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PROPOSAL FOR PROVISION OF GROUP LIFE ASSURANCE POLICY

INTRODUCTION

Madison Life Insurance (MLife) Group Life Assurance (GLA) Policy provides death-in-service cover to employees of your organisation. The sum assured is payable on the death in service of a member for the benefit of the surviving spouse and children or the appointed beneficiaries.

PURPOSE OF GLA POLICY

Through Group Life Assurance Policy, MLife will take the financial obligation of compensating the bereaved family on your behalf as cushion for the income which the family will no longer enjoy.

POLICY DESCRIPTION

Terms

Group Life Assurance is a yearly renewable life assurance Policy taken out by employers on the lives of their employees as a group with a minimum number of employees being twelve (12). However cover can still be arranged where employees are less than 12 but they will all be subjected to full medical examinations inclusive of HIV test.

Benefits (Sums Assured)

A lump sum cash benefit known as sum assured is payable on death-in-service of a member for the benefit of the surviving spouse and children. This amount is payable tax free.

The sum assured is usually a multiple of salary ranging from 1 x annual salary to 5 x annual salary. The employer may choose any cover level depending on their ability to meet the cost. Naturally, the lowest of cover will be the cheapest while the highest will be the most expensive.

Alternatively, the employer may settle for a flat cover (same sum assured) for all employees or different specified sums assured for different categories of employees.

Adjustments (Endorsements)

Employees whose services are terminated before the end of the Policy year are required to be notified to us so that we credit the Scheme with a pro-rata refund of the annual premium already paid. Similarly any employees who may be employed in the middle of the Policy year should be notified to us so that they are also insured at the earliest opportunity. We provide a highly efficient service.

PREMIUM QUOTATION

Documentary Requirements

A quotation will indicate the premium that is payable for a given level of sum assured. In order for a quotation to be done, the following details need to be provided.

- i) Schedule of names of employees to be covered under the Scheme
- ii) Employees' dates of birth
- iii) Employees' basic monthly or annual salaries

The cost (premium) of providing this cover for each individual employee will depend on age and sum assured. Our premiums are both competitive and reflective of true value for money.

Free Cover Limit

Ordinarily, members covered under a Group Life Assurance Scheme would be required to provide evidence of their insurability by undergoing a medical examination to determine the status of their health. However, to reduce the inconvenience of this requirement, we offer what is known as a "**Free Cover Limit.**" A Free Cover Limit (FCL) is the maximum sum assured at which employees who are active at work at commencement of cover can be insured without medical examinations.

Employees whose sums assured exceed the Free Cover Limit would be required to undergo medical examinations to determine their insurability in excess of the FCL. The type of medical

examinations to be undergone will depend on the age of the individual and the amount sum assured above the FCL. Where the sum assured exceeds the FCL but the affected employee does not want to go through medical examinations, cover can still be provided at the Scheme's FCL with a reduction in the premium. Alternatively we could provide life cover at the full sum assured (in excess of the FCL) in the event of death caused solely by accident and independent of any other cause provided the full premium based on the full sum assured is paid, while death from illnesses would be covered at the Free Cover Limit.

At Madison Life Insurance Company, we aim to offer a high Free Cover Limit so that very few employees, if any, will be required to go for medical examination. Our Schemes are tailored to maximise life assurance benefits for employees without the inconvenience of medical examinations.

Catastrophe

All our Group Life Assurance Schemes are insured under a catastrophe cover separately arranged by Madison Insurance at no extra cost to our mutual clients. Consequently in the event of deaths arising from any one event involving a minimum of four insured employees (catastrophe) such deaths would not affect the mortality experience of the Scheme for future renewal rating purposes.

PAYMENT TERMS

Due to the high risk involved, premiums are normally required to be paid yearly in advance. But where the client is unable to make a single payment, an instalment plan can be agreed upon.

DISABILITY COVER (RIDER)

Permanent Total Disability (PTD)

The Policy will pay out a proportion of the life insured benefit in the event that they are totally, permanently and irreversibly disabled due to accident or sickness. The benefits are paid in a lump sum cash after the waiting period.

Short Term Disability (STD)

The Policy will pay out a proportion of the monthly salary in the event of temporary disability caused by sickness or accident usually after the first 7 or 14 days of absence right up until a pre-defined period as listed in the Policy.

Finally, for MLife to provide GLA quotation indicating actual premiums and FCL, we require the following staff details: Names, Dates of birth and Annual salaries plus an indication of the required multiple of cover as sum assured e.g. 5 x annual salary per person.

CLAIMS

When death of an insured occurs, MLife will have to be informed through writing (e-mail or letter) a discharge form will be sent to you which will need to be filled in and returned with proof of death documents. Once all necessary documents are submitted, MLife will pay the sums assured within 5 working days to your organisation.

We have both the financial capacity and management efficiency to settle all valid death claims within a maximum of five days from the date we receive all the required proof of death subject to premiums being paid in full as agreed.