

## GROUP CREDITOR LIFE INSURANCE POLICY

### TERMS AND CONDITIONS

#### 1 DEFINITIONS AND INTERPRETATIONS

##### 1.1 DEFINITIONS

In this Policy, the following terms shall have the following meanings:

“**Age**” means the age of an Insured Borrower (by reference to his most recent birthday).

“**Borrower**” means a natural person who the Policyholder has identified as the principal obligor under a Loan with the Policyholder not being an endorser or guarantor.

“**Co-borrower**” means any borrower who is jointly and severally liable to the Policyholder in respect of a Loan.

“**Certificate of Insurance**” means the certificate issued by the Insurance Company as evidence of insurance coverage in respect of a particular Insured Loan under this Policy.

“**Critical Illness Benefit**” means the coverage more fully set out in section 3.2(b), the maximum amount of which is set out in the Policy Schedule.

“**Day**” means a calendar day.

“**Death Benefit**” means the amount payable upon the death of an Insured Borrower, as set out in section 3.2(a).

“**Default Period**” has the meaning set out in section 2.4.

“**Enrolment**” means the procedure used by the Insurance Company from time to time by which a Borrower or Co-Borrower enrolls by himself or is enrolled by the Policyholder for insurance coverage hereunder.

“**Indebtedness**” means the total principal and interest amounts outstanding on any one Insured Loan, calculated at any point in time.

“**Insurance Company**” means Guardian Life Limited, a company registered under the laws of Jamaica, and having its registered office at 12 Trafalgar Road, Kingston 5, in the parish of St. Andrew.

“**Insured Borrower**” means a Borrower or Co-borrower who has been enrolled and is covered for insurance under this Policy.

“**Insurance Effective Date**” means the date on which the Insured Borrower’s insurance coverage under this Policy in respect of a particular Loan becomes effective, determined in accordance with section 2.3.

“**Insured Loan**” means the Loan for which an Insured Borrower is covered under this Policy.

“**Insured Loan Amount**” means the amount for which an Insured Borrower is covered under an Insured Loan as at the relevant Insurance Effective Date.

“**Involuntary Unemployment**” means where employment of the Insured Borrower is terminated for any reason other than those excluded under this Policy.

“**Involuntary Unemployment Benefit**” means the coverage more fully set out in section 3.2(c).

“**Loan**” means a loan or a renegotiated loan made by the Policyholder as lender to borrowers who are natural persons and which is made available by the Policyholder as a type of credit facility known as ‘consumer loan’ but not including credit cards, the terms of which are set out in a credit or loan agreement between the Policyholder and the borrower(s).

“**Loan Amount**” means the total amount of principal, as at the Insurance Effective Date, which is owing under a Loan.

“**Loan Schedule**” means the Plan Coverage in which the benefit payable by the Insurance Company relates to the principal and interest owing by the Insured Borrower under the Insured Loan in accordance with the loan schedule produced by the Policyholder at the time of issuing of the loan and which is proportionate to the Insured Loan Amount.

**“Maximum Critical Illness Benefit”** means the maximum total amount of critical illness benefit available on the life of any one Insured Borrower in respect of one or more Insured Loans under this Policy, being an amount set by the Insurance Company from time to time, which amount as at the Policy Date is the amount shown in the Policy Schedule.

**“Maximum Death Benefit”** means the maximum total amount of the death benefit available on the life of any one Insured Borrower in respect of one or more Insured Loans under this Policy, being an amount set by the Insurance Company from time to time, which amount as at the Policy Date is the amount shown in the Policy Schedule.

**“Outstanding Balance”** means the Plan Coverage in which the benefit payable by the Insurance Company relates to the amount of Indebtedness owed to the Policyholder by the Insured Borrower proportionate to the Insured Loan Amount.

**“Plan Coverage”** means the plan coverage selected by the Policyholder as identified in the Policy Schedule.

**“Plan Option”** means the plan option(s) of benefit(s) selected by the Policyholder as identified in the Policy Schedule.

**“Policy”** means this group creditor life insurance policy issued by the Insurance Company to the Policyholder, together with the Policy Schedule, the Terms and Conditions thereof, the Appendices and Schedules thereto, and each instance of Enrolment, each of the aforesaid as amended from time to time, together with other written statements (if any) made by the Policyholder, the Insurance Company or any Insured Borrower in relation to any enrolment or the Policy on the faith of which the Policy was issued or maintained or coverage extended to an Insured Borrower.

**“Policyholder”** means the person who is the lender under the Loan and the policyholder named in the Policy Schedule.

**“Policy Date”** means the date stated as the Policy Date in the Policy Schedule.

**“Policy Schedule”** means the schedule to this Policy including any amendments to or any replacement or revised schedule.

**“Premium”** means the amount payable by or on behalf of an Insured Borrower in consideration for insurance hereunder.

**“Premium Frequency”** means the frequency with which the Premium for insurance coverage hereunder is payable, as set out in the Policy Schedule.

**“Submission of Evidence”** means the submission of any evidence required by the Insurance Company in relation to a Borrower, Co-borrower or Insured Borrower including an application for Enrolment, satisfactory completion of medical questionnaire or examination by a Borrower or Co-borrower, in form satisfactory to the Insurance Company.

