



Sample Policy Contract

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

GENERAL PROVISIONS - LIFE

Effective Date of Insurance

Insurance on the life of an Eligible Member will begin on the later of the date on which:

- a) a written application is received by the Company; and
- b) the full premium for the insurance applied for is received by the Company;

if on that date he/she was insurable in accordance with the underwriting rules of the Company.

Copy of Application

A copy of the application for any Unit of insurance which is approved is attached to the certificate issued as a result of that application. Please retain all certificates since copies of application documents attached to earlier certificates will still be relevant with regard to the Unit(s) of insurance approved at that time.

Coverage Amount

The Member's Summary of Life Coverage Page indicates the type and number of Units of insurance in force on the life of the Member, and, if applicable, the Member's Spouse and Child(ren).

Limitation Period

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.

Special Provisions

If a Special Provision is applied to any insurance on the life of an Insured Member, the Special Provision will be endorsed on the Insured Member's certificate.

Total and Permanent Disability Benefit

Benefit. If an Insured Member becomes Totally Disabled, and;

- a) on the date he/she became Totally Disabled the Insured Member was under Age 65; and
- b) the Company receives proof satisfactory to the Company that the Insured Member has been Totally Disabled for 3 continuous months; and

c) the Insured Member continues to be Totally Disabled, the insurance which is in effect will be continued and the Company will waive the premium due for any Units of Insurance in force on the life of the Insured Member on:

- i) the first Premium Due Date which falls after the Insured Member has been Totally Disabled for 3 continuous months; and
- ii) each subsequent Premium Due Date at which the Company determines that such Total Disability continued.

Limitation on New Applications. An Insured Member who is eligible for or receiving Total Disability Benefits shall not be eligible to apply for increased or new benefits on his/her own life, on the lives of his/her Spouse or Dependents or for Non-Smoker benefits.

Definition. An Insured Member is Totally Disabled if due to injury or sickness he/she is unable to work at any occupation for wage or profit and for which he/she is qualified by reason of education, training or experience.

Procedure for Claiming Benefit

a) Notice and Proof of Claim. Written notice and satisfactory proof of claim must be received by the Company at its Affinity Markets office:

- i. while the Insured Member is Totally Disabled; and
- ii. within one year after the date the Insured Member became Totally Disabled;

otherwise no retroactive benefits will be granted unless it is shown that notice and proof were given as soon as it was reasonably possible. In any event, benefits will be granted only for the period for which proof of Total Disability, satisfactory to the Company, is received by the Company.

b) Proof that the Insured Member Remains Totally Disabled. The Company may request proof at reasonable intervals, as determined by the Company, that the Insured Member is still Totally Disabled. This proof must be satisfactory to the Company.

The Company may require the Insured Member to be examined by a doctor named by the Company. If the Insured Member has been Totally Disabled for two years or more, the Company will not require an examination more often than once a year.

Termination. The Total Disability Benefit ceases on the earliest of:

- a) the Premium Due Date immediately following the date the Insured Member ceases to be Totally Disabled; or
- b) the date the Company asks for proof that the Insured Member is still Totally Disabled and proof is not given within 31 days unless it is shown that proof cannot be reasonably given within this period of time; or
- c) the date the Company asks the Insured Member to be examined by a doctor named by the Company and an examination is not made within 31 days; or within such longer period stated by the Company; or
- d) the Policy Anniversary coinciding with or immediately following the date the Insured Member attains the Termination Age, unless insured under the Insurance Continuation Benefit.

Limitation of Total Disability Benefit. The Total Disability Benefit will not be granted if the Total Disability of the Insured Member is due to:

- a) self-inflicted injury while sane or insane;
- b) war, whether declared or not, any act of war or insurrection.

Job Loss Waiver of Premium Benefit

Benefit. If an Insured Member is an Employee or is Self-employed and experiences a Job Loss, the insurance which is in effect on the life of the Insured Member will be continued and the Company will waive the premium due for any Units of Insurance in force, provided that Insured Member:

- a) was under Age 65 on the date the Job Loss occurred;
- b) has satisfied the Waiting Period following the date the Job Loss occurred; and
- c) has provided satisfactory evidence to the Company of the Job Loss.

Premiums which shall be waived are those which are payable on the first Premium Due Date that falls after the Waiting Period and on each subsequent Premium Due Date for a maximum period of 12 months following the end of the Waiting Period.

No benefit is payable if:

- a) the date the Job Loss occurs is prior to the later of:
 - i) the effective date of coverage; or,
 - ii) the effective date of the Job Loss Waiver of Premium Benefit; or
- b) the Insured Member returns to work or becomes Self-employed before the next Premium Due Date following the Waiting Period, where Premium Due Date means:
 - i) April 1 of each year if premiums are paid annually; or
 - ii) the first day of each month if premiums are paid monthly by pre-authorized collections (PAC).

