



Insurance

# Thank you for choosing RBC Growth Insurance™: A Participating life insurance product

This Policy is a Participating Policy. The owner of the Policy shares in the distribution of surplus of the Participating Account in the form of Dividends. Dividends are not guaranteed.

Optional Riders are non-participating which means these Coverages are not eligible to receive Dividends.

**This Policy includes options and benefits that are guaranteed and some that are not guaranteed. The pages that follow provide your rights and obligations under this Policy. Please review your Policy carefully to ensure that you are satisfied with its terms and conditions.**

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## A. Terms used in this Policy

We, our, us and the Company, mean RBC Life Insurance Company.

You and your means the Policy owner(s) named in the Policy schedule.

Administrative Rules means the rules and procedures we establish to facilitate the administration of this Policy. We may amend our Administrative Rules from time to time. Any changes we make to our Administrative Rules will not alter any guarantee or benefit provided by this Policy.

Attained Age means a Life Insured's Insurance Age plus the number of years from the Policy Date to the nearest Policy Anniversary.

Available Cash Value means

	The Guaranteed Cash Value;
<i>Plus</i>	Cash value of any insurance purchased by paid-up additions;
<i>Plus</i>	Cash value of any insurance purchased by deposit option payments;
<i>Less</i>	Any outstanding Policy Loans plus interest.

Beneficiary means the person, persons or legal entity entitled to receive a Death Benefit, subject to the terms and provisions of this Policy.

Coverage means insurance on the life of a single person or jointly on the lives of several persons, under this Policy or under the terms of a Rider included with this Policy.

Coverage Amount means life insurance Coverage applied for and approved by us. This portion of your Death Benefit is guaranteed. It may change if you choose to exercise some of the options available to you in the Policy provisions. The Coverage Amount does not include Riders or any Enhanced Insurance Amount. It is specified in the Policy schedule.

Coverage Date means the first date Coverage is In Force, as described in provision B2.

Coverage Option means the option you elect for the payment of the Death Benefit. It is specified in the Policy schedule.

Death Benefit means the benefit that is payable when the Designated Life Insured dies, in accordance with your chosen Coverage Option. The Death Benefit payable is determined as outlined in provision C1.

Designated Life Insured means the Life Insured on whose death the Death Benefit is payable:

If your chosen Coverage Option is:	Then the Designated Life Insured is:
Single life	The Life Insured
Joint first-to-die	The first Life Insured to die
Joint last-to-die	The last Life Insured to die

Dividends are based on the surplus of the Participating Account. As such, they are subject to change and are not guaranteed. Optional riders are not eligible to participate in Dividends. Dividends, if declared, are credited on the Policy Anniversary.

Enhanced Insurance Amount is only applicable if your Dividend option is enhanced insurance. It is an insurance amount that consists of one (1) year term insurance, paid-up additions and insurance purchased by any deposit option payments until the enhanced crossover point is achieved. This portion of your Death Benefit is guaranteed for as long as the Enhanced Insurance Amount lifetime guarantee is in effect. It is specified in the Policy schedule.

Evidence of Insurability means the information we use to determine if a person is eligible for insurance. It may include medical examinations, doctors' reports, blood and fluid tests, or any other evidence of the person's health, lifestyle or financial circumstances.

Guaranteed Cash Values are the values stated in the table of Guaranteed Cash Values in the Policy schedule.

Income Tax Act means any Canadian federal or provincial tax legislation, including rules and regulations thereunder that apply to life insurance policies.

In Force means the insurance under this Policy is in effect. This Policy must be In Force for any benefits or privileges to be provided. This Policy will stay In Force until the earliest of the dates listed in provision B3.

Insurance Age means the age of a Life Insured at his or her birthday nearest the Policy Date. If this Policy jointly insures two or more people, the Joint Insurance Age will be used instead of the Insurance Age. It is specified in the Policy schedule.

Joint Insurance Age means the one age that results from combining the Insurance Age, smoking status and Risk Classification of each of the Lives Insured under a joint first-to-die or joint last-to-die Coverage Option, as determined by us. It is specified in the Policy schedule.

Life Insured means a person whose life is insured under this Policy, or under a Rider attached to this Policy. Every Life Insured is named in the Policy schedule.

Maximum Amount per Option means the additional amount of life insurance that may be purchased at each of the option dates specified in any guaranteed insurability benefit provision provided by this Policy or any Rider attached to it. Your request for additional life insurance on any of the options dates may not exceed this amount. It is specified in the Policy schedule.

Monthly Processing Day means the same day of the month as the Policy Date.

Net Cash Value means the Policy's cash value available to you for withdrawal. The Net Cash Value is the Available Cash Value less any unpaid Premium including interest.

