

A GUIDE TO THE PROVISIONS OF THIS CONTRACT
TERMSELECT10

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GENERAL PROVISIONS

Definitions

"You", "your" and "yours" refer to the Contract Owner(s) as named in the Schedule of Benefits and Premiums or as changed in accordance with the provisions of this policy. "We", "us" and "our" refer to Transamerica Life Canada.

Additional Coverage means a coverage other than the Primary Coverage described in a Rider attachment to this Policy issued and approved by us at the Head Office on or after the original Policy Date.

Age means the age of the Life Insured on his or her nearest birthday to the applicable date.

Application means the application for insurance attached to this policy.

Beneficiary in respect of a Life Insured means the person who is to receive the proceeds in the event of the death of such Life Insured, as designated in the Application or as changed in accordance with the provisions of this policy. **Beneficiaries** means more than one Beneficiary.

Contract has the meaning assigned to that term under the provision entitled "Contract".

Coverage Expiry Date means the date specified as being the Coverage Expiry Date in the Schedule of Benefits and Premiums and is the date on which the applicable coverage terminates without renewal privileges.

Effective Date has the meaning assigned to that term under the provision entitled "Date The Policy Takes Effect".

Grace Period has the meaning assigned to that term under the provision entitled "Grace Period".

Head Office means our office at 5000 Yonge Street, Toronto ON M2N 7J8 or such other address as we may notify you from time to time as being our head office or principal place of business.

Issue Date means the date specified as being the Issue Date in the Schedule of Benefits and Premiums.

Issue Age means the Age for a Life Insured under the Primary Coverage and specified in the Schedule of Benefits and Premiums.

Life Insured means a person shown as such in the Schedule of Benefits and Premiums, or as changed in accordance with the provisions of this policy. **Lives Insured** means more than one Life Insured.

Policy Date means the date specified as being the Policy Date in the Schedule of Benefits and Premiums and is the date used to determine the policy anniversaries, policy years and policy months.

Premium means the amount charged by us for the Primary Coverage, all Riders and all benefits as specified on the Schedule of Benefits and Premiums.

Premium Due Date means the Policy Date and each subsequent date on which premiums are due in accordance with the premium frequency specified in the Schedule of Benefits and Premiums or as changed in accordance with the provisions of this policy.

Primary Coverage means the insurance coverage shown as such in the Schedule of Benefits and Premiums, or as changed in accordance with the provisions of the policy.

Rider means an attachment to this policy approved by us at the Head Office which provides additional benefits

and any instrument entitled "Rider" which is issued and approved by us at the Head Office on or following the Policy Date which provides additional benefits.

Schedule of Benefits and Premiums means the pages entitled "Schedule of Benefits and Premiums" attached to this policy that set out specific information with respect to this policy and any applicable Riders.

Sum Insured means the amount of insurance for each coverage as specified in the Schedule of Benefits and Premiums.

Contract

The entire contract between you and us consists of this policy and any endorsements, Riders and any other documents attached to this policy at the Issue Date, the Application and any application for reinstatement or policy change approved by us at our Head Office, including any medical evidence and any written statements and answers furnished as evidence of insurability, and any amendments made in accordance with this policy after it is issued (the "Contract"). However, this Contract does not include any Temporary Insurance Agreement. Only our President together with one of our Vice-Presidents, Secretary or Treasurer has the authority to bind us or to make any change to the Contract, and then only in writing. All statements made by or on behalf of a Life Insured or the Owner will be deemed to have been relied upon by us. We will not be bound by any promise or representation made by any other person, and no broker or agent is authorized to waive, amend or modify any of the terms of the Contract.

Date the Policy Takes Effect

This policy does not take effect unless all of the following conditions are satisfied:

- a) this policy is delivered to you or a Beneficiary during the lifetime and continued insurability of all Lives Insured;
- b) the full amount of the first Premium has been received by us during the lifetime and continued insurability of all Lives Insured; and
- c) no change has taken place in the insurability of any of the Lives Insured between the time that the Application was completed and the time that this policy was delivered to you or a Beneficiary as provided above.

