



Family Term Sample contract

This sample policy contract is provided for your information only.
It is not a valid contract or an offer of insurance.



Dear Policy Owner,

We're pleased to provide you with your life insurance policy. Obtaining the right amount of life insurance protection is an important step in building and maintaining a sound financial future.

This policy provides you with life insurance protection. If an insured person under this policy dies, we will pay a death benefit, subject to the terms of your policy.

Your policy is designed to meet your current needs. However, you can change it as your needs change. You can also choose from several different kinds of coverage.

The details in your policy are explained in the policy sections that follow. We've made every effort to make these descriptions easy to understand, starting with a summary of how your policy works in Section 4. Please read your policy carefully to become familiar with the various features of your life insurance policy so that you can take full advantage of the benefits it offers.

If you have any questions about your policy, please ask your insurance advisor or contact us at the phone number listed on page 3.1 of your policy. Thank you again for selecting Manulife Financial.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Gori'.

Roy Gori
President and Chief Executive Officer
The Manufacturers Life Insurance Company

In this policy, *you* and *your* mean the owner of the policy, and *we*, *our* and *us* mean The Manufacturers Life Insurance Company (Manulife Financial).

Your policy is an important part of the legal contract between you and us. We ask that you read it carefully to ensure that it gives you the coverage you applied for.

In the policy, we occasionally use the phrase *subject to our administrative rules*. We change our administrative rules from time to time to reflect corporate policy and economic and legislative changes, including revisions to income tax legislation. Any changes we make to our administrative rules will not affect the guaranteed benefits provided by this policy.

When we say *we will send a notice to you*, we mean that we will send it to your address as shown in our files. Please advise us of any change in your address.

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4 How this insurance policy works

When you bought this life insurance policy, we agreed to provide you with insurance protection according to the terms of this policy as long as you pay your premiums.

Here's a summary of how your policy works

You mail or deliver your premiums to us or arrange for automatic monthly withdrawals from a bank account. You must pay your premiums in Canadian funds.

If you do not pay your premiums, you have a 31-day grace period to pay the overdue amount to keep your policy in effect.

You may have purchased several different insurance coverages as part of your policy. Each coverage insures either the life of one person or the lives of two people together.

- If the coverage insures the life of one person as a single-life coverage, we pay the death benefit when that person dies.
- If two insured people have combined coverages, we pay the death benefit when each insured person dies. After the first death, coverage continues automatically on the life of the remaining person on a single-life basis.
- If the coverage insures the lives of two people together and is a first-to-die coverage, we pay the death benefit when the first person dies. If it is a last-to-die coverage, we pay the death benefit when the last person dies.

You have the flexibility within your policy to change existing coverages, to add new coverages or to convert to another kind of policy.

You may have purchased additional insurance coverages and benefits through riders offered with this policy. All of your insurance coverage, including the additional coverage provided by riders, is summarized in Section 3 of this policy.

Your premiums will change if you change your insurance or rider coverages or if the coverage you chose has a scheduled renewal increase.

5 Premiums and fees

Premiums

The premium is the amount we charge you for the insurance coverages and for the rider coverages we provide.

Rider premiums are explained in the rider descriptions that appear at the end of this policy.

On the Policy Summary page in Section 3, we show your premium as of the date your policy summary pages are effective. You can choose to pay your premium monthly, quarterly, semi-annually or annually.

The premium will change if you change your insurance or rider coverages or if the coverage you chose has an increase on a scheduled renewal date. We will send you a notice when your premium is scheduled to change. If you change your insurance or rider coverages, we will provide you with new Policy summary pages and Premium tables.

How we determine the premium for your policy

We determine the premium that applies to each insurance coverage based on the coverage type and option you select, the amount of insurance you purchase and the personal information that applies to the person or people insured by that coverage. The personal information for each insured person is shown in Section 3, except for attained age. A description of how we calculate attained age can be found in Section 11, under the heading *Words and phrases used in this policy*.

For combined coverages, when the first insured person dies, coverage on the other insured person automatically changes to a single-life coverage. The premiums we charge for that coverage are those that would have applied if the coverage had originally been issued on a single-life basis.

Premium guarantee

We guarantee that your premiums for each insurance coverage will not exceed the premiums shown in the tables in Section 12, unless you make a change to your coverage.