Participating Account means an investment account managed by the Company, comprised of Premiums paid by all participating Policy owners.

Participating Policy means an eligible insurance contract that shares in distribution of surplus of the Participating Account in the form of Dividends.

Policy means the written contract between you and us that describes the insurance Coverage on the Life Insured. Unless otherwise stated in writing, this Policy includes insurance Coverage under any Rider, amendment or endorsement that we attach to this document.

Policy Anniversary means the same day and month as the Policy Date in each subsequent calendar year.

Policy Date means the date from which Policy Years, Policy Anniversaries, Monthly Processing Days, and Premium due dates are determined. It is specified in the Policy schedule.

Policy Loans means any amount owing to the Company as outlined in provisions G2 and G3.

Policy Year(s) means a year that begins on the later of the Policy Date or a Policy Anniversary.

Premium means the amount you pay to us in consideration for the insurance provided under this Policy. It is specified in the Policy schedule. It does not include any deposit option payments.

Rider means optional Coverage that provides additional life insurance benefit or some other insurance benefit as specified in the Rider's provisions. Any Riders included with this Policy are specified in the Policy schedule.

Risk Classification means a broad category of criteria we establish in order to determine the insurability of applicants and whether or not an offer of insurance Coverage can be made and under what terms Coverage is available. Such terms may include any combination of the following: the payment of an extra Premium, a reduction in the amount of insurance applied for, a restriction in the type of benefits applied for, or a denial of particular benefits pertaining to specific risks. It is specified in the Policy schedule.

Total Maximum Benefit means the maximum amount of total life insurance available under any guaranteed insurability benefit provision provided by this Policy or any Rider attached to it and is specified in your Policy schedule. The sum of all additional life insurance Policies requested and approved cannot exceed this amount.

Written Request means a request signed by you and received by us, in a form that is satisfactory to us. A written request is not effective until we have recorded it at our office. Any Policy change you request is subject to any payments made or other action taken by us before your request was recorded at our office.

There are additional definitions provided in the provisions of this Policy and the Riders attached to it.

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## **B Your Life Insurance Coverage**

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### **B1 This Policy is a contract between you and RBC Life Insurance Company**

This Policy is a Participating Policy. The owner of the Policy shares in the distribution of surplus of the Participating Account in the form of Dividends. Dividends are not guaranteed.

This is a life insurance Policy within the meaning of the relevant provincial legislation in Canada, and forms the entire contract between you and us. It includes:

- a) This Policy;
- b) Your completed application for insurance;
- c) Any application we approve for reinstatement or to exercise an option under this Policy; and
- d) Any exclusion or other documents we attach to this Policy.

Any statement that is not part of this Policy does not bind us, and no agent or person other than an officer of RBC Life Insurance Company can modify this Policy. Any such modification must be clearly expressed in writing and signed by two of our officers.

If for any reason we fail to enforce a Policy provision at the relevant date, we reserve the right to enforce that provision at a later date.

### **B2 When your insurance begins**

As long as no change has taken place in the insurability of any Life Insured between the time the application was completed and the time the Policy was delivered, your insurance on this Policy will begin on the Coverage Date.

For Coverage included with this Policy when it is issued, your Coverage Date is the latest of:

- a) The Policy Date specified in the Policy schedule;
- b) The date you receive this contract; or, if you reside in Quebec, the date we approve your application without modification;
- c) The date we receive confirmation from you, in a form satisfactory to us, of your acceptance of all amendments, addendums and exclusions required for the Policy to take effect; and
- d) The date your initial Premium is received at our head office. If your initial Premium is not honored, this Policy will not take effect.

For each additional Rider added to the Policy after the Policy Date, the Coverage Date is the Monthly Processing Day on which the Rider became effective.

### **B3 When your insurance ends**

Your insurance under this Policy ends on the earliest of the following dates:

- a) The date the Designated Life Insured dies;
- b) The effective date of your cancellation;
- c) The end of the grace period if any portion of the Premium remains unpaid, as described in provision D2;
- d) The date we terminate this Policy, as described in provisions C4 and H3;
- e) The date that the Net Cash Value is less than \$0.

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## C The benefits provided by this Policy

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### C1 Your Death Benefit

Upon the death of the Designated Life Insured, we will pay the Death Benefit to the Beneficiary subject to the terms and provisions of this Policy.

The Death Benefit is determined as follows:

	The Coverage Amount specified in the Policy schedule
<i>Plus</i>	any insurance purchased by Dividends and any insurance purchased by deposit option payments, or any Enhanced Insurance Amount specified in your Policy schedule
<i>Minus</i>	any unpaid Premiums, including interest;
<i>Minus</i>	any outstanding Policy Loans, including interest.

