

POLICY NUMBER:
LIFE INSURED:

THE CANADA LIFE ASSURANCE COMPANY
HEAD OFFICE: 330 UNIVERSITY AVE.,
TORONTO, CANADA M5G 1R8

We, The Canada Life Assurance Company, agree to provide insurance and pay benefits as described in this policy. This agreement to pay is subject to the provisions on the attached pages included in this policy which, together with the application and any subsequent applications and amendments, form the contract between you and us.

BASIC DEFINITIONS

"You" and "your" refer to the owner of this policy.

"We", "our", and "us" refer to The Canada Life Assurance Company ("Canada Life").

TEN DAY RIGHT TO EXAMINE POLICY

Within ten days after first receiving this policy, you may return it with a written cancellation request to any of our offices in Canada. The policy is then void from commencement and we will refund to you any payment we received for it.

ESTATE ACHIEVER

Insurance payable at death.

Premiums payable for the premium period shown on the Policy Details page(s), or until death, if sooner.

Eligible for dividends.

TABLE OF CONTENTS

SECTION	PAGE
POLICY DETAILS	3
TABLE OF GUARANTEED VALUES	4
DEFINITIONS	5
PAYMENT OF PROCEEDS	6
PREMIUMS	7
DIVIDENDS	8
LOANS	13
GENERAL PROVISIONS	14
POLICY VALUES	16
PAYMENT OPTIONS	19
TAXATION	20

ANY ADDITIONAL BENEFITS AND RIDERS WILL APPEAR
AT THE END OF THE POLICY, FOLLOWED BY THE INDEX

DEFINITIONS

- Life Insured** The "Life Insured" is the life insured for the Face Amount of life insurance at issue of the policy, as shown on the Policy Details page(s), or for such Face Amount as you and we might later agree by amendment to the contract.
- Basic Policy** The "Basic Policy" is the policy considered as providing only the Face Amount and the coverages or benefits provided under the dividend options (only one dividend option may be selected at any given time). Any riders or benefits shown under the Description of Benefits and Premiums on the Policy Details page(s), or on later amendments to the contract, provide additional coverages or benefits and, unless otherwise indicated, do not form part of the Basic Policy. The Yearly Premium, as indicated on the Policy Details page(s) or on later amendment to the contract, is the premium to be paid for the Face Amount under the Basic Policy.
- Cash Surrender Value** The Cash Surrender Value of the contract is the value as indicated in the Cash Surrender Value provision.
- Face Amount** The "Face Amount" is shown on the Policy Details page(s) or on later amendment to the contract. It is an amount of life insurance in effect under the Basic Policy on the Lives Insured.
- Age** The "Age" of an insured, as shown on the Policy Details page(s) at issue of the policy, is that insured's age at his or her birthday nearest to the Policy Date.
- The "Attained Age" of the Life Insured, at any given time after the Policy Date, is the Age of the insured plus the subsequent number of elapsed years, or part thereof, from the Policy Date.
- Policy Date** The "Policy Date" is shown on the Policy Details page(s) and is the date from which policy months, policy years and annual policy anniversaries are measured. It is also the date used to calculate the Age of any person insured at issue of the policy. However, the date on which the policy first takes effect shall be determined by governing law.
- Head Office** "Head Office" refers to our then current head office or to any office of ours, to the extent we assign a role to it this contract associates with "Head Office".

PAYMENT OF PROCEEDS

CLAIMS Subject to the other provisions of this policy, we will pay the proceeds due on the Life Insured's death when we receive at our Head Office evidence satisfactory to us concerning the death. We may also require evidence satisfactory to us of the date of birth of any person insured under the policy, along with the correct name and age of any beneficiary and the right of any claimant to receive payment.

The proceeds of the policy which are payable on the Life Insured's death consist of the Face Amount,

plus,

- any amounts payable under Paid-Up Additions, Enhanced Coverage Option, and Cash Accumulation (see the Dividends section), and
- any amounts payable on Life Insured's death under additional benefits and riders which have been added to the policy,

less,

- any amounts owed on the policy.

If the Life Insured dies during the grace period, we will deduct any unpaid premium from the proceeds.

The proceeds due on the Life Insured's death will accumulate with interest from the date of the Life Insured's death to the date of payment. The rate of interest will be the rate determined under our then current administrative rules.

