Universal Life Resource Guide

Universal Life

About This Guide

Navigating the Guide

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Please Note: Co-operators Life Insurance Company will be hereinafter referred to in this document as "The Company", "We" or "Us".

Disclaimer of Liability

While every effort is made to ensure the information contained within this document is accurate and complete, We assume no legal liability or responsibility for any errors or omissions. Where the information differs from the insurance policy wording, the terms of the policy will always apply.

TABLE OF CONTENTS

Introduction

The Universal Life Product Guide provides a comprehensive examination of the Universal Life Suites products.

The Universal Life Suites product is one of the most flexible life insurance products available, since it can adapt and grow with your client throughout their lifetime. You can customize your client's coverage to give them the protection they need now and make changes as their needs change. This product is aimed at specific markets: Family, Wealth, Business and Estate.

Product Overview

Universal Life – Family Suite

- The Universal Life – Family Suite is targeted to the family market. A "family" can take many forms including newlyweds, young families and single parents. Typically, these consumers, ages 30 to 45, own a home and are looking for permanent insurance protection at an affordable cost.

Universal Life – Wealth Suite

- The Universal Life – Wealth Suite is suited to high-income earners from ages 30 to 59 who, because of their incomes, have maximized their RRSP contributions and probably have invested in other ways as well. Universal Life is another option for providing this group with tax sheltered investment growth now, and wealth preservation for later in life.

Universal Life – Business Suite

- The Universal Life – Business Suite will accommodate business owners whose needs are similar to those individuals targeted by the Wealth Suite. However, instead of investing money in RRSPs, this group is putting money back into their business, which will be their retirement fund. This suite provides tax sheltered investment growth and permanent protection. It is also suitable for individuals with specific business situations such as buy/sell arrangements.

Universal Life – Estate Suite

- The Universal Life – Estate Suite is designed for individuals who are close to retirement, or already retired, and who want to preserve their estate for their loved ones without creating a tax liability. These consumers are usually age 55 and older.

All product features are available on all Universal Life Suites products. The above concepts are for marketing purposes only. When illustrating the policy, you may select the wrapper you would like to use on your illustration package.

The Universal Life Suites offers two Death Benefit Options and two Cost of Insurance Options. They are available on Single Life (Adult and Juvenile), Joint Last-to-Die (two lives) and Multi-Life (two lives) coverage.

Overview of Features

Death Benefit

Single Life:	• Upon the death of the Life Insured, the coverage amount is paid to the beneficiary and the policy is terminated.
Joint Last-to-Die:	• Upon the last death of Life Insureds, the coverage amount is paid to the beneficiary and the policy is terminated. • Part of the Cash Surrender Value can be taken at the first death, but monthly risk charges still have to be met.
Multiple Life:	• Upon the death of either Life Insured, the coverage amount associated with the Life Insured is paid to the beneficiary. • The death benefit amount payable to the named beneficiary when the first Life insured dies is the insurance amount selected by the Life Insured. • The policy Cash Surrender Value is payable to the named beneficiary in addition to the insurance amount when the last Life insured dies. • The Life Insureds must choose the Enhanced Death Benefit Option.

Death Benefit Options

- Level
- Enhanced

Refer to the Death Benefit Options section in this Guide for details.

Number of Lives

- Single Life
- Joint Last-to-Die: 2 lives
- Multi-Life: 2 lives[1.]

Policy Ownership

- The policyowner may be one or more individuals. Joint ownership must be indicated on the E-Apps system.
- All owners must authorize any policy changes.

Issue Ages

Adult Single and Multi-Life Plans	Insurance Age 16 – Insurance Age 80
Juvenile Single and Multi-Life Plans	Insurance Age 0 – Insurance Age 15
Joint Last-to-Die Plans	EJA 16 – 80[2.]

Coverage Amount

- Minimum: $25,000
- Maximum: $10,000,000

[1.] An Adult and Juvenile life may not be issued on the same Multi-Life policy. Insured lives must be either both Adults or both Juveniles.
[2.] An Equivalized Joint Age (EJA) is used for JLTD premium rate purposes. Joint-Life proposed Life Insureds individually must be between Insurance Age 16 and Insurance Age 80.

Coverage Period

- Coverage is permanent
- UL Constant Risk Charges stop at age 106
- UL YRT Risk Charges stop at age 90 or duration 15; whichever is later

Front End Loads

- 2.5% in all years

Monthly Administration Fee

- $4.00 (guaranteed) per life on Single Life and Multi-Life policies
- Single administration fee of $4.00 (guaranteed) on Joint Last-to-Die cases

Cost of Insurance (COI) Types

- YRT90/15 (fully guaranteed)
- Constant

Refer to the Risk Charges section of this Guide for details.