Any balance in the Dividends on deposit account will also be paid to the Beneficiary.

If the date of birth or sex of any Life Insured has been stated incorrectly, we will increase or decrease the Death Benefit payable to the amount that would have been provided by the Premium paid using the correct date of birth or sex.

### C2 Decreasing your Death Benefit

Any decrease to the Coverage Amount will decrease your Death Benefit. You may submit a Written Request to decrease your Coverage Amount at any time, subject to our Administrative Rules.

If you choose to decrease your Coverage Amount:

- 1) We will reduce the Guaranteed Cash Values proportionately, which may result in a refund of a portion of the Guaranteed Cash Value;
- 2) We may reduce the insurance purchased through deposit option payments and paid-up additions to ensure the Policy maintains its tax-exempt status as described in provision I1.

These reductions will reduce the Available Cash Value and Net Cash Value of this Policy.

You may also decrease your Death Benefit by accessing the values in your Policy as described in provision G1.

### C3 When we will not pay the Death Benefit

We will not pay the Death Benefit if any Life Insured commits suicide, within two (2) years from the Coverage Date or any reinstatement date.

We will refund from the later of the Coverage Date or the date of the last reinstatement, without interest, to you, the sum of the following:

	The Premiums
<i>Plus</i>	any deposit option payments;
<i>Minus</i>	any outstanding Policy Loans including interest;
<i>Minus</i>	any withdrawals made from this Policy;
<i>Minus</i>	any cash Dividends paid and any withdrawals made from the Dividends on deposit account.

We will not refund any balance in the Dividends on deposit account.

We will not pay the Death Benefit if this Policy is declared void due to material omission, misrepresentation, or fraud, as described in provision C4.

If any Life Insured commits suicide within two (2) years from the date of the last Written Request for each deposit option payment, we reserve the right to exclude insurance purchased by deposit option payments from the Death Benefit, as described in provision D5.

If any Life Insured commits suicide within two (2) years from the date of a Written Request to change the Dividend option, as described in provision E2, to paid-up additions, we reserve the right to exclude insurance purchased with paid-up additions from the Death Benefit.

#### **C4 When we will contest the validity of this Policy**

We have the right to contest the validity of this Policy, any Policy change or the payment of the Death Benefit or any other Policy benefits, if you or any Life Insured under this Policy have incorrectly stated, misrepresented or failed to disclose a material fact in the application for insurance, any Written Request for the Policy change, or any medical examination or interview, or in any statements or answers, in any medium provided as Evidence of Insurability.

Except in the case of fraud,

- 1) We will not contest this Policy for misrepresentation after it has been In Force for two (2) years during the lifetime of every Life Insured, from the later of the Coverage Date or the last date of reinstatement;
- 2) We will not contest a Policy change for misrepresentation after it has been in effect for two (2) years during the lifetime of every Life Insured.

If the Designated Life Insured dies during this two (2) year period, we can contest the validity at any time.

When there is an indication of fraud, we can declare this Policy void at any time. Fraud includes but is not limited to a material misrepresentation of the smoking status of any Life Insured. If the Policy is declared void for fraud, we will not refund Premiums paid.

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## D Your Premiums

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### D1 Paying for your Policy

The first Premium is due on the Policy Date and is specified in the Policy schedule. If we do not receive your first Premium, or if it is not honored, this Policy will not take effect.

Each Premium must be paid on, or before, its due date. The amount and frequency of your Premiums along with the required Premium payment period is specified in the Policy schedule.

Depending on the Dividend option you have selected, you may change the frequency of your payments by submitting a Written Request.

### D2 What happens if you miss a Premium

After you pay your first Premium, if you miss a Premium when it is due, we allow a grace period of thirty-one (31) days. If the missed Premium is not paid within thirty-one (31) days of the due date, we will deduct the Premium required to pay for the Policy as follows:

- 1) We will withdraw Premium from any funds in the Dividends on deposit account.
- 2) If there is any remaining unpaid Premium then the amount owing will be paid by automatic Premium loan as specified in provision G3. If there is insufficient Available Cash Value to pay the remaining unpaid Premium, this Policy will end.

If the Designated Life Insured dies during the grace period, before the Premium is paid, we will deduct the outstanding Premium and any outstanding automatic Premium loan balance plus interest, from the Death Benefit as described in provision C1.