If you add new insurance coverages, they will have their own guaranteed premiums. If you decrease the amount of an insurance coverage, the guaranteed premiums may increase or decrease.

The policy fee

We charge a policy fee for administering your policy. The amount that applies to your policy appears in Section 3. The policy fee is guaranteed not to change unless you change your premium frequency.

Paying your premiums

You need to pay your premiums in order to keep your insurance coverage in effect. Your first premium is due on the policy date and we will apply it to your policy on that date. We must receive your first premium before your contract takes effect.

You can choose how often you pay your premiums. Premiums can be paid in the following ways:

- If you choose to pay monthly, you can arrange for us to make automatic monthly withdrawals from a bank account.
- If you choose to pay quarterly, semi-annually or annually, you can mail or deliver your premiums to us at our Head Office. Cheques must be in Canadian funds, drawn on a Canadian financial institution and made payable to Manulife Financial.

If you change your premium frequency, you will be charged a new premium as outlined in the Premium tables in Section 12. A change in premium frequency will also change your policy fee.

If you miss paying a premium

If you miss paying a premium, we will send you a notice to let you know that your policy is in the 31-day grace period and will be cancelled if we don't receive the overdue amount before the end of the grace period.

You will find information about the grace period and cancellation in Section 8 under the heading *Cancelling an insurance coverage or your insurance contract.*

Sample

6 Coverage types and options

Your insurance coverage types

Four insurance coverage types are available under this policy. They are:

- single-life
- combined
- first-to-die
- last-to-die

The coverage type that applies to each insurance coverage is shown in Section 3.

Your insurance coverage options

You can have more than one insurance coverage in your policy and you can choose a different option for each coverage. Each option guarantees that the premiums will remain the same for a certain length of time, provided you don't decrease your coverage amount.

Coverage option	Type of Coverage	Premium stays the same
Term-10	<ul style="list-style-type: none"> • single-life • combined 	for 10 years or until the coverage expiry date, if earlier. After the first 10-year term, we automatically renew your coverage annually, and your premium increases each year until the coverage expiry date.
Term-20	<ul style="list-style-type: none"> • single-life • combined 	for 20 years or until the coverage expiry date, if earlier. When the term of this coverage ends, we will automatically renew the same option until the coverage expiry date.
Term-65	<ul style="list-style-type: none"> • single-life • combined 	until the coverage expiry date
Term-Life	<ul style="list-style-type: none"> • single-life • first-to-die • last-to-die 	until the coverage anniversary nearest: <ul style="list-style-type: none"> • the insured person's 100th birthday for a single-life coverage, or • joint age 100, for a first-to-die or last-to-die coverage. This insurance coverage continues free of charge after that date.

Changing your coverage option

You can change your coverage option as shown in the table below, without providing evidence of insurability and subject to our administrative rules in effect at that time.

From	To	When an option change is allowed
Term-10	Term-20	Before the 5 th anniversary of the Term-10 coverage date
Term-10 Term-20	Term-65	Before the 5 th anniversary of the Term-20 coverage date
Term-10 Term-20 Term-65	Term-Life	Before the conversion expiry date

If you change your coverage option from Term-10 to Term-20, you can change the resulting Term-20 coverage to Term-65, as long as you request the change before the 5th anniversary of the Term-10 coverage date.

Any coverage option change will be subject to our rules regarding minimum and maximum issue ages. Other changes may be allowed if you provide evidence of insurability satisfactory to us.

If you change a coverage option, the premiums in effect on the new coverage date will be based on the attained age of the insured person or people and on the healthstyle and insurance rating shown in Section 3 for the coverage. This means that your premiums may increase. The change will take effect and the new coverage will begin on the policy processing day coinciding with or next following:

- the day we receive your request, if we do not require evidence of insurability, or
- the day we approve your request, if we require evidence of insurability satisfactory to us.

If you change a coverage option, the healthstyle of the insured person or people on the new coverage will be the same as on the original coverage, except as shown in Section 9 under the subheading *Healthstyle changes*.

Changing your insurance to Family Term with *Vitality™*

You can change all or part of an insurance coverage under this policy to a Family Term with *Vitality* policy, if available, without evidence of insurability. You must request this change before your 5th coverage anniversary, and it is subject to our administrative rules at that time.

If you change coverage options on your original coverage to a longer term under this policy, you can change the resulting coverage to a Family Term with *Vitality* policy, if available, without evidence of insurability. You must request this change before your original coverage's 5th coverage anniversary, and it is subject to our administrative rules at that time.