Premium Sales Tax

- In some jurisdictions, sales tax on insurance premiums (including Riders and Other Benefits) applies.
- Please add sales tax to the illustrated premiums where applicable.

Premium Rate Bands

Band 1	$25,000 to $99,999
Band 2	$100,000 to $249,999
Band 3	$250,000 to $499,999
Band 4	$500,000 to $999,999
Band 5	$1,000,000 plus

Premium Rate Classes

There are 7 underwriting classifications:

- N1 (Non-Smoker 1)
- N2 (Non-Smoker 2)
- N3 (Non-Smoker 3)
- N4 (Non-Smoker 4)
- N5 (Non-Smoker 5)
- S1 (Smoker 1)
- S2 (Smoker 2)[3.]

For information about the preferred underwriting criteria, refer to the Field Risk Selection Guide.

Other Features

- Disability Lump Sum Benefit
- 12-Month No Lapse Guarantee
- Loyalty Bonus

[3.] Rate class is called "Regular" for Insurance Ages 0-15.

Optional Riders and Other Benefits:

- Versatile Term Riders
- Mortgage Guard Disability Insurance Riders (MDI)
- CA10 and CA25 Riders
- Child Rider[4.]
- Guaranteed Insurability Option (GIO)[5.]
- Accidental Death Benefit (ADB)[5.]
- Total Disability Waiver of Charges (TDWOC)[6.]
- Total Disability Waiver of Charges on Versatile Term Riders (TDWOC on VT Rider)
- Total Disability Waiver of Charges on CA10 and CA25 Riders (TDWOC on CA Rider)
- Owner's Death or Total Disability Waiver of Charges (ODTDWOC)[5.]
- Premium Protection Option (PPO)
- Wealth Maximizer (WM)[7.]

Loyalty Bonuses on Account Value Accumulation

- Years 3+: 1.25%
- Account Value of $100,000+: 0.125%

Surrender Charges

- Apply for the first 9 years

Guaranteed Interest Account Minimum Guarantees

- 5-year GIA Term: 0.25%
- 10-year GIA Term: 1.00%
- 25-year GIA Term: 1.00%

Index Linked Account Management Fees

- Guaranteed not to exceed 3.95% per year

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4. Only one Child Rider per policy, and available only on personal insurance situations. (Not available on Single Life Juvenile Insurance Age 0-Insurance Age 15 policies).
5. Not available on Joint Last-to-Die policies.
6. All Joint Insureds must qualify or TDWOC is not available.
7. Not available on Multi-Life policies.

Other Features

Disability Lump Sum Benefit

- The Disability Lump Sum Benefit pays the Policyowner a requested amount from the Cash Surrender Value of the policy provided there is evidence of total disability.

Note: This benefit is not available in the event of the total disability of the Policyowner if the Policyowner is not the Life Insured. Surrender Charges and Market Value Adjustments will not apply to any Disability Lump Sum Benefit paid.

Conditions

- A Disability Lump Sum Benefit may be paid if all of the following conditions are met:
  - The Life Insured has become totally disabled while the policy is in force.
  - The Cash Surrender Value is greater than zero.
  - The Life Insured is at least 18 years of age and not more than 60 years of age on the date which the total disability begins.
  - The Life Insured has provided, at his/her own expense, evidence of total disability that is satisfactory to The Company.
  - Notice of total disability is given 60 days from the effective date of total disability. Failure to give notice within this time does not invalidate the claim provided that notice and evidence of total disability is given as soon as reasonably possible, but in no event later than one year from the effective date of total disability.
  - The total disability has continued without interruption for a period of at least 90 days.
  - The Policyowner has consented to the payment of the benefit.

Minimums and Maximums

- The amount payable as a Disability Lump Sum Benefit is subject to the following restrictions:
  - The minimum amount of each Disability Lump Sum Benefit must be the lesser of $500 and the maximum allowed.
  - The maximum amount of each Disability Lump Sum Benefit is determined on the claim approval date as the Cash Surrender Value reduced such that the remaining Policy Account Value, net of any indebtedness under the policy including interest, is at least equal to 12 times the total monthly charges for the policy following the claim.

Note: Only one Disability Lump Sum Benefit per Life Insured may be paid in any policy year and no similar benefit payment may be made within the 6-month period immediately following a Lump Sum Payout Disability Benefit payment.