Please refer to the Policy Values section for the amount payable on death if this policy is in force as paid-up insurance.

MISSTATEMENT OF AGE AND SEX If the Life Insured's date of birth or sex has been misstated, we will change the claims proceeds payable to what would have been payable, based on the actual premiums paid, if the date of birth or sex had at all times been correctly stated.

PREMIUMS

PAYMENT OF PREMIUMS

You will find the Policy Date and the Premium Period on the Policy Details page(s). Premiums are payable yearly or monthly. The first premium is payable on the Policy Date. Each premium after the first is payable on the first day of each policy year or each month for the Premium Period and while the Life Insured is living. We will set the amount of each such premium.

All premiums after the first must be paid in advance at our Head Office or at any of our offices in Canada.

If any cheque, draft, or other such instrument that you use to pay premiums is not paid when presented for payment in due course of business, the premium will be considered unpaid.

GRACE Grace period

If you do not pay a premium on or before its due date, we will keep your policy in force for thirty-one days beyond that date. This is the grace period for the policy. If you do not pay the premium by the end of the grace period, your policy will then lapse unless it has a Cash Surrender Value. If it has a Cash Surrender Value, it will be kept in force automatically, as set out in the Automatic Premium Loans provision.

Enhanced Coverage Option grace period

If you have selected the Enhanced Coverage Option, and if you do not pay an additional premium for additional, one year term insurance purchased by you under that option, on or before its due date, we will keep the additional insurance in force for thirty-one days beyond that date or until the policy lapses, if earlier. This is the Enhanced Coverage Option grace period. If you do not pay the premium by the end of this grace period, the additional insurance will then lapse, unless, by the end of this grace period, you provide us with a written request for the premium to be paid using a premium loan to keep the additional amount of insurance in force. If the request is accepted, the loan will keep the additional insurance in force as long as the Cash Surrender Value remains sufficient.

REINSTATEMENT

If this policy has lapsed you may reinstate it at any time within three years from the date the first unpaid premium was due. You may not reinstate the policy if you have surrendered it for its Cash Surrender Value.

We will put the contract back into force provided:

- 1) the good health and insurability of the Life Insured are proved to our satisfaction,
- 2) payment of all overdue premiums is received with interest, and
- 3) indebtedness, arising both before and after the due date of the first unpaid premium, is paid to us with interest.

Interest, as stated above, will be calculated and charged on a compounded basis at an appropriate rate then set by us, from the date the first unpaid premium was due to the date the policy is reinstated.

If this policy contains the Enhanced Coverage Option, you may reinstate the policy with or without the Enhanced Coverage Option (ECO); however, to reinstate with ECO you must prove to our satisfaction, in accordance with our underwriting rules for ECO, the good health and insurability of the Life Insured.

The application to reinstate this policy must be made in writing and must be received by us at our Head Office with payment of all amounts then due. The reinstated policy will come into force on the date on which we approve the application for reinstatement.

DIVIDENDS

DIVIDENDS Your policy is participating and may be credited with a dividend on each policy anniversary while it remains in force. Each year we will determine the dividend amount, if any.

A dividend will not be credited at the first anniversary unless all premiums due or past due on that date have been paid.

On written request, dividends may be used under any one of the following options:

- (a) **PAID-UP ADDITIONS** – Dividends are used as net single premiums to buy more insurance on the Life Insured's life. We will pay this insurance as part of the policy proceeds when the Life Insured dies. You may surrender these Paid-Up Additions for their cash value at any time. The cash value of Paid-Up Additions will be as determined on the basis set out by the Appointed Actuary at the date on which the calculation is to be made. These Paid-Up Additions will also be eligible for dividends, and will be used to buy further Paid-Up Additions.
- (b) **ENHANCED COVERAGE OPTION (ECO)** – Dividends are used to purchase one year term insurance with any remaining amount of dividend, in any given case, being used as a net single premium to buy Paid-Up Additions. Enhanced Coverage Option has either a 10 Year or Lifetime guarantee period.
- (c) **PREMIUM REDUCTION** - Dividends are applied towards premium so as to reduce out-of-pocket premium payments for the current policy year. Any excess dividend amount will be used under the dividend option selected by you for the excess.
- (d) **CASH ACCUMULATION** - Dividends are left on deposit with us. We will add interest to deposited dividends at a rate which we will determine from time to time. The total of these amounts, dividends deposited plus interest, is referred to as cash accumulations. We will pay this amount when we pay the proceeds of the policy. You may withdraw these cash accumulations for their cash value at any time.
- (e) **CASH PAYMENT** – You may receive dividends in cash.

