



**Nova Scotia**

**Farm Loan Board**

*Creditor Group*

*Life Insurance*



## ***Creditor Group Life Insurance Policy***

### ***General Information***

The Creditor Group Life Insurance Policy is self-administered by the Nova Scotia Farm Loan Board. All inquiries regarding life insurance should be directed to the offices of the Farm Loan Board. This means that you do not have to contact our insurer, Clarica, to obtain information about your coverage.

The Nova Scotia Farm Loan Board can provide you with detailed information about your group benefits and will provide you with any necessary forms to apply for benefits.

Participation in our Creditor Group Life Insurance Program is compulsory.

### ***Eligibility***

You are eligible, and continue to be eligible, to be insured if you have a loan and are a borrower of the Nova Scotia Farm Loan Board. There can be several people insured on one loan if they qualify as borrowers of the Board.

### ***Enrolment***

To enrol, you must submit a completed application form called “ Enrolment for Group Insurance”. This will entitle you to receive up to \$250,000 life insurance coverage or the balance of your loan, whichever is lesser.

You may be eligible for insurance in excess of the basic maximum benefit to the maximum of \$500,000 or your loan balance if the balance is less than \$500,000. You must submit evidence of a medical nature for insurability to Clarica for insurance coverage in excess of \$250,000.

### ***Effective Date***

Your insurance is effective on the latest of:

- the date that you become eligible
  - the date that you enrol for insurance, or
  - the date that Clarica approves your evidence of insurability
- maximum benefits for clients who obtained a loan prior to April 1, 1980 and have not reached their 70<sup>th</sup> birthday is \$100,000
- maximum benefits for clients who obtained a loan between April 1, 1980 and November 1, 1993 and have not reached their 70<sup>th</sup> birthday is \$150,000

maximum benefits for clients who obtained a loan after November 1, 1993 and have not reached their 65<sup>th</sup> birthday is \$250,000 or \$500,000 if optional insurance coverage is approved

### ***Termination of Insurance***

Your insurance could terminate for a number of reasons. For example;

- you are no longer eligible due to age
- your outstanding indebtedness is discharged by payment in full
- your loan is transferred to another creditor
- your property has been surrendered voluntarily or involuntarily
- your insurance premiums are more than 60 days in arrears

### ***Life Insurance Benefits***

In the event of your death, the amount of benefit will be paid, on your behalf, to the Nova Scotia Farm Loan Board.

### ***Claims***

In the event of a death of one of our borrowers, contact must be made to the offices of the Nova Scotia Farm Loan Board to obtain instructions and forms for submitting the claim to Clarica. The insurance company also requires a Proof of Death form to be submitted along with the completed insurance forms.

There is a time limit for proceedings against Clarica for payment of a claim. Proceedings must be started within one year of Clarica's receipt of the Proof of Claim.

### ***Cost of Coverage***

The cost for life insurance is calculated at the rate of \$.20 per \$1,000 of coverage per month. This amount will be added to the payment schedule of the loan. This rate applies to the minimum coverage as well as additional insurance to the maximum of \$500,000 and may change from time to time to reflect current rates or changes in policy.

### **Note:**

Total life insurance benefits will not exceed the total indebtedness of the holder on the Board accounts. If two or more people are insured for the same loan, benefits will not exceed the loan balance in the event of a multiple claim.