


## GROUP INSURANCE CERTIFICATE

STANDARD INSURANCE COMPANY certifies that you will be insured under the Group Policy described below during the time, in the manner, and for the amounts provided in the Group Policy. Possession of this Certificate does not necessarily mean you are insured.



President

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Revised 12/13/2013

GROUP POLICY NUMBER	604593
NAME OF POLICYHOLDER	OREGON DEPARTMENT OF VETERANS' AFFAIRS
TYPE OF COVERAGE	LOAN CANCELLATION LIFE INSURANCE
EFFECTIVE DATE	September 1, 1994
GROUP POLICY DELIVERED IN	Oregon and governed by the laws of that state.

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### IMPORTANT: PLEASE READ THIS

You are insured only if you meet the requirements in Part 2. and Part 3. You will remain insured only until your insurance ends, as explained in Part 6.

A Group Policy has been issued to the Policyholder. Your coverage under that Group Policy is shown in this Certificate. If your coverage is changed by an amendment to the Group Policy, Standard will provide the Policyholder with a notice for you.

PLEASE READ THIS CERTIFICATE CAREFULLY. This Certificate has a Table of Contents to help you find specific provisions. The definition of terms in Part 1. and the other terms defined in the body of the Certificate apply whenever the terms are used anywhere in this Certificate. **Defined terms are printed in all capital letters.**

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## **Part 1. GENERAL DEFINITIONS**

**APPROVED BORROWER** means any person defined in Oregon Revised Statutes 407.465 as amended in 1987, who holds a Loan made under the Veterans' Home and Farm Loan Act.

Approved Borrowers are divided into two classes: Class I includes any person qualified and holding a Loan under the provisions of Section 3, Article XI-A of the Oregon Constitution. Class II includes any person under age 65 who assumes a Loan or makes a contract with the Oregon Department of Veterans' Affairs under the provisions of Section 3, Article XI-A of the Oregon Constitution for the acquisition of a home or farm.

**EFFECTIVE DATE OF THE LOAN** means the date Loan funds are disbursed by the loan closing agent, the date the loan is purchased from an outside loan originator, the effective date of the assumption, or the date the contract is signed.

**ELIGIBILITY DATE** means the date on which an Approved Borrower, Spouse or Former Spouse becomes eligible to apply for Insurance under the Group Policy. This includes the date there is a Title Change and/or maturity date extension on an insured Loan.

Providing **EVIDENCE OF INSURABILITY** means: (1) completing and signing a health and medical history form provided by Standard; (2) signing Standard's form authorizing Standard to obtain medical information; and (3) providing any additional information about insurability reasonably required by Standard.

**FORMER SPOUSE** means the Approved Borrower's Former Spouse who has a vested ownership interest in the property which is the subject of the Loan.

**GROUP POLICY** means Standard's group policy number 604593 issued to the Policyholder.

**INSURANCE** means Loan Cancellation Life Insurance under the Group Policy.

**INSURED** means an Approved Borrower, Spouse or Former Spouse whose life is insured under the Group Policy.

**JOINT INSURANCE** means Insurance on the life of two Insureds which pays a benefit upon the first occurring death of either Insured while both are insured.

**JOINT INSURED**s means both Insureds who have contracted for Joint Insurance upon their respective lives.

**LOAN** means a loan or contract made under the State of Oregon Veterans' Home and Farm Loan Act.

**POLICYHOLDER** means the Oregon Department of Veterans' Affairs.

**PRIOR PLAN** means American Guaranty Life Insurance Company's group policy number GL-25600A.

**SINGLE INSURANCE** means Insurance on the life of one Insured.

**SINGLE INSURED** means an Insured who has contracted for Single Insurance upon his or her life.

**SPOUSE** means the spouse of the Approved Borrower.

**STANDARD** means Standard Insurance Company. Portland, Oregon.

**TITLE CHANGE** means (1) additional land, (2) the change of mobile homes requiring additional funds, or (3) partial releasing of a mobile home to be replaced by a stick built home requiring additional funds.

## **Part 2. PERSONS INSURED WITHOUT EVIDENCE OF INSURABILITY**

Any person who is insured under the Prior Plan on August 31, 1988, can become insured for the same plan under the Group Policy on September 1, 1988 without providing Evidence of Insurability. The Insurance is subject to the Exceptions and Limitations described in Part 10., and the terms of the Group Policy.

## **Part 3. PERSONS INSURED AFTER SUBMITTING EVIDENCE OF INSURABILITY**

### **A. ELIGIBILITY DATE**

Each Approved Borrower, Spouse or Former Spouse, other than a person becoming insured under Part 2., is eligible for Insurance on the later of the following dates:

1. September 1, 1988; and
2. The Effective Date of the Loan.

### **B. APPLICATION**

Each Approved Borrower, Spouse or Former Spouse who wishes to be insured with respect to a Loan must: (1) apply in writing; (2) provide Evidence of Insurability; and (3) agree to pay the required premium.

Any one Approved Borrower, Spouse or Former Spouse may apply for Single Insurance. The Approved Borrower may apply together with either the Spouse or the Former Spouse for Joint Insurance. Joint Insurance on the lives of both a Spouse and a Former Spouse is not permitted.