Your request in writing under which option to use your dividends. If you did not indicate your option in the application, we will apply the dividends to buy Paid-Up Additions. You may change your option by providing us with a written request indicating your new option.

If your new option is to be either Enhanced Coverage Option or Paid-Up Additions, this change is subject to proof, to our satisfaction, of the good health and insurability of the Life Insured and our then current administrative rules. Additionally, in the case of ECO, the Enhanced Coverage Option maximum must not be exceeded.

DIVIDENDS

ENHANCED COVERAGE OPTION (ECO)

If selected on the application for this policy, the date of this option is the Policy Date shown on the Policy Details page(s).

If selected at a later date, the date of this option will be the date shown in an amendment added to this contract.

The date of this option is the Option Date.

ECO GUARANTEE PERIOD

The "Guarantee Period" means the period of time which begins on the Option Date and ends:

- for Lifetime Guarantee Enhanced Coverage, on the earliest anniversary of the Option Date on which the amount of the Paid-Up Additions under this policy, together with any paid-up insurance provided under a Paid-Up Insurance Rider, equals or exceeds the amount of insurance which is then in effect under this option.
- for 10 Year Guarantee Enhanced Coverage, at the end of the tenth year as measured from the Option Date.

For the Guarantee Period, the insurance in effect under ECO (ECO insurance) is of a guaranteed amount, provided:

- no part of the dividends credited to the policy are used for purposes other than purchasing insurance under ECO, and
- no part of the ECO insurance is surrendered.

If you elect to surrender part of the ECO insurance, then on your written request, and with our consent:

- part of the dividends (dividends credited, or dividends already applied to purchase that portion of the one year term insurance under ECO which was surrendered), and/or
- part or all of any cash surrender value of the surrendered ECO insurance,

may be:

- applied towards payment of premiums,
- applied to reduce any indebtedness, and/or
- paid in cash.

Surrendering part of the ECO insurance will result in:

- a decrease in the ECO insurance amount, and
- termination of the Guarantee Period, if not already ended.

DIVIDENDS

ECO AMOUNT During the Guarantee Period, the guaranteed ECO insurance amount is:

- the amount shown for it on the Policy Details page(s), at issue of the policy, or
- if this option is selected later than on the application, the amount we then indicate by amendment to the contract, at the most recent selection, or
- if, following either of the above, the amount has been changed under the terms of the ECO Change in Coverage provision of this option, the amount to which it has been most recently changed.

During the Guarantee Period, any insurance amounts provided by Paid-Up Additions and by any Paid-Up Insurance rider are included within the guaranteed ECO insurance amount.

After the Guarantee Period, the ECO insurance amount, at any given time, will be the then total of:

- the amount of any existing Paid-Up Additions,
- any paid-up insurance provided by a Paid-Up Insurance rider, and
- the amount of one year term insurance which is then provided under this option.

ECO – USE OF DIVIDENDS

While this option is in effect, on each policy anniversary we will use all or part of the dividend which is credited to this policy to buy an amount of one year term insurance. This term insurance is not eligible for dividends, and has no cash surrender value.

The amount of one year term insurance purchased will be the lesser of:

- (i) the amount that the dividend can buy, and
- (ii) the excess, if any, of the then ECO insurance amount over
 - the amount, if any, of the then current Paid-Up Additions, here including any Paid-Up Additions that may be bought on the same anniversary, plus
 - any paid-up insurance then provided under a Paid-up Insurance Rider.

Any remaining part of the dividend will be used to buy Paid-Up Additions on the basis set out in the Dividends provision.

If, at any policy anniversary after the Guarantee Period, the amount of one year term insurance that the dividend will buy is the lesser of the two amounts described above, you may buy an additional amount of one year term insurance equal to the difference in the amounts. Proof that the Life Insured is insurable is not required. The additional premium for this insurance is due on the later of the policy anniversary and the date the premiums for the Basic Policy are due, but may be paid on the earlier date.

