

GROUP MASTER CONTRACT

Between

**Republic of the Marshall Islands Public Service Commission
For the
Governmental and Autonomous Entities of the
Republic of the Marshall Islands**

And

Individual Assurance Company, Life, Health & Accident

This Group Master Contract (the Agreement), is effective November 1, 2017 (the Effective Date), by and between certain governmental and autonomous entities domiciled in the Republic of the Marshall Islands (RMI), hereinafter referred to individually and collectively as the POLICYHOLDER, and Individual Assurance Company, Life, Health & Accident (IAC), an Oklahoma domestic insurance company hereinafter referred to as INSURANCE COMPANY.

WHEREAS, the POLICYHOLDER has selected INSURANCE COMPANY to provide group life insurance for eligible active employees and retirees of all participating entities (named in Exhibit A) and eligible dependents of active employees; and

WHEREAS, the POLICYHOLDER has selected INSURANCE COMPANY to provide group life insurance for a period from November 1, 2017, through October 31, 2019 (the Coverage Period); and

WHEREAS, the POLICYHOLDER desires to enter in a contract with the INSURANCE COMPANY setting forth the principal terms of the group life insurance policy and accompanying riders to be issued by INSURANCE COMPANY for the Coverage Period (the Policy, to be attached hereto at Exhibit B).

NOW, THEREFORE, the POLICYHOLDER and the INSURANCE COMPANY mutually agree to the following:

Article I

The POLICYHOLDER, by acceptance of this Agreement, represents and warrants to the INSURANCE COMPANY that it is authorized to enter into this contract with the INSURANCE COMPANY, and that entering into this contract will not constitute a breach under, or violation of, any agreement to which it is a party to, or is in violation of any laws, regulations, or policies of the RMI government or its autonomous entities. Furthermore, the POLICYHOLDER agrees to indemnify and hold the INSURANCE COMPANY harmless from any and all claims of any nature whatsoever arising from or related to the POLICYHOLDER's authority to enter into this contract.

Article II

The Policy term will commence at 12:01 AM, November 1, 2017, and end at 12:00 Midnight, October 31, 2019.

The term of this Agreement may be extended for one or more years based upon mutual agreement. Any request by POLICYHOLDER for an extension beyond the original term must be transmitted in writing to INSURANCE COMPANY no later September 30, 2019.

Article III

The premium rate for active employee Individual's Term Life Insurance for the period from 12:01 AM, November 1, 2017, through 12:00 Midnight, October 31, 2019 ("Initial Rate") is \$.58 per \$1,000 of coverage, payable bi-weekly.

INSURANCE COMPANY may in its sole discretion modify premium rates with 61 days advance written notice to POLICYHOLDER if the total number of active employees enrolled under the Policy changes by 10% or more.

Article IV

All active employees of POLICYHOLDER (named in Exhibit A) will be eligible for group term life insurance coverage in accordance with the policy terms set forth at Exhibit B as follows:

- For salary-based plans, each POLICYHOLDER shall select one group term life insurance coverage level for its active employees which will be 1, 2, 3, or 4 times current annual salary, rounded up to the nearest \$1,000, not to exceed \$100,000 and with a minimum benefit of \$15,000 ("Individual's Term Life Insurance").
- For non-salary based plans, each POLICYHOLDER shall select on group term life insurance coverage level for its active employees which will be a level benefit option of \$15,000 ("Individual's Term Life Insurance").

Article V

Eligible retirees of POLICYHOLDER (named in Exhibit A) will be eligible for group term life insurance coverage at a level benefit of \$4,000 ("Retired Individual's Term Life Insurance"). The cost for this coverage is \$41.17 per month.

Article VI

Accelerated Death Benefit Rider will be included for active employees insured with Individual's Term Life Insurance. The benefit level for this rider shall be 50 percent of the Individual's Term Life Insurance benefit. The premium for this benefit is included in the Individual's Term Life Insurance premium rate.

Disability Waiver of Premium Rider will be included for active employees insured with Individual's Term Life Insurance whose total and permanent disability starts under age 60. The benefit level for this rider shall be 50 percent of the Individual's Term Life Insurance benefit. The premium for this benefit is included in the Individual's Term Life Insurance premium rate.