Changing your amount of insurance

Subject to our administrative rules in effect at the time, you can request an increase or a decrease in the amount of your insurance coverage.

Before we agree to an increase in the amount of insurance, we will ask you to provide evidence of insurability satisfactory to us for the insured person or people covered by the increase and for any insured people covered by a Total Disability Waiver Rider provided by this policy. The increase will be subject to our rules regarding minimum and maximum increases and maximum ages.

An increase in the amount of insurance will be a separate, additional insurance coverage. We determine the insurance rating and healthstyle for this additional coverage as of the new coverage issue date, based on the evidence of insurability that you provide to us.

If you wish to decrease the coverage amount, the decrease will be subject to our rules regarding minimum decreases and minimum amounts of insurance coverage. If you decrease a combined coverage, the new amount of insurance must be the same for each insured person.

Changes in the amount of insurance take effect on the policy processing day that coincides with or next follows the day we approve the change.

Additional coverage options

Parent Protection

Parent Protection is an optional coverage that is available on your policy. It insures the life of your parent or the parent of an insured person under this policy. It is intended to supplement your other insurance coverages. It can only be purchased if you have coverage with another coverage option.

Parent Protection is available only as a single-life coverage. The premium for this coverage stays the same until the coverage anniversary nearest the insured parent's 100th birthday. This coverage continues free of charge after that date.

A Parent Protection coverage cannot be converted; all other terms and conditions of this policy apply.

Rider coverages

Optional benefits and coverages can be added to your contract in the form of riders. You can refer to Section 3 for information about the rider coverages you have purchased and to each rider for details on the benefit it provides.

If a person is insured only by a Parent Protection coverage, he or she is not eligible for rider coverage.

7 Paying death benefits

How to claim a death benefit

To claim a death benefit, the person entitled to the death benefit should call your insurance advisor or contact us directly at the phone number shown on page 3.1 of this policy or in your most recent policy statement. We will then tell that person which documents we require to enable us to pay the correct amount to the appropriate person. We require proof of the following:

- 1 the death of the insured person under the coverage
- 2 the birthdate of that person and anyone else insured by the coverage
- 3 the claimant's right to be paid

When we pay a death benefit

We will pay the death benefit provided by an insurance coverage that is in effect, as follows:

- If the insurance coverage insures the life of one person on a single-life basis, we pay a death benefit when that person dies.
- If two people have combined coverages, we pay a death benefit on the death of the first insured person to die. Coverage on the other insured person will continue on a single-life basis.
- If the insurance coverage insures the lives of two people on a first-to-die basis, we pay a death benefit on the death of the first insured person to die.
- If the insurance coverage insures the lives of two people on a last-to-die basis, we pay a death benefit on the death of the last insured person to die.

How we determine the death benefit

We calculate the death benefit as of the day the insured person dies.

The death benefit is the amount of insurance shown in Section 3 for the applicable insurance coverage or coverages. However, under certain conditions we will adjust the death benefit as explained in the following sections of your policy:

- *Changing your amount of insurance*
- *The grace period*
- *If an insured person commits suicide*
- *If two or more insured people die at the same time*
- *If an insured person's age or sex has been stated incorrectly*

In some circumstances, we may determine that a death benefit is not payable. These are described in the following sections:

- *Cancelling an insurance coverage or your insurance contract*
- *Contesting the contract*

Who receives the death benefit

The death benefit is generally payable to the beneficiary you named for the insured person who dies. For more information about beneficiaries, see Section 10 under the subheading *Your beneficiaries*.

If you use this policy as security for a loan, the rights of any collateral assignee or, under the Quebec Civil Code, hypothecary creditor, may take precedence over the right of any other person claiming the death benefit. See Section 10 under the subheading *Using this contract as security for a loan*.

Unused premiums

When we pay the death benefit with respect to a coverage, we will return any portion of premiums paid but not used for this coverage.

Bereavement counselling assistance

When an insured person dies and we pay a death benefit under one or more coverages, we will reimburse up to a total of \$1,000 of counselling expenses to his or her beneficiaries, subject to our administrative rules at the time, as long as:

- they submit receipts within 12 months after the death, and
- the counsellor is professionally accredited or certified.