Definitions

Employee means an Insured Member who:

- a) is a Canadian resident;
- b) has been continuously employed for the last 3 months by the same employer;
- c) is classified by his or her employer as a permanent employee who works at least 20 hours a week;
- d) is not involved in seasonal employment;
- e) is not employed on a temporary contract, and
- f) is subject to regular deductions for Employment Insurance premiums in Canada in relation to his or her employment.

Job Loss means loss of employment due to involuntary layoff, dismissal without cause or loss of Self-employment. The date of Job Loss is the last day paid as indicated in the Record of Employment issued by the Insured Member's employer.

Self-employed means a person who earns an income from his or her own company, business, profession, partnership, or an entity in which he or she holds assets as an owner within Canada.

To qualify for the Job Loss Waiver of Premium Benefit in relation to Self-employment, the Insured Member must have been self-employed for 30 hours or more per week, for an active business, for a continuous period of at least 18 months prior to the date of Job Loss.

Waiting Period means a period of at least 30 days following the date of Job Loss during which an Insured Member continues to be unemployed.

Procedure for Claiming Benefit

Notice and Proof of Claim. Written notice and satisfactory proof of Job Loss must be received by the Company at its Consumer Markets office within 90 days following the end of the Waiting Period, provided that the Insured Member continues to be unemployed on that date.

No retroactive benefits will be granted unless it is shown that notice and proof were given as soon as it was reasonably possible. In any event, benefits will be granted only for the period for which proof of Job Loss, satisfactory to the Company, is received by the Company.

Termination

The Job Loss Waiver of Premium Benefit will terminate on the earliest of:

- a) the Premium Due Date immediately following the date the Insured Member is no longer unemployed;
- b) the date the Company asks for proof that the Insured Member is still unemployed and such proof is not given within 31 days following the date such proof was requested, unless it is shown that proof could not reasonably be provided within this period but was provided as soon as was reasonably possible thereafter; and
- c) the date which is 12 months following the end of the Waiting Period.

Limitation of Job Loss Waiver of Premium Benefit

The Job Loss Waiver of Premium Benefit will not be granted if Job Loss is due to:

- a) resignation of employment;
- b) voluntary forfeiture of salary, wages, or income;
- c) retirement;

- d) the end of seasonal or temporary contract employment;
- e) termination of a self-employed person's business agreement or contract,
- f) ceasing of a self-employed person's business operations for any reason within 12 months of the effective date of coverage, or
- g) closure of a self-employed person's business due to willful misconduct or criminal misconduct
- h) a commission or attempted commission of a criminal offence.

No Concurrent Payment

Total and Permanent Disability Benefit or Job Loss Waiver of Premium Benefits will not be paid at the same time under this or any similar Coverage issued by the Company.

Right to obtain copies of documents

On request, the insurer will furnish to a claimant or insured person a copy of the applicable individual's application and any written document provided to the insurer as evidence of insurability, to the extent required by law.

Payment of Benefits

An Insured Member, or in the event of his/her death, a beneficiary, may elect to have benefits paid either in a single sum or by means of a Payment Option offered by the Company. The Company will give details about Payment Options upon request. Before any benefits are payable under the Policy, the Company will require satisfactory proof of:

- a) the Age of the Insured Member; and
- b) the right of the claimant to receive any proceeds.

The Company will pay interest on any death benefit which becomes payable under the Policy, from the date of death of the insured person to the date on which the benefit payment is issued by the Company to the payee. Such interest shall be calculated using an interest rate determined by the Company.

Misstatement of Age

If the Age of an Insured Member has been misstated, the premium required will be adjusted on the basis of the correct Age.

Suicide

Suicide of an Insured Member, within two years of the Effective Date of any Unit is not covered by the Policy. In that event, the Company will pay an amount equal to the premium paid for that Unit.

Incontestability

Subject to the Misstatement of Smoker Status provisions, the Company will not contest the validity of any Unit on the life of an Insured Member after it has been in effect for two years during his/her lifetime, except for fraud. No statement will be used by the Company to void insurance on the life of an Insured Member or deny a claim during this two year period unless the statement is:

- a) false;
- b) part of his/her application; and
- c) material to the insurance.

In issuing this certificate, the Company has relied on statements made by the Insured Member in his/her application. These are representations and not warranties.

Assignment

An Insured Member may assign his/her Member Term Life Insurance only. No assignment of any insurance under the Policy will be binding on the Company unless it is in writing and received by the Company. The Company is not responsible for the validity or effect of any assignment.

Beneficiary

The right of any person to designate persons to whom or for whose benefit insurance money is to be payable is restricted to money payable in event of death.

- a) **General.** An Insured Member may name one or more revocable or irrevocable beneficiaries to receive any Death Benefits payable under the Policy. Any beneficiary appointment or change will apply to all Units unless the Insured Member states otherwise in writing.
- b) **Change.** An Insured Member may change a revocable beneficiary from time to time and a change will automatically revoke any prior appointment.

