



# ENDOWMENT ASSURANCE POLICY

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Where the Person Assured named in the Schedule hereto has effected this assurance with the **ICEA LION LIFE ASSURANCE COMPANY LIMITED** (herein called "the Company") and where the Person Assured has delivered to the Company as the basis of this assurance herein contained a Proposal and Declaration referred to in the said Schedule.

Now this Policy of Assurance witnesses that in consideration of the payment already made to the Company of the First Premium for an assurance of the amount and on the terms stated in the said Schedule, and on condition that the subsequent premiums (if any) be duly paid as hereby provided, the Company does hereby agree that upon proof satisfactory to the Directors of the Company of (1) the happening of the Event or Events on which the sum assured is to become payable as specified in the said Schedule; (2) the title of the Claimant or Claimants; and (3) the completeness or and accuracy of the statements in the Proposal and Declaration before referred to, the Company will pay the sum stated in the said Schedule as the sum assured to the Person or Persons to whom in the said Schedule the sum is made payable;

And it is hereby declared that this Policy shall have the special privileges and be subject to the conditions and provisions endorsed or written hereon or contained in the said Schedule.

## PRIVILEGES AND GENERAL CONDITIONS

### 1. DAYS OF GRACE FOR PAYMENT OF PREMIUMS

Thirty (30) days of grace are allowed for payment of annual renewal premiums and fifteen (15) days for half-yearly, quarterly and monthly renewal premiums. In the event of the death of the Life Assured within the said days of grace and before the payment of the said premium the amount that would otherwise have been due under the Policy will be payable, subject to deduction of the unpaid premium.

### 2. PROTECTION AGAINST FORFEITURE (AUTOMATIC PREMIUM LOAN)

**(a)** If three full year's premiums have been paid this Policy shall not lapse or become forfeited due to non-payment of any premium if the surrender value at the date when such premium falls due is greater than all sums due to the Company under the Policy.

**(b)** If the surrender value, after deducting all sums due to the Company under this Policy, exceeds the unpaid premium and interest thereon, the Company shall advance the said premium and interest as an automatic premium loan for a period of one Policy year from the date of the first unpaid premium. At the end of the said Policy year the Policy will be converted to a paid up Policy for a reduced amount with participation in profits.

If the surrender value after deducting all such sums is not greater than the unpaid premium and interest thereon, the Company shall advance an automatic premium loan of the amount required to maintain this Policy in force for such proportionately shorter period as shall be determined by the Company, if the premium is in default and interest thereon is still unpaid. On expiration of such period, the Policy shall lapse and all liability on the part of the Company shall cease.

**(c)** Interest shall be charged on all automatic premium loans at the rate fixed by the Company from time to time and shall be compounded with yearly interest on each Policy anniversary. All automatic premium loans shall constitute a first charge on the Policy in favour of the Company, in priority to the claims of any assignee or of any other party.

### **3. LAPsing OF THE POLICY**

If premium payments stop before the Policy acquires a surrender value, this Policy will lapse and cover ceases immediately with no more liability on the Company. If premium payment is stopped after the Policy has gained surrender value, an automatic premium loan will be advanced to the Policy for a period of one year or shorter to maintain the Policy in force. The Policyholder(s) also has an option of converting the Policy to a **Paid-up Policy**, in which instance the Policy remains in force at a reduced cover from the date of conversion.

### **4. POLICY REVIVALS AND REINSTATEMENT**

If the Policy lapses under General condition 1 and 2 (b), it may be reinstated within twelve calendar months subject to proof satisfactory to the Company of the continued good health of the Life Assured and the payment of all outstanding premiums together with interest thereon and a revival fee as fixed by the Company from time to time.

### **5. SURRENDER VALUE**

A cash surrender value determined by the Company will be allowed after payment of three years' premiums and elapsing of three calendar years. No benefits are payable if the Policy is surrendered within the first three years.

### **6. LOANS**

Loans are made by the Company on the security of this Policy within the surrender value at the rates of interest fixed by the Company from time to time provided always that the Company will not be prepared to grant a loan of less than KShs. 2,000. The loan may be repaid at anytime and at any rate without a notice to the Company. A loan processing fee will charged at a rate determined by the Company from time to time.

### **7. POLICY WORLD WIDE (RESIDENCE AND TRAVEL)**

The person whose life is assured under this Policy may proceed to and reside in any part of the world without payment of extra premium.