If the death benefit is payable to more than one beneficiary, the \$1,000 reimbursement will be divided among them in the same proportions as the amount of the death benefit they receive. If the death benefit is payable to an estate or trust, the receipts should be submitted by the executor, administrator or liquidator of the estate, or trustee.

8 Cancelling an insurance coverage or your insurance contract

When an insurance coverage ends

An insurance coverage ends on any of the following dates:

- the coverage expiry date as shown in Section 3,
- the policy processing day coinciding with or next following the day you ask us to cancel the coverage,
- the day an insured person under the coverage dies and a death benefit is payable, or
- the day an insured person under the coverage commits suicide, as described in Section 10 under the subheading *If an insured person commits suicide*.

When your insurance contract ends

Your contract ends on the earliest of the following dates:

- the day you ask us to cancel the contract,
- 31 days after your contract enters the grace period, if you have not paid the overdue amount, or
- the day there is no longer an insurance coverage in effect.

We may also cancel the contract, or deny or cancel coverage, as described in Section 10 under the subheading *Contesting the contract*.

For more information on the consequences of cancelling your contract, contact your insurance advisor.

The grace period

For each premium after the first, we allow a grace period of 31 days after the day the premium is due. During that time, the policy stays in effect. If an insured person dies during the grace period, we will deduct any overdue amount owing as of the date of death from any death benefit payable.

At the end of the grace period, this contract and all coverages under it are automatically cancelled if you have not paid the overdue amounts. We will refund to you any amounts you paid for your policy between the start of the grace period and the day all coverages are cancelled.

Reinstating your contract

You can ask us to reinstate your policy up to two years after the day it is automatically cancelled if:

- all of the people insured under the policy are still alive, and
- you pay the reinstatement amount.

If you ask us to reinstate your policy within 30 days of the date the policy is automatically cancelled, we reinstate it without asking for additional information. From the 31st day until two years after the policy is automatically cancelled, you must complete and submit an application for reinstatement form. We also ask you to give us any information we need to make a decision on whether, and under what conditions, we will reinstate the policy.

Once we approve your request and receive the reinstatement amount and any other information we need from you, we reinstate your policy and send you a new *Policy summary*.

The reinstatement amount

The reinstatement amount is:

- the total of all amounts due on the first day your policy went into the grace period, plus
- all premiums due from the day your policy went into the grace period until the day we reinstate your policy, plus
- interest on these amounts, as we describe in our administrative rules.

The effective date of the reinstatement of the contract is the date on which we determine these requirements have been met.

Sample

9 Converting your insurance coverage to a new coverage or policy

You may find that your insurance needs change in the future and that a different kind of coverage will better meet your needs. This contract allows you to convert any of the insurance coverages under your policy, subject to our administrative rules, to a new insurance coverage or policy without evidence of insurability.

You cannot convert Parent Protection coverages.

You can convert all or a portion of a term insurance coverage to any available permanent insurance policy that has a death benefit that doesn't increase over time, subject to our administrative rules.

If you convert only a portion of a term insurance coverage to new permanent insurance, you can carry over the remaining portion to a new term insurance rider or coverage on that permanent insurance policy, if available, without evidence of insurability, subject to our administrative rules, including limits in effect at the time.

How basic conversion works

You can request a conversion any time before the conversion expiry date shown in Section 3.

If you would like to convert this policy or any of the coverages under it, your insurance advisor can help you complete an application.

To apply for conversion, submit an application along with the first premium for the new insurance. Your application for conversion doesn't need to include evidence of insurability except if you apply:

- to convert the coverage to new permanent insurance with an increasing death benefit, or
- for an improved healthstyle, insurance rating, class of risk or smoking status on the new insurance.

Any irrevocable beneficiary and collateral assignee, or under the Quebec Civil Code, any hypothecary creditor must give their consent in writing to the conversion.

Once we've accepted the application, the new insurance takes effect on the next policy processing day. This is called the conversion date. The coverage or portion of coverage being converted ends at midnight on the day before the conversion date. The amount of the new insurance can't be more than the amount of the insurance you are converting, except if you provide evidence of insurability.

The new insurance must meet our minimum and maximum requirements regarding coverage, premium amounts and age.

Any restrictions on benefits in your existing coverage will apply to your new insurance.

If the insured person dies before the conversion date, the new insurance will not go into effect and we will refund any premiums you have paid.