- c) **Benefit Payment.** Unless otherwise provided in the beneficiary appointment applicable to any Unit:

- i) if more than one beneficiary is named, the benefits will be paid in equal shares;
- ii) if no beneficiary survives the Insured Member, or if none has been named, benefits will be paid to the estate of the Insured Member;
- iii) if a beneficiary dies before the Insured Member, and one or more beneficiaries survive, the share of the deceased beneficiary will pass to the survivor or in equal shares to the survivors.

Currency

All payments to be made hereunder either to or by the Company shall be in the lawful currency of Canada.

Premium Rates

Premiums are payable on or before the Premium Due Date for all in-force coverage. The premium rates shown in any of the certificate pages are not guaranteed and could change on any Policy Anniversary, in accordance with the terms of the Policy.

Grace Period

Except for the first premium for any Unit, a grace period of 60 days is allowed for payment in full of any premium due. If the Insured Member dies during the grace period, any premium due but unpaid will be deducted from the death benefit.

Payment of Premium After Insurance Ceases

If a premium is paid after insurance ceases, the Company is not liable for the payment of any benefits under the Policy in respect of the insurance which ceased. In that event, the Company will refund the amount of premium paid beyond the termination date.

Definitions

Age means the attained age on the Policy Anniversary in each year.

Physician means a physician or surgeon who is duly licensed in the jurisdiction in which he/she operates and who gives medical care within the scope of his/her licensed authority. A Physician must be a person other than the Insured Member or an immediate family member of the Insured Member.

Policy Anniversary means April 1 of each year.

Premium Due Date

Premium Due Date means:

- a) April 1 of each year if premiums are paid annually; or
- b) the first day of each month if premiums are paid by pre-authorized collections (PAC).

SAMPLE

MEMBER TERM LIFE TO 85 INSURANCE

Death Benefit

The Company will pay, subject to the provisions of the Policy, the amount of Term Life to 85 Insurance in force on the Insured Member to his/her beneficiary after receiving satisfactory proof of the death of the Insured Member.

In the event that the Living Benefit is paid, the total Death Benefit as indicated by the Term Life to 85 Insurance Schedule will be reduced by the amount of the Living Benefit paid.

Living Benefit - Member Term Life to 85 Insurance

Application for Living Benefit. An Insured Member whose is under Age 83 and whose Member Term Life to 85 Insurance under the policy has been in force for at least two years may apply for the Living Benefit by submitting to the Company a written application for the Living Benefit. The application must have the written concurrence of the Insured Member's assignees, preferred beneficiaries and irrevocable beneficiaries, if any.

Conditions for Payment of Living Benefit. The Company will pay the Living Benefit during the lifetime of the Insured Member subject to the provisions of the Policy upon receipt of proof, satisfactory to the Company, that the Insured Member suffers from a fatal disease with a prognosis of death of the Insured Member within 12 months.

Proof Required with Application for Living Benefit. The Company will require submission of the written medical opinion of a Physician demonstrating, to the satisfaction of the Company, the prognosis of death of the Insured Member within 12 months. Such medical opinion must be provided at no cost to the Company.

Notwithstanding any other provisions in this section, the final decision on payment of the Living Benefit is reserved solely to the Company.

Maximum Amount of the Living Benefit. The maximum amount of the Living Benefit is the lesser of:

- a) 50% of the total amount of Member Term Life to 85 Insurance in force on the Insured Member's life; or
- b) \$200,000.

In no event will the Company pay the Living Benefit under the Policy more than once to the same Insured Member.

Payment of Living Benefit. Any Living Benefit payable under the Policy will be paid directly to the Insured Member.

Any Death Benefit payable under the Policy upon the death of the Insured Member will be reduced by the amount of the Living Benefit paid.

Qualifying for Non-Smoker Status

Initial Qualification

A Member insured at Standard Rates, who has not smoked cigarettes for the previous 12 months, may apply for Non-Smoker Rates. The application for change to Non-Smoker Rates is subject to approval of the Company's underwriters on the basis of the Insured Member's smoking status and his/her health at that date. If approved by the Company, Member Non-Smoker Rates shall take effect from the first of the month following the month in which the application is received by the Company.

Continuing Qualification. An Insured Member must maintain Non-Smoker status to continue to qualify for Non-Smoker Rates. If a Member insured for Non-Smoker Rates smokes cigarettes, he/she must notify the Company in writing by the next Premium Due Date. Upon receipt of the notice, the Company will alter the rates to Standard Rates effective from the appropriate Premium Due Date.

Misstatement of Smoker Status. A misstatement of Smoker Status or failure to advise the Company of a change from Non-Smoker status shall void the insurance.

Termination of Member Term Life to 85 Insurance

Termination Age means the Policy Anniversary on which the Member has attained Age 85.

