

GENERAL PROVISIONS

Definitions

“**Company**” shall mean The Empire Life Insurance Company.

“**Coverage**” shall mean any Life Insurance Benefit, Critical Illness Benefit, or Additional Benefit as shown on the most recent Data Page.

“**Life or Lives Insured**” shall mean the person(s) whose life is insured as shown on the most recent Data Page for this policy.

“**Owner**” shall mean the person who owns this policy and all of the rights and privileges associated with it. This person may also be a Life Insured.

GP1 The Contract

This policy, the application, any subsequent applications for change or reinstatement of the policy, and any policy endorsements constitute the entire contract between the Company and the Owner.

This policy will be governed and construed in accordance with the laws of the Province or Territory of Canada in which the Owner executes the original application for this policy.

This contract will take effect on the Policy Date shown on the Data Page only if:

- i) the first premium due has been paid; and
- ii) the insurability of the Life or Lives Insured has not changed between the completion of the application and the delivery of the policy; and
- iii) in all provinces except Quebec, the policy has been delivered to the Owner, an agent or assignee of the Owner, or the beneficiary; or
- iv) in the Province of Quebec, the date the application is approved at the Head Office of the Company.

The Owner and the Company may mutually agree to any change in the policy, subject to all applicable laws. Any change or waiver of a policy provision must be in writing and must be signed by an authorized officer of the Company.

GP2 Incontestability

Failure to disclose in the application for this policy or for a policy change or reinstatement requiring evidence of insurability, or misrepresentation therein of any and every fact which is material to the contract will render the contract voidable by the Company, except as noted below.

In the absence of fraud, no benefit of this policy may be voided by the Company after it has been in force during the lifetime of the Life or Lives Insured for that benefit for a period of two years. The two-year limitation does not apply to any Waiver of Premium Provision included in this policy. The two-year limitation does not apply if a claim is made for a Critical Illness

benefit where the symptoms or medical problems leading to a Diagnosis or surgery commenced before the end of the two-year period. The two-year period is measured from the later of the effective date of:

- i) the policy; or
- ii) the last policy change requiring evidence of insurability; or
- iii) the last reinstatement.

If the premium charged for this policy is based, in whole or in part, on a declaration made on the application or any subsequent application for policy change or reinstatement as to the non-use of tobacco or tobacco products by the Life or Lives Insured and the declaration is untrue all parties to this contract agree that the declaration will be deemed to be fraud and this contract and any claim for benefits will be void.

Notwithstanding the above, and in the absence of fraud, provisions relating to investments in the Segregated Fund(s) of the Company will be incontestable.

Misstatement of age or sex will not be considered misrepresentation for the purpose of this policy.

GP3 Currency and Place of Payment

Every payment made under the terms of this policy, either to or by the Company, will be payable in lawful money of Canada. Payments to the Company may be made at any office of the Company.

GP4 Payment of Premiums

The Schedule of Premiums page shows the total initial annual premium due for this policy. This includes premiums for any Life Insurance benefits, Critical Illness benefits, Additional Benefits, and the administration fee. The Schedule of Premiums page will reflect any adjustments in the premiums payable.

Premiums are payable in advance. Premiums may be paid on a monthly Automatic Payment Plan basis or any other basis that is agreed to by the Company.

Unless specified otherwise in this policy, premiums that are due and paid will not be refundable, in whole or in part, except the first payment made in respect of this policy. The first payment will be fully refundable providing the Owner, within 10 days of receipt of this policy, completes the Request to Cancel Under The Ten Day Rescission Privilege and returns this policy to the Head Office of the Company.

No premium will be due or payable after this policy terminates or becomes paid-up in accordance with the terms and conditions of the paid-up privilege, if applicable.

The acceptance of any premium payment made in respect of any benefit provision(s) after the termination of such provision(s) in accordance with its terms will not impose on the Company any liability. The premium payment will be refunded to the Owner.

GENERAL PROVISIONS (cont'd)

GP5 Grace Period

While this policy is in force any premium, or any part of such premium, which is not paid on or before the due date will constitute a premium in default. A grace period of 31 days after the due date of a premium in default will be allowed for payment of such premium during which time this policy will remain in force.

If a Life Insured dies at any time during the grace period an amount equal to the premium in default will be deducted from the proceeds payable.