## **1.2 INTERPRETATION**

Unless the context indicates otherwise, words in the singular will be deemed to include the plural and vice versa, and references to any gender include any other gender. The clause headings in this Policy are inserted for convenience only and shall be ignored in construing this Policy. References to sections, schedules and appendices are to clauses of the Terms and Conditions, schedules and appendices of the Policy respectively. Words defined herein shall be taken to include the whole or any part thereof. A reference to notices or other things being “in writing” means that it is communicated in original hard copy. The words “include,” “includes,” “including” and “such as” are to be construed as if they were immediately followed by the words “without limitation.”

## **2 GENERAL PROVISIONS**

### **2.1 THE POLICY**

The Policy constitutes the entire contract between the Insurance Company and the Policyholder. The Insurance Company accepts liability solely in accordance with the Policy.

No clause, provision or condition of the Policy may be revised or modified except by an endorsement issued by the Insurance Company and signed by the secretary and one director, or two other duly authorized officers.

This Policy and all Premiums paid and benefits payable under this Policy will be subject to and administered in accordance with the relevant provisions of the Insurance Act, Insurance Regulations, the Income Tax Act and the laws of Jamaica generally.

This Policy takes effect on the Policy Date. The effectiveness of the coverage in relation to any particular Insured Loan is subject to the terms and conditions of this Policy.

## **2.2 ELIGIBILITY**

Subject to any minimum and maximum limits (including coverage amount, age and number of Co-borrowers) as set out in the Policy Schedule, Borrowers and Co-borrowers are eligible to be enrolled for life insurance under this Policy if, on the date of Enrolment they are natural persons that meet the following conditions:

- No younger than the Minimum Eligibility Age and no older than the relevant Maximum Eligibility Age as shown in the Policy Schedule; and
- The sum of the Age of the older or oldest of the Borrower and Co-borrower on the relevant Insurance Effective Date and the number of years of the remaining duration of the Loan for which coverage is being requested does not exceed the Loan Aggregate Eligibility Age as shown in the Policy Schedule.

## **2.3 INSURANCE EFFECTIVE DATE**

At the option of the Insurance Company, approval of Enrolment by the Insurance Company upon Submission of Evidence shall be required in respect of any application for coverage for a Loan Amount which exceeds or results in exceeding the relevant Submission of Evidence Limits, which amount is set out in the Policy Schedule and may be changed by the Insurance Company from time to time.

Subject to the aforesaid, a Borrower and/or Co-borrower will become an Insured Borrower upon the occurrence of the latest of any of the following:

- a. the date of the first disbursement under the Loan
- b. the date of Enrolment
- c. the date on which the Premium (or, if more than one payment of Premium is indicated, then the first payment of Premium) in respect of the Insured Loan is received by the Policyholder or the Insurance Company, whichever occurs earlier.

A Borrower or Co-borrower may apply to be enrolled for insurance coverage in relation to more than one Loan with the Policyholder, subject to section 3.3.

## **2.4 INSURANCE COVERAGE TERMINATION**

The coverage relating to an Insured Loan will automatically terminate without notice or any action required on the part of any person as follows:

- a. the date on which the obligations of the Insured Borrower(s) under the Insured Loan have been fully settled
- b. the date the Insured Borrower informs the Insurance Company in a form satisfactory to the Insurance Company that he no longer wants to be insured under this Policy (does not apply where the Policyholder enrolled the Insured Borrower for coverage)
- c. the date the Insured Loan term ends
- d. the date on which any payment due under the Insured Loan is past due for such period as is agreed with the Policyholder (applicable only where the Plan Option selected by the Policyholder is for Outstanding Balance), which period is set out in the Policy Schedule as "the Default Period"
- e. in the event that no Premium is paid by the Policyholder for a period of sixty (60) Days and no payment has been made after a period of at least thirty (30) Days after receipt of a notice from the Insurance Company notifying the Policyholder of the default
- f. where the Plan Option selected by the Policyholder provides a Death Benefit, upon the earlier of:
  - i. the date of the death of the Insured Borrower (and where there are multiple Insured Borrowers, when any of them dies first)
  - ii. the date on which an Insured Borrower attains the Coverage Termination Age for Death set out in the Policy Schedule (and where there are multiple Insured Borrowers, when any of them first attains the age)

- g. where the Plan Option selected by the Policyholder provides a Critical Illness Benefit:
  - i. the date of diagnosis and payment of a claim for a Critical Illness Benefit
  - ii. the date on which an Insured Borrower attains the Coverage Termination Age for Critical Illness set out in the Policy Schedule (and where there are multiple Insured Borrowers, when any of them first attains the age)

The coverage relating to Involuntary Unemployment Benefit will terminate:

- a. automatically on termination of coverage relating to the Death Benefit or the Critical Illness Benefit (arising from the payment of a claim or otherwise)
- b. on payment of any claim for the Benefit.

The Insurance Company shall have the right to terminate coverage to any Insured Borrower including for the purpose of or to facilitate complying with any applicable law or regulation.

## 2.5 TERMINATION OF POLICY

The Policyholder and the Insurance Company shall each have the right to terminate this Policy by giving notice to the other, such notice of termination to be effective ninety (90) Days after the notice is served, or on any later date stated in the notice or otherwise agreed between them in writing. Further, this Policy may be terminated by the Insurance Company for the purpose of or to facilitate complying with any applicable law or regulation.

No new insurance coverage will be made available by the Insurance Company after the effective date of termination. However, upon termination, in respect of Insured Loans where the Insured Borrower enrolled for coverage under the Policy, the Insurance Company will continue to provide insurance coverage to existing Insured Borrowers provided that such persons continue to pay applicable Premiums.