Insurance on the life of an Insured Member ceases on the earliest of:

- a) the Policy Anniversary coinciding with or immediately following the date on which the Insured Member attains the Termination Age, except where the Member is covered by the Insurance Continuation Benefit;
- b) the Premium Due Date coinciding with or immediately following the date on which the Company receives written notice from the Insured Member requesting that all or part of his/her insurance be cancelled. If only part of the Insurance is to be cancelled, the Units with the most recent effective dates must be cancelled first;
- c) the end of the grace period, if any premium due has not been paid unless premiums are being waived under the Policy;
- d) the date the Policy is terminated; or
- e) the date the Insured Member dies.

Conversion of Member Term Life to 85 Insurance

General. An Insured Member on or before Age 75 may convert without Evidence of Insurability any Units of Term Life to 85 Insurance on his/her own life to an individual policy of life insurance. The Insured Member must apply in writing and pay the required premium within 31 days following the date on which his/her insurance terminated.

However, if the Policy is cancelled and the insurance which terminates is replaced by another insurer within 31 days of the date of cancellation of the Policy, the right of conversion will not be available.

Types of Converted Insurance Available On or Before Age 65. The individual policy must be on the Insured Member's own life and may be:

- a) a regular whole life insurance plan then issued by the Company; or
- b) term insurance to 65 years of age; or
- c) a regular whole life insurance plan with a one year preliminary term insurance provision;

but no disability riders, other term riders, supplementary benefits or other term plans may be included. The individual policy will be endorsed with any Special Provision endorsed on the Insured Member's certificate.

Amount of Converted Insurance Available On or Before Age 65. The maximum amount of insurance available under this Section is the amount of Member Term Life to 85 Insurance which was in force on the date on which the Member Term Life to 85 Insurance terminated.

The minimum amount of insurance available under this Section is the minimum amount for which the Company will issue an individual policy.

Types of Converted Insurance Available After Age 65 but Before Age 76. An Insured Member between Age 66 and Age 75 inclusive may convert without Evidence of Insurability the life insurance on his/her own life to an individual policy of life insurance, such policy being limited to a regular whole life insurance plan then issued by the Company. No disability riders, other term riders, supplementary benefits or other term plans may be included. The individual policy will be endorsed with any Special Provision endorsed on the Insured Member's certificate.

Amount of Converted Insurance Available After Age 65 but Before Age 76

- a) **Maximum Amount.** The maximum amount which may be converted is \$200,000.
- b) **Minimum Amount.** The minimum amount which may be converted is the lesser of:
 - i) the amount of insurance cancelled; and
 - ii) the minimum amount for which the Company will issue an individual policy.

Premium. The premium for the individual policy will be calculated using:

- a) Company rates for the type and amount of insurance;
- b) the class of risk to which the Insured Member belongs; and
- c) the age of the Insured Member on the Date of Issue of the individual policy.

Death of Insured Member during the Conversion Period. If an Insured Member dies within 31 days after he/she first has the right to convert, the Company will pay the amount of insurance that could have been converted, provided any individual policy issued during this 31-day period is returned in exchange for a refund of premiums.

If the individual policy is not returned, the Company will pay:

- a) the amount of insurance that could have been converted; less
- b) the amount of insurance in force under the Individual policy.

Insurance Continuation Benefit (ICB)

General. Each Unit of Term Life to 85 Insurance with ICB for which a Member is insured at Age 85, will be exchanged for one Unit of Insurance Continuation Benefit when the Insured Member attains Age 85.

The Value of each unit of the Insurance Continuation Benefit is \$2,500 per unit of Member Term Life to 85 Insurance with ICB.

The insurance under this provision:

- a) is guaranteed for the life of any Insured Member Age 85 and over even if the Policy terminates or the Insured Member ceases to be a Member as defined in the Policy; and
- b) does not have any cash value.

Beneficiary. The beneficiary under this Provision will be the same as elected by the Member under each corresponding Unit of Member Term Life to 85 Insurance in force prior to his/her date of eligibility for this benefit. A Member may, upon providing written notification to the Company change his/her beneficiary, in accordance with any applicable laws.

Assignment. Assignment of the insurance benefits under this Provision shall be allowed although the Company assumes no responsibility for the validity or sufficiency of such assignment. Any assignment in effect under any Unit(s) of a Member's Term Life to 85 Insurance will remain valid for the corresponding Unit(s) under the Insurance Continuation Benefit.

Premium. No premium will be charged to a Member insured under this Provision once the Member reaches Age 85.

Conversion of Member ICB

Prior to Age 85, an Insured Member may convert one or more Units of Term Life to 85 Insurance with ICB to, the equivalent number of Units of Term Life to 85 Insurance without ICB. Where the Insured Member converts only part of his/her Term Life to 85 Insurance coverage, those Units with the most recent effective dates will be converted first. A Unit of Term Life to 85 Insurance without ICB may not be converted for a Unit of Term Life to 85 Insurance with ICB.

SPOUSE TERM LIFE TO 85 INSURANCE RIDER

Spouse Term Life to 85 Insurance means Term Life Insurance on the life of an Insured Member's Spouse and is deemed to be insurance of the Insured Member. The General Provisions apply along with the following qualifications.

