

**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 applicable law and 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.

**DEFINITIONS**

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

"We", "our", "us" and "the Company" 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.

**SIMPLY PREFERRED TERM 10**

Insurance payable on death of the Life Insured during the term of the policy.

Automatic renewal until the Final Expiry Date.

Convertible during the Conversion Period.

Premiums payable in accordance with the Premiums section, until the Final Expiry Date, or death, if sooner.

Not eligible for dividends.

## TABLE OF CONTENTS

<b>SECTION</b>	<b>PAGE</b>
POLICY DETAILS	3
PAYMENT OF PROCEEDS	5
PREMIUMS	6
GENERAL PROVISIONS	8
PAYMENT OPTIONS	10
CONVERSION	11

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

## DEFINITIONS

---

**Basic Policy** The "Basic Policy" is the policy considered as providing only the Face Amount. 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 for the Face Amount is shown on the Policy Details page(s).

**Life Insured** The "Life Insured" is the life insured for the proceeds payable on death under the Basic Policy (see the Payment of Proceeds section) and at issue of this policy is identified on the cover page, page 1.

**Age** The "Age" of the Life Insured, as shown on the Policy Details page(s) at issue of the policy, is the insured's age at his or her birthday nearest to the Policy Date.

The "Attained Age" of the Life Insured, is the Age of the Life Insured, plus the subsequent number of elapsed years, or part thereof, from the Policy Date.

**Face Amount** The "Face Amount" at issue of the policy is shown on the Policy Details page(s). It is an amount of life insurance in effect under the Basic Policy on the Life Insured.

**Final Expiry Date** The "Final Expiry Date" is shown on the Policy Details page(s) and is the date past which the policy cannot be renewed and will terminate, unless the policy has terminated earlier in accordance with the Policy Termination provision.

**Conversion Period** The "Conversion Period" is the period of time during which the owner(s) may apply for conversion under the Conversion option.

**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 and attained age of any person insured at issue of the policy. However, the date on which the policy first takes effect will be determined by governing law.

**Rate Class and Health Class** Rate Classes are broad class groupings of persons we establish to categorize the anticipated health and insurability of lives to be insured.

Rate Class placement determines whether standard rates (set for standard Rate and Health Classes, for the type and amount of coverage applied for), or other than standard rates, will be used in setting the premium or cost of insurance rates.

Health Classes are additional class groupings of persons we establish for more detailed classifications of health and insurability, considering such factors as family health history, nicotine usage, health, lifestyle and other personal history information.

**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 death of the Life Insured 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 the Life 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 death of the Life Insured consist of the Face Amount, plus any amounts payable on that death under additional benefits and riders which have been added to the policy.

If the death of the Life Insured takes place during the grace period, we will deduct any unpaid premium from the proceeds.

The proceeds due on the death of the Life Insured will accumulate with interest from the date of death to the date of payment. The rate of interest will be the rate determined under our then current administrative rules. Unless we agree otherwise, we reserve the right to make payment of any claim proceeds, or part thereof, jointly to those entitled.

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

## PREMIUMS

---

### **PAYMENT OF PREMIUMS**

The Policy Date and the amounts of the first Yearly Premium and any Yearly Premiums on Renewal are shown on the Policy Details page(s). Renewal Premiums are described in the Automatic Renewal provision.

Premiums are payable yearly or monthly, according to your election. You may change your election. We will set the amount of premiums payable if other than yearly.

The first premium is payable on the Policy Date and must be paid before this policy can take effect. Each premium after the first is payable in advance on its due date, which is the first day of each applicable premium frequency period as measured from the Policy Date. Premiums are payable at any of our offices in Canada while the Life Insured is living and the policy is in force.

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

### **PREMIUM RATES AND CHANGES**

Factors determining premium rates may include the sex, Age, Rate and Health Classes of the Life Insured, as well as types and amounts of coverage. The coverage and premium amounts with applicable Health and Rate Classes are established for the duration of the coverage as shown on the Policy Details Page(s). If you request any amendment to the terms of the policy, such as improvement of the risk classification of any coverage, such a request is subject to our consent and our then current administrative rules.