Termination of this Policy shall be without prejudice to any rights of the Policyholder and/or the Insurance Company which accrued prior to termination.

## 2.6 REINSTATEMENT OF INSURANCE COVERAGE

The Insurance Company may, in its sole discretion, reinstate insurance coverage for an Insured Loan which has been terminated pursuant to section 2.4(e) where the Premium Frequency for the Insured Loan was level premium if all outstanding Premiums in respect of the Insured Loan have been paid and the Insured Borrower has presented Submission of Evidence satisfactory to the Insurance Company.

## 3 POLICY BENEFITS

### 3.1 BENEFICIARY

The Policyholder is irrevocably designated the beneficiary of this Policy and all benefits payable by the Insurance Company in respect of any Insured Borrower hereunder shall be payable directly and solely to the Policyholder.

### 3.2 BENEFITS

Benefits successfully claimed shall apply to all Insured Loans relating to the relevant Insured Borrower.

In respect of the Death Benefit and the Critical Illness Benefit, where there are multiple Insured Borrowers insured for any one Insured Loan, the respective benefit shall be payable only when any of them is first diagnosed or first dies, as applicable.

#### a. DEATH BENEFIT

For Plan Coverage: *Outstanding Balance*

Upon the death of any Insured Borrower under an Insured Loan, the Insurance Company shall, subject to the limitations and exclusions set out in this Policy, pay to the Policyholder a death benefit calculated using the following formula:

$$\text{Death Benefit} = \left[ \frac{\text{Insured Loan Amount}}{\text{Loan Amount}} \right] \times \text{Indebtedness at the date of death}$$

For Plan Coverage: *Loan Schedule*

Provided that the Policyholder had provided the Insurance Company with the loan schedule for the Insured Borrower(s), upon the Death of an Insured Borrower, the Insurance Company shall, subject to the limitations and exclusions set out in this Policy, pay to the Policyholder a death benefit calculated using the following formula:

$$\text{Death Benefit} = \left[ \frac{\text{Insured Loan Amount}}{\text{Loan Amount}} \right] \times \text{Indebtedness at the date of death as set out in the loan schedule at the time of issuing of the loan.}$$

#### **b. CRITICAL ILLNESS BENEFIT**

Subject to the exclusions and limitations set out in this Policy, the illnesses covered under this Policy for which the Insurance Company may pay a benefit are *Heart Attack*, *Stroke* and *Cancer* as defined below:

“**Heart Attack**” means a diagnosis by a specialist/cardiologist of the death of heart muscle due to obstruction of the blood that results in rise and fall of biochemical markers to levels considered diagnostic of myocardial infarction with at least one of the following:

- heart attack symptoms
- new electrocardiogram (ECG) changes consistent with a heart attack
- development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty.

“**Stroke**” means a definite diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis or haemorrhage, or embolism from an extra-cranial source, with:

- acute onset of new neurological symptoms, and
- new objective neurological deficits on clinical examination,

persisting for more than 30 days following the date of diagnosis provided that these new symptoms and deficits must be corroborated by diagnostic imaging testing.

“**Cancer**” means a definite diagnosis by a specialist/pathologist of a tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue but excludes the following:

- i. carcinoma in situ, or
- ii. Stage 1A malignant melanoma (melanoma less than or equal to 1.0 mm in thickness, not ulcerated and without Clark level IV or level V invasion), or
- iii. any non-melanoma skin cancer that has not metastasized, or
- iv. Stage A (T1a or T1b) prostate cancer.

For Plan Coverage: *Outstanding Balance*

Upon the first diagnosis of any Insured Borrower of one of the covered critical illnesses specified above, the Insurance Company shall, subject to the limitations and exclusions set out in this Policy, pay to the Policyholder that proportion of the Indebtedness at the date of the first diagnosis a critical illness benefit calculated using the following formula:

$$\text{Critical Illness Benefit} = \left[ \frac{\text{Insured Loan Amount}}{\text{Loan Amount}} \right] \times \text{Indebtedness at the date of diagnosis of a covered critical illness}$$

For Plan Coverage: *Loan Schedule*

Provided that the Policyholder had provided the Insurance Company with the loan schedule for the Insured Borrower(s), upon the first diagnosis of the Insured Borrower of one of the covered critical illnesses specified

above, the Insurance Company shall, subject to the limitations and exclusions set out in this Policy, pay to the Policyholder that proportion of the Indebtedness at the date of the first diagnosis a critical illness benefit calculated using the following formula:

$$\text{Critical Illness = } \left[ \frac{\text{Insured Loan Amount}}{\text{Loan Amount}} \right] \times \text{Indebtedness at the diagnosis of a covered critical illness as set out in the loan schedule}$$

### c. INVOLUNTARY UNEMPLOYMENT BENEFIT

In order to be eligible to receive this benefit, the Insured Borrower must be employed to the same employer for at least three (3) consecutive months, not including any probationary period, under a permanent, full-time written contract.

Subject to the exclusions and limitations set out in this Policy, the Insurance Company will pay the Policyholder a lump sum equivalent to the amounts due to be paid by an Insured Borrower on account of principal and interest under an Insured Loan for the number of months set out in the Policy Schedule (which period may be changed by the Insurance Company from time to time) in the event of Involuntary Unemployment as follows:

$$\text{Involuntary Unemployment = } \frac{\text{Insured Loan Amount}}{\text{Loan Amount}} \times \text{Monthly Loan payment} \times \text{Involuntary Unemployment Benefit Factor}$$

Where the remaining period on the Insured Loan is less than the Involuntary Unemployment Benefit Factor, the Benefit will be reduced accordingly.

