

Sun Par Accumulator II

(joint first-to-die)

- premium payment period: payable to joint age 100
- dividend option: enhanced insurance

Policy number: LI-1234,567-8

Owner: Jim Doe

SAMPLE

The following policy wording is provided solely for your convenience and reference. It is incomplete and reflects only some of the general provisions that may be found in some of our insurance policies. We periodically make changes to policy wording and therefore this incomplete sample may not duplicate the wording of any actual issued policy. It is not to be construed or interpreted in any manner as a contract or an offer to contract. The actual policy issued to any given client will govern that relationship.

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Policy summary

In this document, *you* and *your* mean the owner of this policy. *We, us, our,* and *the company* mean Sun Life Assurance Company of Canada.

Your policy is issued and underwritten by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

It's important that you read your entire policy carefully. It sets out the benefits payable and has exclusions and reductions of coverage. To help you understand insurance terms, refer to the explanations described under the heading, *Insurance terms*.

Plan: **Sun Par Accumulator II**

Policy number: LI-1234,567-9

Policy date: January 1, 2017

Owner: Jim Doe

No contingent owner was named on your application. You must tell us in writing if you want to name a contingent owner.

Insured persons:

John Doe
born on March 1, 1978
age nearest on the policy date: XX

Mary Doe
born on April 10, 1979
age nearest on the policy date: XX

Beneficiary: is named on your application, unless you make a change in writing.

This is a permanent participating life insurance policy that provides protection until one of the insured persons dies. On each policy anniversary, we may credit a dividend to your policy. We determine the amount of any dividend. Any optional benefits, except Plus premium benefit, are not participating and are not eligible to receive dividends.

Policy summary (continued)

Sun Par Accumulator II

Joint first-to-die basic insurance coverage

Insured persons:	John Doe Mary Doe
Insurance amount:	\$X,XXX,XXX A death benefit is payable when one of the insured persons dies, as described later.
Survivor benefit:	A survivor benefit may be available, as described later.
Premium payment period:	Payable to joint age 100
Dividend option:	Enhanced insurance \$XXX,XXX lifetime guarantee The last date to convert the term insurance portion is January 1, XXXX.
Joint age:	XX

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Schedule of guaranteed premiums

You must pay all premiums for this policy by the premium due date.

Premiums are due monthly, on the 1st day of the month, starting on January 1, XXXX.
The total initial monthly premium for this policy is \$XXX.XX.

If paying annually, the total initial annual premium for this policy is \$XXX.XX.

Premiums for the joint first-to-die basic insurance are payable until the earlier of January 1, XXXX or the date one of the insured persons dies.

For the following schedule, the monthly premium is in the last column. The monthly premium is the applicable annual premium multiplied by .09. The numbered columns show the applicable annual premium for basic insurance and optional benefits, if any are included.

(1) Basic insurance

Beginning on	(1)	Monthly premium (\$)
1 Jan XXXX	XXX.XX	XXX.XX
1 Jan XXXX	XXX.XX	XXX.XX
1 Jan XXXX	XXX.XX	XXX.XX

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If you change your mind within 10 days

You may send us a written request to cancel your policy within:

- 10 days of receiving it from us, or
- 60 days after the policy is issued, whichever date is earlier.

You are considered to have received your policy 5 days after it's mailed from our office, or on the date your advisor delivers it to you.

When we receive your written request we'll refund any amount paid. This is called rescission.

Your decision to cancel your policy is your personal right. When we receive your request to cancel it, all of our obligations and liabilities under this policy end immediately. The cancellation is binding on you and any person entitled to make a claim under this policy, whether their entitlement is revocable or irrevocable.

To cancel your policy, send your request in writing to:

Sun Life Assurance Company of Canada
227 King Street South
PO Box 1601, Stn. Waterloo
Waterloo ON Canada N2J 4C5

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Contesting the policy

The incontestability provisions set out in the provincial or territorial insurance legislation applicable to this policy apply.