### **GRACE**

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. If you do not pay the premium by the end of the Grace Period, your policy will then lapse and all insurance coverage terminates.

### **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, provided:

1. an application for reinstatement is made before the Final Expiry Date of the policy,
2. the good health and insurability of the Life Insured is proved to our satisfaction, and
3. payment of all overdue premiums is received with interest.

However, in the case of any benefit or rider, its reinstatement as part of the policy may be subject to additional requirements.

Interest, on overdue premiums, 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.

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.

**PREMIUMS (continued)**

---

**AUTOMATIC  
POLICY RENEWAL**

If this policy is in force immediately before a Renewal Date, it is automatically renewed on that Renewal Date if all applicable premium amounts have been paid. Yearly Premiums are payable up to the next Renewal Date, if any, otherwise to the Final Expiry Date.

The Renewal Date(s), if any, and the applicable Yearly Premium(s), are shown on the Policy Details page(s).

**POLICY  
TERMINATION**

The policy terminates on the earliest of:

- the death of the Life Insured
- the date the policy lapses,
- the Final Expiry Date,
- the date we receive at Head Office your written request for termination, and
- the date all insurance under the policy terminates as specified in the Conversion Option provision.

Sample

## 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 lifetime of the Life Insured 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 policy proceeds 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 waiver of premiums on disability benefit or rider, or other disability insurance benefit or 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 shown on the Policy Details page(s). 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 will be subject to those of that beneficiary, in accordance with this contract and applicable 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 claim proceeds and may revoke or change the designation as may be 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 to that beneficiary on the death of the Life Insured if, according to our records, that designation was in effect at death.

If more than one beneficiary has been designated and, before the death of the Life Insured, 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 death of the Life Insured and, according to our records, no other designation is then in effect, the proceeds will be paid to you or to your estate.

## GENERAL PROVISIONS (continued)

**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 "hypothecate", "hypothecation" and "hypothecary creditor", as may be applicable, where the Civil Code of Quebec applies.

**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 any amounts owed on the policy, 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, where the Life Insured has committed suicide, 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.

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

**CURRENCY AND  
PLACE OF  
PAYMENT** All amounts payable to or by us under this policy are payable in Canada in Canadian currency.

**NON-  
PARTICIPATION** This policy is non-participating, and is not eligible for dividends.



## **PAYMENT OPTIONS**

---

In this section:

1. The expression "Options Date" means the date of death of the Life Insured.
2. The term "payee" means the person or persons entitled to receive payments under the elected Payment Option.

Normally, at the Options Date, a payee would receive one lump sum. The Payment Options under this section allow for payment of claim proceeds other than in one 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 Options Date, or if payment is to be made in one sum under an existing election, the beneficiary of the payment may make an election in accordance with this section.

An election must be made among the Payment Options then available, and subject to our then current administrative rules,

- within one year after the death of the Life Insured, and
- before any payment of claim proceeds has been made.

### **PAYMENT OPTIONS**

You may elect to have the claim proceeds under this policy applied to any form of Payment Option made available by us at the time of claim. If, at the time of claim, the beneficiary is entitled to claim proceeds payable in one sum, the beneficiary may elect any other form of Payment Option then available, subject to our then current administrative rules. The payment option rates then in effect will apply. We will determine any other requirements.

### **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.

## CONVERSION

### CONVERSION TO TERM 20

You may apply under the Attained Age Conversion Option, below, to convert all or any part of the coverage under the Basic Policy to a term 20 policy, if then available, and if the Life Insured is not then totally disabled (as totally disabled or like term is defined in any waiver of premiums on disability benefit or rider we then offer for term policies).

Your conversion application must be received by us by the date which is the earlier of:

- the fifth policy anniversary, and
- the date the Life Insured reaches attained age 65.

