

**Bank Borrowers Protection Scheme
M/S NATIONAL BANK OF FUJAIRAH PJSC**

WHEREAS THE POLICYHOLDER described in the First Schedule has made to the Al Fujairah National Insurance Co. (AFNIC) (hereinafter called the Insurer) a written proposal and declaration which together with any information or particulars from time to time supplied to the Insurer by the Policyholder (National Bank of Fujairah) specified hereinafter shall be the basis of this contract and be considered as incorporated herein,

It is hereby agreed that in consideration of the payments of premiums in accordance with the provisions, the Insurer agrees to provide the insurance cover as described hereinafter or in any Endorsements attached here to, provided that this Policy shall remain subject to the conditions stated herein or subsequently endorsed hereon in writing by the Insurer.



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First Schedule

The Policyholder	M/s National Bank of Fujairah PJSC
Commencement Date	15/10/2021
Policy Period	15/10/2021 to 14/10/2022 (Both days inclusive)
Benefits	<ol style="list-style-type: none">1. Death any cause (DAC)2. Permanent Total Disability (PTD) due to accident and sickness
Loan limits are as follows :	Minimum age: 18 years Maximum age at entry: 69 Maximum age for cover : 70 Cover ceases on attainment of age 70 for Death or Permanent Total Disability (Accident) and on attainment of age 70 for Permanent Total Disability (Sickness) or on payment of a Permanent Total Disability Claim
Geographic Limitation	: Borrowers are residents of UAE
Basis of Sum Insured	: Outstanding Loan balance as on date of claim.



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Article 1. PERSON INSURED

The Person Insured shall be any Borrower of the Policyholder. A Borrower shall be defined as an Individual person becoming indebted to the Policyholder under the terms of an installment credit agreement. The borrower shall satisfy the UAE Central Bank DBR regulations as on cover commencement date or date of entry into the scheme if later.

The Insured Person cannot be amended without prior written approval of the Insurer and will be subject to underwriting.

Cover is compulsory for all eligible borrowers. An eligible individual / borrower must be resident in UAE and within the specified age and/or underwriting limits. Cover is limited only (no other cause) for loans towards of the insured.

When there are more than one insured lives on the loans - note that premium is collected on each life on the total amount; on death of any of the joint lives, the outstanding loan will be paid and cover ceases on the other lives, all other criteria remaining as per standard policy terms. (a new loan is taken out).

The Free Cover limit as agreed (to age 69 attained maximum) so any excess is subject to satisfactory medical evidence. Free cover is not applicable to lives aged 69 and above. Cover ceases on attainment of age 70. All Insured persons above maximum limit or age limit must complete the Underwriting Requirements detailed forward to the Insurer. Cover will not commence until written notice of terms of acceptance is communicated by the Insurer.

Article 2. COMMENCEMENT OF LIABILITY

Existing borrowers declared by NBF at inception of policy and new borrowers who become indebted on or after the effective date of this Policy within the terms of this Policy to the Policyholder under an installment credit agreement shall be eligible for insurance under this Policy with respect to the installment credit agreement as from the date thereof, subject to the stipulation that the Insured Person shall not be eligible for insurance unless acceptance is given by the Insurer.

Article 3. INSTALLMENT CREDIT AGREEMENT

An Installment Credit Agreement shall mean a loan agreement made in writing between, and duly executed by a Borrower and the Policyholder that requires payments of the sums due in accordance with the agreement.

Installment shall mean the periodic payment including interest on the Principal sum.

Repayment period shall mean the period during which the Borrower shall be required under the terms of an installment credit agreement to make payments of the sums due there under.

Schedule maturity date shall mean the date on which the last installment there under falls due.

Initial indebtedness shall mean the total amount borrowed by a Borrower at the Commencement of an installment credit agreement.

Outstanding balance shall mean the principal sum plus interest that should have been paid by the borrower as per the Credit Installment Agreement.

Article 4. NATURE AND EXTENT OF INSURANCE BENEFITS

4.1. Death Any Cause and Permanent Total Disability Due to Accident or Sickness

In the event of death or Permanent Total Disability due to Accident or Sickness of an Insured Person, the Insurer will, subject to the provisions and conditions of the Policy, pay to the Policyholder the sum insured as defined in 4.4 below, in respect of the installment credit agreement of that Borrower at the date of death or Permanent Total Disability of the Insured Person.