Order of Withdrawals

- The Policyowner may specify the Investment Accounts from which the Disability Lump Sum Benefit will be paid. If no such instructions are received, then the Disability Lump Sum Benefit will be taken from the Policyowner's Investment Accounts in the following order:
  - Premium Protection Account (PPA);
  - Daily Interest Account (DIA);
  - Index Linked Accounts (ILAs); and
  - Guaranteed Interest Accounts (GIAs).

Note: If there is more than one ILA in effect, the amount withdrawn from each individual ILA will be proportional to its value in comparison to the total value of all the ILAs. If there is more than one GIA in effect, the funds will be removed from the GIA with the shortest term period to maturity and the most recent issue date.

Effect on Policy Values

- Payment of the Disability Lump Sum Benefit will result in the following:
  - If the Death Benefit is Enhanced, the account value is immediately reduced by the amount of the Disability Lump Sum Benefit.
  - If the Death Benefit is Level, the Death Benefit will be reduced by the amount of the Disability Lump Sum Benefit.

Note: Risk charges will continue after payout of the Disability Lump Sum Benefit.

Exclusions

- The Disability Lump Sum Benefit will not be paid for total disability which:
  - commenced between the end of the days of grace and the date the policy is reinstated in the event the policy to which this benefit is attached has lapsed;
  - results while the Life Insured is serving a sentence for a criminal or provincial offence whether the Life Insured is imprisoned in a halfway house, a correctional facility, or any other form of detention;
  - results directly or indirectly from:
    - an intentional, self-inflicted injury regardless of mental state;
    - committing, attempting or provoking an assault or criminal offence;
    - civil disorder, war or act of war, or service in the armed forces of any country, combination of countries, or international organization at war, whether war is declared or not;
    - aircraft accident unless the Life Insured was traveling as a passenger having no duties on, or relating to, the aircraft or flight;
    - normal pregnancy or childbirth;
    - the intentional taking of any poison, drug, narcotic or sedative except as prescribed by a Medical Practitioner;
    - medical care which is not medically necessary or which is of a cosmetic nature. The donation of an organ or tissue will be considered as necessary medical care;
    - the Life Insured sustaining injuries resulting directly or indirectly from a Vehicle[8] accident if the Life Insured was driving the Vehicle involved in the accident and had:
      - alcohol in his or her blood in excess of 80 milligrams of alcohol per 100 millilitres of blood; or
      - use or intake of alcohol or any drug, intoxicant, narcotic or poisonous substance except as prescribed and administered by a Medical Practitioner.

Termination

- This benefit will terminate on the date of the Life Insured's 60th birthday, unless the Life Insured is then totally disabled under the terms of this benefit and no Disability Lump Sum Benefit amount has yet been approved for payment during the policy year in which that birthday occurs. In that event, this benefit shall terminate on the earlier of the 365th day immediately following the Life Insured's 60th birthday or the date The Company makes a Disability Lump Sum Benefit payment, in accordance with the terms of this Benefit, for the then current year.

Taxation

- This benefit will be subject to the Income Tax Act and Regulations in effect at time of claim.

[8] "Vehicle" means a vehicle that is drawn, propelled or driven by any means other than muscular power and without limiting the generality of the foregoing, specifically includes a boat and a snowmobile.

12 Month No-Lapse Guarantee

- The Company guarantees to maintain the policy in force during the first policy year (not coverage year) provided the amount of premiums paid, less any partial withdrawals, less any loans and loan interest is greater than or equal to the cumulative 12 Month Lapse Prevention Premiums required, even if the Cash Surrender Value is negative.

Loyalty Bonus

- To recognize the value of Policyowner loyalty, The Company provides a bonus based on the policy size (total policy Account Value), as well as an additional bonus based on duration. Both bonuses are guaranteed.
- Bonuses are listed as a percentage of the policy Account Value. They are calculated on an annual basis and paid monthly as a deposit to the Premium Protection Account (PPA) if it exists, or to the Daily Interest Account (DIA).

Valued Client Bonus

- Based on Policy Duration
- Policy Years 1 to 2: 0%
- Policy Years 3+: 1.25%

Account Level Bonus

- Based on Policy Account Value
- $0 to $99,999: 0%
- $100,000+: 0.125%

Note: The Account Value of the Shuttle Account is not used when calculating either bonus.

Riders and Other Benefits

Versatile Term Riders

General

- The Versatile Term (VT) Rider provides a level amount of insurance for a temporary period in addition to the insurance amount under the Universal Life coverage.
- Coverage expires at the rider anniversary nearest Insurance Age 85 and is convertible to Insurance Age 70.