### ATTAINED AGE CONVERSION OPTION

The life insurance provided by this policy may be converted to a different type of single life insurance coverage under a new contract, with no evidence of insurability required, (for a converted amount up to the Face Amount of this policy) subject to the provisions of this option and the policy. The converted coverage, and any additional coverage applied for, must insure only the Life Insured under this policy.

Any additional coverage is subject to our consent and such evidence of insurability as we may require.

Your signed conversion application and the first premium for the converted insurance must be received by us:

- while this policy is in force,
- by the date of conversion, and
- during the Conversion Period shown on the Policy Details page(s) or, in the case of conversion to term 20, by the earlier date as determined under the Conversion to Term 20 provision, above.

The completed application must satisfy our then current administrative rules, and such other requirements as we may deem necessary for compliance with the provisions of the policy and any laws applicable to it.

The converted insurance may be on:

- any single permanent insurance plan we then offer for conversion, or
- a single life term 20 insurance plan (see the Conversion to Term 20 provision, above),

subject to our then current administrative rules. Alternatively, and subject to our consent, the converted insurance may be the addition of a single permanent coverage under an existing policy.

However, election of any dividend option or other plan option which may increase the insurance coverage amount under the new contract will be subject to our consent and such evidence of insurability as we may require.

You may convert all of the life insurance provided by the Basic Policy or, subject to our consent, any part of it. On the date of conversion, the amount of insurance provided by this policy is decreased by the amount converted, and the new converted coverage amount then takes effect immediately. Any portion of the Face Amount of this policy which is not converted may continue in force only if the remaining Face Amount and premium satisfy our then current minimum amount rules for this plan (otherwise, this policy will terminate). The Life Insured's Health Class and the Rate Class and premium rates for this policy may also change, as determined by us, depending on our risk classification minimum amount rules for the remaining Face Amount of this plan.

## CONVERSION (continued)

**ATTAINED AGE  
CONVERSION  
OPTION  
(continued)**

If the Rate Class of this policy is "Preferred", the Health Class of the Life Insured and the Rate Class of the converted insurance will be the same as this policy, provided that:

1. Conversion is made to a plan or coverage and amount of insurance for which we then offer similar risk classification for Health and Rate Classes as this policy, and
2. The date of conversion of the converted insurance is within ten years of the Policy Date of this policy.

If either of the above conditions is not satisfied, for insurance being converted from a "Preferred" Rate Class, the risk classification of the converted insurance will be a "Standard" Rate Class. Any corresponding Health Class for the "Standard" Rate Class will be the next less favourable equivalent to the Health Class of the Life Insured under this policy.

If the Rate Class of this policy is other than "Preferred", the Health Class of the Life Insured and the Rate Class of the converted insurance will be the same as this policy, provided that:

- Conversion is made to a plan or coverage and amount of insurance for which we then offer similar risk classification for Health and Rate Classes as this policy.

If the above condition is not satisfied, for insurance being converted in accordance with the terms of this Option, the risk classification of the converted insurance will be the Rate Class which then is the closest equivalent to the Health Classes of the Life Insured and the Rate Class under this policy.

We determine the premium required for the converted insurance based on our then current premium or cost of insurance rates for the type of plan or coverage and insurance amount requested. This determination will use the Life Insured's sex and attained age at the date of conversion, and the appropriate Rate and Health Classes established under these Conversion Option provisions.

We reserve the right to modify the Rate or Health Classes and the premium rates for the converted insurance, if coverage on the Life Insured will exceed five million dollars in total, under the converted insurance plus any individual life insurance amounts already in force with us. Any such modification will be determined in accordance with our then current administrative rules and procedures for new applications for equivalent insurance amounts which exceed our maximum plan amount limits for standard or preferred premium rates.