Further, if this policy includes Critical Illness benefits for a Life Insured and, if during the grace period, that Life Insured is diagnosed with a Critical Illness, as defined in the Critical Illness provisions, an amount equal to the premium in default will be deducted from the proceeds payable.

If a premium in default remains unpaid at the end of the grace period, this policy will lapse and cease to be in force. No benefits or privileges will be payable or enforceable except as may be otherwise specified in any provision in this policy and then only to the extent and in accordance with the terms of such provision.

GP6 Reinstatement

Notwithstanding GP5 Grace Period, the Owner may apply for reinstatement of this policy at any time within two years after the date it lapsed and ceased to be in force by:

- i) paying to the Company the overdue premiums and other indebtedness at the time of such application together with interest at the rate of 6% per annum compounded annually; and
- ii) submitting evidence of the good health and other evidence of the insurability of the Life or Lives Insured, satisfactory to the Company.

GP7 Policy Years

For benefits applied for on the original application for this policy, policy years will be measured from the policy date shown on the Data Page and each succeeding anniversary of the policy date will constitute a policy anniversary for such benefits.

For benefit(s) applied for after the policy date as shown on the most recent Data Page, policy years will be measured from the effective date of such benefit(s) as indicated on the Application for Policy Change for the respective benefit(s). Each succeeding anniversary of the effective date of such benefit(s) will constitute a policy anniversary for the respective benefit(s).

GP8 Indebtedness

The term "Indebtedness" will mean indebtedness to the Company under this policy at any time and will consist of the total of:

- (i) amounts, if any, loaned by the Company on the security of this policy; plus
- (ii) interest, if any, on (i); less
- (iii) the amount of any repayment of (i) or (ii).

Interest will accrue at a rate, compounded annually, as the Company may determine to be applicable during each policy year.

Indebtedness will be a first charge against this policy in favour of the Company in priority to the claim of any beneficiary, assignee or other person making a claim and will be deducted from the proceeds payable under this policy.

Repayment, in whole or in part, of indebtedness may be made at the Head Office of the Company at any time.

GP9 Suicide

If a Life Insured commits suicide, while sane or insane, within two years of the effective date of:

- i) the policy; or
 - ii) the last policy change requiring evidence of insurability; or
 - iii) the last reinstatement;
- whichever will be latest, the only amounts payable by the Company will be:
- (i) the Cash Value less indebtedness, determined at the date of death in accordance with the Guaranteed Value Provisions, if applicable; and
 - (ii) the Return of Premium on Death as described in the Critical Illness Provisions, if applicable; and
 - (iii) the sum of the value of any units in the Segregated Fund(s) of the Company plus any amounts held on deposit in the general funds of the Company at the credit of this policy determined at the time of death as described in those provisions, if applicable.

GP10 Payment of Proceeds

Before making payment of any proceeds payable under this policy, the Company will require:

- i) sufficient proof of the right of the claimant to receive such payment;
- ii) satisfactory proof of age for the Life or Lives Insured;
- iii) satisfactory evidence of the death and the cause of death of a Life Insured;
- iv) any other information which the Company may reasonably require to establish the validity of the claim.

Upon making payment a valid discharge of all liability under the policy will also be required.

GENERAL PROVISIONS (cont'd)

GP11 Settlement Provisions

Benefits payable under the terms of this policy may be paid in cash, left on deposit, used to provide an annuity or settled on any other agreed upon basis.

Details of the options and the conditions under which they are available will be provided on request.

GP12 Insurance Age and Sex

The Insurance Age for each benefit is as shown on the most recent Data Page. This is based on the age of the Life or Lives Insured provided in the application and is subject to any modifications due to underwriting ratings. The Attained Insurance Age at any time is the Insurance Age increased by the number of policy years that have elapsed since the effective date for each benefit.

If the age or sex of a Life Insured for any benefit under this policy is misstated, the proceeds payable for that benefit will be adjusted to the amount that would have been provided on the basis of the correct age or sex by the premium actually paid in respect of that benefit. If, on the basis of the correct age, the benefit would not have been available for that Life Insured, that benefit will be void and cancelled and all premiums paid for that benefit will be refunded.