If a coverage ends as the result of a conversion, we will apply any portion of a premium paid but not used for the coverage to the new policy.

If we apply the provisions that relate to suicide and contestability to the new insurance, the dates we use will be those which apply to the original coverage. If the new insurance is reinstated, the terms of the new contract apply. If we contest the validity of the new insurance, we can rely on any information provided to us to obtain the original coverage or any additional information provided to us at the time of conversion, as described in the following paragraph.

If we contest the validity of the new insurance, we can rely on any information provided to us as part of this evidence of insurability and the dates we use will be those which apply to the new policy.

If the insurance coverage being converted is a:

- single-life coverage, the new insurance will cover only the insured person under the original coverage
- first-to-die coverage or are combined coverages, the new insurance may be issued on a:
 - first-to-die basis, covering the same insured people as under the original coverage, or
 - single-life basis, with separate policies covering each of the insured people under the original coverage
- last-to-die coverage, the new insurance must be issued on the same basis, and must insure both of the people insured by the original coverage. Both insured people must be alive on the conversion date.

The premium for the new insurance is based on the amount of the new insurance and on the insured person's

- attained age on the conversion date. In the case of first-to-die or last-to-die coverages, we will calculate the joint age based on the requirements of the new insurance.
- healthstyle as shown in Section 3, except as shown below in Section 9 under the subheading *Healthstyle changes*.
- other personal information as shown in Section 3.

Healthstyle changes

If you change a coverage option in this policy or convert to new life insurance on a policy that has healthstyle categories, the healthstyle of the insured person or people on the new coverage will be the same as on the original coverage, unless we approve your application for an improved healthstyle and except as shown in the following table:

<p>If the insured person's healthstyle on the original coverage is category 1 or 2</p>	<p>Then the insured person's healthstyle on the new insurance or coverage will be category 3, if the original coverage has been in effect for more than 10 years or if the same category is not available</p>
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If you convert to new life insurance on a policy that does not have healthstyle categories, the new insurance will have either a class of risk or a smoking status which will be determined by the insured person's healthstyle, as shown on the original coverage. The following table shows how we determine the class of risk or smoking status on the new insurance, unless we approve your application for a better class of risk or smoking status.

If the insured person's healthstyle on the original coverage is	Then the insured person's class of risk on the new insurance will be	Or the insured person's smoking status on the new insurance will be
category 1 or 2	non-smoker	non-smoker
category 3 or 4	non-smoker or special	non-smoker
category 5	standard or special	smoker

The class of risk will also be determined by that person's insurance rating. It will be labelled "special" if the insured person's insurance rating is greater than 100%.

Disability protection on your new insurance

You may also purchase a disability waiver rider on the person or people insured by the new insurance if, on the conversion date:

- a Total Disability Waiver Rider is in effect under the original coverage for the person or people to be insured under the new insurance,
- none of the people covered by the disability waiver rider under the new insurance is totally disabled, and
- our administrative rules allow the disability waiver rider to be added to the new insurance.

How policy splitting works

You can convert an insurance coverage that insures people in a marriage or business that is coming to an end. This conversion follows the same rules as for basic conversion, except for the coverage date of the new coverage. We will establish this coverage date as defined in our administrative rules. If the people are insured under a last-to-die coverage, you must provide evidence of insurability for both people to convert to two separate single-life coverages.

Splitting your policy may have tax consequences.

The survivor's benefit

If you have a first-to-die insurance coverage and one of the two insured people dies, you may buy new insurance on the life of the survivor, without providing evidence of insurability. This insurance may be:

- an additional insurance coverage under this policy, as long as the policy does not end as result of this death, or
- a new policy offered by us at that time, with a death benefit that doesn't increase over time.

We must receive an application for the new insurance, together with the first premium, within 31 days after the death. The survivor must be less than 70 years old on that date. All other rules outlined under basic conversion apply.

If the person who died was the only policy owner and there is no successor policy owner, called a subrogated policyholder in Quebec, only the survivor can apply for a new policy on his or her own life without providing evidence of insurability.

Automatic term insurance under the survivor's benefit

We will automatically provide term insurance on the life of the survivor from the date of the first death until the earlier of:

- the 31st day following the first death
- midnight of the day before the effective date of the new insurance.

The death benefit payable will be the amount of the insurance coverage in effect on the date of the first death.