## CONVERSION (continued)

---

### ORIGINAL AGE CONVERSION

This Original Age Conversion provision is only applicable if:

- you make a written application to us, within six years of the Policy Date, to convert the full amount of insurance on the Life Insured under this policy (only the full amount may be converted; new wording for your policy will be provided on conversion),
- the amount to be converted satisfies our then current minimum amount rules, and
- the conversion will not result in the loss of any exemption from accrual taxation the policy may have, or in any disposition of the policy, under income tax legislation in effect in Canada at the date of conversion.

The policy as converted (converted policy) must be on any participating permanent plan we may then offer for conversion using the original Policy Date, according to our then current administrative rules. The participating permanent plan for the converted policy must also have been offered at the time this policy was issued.

You must pay the first premium under the converted policy plus the greater of:

- the difference (based on the amount of the basic insurance benefit of the converted policy) in premiums for the converted policy and this policy (before conversion), including any difference in premium for continuing additional insurance benefits, from the date the applicable insurance benefit came into effect to the date of change, with interest compounded annually, and
- 102% of both the cash value of the converted policy and accumulated dividends, if any, credited to the converted policy immediately after the change.

The interest rate applied in the case of any given policy year, prior to the date of change, will not exceed the highest rate of interest charged by us for new policy loans during that year. Policy years are measured from the Policy Date.

The Policy Date, after conversion, will remain unchanged.

## CONVERSION (continued)

---

### **RIDERS AND BENEFITS**

If this policy contains a waiver of premiums on disability benefit or rider on the Life Insured at the date of conversion, a similar disability insurance benefit or rider may be included with the converted insurance on your request, if then available for the type of life insurance plan or coverage requested and if permitted under the terms of the benefit or rider in this policy and by our then current administrative rules. For conversions to universal life the automatic payment benefit on disability is limited to the greater of the target premium or the minimum premium required for that coverage at time of conversion.

If this policy contains a death by accidental means rider on the Life Insured at the date of conversion, a similar benefit or rider may be included with the converted insurance on your request, if then available for the type of life insurance plan or coverage requested and if permitted under the terms of the benefit or rider in this policy and by our then current administrative rules. The amount of the benefit or rider so converted must be within the minimum and maximum amounts we would then allow for the type of converted insurance.

Any other optional benefits or riders, which are additional to the type of life insurance plan or coverage requested, may be included with the converted insurance only with our consent and such evidence of insurability as we may require.

### **EVIDENCE**

Any evidence of the Life Insured's good health and insurability which formed part of the contract on and before a date of conversion will be deemed to form part of the contract under which the converted insurance is provided, for that converted coverage.

### **SUICIDE AND INCONTESTABILITY**

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

- the date on which the converted insurance first took effect under this policy, and
- the date of the last reinstatement of this policy, if any.

However, with respect to any change to the insurance which improves a Rate or Health Class, the start of the two year period under the Incontestability provision will be the date of change.

### **EXCLUSION**

If this policy contains any exclusion, a similar exclusion will apply to the converted insurance, along with any limitation to our liability regularly included for the type, amount and risk classification of the converted coverage then issued.

## INDEX

PROVISION	PAGE
Assignment/Hypothecation	9
Attained Age Conversion Option	11
Automatic Policy Renewal	7
Beneficiary	8
Claims	5
Contract	8
Conversion to Term 20	11
Currency and Place of Payment	9
Election of Options	10
Evidence	14
Exclusion	14
Grace	6
Incontestability	8
Limits	10
Misstatement of Age or Sex	5
Non-Participation	9
Original Age Conversion	13
Our Consent	9
Owner	8
Payment of Premiums	6
Payment Options	10
Policy Details	3
Policy Termination	7
Premium Rates and Changes	6
Reinstatement	6
Riders and Benefits	14
Suicide and Incontestability	14
Suicide Exclusion	9

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

### **SIMPLY PREFERRED TERM 10**

Insurance payable on death of the Life Insured during the term of the policy.  
Automatic renewal until the Final Expiry Date.  
Convertible during the Conversion Period.  
Premiums payable in accordance with the Premiums section, until the Final Expiry Date, or death, if sooner.  
Not eligible for dividends.