GP13 Beneficiary

The beneficiary will be as designated in the application for this policy.

The Owner may, if the law governing this policy allows,

- i) appoint a beneficiary or alter or revoke a prior designation provided that, if the previous designation was irrevocable, the written consent of the irrevocable beneficiary is provided; and
- ii) apportion or reapportion the proceeds payable

by submitting a written request to the Head Office of the Company.

The Company assumes no responsibility for the validity or sufficiency of any such declaration.

In the event of a common disaster, if the Company cannot determine the first to die of the Life Insured or the beneficiary, the beneficiary will be deemed to have died first.

If no beneficiary survives the Life or Lives Insured, the beneficiary will be the Owner or the estate of the Owner.

GP14 Assignment

The Company assumes no responsibility for the validity, effect or sufficiency of any assignment of any interest in this policy and will not be bound by any such assignment, unless it is in writing and filed at the Head Office of the Company.

GP15 Control of Policy

Subject to the provisions of the law governing this policy and to GP2-5-ENG-0302

the rights of any beneficiary, the Owner may:

- i) exercise all the rights, options and privileges granted by this policy or permitted by the Company;
- ii) assign this policy;
- iii) agree with the Company to any change or amendment of this policy.

If the Owner dies while this policy is in force, the Contingent Owner will have all the rights, options and privileges of the Owner. If no Contingent Owner has been named, all rights, options and privileges of the Owner will be transferred to the Life or Lives Insured under this policy.

GP16 Deferred Non-Smoker Provision

If the Insurance Age of a Life Insured as indicated on the Data Page is 17 or less and if within 60 days of the policy anniversary nearest that Life Insured's 18th birthday, the Owner submits to the Company satisfactory proof that the Life Insured has not used any tobacco or nicotine products within the previous 12 months, the Company will reduce that portion of the policy's premium applicable to that Life Insured effective from that anniversary. The amount of the reduction in the total annual premium will be determined based on the Company's rules in effect at the policy date as shown on the most recent Data Page.

GP17 Termination of a Coverage

A Coverage will terminate,

- i) if it is surrendered for cash; or
- ii) on the date payment of the Sum Insured for a benefit is made; or
- iii) upon receipt at the Head Office of the Company of a written request from the Owner for termination of a Coverage; or
- iv) at the expiry date for the Coverage as shown on the most recent Data Page; or
- v) at the Coverage termination date as defined in any provision within this policy

whichever occurs first.

GP18 Termination of a Policy

This policy will terminate,

- i) if all Coverages have been terminated; or
- ii) for non-payment of premiums as described in GP5, Grace Period; or
- iii) at any time indebtedness exceeds the Cash Value; or
- iv) upon receipt at the Head Office of the Company of a written request from the Owner to cancel the policy

whichever occurs first.

LIFE INSURANCE PROVISIONS

These provisions will apply to only those Coverages identified as Solution 10, Solution 20, Solution 100 or 20 Pay Solution on the most recent Data Page.

S1 Sum Insured

The total Sum Insured for a Life or Lives Insured is as shown on the most recent Data Page. The Sum Insured is guaranteed until the earlier of the date a Coverage is terminated or the date on which the Life or Lives Insured for a Coverage attains insurance age 101.

Provided a Coverage remains in force, commencing at attained Insurance Age 101 of the Life or Lives Insured, the Sum Insured will increase at the rate of five percent (5%) per year. The increase will take effect on the policy anniversary at which the Life Insured attains age 101 and annually thereafter provided that the Life Insured is living and this Coverage remains in force as at each anniversary date.

S2 Paid-Up Benefit

Once the Life or Lives Insured for a Coverage attain Insurance Age 100, that Coverage becomes paid-up.

S3 Death Benefit

If a Life Insured dies the Company will pay, as part of the proceeds of this policy, the Sum Insured for that Life Insured provided the Coverage is in force.

Sample

LIFE INSURANCE CONVERSION PROVISIONS

C1 Conversion Privilege

The Owner may exchange a Life Insurance Coverage on a Life Insured without any further evidence of the insurability of that Life Insured, provided that:

- i) the Coverage provides for a conversion privilege; and
- ii) the conversion privilege has not expired

as shown on the most recent Data Page.