### D3 Reinstating your Policy

A Policy can be reinstated only if it terminated due to non-payment of premium as described in provision D2, subject to the following conditions:

- 1) You must make a Written Request for reinstatement and submit it to our office within two (2) years after the end of the grace period.
- 2) Every Life Insured, other than you, must also sign the Written Request for reinstatement. If the Life Insured is under age sixteen (16), or age eighteen (18) in Quebec, the Life Insured's parent or legal guardian must sign the Written Request for reinstatement.
- 3) At the time you make your Written Request for reinstatement, every Life Insured must be insurable by our standards. You must submit Evidence of Insurability and a service fee we set from time to time in accordance with our Administrative Rules.
- 4) You must pay each unpaid Premium from the due date of the first unpaid Premium to the reinstatement date, with interest at a rate we determine. We reserve the right to change the smoking status and Risk Classification applicable to each Life Insured to establish his or her future Premiums.
- 5) You must pay any Policy Loans that existed on the due date of the first unpaid Premium, together with interest compounded annually from that date to the reinstatement date at a rate we will determine.
- 6) The Coverage Amount and any Enhanced Insurance Amount, along with the benefits provided by any Riders attached to this Policy, will be reinstated in the same amount as they were on the date your Policy terminated.

### D4 Changing from smoker to non-smoker Premiums

This provision does not apply to any Policy when the Insurance Age for any Life Insured is under eighteen (18) on the Coverage Date.

You may submit a Written Request after this Policy is In Force to change the smoking status of any Life Insured to a non-smoker. We will consider such a request no more than once per year. If we approve the change, it will take effect on the Monthly Processing Day following the date we approved your request. We will approve this request subject to our Administrative Rules and the following conditions:

- 1) You submit evidence we consider satisfactory as to the smoking status of the Life Insured, including our then current non-smoking declaration. The Life Insured must meet our definition of a non-smoker at the time of the request.
- 2) You submit a completed non-medical declaration of health for the Life Insured in our standard form, as well as any other medical evidence we might request, and we approve it.
- 3) We determine, based on the information submitted to or required by us under this provision, that any Life Insured's Risk Classification is the same or better than it was on the Coverage Date.

- 4) If your Coverage Option is joint first-to-die or joint last-to-die, we reserve the right to request evidence we consider satisfactory as to the health of each joint Life Insured.

If this change is approved, it may impact the values within this Policy.

## **D5 Deposit option payments**

### **D5.1 When your Policy is eligible for deposit option payments**

Deposit option payments are only available if the Dividend option selected is paid-up additions or enhanced insurance.

If your Premium payment period is '10 Pay – Payable for 10 years', or if your Premium payment status is reduced paid-up, we will not accept deposit option payments.

We reserve the right to limit, refuse or return deposit option payments.

You may submit a Written Request along with Evidence of Insurability that we consider satisfactory to add the deposit option after issue or to increase the deposit option payment. Such Written Requests are subject to our Administrative Rules.

### **D5.2 Frequency of deposit option payments**

The deposit option allows you to submit payments in addition to the Premium required to pay for your Policy and will be used to purchase insurance through paid-up additions as calculated by us. This additional insurance may be eligible to earn Dividends and will contribute to the Available Cash Value and Net Cash Value. Deposit option payments are subject to a premium load that is set by us and may change from time to time.

Deposit option payments may be scheduled monthly or annually in accordance with your premium payment frequency. Paid-up additions will be purchased on the day we receive payment.

We may also accept single payment deposit options subject to our Administrative Rules and Evidence of Insurability that we consider satisfactory. Paid-up additions will be purchased the day we receive payment.

### **D5.3 Additional limitations**

If we are waiving Premiums under this Policy, then all deposit option payments will stop until Premiums are no longer being waived. Scheduled premiums will automatically restart when Premiums are no longer being waived.

All deposit option payments will terminate if this Policy has an outstanding automatic Premium loan balance as described in provision G3. A Written Request and Evidence of Insurability must be submitted in order to restart the deposit option payments after the automatic Premium loan has been repaid in full.

The addition of the deposit option after issue and the increase of deposit option payments will be subject to suicide and contestability exclusions. The date the Written Request is approved will be considered the effective date for the purpose of validating whether the insurance purchased by deposit option payments is payable.

## **D6 Reduced Paid-Up Insurance**

If you would like to keep the Policy In Force without paying future Premiums, you can do so by reducing your Coverage Amount as outlined in this provision. This method of reducing Coverage is referred to as reduced paid-up insurance.

If we approve your request, we will use the Net Cash Value to determine the amount of reduced paid-up insurance. This amount of reduced paid-up insurance will become your new Coverage Amount. The effective date of the change will be the next Monthly Processing Day if your Premium payment frequency is monthly or the next Policy Anniversary if your Premium payment frequency is annual.

Once the Premium payment status is changed to reduced paid-up, it cannot be changed back to any other Premium payment status. All optional benefits and Riders will terminate.

