



Life Option Enhanced Sample Contract

General Provisions

The contract takes effect on the Policy Date shown in the Benefit and Premium Information Schedule only if the policy has been delivered to the Insured and the first premium has been paid to the Insurer and provided that there has been no change in the insurability of the life to be insured between the time of the application and the time the policy was delivered. It may take effect otherwise if a conditional insurance receipt or temporary insurance receipt has been issued.

1. **DEFINITIONS** - The following definitions apply to this policy:

- "We", "Us" and "Ours" means UNITY LIFE OF CANADA.
- "You" and "Your" means the owner of this policy named in the Benefit and Premium Information Schedule of this policy.
- "Life Insured" means the person whose life is insured. The proposed Life Insured referred to in the application becomes the Life Insured in the Policy. If more than one Life Insured is contemplated in the contract, the plural is intended, as applicable.
- "Policy Date" means the date stated on the Benefit and Premium Information Schedule from which policy anniversaries, policy years, policy months and premium due dates are determined.
- "Policy Anniversary" means the same day and month as the Policy Date for each succeeding year that the policy remains in force.
- "Expiry Date" means the date the Policy terminates, unless renewed in accordance with the renewal provision, if any.
- "Attained Age" means the Life Insured's age last birthday at the Issue Date plus the number of years from the Policy Date. If the Life Insured's birthday falls on the Issue Date, the age of the Life Insured will be deemed to be his/her age as of that date.
- "Written Request" means a request signed by you and filed at our office in Mississauga, Ontario in a written form which is satisfactory to us.
- "Indebtedness" means unpaid policy loans and unpaid loan interest, including any overdue premiums with interest.
- "In Force" means the Life Insured remains insured under the terms of this policy.
- "Beneficiary" means the person or entity entitled to receive the proceeds of the policy in the event of the life insured's death.
- "Proceeds" means the amount payable under the terms of this policy when it is surrendered, matures or when the Life Insured dies.
- "Issue Date" means that date which is the later of:
 - 1) The date shown in the Benefit and Premium Information Schedule as the Policy Date; and
 - 2) The date upon which the first premium is received at our office; and
 - 3) The date upon which all amendments, signed by the owner and required by us to issue the policy, are received by us at our office.
- There are additional definitions provided in the provisions of this policy and the amendments and riders to it.

2. **THE CONTRACT** - The contract includes (1) the applications, together with all other documents authorized by the Life Insured and submitted as evidence of insurability to us; (2) the policy; (3) any documents, including riders attached to this policy on the Issue Date and, (4) any amendments agreed to by us in writing. Only our President or Vice-President together with our Secretary or Actuary have the authority to waive or agree to change any of the conditions or provisions of the policy, and then only in writing. We will not be bound by any promise or representation heretofore or hereafter made by or to any agent or person other than as specified above.

3. **BENEFIT** - The amount payable on the Life Insured's death will be paid as a lump sum to the Beneficiary when we receive satisfactory proof of the following:

- 1) the Life Insured's Death; and
- 2) the Life Insured's Date of Birth; and
- 3) that the Life Insured died while this policy was in force.

We will deduct any amounts owed to us, including unpaid Premiums and any outstanding loans and interest. We must be provided with a satisfactory discharge from all liability under the policy from the Beneficiary. The Beneficiary may elect other options of receiving payment. Details are available upon request.