If, at any policy anniversary during the Guarantee Period, the amount of one year term insurance that the dividend will buy is insufficient for the one year term insurance amount, together with any Paid-Up Additions and any paid-up insurance provided under a Paid-up Insurance Rider, to equal the guaranteed ECO insurance amount, we will convert any existing Paid-Up Additions to one year term insurance, to the extent required by the insufficiency and the conversion of the Paid-Up Additions. No additional premium will be required to maintain the guaranteed ECO insurance amount.

While this option is in effect, any Paid-Up Additions under this policy, and any paid-up insurance provided under a Paid-up Insurance Rider, will be considered as insurance in effect and payable under this option.

DIVIDENDS

ECO TERMINATION This option will continue to be in effect until the earliest of the following dates:

- 1) The earliest policy anniversary on which the amount of the Paid-Up Additions under this policy, plus any paid-up insurance provided under a Paid-up Insurance Rider, equals or exceeds the amount of insurance which is then in effect under this option (the new dividend option will then be changed to Paid-Up Additions).
- 2) The date of surrender of this policy or of any Paid-Up Additions. We may, however, give our consent to the surrender of Paid-Up Additions without termination of this option, provided any such surrender value is applied solely toward the payment of premiums under this policy during the current policy year.
- 3) The date on which this policy lapses.
- 4) Any policy anniversary, or other date with our consent, on which you elect to have the dividends applied under a different option of the Dividends provision. Your written request to terminate this option will be deemed a request for the Paid-Up Additions dividend option, unless you specify otherwise.
- 5) The date on which this policy is changed into paid-up or extended insurance.
- 6) The date on which you make an election under the Conversion Option to convert all of the one year term insurance then in force.

Any one year term insurance under this option is terminated at the date the option ceases to be in effect.

ECO CHANGE IN COVERAGE

At any time before the policy anniversary on which the Life Insured's age, on the Life Insured's nearest birthday, is 75, you may elect, subject to the terms of this provision, to increase the ECO insurance amount. You may elect to decrease it at any time. The election must be in writing, in the form of a supplementary application which is satisfactory to us, and is signed by you and filed with us at our Head Office.

For an increase, we will require proof, satisfactory to us, that the Life Insured is insurable and would be charged the same premium rate for the increased amount of insurance, were it not for the change in the Life Insured's age, as would have been charged at the date on which this option came into effect.

The maximum and minimum amount of any increase, or decrease, will be subject to such limits as we may set from time to time under our administrative rules. The resulting amount of insurance under this ECO dividend option, once the election has been made, must be within the maximum and minimum amounts which we would then allow for the underwriting or policy class and the Attained Age of the Life Insured at the date of this option, according to our rules then in effect.

If the amount of insurance is decreased between policy anniversaries, we will cancel any excess of one year term insurance over the reduced amount of insurance which is then in effect under this ECO dividend option.

If, between policy anniversaries, any amount of one year term insurance purchased under this ECO dividend option is cancelled, because of termination of this option or because of a decrease in the amount which is in effect under this option, then any portion of the dividend used to purchase that portion of the term insurance which was cancelled will be applied as follows: first, to any indebtedness under the policy, and then, where there is a remaining balance, as a cash payment to the you.

A change in the amount of insurance under this option will take effect once we approve it and subject to the payment of any required premium in the case of an increase. We will notify you in writing whether or not the change has been approved. We will provide you with a written statement showing the new amount of insurance.

DIVIDENDS

ECO CONVERSION OPTION

As of any policy anniversary, not later than the policy anniversary nearest to the Life Insured's 65th birthday, the one year term insurance then in effect under the Enhanced Coverage Option (or, subject to our then current administrative rules, any part of it) may be converted into insurance on the Life Insured's life under a new or existing policy. Proof that the Life Insured is insurable will not be required.

If you convert all of the one year term insurance, the dividend option for this policy will be changed to Paid-Up Additions.

In order to convert the insurance, a written request, satisfactory to us and signed by you, must be filed with our Head Office, and the first required premium for the converted insurance must be paid, at or before the date of conversion.

The converted insurance may be on any permanent life insurance plan which we are issuing at the time of conversion or, subject to our consent, may be on any other plan or type of coverage we then issue. On your request, we will provide you with information on other plans or types of coverage then available.