Death Benefit

The Company will pay, subject to the provisions of the Policy and this Rider, the amount of Spouse Term Life to 85 Insurance in force on an Insured Spouse to the person entitled to receive it after receiving satisfactory proof of the death of the Insured Spouse.

In the event that the Living Benefit is paid, the total Death Benefit as indicated by the Term Life to 85 Insurance Schedule will be reduced by the Amount of the Living Benefit paid.

Living Benefit - Spouse Term Life to 85 Insurance

Application for Living Benefit. An Insured Spouse who is under Age 83 and who has been insured for Spouse Term Life to 85 Insurance under this Rider for at least two years may apply for the Living Benefit by submitting to the Company a written application for the Living Benefit. The application must have the written concurrence of the Insured Member, all assignees, all preferred beneficiaries and all irrevocable beneficiaries, if any.

Conditions for payment of Living Benefit. The Company will pay the Living Benefit during the lifetime of the Insured Spouse subject to the provisions of the Policy and this Rider upon receipt of proof, satisfactory to the Company, that the Insured Spouse suffers from a fatal disease with a prognosis of death of the Insured Spouse within 12 months.

Proof Required with application for Living Benefit. The Company will require submission of the written medical opinion of a Physician demonstrating, to the satisfaction of the Company, the prognosis of death of the Insured Spouse within 12 months. Such medical opinion must be provided at no cost to the Company.

Notwithstanding any other provisions in this section, the final decision on payment of the Living Benefit is reserved solely to the Company.

Maximum Amount of the Living Benefit. The maximum amount of the Living Benefit is the lesser of:

- a) 50% of the amount of Spouse Term Life to 85 Insurance in force on the Insured Spouse's life; or
- b) \$200,000.

In no event will the Company pay the Living Benefit under this Rider more than once to the same Insured Spouse.

Payment of Living Benefit. Any Living Benefit payable under this Rider will be paid to the Insured Spouse. Any Death Benefit payable under this Rider upon the death of the Insured Spouse will be reduced by the amount of the Living Benefit paid.

Suicide

Suicide of an Insured Spouse, while sane or insane within two years of the Effective Date of any Unit of Spouse Term Life to 85 Insurance is not covered by this Rider. In that event, the Company will pay an amount equal to the premium paid for that Unit.

Beneficiary

The Beneficiary for any Death Benefit payable under this Rider is the Insured Member unless the Company receives written notice from the Insured Member naming a different beneficiary specifically for any Death Benefit payable under this Rider.

Premiums

Premium rates are shown on the Term Life to 85 Insurance Schedule. Premiums under this Rider will be waived while premiums are being waived for insurance of the Insured Member under the Policy.

Definitions

Spouse means a person who:

- a) is legally married to the Insured Member; or
- b) resides with the Insured Member and is named by the Insured Member in a written request for Spouse Term Life to 85 Insurance and has resided in a conjugal relationship with the Insured Member for a continuous period of at least one year,

An Insured Member cannot have more than one Spouse insured under this Rider at one time.

Insured Spouse means an Eligible Spouse who is insured for Spouse Term Life to 85 Insurance under this Rider.

Qualifying for Non-Smoker Status

Initial Qualification. An Insured Member whose Spouse:

- a) is insured at Standard Rates; and
- b) has not smoked cigarettes for the previous 12 months,

may apply for Spouse Non-Smoker Rates. The application for change to Non-Smoker Rates is subject to approval of the Company's underwriters on the basis of the Insured Spouse's smoking status and his/her health at that date. If approved by the Company, Spouse Non-Smoker Rates shall take effect from the first of the month following the month in which the application is received by the Company.

Continuing Qualification. An Insured Spouse must maintain Non-Smoker status to continue to qualify for Non-Smoker Rates. If a Spouse insured at Non-Smoker Rates smokes cigarettes, the Member or Spouse must notify the Company in writing by the next Premium Due Date. Upon receipt of the notice, the Company will alter the rates to Standard Rates effective from the appropriate Premium Due Date.

Misstatement of Smoker Status. A misstatement of smoker status or failure to advise the Company of a change from Non-Smoker status shall void the insurance.

Termination of Spouse Term Life to 85 Insurance

Termination Age means the Policy Anniversary on which the Spouse has attained Age 85.

Spouse Term Life to 85 Insurance on the life of an Insured Spouse ceases on the earliest of:

- a) the Policy Anniversary coinciding with or immediately following the date on which the Insured Spouse no longer qualifies as a Spouse;
- b) the Policy Anniversary coinciding with or immediately following the date on which the Insured Spouse attains the Termination Age, except where the Spouse is covered by the Insurance Continuation Benefit;

- c) the Premium Due Date coinciding with or immediately following the date on which the Company receives a written request by the Insured Member that one or more Units of Spouse Term Life to 85 Insurance are to be cancelled. If only part of the insurance is to be cancelled, the Units with the most recent effective dates must be cancelled first;
- d) subject to the Extension of Spouse Term Life to 85 Insurance provisions of this Rider, the Premium Due Date coinciding with or immediately following the date on which the Insured Member dies;
- e) the end of the grace period, if any premium due has not been paid, unless premiums under this Rider are being waived;
- f) the date an application for insurance on the life of a new Spouse has been approved;
- g) subject to the Extension of Spouse Term Life to 85 Insurance provision of this rider, the date the Insured Member ceases to be insured for Insurance under the Policy;
- h) the date this Rider or the Policy is terminated; or
- i) the date the Insured Spouse dies.

