

## **OPTIONAL LIFE**

### **Eligibility**

Members of KAP, employees of KAP members, employees of KAP and employees of Commodity Groups that are KAP members. All applicants must reside in Canada and be under the age of 65 on the date his or her application is received by Maritime Life.

Spouses of eligible members and employees may also apply for Life insurance **if the member or employee has applied** and if the spouse resides in Canada and has not attained the age of 65 by the date Maritime Life receives his/her application.

### **Amount of Life Insurance – Member, Employee and Spouses**

Life insurance is available in units of \$25,000, the minimum amount that may be purchased is \$50,000 and the maximum is \$500,000 on the life of a member, employee or spouse of a member or employee.

### **Reduction of Coverage**

The amount of insurance coverage will reduce by 50% upon the attainment of age 65.

### **Medical Evidence**

All applicants must provide evidence of insurability satisfactory to Maritime Life before being approved for insurance. See the enclosed Medical Underwriting Requirements Table.

### **Sub-Standard Risks**

In the case of a sub-standard risk Maritime Life shall have the right to offer insurance on an alternative basis by use of modifications and/or increased premiums.

### **Effective Date of Insurance**

Coverage for applicants once approved medically, will be effective on the first of the month following approval, subject to payment of premium. In the event that the applicant is not insurable any premium paid with the application will be refunded.

### **Living Benefit**

A payment, if approved by Maritime Life, of 25% of the life insurance benefit to a maximum of \$50,000 will be paid to the insured should the insured be diagnosed with a disease that will cause death within 12 months of the initial diagnosis.

### **Premiums**

Premiums will be determined based on the actual age of the applicant on the date his/her application is approved. Premiums will change on the premium due date (or a common policy anniversary date if applicable) coinciding with or next following the attainment of a higher age category.

### **Grace Period**

Thirty-one days of grace will be allowed for the payment of each premium after the premium due date during which the insurance will remain in force.

## **Waiver of Premium**

If the insured becomes totally disabled as the result of an accident or sickness prior to age 61 and is unable to perform the duties of any occupation, the life insurance premiums falling due after six months of continuous total disability will be waived while the total disability continues and until the insured reaches the termination age set out in the policy.

## **Limitations**

Suicide within two years of the effective date of the insured's coverage is a risk not covered.

## **Exclusions**

No benefits are payable for any loss directly or indirectly due to or resulting from any one or more of the following:

- i) declared or undeclared war or any act of war;
- ii) service in the armed forces of any country;
- iii) operating or serving as a crew member of an aircraft or participating in any activity involving an aircraft other than as a fare paying passenger.

## **Conversion**

If the Master Policy is terminated and the certificate has been in force for five continuous years:

- The insured member or employee may convert the insurance without evidence of insurability within 31 days of the termination date to an individual life insurance policy currently available at the then prevailing rates for that individual policy. The insured member or employee must be under the age of 65.
- The Spousal Life insurance may be converted within 31 days of the termination date to an individual life insurance policy currently available at the then prevailing rates for that individual policy. The insured spouse must be under the age of 65.
- The amount of benefit to be converted would be the lesser of; three times the years maximum pensionable earnings as established under the Canada Pension Plan and the benefit amount of the terminated certificate and the converted amount may not exceed \$200,000.

**Note:** If the member or employee dies the spouse will automatically be able to continue coverage under this plan while the group policy remains in force.

## **Termination of Insurance**

Coverage terminates when the group policy terminates, on the premium due date coinciding with or next following the attainment of age 70 or the discontinuance of premium payments whichever occurs first.