

GENERAL VOLUNTARY WAIVER PROTECTION

Waiver protection is voluntary and non-refundable but the lender strongly recommend it is taken for all agreements where the borrower needs to work to keep up payments or where the borrower's estate may not be enough to repay the loan easily.

The borrower(s) elect(s) to take payment waiver protection.

Signature of Borrower(s): _____ Date: _____

DURATION OF RIGHT

A payment waiver is not insurance. This means that when the loan is repaid the borrower's right to waiver stops because the borrower no longer must make payments **under the loan agreement**. The borrower may lose the right to have payments waived in some other circumstances.

PAYMENT WAIVER AGREEMENT

Agreement made between Kings Finance™ Limited (the lender) and Client1 Client2 (together with their executors and administrators called "the borrower")

Background

- A Pursuant to the loan agreement referred to in the first schedule the borrower has borrowed or is to borrow the initial unpaid balance from the lender and wishes to guard against certain misfortunes which prevent the borrower from making the payments due under the loan agreement.
- B The lender has agreed that if the borrower pays to it the waiver fee or agrees that the fee may be added to the unpaid balance the lender will waive the periodic installments payable by the borrower in the event of the occurrence of those misfortunes to the extent set out in this agreement.

The parties agree:

- 1 In consideration of the payment of the waiver fee the lender agrees, subject to the terms and conditions contained herein, that if during the period of this agreement, the protected borrower shall suffer a waiver event specified in the first schedule and defined in the definitions section and/or the second schedule of this agreement, then the lender will waive payment of the sums specified in the second schedule of this agreement (the payments to be waived).
- 2 The Consumer Guarantees Act 1993 will not apply to services required for business purposes.
- 3 If there is a borrower other than the protected borrower or if there is a guarantor, in accordance with section 4 of the Contracts (Privity) Act 1982 the lender acknowledges that this agreement is intended to confer a benefit on and may be enforced by that other borrower and by the guarantor if the protected borrower is dead or for any reason unable or unwilling to make a claim but this clause does not relieve any borrower who is not the protected borrower or any guarantor from any obligation to provide evidence in support of the claim and does not mean that the lender must waive a payment if the protected borrower does not carry out all his obligations under this waiver agreement or if required information is not provided to the lender.

FIRST SCHEDULE

THE PROTECTED BORROWER	Client1_2 (DOB): Cli_BirDte Phone (H): Cli_HmePhn Address: Cli_ActAdd_Line Phone (Wk): Cli_WrkPhn Mob: Cli_MobPhn
Details of Loan Agreement	Principal Advanced: TotAmtFin Periodic Instalments: InsFstAmt Contract Number: LoanId Per InsFrq Finance Period: Term_Count months Start Date: FirstDate
Waiver Events covered by this agreement	Death
Fee	WaiverFee

SECOND SCHEDULE

A Event Death

The death of the protected borrower.

Payments to be waived

The unpaid balance payable at the date that the lender is provided with a death certificate or other satisfactory written evidence of the death of the protected borrower, excluding any arrears or money due as a result of the borrower's default.

Declaration: I declare that I am not suffering from and have not received any indication that I may be suffering from any illness, injury or physical defect which would give rise to death during the period of this agreement. I agree to accept the terms, conditions and exceptions of this agreement. I authorise any registered medical practitioner or other health professional and any hospital to divulge any information about me as may be required by Kings Finance™ Limited or its agent in the event of a waiver claim. I authorise the disclosure of personal information held by other parties regarding any previous waivers or consumer credit insurance or insurance of the same or similar nature to consumer credit insurance. I agree to Kings Finance Limited or its agent disclosing to other parties personal information regarding me or this agreement.

Signature of Borrower(s): _____ **Date:** _____

Signed on behalf of
Kings Finance™ Limited _____ **Date:** _____

Definitions

Wherever used herein the following words and expressions shall unless the context otherwise requires have the meanings respectively assigned to them. Words of one gender shall include the other genders.

- a. "Claim" means a claim for payment waiver
- b. "Borrower" includes the protected borrower
- c. "Date this agreement was made" means the date on which this agreement becomes binding on the lender and the borrower.
- d. "Event" means death of the protected borrower.
- e. "Loan agreement" means the loan agreement described in the first schedule
- f. "Protected borrower" means the person named as protected borrower in the first schedule.
- g. "This Agreement" includes the schedules, conditions and endorsements (if any) of this payment waiver agreement.
- h. "Waiver event" means the event described in the first schedule as being the event upon which the borrower becomes entitled to the waiver.
- i. "Working director" means the director of a private company who works for not less than 20 hours a week for such company and who owns not less than 20% of the shares in that company.

Terms and Conditions of this Waiver Agreement

Notice of Claim.

1 Notice of claim must be given by the borrower to the lender as soon as reasonably possible after the borrower becomes aware of the waiver event but in any case within 28 days of the occurrence of the waiver event and in order to claim waiver must complete the lender's claim form and provide it to the company. A claim form may be requested from the company by telephone, fax or e-mail. It is the responsibility of the borrower and the protected borrower to obtain the claim form and to complete the claim. (Any acceptance of a claim in a form other than that of the lender's claim form shall be at the absolute and unfettered discretion of the lender)

Borrower to take precautions

2 The protected borrower and any borrower must take all reasonable precautions to prevent any event, which might give rise to a claim.