Accidental Death & Dismemberment benefits will be included for active employees who are under age 70 and insured with Individual's Term Life Insurance, and retirees who are under age 70 and insured with Retired Individual's Term Life Insurance. The premium for this benefit is included in the Individual's Term Life Insurance/Retired Individual's Term Life Insurance premium rate.

Benefit Description	Benefit Amount*
For Loss of Life under Age 70	Individual's Term Life Insurance Benefit
For Dismemberment under Age 70	
Loss of both Hands or both Feet	Individual's Term Life Insurance Benefit
Loss of sight of both Eyes	Individual's Term Life Insurance Benefit
Loss of one Hand and sight of one Eye	Individual's Term Life Insurance Benefit
Loss of one Hand and one Foot	Individual's Term Life Insurance Benefit
Loss of one Foot and sight of one Eye	Individual's Term Life Insurance Benefit
Loss of one Hand or one Foot	½ Individual's Term Life Insurance Benefit
Loss of sight of one Eye	½ Individual's Term Life Insurance Benefit

*Benefits will be based on Individual's Term Life Insurance/Retired Individual's Term Life Insurance coverage amount; however, no more than Individual's Term Life Insurance/Retired Individual's Term Life Insurance benefit is payable for all covered losses of an Individual incurred under this benefit provision.

Article VII

Active employees insured with Individual's Term Life Insurance may purchase Optional Dependent Term Life Insurance, subject to evidence of insurability requirements, based on the table of options and rates shown below:

Dependent Coverage	Option 1	Option 2	Option 3	Option 4
Spouse	\$6,000	\$10,000	\$10,000	\$10,000
Children*	\$2,000	\$3,000	\$6,000	\$6,000
Parent/Parent-In-Law	None	None	None	\$3,000
Bi-Weekly Premium	\$3.30	\$5.45	\$8.55	\$29.56

*Single and dependent on parent for support. Coverage is available for children ages 15 days through 18 years, age 24 if a full-time student. For complete provisions see the Dependent Term Life Insurance Rider.

Article VIII

Eligible employees of POLICYHOLDER may within 61 days of their date of hire enroll in Individual's Term Life Insurance coverage without providing evidence of insurability ("Timely Enrollment"). Employees who do not meet the Timely Enrollment standard are required to provide INSURANCE COMPANY with satisfactory evidence of insurability in a form acceptable to INSURANCE COMPANY prior to any enrollment in Individual's Term Life Insurance coverage.

If POLICYHOLDER voluntarily or involuntarily ceases to be covered under the Policy, INSURANCE COMPANY may require satisfactory evidence of insurability prior to any reinstatement or re-enrollment in the Individual's Term Life Insurance and Optional Dependent Term Life Insurance. INSURANCE COMPANY may, in its sole discretion, waive the evidence of insurability requirement.

Article IX

POLICYHOLDER shall appoint and provide a contact person with the authority to assist in timely enrollment and administration of POLICYHOLDER data and premium payment.

POLICYHOLDER shall remit to INSURANCE COMPANY premiums due within 30 days following the date of list bill invoice. POLICYHOLDER shall provide to INSURANCE COMPANY with payment any updated participant, premium reduction, and payroll data to reconcile the itemized detail provided in the list bill. Required data shall be transmitted electronically and in a format acceptable to INSURANCE COMPANY.

In the absence of timely submission of POLICYHOLDER data to accompany premium payment, INSURANCE COMPANY may, in its sole discretion, first apply premium payments to the oldest outstanding and unpaid balances of POLICYHOLDER.

Premium refund requests must be submitted to INSURANCE COMPANY in writing within 120 days of the effective date of participant termination. In any event, the maximum refund amount is 120 days of premium most recently remitted to INSURANCE COMPANY for the terminating individual.

INSURANCE COMPANY may, in its sole discretion, elect to withhold payment of claims after the policy grace period has expired for those periods during which no premium withholding has been received by the INSURANCE COMPANY from POLICYHOLDER.

Article X

The Policy will terminate on the date given in written notice by POLICYHOLDER that premium payments will cease. However, if that notice is given after the date to which premiums are paid in full, the Policy will cease on the earlier of (i) the date requested by POLICYHOLDER, or (ii) the date the notice is received at INSURANCE COMPANY home office.