Provided that all of the foregoing conditions are satisfied, this policy will take effect on the latest of the following dates, such date being referred to as the "Effective Date":

- a) the Issue Date, and
- b) the date that the full amount of the first Premium is received by us.

Class of Policy

This policy is non-participating and does not provide for participation in a distribution of surplus or profits that may be declared by us.

Payment of Premiums

To keep this policy in force, each Premium must be paid in advance. Premiums are due on the Premium Due Dates. Premiums, other than the initial Premium, are payable while the Life Insured under the Primary Coverage is living and within the Grace Period, but not beyond the applicable Coverage Expiry Date. All Premiums must be paid at the Company's Head Office or at one of our other offices in Canada. A receipt for Premiums paid will be issued upon request.

If part of the Premium ceases to be payable under the provision of a Rider, then we will reduce the Premium accordingly.

Grace Period

After the payment of the first premium, we will allow a period of 31 days after each Premium Due Date for the payment of the corresponding Premium ("Grace Period"). During the Grace Period, the policy remains in force and no interest will be charged on the Premium due. If the Life Insured dies during the Grace Period and before the Premium is paid, then any Premiums due but unpaid will be deducted from the proceeds otherwise payable. If any Premium remains unpaid after the Grace Period, then this policy will lapse.

Premium Frequency

The Premium frequency specified in the Schedule of Benefits and Premiums may be changed at your written request to enable Premiums to be paid by any other mode then available. Following receipt at the Head Office of your written request for a change in Premium frequency, the total amount of the Premium and the Premium Due Dates will change according to our then current practice for the frequency chosen.

Currency and Place of Payment

All amounts payable to or by us shall be payable in Canadian Dollars, and unless otherwise stated in this policy, at the Head Office.

Reinstatement

If this policy has lapsed for non-payment of Premiums, then it may be reinstated within two years following the effective date of the lapse and before the Coverage Expiry Date applicable to the Primary Coverage, subject to all of the following conditions:

- a) we must receive at the Head Office during that two-year period, your completed application for reinstatement on our then current form;
- b) all of the Lives Insured must continue to be in good health and otherwise insurable by our standards and we must receive at the Head Office evidence satisfactory to us of the continuing good health and insurability of all the Lives Insured; and
- c) we must receive at the Head Office payment to us of all overdue premiums calculated from and including the time of lapse to the date of reinstatement, together with interest at a rate set by us from time to time, and compounded annually.

Owner of this Policy

While the Life Insured under the Primary Coverage is living, only the Contract Owner is entitled to the rights granted by this policy. If the Contract Owner is a partnership, then the rights belong to the partnership as it exists when a right is exercised. If there is more than one Contract Owner the consent of all owners is required to exercise an option under the policy.

If a Contract Owner dies before the Life Insured under the Primary Coverage and

- a) the Contract Owner is an individual, then the rights of the Contract Owner belong to the executor or administrator of the estate of the Contract Owner unless otherwise provided in this policy.
- b) the Contract Owners are two or more individuals and the form of ownership selected is "Tenants in Common", then the rights of the deceased Contract Owner belong to the executor or administrator of the estate of such Contract Owner unless otherwise provided in this policy.
- c) the Contract Owners are two or more individuals and the form of ownership selected is "Joint Owners with Right of Survivorship", then the rights of the deceased Contract Owner automatically belong to the

surviving Contract Owner(s) unless otherwise provided in this policy.

Assignment

An assignment of this policy will not be binding on us until we have received and recorded written notice of the assignment at the Head Office. We are not responsible for the adequacy or validity of any assignment.

Beneficiary

Who Receives the Proceeds: Any proceeds payable because of the death of the Life Insured will be paid to the Beneficiary designated in respect of such Life Insured. If no Beneficiary is designated, then the proceeds are payable to you or your estate. Unless changed as provided in this policy, the Beneficiary will be as designated in the Application. If the Beneficiary is a partnership, any proceeds will be paid to the partnership as it existed at the time of the death of the Life Insured under the Primary Coverage.