Limit on contesting

We cannot challenge the validity of the policy after it has been in effect continuously for two years from the later of the date it took effect and the date it was last reinstated. If the policy is amended to increase or change a benefit or improve a rating, we cannot challenge the validity of the amendment after it has been in effect continuously for two years from the later of the date the amendment took effect and the date the policy was last reinstated.

Exception to the limit on contesting

We can challenge the validity of the policy or an amendment at any time in cases of fraud or cases involving a disability benefit.

The death benefit for basic insurance coverage

When we pay

We pay a death benefit to the named beneficiary for the basic insurance coverage when one of the insured persons dies while this policy is in effect. We determine the death benefit as of the date they died. The amount we pay is:

- the insurance amount in effect
- **plus** any insurance purchased by dividends
- **plus** any dividends on deposit
- **plus** any balance in the withdrawable premium fund
- **minus** any unpaid premiums, including interest
- **minus** any outstanding policy loans, including interest.

This policy ends on the date one of the insured persons dies.

When we will not pay (exclusions)

We will not pay the death benefit if one of the insured persons takes their own life, regardless of whether the insured person has a mental illness or understands or intends the consequences of their action(s), within 2 years of the later of:

- the most recent date the application for this policy was signed
- the policy date, shown on the *Policy summary*, or
- the most recent date your policy was put back into effect, if it has been reinstated.

The policy ends on the date the insured person dies. Instead of paying the death benefit, we will pay an amount equal to:

- the premiums paid for this policy
- **plus** any balance in the withdrawable premium fund
- **minus** any unpaid premiums, including interest
- **minus** any outstanding policy loans, including interest.

If your policy has been put back into effect, the amount we pay will be equal to:

- the premiums paid for this policy since the most recent date it was reinstated
- **plus** any balance in the withdrawable premium fund
- **minus** any unpaid premiums, including interest
- **minus** any outstanding policy loans, including interest.

If you replaced insurance that was issued by us

If any insurance in this policy is the result of replacing insurance that we issued, we determine the amount payable for the part that is replacing insurance, based on the effective date of your previous insurance.

Making a claim for the death benefit

To make a claim, contact your advisor or call us at the toll free phone number shown at the beginning of this policy. We will send the appropriate form to be completed. The person making the claim must complete the form and give us the information we need to assess the claim, including proof that the insured person died while their coverage was in effect.

Physicians may charge a fee to complete certain forms. The person making the claim is responsible for any fee.

Before we pay a death benefit, we must verify the insured persons' date of birth. If a date of birth on the application is incorrect, we'll adjust the death benefit to the amount that would have been payable based on the premiums paid and the correct date of birth.

If more than one of the insured persons die in circumstances where it's uncertain which person survived the other, we determine the oldest person died first.

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Survivor benefit

If one of the insured persons under the joint first-to-die basic insurance coverage dies, you or the surviving insured person, with your written consent, have the right to buy new insurance within 90 days of the death. You may apply for life insurance on the surviving insured person, without giving us new evidence of insurability, but only if the death occurs before the policy anniversary nearest the surviving insured person's 75th birthday.

The *Policy summary* shows the insured persons for the joint coverage.

The life insurance policy you may apply for

You may apply for any life insurance policy we offer when you apply, subject to the terms and conditions of that policy and our administrative rules. Your application must be in a form acceptable to us. The new policy will:

- be determined based on the information about the surviving insured person in the application we received for the joint coverage in this policy
- depend on our rules about the age of the surviving insured person and the amount of insurance
- have an insurance amount that is not greater than the insurance amount of the joint coverage and any enhanced insurance amount under this policy, as determined on the date the first insured person died, and
- not include any optional benefits that are in this policy, except a disability waiver benefit on the surviving insured person, as described below.

If this policy includes a *Total disability waiver benefit* on the surviving insured person, a similar benefit may be included in the new policy if:

- we offer a disability waiver benefit, and
- you request the benefit.