INSURANCE COMPANY, in its sole discretion, may terminate the Policy on any of the following dates:

- a. The date through which premiums are paid in full if on the last day of the 61 day grace period the premium due remains unpaid by POLICYHOLDER.
- b. The date shown in a written notice from INSURANCE COMPANY to POLICYHOLDER, which shall be provided with no less than 61 days from the effective date of cancellation, when:
 1. The number of individuals insured under the Policy is less than 1,000; or
 2. The percentage of eligible individuals with Individual's Term Life Insurance is less than 75% of those eligible if employees must make premium contributions; or
 3. The percentage of eligible individuals with Individual's Term Life Insurance is less than 100% of those eligible if employees are not required to make premium contributions.

INSURANCE COMPANY, in its sole discretion, may terminate Optional Dependent Term Life Insurance coverage on the date shown in a written notice from INSURANCE COMPANY to POLICYHOLDER, which shall be provided with no less than 61 days from the effective date of termination, when the percentage of eligible individuals insured is less than 35% of dependents eligible for coverage.

The Policy and all coverage thereunder will terminate upon the earlier of the expiration of the Coverage Period or termination of the Agreement.

Article XI

All notices, requests, demands and other communication made under the Agreement must be in writing and shall be delivered as follows:

If to INSURANCE COMPANY:

Individual Assurance Company
ATTN: James L. Harlin, CEO
930 East 2nd Street, Suite 100
Edmond, Oklahoma 73034

If to POLICYHOLDER:

Office of the Public Service Commission
Republic of the Marshall Islands
ATTN: Mr. Jiba B. Kabua, Commissioner
PO Box 90
Majuro, Marshall Islands 96960

Article XII

INSURANCE COMPANY will issue to POLICYHOLDER the Policy providing coverage and setting forth the administrative provisions of the Agreement. The Policy will be the governing document of the contract between the INSURANCE COMPANY and the POLICYHOLDER. The Policy, including accompanying riders, is attached hereto as Exhibit B and is incorporated into the Agreement as through fully set forth herein. In the event of a conflict between the terms in the Agreement and in the Policy, the Policy shall prevail.

INSURANCE COMPANY and POLICYHOLDER agree to mutual good faith negotiation and effort to evaluate, develop, and implement certain policy features and enhancements requested by POLICYHOLDER in Group Term Life Insurance Program Bid Specifications issued in August 2017 and as amended.

IN WITNESS WHEREOF, INSURANCE COMPANY and POLICYHOLDER as of the Effective Date have caused this Group Master Contract to be executed by their duly authorized representatives, and which may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same Agreement.

FOR INSURANCE COMPANY

INDIVIDUAL ASSURANCE COMPANY,
LIFE, HEALTH & ACCIDENT

BY: SCOTT E. DUMBAULS

TITLE: VICE PRESIDENT

SIGNATURE: [Signature]

DATE: 11/1/17

FOR POLICYHOLDER

REPUBLIC OF THE MARSHALL ISLANDS
PUBLIC SERVICE COMMISSION

BY: DONALD F. CAPELLÉ

TITLE: CHAIRMAN, PSC

SIGNATURE: [Signature]

DATE: 11/01/17

BY: JUSTINA R. LAN'GIDRIK

TITLE: COMMISSIONER, PSC

SIGNATURE: [Signature]

DATE: 11/01/17

BY: J.B. Kabua

TITLE: Commissioner & Administration

SIGNATURE: [Signature]

DATE: 1 Nov. 2017

Exhibit A

POLICYHOLDER Entities

<u>IAC Group #</u>	<u>Group Name</u>
RM050101	Marshall Islands Government Employees
RM050110	Ministry of Health
RM050201	Marine Resource Authority
RM050301	Majuro Atoll Local Government
RM050401	Marshall Islands Retirees
RM050701	MI Social Security Administration (MISSA)
RM050801	National Telecom Authority
RM050901	Majuro Water & Sewer
RM051401	Marshall Islands Port Authority
RM051601	Marshall Islands Visitors Authority
RM051801	Tobolar Copra Processing Authority
RM052101	Marshall Islands Shipping Corporation
RM052201	Majuro Stevedoring Company
RM052301	University of South Pacific
RM052401	Bank of the Marshall Islands
RM052501	Marshall Islands Service Corp.
RM052601	Kili/Bikini/Ejit Council
RM052701	American Embassy - Majuro
RM060101	Kwajalein Atoll Local Government

Exhibit B

POLICY MH-2017

(to be added upon execution of contract terms)