### **8. ASSIGNMENT**

This Policy may be assigned but the Company shall not be deemed to have knowledge of any assignment until written notice thereof is filed at the Company's Head Office and an endorsement thereto issued by the Company. The Company accepts no responsibility for the effect, sufficiency or validity of any such assignment and expressly disassociates itself from intervention between the interested parties and declines to be drawn into any dispute, which may arise between them. All assignments are subject to any indebtedness to the Company in respect of this Policy.

## **9. SUICIDE**

This Policy shall be void if the Life Assured shall die by his or her own hand within twelve calendar months of the date of commencement of the assurance or of the revival of the Policy in accordance with general condition 4 or otherwise except to the extent of interests of third parties acquired by bona fide assignment for valuable consideration.

## **10. JUDICIAL DEATH SENTENCE AND DEATH WHILE ENGAGED IN ILLEGAL OR UNLAWFUL ACTIVITIES**

If the death of the Life Assured shall be caused as a consequence of execution of judicial sentence of death, or death while engaged in illegal or unlawful activities, the liability of the Company under this Policy shall be limited to the amount of the surrender value of the Policy less indebtedness, if any, at the time of such death.

## **11. WAR RISKS**

If the death of the Life Assured shall be caused as a direct or indirect consequence of war or warlike operations, whether war be declared or not, of invasion, act of foreign enemy, hostilities, riot, civil commotion, civil war, rebellion, revolution, insurrection, conspiracy, military or usurped power, martial law or state of siege, the liability of the Company under this Policy shall be limited to the amount of the surrender value of the Policy less indebtedness, if any, at the time of such death.

## **12. MIS- STATEMENT OF AGE**

If it shall turn out that the age of the Life Assured shall have been understated in the proposal, the Sum Assured and any bonus additions thereto shall be reduced to the amounts which the premium paid would have secured under the same table had the age been correctly stated. However, if the understatement of age resulted in the Company accepting a proposal that would otherwise have been rejected because the age of the Life Assured exceeded the maximum permitted age at entry, then the Company shall return to the proposer or his personal legal representatives all premiums paid without interest. If on the other hand the age of the Life Assured shall have been overstated the excess premium paid will be refunded without interest.

## **13. CURRENCIES AND JURISDICTION**

All payments made to or by the Company under this Policy shall be payable at the Company's Head Office in the lawful currency of the Republic of Kenya and any questions of law arising under this Policy shall be decided according to the law of the Republic of Kenya.

## **14. LOSS OF POLICY**

The assured shall bear all costs and expenses resulting from loss of or theft of or damage to the Policy document in any way whatsoever and any replacement document shall only be issued by the Company upon satisfactory proof of such loss, theft or damage and such proof of claim as the Company shall require. The Company shall not be liable in any manner whatsoever for any payment to a person other than the assured or his or her successors or assigns should the Policy document be so lost, stolen or damaged unless the Company shall have received notice in writing and issued an endorsement thereto prior to any such payment.

## **15. OCCUPATION**

This Policy shall be void if the Life Assured while paying the ordinary rates of premium shall enter into military, naval or auxiliary services or adopt hazardous occupations, sports and pastimes such as ballooning, gliding, parachuting, boxing, diving (as amateur or deep sea), hunting, horse racing, motor racing, autocross, circuit racing, drag racing, race track racing, hill climbing, rallying, karting, grass track racing, motor-cross (scrambling), speedway, mountaineering or engage in aviation (except as a fare paying passenger on recognized airline flying on Scheduled routes) unless in each case the permission of the Company has previously been obtained and such extra premium as may be charged paid.

## **16. CHANGES IN LAW OR TAX**

Should there be any change in the law or in taxation affecting the Policy or in the event of any levy on the Company being imposed by or be paid under statute or statutory authority, the Company may adjust the benefits, premiums and Policy terms and conditions (or any of them) in such manner as the Actuary to the Company deems appropriate. Notice of any such adjustment shall be sent in writing to the last address of the Assured recorded by the Company, and shall be deemed to have been received by him on the fourteenth day after posting.

## **17. INDISPUTABILITY**

This Policy is indisputable after having been in force for two years from the date of commencement of the assurance as stated in the Schedule except on the grounds of fraud.