Conversion of Spouse Term Life to 85 Insurance

General. Within 31 days after:

- a) the date an Insured Member ceases to be insured for Insurance under the Policy, except if the Member's coverage is continued under the Insurance Continuation Benefit; or
- b) the Premium Due Date following the Insured Member's death,

Spouse Term Life to 85 Insurance may be converted, without Evidence of Insurability, to an individual policy on the life of the Spouse if:

- i) a written application signed by the Spouse is received by the Company; and
- ii) the required premium is paid,

within the 31 day period.

However, if the Policy is cancelled and the insurance which terminates is replaced by another insurer within 31 days of the date of cancellation of the Policy, the right of conversion will not be available.

Types of Converted Insurance Available On or Before Age 65. The individual policy must be:

- a) a regular whole life insurance plan then issued by the Company; or
- b) term insurance to 65 years of age; or
- c) a regular whole life insurance plan with a one year preliminary term insurance provision,

but no disability riders, other term riders, or supplementary benefits or other term plans may be included. The individual policy will be endorsed with any Special Provision endorsed on the Insured Spouse's certificate.

Amount of Converted Insurance Available On or Before Age 65. The maximum amount of insurance available under this Section is the amount of Spouse Term Life to 85 Insurance which was in force on the date on which the Spouse Term Life to 85 Insurance terminated less any amount continued under the Extension of Spouse Term Life to 85 Insurance provisions of this Rider.

The minimum amount of insurance available under this Section is the minimum amount for which the Company will issue an individual policy.

Types of Converted Insurance Available After Age 65 but Before Age 76. An Insured Spouse between Age 66 and Age 75 inclusive may convert without Evidence of Insurability the life insurance on his/her own life to an individual policy of life insurance, such policy being limited to a regular whole life insurance plan then issued by the Company. No disability riders, other term riders, supplementary benefits or other term plans may be included. The individual policy will be endorsed with any Special Provision endorsed on the Insured Spouse's certificate.

Amount of Converted Insurance Available After Age 65 but Before Age 76.

- a) **Maximum Amount.** The maximum amount which may be converted is \$200,000.
- b) **Minimum Amount.** The minimum amount which may be converted is the lesser of:
 - i) the amount of insurance cancelled; and
 - ii) the minimum amount for which the Company will issue an individual policy.

Premiums. The premium for the individual policy will be calculated using:

- a) Company rates for the type and amount of insurance;
- b) the class of risk to which the Spouse belongs; and
- c) the age of the Spouse at the Date of Issue of the individual policy.

Death of Insured Spouse during the Conversion Period. If a Spouse dies within 31 days after the date he/she first has the right to convert, the Company will pay to the beneficiary under this Rider the amount of insurance that could have been converted, provided that any individual policy issued during this 31 day period is returned in exchange for a refund of premiums.

If the individual policy is not returned, the Company will pay:

- a) the amount of insurance that could have been converted; less
- b) the amount of insurance in force under the individual policy.

Extension of Spouse Term Life to 85 Insurance

General. An Insured Spouse may have the Spouse Term Life to 85 Insurance on his/her life continued in force from the Premium Due Date following the earlier of: the date of death of the Insured Member; or, in the case where the Insured Member's coverage is not continued under the Insurance Continuation Benefit option, the date the Insured Member attains the Termination Age, subject to payment of the required premium before the end of the grace period.

Any Spouse Major Accident Protection or Child Life and Accident Insurance which is in force from the Premium Due Date following the earlier of: the date of death of the Insured Member; or, in the case where the Insured Member's coverage is not continued under the Insurance Continuation Benefit option, the date the Insured Member attains the Termination Age, will also be continued, subject to payment of the required premium before the end of the grace period.

Subject to any irrevocable beneficiary designation(s) or assignment(s) in effect at the Premium Due Date following the earlier of: the date of death of the Insured Member; or, in the case where the Insured Member's

coverage is not continued under the Insurance Continuation Benefit option, the date the Insured Member attains the Termination Age, all ownership rights and privileges which belonged to the Insured Member shall be transferred to the Spouse.

Additional Benefits. An Insured Spouse who is under Age 76 and whose insurance is being continued under this provision may apply for increases in insurance at any time in accordance with the provisions of the Policy and this Rider, subject to the maximum amount of insurance as stated in this Rider; and

An Insured Spouse who is under Age 65 and whose insurance is being continued under this provision will have the Total and Permanent Disability Benefit continued on his/her life from the Premium Due Date following the date of the Insured Member's death.

