



## SPECIFIC PROVISIONS - ADAPTABLE

**OBJECT OF THE BENEFIT** - When the policy owner has chosen the extension of insurance option described in the "Extension of insurance - Chapter B" section, this benefit, while in force, provides that:

1. if the life insured dies before the expiry date of the benefit mentioned under the heading "Adaptable - Chapter A" on the "Policy Summary" page, the Company pays to the beneficiary the sum insured in force at the date of death under that heading, at which time the policy is terminated
2. if the life insured dies after such date, the Company pays to the beneficiary the sum insured in force at the date of death under the heading "Adaptable - Chapter B" on the "Policy Summary" page, at which time the policy is terminated

The sum insured will be paid under only one heading and its payment terminates the policy.

If the policy owner has not chosen the extension of insurance option described in the "Extension of insurance - Chapter B" section, this benefit, while in force, provides that if the life insured dies before the expiry date of the protection under the heading "Adaptable - Chapter A" on the "Policy Summary" page, the Company will pay to the designated beneficiary the sum insured in force at the date of death under that heading, at which time the policy is terminated.

**EXTENSION OF INSURANCE - CHAPTER B** - The policy owner may choose to extend the insurance protection beyond the expiry date of the benefit mentioned under the heading "Adaptable - Chapter A" on the "Policy Summary" page, by adding insurance protection under the heading "Adaptable - Chapter B".

The sum insured under the heading "Adaptable - Chapter B" can be built by layers or be fully subscribed as of the effective date of the policy or later on predetermined policy anniversaries, being the third (3<sup>rd</sup>), fifth (5<sup>th</sup>) or seventh (7<sup>th</sup>) policy anniversary. The policy owner must give notice to the Company each time he wishes to exercise this option. No evidence of insurability is required.

However, the sum insured under the heading "Adaptable - Chapter B" may not exceed the amount in force under the heading "Adaptable - Chapter A".

**SUM INSURED** - The sum insured under the heading "Adaptable - Chapter A", as well as its effective date and its expiry date, are shown on the "Policy Summary" page.

The sum insured under the heading "Adaptable - Chapter B" as well as its effective date and its expiry date, are shown on the "Policy Summary" page.

The sum insured under the heading "Adaptable - Chapter B" becomes effective only at the expiry date of the sum insured under the heading "Adaptable - Chapter A", that is the policy anniversary nearest the chosen birth date of the life insured indicated on the "Policy Summary" page, provided the said policy anniversary occurs after the policy has been in force for at least twenty (20) years and if not, after the policy has been in force for twenty (20) years.

The expiry date of the sum insured under the heading "Adaptable - Chapter A" and the effective date of the insurance protection under the heading "Adaptable - Chapter B" mentioned on the "Policy Summary" page, are consistent with the preceding paragraph.

If the sum insured under the heading "Adaptable - Chapter B" is reduced, the sum insured under the heading "Adaptable - Chapter A" must be reduced in the same proportion.

**PREMIUM** - The premium payable under the heading "Adaptable - Chapter A" is shown on the "Policy Summary" page. It is payable for as long as the sum insured under that heading is in force.

The premium(s) under the heading "Adaptable - Chapter B" if any, is(are) payable from the date(s) this additional insurance protection is effected under that heading and cease(s) at the same time as the premium payment under the heading "Adaptable - Chapter A" ceases.



The premium rates per \$ 1,000 of insurance for the addition of insurance under the heading "Adaptable - Chapter B" at the 3<sup>rd</sup>, 5<sup>th</sup> or 7<sup>th</sup> policy anniversary are guaranteed and shown on the "Policy Summary" page for this policy. They are based on the policy anniversary when the option is exercised and the sum insured the policy owner subscribes for.

**GUARANTEED CASH SURRENDER VALUE AND PAID-UP SUM INSURED** – Starting from the tenth (10<sup>th</sup>) policy anniversary and in the absence of any legal restrictions, the policy owner may ask payment from the Company of all or part of the cash surrender value of the policy, less, if any, the balance of any outstanding loan. If only part of the cash value is paid, the policy remains in force but for a sum insured reduced in proportion.

The cash surrender value is determined on the basis of the "Guaranteed values / \$ 1,000 of chapter B" table included in this policy. It is based on attained age and the amount of Chapter B in force at the time the cash surrender value is requested.

Instead to receive the cash surrender value described above, the policy owner may ask to the Company to extend the insurance protection until the death of the life insured for a paid-up sum insured.

The paid-up sum insured is determined on the basis of the "Guaranteed values / \$ 1,000 of chapter B" table included in this policy. It is based on attained age and the amount of Chapter B in force at the time the paid-up sum insured is requested. This paid-up sum insured cannot be surrendered.

**LOANS** – Two (2) types of loans exist:

1. **Cash loan** – The policy owner may require, in the absence of any legal restrictions, the Company to grant him a loan guaranteed by the cash surrender value of the policy, up to an amount which, together with accumulated interest on the loan, will not exceed the cash surrender value at the next policy anniversary date.
2. **Automatic premium advance** – If a premium remains unpaid at the end of the grace period, the Company will, without request, advance the premium amount as a loan guaranteed by the cash surrender value of the policy, as of the premium due date.

If the amount of the cash surrender value of the policy, reduced by any debt outstanding under the policy, is not sufficient to pay a full premium, the policy will be maintained in force for a portion of the period normally covered by the premium due. At the end of such period, if the loan together with interest have not yet been reimbursed, the contract is cancelled as of right.

The interest rate used is established by the Company from time to time. Any interest remaining unpaid at the end of a policy year is then added to the loan.

The policy is automatically cancelled when the loan balance, with accumulated interest interest, equals or exceeds the cash surrender value.