### 3.3 MAXIMUM BENEFIT

In the event that an Insured Borrower is insured in respect of more than one Insured Loan, the aggregate benefits payable shall not exceed the relevant Maximum Benefit in effect at the Insurance Effective Date relating to the last Insured Loan, as reflected in Policy Schedule.

### 3.4 PROOF OF CLAIM

The Policyholder shall make a claim by delivering or sending by registered post a written notice of the claim to the Insurance Company within thirty (30) Days from the date on which the claim arose under the Policy. In respect of a claim for benefits, the Insurance Company will pay the amount due upon the receipt of due proof of claim. Proof of claim shall be made within ninety (90) Days in accordance with the procedures of the Insurance Company then prevailing and may include Submission of Evidence or such evidence under oath as may be required by the Insurance Company regarding:

- a. the death or diagnosis of a critical illness of an Insured Borrower and the causes leading thereto;
- b. termination of employment or cessation of trading;
- c. the proof of Age of an Insured Borrower (per Appendix B); and

such other information or documents as the Insurance Company may deem necessary to establish the validity of the claim, insurance coverage and the amount of the Indebtedness.

Failure to give notice of claim or furnish proof of claim within the times specified above will not invalidate the claim if the notice or proof is given or furnished as soon as is reasonably possible and in no event later than two (2) years from the date on which the claim arises if it is shown that it was not reasonably possible to give notice or furnish proof within the time so specified.

### 3.5 EXCLUSIONS AND LIMITATIONS

#### **Death Benefit**

No Death Benefit will be payable in the event of the following:

- a. If the Insured Borrower, whether sane or insane, commits suicide or otherwise dies from any self-inflicted injury within two (2) years of the Insurance Effective Date
- b. If the Insured Borrower failed to disclose material information or has given materially incorrect information when he was applying for Enrolment

- c. If the Insured Borrower dies within the first twelve (12) months after the Insurance Effective Date and the primary or secondary cause of death is cancer, leukaemia, Acquired Immune Deficiency Syndrome, Human Immunodeficiency Virus, AIDS Related Complex, diabetes mellitus, lung disease, liver disease or heart disease, and the Insured Borrower had, during the twelve (12) month period prior to the Insurance Effective Date, consulted a physician, taken tests or received treatment (including but not limited to taking medication or receiving injections) for the condition which ultimately caused the death of the Insured Borrower or any related conditions commonly referred to as predisposing factors for the condition which caused the death
- d. Where the death of the Insured Borrower results directly or indirectly from:
  - i. the Insured Borrower wilfully exposing himself to needless peril (except in an attempt to save human life)
  - ii. the Insured Borrower committing, attempting or provoking an assault or criminal offence
  - iii. the Insured Borrower being under the influence of any intoxicant, narcotic, alcoholic substance or drug
  - iv. injury sustained whilst the Insured Borrower is engaged in motor racing, sky diving, polo, water-skiing or underwater pastimes
  - v. aviation or other aerial activities except whilst travelling as a passenger in a certified or licensed aircraft constructed to carry passenger and not for the purpose of any trade or technical operation in or on the aircraft or as a member of the aircrew
  - vi. war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil commotion, rebellion, revolution, insurrection, act of terrorism or military power
  - vii. medical or surgical treatment except where such treatment is rendered necessary by bodily injury or illness.

### **Critical Illness Benefit**

*Heart attack:* No benefit will be payable for:

- i. elevated biochemical cardiac markers as a result of an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty, in the absence of new Q waves, or
- ii. ECG changes suggesting a prior myocardial infarction, which do not meet the Heart Attack definition as described above.

*Stroke:* No benefit will be payable for:

- i. transient ischaemic attacks;
- ii. intracerebral vascular events due to trauma; or
- iii. lacunar infarcts which do not meet the definition described above.

*Cancer:* No benefit will be payable if within 90 days following the later of:

- i. the Insurance Effective Date, or
- ii. the effective date of last reinstatement of the policy

the Insured Borrower:

- i. exhibits signs or symptoms or investigations are conducted which lead to a diagnosis of cancer, regardless of when the diagnosis is made, or
- ii. is diagnosed with cancer.

Without prejudice to the provision above relating to cancer, no Critical Illness Benefit will be payable if the Insured Borrower is diagnosed with one of the critical illnesses specified in section 3.2(b) above within 12 months of the later of:

- (a) the relevant Insurance Effective Date relating to the Insured Loan; or
- (b) the date of reinstatement

arising from any "Pre-existing Condition" which occurred during the 12 month period preceding the relevant Insurance Effective Date or date of reinstatement. A "Pre-existing Condition" means:

- the existence of symptoms normally associated with or relating to one of the critical illnesses specified in section 3.2(b) above which would have caused an ordinarily prudent person to seek diagnosis, care or treatment
- a condition normally associated with or relating to one of the critical illnesses specified in section 3.2(b) above for which medical advice, care or treatment was sought or recommended.