4.2. Permanent Total Disability shall mean that an Insured Person, as result of bodily injury or illness, is, after 9 months continuous total disability, wholly prevented from engaging in any and every business or occupation and who has been certified as unlikely ever to recover by a Government medical committee approved by Ministry of Health or Department of Health and in agreement with the Insurer.

In instance where it is clearly established that the disability is permanent & irrevocable, subject to the satisfaction of the Chief Medical Officer of the insurer this waiting period of 9 months shall be reduced or waived.

4.3 In the event of a claim for PTD the outstanding loan amount including where applicable any interest and fees outstanding as agreed and as per the last monthly declaration prior to the date of onset of disability shall be used to determine the sum insured potentially payable (rather than the outstanding amount applicable at the end of the deferment period which is 9 months).

PTD means that the life insured is 'unable to follow ANY occupation'. For borrowers who are not employed, the PTD definition shall be based upon the borrower's inability to perform at least 4 out of 6 'Activities of Daily Living' as mentioned below. Assessment of PTD and subsequent potential payment of benefit is made after 9 months continuous disability following the event giving rise to the claim.

Definition

PTD means either of the below as a result of the injury or illness arising out of a cause not specifically excluded under this policy.

- Permanent Loss of sight of both eyes.
- Physical severance / amputation of two limbs
- Complete and Permanent Paralysis

Permanent Total Disability – Accident (PTDA)

In the event of an insured staff member being totally, continuously and permanently disabled as a result of an Accident to the extent of being unable ever again to follow Any Occupation/Activities of Daily Living as defined below, the insurer shall, pay the sum insured equivalent to the basic life sum insured under the Policy.

The disability must have resulted solely, directly and independently of all other causes,

from bodily injury effected through external, violent and visible means and the onset of disability shall be within 90 days of such accident. The disability start date shall be the date of accident leading to Permanent Total Disability or the date loss occurred or started due to the accident.

The disability must have continued uninterrupted for at least 6 months and the relevant specialists must reasonably expect and certifies that the disability will last throughout life with no prospect of improvement, irrespective of when the cover ends, or the insured person expects to retire.

Permanent Total Disability – Sickness (PTDS)

In the event of an insured staff member being totally and permanently disabled as a result of sickness to the extent of being unable ever again to follow Any Occupation/Activities of Daily Living as defined below, the insurer shall, pay the sum insured equivalent to the basic life sum insured under the Policy.

Sickness means an illness or a disease or a pathological condition leading to the impairment of normal physiological function which manifests itself during the Policy Period and requires medical treatment. The Disability start date shall be the date of sickness or the medical condition diagnosed by a Registered Medical Practitioner, that restricted the member from performing the occupation defined above.

The disability must have continued uninterrupted for at least 6 months and the relevant specialists must reasonably expect and certifies that the disability will last throughout life with no prospect of improvement, irrespective of when the cover ends, or the insured person expects to retire.

Any occupation	A complete and irrecoverable loss of the ability due to sickness, before attaining age of 65 years, to the extent that the insured person is unable to perform duties of Any occupation ever again. Any Occupation means any type of work at all, irrespective of location and availability.
Activities of Daily Living	For Members who are not employed or above the age 65, PTD shall be unable to follow at-least 4 out of 6 Activities of Daily Living. Activities of Daily Living are defined as below Washing: the ability to wash in the bath or shower (including getting into or out of the bath or shower) or wash satisfactorily by other means Dressing: the ability to put on, take off, secure and unfasten all garments and, as appropriate, any braces, artificial limbs or other surgical appliances Feeding: the ability to feed oneself once food has been prepared and made available Toileting: the ability to use the lavatory or otherwise manage bowel and bladder function so as to maintain a satisfactory level of personal hygiene Mobility: the ability to move indoors from room to room on level surfaces

	<p>Transferring: the ability to move from a bed to an upright chair or wheelchair and vice versa</p> <p>Cover for the member automatically terminates upon payment of PTD Claim.</p> <p>Disabilities for which the relevant specialists cannot give a clear prognosis are not covered.</p> <p>AFNIC reserves the right to refer the Life Assured for an independent medical examination on a case to case basis.</p> <p>The maximum PTD Claim per life shall be AED 15 Mn or equivalent.</p>
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Provided the disability shall be for a period of 9 consecutive months and that the Borrower will be rendered so indefinitely as per agreed and accepted medical records and certificates. However this time limit shall not apply to cases of physical severance / amputation of limbs

Notes:

If a Permanent Total Disability benefit is payable then no payment shall be made in respect of death and insurance cover to the subject Borrowers ceases.