Limitation. An Insured Spouse whose insurance is being continued under this provision will not be eligible to apply for Spouse Term Life to 85 Insurance or Spouse Major Accident Protection Insurance on the life of his/her spouse at any time.

Insurance Continuation Benefit (ICB)

General. Each Unit of Spouse Term Life to 85 Insurance with ICB for which a Spouse is insured at Age 85, will be exchanged for one Unit of Insurance Continuation Benefit when the Spouse attains Age 85.

The Value of each unit of the Insurance Continuation Benefit is \$2,500 per Unit of Spouse Term Life to 85 Insurance with ICB.

The insurance under this provision:

- a) is guaranteed for the life of any Insured Spouse Age 85 and over even if the Policy terminates or the Insured Spouse no longer qualifies as a Spouse or the Insured Member ceases to be a Member as defined in the Policy; and
- b) does not have any cash value.

Beneficiary. The beneficiary under this Provision will be the same as elected by the Member under each corresponding Unit of Spouse Term Life to 85 Insurance in force prior to his/her date of eligibility for this benefit. A Member may, upon providing written notification to the Company, change his/her beneficiary in accordance with any applicable laws.

Premium. No premium will be charged for insurance under this Provision once the Spouse attains Age 85.

Conversion of Spouse ICB

Prior to Age 85, an Insured Member may convert one or more Units of Spouse Term Life to 85 Insurance with ICB to the equivalent number of Units of Spouse Term Life to 85 Insurance without ICB. Where the Insured Member converts only part of the Spouse Term Life to 85 Insurance, those Units of Spouse Term Life to 85 Insurance with the most recent effective dates will be converted first. A Unit of Spouse Term Life to 85 Insurance without ICB may not be converted for a Unit of Spouse Term Life to 85 Insurance with ICB.

CHILD LIFE AND ACCIDENT INSURANCE RIDER

Child Life and Accident Insurance means insurance on an Insured Member's Dependent Child(ren) and is deemed to be insurance of the Insured Member. The General Provisions of the Policy apply along with the following qualifications.

Benefits

Death Benefit. Notwithstanding the suicide provisions of the Policy, the Company will pay the amount of Death Benefit in force on an Insured Dependent Child to the person entitled to receive it after receiving satisfactory proof of the death of the Insured Dependent Child. The amount of Death Benefit for each Insured Dependent Child is \$5,000 per Unit.

Major Impairment Benefit. The Company will pay the Major Impairment Benefit subject to the provisions of the Policy and this Rider upon receipt of proof satisfactory to the Company that due to Accidental Bodily Injury:

- a) the Insured Dependent Child has suffered a Major Impairment; and
- b) the Major Impairment did not result from war, whether declared or not, or any act of war or insurrection; and
- c) the Insured Dependent Child has survived the occurrence of the Major Impairment for a minimum of thirty days.

The amount of the Major Impairment Benefit for each Insured Dependent Child will be in accordance with the following schedule and will be based on the type of Major Impairment and the number of Units of Child Life and Accident Insurance in effect on the life of the Insured Dependent Child on the date of the Accidental Bodily Injury which caused his/her Major Impairment:

Major Impairment	Amount per Unit
Total and Permanent Paralysis or Loss of Use of two Limbs	\$100,000
Brain Damage	\$50,000
Total and Permanent Loss of Sight in both Eyes or Hearing in both Ears or Speech	\$50,000
Loss of one Hand and one Foot	\$50,000
Loss of one Hand or one Foot and Sigh of one Eye	\$50,000
Loss of Use of both Hands or both Feet	\$50,000
Loss of Use of one Arm or one Leg	\$37,500
Loss of Use of one Hand or one Foot	\$37,500
Total and Permanent Loss of Sight in one Eye	\$37,500
Loss of Thumb and Index Finger of the Same Hand	\$25,000
Total and Permanent Loss of Hearing in one Ear	\$25,000
Loss of Four Fingers of one Hand	\$12,500
Loss of All Toes on one Foot	\$6,250
Death Benefit	\$5,000

If, while insured under this Rider, a Dependent Child shall sustain more than one Major Impairment as a result of any one Accidental Bodily Injury, the maximum payment for all such Major Impairments shall be \$50,000 per Unit, except in the case of quadriplegia, hemiplegia or paraplegia, where the total amount paid will not exceed \$100,000.

The Company has the right to investigate the circumstances of the death or impairment, and in the case of an impairment to require a medical examination of the Insured Dependent Child.

Repatriation Benefit. If an Accidental Bodily Injury sustained by an Insured Dependent Child results in loss of life within 365 days of the date of the Accidental Bodily Injury, and the Insured Dependent Child's death occurs 150km or more from the Insured Dependent Child's normal place of residence, the Company will pay the actual expenses incurred for preparing the Insured Dependent Child for burial or cremation and for shipment of the body of the Insured Dependent Child to the Insured Dependent Child's place of residence, to a maximum of \$10,000, regardless of the number of Units in force.