If we're waiving the premiums for this policy because the surviving insured person is totally disabled

If we are waiving premiums for this policy because the surviving insured person is totally disabled, we will waive the cost for the new policy while they continue to be disabled. We consider the insured person to be totally disabled according to the disability waiver benefit in effect when we approved the disability claim.

If we receive an application for more insurance than we offer under the Survivor benefit, we require new evidence of insurability that we consider satisfactory.

Paying for the new life insurance

The amount you are required to pay for the new life insurance policy will be based on:

- the same evidence of insurability for the surviving insured person we used to determine the cost for the joint coverage in this policy
- the rates we charge for the new insurance on the date you apply, and

- the age of the surviving insured person on the date you apply.

When the benefit ends

The Survivor benefit ends on the earliest of:

- the policy anniversary nearest the youngest insured person's 75th birthday
- the date the new life insurance policy on the surviving insured person takes effect
- the date the surviving insured person dies
- 90 days after the date one of the insured persons for the basic insurance coverage dies, or
- the date this policy ends.

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Automatic survivor death benefit

If the surviving insured person under the joint first-to-die coverage dies, we may pay an additional death benefit. The automatic survivor death benefit amount is equal to the death benefit for the joint coverage and includes any enhanced insurance amount under this policy.

When we pay

When the surviving insured person dies before the policy anniversary nearest their 75th birthday, we pay the automatic survivor death benefit if:

- the surviving insured person dies within 90 days after the date the first person dies, and
- you did not apply for a new life insurance policy as described under *Survivor benefit*.

We pay the death benefit to the estate of the surviving insured person.

When we will not pay (exclusions)

We will not pay an Automatic survivor death benefit if either of the insured persons takes their own life, regardless of whether the insured person has a mental illness or understands or intends the consequences of their action(s), within 2 years of the later of:

- the most recent date the application for the joint coverage was signed
- the policy date, shown on the *Policy summary*, or
- the most recent date your policy was put back into effect, if it has been reinstated.

Making a claim

To make a claim, call your advisor or contact us at the toll free phone number shown at the beginning of this policy. We will send the appropriate form to be completed. The person making the claim must give us any information we need to assess the claim, including proof that the insured person died while this benefit was in effect.

Physicians may charge a fee to complete certain forms. The person making the claim is responsible for any fee.

When the benefit ends

The Automatic survivor death benefit ends on the earliest of:

- the policy anniversary nearest the surviving insured person's 75th birthday
- the date a new life insurance policy on the surviving insured person takes effect
- the date the surviving insured person dies
- 90 days after the date one of the insured persons for the basic insurance coverage dies, or
- the date this policy ends.

Dividend options

This is a participating policy. On each policy anniversary, while your policy is in effect, we may credit a dividend to your policy. We determine the amount of any dividend.

We apply any dividend credited according to the option you chose, as shown on the *Policy summary*. You may change your dividend option at any time, subject to our administrative rules, by sending us your written request to change. You may need to give us new evidence of insurability that we consider satisfactory.

The dividend options are:

1) Paid-up additional insurance

Additional permanent life insurance is purchased with any dividend we credit to your policy. We determine the amount of insurance purchased based on the same evidence of insurability used to determine premiums for the basic insurance coverage.

This additional insurance is also eligible for dividends which will be used to purchase more paid-up additional insurance. You may cancel this additional insurance at any time and receive its cash value. We determine the cash value on the date we receive your request or any later date you indicate.

If you apply to change to another dividend option, any existing paid-up additional insurance stays in effect unless you request its cash value. This insurance continues to be eligible for dividends which will be applied according to the dividend option in effect on the date we credit any dividend to your policy.

If you apply to change your dividend option to paid-up additional insurance, you will need to give us new evidence of insurability that we consider satisfactory.

2) Annual premium reduction

This option is only available if you are paying premiums on an annual basis. Any dividend we credit will reduce the premium for the next policy year. If the amount of the dividend exceeds the next year's premium, we transfer the excess amount to the withdrawable premium fund.