### ***Involuntary Unemployment Benefit***

No benefit will be payable where termination occurs in the following instances:

- a. Where employment of an Insured Borrower is terminated by the employer on account of:
  - (i) disability, sickness or accident or any other medical reasons (mental and/or physical)
  - (ii) misconduct
  - (iii) refusal to accept orders from the superior
  - (iv) criminal conviction
  - (v) dishonesty or fraudulent act
  - (vi) unlawful industrial action
  - (vii) an employer (including a sole trader) ceasing to do business due to a natural catastrophic peril
- b. where a sole trader ceases to do business due to a natural catastrophic peril
- c. Where the Insured Borrower is on probation at the time of termination
- d. When the Insured Borrowers resigned or left by way of mutual agreement or termination after voluntary breaks from employment in excess of normal holiday entitlement
- e. Where the Insured Borrower was aware of the pending unemployment on or before the effective date of the policy
- f. Where the unemployment of the Insured Borrower is normal seasonal part of the employment or due to non-renewal of a fixed term employment contract
- g. Termination of the Insured Borrower is due to voluntary retirement
- h. Within 6 months from the Insurance Effective Date.

### **3.6 MISSTATEMENTS**

If the Age of an Insured Borrower was less than the Minimum Eligibility Age or greater than the Maximum Eligibility Age at the Insurance Effective Date, the insurance coverage in relation to that Insured Borrower shall be deemed never to have been effected and any Premiums paid shall be refunded. In any other instance, where the Age of the Insured Borrower is misstated, the benefits and coverage (including any bonuses) provided under the Policy shall be adjusted to the amounts that would have been applicable for by same premium based on the true Age.

Where, as regards the state of health of the Insured Borrower, the Insured Borrower makes a statement which he knows or believes to be untrue or fails to disclose to the Insurance Company something known by him as regards that matter, the Insurance Company reserves the right to avoid or otherwise reduce its liability under the Policy.

Where any misstatement of fact is made (other than a misstatement or omission of Age or health), the Insurance Company reserves the right to avoid liability if (a) the misstatement was fraudulently untrue; or (b) is material in relation to the risk of the Insurance Company under the Policy and was made within the period of three years immediately preceding the date on which the Policy is sought to be avoided or the date of death of the Insured Borrower, whichever is earlier.

## **4 PREMIUM**

### **4.1 AMOUNT AND PAYMENT OF PREMIUM**

Premiums payable will be determined based on the options selected by the Policyholder, as set out in the Policy Schedule.

The Insurance Company will not be required to accept payment of any Premium from any person other than the Policyholder.

### **4.2 CHANGE TO PREMIUM RATES**

The Insurance Company shall be entitled to change the premium rates with effect from the first anniversary of the Policy Date. Unless otherwise stated in the Policy Schedule, the rates may be changed on any first Day of a calendar month, by giving notice in writing to the Policyholder at least sixty (60) Days prior to the effective date of such change.

Any change in the premium rates will apply to all new Insured Loans on or after the effective date of the change, unless otherwise stated in the Policy Schedule.



#### **4.3 EARLY REPAYMENT OF LOAN**

In the event that the entire Indebtedness under an Insured Loan is repaid prior to the end of the Loan term and the Premium Frequency is “single”, the Insurance Company shall refund to the Policyholder on behalf of the Insured Borrower such amount of the Premium paid prorated in accordance with the Schedule of Cash Surrender Values in effect at the Insurance Effective Date. The Schedule of Cash Surrender Value is subject to change from time to time in the discretion of the Insurance Company, which Schedule is currently attached to the Policy Schedule.

Premiums shall be refunded only in cases where the Policyholder has selected this option, as reflected in the Policy Schedule.

#### **4.4 REFUND OF PREMIUMS**

In the event that the Policyholder advises the Insurance Company that the Insured Borrower is in default of his obligations to pay the Policyholder principal and interest under the Insured Loan and the Premium Frequency is “single”, the Policyholder may request that the Insurance Company refund to the Policyholder on behalf of the Insured Borrower such amount of the Premium paid prorated in accordance with the Schedule of Cash Surrender Values in effect at the Insurance Effective Date. The Schedule of Cash Surrender Value is subject to change from time to time at the discretion of the Company, which Schedule is currently set out in the Policy Schedule.

Premiums shall be refunded only in cases where the Policyholder has selected this option, as reflected in the Policy Schedule.

### **5 MISCELLANEOUS**

#### **5.1 CERTIFICATE OF INSURANCE**

The Policyholder will, on behalf of the Insurance Company, issue to each Insured Borrower under this Policy a Certificate of Insurance, in the form affixed to this Policy as Appendix C, as evidence of the insurance coverage provided to Insured Borrowers in respect of the Insured Loan. Where there are multiple Insured Borrowers for any an Insured Loan, one certificate shall be issued to them jointly.

#### **5.2 CHANGES TO TERMS AND CONDITIONS**

The Insurance Company shall be entitled to change any of the terms and conditions of this Policy by giving written notice to the Policyholder at least ninety (90) Days prior to the effective date of any such change or such other notification period as the parties shall agree. Any change to the terms or conditions (except a change to the Premium rates) will apply only to insurance coverage which commences on or after the effective date of the change, unless the Policyholder and the Insurance Company otherwise agree in writing.

#### **5.3 BENEFITS PAYABLE TO POLICYHOLDER**

The Insurance Company will pay any benefits under this Policy to the Policyholder, and the Policyholder shall apply such benefits to reduce the Indebtedness.

#### **5.4 ASSIGNMENT**

An Insured Borrower may not assign the insurance on his life under this Policy.