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## E Dividends

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### E1 Dividend options

The amount of the Dividend is determined annually by us and may be applied to your Policy each year on the Policy Anniversary, while your Policy is In Force, based on the dividend option in effect at the time of your Policy Anniversary.

If you have requested to change your Policy to reduced paid-up insurance, the Policy will remain eligible to earn future Dividends. The Dividend option will be selected by us according to our Administrative Rules at the time of the request.

The Dividend options are:

1) Paid-up additions	Dividends under this option will be used to purchase an additional amount of paid-up life insurance separate from your Coverage Amount. Insurance purchased with paid-up additions may also earn Dividends and will also have a cash value.
2) Reduced premiums	Dividends under this option will automatically be applied to future Premiums for the next Policy Year. This option is only available if you pay for your Policy on an annual basis. If the amount of Dividends earned is more than your annual Premium for the next year, the excess will be paid out to you as described below in the cash dividend option.
3) Dividends on deposit	Dividends under this option will be held in a Dividends on deposit account earning interest daily at a rate we set which may change from time to time. Funds may be withdrawn from this account at any time.
4) Cash	Dividends under this option will be paid to you. The delivery method of the payment is subject to our Administrative Rules.
5) Enhanced insurance	Dividends under this option will be used to purchase both paid-up additions and one (1) year term insurance in a combination determined by us. The insurance purchased by paid-up additions may also earn Dividends and will also have a cash value. All insurance purchased by Dividends will form part of the Enhanced Insurance Amount.  This Dividend option can only be selected at time of application.  If your Policy includes the enhanced insurance Dividend option, additional information will be included in this Policy.

### E2 Changing your Dividend Option

You may submit a Written Request to change your Dividend option at any time, subject to our Administrative Rules. You may be required to provide new Evidence of Insurability that we consider satisfactory. Each Written Request to change your Dividend option where Evidence of Insurability is required will be subject to suicide and contestability exclusions. The date the Written Request is approved will be considered the effective date of the Policy change.

## **E3 Enhanced Insurance**

### **E3.1 Enhanced Insurance**

This Dividend option allows you to select an Enhanced Insurance Amount which is specified in the Policy schedule.

During the first Policy Year the Enhanced Insurance Amount will consist entirely of one (1) year term insurance at no additional cost to you. On each subsequent Policy Anniversary, any Dividends earned will purchase a combination of additional one (1) year term insurance and paid-up additions as determined by us. The sum of this combination will contribute to the Enhanced Insurance Amount until the enhanced crossover point is reached as outlined below.

The cost of the one (1) year term insurance is adjusted annually.

One (1) year term insurance is not eligible for Dividends and has no cash value.

### **E3.2 The enhanced crossover point and changing your Dividend option**

At each Policy Anniversary, the earned Dividend purchases a combination of paid-up additions and one (1) year term insurance gradually reducing the amount of one (1) year term insurance in the Enhanced Insurance Amount. When the portion of one (1) year term insurance in the Enhanced Insurance Amount reduces to zero and it is made up entirely of insurance purchased by paid-up additions, then the enhanced crossover point is achieved.

When the enhanced crossover point is achieved your Dividend option will automatically change to paid-up additions.

This Policy has the following limitations prior to the enhanced crossover point:

- 1) You may not surrender any insurance purchased by paid-up additions;
- 2) You may not surrender any insurance purchased by deposit option payments; and
- 3) You may not change your Dividend option.

### **E3.3 Enhanced insurance conversion privilege**

You may convert the one (1) year term insurance within thirty-one (31) days prior to any Policy Anniversary, without providing Evidence of Insurability, to any permanent plan we offer for conversion subject to the following conditions:

- 1) You submit a Written Request to us.
- 2) All Premiums are paid to the effective date of the conversion.
- 3) The conversion must occur prior to the date the enhanced insurance conversion privilege expires as specified in the Policy schedule.
- 4) The one (1) year term insurance cannot be converted if Premiums are being waived.

Converting the one (1) year term will automatically result in the enhanced crossover point being achieved.

The following conditions will apply to the new Policy issued under this conversion privilege:

- 1) Policy Years under the new Policy will be calculated using the Policy Date of the new Policy.
- 2) The conditions and provisions of the new Policy will apply from the Coverage Date of the new Policy.
- 3) Any Evidence of Insurability as well as any exclusions that form part of this Policy on or before the date of conversion will also form part of the new Policy.
- 4) The Death Benefit of the new Policy cannot be greater than the one (1) year term insurance amount in effect on the date of conversion subject to the minimum amount we allow on the new plan of insurance.
- 5) Optional benefits and Riders on this Policy will not form part of the new Policy.