Date of Event means any one of the following:

1. In respect of Death, the date of Death, as certified by a competent authority, happening after the Commencement Date and During the Policy Period.
 2. In respect of Permanent Total Disability the date of recognition of Permanent Total Disability by a competent authority resulting from an accident or illness happening/manifesting after the Commencement Date and during the Policy Period.
- 4.4. Sum Insured: Subject to terms conditions and exclusions as mentioned elsewhere in this agreement, Sum Insured is defined as below:
- 4.4.1: Death Claims: Sum Insured is defined as outstanding balance as on date of Death.
 - 4.4.2: Permanent Total Disability: In the event of a claim for Permanent and Total Disability (Accident & Sickness), the outstanding loan amount as per the last monthly declaration prior to date of onset of disability shall be used to determine the sum insured potentially payable. The interest and fees on the outstanding loan amount for the deferment period calculated on the outstanding loan amount as on onset of disability shall be payable, subject to a maximum of 9 months.
 - 4.4.3: The claim notification period for death and disability shall not exceed 6 months from the date of event.
 - 4.4.4 The maximum Sum Assured as agreed per life under the covered portfolio.

Article 5. EXCLUSIONS**➤ Standard Exclusion For Death And Disability Benefits**

No benefit will be payable should the claim event occur directly or indirectly due to the following:

- Active participation in War, warlike operations (whether war is declared or not, conventional, biological, chemical or nuclear), invasion, acts of foreign enemies, hostilities, acts of terrorism, terrorist sabotage, rebellion, mutiny, civil commotion, civil war, revolution, insurrection, military or usurped power, martial law, embargo or Criminal act or any act committed by any person or persons for the purpose of overthrowing a government by violent force or to influence political decision making. Terrorism (suspected or proven) shall be understood to include the consequences of hostage taking, drive-by shooting, planting of bombs and any other forms of physical violence.
- In the event of loss, damage, cost or expense directly or indirectly caused by contributed to by, resulting from or arising out of or in connection with biological, chemical or nuclear explosion, pollution, contamination and/or fire following thereon.
- Any disease or medical impairments not declared in the Application Form / Health Declaration / Medical Questionnaire shall be excluded. Loans granted to borrower for medical illness and treatment of self not covered.
- Defaults for more than 6 months. AFNIC is inclined to review this exclusion subject to full clarification from the bank on their process in classifying the defaulted loan as “impaired assets”/”Provisioning for bed debt”/”writing off as bad debt”.
- Where a member is admitted into the scheme within Free cover limit, any claim arising out of Pre-existing conditions shall be excluded for Death and Disability benefits for the period of one year from the date of entry into the scheme/ Where a member is individually underwritten and accepted for cover, any disease or medical impairments not declared in the Application Form/ Health declaration/ Medical Questionnaire shall be excluded. Loans granted to borrower for medical illness or treatment of self not covered.

➤ Standard Exclusion For Disability Benefits

- A. Attempted suicide or self-inflicted injury whilst sane or insane.
- B. Aviation, gliding or any other form of aerial fight other than as a fare paying passenger of a recognized airline or charter service.
- C. The misuse of drugs or alcohol.
- D. Ingestion of poison or drugs, or inhalation of fumes, voluntarily, except in the case of an accident admitted by any occupational health and safety board.

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- E. The exercise of dangerous sports including but not limited to:
polo, boxing, climbing/mountaineering requiring ropes or guide or free climbing, gliding, ballooning, racing of any kind other than foot (including but not limited to horse or motor racing), participation in speed or endurance tests or record breaking feats, any underwater activity involving breathing apparatus, such as deep sea diving, skydiving or parachuting, bungee jumping, show jumping, steeple chasing, evening or flat racing with horse, potholing, sailing outside territorial waters.
- F. Participation in any sports in a professional capacity.
- G. Any breach of law by the life assured or any assault provoked by him.
- H. Mental illness or mental disease or nervous conditions.
- I. Injury caused by nuclear fission, nuclear fusion or radioactive contamination.
- J. Insured engaging in or taking part in any naval, military or air force operation.
- K. Pre-existing conditions:
i. Pre-existing condition means illness, disease or sickness occurring or manifesting, for which advice or treatment was sought or obtained from a medical practitioner, chiropractor, naturopath, or any other practitioner of a similar kind within twelve months immediately prior to the Enrolment Date.

ii. Pre-existing Conditions are excluded for disability benefits for a period of one year from the date of enrolment by the individual borrower for Mortgage Loan - conventional. This exclusion is waived for members above the Free Cover Limit and who have been medically underwritten.
- L. War, invasion, act of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, military or usurped power or any act of any person acting on behalf of or in connection with any organization actively directed towards the overthrow by force of its Government or to the influencing of it by terrorism or violence
- M. Infection from any Human Immuno-deficiency Virus(HIV), Acquired Immuno deficiency Syndrome (AIDS) or any AIDS related condition.
- N. Pregnancy, childbirth or abortion or any complications arising there from.