3) Dividends on deposit

Any dividend we credit earns interest daily at a rate we set, and that rate may change from time to time. The interest is compounded annually. The interest earned is taxable. You may withdraw all or part of these dividends at any time.

4) Cash payment

Each year on the policy anniversary date, any dividend we credit is paid to you.

5) Enhanced insurance

This dividend option allows you to choose an available enhanced insurance amount. Dividends are used to buy a combination of yearly term insurance and paid-up additional insurance. To calculate the combination, we use the same evidence of insurability used to determine premiums for the basic insurance coverage. The total amount of this combined insurance is your enhanced insurance amount.

If and when the enhanced insurance consists entirely of paid-up additional insurance, your dividend option automatically changes to paid-up additional insurance. This means we will use any subsequent dividends to purchase paid-up additional insurance.

You may not change to this dividend option after the policy date. If your policy has the enhanced insurance dividend option, it is described later in this policy.

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Enhanced insurance

The enhanced insurance amount you chose is shown on the *Policy summary*.

In the first policy year, we automatically provide yearly term insurance equal to the enhanced insurance amount at no additional cost to you.

On each policy anniversary, any dividend we credit is used to purchase a combination that we determine of yearly term insurance and paid-up additional insurance. To calculate the combination, we use the same evidence of insurability used to determine premiums for the basic insurance coverage. The total amount of this combined amount of insurance is equal to the enhanced insurance amount you chose. Any paid-up additional insurance we purchase is added to any existing paid-up additional insurance.

If and when the enhanced insurance consists entirely of paid-up additional insurance, your dividend option automatically changes to paid-up additional insurance. This means we will use any subsequent dividends to purchase paid-up additional insurance.

When the dividend is not enough to pay for the yearly term insurance, we will reduce the existing paid-up additional insurance to create sufficient cash value to purchase the yearly term insurance required to maintain the enhanced insurance amount you chose.

If the cash value of the paid-up additional insurance combined with the dividend is not enough to purchase yearly term insurance equal to the enhanced insurance amount, the enhanced insurance amount will not be reduced.

You may not cancel any paid-up additional insurance while this dividend option is in effect.

If you apply to change to another dividend option

If we approve your application to change to another dividend option, the yearly term insurance portion of the enhanced insurance is cancelled. Any existing paid-up additional insurance stays in effect unless you request its cash value. The paid-up additional insurance continues to be eligible for dividends which will be applied according to the dividend option in effect on the date we credit any dividend to your policy.

Conversion of the yearly term insurance portion of the enhanced insurance

You may convert any yearly term insurance to a permanent joint first-to-die life insurance policy on the insured persons, without giving us new evidence of insurability.

When the yearly term insurance is converted, your dividend option automatically changes to paid-up additional insurance which means we will use any subsequent dividends to purchase paid-up additional insurance.

If applying to convert to a permanent life insurance policy, you must apply on or before the last date to convert, shown on the *Policy summary*. The term insurance ends on the date the new policy takes effect.

The new life insurance

You may apply for any life insurance we offer when you apply, subject to the terms and conditions of that insurance and our administrative rules. Your application must be in a form acceptable to us. The new life insurance will:

- be based on the information about the insured persons in the application we received for this policy
- depend on our rules about the ages of the insured persons and the amount of insurance
- have an insurance amount that is not greater than the amount of yearly term insurance in effect on the date the new application is signed, and
- not include any optional benefits that are in this policy.

If any insured person is disabled

If any insured person is totally disabled and we're waiving premiums for their insurance, you cannot convert.

Paying for the new policy

The cost for the new policy will be based on:

- the same evidence of insurability we used to determine the premium for this policy
- the rates we charge for the new insurance on the date you apply, and
- the ages of the insured persons on the date you apply.