The converted insurance will take effect on the date of conversion. The premium for the converted insurance will be based on our rates in effect at that time for the plan or type of coverage of the converted insurance, using the Life Insured's Attained Age at the date of conversion and the same underwriting or policy class as this policy.

Riders which provide for payment or benefits as a result of the disability of the Life Insured, or death by accidental means benefits, or other additional benefits, will be included with the converted insurance only with our consent and evidence, satisfactory to us, of the Life Insured's insurability.

The periods of time referred to in the Suicide Exclusion and Incontestability provisions included in the policy under which the converted insurance is to be provided will, with respect to the amount of the converted insurance, be measured from the later of:

- the date on which the amount or any increased amount of insurance under this option took effect, and
- the date this policy (not the policy converted to) was last reinstated.

Any evidence of the good health and insurability of the Life Insured which formed part of this contract will be deemed to form part of the contract under which the converted insurance is provided.

If this policy contains an exclusion, a similar exclusion will apply to the converted insurance.

LOANS

POLICY LOANS You may borrow from us an amount equal to all or part of the total loan value under the policy, on the sole security of the policy.

The total loan value at any time is the amount which equals:

- the loan value set out in the Table of Guaranteed Values, increased by any cash accumulations, plus 90% of the cash value of any existing Paid-Up Additions credited to the policy,

less

- any amounts already owed on the policy, plus interest which will have accrued (assuming no repayment of all or part of the amounts owed on the policy),

all determined as at the next policy anniversary or, if sooner, the next premium due date.

We will charge interest on all loans at a rate which we will set from time to time. The interest will accrue from day to day. If the accrued interest at the end of a policy year is not paid at that time, we will add it to the amount of the loan. The amount of the loan and the accrued interest are amounts owed on the policy.

The policy will lapse on the later of the following:

- the date on which amounts owed on the policy exceed the sum of the cash value plus any cash accumulations plus the cash value of any Paid-Up Additions, and
- the date which is thirty-one days after we have mailed notice of the lapse to you at the last address we have on record.

Normally, we will make the loan within a few days of your request. However, we may defer making the loan for up to six months unless it is to be used to pay premiums or amounts owed to us.

At any time, while this policy is in force, you may repay all or a part of the amounts owed on the policy. The payment is subject to a minimum amount which we may set.

AUTOMATIC PREMIUM LOANS

If a premium is due but not paid by the end of the grace period, and while this policy has sufficient Cash Surrender Value, we will pay the premium by automatically applying a premium loan. However, an automatic premium loan will not be applied in the case of a premium due for additional insurance purchased under the Enhanced Coverage Option.

When the Cash Surrender Value is no longer sufficient to support a premium loan, automatic or otherwise, the policy will lapse as set out in the Grace provision.

The last four paragraphs of the Policy Loans provision will apply to all loans that we make under this provision.

GENERAL PROVISIONS

CONTRACT The contract of insurance between you and us is made up of this policy including any documents attached to it when issued, the application for the policy including any supplementary or reinstatement application, any endorsement issued by us and any amendment to the contract agreed upon in writing after the policy is issued. It is understood that our administrative and other rules may change from time to time, at our sole discretion, without notice.

Only our President, Secretary, one of our Vice-Presidents, or another authorized officer can agree to an amendment to the contract or waive any of our rights or requirements. Any such amendment or waiver must be in writing and must bear the signature of one or more of these officers.

INCONTESTABILITY In the absence of fraud, we will not contest the validity of this policy after it has been in force continuously during the Life Insured's lifetime for two years from the latest of:

- the date of issue of this policy,
- the date the policy takes effect, and
- the date of the last reinstatement of the policy.

We reserve the right to contest the validity of this policy with respect to any contract amendment that increases the insurance money payable or improves any Rate Class or Health Class, until it has been in force continuously, during the lifetime of the Life Insured, for two years from the later of the effective date of such amendment and the date of the last reinstatement of the policy. We will have the right at any time, where permitted by law, to contest the validity of the policy with respect to any Disability Waiver of Premium rider or other disability insurance rider included in this contract. This provision does not apply to any misstatement of age or sex.