The Premiums for the converted Coverage will be based on:

- 1) The amount of insurance under the new Policy;
- 2) The Premium rates we then offer for the new insurance plan;
- 3) The Attained Age of the Life Insured at the time of conversion; and
- 4) The Life Insured's smoking status and Risk Classification specified in the Policy schedule of this Policy.

### **E3.4 When the one (1) year term insurance ends**

The one (1) year term insurance ends on the earliest of the following dates:

- 1) The date the new Policy takes effect under the enhanced insurance conversion privilege;
- 2) The date the enhanced crossover point is achieved;
- 3) The date you elect to change the Policy to reduced paid-up insurance, as described in provision D6;
- 4) The date this Policy ends, as described in provision B3.

### **E3.5 Enhanced Insurance Amount lifetime guarantee**

We guarantee that the Enhanced Insurance Amount will not be reduced while the enhanced insurance Dividend option on your Policy is in effect.

If the Dividend earned in any given year is insufficient to purchase the entire amount of one (1) year term insurance then we will reduce the insurance purchased by the deposit option payments and paid-up additions to create sufficient cash value to purchase the one (1) year term insurance required to maintain the Enhanced Insurance Amount. If we cannot create sufficient cash value to do so then we guarantee that your Enhanced Insurance Amount will not be reduced.

The Enhanced Insurance Amount lifetime guarantee ends on the earliest of the following:

- 1) The date the Policy ends, as described in provision B3;
- 2) The date the enhanced crossover point is achieved; or
- 3) The date you elect to change the Policy to reduced paid-up insurance, as described in provision D6.

### **E3.6 When we will decrease your Enhanced Insurance Amount**

If you decrease your Death Benefit by reducing your Coverage Amount as described in provision C2, we may decrease your Enhanced Insurance Amount.

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## **F1 Keeping you informed**

We will make available to you an annual Policy statement following each Policy Anniversary. Subject to our Administrative Rules, Policy statements may be issued more frequently than annually upon request.

## **F2 Keeping us informed**

You must advise us of any change in your primary contact information including but not limited to, residence or mailing address, telephone number, and email address so that we may continue to administer your Policy in compliance with the requirements of your province of residence, and so that we may communicate with you.

If your Coverage Option is joint last-to-die, you must advise us when the first Life Insured under this Policy dies.

## **F3 Your rights and privileges as the Policy owner**

As the owner of this Policy, you may exercise all the rights and privileges the Policy provides while it is In Force. These rights are subject to applicable legislation and include:

- a) Naming and changing the Beneficiary, as described in provision F4;
- b) Assigning this Policy as security for a loan or transferring ownership of this Policy, as described in provision F6;
- c) Cancelling this Policy or any Rider attached to it, as described in provision F5;
- d) Exercising the benefits and privileges for joint Coverage Options, as described in provision H;
- e) Changing the frequency of Premium payments, as described in provision D1;
- f) Withdrawing or borrowing money from this Policy, as described in provision G.

If there is more than one Policy owner, all Policy owners must exercise their rights and privileges unanimously. Your rights and privileges may be limited by the terms and provisions of this Policy, by any applicable laws, or by the rights of any assignee or irrevocable Beneficiary.

If you are not a Life Insured and you die before any Life Insured, your estate will become the owner unless you have submitted a Written Request naming a contingent owner. You may name a contingent owner at any time while this Policy is In Force by filing a Written Request with us.

## **F4 Naming a Beneficiary**

In the event the Designated Life Insured dies while this Policy is In Force, we will pay the Death Benefit, any additional payable benefits provided by any Riders attached to this Policy and any balance in the Dividends on deposit account to the Beneficiary whose name we have on record at the time of the death.

You may change the Beneficiary for the Policy or any Rider attached to it, subject to applicable law, by completing a Written Request at any time before the Designated Life Insured dies. If there is an irrevocable Beneficiary on the Policy, they will also need to provide their consent.

If no Beneficiary is living when the Designated Life Insured dies, and the Beneficiary designation then in effect does not state otherwise, any amounts payable will be paid to you or your estate.

## **F5 Your right to cancel this Policy or any Rider attached to it**

You may cancel this Policy for its Net Cash Value, plus any balance in the Dividends on deposit account, at any time by Written Request. The effective date of your cancellation will be the date we process your request, subject to our Administrative Rules.

You may also cancel any Rider attached to this Policy. The effective date of your cancellation will be the Monthly Processing Day following the date we receive your request, subject to our Administrative Rules.