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4. **OWNERSHIP** - You, as the owner of this policy, may exercise all the rights and options that the policy provides, while the Life Insured is living, subject to the rights of any irrevocable beneficiary. If you are not the Life Insured and you die before the Life Insured, your estate will become the owner, unless you have made a written request naming a contingent owner. You may name a new owner or contingent owner at any time while the Life Insured is living, by filing a written request with us. Your written request will not be effective until it has been recorded at our office. Once recorded, the change will be effective as of the date you signed the request, whether or not you or the Life Insured is alive when we record the change. However, the change will be subject to any payments made or other action taken by us before your request was recorded at our office.
5. **ASSIGNMENT** - You can assign the policy. An assignment does not bind us until we receive written notice of it at our office. We are not responsible for its validity. The assignment should be filed with us in duplicate, and we will return a copy to you.
6. **BENEFICIARY** - Unless subsequently changed, the Beneficiary(ies) is as designated in the application. We must receive a written request to change the Beneficiary at our Head Office. At the death of a Life Insured under this policy, the proceeds are payable to the living Beneficiary(ies) according to his or her respective interests. If no Beneficiary survives, the proceeds will be paid to either you or your estate.
7. **IRREVOCABLE BENEFICIARY** - To designate a Beneficiary as irrevocable, we must receive your signed written request at our Head Office or as automatically deemed as such under Provincial legislation. Thereafter, written consent of the Irrevocable Beneficiary must be provided with any request to change this policy in any way.
8. **MISSTATEMENT OF AGE OR SEX** - If the date of birth or sex of the Life Insured under this policy has been misstated, we will change the amount of insurance and benefits under the policy to those, which the premiums paid would have bought based on the correct age and sex. If an expiry date, or date to which premiums are payable, is based on the incorrect age or sex, we will change the date(s) to agree with the correct age or sex.
9. **INCONTESTABILITY** - We may contest this policy or the payment of policy proceeds if any statement or answer on the application misrepresents or fails to disclose any facts material to the insurance. Except in the case of fraud, we will not contest this policy for the above reasons after it has been in force during the lifetime of the Life Insured, for two years from the later of the Issue Date or the last date of reinstatement.
10. **SELF DESTRUCTION** - If the Life Insured dies by his or her own act, while sane or insane, within two years from the Issue Date or any reinstatement date, then our liability will be limited to the amount of premiums paid, without interest, less any indebtedness and any other amounts paid by us.
11. **MISSTATEMENT OF SMOKING HABITS AND/OR NICOTINE USE** - The Smoking Habits Declaration/Agreement, completed in the application for each Life Insured, was relied upon by us to establish the appropriate premium rate for the insurance applied for. If it is discovered at any time that the facts stated therein have been misrepresented or constitute untrue declarations, this contract will be null and void.
12. **PREMIUMS** - The first premium is due on the Policy Date. Future premium due dates are determined by the frequency of payment you selected in the application. The amount of premiums, their due dates and the period of years for which they are payable are shown in the Benefit and Premium Information Schedule. You may change the frequency of premium payment on any premium due date with our consent. We will accept premium payments on an annual, semi-annual or monthly basis. The premium for any frequency will be based on our rates and mode of payment in effect at the time of change. A written request for change in premium frequency must be made to us. Each premium must be paid on, or before, its due date or within the grace period.
13. **GRACE PERIOD** - We will allow a period of 31 days after the premium due date for payment of each premium after the first. This is the grace period. If the Life Insured dies during the grace period, before the premium is



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paid, we will deduct the outstanding premium from the death proceeds of this policy. If any premium is not paid on or before its due date, that premium is in default. If that premium is still unpaid at the expiration of the grace period, this policy automatically terminates, except as otherwise provided.

14. **REINSTATEMENT** - Unless surrendered for its cash value, this policy may be reinstated within two years of lapse. Reinstatement requires: (1) A written application; and (2) Evidence which satisfies us of (a) the good health and (b) other aspects of the insurability of the Life Insured; and (3) Payment of overdue premiums with interest at such rates determined by us or prescribed by law.
15. **EVIDENCE ON DEATH** - The proceeds payable on the death of the Life Insured will be paid by us when we receive evidence which we consider sufficient to establish:
 - 1) The cause and circumstances of the death;
 - 2) The age of the Life Insured;
 - 3) The right of the claimant to be paid.
16. **INDEBTEDNESS** - Indebtedness will be deducted in any settlement under this policy.
17. **CURRENCY** - All payments to or by us will be in Canadian dollars.
18. **NON-PARTICIPATING** - Your policy is non-participating. It does not earn dividends.
19. **NON-FORFEITURE OPTIONS**
 - 1) "Automatic Premium Loan" means that if you stop paying premiums, the cash surrender value of the policy will be applied to pay your premiums to continue your current insurance protection for a specified time. Contact our Head Office for further details on this provision.
 - 2) "Cash Surrender value" the amount that is available in cash for loans and that may be available for withdrawals. Accessing cash surrender value may reduce the death benefit and may increase the risk of lapse.
 - 3) "Reduced Paid-Up" A form of paid-up life insurance available as a non-forfeiture option. It provides insurance payable at the same time and in the same manner as the original policy, but for a reduced amount.
20. **LAPSE** - Your policy will lapse and the liability of the Insurer will terminate at the end of the days of grace of an unpaid premium.
21. **TERMINATION** - The Benefit and the premium may be discontinued if we receive a written request from you within 31 days after any premium due date. If not previously terminated, such coverage will terminate on the earliest of the following:
 - 1) Expiration of the grace period following the due date of a premium in default except as outlined under Non-Forfeiture Options;
 - 2) On surrender for cash value resulting in termination of the policy contract;
 - 3) Upon death of the Life Insured.