OWNER The first owner of this policy is named in the application. While the Life Insured is living, you, the owner, have all the rights and privileges granted by this policy. If you appoint an irrevocable beneficiary then your rights may be subject to those of that beneficiary, where so provided by law. If you assign this policy, your rights and the rights of anyone who is to receive payment are subject to the terms of that assignment.

BENEFICIARY You may designate a beneficiary to receive claims proceeds and may revoke or change the designation as permitted by law.

Where a beneficiary has been designated, and the designation filed with us at our Head Office, we will pay the proceeds due on the Life Insured's death to that beneficiary, if, according to our records, that designation was in effect at the death.

If more than one beneficiary has been designated and, before the Life Insured's death, one or more of the beneficiaries has died, the proceeds will be paid to the surviving beneficiary or, if there is more than one survivor, to each of them equally or as otherwise in accordance with your designation, subject to applicable law. If no beneficiary is living at the Life Insured's death and, according to our records, no other designation is then in effect, the proceeds will be paid to you or to your estate.

**ASSIGNMENT/
HYPOTHECATION** You can assign this policy as security as may be permitted by law. An assignment of the policy or of an interest in it cannot be binding on us without the assignment, a certified copy of it, or a notice of it (in a form acceptable to us) being filed with us at our Head Office. We are not responsible for the validity or effect of any assignment.

The terms "assign", "assignment", and "assignee", as used in this policy mean respectively "hypothesize", "hypothesis" and "hypothesis creditor", as may be applicable, where the Civil Code of Quebec applies.

GENERAL PROVISIONS

SUICIDE EXCLUSION

We will not pay the policy proceeds if, within two years after the latest of:

- the date of issue of this policy,
- the date the policy takes effect, and
- the date of the last reinstatement of the policy,

the Life Insured commits suicide, while sane or insane.

Instead, we will be liable only for the amount of the premiums paid, less

- (i) any amounts owed on the policy, and
- (ii) any dividends paid in cash or used to reduce premiums,

as calculated at the date of death.

If there is any contract amendment which increases the policy proceeds payable, a new two year period with the same conditions as above will similarly apply to each such increase amount until it has been in force continuously during the lifetime of the Life Insured for two years from the later of the effective date of the increase and the date of the last reinstatement of the policy. The policy proceeds payable for a claim which occurs during such period, will be reduced by the amount of any such increase. We will be liable only for the amount of premiums paid for such increase amount, less any applicable reduction under items (i) and (ii) above.

OUR CONSENT

If our consent is required, it must be given in writing and duly signed by those authorized.

POLICY DATE

Policy years, months and anniversaries are measured from the Policy Date shown on the Policy Details page(s).

CURRENCY AND PLACE OF PAYMENT

All amounts payable to or by us under this policy are payable in Canada in Canadian currency.

RATE CLASS

The Basic Policy Rate Class shown on the Policy Details page(s) applies to any additional riders and benefits in the policy, unless shown otherwise on the Policy Details page(s) description of such a rider or benefit, or by other amendment to the contract.

POLICY VALUES

GUARANTEED VALUES

At any time, you may surrender this contract for its Cash Surrender Value.

Within ninety days following the due date of a premium which is not paid, you may change this policy to paid-up insurance, if available.

The Table of Guaranteed Values shows the cash value of the policy, at the end of the indicated policy years, with "policy" being understood as the Basic Policy but not including Paid-Up Additions and their cash value. The Paid-Up Life Insurance column in the Table does not include Paid-Up Additions (which are also paid-up insurance). We will tell you the amounts of paid-up insurance which are not shown in the Table.

CASH SURRENDER VALUE

The Cash Surrender Value of the contract (see the Guaranteed Values provision) is the total of:

- (i) the cash value of the policy, increased by any cash accumulations which are credited to the policy,
- (ii) the cash value of any Paid-Up Additions, and
- (iii) the cash value of any additional benefits and riders,

less any amounts owed on the policy

The cash value at the end of each policy year, which is shown in the Table of Guaranteed Values, applies if you have paid all premiums to the end of that policy year. At any time we will tell you the cash value for the end of a policy year not shown in the Table. The cash value at any time during a policy year allows for the time elapsed in that year and for premiums paid for that year.

The cash value of any Paid-Up Additions will be calculated in accordance with the Dividends provision.