## **F6 Assigning or transferring ownership of this Policy**

You may assign this Policy as security for a loan. This is known as a collateral assignment. You may also transfer ownership of this Policy to another person or entity, subject to our approval, and to legislation in effect at that time. This is known as an absolute assignment. We are not bound by an assignment until we receive written notice of it at our office and we approve it.

You may name a new owner at any time while this Policy is In Force by filing a Written Request with us. Once it is approved and recorded at our office, the change will be effective whether or not you or the Life Insured are alive when we record the change.

If you have named an irrevocable Beneficiary, you will need their written consent to assign this Policy except where otherwise prescribed by law.

## **F7 Currency**

All amounts payable under this Policy, either to us or by us, are payable in Canadian dollars.

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## **G Accessing your Policy's cash values**

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### **G1 Withdrawing money from the Policy's Net Cash Value**

You may request to withdraw from the Policy's Net Cash Value at any time provided your Policy is not in the grace period and subject to our Administrative Rules.

A partial withdrawal from the Policy's Net Cash Value will reduce the Death Benefit, as described in provision C2. Withdrawing all of the Policy's Net Cash Value requires a Written Request advising us that you are cancelling your Policy as described in provision F5.

### **G2 Borrowing money from the Policy's Available Cash Value**

You may request a Policy Loan against your Policy's Available Cash Value at any time, provided your Policy is not in the grace period and subject to our Administrative Rules.

Interest is charged daily at a rate set by us on the date the Policy Loan is advanced. Unpaid interest is added to the Policy Loan balance at the end of the Policy Year. The interest rate charged is subject to change at each Policy Anniversary.

You may repay this Policy Loan plus interest at any time subject to our Administrative Rules.

Any outstanding Policy Loan plus interest will be deducted from any amounts payable under this Policy and will impact the values available in this Policy.

### **G3 Automatic Premium loan**

The automatic Premium loan is a loan initiated by us in the event that you miss paying your Premium when it's due, as described in provision D2, provided that your Policy has sufficient Available Cash Value to pay for the missed Premium(s).

Interest is charged daily at a rate set by us from the date that the first Premium was missed. Unpaid interest is added to the loan balance at end of the Policy Year. The interest rate charged is subject to change at each Policy Anniversary.

You may repay the loan plus interest at any time subject to our Administrative Rules.

Any outstanding automatic Premium loan amount plus interest will be deducted from any amounts payable under this Policy.

You can restart Premium payments at any time while amounts are being advanced under the automatic Premium loan for unpaid Premium and while this Policy is In Force. Any Premium submitted will be applied to the Policy at the next Premium due date and will not be applied towards reducing the loan.

Since the automatic Premium loan is using the cash value elements of the Available Cash Value to pay for the outstanding Premiums, any outstanding balance on this loan will impact values available in this Policy.

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## H Benefits and privileges for joint Coverage Options

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### H1 The survivor privilege under a joint first-to-die Coverage Option

If your Coverage Option is joint first-to-die, as specified in the Policy schedule, the surviving Life Insured may apply for a new single life Policy without providing Evidence of Insurability upon the death of the Designated Life Insured, subject to the following conditions:

- 1) This privilege must be exercised prior to the Policy Anniversary nearest the surviving Life Insured's seventieth (70<sup>th</sup>) birthday.
- 2) You must submit a Written Request to exercise this privilege to us within sixty (60) days of death of the Designated Life Insured, together with the payment of the first Premium for the new Policy.

#### H1.1 The new Policy issued under the survivor privilege

The new Policy will be issued under the same insurance plan as this Policy, if available, or under an insurance plan we determine to be most similar to this one. It will be subject to the following conditions:

- 1) Policy Years under the new Policy will be calculated from the Policy Date of the new Policy.
- 2) The conditions and provisions of the new Policy will apply from the Coverage Date of the new Policy, including the two (2) year exclusion for suicide.
- 3) Any Evidence of Insurability as well as any exclusion that form a part of this Policy on or before the date the request is processed will become part of the new Policy.
- 4) The Coverage Amount under the new Policy cannot exceed the Coverage Amount plus any Enhanced Insurance Amount under this Policy at the time this privilege was exercised, excluding any Riders, and is subject to the minimum amount we allow for the new plan of insurance.
- 5) Any Riders included in this Policy may be included in the new Policy if we offer them on the new plan.
- 6) We will determine the Premium on the new Policy based on the following:
  - a) The amount of insurance under the new Policy;
  - b) The Life Insured's Attained Age at the time of exercising this privilege;
  - c) The Premium rates then in effect for the new insurance plan;
  - d) The Life Insured's smoking status and Risk Classification used in calculating the Premiums for this Policy.