These provisions are applicable to any riders under this policy contract.

Guaranteed Value Provisions

The following provisions are part of the policy to which they are attached, provided the Guaranteed Value Provisions Benefit is specified in the Benefit and Premium Information Schedule of this policy.

1. **CASH VALUE** - This policy provides a cash value as specified in the Table of Guaranteed Values in this policy. This cash value is dependent on the Issue Age and the number of completed policy years.
2. **USE OF CASH VALUE** - You may apply the cash value to one of the following options:
 - 1) **POLICY SURRENDER** - This policy may be surrendered for its Surrender Value by completion of a form satisfactory to us. This request, together with the policy, must be submitted to us. The Surrender Value is



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equal to the cash value less any indebtedness. Upon surrender, the policy terminates. We may postpone payment for not more than ninety days after receipt of request to surrender.

- 2) **REDUCED PAID-UP INSURANCE** - This policy provides a reduced paid-up value as specified in the Table of Guaranteed Values. At your request, this policy may be continued as reduced paid-up insurance as of the due date of any unpaid premium after that time. Reduced Paid-up values are shown in the Table of Guaranteed Values. The face amount of the Reduced paid-up policy will be equal to the Reduced paid-up value, or if there is indebtedness against the policy, decreased in the ratio of the Surrender Value to the Cash value.

Loan Provisions

1. **POLICY LOAN** - You may borrow against this policy an amount not exceeding the Amount of Loan available.
 - 1) **LOAN VALUE** - The Loan Value of this policy is the Cash Value of this policy calculated as of the last anniversary date.
 - 2) **AMOUNT OF LOAN AVAILABLE** - This will be the Loan Value less any due and unpaid premiums, any existing policy loan, and any loan interest to the next policy anniversary.
 - 3) **APPLICATION FOR LOAN** - You may obtain all or part of the Amount of Loan Available by completion of a form satisfactory to us. We may postpone payment for not more than ninety days after receipt of a request for a policy loan.
 - 4) **LOAN INTEREST** - Interest is payable at a rate as determined by us, compounded annually. Details of the current rate are available upon request. Unpaid interest will be added to the principal on the Policy Anniversary and will be subject to interest at the same rate.
 - 5) **REPAYMENT** - The policy loan, together with accrued interest, may be repaid in full or in part at any time while this policy remains in force.
 - 6) **TERMINATION** - This policy will terminate at the end of the first policy month in which the policy loan together with interest due on it exceeds the Loan Value. In no event will this policy terminate until 31 days after Notice of Termination has been mailed to you.
2. **SETTLEMENT OPTIONS** - Benefits payable on the death of the Life Insured, or to you upon policy surrender, may be paid in cash, used to provide an annuity or settled on any other agreed basis. Details of the options and the conditions under which they are available will be provided on request.

RETURN OF PREMIUM RIDER

The following provisions are part of the policy to which they are attached, provided the Return of Premium Rider Benefit is specified in the Benefit and Premium Information Schedule of this policy.

ROP Rider - You can purchase an additional rider that will return all premiums paid, without interest upon expiry of the coverage. If all of the following conditions are satisfied, then we will refund the equivalent of all annual premiums, subject to the following:

1. Premiums have been paid and the policy is in force;
2. No Benefit was payable at any time under this policy;
3. Coverage has expired.

Any Refund of Premium benefit will be paid to you in a lump sum.

BENEFIT EXCLUSIONS - Benefit Premiums under this rider exclude the following:

1. Premiums for substandard mortality;
2. Premiums for riders (other than the ROP rider);
3. Modal Loadings.



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PREMIUMS - The premiums for this benefit shall be included in the premiums for this policy.