The following conditions for the new insurance will apply:

- i) the new insurance will become effective at the time of the exchange and will be selected from any level premium permanent whole life insurance plan then being offered by the Company; and
- ii) the Sum Insured for the new insurance will not be greater than the Sum Insured specified on the most recent Data Page for the Coverage being exchanged; and
- iii) the premium for the new insurance will be determined by the Company at the time of the exchange, taking into account the attained Insurance Age and the original class of risk of the Life Insured.

The new insurance may include an Accidental Death and Dismemberment Provision if, at the time of the exchange, this provision is included in this policy for the Life Insured. The total of the Accidental Death and Dismemberment Benefits cannot be greater than the amount of insurance as shown on the most recent Data Page for this benefit.

The new insurance may include a Waiver of Premium Provision if, at the time of the exchange, this provision is included in this policy for the Life Insured and the Life Insured is not then totally disabled, as defined in the Waiver of Premium provisions of this policy.

The Owner may exercise this conversion privilege by submitting a written application for conversion, the first premium due, and a request for termination of this Coverage to the Head Office of the Company.

C2 Special Conversion

If this policy includes Waiver of Premium benefits on a Life Insured the Owner may exchange a Life Insurance Coverage on that Life Insured for any non-participating level premium permanent whole life insurance plan provided that:

- i) the Life Insured is totally disabled prior to the policy anniversary nearest the Life Insured's sixtieth birthday; and
- ii) the Life Insured remains continuously disabled until the date specified on the most recent Data Page for the expiry of the conversion privilege on that Coverage.

The new insurance resulting from such special conversion will:

- i) include a benefit providing for the waiver of premiums; and
- ii) be for an amount equal to the Sum Insured as specified on the most recent Data Page for this Coverage; and
- iii) become effective at the time this conversion privilege expires.

The Owner may exercise this special conversion privilege by submitting a written application for special conversion, and request for the termination of the Coverage on the Life Insured to the Head Office of the Company within 90 days prior to the date specified on the Data Page for the expiry of this conversion privilege.

GUARANTEED VALUE PROVISIONS

Definitions

"Cash Value" and the corresponding "Paid-up Value" shall mean the values shown in the Table(s) of Guaranteed Values for the end of the applicable policy year. Values for other policy years or portions of policy years may be obtained from the Company on request. Cash Value does not include the surrender value of any units in the Segregated Fund(s) of the Company or any amounts held on deposit in the general funds of the Company at the credit of this policy.

"Loan Value" is equal to the Cash Value less indebtedness and interest for one year as determined by the Company.

GV1 Guaranteed Value Options

In the absence of legal restrictions the Owner may, in writing, request:

- i) payment of the Cash Value of the Coverage, less indebtedness, in a single sum; or
- ii) exchange of a Coverage for non-participating paid-up insurance as specified in provisions GV2, Paid-Up Privilege.

In either case, the Owner will comply with the requirements of the Company. The liability of the Company will be limited only to the payment provided for under the option requested. The Company may defer making payment of the Cash Value for a period not exceeding 90 days after receipt of the request at its Head Office.

GV2 Paid-Up Privilege

The Owner may exchange a Coverage for non-participating paid-up insurance on a Life Insured without any further evidence of insurability provided that the Coverage has a Guaranteed Paid-Up Value as at the date of the request.

The Paid-Up insurance will become effective at the time of the exchange. The Sum Insured provided will be determined from the Table of Guaranteed Values for the applicable Coverage for the Life Insured, adjusted for any indebtedness.

The Owner may exercise this Paid-Up Privilege by submitting a written request to the Head Office of the Company. The Company reserves the right to refuse the exercise of the Paid-Up privilege if the Sum Insured will be less than \$5,000.

GV3 Cash Loans

The Owner may borrow upon the security of this policy, while it is in force and if it has a Cash Value, an amount not exceeding the Loan Value. The Company reserves the right to defer payment of a cash loan for a period not exceeding 90 days after a loan request is received at its Head Office.

GV4 Automatic Premium Loans

If this policy has a Cash Value, and a premium remains unpaid at the end of the Grace Period, it will automatically remain in force upon the application by the Company of a loan on the security of this policy as follows:

- i) if the Cash Value, less indebtedness, is equal to or greater than the premium in default this policy will remain in force from the due date of the premium in default to the due date of the next premium, if any;
- ii) if the Cash Value, less indebtedness, is less than the premium in default this policy will remain in force for the longer of:
 - a) the grace period; or
 - b) the period of time that the Cash Value less indebtedness will allow, as determined by the Company.