When the yearly term insurance portion ends

This insurance automatically ends on the earliest of the date:

- the new policy takes effect
- you apply to change to a different dividend option
- the enhanced insurance amount consists entirely of paid-up additional insurance
- you apply to change your policy to reduced paid-up life insurance, or
- this policy ends.

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Paying for your policy

Premiums for this policy

We will provide you with the benefits described in this policy if you pay the required premiums by the due date. Payments must be made to Sun Life Assurance Company of Canada. The *Schedule of guaranteed premiums* describes your premium guarantees. We have the right to refuse cash payments.

If you do not pay a premium when it's due, we will deduct the amount due as follows:

- if there's money in the withdrawable premium fund, we will withdraw the amount owing from this fund
- any remaining unpaid premium still owing 31 days after the due date will be paid by automatic premium loan if there is sufficient net cash value in your policy.

Withdrawable premium fund

If you send us more than you owe to keep the policy in effect, we will hold the excess amount in the withdrawable premium fund. We may set a maximum amount that you can have in the fund. You may use this fund to pay premiums at any time.

The amount in your premium fund earns interest daily. The interest is compounded annually. We set the interest rate each day based on short-term interest rates. Interest earned on your premium fund is taxable.

You may withdraw money from your premium fund at any time, subject to our minimum withdrawal rules.

We may charge a fee for these withdrawals. We determine the amount of any fee we charge.

Automatic premium loan

The automatic premium loan is initiated by us and is only available to pay unpaid premiums, excluding the premiums for any Plus premium benefit. The amount of the automatic premium loan cannot be more than the net cash value of your policy.

If the amount of your automatic premium loan, including interest, becomes greater than the cash value, your policy will end 31 days later unless we receive a payment within that period to keep your policy in effect. We set the minimum amount of this payment.

We charge interest on the loan each day. The interest is compounded annually. This means the interest accumulates and we add it to the balance of the loan at the end of the policy year. We set the interest rate on the date the loan is taken and tell you the interest rate charged on the loan. At each policy anniversary, we change the interest rate to the rate we would charge on new loans on your policy on that date, whether a new loan is taken or not.

You may repay your automatic premium loan at any time. Any automatic premium loan is a policy loan.

If any loan is outstanding at the time a death benefit is payable, the amount of the loan plus interest will be deducted from the amount we pay to the beneficiary.

If premiums are not received

If the amount you are required to pay is not paid, your policy ends 31 days after it's due. If your policy ends this way, it has lapsed.

Putting your policy back into effect

We will not put this policy back into effect if you cancelled it. If your policy ended because it lapsed, you may apply to put it back into effect if all the persons insured under the basic insurance coverage are alive on the date the policy lapses. This process is called reinstatement.

If you want to put your policy back into effect, you must:

- apply within 2 years of the policy ending
- give us new evidence of insurability, that we consider satisfactory, for all of the insured persons, and
- make a payment equal to:
 - the unpaid premiums, including interest, owing from the date the policy ended up to the date it is reinstated, and
 - the amount of any outstanding policy loans on the date the policy ended, including interest, accumulated to the date of reinstatement.

We will tell you when we approve your application to reinstate your policy. If we don't approve your application, we'll refund the amount you paid when you applied.

Reinstating while disabled

We will not put this policy back into effect if you cancelled it. If an *Owner waiver disability benefit* or *Total disability waiver benefit* is included and your policy lapsed while you or an insured person is disabled, you may apply to put this policy back into effect, without giving us new evidence of insurability.

The conditions that must exist for us to consider your application are:

1. The policy must have ended by lapse before a claim was made for the disability benefit or after a claim was made but before we completed our claim assessment
2. You must apply within 1 year of the date the policy ended by lapse
3. The disabled person must have been disabled when the policy lapsed and their disability continued for at least 6 consecutive months
4. You must apply before the end date of the disability benefit on the insured person shown on the *Policy summary*
5. You must give us proof, that we consider satisfactory, of the disability and the length of time the insured person was disabled, and
6. All persons insured under the basic insurance coverage must be alive when you apply and continue to be alive on the date we reinstate your policy.