## **18. BONUSES**

Bonuses, at such rates and terms as may be determined by the Company from time to time, may be allocated to this Policy out of the profits earned in its life fund as revealed by periodic valuations to be made in the future. Bonuses cannot be surrendered for cash except at the same time as the Policy itself.

## **19. OPTIONAL ADDITIONAL RIDERS**

These Riders are additional optional benefits. They are only applicable if stated in the Policy Schedule.

### **19.1 ACCIDENTAL DEATH RIDER**

**Only applicable if so stated in the Schedule.**

The Company will pay to the Policy Beneficiary or his/her legal representatives the amount of Double the Sum Assured payable in respect of death caused solely and directly by accidental violent external and visible means which injury shall solely and independently of any other cause result in death.

### **19.2 PERMANENT TOTAL DISABILITY RIDER**

**Only applicable if so stated in the Schedule.**

On the Life Assured becoming totally and permanently disabled (as defined herein) during the term of the Policy, the Company shall pay to Policyholder(s) or his/her/their legal representatives the Sum Assured in accordance with the terms of the Policy.

## **PROVIDED THAT**

Total and Permanent Disability shall mean disability caused by violent accidental external and visible means resulting directly and independently of any other cause in inability to engage in any occupation or perform any work for remuneration or profit and shall include but not Restricted to any of the following:

- (a) Total and irrevocable loss of sight in both eyes;
- (b) Loss of both hands;
- (c) Loss of both feet;
- (d) Loss of all fingers and thumbs of both hands;
- (e) Loss of one hand and one foot;
- (f) Total and irrevocable paralysis.

The complete and irrevocable loss of use of any member or members specified above shall be deemed to be loss of such member or members.

- (i) The disability has continued uninterrupted for a period of not less than six calendar months;
- (ii) In the opinion of a qualified medical practitioner the disability is irrevocable.

## **19.3. WAIVER OF PREMIUM BENEFIT ON PERMANENT AND TOTAL DISABILITY RIDER**

**Only applicable if so stated in the Schedule.**

Permanent and Total Disability is defined under Condition Number 19.2.

Disability waiver of premium benefit will apply if the Life Assured has become Permanently and Totally disabled and as a consequence of which has been wholly and continuously prevented from engaging in any business or occupation and from performing any work for remuneration, compensation or profit for a period of six consecutive months.

The Company will waive payment of future premiums becoming due under this Policy until the earliest of the end of the Policy term or one of the contingencies under which a benefit is payable. Evidence of the continuing disability of the premium payer may be required by the Company from time to time at the Policyholder(s)' own expense.

The waiver of premium on permanent disability rider covers the basic Sum Assured premiums on disability that is, the future premiums for the basic Sum Assured will be waived and invested in the fund and maturity benefit will be payable on maturity date.

## **19.4. CRITICAL ILLNESS RIDER**

**Applicable only if so stated in the Schedule.**

**Special Conditions**

- i) On diagnosis of a defined critical illness thirty percent (30%) of the basic Life Cover under the Policy subject to a maximum of limit of Kenya Shillings One Million (Kshs, 1,000,000) becomes payable. The balance of Sum Assured will be paid as per terms and conditions of the Policy;
- ii) No reinstatement option will be offered, that is, once the critical illness benefit is paid no further extension will be available for the Life Assured and the balance of the Life Cover will not be increased in future;
- iii) Pre-existing Critical Illness will not be covered and claims will only be accepted after evaluation by Company appointed Medical Doctor.

**19.4.1** Critical illness cover will be payable, in the event of the Life Assured suffering from any of the following prior to their 65th birthday;

- i) Heart attack/myocardial infarction/thrombosis, the Assured suffers from an ischemic event to the myocardium (heart muscle) manifested by the presence of all of the following (a) Typical chest pain; (b) New ECG changes indicative of myocardial infarction; (c) Unequivocal elevation of cardiac enzymes (e.g. CK, MB, CPK, LDH).
- ii) Stroke/Cerebral -vascular incident – any cerebral -vascular incident producing neurological sequelae lasting more than 24 hours and including infarction of brain tissue, hemorrhage and embolisation from an extra-cranial source. Evidence of permanent neurological defect must be produced;
- iii) Cancer – the Life Assured suffers from the presence of one or more tumors classified histologically as malignant and characterised by the uncontrolled growth and spread of malignant cells and with invasion of normal tissue;

