment within six months prior to the execution of the Loan Contract.
- **I confirm my request for this PAYMENT PROTECTION PLAN and agree to accept the terms, conditions, exceptions and remittance procedure specified above.**
  - **I acknowledge that my participation in the PAYMENT PROTECTION PLAN was not a condition precedent to the Loan Contract.**

Signature of Nominated Borrower \_\_\_\_\_



Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_



**ACCEPTANCE**

The above Nominated Borrower is hereby accepted to participate in the PAYMENT PROTECTION PLAN