

CO-OPERATIVE GROUP LIFE INSURANCE

A Plan Offered to Employees

OF

PAN AMERICAN AIRWAYS SYSTEM



Plan Effective August 26, 1932

Revised January 1, 1942

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TO THE EMPLOYEES OF PAN AMERICAN AIRWAYS SYSTEM

Our System's Board of Directors authorized me to formulate a group insurance plan which would make it possible for the personnel of our operating companies to procure life insurance at unusually attractive and favorable rates. Under this authorization, the necessary arrangements were completed and the plan became available to personnel on August 26, 1932. The project is co-operative, with the System sharing premium costs. The rates are uniform, irrespective of the applicant's age or occupation, and the insurance may be obtained without medical examination.

The project (outlined in this booklet) was developed as a result of many months of careful and intensive study of the legal problems and other questions necessarily involved in making group insurance effective and applicable to our personnel in the United States and certain other countries served by our lines.

The procedure for putting this plan into effect in these various countries was adapted to conform with the pertinent legislation of such countries on the subject.

It is important to note that the plan outlined in this booklet is comparatively simple with respect to both application and operation.

All employees of the System are earnestly urged to avail themselves of the very real benefits which will accrue to them through this plan, which we hope will serve in a material way to indicate our appreciation of the loyal and efficient services rendered in the important work in which we are all engaged.

A stylized, handwritten signature in black ink, appearing to read "J. V. Lingo". The signature is fluid and cursive, with a prominent underline.

President

CO-OPERATIVE GROUP LIFE INSURANCE PLAN

INTRODUCTION

In brief, this co-operative plan provides all employees earning \$500 or more yearly an opportunity to procure good life insurance on an extremely economical basis.

The amount that can be purchased is dependent on the employee's wage or salary as scheduled on page six. The cost to the employee is handled through monthly deductions from the payroll—the balance of the premium being assumed by the Company.

Irrespective of age or sex this insurance may be obtained without medical examination under the conditions outlined in Paragraph No. 6. An application card will be given to you with this booklet and should be filled in promptly.

1. Employees Eligible for the Insurance

All employees whose annual wage or salary is \$500 or more are eligible to make application for this insurance. Such insurance when issued gives full protection and includes the aviation hazard.

2. Effective Date of the Insurance

Newly hired employees who are eligible for the insurance will be insured from the day on which they file written application, provided they do

so on or before the completion of three (3) months of service and are actually at work on said day, or if not actually at work, from the day on which they return to work.

Employees failing to make application on or before the completion of three (3) months' service may, because of insurance regulations, find themselves in a position where they may never again have an opportunity of securing this protection.

3. Amount of Insurance

The amount of insurance an employee can procure is determined by his annual wage or salary as follows:

SCHEDULE OF INSURANCE

All Employees

Class	Annual Wage or Salary As Determined by the Employer				Amount of Insurance
A	\$500	but less than	\$750	.	\$1,000
B	750	"	"	1,200	1,500
C	1,200	"	"	2,000	2,000
D	2,000	"	"	3,000	3,000
E	3,000	"	"	5,000	4,000
F	5,000	"	"	7,500	5,000
G	7,500	"	"	10,000	7,500
H	10,000	"	"	15,000	10,000
I	15,000	"	"	20,000	15,000
J	20,000	and over	.	.	20,000

An employee cannot apply for an amount of insurance either greater or less than the amount specifically allotted to the class in which his annual wage or salary places him.

If an employee passes from one class to another by reason of increase in annual wage or salary, the new amount of his insurance and the monthly cost thereof will become effective on the first day of the month succeeding the date on which the employee's salary changed to the next higher Group Insurance salary bracket in accordance with the above schedule; but, in case of employees whose changes in compensation become effective on the first day of the calendar month, insurance changes and monthly cost thereof will become effective on the same day.

If any employee is absent from duty due to disability on the date his insurance would otherwise be increased, the additional amount of insurance will not become effective until the date on which he returns to duty. There will be no decrease in amount of insurance due to decrease in annual wage or salary.

4. Cost of Insurance to Employees

The cost to employees per month is governed by the following schedule:

All Employees					
Class	A	pay	\$0.50	per	month
"	B	"	0.75	"	"
"	C	"	1.00	"	"
"	D	"	1.50	"	"
"	E	"	2.00	"	"
"	F	"	2.50	"	"
"	G	"	3.75	"	"
"	H	"	5.00	"	"
"	I	"	7.50	"	"
"	J	"	10.00	"	"

Although the cost of providing this insurance takes into consideration our outstanding record of safety and efficiency, such cost is necessarily high, involving a large financial contribution on the part of the System.

An attractive feature of this plan is that the cost to the employees is deducted monthly from their pay, thus avoiding the necessity of paying annually in advance, or the inconvenience of monthly cash payments.

5. Benefits

A. DEATH BENEFITS.

The amount of the employee's insurance is payable in event of death from any cause whatsoever while his insurance is in force to the person or persons named by him as Beneficiary.

B. PERMANENT TOTAL DISABILITY BENEFIT

The amount of the employee's insurance is payable in a fixed number of instalments to the employee himself if he becomes permanently and totally disabled prior to attaining age 60 and subject to the terms outlined in the certificate which each insured employee receives.

6. No Medical Examination Required

No medical examination will be required if you apply on or before the completion of three months of service. It is, therefore, most important that your application be signed **AT ONCE** as failure to do so may subject you to the customary medi-

cal examination required by the insurance company and made within the continental limits of the United States or Canada (or other evidence of insurability satisfactory to the insurance company) and to possible refusal of your application.

7. Change of Beneficiary

An employee may name a new beneficiary at any time by filing a written request on forms furnished by the insurance company accompanied by the certificate of insurance for proper endorsement.

8. Termination of Insurance

The insurance of any employee automatically ceases upon the termination of his employment or prior thereto if and when the employee notifies the Pan American Airways System to make no further deductions from his pay to apply toward the premium for this insurance.

Any employee who gives such notice can be insured again only upon the basis of a medical examination satisfactory to the insurance company made within the continental limits of the United States of America or Canada.

9. Conversion Privilege

In case of termination of employment for any reason whatsoever the insured employee is entitled to have issued to him by the insurance company without medical examination a policy

of life insurance in any one of the forms customarily issued by that company, except term insurance, in an amount equal to the amount of his insurance under this plan at the time of such termination provided written application is made to the insurance company within thirty-one days. The premium for such insurance shall be the premium applicable to the class of risks to which he belongs and to the form and the amount of the life insurance policy at his then attained age.

If the employee should die during the thirty-one day period in which conversion is permitted and before any individual policy issued in accordance with the conversion privilege shall have become effective, the Insurance Company will pay to the employee's beneficiary under the group policy the amount of the insurance in force thereunder on the life of such employee at the time of the termination of his insurance.

10. Certificate of Insurance

A certificate of insurance will be issued by the insurance company to each employee insured under this plan.

11. The foregoing is a general outline of the plan and its benefits. All details involved in placing this group plan into effect in all countries served by the System have been developed to conform with the pertinent legislation of such countries on the subject.