If Evidence of Insurability submitted for coverage under the "Basic Plan" is not approved by Standard, Standard will:

1. Determine if the applicant is a Class I participant who would be eligible for Insurance under the "Guaranteed Issue Plan;"
2. Notify the applicant that he or she has been declined for Insurance under the "Basic Plan" and offer Class I applicants Insurance under the "Guaranteed Issue Plan;" and
3. Send any Class I applicant an enrollment form for the "Guaranteed Issue Plan," along with a cover letter explaining the plan.

Applicants who are offered the "Guaranteed Issue Plan" will be instructed to return the enrollment form within 30 days of receiving the above notifications. Such applicants will be temporarily insured under the "Guaranteed Issue Plan," without charge for the temporary Insurance to the applicant. Such temporary Insurance will automatically terminate on the earlier of: (a) the date the applicant's enrollment form is received by Standard; and (b) the date 30 days after the applicant was notified that he or she had been declined for Insurance under the "Basic Plan."

### **C. EFFECTIVE DATE**

The effective date of Insurance for an Approved Borrower, Spouse or Former Spouse, either as a Single Insured or a Joint Insured, will be determined as follows:

1. If application is made on or before the Eligibility Date, Insurance will become effective on the Eligibility Date, provided that Standard has made a final determination concerning the Insured's Evidence of Insurability by that date.
2. If application is made after the Eligibility Date, Insurance will become effective on the date Standard makes a final determination concerning the Insured's Evidence of Insurability.

### **D. WHEN DISBURSEMENT OF LOAN FUNDS IS DELAYED**

If an applicant submits Evidence of Insurability to Standard and disbursement of the Approved Borrower's Loan funds is delayed, the applicant's Insurance will not be contestable for any change in the applicant's health during the delay prior to the distribution of the Loan funds.

#### **Part 4. INSURANCE ON ADDITIONAL FUND LOANS**

If any Approved Borrower receives additional funds on an existing insured Loan to increase the amount of the Loan, each Insured will be automatically insured without Evidence of Insurability if the increase does not require a Title Change, either real or personal. The amount of Insurance is equal to either:

1. The full amount of the original Loan and the additional Loan funds, if the Insured is covered under the "Basic Plan" or the "Special Risk Plan"; or
2. The amount of the original Loan and the additional Loan funds, subject to the amounts in the Table in Part 8., if the Insured is covered under the "Guaranteed Issue Plan."

Each Insured must submit a new application and Evidence of Insurability for approval by Standard if: (1) a Title Change, either real or personal, is required on a Loan; or (2) the amount of the additional fund Loan extends the new term beyond the existing Loan's maturity date.

#### **Part 5. CONTRIBUTIONS**

The entire cost of the Insurance under the Group Policy will be paid by the Insured(s).

#### **Part 6. WHEN INSURANCE ENDS**

The Insurance on any Approved Borrower, Spouse, or Former Spouse will continue in force until the earliest of the following dates:

1. The date on which the Loan is repaid in full.
2. The last day of the calendar month in which an Insured gives written notice to the Policyholder that the Insured wishes to discontinue the Insurance.
3. The date there is a Title Change on the insured Loan.
4. The date any payment due under an insured Loan becomes four months past due.
5. The date the insured Loan receives additional funds and the term of the additional fund Loan extends beyond the Loan's original maturity date.
6. The date the Group Policy terminates.
7. The date on which the first of two Joint Insureds dies, if the entire Loan Balance is repaid because of the death of that Joint Insured.
8. The date on which there is any transfer of ownership of the property or part of the property offered for security for the insured Loan. However, Insurance will not terminate if:
  - a. The transfer of ownership is to a trust, the trustees of which include only the Approved Borrower and/or the Spouse, and the beneficiaries of which include the Approved Borrower, the Spouse, the surviving children or stepchildren of the Approved Borrower, or any combination thereof;
  - b. The transfer is to the Approved Borrower and/or Spouse and/or Former Spouse as sole owner while the Approved Borrower and/or Spouse and/or Former Spouse is/are insured; or

- c. The Approved Borrower under a contract sale remains obligated for payment on the Loan.
9. On escrow accounts on loans made on or after June 1, 1990, the date the escrow account on Loan Cancellation Life Insurance becomes four months past due.

## **Part 7. BECOMING INSURED AGAIN AFTER INSURANCE ENDS**

Any Approved Borrower, Spouse or Former Spouse who wishes to become insured again for a Loan after Insurance ends on that same Loan must apply in writing, provide Evidence of Insurability, and agree to pay the required premium. Such Insurance will become effective on the date Standard makes a final determination concerning the Insured's Evidence of Insurability.

However, if coverage ends under the Special Risk Plan, the Approved Borrower, Spouse or Former Spouse who wishes to become insured again will no longer be eligible for the Special Risk Plan.