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Borrowing money from your policy (policy loans)

You may borrow money from your policy. The maximum amount you may borrow is:

- the total of the guaranteed cash value
- **plus** any cash value of paid-up additional insurance
- **plus** any dividends on deposit
- **minus** interest for 1 year at our current loan interest rate on the total of the guaranteed cash value, any cash value of paid-up additional insurance and any dividends on deposit
- **minus** any unpaid premiums, including interest
- **minus** any outstanding policy loans, including interest.

We set the minimum amount you can borrow.

We may charge a fee when you borrow money from your policy. We determine the amount of any fee we charge.

If the amount of your policy loan, including interest, becomes greater than the cash value, your policy will end 31 days later unless we receive a payment within that period to keep your policy in effect. We set the minimum amount of this payment.

We charge interest on the loan each day. The interest is compounded annually. This means the interest accumulates and we add it to the balance of the loan at the end of the policy year. We set the interest rate on the date the loan is taken and tell you the interest rate charged on the loan. At each policy anniversary, we change the interest rate to the rate we would charge on new loans on your policy on that date, whether a new loan is taken or not.

You may repay your policy loan at any time.

If any loan is outstanding at the time a death benefit is payable, the amount of the loan plus interest will be deducted from the amount we pay to the beneficiary.

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Maintaining your policy's tax-exempt status

Under Canadian tax law in effect on the policy date, your policy's cash value is not taxed if:

- it passes the tax-exempt limit test each year, and

- you do not cancel any paid-up additional insurance.

The tax-exempt limit changes each year on the policy anniversary.

If at any policy anniversary, your policy fails the tax-exempt limit test, we will reduce the amount of paid-up additional insurance to reduce the policy's net cash value, so it can pass the tax-exempt limit test. The cash value of the reduction in paid-up additional insurance will be applied:

- to reduce any outstanding policy loans to zero, and
- to the withdrawable premium fund, if any amount remains.

If Canadian tax law changes, we may limit or disallow any transactions or policy changes that affect your policy's tax-exempt status.

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Your right to change this policy to reduced paid-up life insurance

While premiums are payable, you may apply to change your policy to a reduced paid-up life insurance policy. This means your policy will continue with a reduction in the basic insurance amount and you no longer pay premiums. You may not make this change if the policy would become non-exempt for income tax purposes or does not meet our minimums for reduced paid-up life insurance.

If we approve your application, we will change your policy to reduced paid-up life insurance effective as of the date we received your written request or on any later date you indicate in your request. We will use the net cash value to determine the reduced paid-up basic insurance amount.

The reduced paid-up life insurance may be eligible for dividends. If your dividend option is enhanced insurance or annual premium reduction on the date your policy is changed to reduced paid-up life insurance, that dividend option will not be available. Instead, we will change it to paid-up additional insurance.

On the date your policy is changed to reduced paid-up life insurance:

- you can no longer pay premiums
- you can no longer put money into the withdrawable premium fund, and
- all optional benefits end.

[E16055A](#)

Your right to cancel this policy

You may cancel your policy at any time. Your decision to cancel your policy is your personal right. The cancellation is binding on you and any person entitled to make a claim under this policy, whether their entitlement is revocable or irrevocable.

All of our obligations and liabilities under this policy end immediately on the date we receive your request to cancel your policy or on any later date you indicate in your request.

To cancel your policy, send your request in writing to:

Sun Life Assurance Company of Canada
227 King Street South
PO Box 1601, Stn. Waterloo
Waterloo ON Canada N2J 4C5

If you apply to cancel your policy within the first 10 days of receiving it from us, we will treat this as a rescission. This is described under the heading, *If you change your mind within 10 days*.

If you cancel your policy after the 10th day of receiving it from us, we'll pay you the net cash value of this policy plus any balance in the withdrawable premium fund.

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Other information about your policy

Information about our contract with you

Once your policy is in effect, the following documents make up our entire contract with you:

- your application for insurance, including any evidence of insurability, and
- this policy, including any amendments.