Beneficiary

Any Benefits payable under this Rider will be paid to the Insured Member unless the Company receives written notice from the Insured Member naming a different beneficiary.

Exposure and Disappearance

If, by reason of an accident, the Insured Dependent Child is unavoidably exposed to the elements and as a result of this exposure, suffers any loss which would otherwise be insured hereunder, then the loss will be considered to have resulted from Accidental Bodily Injury.

If the Insured Dependent Child is not found within one year of the date of disappearance, sinking, or wrecking of the conveyance in which the Insured Dependent Child was riding at the time of the accident and under such circumstances as would otherwise be covered hereunder, it will be presumed that the Insured Dependent Child suffered loss of life resulting from Accidental Bodily Injury at the time of such disappearance, sinking or wrecking.

Premiums

The Annual Premium for each Unit of Child Life and Accident Insurance is \$14.00. Premiums under this Rider will be waived while premiums are being waived for insurance of the Insured Member under the Policy.

Special Provisions for Child Life and Accident Insurance

- a) At least one Dependent Child must be insurable on the date insurance begins.

- b) Any child on whose behalf an application has been made may be specifically excluded from coverage if he/she is uninsurable.
- c) Any Dependent Child of the Insured Member who first qualifies as an Eligible Dependent while Child Life and Accident Insurance on the life of any other Dependent Child of the Insured Member is in effect will automatically be insured for Child Life and Accident Insurance on the date he/she first qualifies.

Definitions

Accidental Bodily Injury means bodily injury sustained by the Insured Dependent Child, occurring while this coverage is in force, and resulting solely and directly from accidental, outward, violent and visible means, and which, independently of all else causes death or a Major Impairment within three hundred sixty-five days after the accidental bodily injury was sustained.

Age means the attained age of the Dependent Child on April 1st in each year.

Brain Damage means brain death, severe brain damage or coma which results in a persistent vegetative state or other permanent neurologic disability which requires constant specialized care, specialized feeding, rehabilitation or permanent hospitalization in an institution.

Dependent Child means an unmarried child, step-child or adopted child of the Insured Member who is dependent on the Insured Member for support and;

- a) is over 14 days but under 21 years of Age; or
- b) is at least Age 21 but under Age 25 and is attending an accredited educational institution, college or university on a full-time basis, but does not include a person who is:
 - i) insured under this Rider by any other Insured Member; or
 - ii) an Insured Member under the Policy.

Insured Dependent Child means a Dependent Child who is insured under this Rider.

Loss of Arm means the complete severance at or proximal to the elbow joint.

Loss of All Toes of one Foot means the complete and permanent loss of the entire distal phalanx of every toe on one foot.

Loss of Four Fingers of one Hand means the complete and permanent loss of two entire phalanges of each finger.

Loss of Foot means the complete severance at or proximal to the ankle joint, but distal to the knee joint.

Loss of Hand means the complete severance at or proximal to the wrist joint, but distal to the elbow joint.

Loss of Hearing means the entire and irrecoverable loss of hearing which cannot be corrected by any hearing aid or device.

Loss of Leg means the complete severance at or proximal to the knee joint.

Loss of Thumb and Index Finger of the Same Hand means the complete and permanent loss of the entire distal phalanx of the thumb, and the complete and permanent loss of two entire phalanges of the index finger, of the same hand.

Loss of Sight means the entire and irrecoverable loss of sight of the eye.

Loss of Speech means the entire and irrecoverable loss of speech, which does not allow audible communication in any degree.

Loss of Use means loss of use that is permanent, total and irreversible and that is beyond remedy by surgical or other means.

Total and Permanent Paralysis of two Limbs means the complete and irreversible paralysis of two limbs.

Termination of Child Life and Accident Insurance

Child Life and Accident Insurance on the life of an Insured Dependent Child ceases on the earliest of:

- a) the Policy Anniversary coinciding with or immediately following the date on which:
 - i) the Insured Dependent Child no longer qualifies as a Dependent Child;
 - ii) the Insured Member attains Age 75;
- b) the Premium Due Date coinciding with or immediately following the date on which the Company receives written notice from the Insured Member requesting that one or more Units of Child Life and Accident Insurance are to be cancelled. If only part of the insurance is to be cancelled the Units with the most recent effective dates must be cancelled first;
- c) subject to the Extension of Spouse provisions of the Policy, the Premium Due Date coinciding with or immediately following the date on which the Insured Member dies;
- d) the date the Insured Member ceases to be insured for Member Term Life Insurance under the Policy or for Member Major Accident Protection;
- e) the end of the grace period if any premium due has not been paid unless premiums are being waived in accordance with the Total and Permanent Disability benefit provisions of the Policy; or
- f) the date this Rider or the Policy is terminated.

Child Life and Accident Insurance is not convertible.