Change of Beneficiary: You may change or revoke a beneficiary designation by filing with us a notice in writing. Such notice must identify this policy and be signed by you. A change of Beneficiary will not be effective unless recorded by us at the Head Office. Once recorded, even if the Life Insured under the Primary Coverage is not then living, the change will take effect on the date that the notice was signed. Any proceeds paid before our records reflect a change of Beneficiary will not be subject to the change. A Beneficiary designated irrevocably may not be changed without the written consent of that Beneficiary.

If the Beneficiary Dies: The interest of any Beneficiary who dies before or simultaneously with the Life Insured under the Primary Coverage will terminate at the death of the Beneficiary. If the interest of all designated Beneficiaries has terminated, any proceeds payable will be paid to you. If you are not living at that time, any proceeds payable will be paid to the executor or administrator of your estate.

Benefit Clause

Subject to the terms of the Contract, the amount payable upon the death of the Life Insured includes the Sum Insured in respect of such Life Insured and any applicable benefits in respect of such Life Insured provided by this policy and in force at the time of such death.

Payment on Death

The amount payable on the death of the Life Insured will be paid when we receive, at the Head Office, evidence satisfactory to us of:

- a) the death of the Life Insured;
- b) the cause and circumstances of the death of the Life Insured;
- c) the birth date of the Life Insured; and
- d) the right of the claimant to receive payment.

Appropriate forms will be made available to the claimant upon request.

Catastrophic Events

If our performance of any of our obligations under the Contract is delayed or otherwise made impractical by reason of any flood, riot, fire, acts of nature, labour unrest, acts of war, terrorism, power outage or any other causes beyond our control, such obligations may be postponed until the earlier of such time as the cause ceases to preclude or make impractical our performance of such obligations and 7 business days.

Validity

In the absence of fraud, the Contract will be incontestable after it has been in force during the lifetime of the Life

Insured for two years from the later of the Effective Date and the date of the latest reinstatement or change requiring medical evidence. The provisions of this section do not apply to any Rider or endorsement providing benefits specifically for disability.

Suicide and Self-Destruction

If within two years from the later of the Effective Date and the date of the latest reinstatement or change requiring medical evidence, the Life Insured:

- a) dies by suicide while sane or insane, or
- b) attempts or commits an act of suicide or sustains an intentionally self-inflicted injury, while sane or insane and, as a result of which, such Life Insured dies after such two-year period, then neither the Sum Insured nor any other benefits will be payable in respect of such Life Insured.

In such case, our liability shall be limited to, except as expressly provided in the following paragraph, refunding the Premiums paid for the coverage applicable to such Life Insured since the later of the Effective Date and the date of the last reinstatement, if any, less any amounts paid by us.

If within two years from the effective date of an increase in the Sum Insured, the Life Insured dies from suicide or an intentionally self-inflicted injury, while sane or insane, or attempts or commits an act of suicide while sane or insane within such time and, as a result the Life Insured dies after such two year period, our liability shall be limited to Sum Insured less the increased portion of the Sum Insured and a refund of any premiums received since the effective date of the increase in Sum Insured less any amounts paid by us since the effective date of the increase.

Misstatement of Age or Sex

If the date of birth or sex of a Life Insured has been misstated, any amount payable shall be increased or decreased at any time to the amount that would have been provided by the Premiums paid, as determined by us, using the correct age or sex.

Notice

Any notice or statement to be given under any provision of this policy will be sent to your last address shown on our records. Any notice to us must be sent to the Head Office.

Proof

We may request proof satisfactory to us relating to the signature of any notice, request or consent delivered to us under this policy by the proper person, or any other matter provided for in this policy or permitted by law; provided that we shall not be obligated to do so.

We shall not be liable to any person (including a corporation, trust, partnership or individual) for failure to request evidence or proof related to any matter dealt with in this policy or for any error made in reviewing such evidence or proof.

Protection Against Creditors

To the extent permitted by law, benefits payable under this policy and the rights and interests in this policy will be exempt from seizure and from the claims of creditors.

SPECIAL PROVISIONS

Term of Policy

The term period of this policy is specified in the Schedule of Benefits and Premiums. The term period begins on the Policy Date and ends on the policy anniversary at the end of the term period, at which time another term period will automatically begin unless you provide written instructions to us prior to such time. No term period will include the policy anniversary at the end of the period and no term period will include or extend beyond the Coverage Expiry Date for the Life Insured under the Primary Coverage. This policy is convertible and renewable in accordance with its provisions.