We will pay the death benefit under the automatic term insurance to the estate of the survivor, unless, before the survivor died, you named someone else as the beneficiary in a notice satisfactory to us.

If both insured people under a first-to-die coverage die at the same time or if it is uncertain which person survived the other, we will pay the death benefit under the automatic term insurance in the same way and to the same people as we pay the death benefit under the policy. This is described in Section 10 under the subheading *If two or more insured people die at the same time*.

We will not pay any automatic term insurance benefit if the survivor commits suicide.

10 More information about this policy

Your contract

This life insurance policy is part of the legal contract between you and us. This contract commits us to providing life insurance and the other benefits described in the policy.

The entire contract consists of:

- this policy document
- the application for insurance coverages provided by the policy and rider coverages
- the medical evidence form or forms
- the written statements and answers that are given as evidence of insurability
- all rider pages
- all subsequent applications to change the insurance or rider coverages and any amendments or new versions of the policy summary pages that result
- any other amendments agreed upon in writing after the policy is issued
- any endorsements
- any application to reinstate the contract.

We are bound only by the statements that are part of the contract. Only our President or one of our vice-presidents can agree to any change you request in the contract and their agreement must be in writing.

Your rights as a policy owner

Your rights include the right to:

- name the beneficiary or beneficiaries
- transfer ownership of the contract
- use this policy as security for a loan
- vary the frequency of premiums you pay (for example, a change from monthly to annually), within our administrative limits
- cancel the contract as a whole or cancel individual insurance or rider coverages.

Throughout this policy, we refer to “policy owner” as one person. If there is more than one owner, all owners must act unanimously to exercise their rights and options.

You may name a successor owner, called a subrogated policyholder in Quebec, to assume the rights of this policy when you die. If there is no successor owner and if the policy does not terminate on your death, your rights and benefits will pass to your estate.

You must follow the terms and conditions of this policy when you exercise the rights we’ve listed above. Your rights may also be limited by any laws that apply to your contract.

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

How we report to you about your contract

We will send you a policy statement at least once a year. If you ask us to, we will send it on a semi-annual or quarterly basis. The statement outlines the status of your insurance and rider coverages, and provides other policy information you will find useful.

We will also send you:

- a confirmation for each premium, except for those made by automatic monthly withdrawal, and
- a premium change notice before your premium is scheduled to change.

Your beneficiaries

You may have named one or more beneficiaries to receive the death benefit when an insured person dies. We pay the proceeds of a death benefit to the primary beneficiaries. If no primary beneficiary is alive when the insured person dies, we pay the proceeds to any secondary beneficiaries.

If there is no surviving beneficiary or if no beneficiary has been named, we pay the proceeds to you or your estate.

If you have named more than one primary or secondary beneficiary, you may designate how the proceeds are to be divided. If you have not indicated this, we assume the proceeds should be divided equally among the surviving primary or secondary beneficiaries.

You may change the beneficiary or beneficiaries for any insurance or rider coverage at any time before the insured person dies, unless prohibited by any laws that apply to your policy.

If the beneficiary designation is irrevocable, you cannot change it without the beneficiary's consent. Certain other rights and options, such as converting a coverage, can be exercised only with the consent of the irrevocable beneficiary.

If the beneficiary has not reached the age of majority, we must pay the death benefit according to the applicable law.

If you have used this policy as security for a loan, the rights of a collateral assignee or, under the Quebec Civil Code, a hypothecary creditor, may take precedence over the rights of a beneficiary.

If an insured person commits suicide

If an insured person commits suicide within two years after the day we issued or last reinstated the policy or coverage, we will not pay the death benefit as described in Section 7 under the heading *Paying death benefits*. Instead, we will:

- pay a reduced death benefit to the beneficiary, if the insured person under a single-life, combined or first-to-die coverage commits suicide or if the last insured person under a last-to-die coverage commits suicide. The reduced death benefit will equal the premiums you paid for:
 - coverage on the insured person who died for the period since the coverage date or the last reinstatement date, for combined coverages
 - the coverage since the coverage date or the last reinstatement date for all other coverage types

or

- refund to you or your estate the premiums you paid for the coverage since the coverage date or the last reinstatement date, if the first insured person to die on a last-to-die coverage commits suicide.

We will then cancel the insurance coverage as of the day the insured person died.