This policy will lapse unless the full premium due and any interest owing are paid before the end of this period.

JOINT FIRST DEATH PROVISIONS

JFD1 Death Benefit

On the death of the first of the Lives Insured, the Company will pay as part of the proceeds of this policy, the Sum Insured for the Joint First Death insurance Coverage, provided the Coverage is in force.

JFD2 Joint Conversion Privilege

If the insurance Coverage to which this Joint First Death provision applies includes a Conversion Privilege and/or a Special Conversion Privilege, such privileges will apply provided that the new insurance is on a Joint First Death basis for the Lives Insured.

JFD3 Survivor Continuing Coverage Period

The insurance coverage provided under this Joint First Death provision will automatically continue on the life of the survivor of the Lives Insured for a period of 90 days following the date of death of the first of the Lives Insured or until the expiry date of the Coverage for this Joint First Death protection as indicated on the Data Page, if earlier.

If, at the end of this Survivor Continuing Coverage Period, the Owner has not applied to the Head Office of the Company for continuing benefits under Provision JFD4, this Coverage will automatically terminate and there will be no further premiums due or benefits payable for this Coverage.

JFD4 Survivor Conversion Privilege

During the Survivor Continuing Coverage Period the Owner may purchase new insurance coverage on the life of the survivor, without further evidence of insurability, subject to the following conditions:

- i) the Owner selects the new insurance from any level premium permanent whole life insurance plan then being offered by the Company. The premium for this insurance will be determined by the Company at that time, taking into account the attained Insurance Age and the original class of risk of the survivor;
- ii) if this policy contains a Waiver of Premium provision which applies to the Coverage to which the Joint First Death provisions apply and the survivor is the Life Insured for that Waiver of Premium provision, the new insurance may include a Waiver of Premium provision provided that the survivor is not totally disabled at the time of conversion.

The new insurance will take effect as of the date of death of the first of the Lives Insured and all premiums will be due and payable to the Company from that date. The Sum Insured of the new insurance may not exceed the Sum Insured specified on the most recent Data Page under this Joint First Death provision.

The Owner may exercise this survivor conversion privilege by submitting a written application for survivor conversion and the initial premium due to the Head Office of the Company at any time within the Survivor Continuing Coverage Period.

JFD5 Special Survivor Conversion Privilege

Notwithstanding the above, if:

- i) this policy includes a Waiver of Premium Provision; and
- ii) the survivor is the Life Insured for that provision; and
- iii) the survivor is totally disabled at the date of death of the first of the Lives Insured,

the insurance coverage provided under this Joint First Death provision will continue on the life of the survivor until the expiry date of the waiver of premium benefit. For the purpose of this provision, the expiry date is defined as the first to occur of:

- i) the date on which the survivor ceases to be totally disabled as defined in the Waiver of Premium provision; or
- ii) the expiry date of the Waiver of Premium provision.

At the expiry date indicated above, this Coverage may be converted to any non-participating level premium permanent whole life insurance plan then being offered by the Company. The Coverage resulting from this special conversion will:

- i) include a benefit providing for the waiver of premium payments, provided that the survivor is still eligible for such benefit, and
- ii) not exceed the Sum Insured specified for this Joint First Death provision on the survivor as indicated on the most recent Data Page, and
- iii) become effective at the expiry date indicated above.

The premium for this new Coverage will be as determined by the Company at that time, taking into account the then attained Insurance Age and the original class of risk of the survivor.

JOINT SECOND DEATH PROVISIONS

JSD1 Death Benefit

On the death of the last of the Lives Insured, the Company will pay as part of the proceeds of this policy, the Sum Insured for the Joint Second Death insurance Coverage, provided the Coverage is in force.

JSD2 Joint Conversion Privilege

If the insurance Coverage to which this Joint Second Death provision applies includes a Conversion Privilege and/or a Special Conversion Privilege, such privileges will apply provided that the new insurance is on a Joint Second Death basis for the Lives Insured.

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