Renewal

If this policy is in force at the end of a term period, it will automatically be renewed for a further term period of the same duration (unless it would otherwise extend to or beyond the Coverage Expiry Date for the Life Insured under the Primary Coverage, in which case, it will end immediately before such Coverage Expiry Date), provided that the first Premium for the new term period is paid to us when due. If you have selected Pre-Authorized Debit as your mode of Premium payment, then the renewal will be automatic. We will continue to present your pre-authorized instructions until the Pre-Authorized Debit is terminated in accordance with the provisions of the Pre-Authorized Debit Agreement.

Renewal Premiums

Renewal Premiums will be calculated based on the underwriting class specified on the Schedule of Benefits and Premiums and the Age of the Life Insured at the date of renewal.

The Schedule of Premium Changes in this policy shows the Total Premium payable upon renewal of the term period and reflects any change in the premium due to renewal and or expiry of any Rider coverage.

Non-Payment of Premiums

If any Premium is not paid by the end of the Grace Period, this policy will lapse and our liability will cease.

Cash and Loan Value

This policy has no cash value or loan value and cannot be exchanged or commuted for cash.

Premium Deposit Account (PDA)

Subject to our then current deposit and other administrative rules, we will accept deposits to the PDA for the purpose of paying future Premiums for this policy. Premium deposits received by us will be combined with our general assets.

We may modify administrative rules governing minimum and maximum deposits to the PDA and/or withdrawal amounts from the PDA from time to time. We reserve the right to refund deposits, or a portion thereof in excess of our then current maximum deposit rules.

Any Premium that remains unpaid at the end of the Grace Period will be paid from the PDA provided there are sufficient funds available.

Interest on the balance of the PDA will be paid daily from the date of deposit at a rate determined by us from time to time. Interest will be compounded annually on the policy anniversary.

Upon the termination of the policy, the balance of the PDA will be settled in one lump sum to you. If you are not living at that time, any balance will be paid in accordance with the Settlement Provisions.

You may make withdrawals from the PDA upon your written request received by us at our Head Office. We may defer payment of withdrawals in cash for a period of not more than six months or any shorter period required by law.

Policy Conversion

While this policy is in force and prior to the conversion option expiry date, it may be converted without providing evidence of insurability to a new policy of eligible life insurance then offered by us. The conversion option expiry date is specified in the Schedule of Benefits and Premiums.

You must make a written application for conversion to us on our then current conversion form. This policy must be returned to us and it will terminate immediately prior to the effective date of the new policy. Once converted, this policy may not be reinstated.

The following conditions for conversion will apply:

- a) the life insured under the Primary Coverage for the new policy will be the Life Insured under the Primary Coverage shown on the Schedule of Benefits and Premiums of this policy;
- b) the sum insured in the new policy in respect of the Life Insured under the Primary Coverage will not exceed the Sum Insured in effect under this policy in respect of the Life Insured under the Primary Coverage on the date when the conversion is made and may not be less than our published minimum for the plan selected at the time of conversion.
- c) the premiums for the new policy in respect of the Life Insured under the Primary Coverage will be at our published rate for the plan selected at the time of conversion, using
 - (1) such Life Insured's Age at the date of the conversion, and
 - (2) such Life Insured's class of risk and smoking status comparable to the class of risk and smoking status as at the Issue Date or the last reinstatement or applicable change date of this policy, and as determined by us.
- d) the new policy will not contain any further conversion privilege, and the Validity and Suicide and Self Destruction provisions of the new policy will not be extended beyond the period specified in this policy;
- e) the new policy will be subject to any limitations on death or disability benefits that are contained in this policy;
- f) the Policy Date of the new policy will be the date on which the conversion to the new policy becomes effective;
- g) any Riders may be continued or converted only as provided by the Rider and as described below:

If immediately before the conversion, this policy contains:

- a) Waiver of Premium on Total Disability Rider, then such Rider may be included in the new policy only if
 - (1) the Age of the Life Insured under the Primary Coverage at the date of the conversion is 55 years or less; and
 - (2) the Life Insured under the Primary Coverage is not totally disabled as defined in the Waiver of Premium on Total Disability Rider at the date of the conversion;
- b) Accidental Death and Dismemberment Rider, then such Rider may be included in the new policy if the Age of the Life Insured under the Primary Coverage at the date of conversion is 55 years or less;
- c) Children's Insurance Rider, then such Rider may be included in the new policy if the Age of the Life Insured under the Primary Coverage at the date of conversion is 65 years or less and provided the children meet the requirements as specified under the Rider.