If two or more insured people die at the same time

If two or more insured people under the policy die at the same time, or if it is impossible to determine who died first, we will calculate the amount of any death benefit payable and determine who we should pay it to in the following order, unless the beneficiary designation specifies otherwise or unless prohibited by law:

- 1 we will pay the death benefit for single-life coverages insuring any of the people who died
- 2 if two of the people who died are insured under the same coverage, we will divide the death benefit payable into two equal portions, one for each insured person, and consider that person to have survived the other when determining who will be paid each portion of the death benefit

If an insured person's age or sex has been stated incorrectly

If the age or sex of any insured person has been stated incorrectly, we will adjust the death benefit payable using the correct age or sex.

However, if we would not have issued the coverage because the correct age does not meet our rules regarding the minimum and maximum age, we can declare the coverage invalid, within the period permitted by law.

Contesting the contract

You and all insured people under the contract have an obligation to disclose every fact material to our decision to issue the coverage or coverages for which you have applied and, if we do issue it, on what terms. We have the right to contest the validity of the contract or any coverages under the contract and deny any claim, if you misrepresent or fail to disclose a material fact.

We will contest if, in any application, or on any medical examination, or in any written statements or answers provided as evidence of insurability, you or one of the insured people under the contract have:

- failed to disclose a material fact
- stated a material fact incorrectly
- misrepresented an insured person's age
- misrepresented an insured person's healthstyle information
- fraudulently misrepresented or failed to disclose a material fact

When we can contest

We can, at any time, contest the validity of:

- the contract or any insurance or rider coverage when there was a misstatement of age, sex or fraud in relation to the application for the contract or coverage, including an intentional misrepresentation of healthstyle information
- the *Total Disability Waiver Rider* if you have chosen this rider

Except as stated above, we cannot contest the validity of:

- the contract after it has been in effect for two years from the policy issue date or the date the contract was last reinstated
- an insurance or rider coverage after it has been in effect for two years from the coverage issue date or the date the contract was last reinstated

If an insured person under the contract dies during those two years, we can contest at any time.

Using this contract as security for a loan

You can use this contract as security for a loan by assigning it to the lender, based on the following rules. This is called a collateral assignment or, under the Quebec Civil Code, a hypothec.

You can only assign or hypothecate the entire contract, not the individual coverages.

We are bound by the assignment or hypothec when we receive written notice of it at our Head Office.

The lender should send the assignment or hypothec to us in duplicate and we will return a copy to the lender.

After you have collaterally assigned or hypothecated the contract, you may need the consent of the lender to convert a coverage, reduce or cancel a coverage, or cancel the contract.

We are not responsible for the validity of any assignment or hypothec.

The rights of the lender may take precedence over the rights of any person claiming a death benefit.

Transferring ownership

You can transfer ownership of your policy to another person. This type of transfer is called an absolute assignment. The entire policy must be assigned. We are not bound by the assignment until we receive a copy of it at our Canadian head office. We are not responsible for making sure that an assignment is valid.

Transferring ownership of your contract has tax consequences, which may include increasing your taxable income.

Claims of creditors

This contract and the benefits payable under it will be exempt from seizure and the claims of your creditors, so far as the law allows.

Currency

All premiums paid to us or payments made by us will be in Canadian dollars.

Type of policy

This policy is non-participating. The owner of a non-participating policy does not have some of the rights of the owner of a participating policy, including eligibility for annual dividends and the right to vote at our annual meetings.

11 Words and phrases used in this policy

This section defines some of the terms used in your policy.

Adjusted age or Adjusted joint age is the age we use to recalculate premiums and expiry dates when you make changes to your policy. Changes that require an adjusted age or adjusted joint age include changing the healthstyle that applies to one or both of the people insured by a coverage insuring two people. This age will appear in Section 3 of your policy.

Age at coverage date is the age of an insured person on the birthday nearest the day his or her single-life insurance or rider coverage begins.

Amount of insurance is the amount of each insurance coverage shown in Section 3.

Beneficiary is a person you name to receive all or part of the death benefit when an insured person dies.

Combined coverages provide insurance coverage for two people where a death benefit is payable in the same amount for each insured person. After the first death, coverage continues automatically on the life of the remaining person on a single-life basis.

Contract means the application, the policy document and all riders and other documents related to it, as described in Section 10 under the heading *More information about this policy*.

Conversion expiry date is the last day you can convert a coverage to new permanent insurance.

