

THE MUTUAL BENEFITS PLAN

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 Loan Protection Benefits to credit union members. Ownership and control of the resources is retained within the credit union movement since the company offering this programme is owned by credit union and the League.

HOW DO MEMBERS BENEFIT FROM THE MBP?

Members and their beneficiaries benefit by way of two (2) benefit categories. They are:

- 1. Loan Protection**
- 2. Funeral Grants**

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

FUNERAL GRANTS

In order to assist the family of the 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 \$3,000.00 subject to the percentage of Eligible Savings Entitled to Benefits.

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 the accrued interest, provided that the loan is free of delinquency at the date of death. The maximum benefit available is \$500,000.00 and all benefits cease on the member's seventieth birthday. A health declaration form is required for amounts of \$200,000.00 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 of the benefit is \$500,000.00.

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, the MBP will pay three monthly loan installments, up to a maximum of \$3,000.00. The period of disability must be at least one month in order for the member to benefit.

JOINT MEMBERSHIP

Many credit unions 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. Current rates are 0.38 cents per thousand dollars on the savings side and 0.30 cents per thousand dollars on the loan side.

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

SCHEDULE OF MAXIMUM BENEFITS

FUNERAL GRANT

Funeral Grant	100% of savings	\$3,000
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LOAN PROTECTION BENEFITS

Death	100% of loan plus interest	\$500,000
Total & Permanent Disability	100% of loan plus interest	\$500,000

TEMPORARY DISABILITY

Fractured/Sprained Limbs	3 monthly loan payments	\$3,000
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