**The following are specifically excluded:**

- a) All signs of skin cancer except invasive malignant melanomas;
- b) Stage 1 Hodgkin's Disease;
- c) Cancer-in-situ of the cervix.
- iv) Renal Failure – end stage renal failure presenting as chronic irreversible of both kidneys to function, which has lasted for at least 3 months, as a result of which regular renal dialysis is instituted;
- v) Surgery for Coronary Artery Disease – the actual undergoing of surgery as a result of coronary artery disease. This excludes percutaneous angioplasty and/or any intra arterial procedure;
- vi) Surgery of disease of the aorta – the actual undergoing of surgery for a disease of the aorta needing excision and surgical replacement of the diseased aorta with a graft. For the purpose of this definition, “aorta” shall mean the thoracic and abdominal aorta but not its branches. Traumatic injury of the aorta is excluded;
- vii) Replacement of heart valve – the replacement of one or more heart valves with artificial valves. This includes replacement of aortic, mitral, tricuspid, or pulmonary valves with artificial valves due to stenosis or incompetence or a combination of these conditions;

viii) Organ transplant – the human-to-human organ transplant, from a donor to the Assured, of one or more of the following organs: kidney, heart, lung, heart-lung, liver, pancreas, or bone marrow. The transplantation of all other organs, parts of organs or any tissue transplant is excluded.

**19.4.2** Each of the above illnesses must be diagnosed by a registered medical practitioner and must be supported by clinical, radiological, histological and laboratory evidence acceptable to the Company. Only one critical illness benefit will be paid over the Policy term.

## RIDER EXCLUSIONS

**This Policy does not cover Accidental Death or Disability:-**

**a) sustained by the Insured Person**

- (i) While in or upon or entering or descending or falling from an aircraft in which he/she is traveling as a pilot or member of the crew or for the purpose of undertaking any trade or technical operation therein or thereon;
- (ii) While engaged in steeplechasing hunting of any kind polo-playing racing of any kind (other than on foot) winter sports mountaineering or climbing motor cycling whether as driver or passenger sub-aqua pursuits water skiing or parachuting;
- (iii) While using circular saws or wood-working machinery but this shall not include portable tools applied by hand and used solely for private purposes without reward;
- (iv) While under the influence of or due wholly or partly to the effects of intoxicating liquor and/or drugs except where drugs are prescribed by a medical practitioner or such qualified person;
- (v) After the end of the Period of Insurance during which the Insured completes the 65th year of age unless continuation is sought and is granted by the Company;
- (vi) While engaged in illegal or unlawful activities.

**b) while employed in:-**

- i) Manufacture, storage, filling, breaking down, transport of:-

- fireworks ammunition, fuses, cartridges, gun-power, nitroglycerine or any explosive unless purely incidental to the main operations of the insured;
  - gases and/or air under pressure in containers other than butane and the like in low pressure containers;

- ii) Underground work;

- iii) Construction and maintenance of cofferdams.

**c) In consequence of**

- (i) Existing physical defect or infirmity;
- (ii) Pregnancy childbirth miscarriage or abortion;

- (iii) (a) Service on duty with the armed force;
- (b) War, invasion, act of foreign enemy, hostilities or warlike operation (whether war be declared or not), Civil War;
- (c) Mutiny, riot, strike, civil commotion assuming the proportions of amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any act of any person or persons acting on behalf of or in connection with any organization, the objects of which are to include the overthrowing or influencing of any de jure or de facto government by terrorism or by any violent means;
- (d) Martial law or state of siege or any events or causes, which determine the proclamation, or martial law or state of siege maintenance of martial law or state of siege.

Any consequence happening or arising during the existence of abnormal conditions (whether physical or otherwise) whether directly or indirectly proximately or remotely occasioned by or contributed to by or traceable to or arising in connection with any of the said occurrences shall be deemed to be consequences for which the Company shall not be liable under this Policy except to the extent that the Insured shall prove that such consequence happened independently of the existence of such abnormal conditions.

In any action suit or other proceeding where the Company alleges that by reason of this Exclusion any consequence is not covered by the Policy the burden of proving that such consequence is covered shall be upon the Insured.

Directly or indirectly caused by or arising from or in consequence of or contributed to by ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this condition, combustion shall include any self-sustaining process of nuclear fission.