Passive War & Terrorism Risk Rider

PWR is not covered in:

Iraq, Afghanistan, Palestine, Yemen, Libya and Syria and any country where war or warlike operation takes place and where the insured remains in for more than 28 days following the outbreak. It is also understood that the sum insured will not be payable if the insured actively participates in any of the above-mentioned events and if the insured

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is traveling to a country after war has been declared in that country or after it has been recognized as a war zone or where there are war like operations

Scope of Cover:

It is hereby agreed that, notwithstanding the terms and provisions of the basic policy Contract, the Reinsurance Company will cover the insured member of the group against death or permanent disability occurring as a direct or indirect consequence of War & Terrorism, where the insured member is not an active participant.

The Term "War" includes but not limited to:

Invasion or acts perpetrated by foreign enemies (whether war be declared or not), hostilities, civil war, martial law or declaration of a state of siege, state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state or siege, civil disobedience, general mobilization, revolution, usurpation of power (military or politically), insurrection, rebellion, mutiny, riots, civil commotion, revolution, conspiracy, mutiny, strike, pillage, any kind of military projectile or explosive including booby trapped vehicles or objects, cannon shells, rockets or other weapon of war, whatever their origin and type, any act unlawful act perpetrated by armed individual be they members of political, military or paramilitary organizations or parties or not and be they acting on their behalf or on behalf of any other organizations

The term "Terrorism" as used herein, shall mean an activity that satisfies both of items below:

- a. Involves a violent act or an act dangerous to human life, tangible or Intangible property or infrastructure, causing damage to property or Injury to persons, or a threat thereof; and
- b. Appears to be intended to:
Intimidate, coerce or incite a civilian population or Inflict economic loss or disrupts any segment of a local, national or global economy; or
Influence, protest, intimidate or coerce against the policy or conduct of a government by any means, including mass destruction, murder, kidnapping, hijacking, hostage-taking.

The Company's liability under this rider shall be at any time limited to the benefit payable at the time on the death/disability of the said Insured provided such benefits shall not exceed a maximum amount as described in the basic policy.

"Active participant" in war-like operations means an active member of the military forces e.g. Army, Navy, Air Force, Territorial Army or Police or any other special forces activated by Government or other public authorities to defend law and order in case of a war or warlike operation, or any other person who takes up arms in an active or defensive role. The term Active Participant

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includes but not limited to participation in opposition forces in conflicts, civil commotion, revolution, and insurgency or any similar situation.

Exclusions:

However, this extension will not apply and no benefit will be payable if at the time of occurrence, the insured member(s) is directly or indirectly:

1. taking an active participation in any of the above mentioned events,
2. engaged in any quarrel or dispute whether armed or not,
3. resisting arrest,
4. member of any armed force or serving in any armed force or member of any police or security or body guard services,
5. Travelling a country or an area where the British Government Foreign and Commonwealth Office advises against 'all travel' there; or
6. Remains in a country or an area for more than 28 days from the date of change of status where the British Government Foreign and Commonwealth Office advises against 'all travel' there; or
7. Travelling to a country or an area where the British Government Foreign and Commonwealth Office advises against 'all but essential travel' and stays for more than 28 days from the date of change of status or date of travel;
8. Syria, Iraq, Afghanistan, Palestine, Yemen and Libya.

If the Re-insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Re-insured.

Dispute Resolution:

Any dispute, controversy or claim arising out of or in connection with this cover, including without limitation the existence, validity, breach or termination thereof, shall be finally settled by the DIFC LCIA Arbitration Centre under the rules in force on the date an arbitration request is filed with the Registrar of the Arbitration Centre of the Dubai International Financial Centre London Court of International Arbitration (the "DIFC LCIA Arbitration Centre"). The rules of the DIFC LCIA Arbitration Centre are deemed to be incorporated by reference in this clause. The arbitration tribunal shall consist of 3 (three) arbitrators. The place of arbitration shall be Dubai, UAE and the language of the arbitration shall be English.