## **Part 8. AMOUNT OF INSURANCE**

The amount of Insurance on the life of each Insured on any specific date is determined as follows:

### **A. INSUREDS COVERED UNDER THE "BASIC PLAN" OR THE "SPECIAL RISK PLAN"**

The amount of Insurance is equal to the sum of the following amounts, called the Loan Balance:

1. The outstanding principal balance of the Loan which is the subject of the Insurance; PLUS
2. Any accrued but unpaid interest on the outstanding principal balance; PLUS
3. Any accrued but unpaid Insurance premium on the outstanding principal balance; PLUS
4. Any expenses incurred on or before such date which are chargeable to the outstanding balance in final settlement of the Loan; PLUS
5. Any current tax constant for real estate taxes included in the standard payment and applied to the principal balance for current payments received from December 1 each year to the date of death.

### **B. INSUREDS COVERED UNDER THE "GUARANTEED ISSUE PLAN"**

The amount of Insurance is based on the Loan Balance determined above, and the following table:

<u>Year Insurance is in Effect</u>	<u>Amount of Insurance</u>
First	25% of Loan Balance, subject to a maximum of \$5,000
Second	25% of Loan Balance, subject to a maximum of \$10,000
Third	50% of Loan Balance, subject to a maximum of \$50,000
Fourth	75% of Loan Balance, subject to a maximum of \$75,000
Fifth and Beyond	100% of Loan Balance

The amount of Insurance payable on any Insured is equal to the greater of: (1) the amount determined from the Table, and (2) the sum of the premiums paid by the Insured.

Accidental Death: If the Insured dies as the result of an accident during the first four years after becoming insured, 100% of the Loan Balance will be paid, provided that the death occurs within 90 days after the date of the accident.

## **Part 9. INSURING CLAUSE**

Upon receipt by Standard of satisfactory written proof that an Insured has died, Standard will pay to the Policyholder, subject to the Exceptions and Limitations in Part 10., and the terms of the Group Policy, the sum of the following:

1. The Loan Balance, or appropriate percentage thereof; PLUS
2. Accrued interest for the period beginning on the day following the date of the Insured's death and ending on the date payment is received by the Policyholder.

Standard's payment will be applied by the Policyholder to repay in part or in full the Loan which is the subject of the Insurance.

With respect to Joint Insurance, the amount paid because of the death of the second of the two Insureds will not exceed the amount of the Loan Balance, unless the two Joint Insureds die concurrently.

For purposes of Loan Cancellation Life Insurance, two Joint Insureds will be considered to have died concurrently if 1) the two deaths result from the same accident or incident, and 2) the death of the surviving Joint Insured occurs within 30 days after the death of the first Joint Insured.

If two Joint Insureds die concurrently, Standard will pay a benefit equal to the amount of Insurance then in force on both Joint Insureds as follows:

1. First, Standard's payment will be applied by the Policyholder to repay in part or in full the Loan which is the subject of the Insurance.
2. Next, any remainder of the Insurance benefit will be disbursed by the Policyholder to the beneficiaries of the Joint Insureds, in accordance with the Beneficiary Provision in Part 11.

Any payment made by Standard to the Policyholder will, to the extent of such payment, be a valid discharge of Standard's obligations with respect to the Insured and with respect to the Loan.

## **Part 10. EXCEPTIONS AND LIMITATIONS**

If the Insured dies during the first 365 days after becoming insured for Loan Cancellation Life Insurance, the amount payable to the Policyholder will be limited to an amount equal to the sum of all premiums paid for Insurance on the life of the Insured if the death of the Insured is caused or contributed to by any of the following:

1. Suicide, while sane or insane; or
2. Intentionally self-inflicted injuries, while sane or insane.

With respect to Joint Insurance, if payment for the death of one Joint Insured is subject to these Exceptions, Insurance on the life of the other Joint Insured will continue in force until terminated in accordance with Part 6.

## **Part 11. BENEFICIARY PROVISION**

If any portion of the Loan remains unpaid, the Policyholder will be the sole beneficiary of the Group Policy to the extent that the entire Loan Balance is repaid.

If, in the case of concurrent death of two Joint Insureds, any Insurance benefits remain unpaid after the entire Loan Balance is paid, such benefits will be paid by the Policyholder in equal shares to the legal beneficiaries of the Joint Insureds.



If no beneficiary is designated by a Joint Insured, any benefits payable because of the death of that Joint Insured will be paid to the Joint Insured's estate.

## **Part 12. ASSIGNMENT**

The Insured's Certificate is non-assignable and the Insurance and benefits are non-assignable.

To the extent permitted by law, amounts payable to the Policyholder will not be subject to the claims of any creditor or any representative of such creditor, or to any legal process against the Insured or any of the Insured's survivors.

## **Part 13. PROOF OF LOSS**

When an Insured dies, the Policyholder will furnish to Standard as soon as reasonably possible:

1. Proof of Death - A Certified copy of the Death Certificate.
2. Certification that the individual was insured under the Group Policy, along with the effective date of the individual's Insurance.
3. Certification of: the unpaid balance due on the State Loan; the tax constant as described in Part 8.A.5.; and the amount of daily interest accruing on the unpaid balance.

## **Part 14. AUTOPSY**

Standard, at its own expense, will have the right and opportunity to make an autopsy in case of death, where it is not forbidden by law.