TERMINATION - The Return of Premium Benefit coverage will terminate as outlined in the base policy and also as follows:

1. Written request for termination of the ROP rider only (not including base plan).

WAIVER OF PREMIUM RIDER

The following provisions are part of the policy to which they are attached, provided the Waiver of Premium Rider Benefit is specified in the Benefit and Premium Information Schedule of this policy.

BENEFIT - Upon receipt and approval of due proof that the Life Insured has become totally disabled and that such Total Disability has continued uninterruptedly for a period of at least six months, the Insurer will waive, or refund if paid (to a maximum of 6 months), the payment of each premium becoming due under this policy during the continuance of Total Disability. Such waiver will be in accordance with the frequency of premium payment in effect when Total Disability commenced. The Waiver of Premium Rider expires at age 65.

PREMIUMS - The premiums for this benefit shall be included in the premiums for this policy

DEFINITION OF TOTAL DISABILITY - Total Disability means complete incapacity of the Life Insured, resulting from bodily injury or disease, which wholly prevents the Life Insured from engaging in any and every occupation and from performing any work for remuneration or profit.

RISKS NOT COVERED - This benefit will not be allowed if Total Disability:

- 1) commenced before the date on which this Benefit took effect;
- 2) commenced after the policy anniversary date nearest the 65th birthday of the Life Insured;
- 3) commenced while this policy was not in force; or
- 4) resulted directly from wilful and intentional self-inflicted bodily injury; or
- 5) occurred, while the Life Insured was in any armed forces, or as a result, directly or indirectly, of any war whether declared or undeclared, or any act incident thereto, or any act of war.

NOTICE OF PROOF OF CLAIM - Written notice of claim and proof of Total Disability must be given to the Insurer at its Head Office (a) during the lifetime of the Life Insured and during the period of Total Disability, and (b) not later than one year after the policy anniversary nearest the Insured's 65th birthday, and (c) in the event of default in the payment of premiums, not later than one year after the due date of the first premium in default. As part of any proof, the Insurer may require medical examinations of the Life Insured by physicians designated by the Insurer.

Failure to give such timely notice and proof will not invalidate any claim if it is shown that notice and proof were given as soon as was reasonably possible. Subject to this condition, no premium will be waived the due date of which is more than one year prior to the date of receipt at the Head Office of written notice of claim.

If Total Disability commences during the grace period of the first premium in default, the Owner shall be liable for the payment of such unpaid premium.

Proof of the continuance of Total Disability, including medical examinations of the Life Insured at reasonable intervals by physicians designated by the Insurer, must be furnished to the Insurer as requested. However, such proof will not be required more often than once a year after Total Disability has continued for two full years.

Upon cessation of Total Disability, or if proof of the continuance of such Disability is not furnished when requested, all premiums due thereafter will be payable according to the terms of this policy.



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TERMINATION - The Waiver of Premium Rider will terminate as outlined in the base policy and also as follows:

- 1) The policy anniversary date nearest the 65th birthday of the Life Insured or;
- 2) Written request for termination of the WP benefit rider only (not including base plan).



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ACCIDENTAL DEATH RIDER

The following provisions are part of the policy to which they are attached, provided the Accidental Death Rider Benefit is specified in the Benefit and Premium Information Schedule of this policy.

BENEFIT - We will pay the Accidental Death Benefit outlined in the Benefit and Premium Information Schedule when sufficient evidence is received that the Life Insured's death resulted directly and independently of all other causes, from bodily injury caused solely through external, violent and accidental means. Death must occur within 90 days after such injury and before termination of coverage under this provision.

EXCEPTIONS - The Accidental Death Benefit will not be paid if death results directly or indirectly from any of the following:

1. Suicide, whether sane or insane.
2. Committing, or attempting to commit an assault or criminal offence.
3. Service in the naval, military or air forces of any country in a state of war, whether war be declared or not.
4. Riot, civil commotion, insurrection, war, or hostilities of any kind, or any act incident thereto.
5. Participating in aeronautics otherwise than as permitted under the paragraph entitled "Aviation".
6. Bodily or mental infirmity or illness or disease of any kind.
7. Any drug, poison, gas or fumes, voluntarily or otherwise taken, administered, absorbed or inhaled, other than as a hazard incident to the Life Insured's occupation.
8. Poisoning or infection, other than infections occurring simultaneously with and in consequence of an accidental cut or wound.
9. Injuries of which there is no visible contusion or wound on the exterior of the body, drowning and internal injuries revealed by autopsy excepted.
10. The Life Insured is driving a vehicle or having the care or control of a vehicle whether it is in motion or not, having consumed alcohol in such a quantity that the proportion thereof in the blood exceeds the lesser of 80 milligrams of alcohol in 100 millilitres of blood and the current proportion of alcohol in blood permitted by the applicable legislation; for the purposes of this subparagraph a vehicle means an air, land or sea vehicle that is drawn, propelled or driven by any means.

We shall, before payment, have the right and opportunity to examine the body and to effect an autopsy to be performed.

AVIATION - The Life Insured may travel as a passenger in an aircraft without affecting this benefit with the following exceptions:

1. The aircraft may not belong to or be operated by any naval, military, or air force unless the Life Insured is not in any of these services at the time of travel.
2. The Life Insured may not have any duties relating to the aircraft or flight therein and is not making the flight for the purpose of receiving aeronautical training.

This benefit will not apply should the death of the Life Insured result in any way from travel or flight in any kind of aircraft, or descent therefrom, except as stated above.

TERMINATION - The Accidental Death Benefit and the premium may be discontinued if we receive a written request from you within 31 days after any premium due date. If not previously terminated, such coverage will terminate as outlined in the base policy and also as follows:

1. The policy anniversary date nearest the 70th birthday of the Life Insured or;
2. Written request for termination of the ADB benefit rider only (not including base plan).



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POLICY ENDORSEMENT

JOINT LIFE - LAST TO DIE

IT IS UNDERSTOOD AND AGREED THAT THIS POLICY IS AMENDED AS FOLLOWS:

All references in this policy to Life Insured shall be read as Lives Insured, and references to the death of the Life Insured shall be read as the first death among the Lives Insured.

EQUIVALENT SINGLE AGE - Any reference to age will be based on the age specified by the Insurer on the Benefit and Premium Information Schedule.

MISSTATEMENT OF AGE AND SEX - If the equivalent single age is incorrect due to the misstatement of the date of birth and/or sex of a Life Insured, the amount payable shall be increased or decreased to the amount that would have been provided for the same premium had the correct age and/or sex been used in calculating the equivalent single age.

SURVIVOR BENEFITS - Within 60 days following the death of a Life Insured, surviving Life Insureds may purchase, without evidence of insurability, a like policy, without survivor benefits, for the same sum insured at the then attained equivalent single age and original mortality and premium class of the surviving Lives Insured, provided the new equivalent single age, based on their then attained age, is within the issue limits of the plan. If only one Life Insured survives, the premium will be based on the then attained age and original mortality and premium class of the surviving Life Insured, provided the attained age of the sole survivor is within the issue limits of the plan.

SETTLEMENT AND INDEBTEDNESS - The policy proceeds will be paid to the beneficiary upon receipt of proof, satisfactory to the Insurer, of the death of the first Life Insured while this policy was in effect.

TERMINATION OF POLICY - This policy will terminate upon the death of the first Life Insured to die.



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POLICY ENDORSEMENT

JOINT LIFE - LAST TO DIE

IT IS UNDERSTOOD AND AGREED THAT THIS POLICY IS AMENDED AS FOLLOWS:

All references in this policy to Life Insured shall be read as Lives Insured, and references to the death of the Life Insured shall be read as the death of all Lives Insured.

EQUIVALENT SINGLE AGE - Any reference to age will be based on the age specified by the Insurer on the Benefit and Premium Information Schedule.

MISSTATEMENT OF AGE AND SEX - If the equivalent single age is incorrect due to the misstatement of the date of birth and/or sex of a Life Insured, the amount payable shall be increased or decreased to the amount that would have been provided for the same premium had the correct age and/or sex been used in calculating the equivalent single age.

SETTLEMENT AND INDEBTEDNESS - The policy proceeds will be paid to the beneficiary upon receipt of proof, satisfactory to the Insurer, that all Lives Insured died while this policy was in effect. Proof of death is to be submitted to the Insurer immediately following the death of each Life Insured.