#### **5.5 CURRENCY**

All amounts payable under this Policy shall be in Jamaican dollars.

#### **5.6 CO-BORROWERS**

The Insurance Company has the right to limit the number of Co-borrowers eligible to apply for coverage in respect of any one Loan, which number may be revised from time to time in the sole discretion of the Insurance Company.

#### **5.7 INSURANCE DATA**

The Insurance Company may from time to time examine the Policyholder’s records which pertain to insurance coverage on Insured Borrowers. No other Policyholder records may be examined by the Insurance Company and no confidential information about the account of any Insured Borrower may be divulged by the Policyholder without the prior written authorization of the Insured Borrower. The Insurance Company shall keep confidential all customer information provided by the Policyholder pursuant to the Policy.

The Policyholder will set up and maintain a record system of the insurance coverage in force and will provide the Insurance Company with such financial and other information with respect to the insurance coverage in force as the Policyholder is entitled to provide.

The Policyholder will submit for prior approval by the Insurance Company the terminology to be used in all documents, advertising and interpretative materials describing the benefits available under this Policy which the Policyholder intends to provide to Borrowers.

#### **5.8 LAW APPLICABLE**

The Policy is governed by and is to be construed in accordance with the laws of Jamaica. If any provision of this Policy conflicts with the laws of Jamaica, that provision is understood to be amended to conform to those laws.

#### **5.9 NOTICES**

All notices under this Agreement shall be in writing and, unless otherwise agreed by both parties, shall be delivered personally or mailed by registered mail, if to the Insurance Company at 12 Trafalgar Road, Kingston 5, and if to the Policyholder at its address set out in the Policy Schedule. Service shall be deemed effective, in the case of personal delivery, on the Day following delivery, and in the case of registered mail, on the fifth (5<sup>th</sup>) Day after the notice was mailed.



**APPENDIX A**

This Notice is provided in accordance with section 110(2) (b) of the Insurance Act. The nature and type of this Policy is a Group Creditor Life Insurance Policy.

FORM OF NOTICE OF CANCELLATION OF POLICY

DATE:

TO: GUARDIAN LIFE LIMITED  
12 TRAFALGAR ROAD  
KINGSTON 5

I, the named Policyholder of the Policy described below, hereby cancel my Policy described below:

THE POLICYHOLDER:

THE POLICY:

Sworn by the aforesaid Policyholder )  
At )  
in the Parish of ) \_\_\_\_\_  
the day of 20 )  
before me: )

\_\_\_\_\_  
Justice of the Peace for the Parish of



## APPENDIX B

### NOTICE REGARDING PROOF OF AGE

This Notice is provided in accordance with section 91 of the Insurance Act.

Take note that the Insurance Company may require that Proof of Age of an Insured Borrower be produced to the Insurance Company before the Insurance Company is obliged to pay any benefit.



## APPENDIX C CERTIFICATE OF INSURANCE

### CERTIFICATE OF INSURANCE

This Certificate of Insurance is issued as notice that the Insurance Company has issued the Policy No **GCL** to the Policyholder named overleaf and that the Borrower and/or Co-borrower named on Enrolment. Unless otherwise stated, capitalized terms shall have the meanings stated in the Enrolment Form.

#### 1. EFFECTIVE DATE OF COVERAGE

At the option of the Insurance Company, approval of Enrolment by the Insurance Company upon Submission of Evidence shall be required in respect of any application for coverage for a Loan Amount which exceeds or results in exceeding the relevant Submission of Evidence Limits, which amount is set out in the Policy Schedule and may be changed by the Insurance Company from time to time.

Subject to the aforesaid, a Borrower and/or Co-borrower will become an Insured Borrower upon the occurrence of the latest of any of the following:

- a) the date of the first disbursement under the Loan
- b) the date of Enrolment
- c) the date on which the Premium (or, if more than one payment of Premium is indicated, then the first payment of Premium) in respect of the Insured Loan is received by the Policyholder or the Insurance Company, whichever occurs earlier.

A Borrower or Co-borrower may apply to be enrolled for insurance coverage in relation to more than one Loan with the Policyholder, subject to the maximum coverage limits.

#### 2. BENEFITS AND CLAIMS

The Policyholder is irrevocably designated the beneficiary of the Policy and all benefits payable by the Insurance Company hereunder shall be payable directly and solely to the Policyholder to reduce the Indebtedness under the Insured Loan.

Subject to the applicable exclusions and limitations, the Insurance Company shall pay to the Policyholder the relevant benefits based on the Plan Option and Plan Coverage selected by the Policyholder and/or the Insured Borrower as set out above.

##### Death/Critical Illness Benefit

For Plan Coverage – *Outstanding Balance*

$$\frac{\text{Insured Loan Amount}}{\text{Loan Amount}} \times \text{Indebtedness at the date of death or diagnosis of a covered critical illness}$$

For Plan Coverage – *Loan Schedule*

$$\frac{\text{Insured Loan Amount}}{\text{Loan Amount}} \times \text{Indebtedness at the date of death/or diagnosis of a covered critical illness as set out in the loan schedule at the time of issuing of the loan}$$

Where there is more than one Insured Borrower in respect of one Insured Loan, the benefit shall be payable on the death or diagnosis of the first of any of them.