All of our obligations to you are contained in the documents described above. Any other document or oral statement does not form part of this contract. This policy or any part of this policy may not be amended or waived except by a written amendment signed by two authorized signing officers of the company.

Time limit for recovery of insurance money

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 the provincial or territorial legislation that applies to this policy.

Currency of this policy

All amounts of money referred to in this policy are in Canadian dollars.

Transferring your policy (assignment)

You may be able to transfer your rights under this policy to someone else by assigning the policy. We are not responsible for ensuring that the assignment of your policy is legally valid. If you transfer this policy, send a notice of the assignment to:

Sun Life Assurance Company of Canada
227 King Street South
PO Box 1601, Stn. Waterloo
Waterloo ON Canada N2J 4C5

Non-recourse premium financing

If you assign this policy at any time, either under a collateral assignment or absolute assignment, or grant a hypothec on it under a deed of hypothec for the purposes of non-recourse premium financing or another similar financing structure, we may void the policy. If we void the policy, all our obligations end effective on the date you assigned or granted a hypothec on it. No benefit is payable, and we have the right to keep all premiums paid.

Non-recourse premium financing is an arrangement where an entity enters into a lending agreement with a policy owner where the entity (lender) agrees to pay the premiums for the policy directly to the insurer. The policy owner collaterally assigns the policy to the lender or grants a hypothec on it as security for the loan. The loan agreement typically provides that the loan is repaid when the insured person dies. The arrangement is called non-recourse because the lender cannot sue the policy owner if the loan is not repaid.

Insurance terms

The following explanations describe insurance terms that may or may not apply to this policy.

Age

Age means a person's age on their birthday nearest to a particular date. This is known as age nearest. For example, a person's age at the policy date means their age on their birthday nearest to the policy date.

Joint age

For a joint basic insurance coverage, we use a single age to determine the premium for that coverage. We call this the joint age and it's shown on the *Policy summary*. We calculate the joint age on the date the insurance takes effect using the smoking status, sex and age of each of the persons insured for the joint basic insurance coverage.

Beneficiary

The person or persons you name in writing to receive a death benefit.

Contingent owner

The person or persons you name in writing to take ownership of this policy if you die before the date this policy ends.

What happens if no contingent owner is named when a policy owner dies?

- If there is only one policy owner on the date of death, then the policy owner's estate becomes the new policy owner.
- If there are two or more policy owners on the date of death, then the deceased policy owner's estate along with the surviving policy owner(s) own the policy.

Evidence of insurability

This may include medical, financial, lifestyle, tobacco usage and family medical history information and other personal history information needed to approve an application for life insurance.

Guaranteed cash value

The guaranteed cash value is an amount we determine when your policy is issued. It is part of the amount that we pay to you if you cancel this policy.

Net cash value

The net cash value is:

- the guaranteed cash value
- **plus** the cash value of any paid-up additional insurance
- **plus** the cash value of any dividends on deposit
- **minus** any unpaid premiums, including interest
- **minus** any outstanding policy loans, including interest.

Optional benefits

Optional benefits may be available in addition to basic insurance coverage. An example of an optional benefit is the Total disability waiver benefit.

Participating policy

Life insurance involves the transfer of risk from an individual to a life insurance company. With participating insurance, a portion of the risk is shared among the policy owners and the company. We call it “participating insurance” (or “par insurance”) because the policy owner participates in the risk along with the insurance company. We determine annually, at our sole discretion, if there will be a dividend and the amount of any dividend. Any optional benefits, except Plus premium benefit, are not participating and are not eligible to receive dividends.

Permanent insurance

A type of insurance that provides protection for the insured person's entire lifetime.

Policy anniversary

The month and day every year that is the same as your policy date.

Policy date

This is the start date of your insurance policy. This date is shown on the *Policy summary*.

Term insurance

A type of insurance that provides protection for a limited number of years.

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