Normally, we will make the payment of the cash surrender value within a few days of your request. However, we have the right to defer making payment for a period up to six months after the date of surrender. If we defer payment for thirty days or more, interest, at an appropriate rate then set by us, will be added from the date of surrender.

If, on surrender of the contract, one year term insurance is in effect under the Enhanced Coverage Option dividend option, the Cash Surrender Value of the policy may be increased by a further cash payment under the Dividends section, in accordance with the ECO Change in Coverage provision.

POLICY VALUES

PAID-UP INSURANCE You may elect under this option to continue the policy as paid-up life insurance, with no further premium payments required. The paid-up life insurance will be eligible for dividends.

This insurance will be for a reduced amount, calculated at the time of the option's election in accordance with what paid-up life insurance the Cash Surrender Value of the policy could buy, as a net single premium, and with our then current administrative rules. The reduced amount will be payable at the Life Insured's death.

This option may be elected at or after the end of a policy year for which an amount is shown under the Paid-Up Life Insurance column in the Table of Guaranteed Values and if the amount to be provided is at least equal to the minimum which we will set, based on our then current administrative rules. The amount of paid-up insurance will be that amount as indicated in the Table of Guaranteed Values plus any Paid-Up Additions and any amounts bought using cash accumulations as a net single premium at the due date of the unpaid premium.

At the time when this policy is paid-up all benefits and riders will terminate.

Once the paid-up insurance option is elected the option cannot be changed.

Exercise of this option may result in the policy's becoming subject to accrual taxation and each year an amount may have to be included in your income for tax purposes.

EXTENDED INSURANCE **Note:** Extended insurance is not available if the Rate Class or Policy Class is shown as Rated on the Policy Details page(s).

The extended insurance option allows you to keep the amount of insurance under this policy in force for a period of time without paying premiums which would become due.

You may elect the extended insurance option by providing us with a written request, subject to the following conditions being satisfied at the time of the election and our then current administrative rules:

- 1) the policy is in force,
- 2) the policy contains cash value, and
- 3) all premiums due up to, but not including, the date you elect the extended insurance option have been paid.

The extended insurance is paid-up term insurance which is payable on the Life Insured's death during the term.

The amount of extended insurance will be equal to the Face Amount shown on the Policy Details page(s),

- plus any Paid-Up Additions credited to the policy,
- minus any amounts owed on this policy.

The term insurance will commence as of the due date of the unpaid premium. It will continue for a period determined by using the Cash Surrender Value of this policy as a net single premium. It will not be eligible for dividends or any additional benefits or riders.

POLICY VALUES

**EXTENDED
INSURANCE
(continued)**

If you elect to terminate the extended insurance before the extended insurance period ends, a portion of the premiums will be paid in cash to you. The extended insurance will not have any cash surrender value.

Once the extended insurance option is elected the option cannot be changed, except during the premium deferment period.

When the extended insurance period ends this policy terminates and cannot be reinstated.

Exercise of this option may result in the policy's becoming subject to accrual taxation and each year an amount may have to be included in your income for tax purposes.

PREMIUM DEFERMENT

Premium deferment will automatically be applied when extended insurance is elected between the first and fifth policy anniversaries, inclusive.

While on premium deferment, you may elect to restore the policy to premium paying status, prior to the earlier of:

- the date the extended term insurance period will end, determined by using the Cash Surrender Value of this policy as a net single premium, and
- the date which is the next policy anniversary after the election of the extended insurance option.

If, on or before the earlier of the above dates, you have not restored your policy to premium paying status, the policy cannot be restored to that status and will continue as extended term insurance.

To restore your policy to premium paying status, you must repay all overdue premiums with compound interest at a rate then set by us. You may elect to restore the insurance provided under the Basic Policy during the premium deferment period without proof that the Life Insured is insurable. On restoration, the extended insurance terminates.

You may also restore any benefits, additional to those provided under the Basic Policy, at the same time. However, evidence of insurability, satisfactory to us, may be required.

Restoring the policy, or any part of it, by exercising of this option may result in the policy's becoming subject to accrual taxation and each year an amount may have to be included in your income for tax purposes.