### H2 The supplementary death benefit for a surviving Life Insured

If the surviving Life Insured under a joint first-to-die Coverage Option dies within sixty (60) days of the death of the Designated Life Insured, we will pay to the Beneficiary a supplementary death benefit subject to the following conditions:

- 1) The supplementary death benefit will be equal to the Coverage Amount plus any Enhanced Insurance Amount under this Policy on the day the Designated Life Insured died, excluding any Riders. We will not pay an additional amount for any subsequent deaths.
- 2) This provisional coverage is in effect for sixty (60) days from the date the Designated Life Insured died, or until a new Policy is issued under the survivor privilege outlined in provision H1, if sooner. This benefit is not payable if the surviving Life Insured commits suicide.

If two or more Life Insureds die at the same time, or under circumstances that make it uncertain who died first, we will deem a younger insured to have survived an older insured and the Beneficiary associated with the oldest such Life Insured will receive the death benefit.

### H3 Exchanging your joint Coverage Policy for single life Policies

If your Coverage Option is joint first-to-die, you may exchange this Policy for one or more single life Policies subject to our approval and our Administrative Rules at the time and the following conditions:

- 1) You must exercise this privilege prior to the Policy Anniversary nearest the oldest Life Insured's seventy fifth (75<sup>th</sup>) birthday.
- 2) The exchange will take effect on the Monthly Processing Day following the date we have approved your Written Request, and any Rider coverage under this Policy will simultaneously terminate.

#### H3.1 The new single life Policies issued under this exchange privilege

Any new single life Policy will be issued under the same insurance plan as this Policy, if available, or under an insurance plan we determine to be most similar to this one. It will be subject to the following conditions:

- 1) Policy Years under the new Policy will be calculated from the Policy Date of the new Policy.
- 2) The conditions and provisions of the new Policy will apply from its Coverage Date, on the Monthly Processing Day following the date we have approved your Written Request, except that our right to contest the validity of the Policy and the two (2) year exclusion for suicide, as described in provisions C3 and C4 respectively, will continue to apply from the later of the original Coverage Date or the last date of reinstatement of this Policy. Our right to contest the validity of the new Policy based on any new Evidence of Insurability submitted with this exchange request will apply from the Coverage Date of the new Policy.
- 3) Any Evidence of Insurability as well as any exclusion that form a part of this Policy on or before the date of exchange will become part of the new Policy.
- 4) The Coverage Amount under the new Policy cannot exceed the Coverage Amount plus any Enhanced Insurance Amount under this Policy at the time this privilege is exercised, divided by the number of Lives Insured under this Policy. The Coverage Amount is subject to the minimum amount we allow for the new plan of insurance.
- 5) Any Riders included in this Policy may be included in the new Policy if we offer them on the new plan.
- 6) We will determine the Premium on the new Policy based on the following:
  - a) The amount of insurance under the new Policy;
  - b) The Life Insured's Attained Age at the time of exercising this privilege;
  - c) The Premium rates then in effect for the new insurance plan;
  - d) The Life Insured's smoking status and Risk Classification used in calculating the Premiums for this Policy.

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## **I Taxation**

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### **I1 Maintaining your Policy's tax exempt status**

The Income Tax Act permits growth of cash value in a life insurance policy up to a certain limit, while maintaining the Policy's tax exempt status.

This tax exempt limit changes on the Policy Anniversary. We will perform a tax-exempt limit test every year and may make adjustments to your Policy to maintain its exempt status. We have the right to and may at our sole discretion, refuse any requested transaction that would risk the Policy's exempt status unless we can also make an appropriate adjustment to maintain its status.

### **I2 Income Tax Reporting**

Although your Policy may be tax exempt, some changes and transactions processed under the terms of this Policy are subject to the tax legislation in effect at that time. We will inform you of any amount you are required to include in your income for tax purposes. Under current income tax provisions this may occur as a result of a partial or total disposition of your Policy, including but not limited to:

- 1) Transferring ownership of your Policy, as described in provision F6;
- 2) Cancelling your Policy, as described in provision F5;
- 3) Decreasing your Death Benefit, as described in provision C2;
- 4) Exchanging a joint first-to-die Policy for individual policies, as described in provision H3;
- 5) Accessing your Policy's values, as described in provision G;
- 6) Payment of Dividend in cash, or transfer of a Dividend to the Dividends on deposit account (including any balance remaining after using the Dividend to pay Premiums), to the extent that amount is more than the adjusted cost basis of the Policy; and
- 7) Interest earned in the Dividends on deposit account.

### **I3 Changes to your Canadian Resident Status**

If you become a non-resident of Canada, non-resident tax rules under the Income Tax Act apply. You must notify us if you change your country of residence, as described in provisions F2.