Coverage refers to both insurance coverage and rider coverage provided under this contract.

Coverage date is the day an insurance or rider coverage begins. Coverage years, months and anniversaries are measured from the coverage date.

Coverage expiry date is the day an insurance or rider coverage ends.

Coverage issue date is the day we issue an insurance or rider coverage. If your contract was reinstated, the Coverage issue date in Section 3 reflects the day the contract was last reinstated.

Coverage type indicates if the coverage insures the lives of one or two people and the basis on which the death benefit is payable.

Death benefit is the total amount paid by us on the death of a person whose life is insured.

Evidence of insurability is any information that we require to decide if the person who is to be insured is insurable, and if so, on what terms. This can include financial information.

First-to-die coverage is one insurance coverage for two people, where we pay the death benefit when the first of the two people dies.

Healthstyle refers to a person's tobacco use, personal and family medical history, any recreational risks, any health findings and other personal and lifestyle information. It also means the healthstyle category of an insured person.

Healthstyle categories are the broad categories we use to determine the premiums for insurance and rider coverages. The insurance rating also affects the premiums we charge. We determine the insured person's healthstyle category for each insurance and rider coverage based on his or her healthstyle. A coverage on an insured person with Healthstyle category 5 is usually more expensive than a coverage on an insured person with Healthstyle category 1.

Subject to our administrative rules at the time, you may apply for an improved Healthstyle category after the coverage issue date, as long as you provide proof satisfactory to us that the insured person meets our criteria for the healthstyle category you are applying for.

Insurance coverage is life insurance protection provided by the insurance policy. You can have several insurance coverages under this policy, each insuring the lives of one or two people and providing a death benefit. The amount of insurance for each of your coverages is shown in Section 3. When we refer to insurance coverages, we are not referring to any rider coverages which you may have added to your policy.

Insurance rating is used in the calculation of the premiums shown on the Premium table in Section 12. We rate each insured person based largely on their health, family medical history and recreational or employment activities. Our standard rating is 100 per cent, but an insured person may have an insurance rating that is higher than our standard rating of 100 per cent if we consider him or her to be a greater risk to insure. The higher the percentage, the higher the premium. The insurance rating may also be a flat dollar amount. We show the insurance rating on the Policy Summary page in Section 3. Subject to our administrative rules in effect at the time, you may apply for an improved insurance rating after the policy issue date as long as you provide evidence of insurability satisfactory to us for the improved rating.

Insured person is any person whose life or health we have agreed to insure in this contract. We've shown the insured people in Section 3.

Joint age at coverage date is an age we determine based on the coverage type, and the sex, healthstyle and ages of the two people insured by one insurance coverage. It is not the average age of the two people.

Last-to-die coverage is one insurance coverage for two people, where we pay the death benefit when the last of the two people dies.

Material fact is a fact that, if disclosed, would:

- influence our decision to issue the coverage or
- affect the conditions under which we would be willing to provide coverage. These conditions could include limiting coverage or charging higher premiums.

Permanent insurance is protection for the lifetime of the insured person. There is no coverage expiry date for permanent insurance.

Policy is this policy document and includes all insurance coverages provided under it. It does not include any riders.

Policy date is the effective date of the contract. Policy years, months and anniversaries are measured from the policy date.

Policy fee is the amount we charge to administer your contract. The amount of your policy fee is shown in Section 3.

Policy issue date is the day we issue the contract as shown in Section 3. If your contract was reinstated, the Policy issue date reflects the day the contract was last reinstated.

Policy owner is the owner of the policy who holds all rights under the policy, unless these rights are limited by law or by collateral assignment or, under Quebec Civil Code, hypothecation of the policy. The policy owner may be an insured person under the policy.

Premium is the amount we charge you for the insurance coverages and for the rider coverages we provide.

Rider coverage is additional protection provided by a rider. You can have several rider coverages, each covering one person, under each rider. The benefit provided by each of your rider coverages is shown in Section 3.

Rider premium is the amount we charge for the benefits provided by any rider under your contract. The amount of your rider premium depends on how often you pay (i.e. monthly, quarterly, semi-annually, annually).

Riders are optional benefits you can purchase in addition to your insurance coverages.

Single-life coverage is insurance or rider coverage that insures the life of one person.

Term insurance is insurance protection we provide for a limited number of years.

Type of coverage: see "Coverage type".