Proof of Claim and Requirements

3 The borrower must provide to the lender all evidence of the borrower's right to waiver including (but not by way of limitation) such written medical evidence as the lender may reasonably require from time to time to enable the lender to deal with the claim, such proof and evidence being provided at the expense of the borrower.

Settlement of Claims

4 Upon receiving proof to its satisfaction of the occurrence of a waiver event and provided that the claim is not excluded by any part of this waiver agreement and provided the protected borrower has complied with the requirements of this waiver agreement, the lender will waive the periodic instalments due during the waiver period.

EXCLUSIONS

5 General

- a The lender is not obliged to waive periodic instalments in respect of (and a waiver event is not) any event
 - i. Attributable wholly or in part to any illness, injury, disability or physical, psychiatric or psychological condition of the protected borrower which existed before when this agreement was made and was not disclosed **in writing** to the lender immediately before this agreement was made.
 - ii. Resulting from the protected borrower person taking part in parachuting, hang-gliding, racing on horseback, underwater

activities involving oxygen- breathing apparatus, rugby union or rugby league football or a criminal act or competitive motor sport of any kind.

- b If the result of any waiver event is aggravated or prolonged by any physical disability or condition which existed prior to the inception of this agreement of which the protected borrower has notified the lender in writing immediately before this agreement was made the amount to be waived in respect of such result shall be an amount which would have been due if such result had not been so aggravated or prolonged reduced by an amount the lender reasonably decides is proportionate to the aggravation or prolongation caused by the disability or condition.
- c The lender is not bound to waive payment of any instalment if at the time of the waiver event in respect of which the borrower claims waiver; the borrower has paid a waiver fee in advance for the term of the loan and if the borrower is in arrears in the amount of not less than the amount of three periodic instalments under the loan agreement but this exclusion shall not apply if the borrower is strictly keeping to the terms of any arrangement to clear arrears or make payments in reduction of arrears or
- d The lender is not bound to waive payment of any instalment if the borrower has not told the truth or has misled the lender in applying for the loan or before signing this agreement.

Death

- e The lender is not obliged to waive periodic instalments if the protected borrower dies by his own hand, whether the protected borrower at the time is sane or insane, within 12 months of this agreement being made.

Termination of Waiver

- 6** The right to waiver shall automatically terminate on the earlier of
- a The expiry of the original term of the Loan agreement or any extension not agreed or granted as a result of the borrower's default.
 - b The repayment of the unpaid balance under the Loan agreement.
 - c Any collateral which provides security under the loan agreement having been seized pursuant to a security interest for breach of the loan agreement unless the borrower is not or was not in arrears in his periodic instalments or otherwise in financial default under the loan agreement at the time of such seizure and remains in financial compliance at the time the event occurs.
 - d Five years from the date of the loan agreement.

General

- 7**
- a Disappearance of the protected borrower: Death shall not in any way be presumed by the disappearance of the protected borrower except in the event of the total loss of the ship or aircraft on which such protected borrower is proved to have been travelling.
 - b Conditions Precedent: The
 - i. Due observance and fulfilment of the terms, provisions, conditions and endorsements of this agreement by the protected borrower in so far as they relate to anything to be done or complied with by the protected borrower and
 - ii. Truth of the statements and answers in any claim form or in any statement in support of a claim shall be conditions precedent to any liability of the lender to grant any waiver under this agreement.
 - c Jurisdiction: This agreement is governed by New Zealand law and the parties irrevocably submit to the sole jurisdiction of the New Zealand courts.
 - d Assignment: If the lender assigns the loan agreement or the right to receive the periodic instalments under the agreement to any other party, the lender may assign its obligations under this agreement together with any waiver fee paid in advance for any period after the date of assignment to that other party and if it does so, it will no longer be liable hereunder. Any such assignment shall carry with it the borrower's rights to waiver under this agreement.
 - e Although the taking up of this waiver protection is not a condition of the lender making the loan, the borrower has no right of cancellation once this agreement and the loan agreement are signed and the loan is granted save that if the borrower cancels the loan agreement pursuant to section 27 of the Credit Contracts and Consumer Finance Act or any substituted section, such cancellation will apply to this agreement as well.
 - f Pursuant to the Privacy Act 1993 the following is brought to the borrower's attention:
 - i. The application for waiver rights collects personal information about the borrower.
 - ii. The information is collected to evaluate the cover the borrower seeks.
 - iii. The intended recipient of the information is the lender or such agents that it might appoint from time to time to carry out its obligations and act on its behalf under this plan.
 - iv. The information being collected by the lender is held at the offices of the lender at the lender's address at Physical Address: 1 Greenwood Street, Frankton, Hamilton 3204, Postal Address: P O Box 9364, Waikato Mail Centre, Hamilton 3240 , Fax: 07 847 2077; Phone: 07 846 6008; Email: anne@kingsfinance.co.nz.
 - v. The borrower must provide the information pursuant to the borrower's duty to disclose all material facts relevant to the waiver rights sought and is mandatory.
 - vi. The failure to provide this information may result in the borrower's application for right to any waiver being declined or those rights becoming voidable or void from the beginning.
 - vii. The borrower has rights of access to, and correction of the information, subject to the provisions of the Privacy Act 1993.