The arbitration award shall be final and binding on both Parties and not subject to any appeal. Any monetary award shall be made payable in United States Dollars, free of any tax or any other deduction. The award shall include costs and expenses of the prevailing party including its reasonable legal fees and interest from the date of any breach or other violation of any of the provisions of this Agreement to the date when the award is paid in full. The arbitrators shall fix an appropriate rate of interest.

Judgment upon the award rendered may be executed in any court having jurisdiction, or application may be made to such court for a judicial recognition of the award or any order of enforcement thereof, as the case may be.

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Article 6. TERMINATION OF A BORROWER'S INSURANCE

This insurance shall automatically terminate:

- Upon payment of claim in case of Death or Permanent Total Disability or,
- Upon the schedule maturity date under such installment credit agreement or upon earlier termination thereof, or
- Upon repayment in full of the sums due under the installment credit agreement, or
- Upon the cover for member ceases upon classification of the loan by the bank as bad debt, or (Coverage for non-performing customers will cease after write-off from Banks loan portfolio complying with Banks internal guidelines on write-offs. Such cases will also be removed from the monthly declaration report).
- Upon the transfer of the Borrower's indebtedness to any other person, **or**
- Upon failure of the Policyholder to pay the premium in respect of such Borrower as required by the Policy.
- On non-renewal of the policy.

Article 7. PREMIUM

As per agreed rate.

Note : Premium Refund : No Premium refund is payable upon lapse or surrender of the policy except under the single premium structure whereby 90% of the unearned premium is repaid.

Article 8. SUBSTANTIATION OF CLAIMS

Upon happening of an event giving rise to a claim under this Policy, the Borrower / Borrower's legal representatives / Insured shall follow the following procedure:

1. Give immediate written notice to the company but not later than 3 months (90 days) from the Date of Event.
2. The Borrower or the Borrowers legal personal representative shall complete the standard claim form issued by the company and produce at no cost to the Company with such evidence to substantiate the claim to the satisfaction of the Company as the Company may reasonably require ;
3. The Company shall have the right and opportunity through its medical representative to examine the Borrower when and so often as it may reasonably require during the pendency of the claim hereunder and in case of death, to investigate the circumstance of death, to examine the body and unless prohibited by law, to request or order an autopsy either before or after burial.



4. The Borrower or the Borrowers legal personal representative or the Bank shall submit the following documents within 180 days from Date of Event:

a) For Death Claims:

- Copy of Death Certificate
- Copy of post mortem report (wherever legally required)
- Copy of police report (if death was due to an accident)
- Copy of medical report * with detailed diagnosis and cause of death if required by the Company when the actual cause of death is not clearly mentioned in the death certificate
- Copy of passport with visa page (where applicable / national ID card nationals)
- Evidence of Age
- Copy of the Loan application form signed by the Borrower
- Copy of the Loan outstanding form signed by the Borrower
- Copy of the Loan outstanding Statement since the inception of the Loan
- Any other documents as may be required

b) For Permanent Total Disablement Claims:

- Disability certificate from an authorized medical practitioner to assess disability
- Copy of police report (if disability is due to an accident)
- Copy of medical report * with detailed diagnosis and cause of disability and details of treatment given (if any)
- Copy of passport with visa page (where applicable / national ID card nationals)
- Copy of the Loan application form signed by the Customer
- Copy of the Loan outstanding Statement since the inception of the Loan
- Any other documents as may be required

All papers as indicated above may be required to be produced as copies stamped and signed by the Bank (other than those surrendered to the authorities, wherein a copy may be submitted) for verification before the final statement of claim.

Medical report should be obtained from the chief medical officer or any other registered medical practitioner recognized by the local authorities.

Article 9. REPORTS AND DATA FROM THE POLICY HOLDER

Monthly statements will be provided within 7 working days of every month showing each named insured person with date of birth and outstanding loan amount with interest. (Please note the amount will be calculated as on date of claim event and not end of the month)

Article 10. Currency / Place of Implementation and Jurisdiction

- Currency of this policy is the Arab Emirates Dirham.
- The company shall fulfill its obligation in UAE.
- Should any difference arise between contracting parties of the present Group policy, the Courts of Dubai shall be considered competent.

Article 11 : VAT CLAUSE

It is hereby declared and agreed that if VAT (Value Added Tax) is applicable on the Insurance Premium and/or other Charges payable/paid retrospectively or prospectively from the date of implementation of VAT, the Insurer reserves that right to collect the same from the Insured in compliance with the forthcoming VAT Law and Regulations as implemented in the UAE.