PAYMENT OPTIONS

In this section:

- 1) The expression "Options Date" means the earlier of:
 - The date of the Life Insured's death, and
 - the date this policy is surrendered for its Cash Surrender Value.
- 2) The term "payee" means the person or persons entitled to receive payments under the elected Payment Option.

Normally, at the Options Date, a lump sum would be paid. The Payment Options under this section allow for payment of claims proceeds or the Cash Surrender Value rather than in a lump sum.

ELECTION OF OPTIONS

An election of a Payment Option must be in writing, signed by you, and received by us at our Head Office, together with the written consent of any irrevocably designated beneficiary and any assignee, before the option is to take effect.

If an election under this provision is not in effect at the Life Insured's death or if payment is to be made in one sum under an existing election, the beneficiary may make an election as described above.

PAYMENT OPTIONS

You may elect, before any payment has been made, to have the claims proceeds or the total Cash Surrender Value under this policy applied to any one of the following Payment Options:

- 1) To be left with us for any period to which we consent, at interest.
- 2) To be paid in the form of an annuity certain.
- 3) To be paid in the form of a life annuity of any type offered by us at the time, whether it is a single life or a joint and last survivor annuity and with or without a period certain, as elected by you on your own life, or as otherwise elected on the life or lives of the beneficiary(ies) entitled as payee(s) at an insured's death.
- 4) To be applied to any other payment option then made available by us.

The beneficiary(ies) entitled to claims proceeds on the Life Insured's death may elect any one of the above options with respect to the applicable claims proceeds, subject to availability and our then current rules, unless you have elected otherwise.

Applying the Cash Surrender Value to a Payment Option will be a disposition for income tax purposes.

LIMITS

We reserve the right to determine the minimum and maximum amounts that may be applied under these Payment Options, according to our then current administrative rules.

TAXATION

TAXATION At the date of issue, the policy is exempt from accrual taxation under Canadian federal income tax legislation. This tax-exempt status is subject to change, whether by an election made by you under the policy (elections can have the effect of making a policy no longer exempt) or through other circumstances, such as a change in tax legislation or its interpretation.

We have and reserve the right to make adjustments to the policy, in our sole discretion, in an effort to preserve the tax-exempt status, and we will make such adjustments on becoming aware that the policy would otherwise fail to maintain the tax-exempt status. An adjustment may be in the form of, but is not limited to, automatically surrendering part or all of Paid-Up Additions, where the policy has such additions. Adjustments may preserve the policy's tax-exempt status, but still have tax consequences requiring you to report an amount in your income for tax purposes (for example, the automatic surrender of Paid-Up Additions is a partial disposition of the policy - see below).

We cannot guarantee that the policy will continue to be exempt. Should the policy become subject to accrual taxation, you will have to report income each year. The policy cannot be returned to the former tax-exempt status.

A partial or complete disposition of the policy may result in your having to report an amount in your income for tax purposes. For tax purposes, a partial or complete disposition of the policy includes, but is not limited to:

- a policy loan that is not immediately applied to pay a premium under the policy
- the surrender of the contract for its Cash Surrender Value, or its partial surrender for a part of that value (e.g., surrender of Paid-Up Additions)
- transfer of policy ownership

If the dividend option is Cash Payment or Cash Accumulation, the crediting of any dividends may also require an amount to be reported in your income for tax purposes. Interest credited to any accumulated dividends is also subject to taxation.

INDEX

PROVISION	PAGE
Assignment/Hypothecation	14
Automatic Premium Loans	13
Beneficiary	14
Cash Surrender Value	16
Claims	6
Contract	14
Currency & Place of Payment	15
Dividends	8
Extended Insurance	17
Grace	7
Guaranteed Values	16
Incontestability	14
Misstatement of Age and Sex	6
Our Consent	15
Owner	14
Paid-up Insurance	17
Payment of Premiums	7
Payment Options	19
Policy Date	15
Policy Details	3
Policy Loans	13
Rate Class	15
Reinstatement	7
Suicide Exclusion	15
Table of Guaranteed Values	4
Taxation	20

ANY ADDITIONAL BENEFITS AND RIDERS ARE INCLUDED
AT THE END OF THE POLICY

ESTATE ACHIEVER

Insurance payable at death.

Premiums payable for the premium period shown
on the Policy Details page(s), or until death, if sooner.

Eligible for dividends.