##### Involuntary Unemployment Benefit

$$\frac{\text{Insured Loan Amount}}{\text{Loan Amount}} \times \text{Monthly loan payment} \times 6$$

##### Definition – Critical Illness

Subject to the exclusions and limitations set out in the Policy, the critical illnesses covered are *heart attack*, *stroke* and *cancer*, which are defined as:

**Heart Attack** means a diagnosis by a specialist/cardiologist of the death of heart muscle due to obstruction of the blood that results in rise and fall of biochemical markers to levels considered diagnostic of myocardial infarction with at least one of the following:

- heart attack symptoms
- new electrocardiogram (ECG) changes consistent with a heart attack
- development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty.

The diagnosis of Heart Attack must be made by a Specialist/Cardiologist.

**Stroke** means a definite diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis or haemorrhage, or embolism from an extra-cranial source, with:

- acute onset of new neurological symptoms, and
- new objective neurological deficits on clinical examination, persisting for more than 30 days following the date of diagnosis. These new symptoms and deficits must be corroborated by diagnostic imaging testing.

**Cancer** means a definite diagnosis by a specialist/pathologist of a tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. The diagnosis of Cancer must be made by a Specialist (Pathologist). The term Cancer excludes the following:

- i. carcinoma in situ, or
- ii. Stage 1A malignant melanoma (melanoma less than or equal to 1.0 mm in thickness, not ulcerated and without Clark level IV or level V invasion), or
- iii. any non-melanoma skin cancer that has not metastasized, or
- iv. Stage A (T1a or T1b) prostate cancer.

In the event that the Insured Borrower is insured under the Policy in respect of more than one Insured Loan, the aggregate of the Benefits payable shall not exceed the Maximum Benefit in effect at the Insurance Effective Date relating to the latest Insured Loan.

The Policyholder shall be solely responsible for making the claim to the Insurance Company.

#### 3. EXCLUSIONS AND LIMITATIONS

##### Death Benefit

No Death Benefit will be payable in the event of the following:

- a. If the Insured Borrower, whether sane or insane, commits suicide or otherwise dies from any self-inflicted injury within two (2) years of the Insurance Effective Date
- b. If the Insured Borrower failed to disclose material information or has given materially incorrect information when he was applying for Enrolment
- c. If the Insured Borrower dies within the first twelve (12) months after the Insurance Effective Date and the primary or secondary cause of death is cancer, leukaemia, Acquired Immune Deficiency Syndrome, Human Immunodeficiency Virus, AIDS Related Complex, diabetes mellitus, lung disease, liver disease or heart disease, and the Insured Borrower had, during the twelve (12) month period prior to the Insurance Effective Date, consulted a physician, taken tests or received treatment (including but not limited to taking medication or receiving injections) for the condition

which ultimately caused the death of the Insured Borrower or any related conditions commonly referred to as predisposing factors for the condition which caused the death

- d. Where the death of the Insured Borrower results directly or indirectly from:
- i. the Insured Borrower willfully exposing himself to needless peril (except in an attempt to save human life)
  - ii. the Insured Borrower committing, attempting or provoking an assault or criminal offence
  - iii. the Insured Borrower being under the influence of any intoxicant, narcotic, alcoholic substance or drug
  - iv. injury sustained whilst the Insured Borrower is engaged in motor racing, sky diving, polo, water-skiing or underwater pastimes
  - v. aviation or other aerial activities except whilst travelling as a passenger in a certified or licensed aircraft constructed to carry passenger and not for the purpose of any trade or technical operation in or on the aircraft or as a member of the aircrew
  - vi. war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil commotion, rebellion, revolution, insurrection, act of terrorism or military power
  - vii. medical or surgical treatment except where such treatment is rendered necessary by bodily injury or illness.

#### Critical Illness Benefit

Heart Attack: No benefit will be payable under this condition for:

- i. elevated biochemical cardiac markers as a result of an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty, in the absence of new Q waves, or
- ii. ECG changes suggesting a prior myocardial infarction, which do not meet the Heart Attack definition as described above.

Stroke: No benefit will be payable on diagnosis of a Stroke for:

- i. Transient Ischaemic Attacks; or,
- ii. Intracerebral vascular events due to trauma; or,
- iii. Lacunar infarcts which do not meet the definition of Stroke as described above.

Cancer: No benefit will be payable if within the first 90 days following the later of:

- i. the effective date of the policy, or
- ii. the effective date of last reinstatement of the policy,

the Insured Borrower:

- i. exhibits signs, symptoms or investigations which lead to a diagnosis of cancer regardless of when the diagnosis is made, or
- ii. is diagnosed with cancer.

Without prejudice to the provisions applicable to cancer, no Critical Illness Benefit will be payable if the Insured Borrower is diagnosed with one of the covered critical illness specified above within 12 months of the later of the Insurance Effective Date or the date of reinstatement arising from any "Pre-existing Condition" which occurred during the 12 month period preceding the relevant Insurance Effective Date or the reinstatement date. A "Pre-existing Condition" means:

- i. the existence of symptoms normally associated with or relating to one of the critical illnesses specified above which would have caused an ordinarily prudent person to seek diagnosis, care or treatment;
- ii. a condition normally associated with or relating to one of the critical illnesses specified above for which medical advice, care or treatment was sought or recommended

#### Involuntary Unemployment Benefit

No benefit will be payable for the Involuntary Unemployment Benefit where termination occurs in the following instances:

- a. Where employment of an Insured Borrower is terminated by the employer on account of:
  - (i) disability, sickness or accident or any other medical reasons (mental and/or physical)
  - (ii) misconduct
  - (iii) refusal to accept orders from the superior
  - (iv) criminal conviction
  - (v) dishonesty or fraudulent act
  - (vi) unlawful industrial action
  - (vii) an employer (including a sole trader) ceasing to do business due to a natural catastrophic peril
- b. where a sole trader ceases to do business due to a natural catastrophic peril
- c. Where the Insured Borrower is on probation at the time of termination
- d. When the Insured Borrowers resigned or left by way of mutual agreement or termination after voluntary breaks from employment in excess of normal holiday entitlement
- e. Where the Insured Borrower was aware of the pending unemployment on or before the effective date of the policy
- f. Where the unemployment of the Insured Borrower is normal seasonal part of the employment or due to non-renewal of a fixed term employment contract
- g. Termination of the Insured Borrower is due to voluntary retirement
- h. Within 6 months from the Insurance Effective Date.

#### 4. MISSTATEMENTS

If the Age of an Insured Borrower was less than the Minimum Eligibility Age or greater than the Maximum Eligibility Age at the Insurance Effective Date, the insurance coverage in relation to that Insured Borrower shall be deemed never to have been effected and any Premiums paid shall be refunded. In any other instance, where the Age of the Insured Borrower is misstated, the benefits and coverage (including any bonuses) provided under the Policy shall be adjusted to the amounts that would have been applicable for by same premium based on the true Age.

Where, as regards the state of health of the Insured Borrower, the Insured Borrower makes a statement which he knows or believes to be untrue or fails to disclose to the Insurance Company something known by him as regards that matter, the Insurance Company reserves the right to avoid or otherwise reduce its liability under the Policy.

Where any misstatement of fact is made (other than a misstatement or omission of Age or health), the Insurance Company reserves the right to avoid liability if (a) the misstatement was fraudulently untrue; or (b) is material in relation to the risk of the Insurance Company under the Policy and was made within the period of three years immediately preceding the date on which the Policy is sought to be avoided or the date of death of the Insured Borrower, whichever is earlier.

#### 5. PREMIUM

The Premium and the Premium Frequency under this Certificate are set out overleaf.

#### 6. EARLY REPAYMENT OF LOAN

In the event that the entire Indebtedness under an Insured Loan is repaid prior to the end of the Loan Term and the Premium Frequency is "Single", *if the option has been selected by the Policyholder*, the Company shall refund to the Policyholder for payment to the Borrower a prorated amount of the Premium paid for that Loan.

#### 7. TERMINATION

The coverage relating to an Insured Loan will automatically terminate without notice or any action required on the part of any person as follows:

- a. the date on which the obligations of the Insured Borrower(s) under the Loan have been fully settled

- b. the date the Insured Borrower informs the Insurance Company in writing that he no longer wants to be insured under this Policy (does not apply where the Policyholder enrolled the Insured Borrower for coverage)
- c. the date the Loan term ends
- d. the date on which any payment due under the Loan is past due for the Default Period (applicable only where the Plan Option selected by the Policyholder is for Outstanding Balance)
- e. in the event that no Premium is paid by the Policyholder for a period of sixty (60) Days and no payment has been made after a period of at least thirty (30) Days after receipt of a notice from the Insurance Company notifying the Policyholder of the default
- f. where the Plan Option selected by the Policyholder/Insured Borrower provides a Death Benefit, upon the earlier of:
  - i. the date of the death of the Insured Borrower (and where there are multiple Insured Borrowers, when any of them dies first)
  - ii. the date on which an Insured Borrower attains the Age of 65 or retirement (and where there are multiple Insured Borrowers, when any of them first attains the age)
- g. where the Plan Option selected by the Policyholder provides a Critical Illness Benefit:
  - i. the date of diagnosis and payment of a claim for the Benefit
  - ii. the date on which an Insured Borrower attains the Age of 65 or retirement (and where there are multiple Insured Borrowers, when any of them first attains the age)

The coverage relating to Involuntary Unemployment Benefit will terminate:

- a. automatically on termination of coverage relating to the Death Benefit or the Critical Illness Benefit for any reason whatsoever (including payment of a benefit)
- b. on payment of any claim for the Benefit.

The Insurance Company shall have the right to terminate coverage to any Insured Borrower including for the purpose of or to facilitate complying with any applicable law or regulation.

#### **8. NON-ASSIGNMENT**

An Insured Borrower may not assign the insurance on his life under this Policy.

#### **9. MISCELLANEOUS**

All amounts payable under this Policy shall be in Jamaican dollars.

In consideration for the insurance, an Insured Borrower hereby grants the Insurance Company a right of access to the Policyholder's records for purpose of examining information pertaining to the insurance extended to the Insured Borrower, and directs the Policyholder to make such information available to the Insurance Company.

The Policy is governed by and is to be construed in accordance with the laws of Jamaica. If any provision of this Policy conflicts with the laws of Jamaica, that provision is understood to be amended to conform to those laws.

All notices relating to the insurance evidenced in this Certificate of Insurance shall be in writing and, unless otherwise agreed by both parties, shall be delivered personally or mailed by registered mail, if to an Insured Borrower, at the address provided during Enrolment. Service shall be deemed effective, in the case of personal delivery, on the Day following delivery, and in the case of registered mail, on the fifth (5<sup>th</sup>) Day after the notice was mailed.

The Insurance Company reserves the right to change the terms of the Policy at any time but at least 30 days' notice of any change will be given to Insured Borrowers.