Change in Sum Insured

Any time after the first policy anniversary of this policy, you may submit a written application to increase or decrease the Sum Insured under this policy subject to all of the following conditions:

- a) you must make written application for such change and the request must be received and approved by us at the Head Office;
- b) the policy must be in force and the Life Insured for the Primary Coverage must be living on the date of your application and continue to be in good health until the date we decide whether the request is approved;
- c) the Sum Insured requested may not be less than the minimum required by us;
- d) any increase in the Sum Insured is subject to evidence of insurability satisfactory to us;
- e) if an increase in a Sum Insured is requested, then the Life Insured under the Primary Coverage must continue to be in good health and otherwise insurable by our standards and we must receive evidence satisfactory to us of such good health and insurability;
- f) any increase or decrease of a Sum Insured may cause a change in the Premiums payable;
- g) any increase or decrease of a Sum Insured may result in an administrative charge;
- h) any increase in the Sum Insured may not be less than \$50,000;
- i) any decrease in the Sum Insured may not be less than \$25,000;
- j) any increase in Sum Insured will be contestable for two years from the effective date of such increase but only with respect to the answers given in respect of such increase and will renew the Suicide and Self Destruction provision of this policy for two years from the effective date of the increase, but only as to the increased portion of the Sum Insured;
- k) for any increase or decrease in Sum Insured, the effective date will be the anniversary date that falls on or next follows the date the application is approved by us; and
- l) such other condition as we may now or hereafter impose.

Termination

This policy will terminate on the earliest of:

- a) the Premium Due Date after we receive at the Head Office your written request to cancel this policy;
- b) the date of lapse of this policy due to your failure to pay a Premium within the Grace Period;
- c) the date prior to the effective date of the new policy resulting from the conversion of this policy;
- d) the date of the death of the Life Insured under the Primary Coverage; and
- e) the Coverage Expiry Date applicable to the Life Insured under the Primary Coverage.

SETTLEMENT OPTIONS

Payee

A Payee is the person who is entitled to receive any death benefit payable by us under this policy. All Policy proceeds will be paid when due in a lump sum, unless you or the Beneficiary, as applicable, request in writing that the proceeds be deposited. The Deposit and Annuity Options which follow are not available to corporate beneficiaries, partnerships, trustees, or the executors or administrators of a Payee's estate.

Limitations: The Payee under any settlement option must be an individual receiving payment in his or her own right.

Deposit Options

The Payee may choose to apply the death benefit proceeds in accordance with one of the Deposit Options described below provided the proceeds are at least \$3,000:

- a) The proceeds may be left on deposit with us. We will calculate and credit interest on the balance held by us on a daily basis at the rate described below. The proceeds and accumulated interest may be withdrawn in whole or in part at any time. The minimum withdrawal amount is \$500.
- b) The proceeds may be left on deposit with us and paid in installments as agreed with us when this option is elected. Interest will be calculated at the rate described below. Payments will continue until the entire principal and interest has been paid out.

Interest will be calculated at a rate determined by us which may change from time to time, but will not be less than 2% a year, compounded annually.

When either of these Deposit Options is chosen, any amount left on deposit at the death of a Payee will be paid in one lump sum to the beneficiary or the executors or administrators of the Payee's estate.

Annuity Options

We will make available, upon written application to us at the Head Office, various types of Annuity Options to which the Payee may apply the death benefit proceeds. The rates for these Annuity Options will be the rates then in use by us.

In all cases, proof satisfactory to us of the annuitant's birth date must be submitted to us before annuity payments are made.