Availability

- Issue age is between Insurance Age 16 and Insurance Age 85 less the level term duration.
- Not available on Juvenile Universal Life policies.
- Must be issued on the same life as the base policy.
- Available only at issue on a Single Life, Multi-Life or Joint-Life Universal Life policy.
- Total Disability Waiver of Charges (TDWOC) is available on the Versatile Term Rider.
  - For details on the Total Disability Waiver of Charges option, refer to that section in this Guide.
- The same Life Insured may have multiple VT coverages on the same policy. At issue, up to two coverages only on each Life Insured are allowed, but more can be added after issue. Two or more coverages for the same Life Insured and with the same term duration cannot be issued at the same time.

Note: The illustration system will automatically calculate a "level" premium amount for the Versatile Term (VT) Rider. This is the suggested premium the Policyowner should pay. The actual charge for the VT Rider (both on the Life Policy Administration system and the illustration system) is taken monthly, and it is increased on renewal dates. The level amount calculated is based on the VT Rider guaranteed rates for the applicable rate class selected to the rider expiry date plus the interest rates used in the illustration. This amount may not be sufficient to pay all future VT premiums, as the interest rates used in the illustration system are not guaranteed. For any illustrations where the VT Rider was illustrated to end prior to the VT Rider termination age, it is likely that the Policyowner will have to increase their premium if they decide to continue the coverage to the plan termination age. We do not provide a premium billing on each VT Rider renewal date. The premium payments for all UL products must be re-examined as part of the annual review process.

Terminating a VT Rider will lower the exempt line (for those Policyowners paying the maximum or close to the maximum premium). Refer to the Other Premiums section of this Guide for more information on maximum premiums.

Exchange Privilege

- The Policyowner may, while the VT Rider is in force, cancel the rider and exchange it for a basic VT policy.
- The face amount of the VT base plan will be equal to the face amount of the rider.
- The Insurance Age on the rider will not change.
- The VT policy will expire on the policy anniversary nearest the Life Insured's 85th birthday.

Refer to the Versatile Term Product Guide for more information on this rider.

Mortgage Guard Disability Insurance Rider (MDI)

General

- A Mortgage Guard Disability Insurance Rider (MDI) is appropriate for a client with a mortgage and/or line of credit (secured by real property) to assist in meeting financial obligations in the event the client becomes disabled.
- Allowance is made for the claim payment to be up to 125% of the monthly mortgage and/or line of credit payments (including property taxes, if so desired). This excess is intended to allow for extra expenses such as Life and Home insurance premiums which the Rider Insured will want to provide for.
- If the Rider Insured is unemployed or a student at the Date of Disability they are still eligible for the benefit. However, the Rider Insured must be employed at the time of application and issue.
- While on MDI claim, MDI premiums are automatically waived once the Elimination Period has been satisfied.
- The claim amount may be reduced from the initial amount purchased if the mortgage and/or line of credit payment(s) have decreased.
- The MDI Rider functions more as an indemnity than as an income benefit, as payment is dependent on the existence and level of mortgage and/or line of credit payment(s).
- Unlike many creditor products, the coverage is on an individual, fully underwritten basis.
- Coverage cannot be cancelled; premium rates are guaranteed and significant underwriting is done at time of issue.

Availability

- The MDI Rider is available in either a 24- or 60-month benefit period form.
- Not available as a stand-alone product.
- Available both at issue and after issue on a Single Life, Multi-Life or Joint-Life basis
  - Available on up to 2 lives
  - The MDI Rider claim eligibility applies only to the disabled life
  - MDI premiums would continue to be due on all other MDI Riders
- The MDI Rider is available to persons who:
  - are from Insurance Age 18 to Insurance Age 55;
  - meet the minimum annual income qualification;
  - are actively at work on the MDI Rider effective date;
  - are registered owners on a mortgage and/or line of credit type mortgage arrangement (secured by real property);
  - meet the health qualifications; and
  - are applying for Universal Life coverage where the amount of coverage is $100,000 or more (on a per life basis on Multi-Life cases)
- Full underwriting is required for MDI Riders added after issue of the Universal Life base plan.

Waiver of Charges

- The risk charges due for this rider shall be waived while the monthly benefit is being paid but are not waived during the elimination period.
- Applicable risk charges are deducted from the policy account until We approve the claim for monthly benefits.
- Any risk charges deducted and later waived will be deposited to the policy account.

Refer to the Mortgage Guard Product Guide for more information on this rider.

Critical Assist Rider (CA)

General

- A Critical Assist Rider is appropriate for a client looking for a measure of financial security if struck by a critical illness.
- The Critical Assist product provides coverage for 29 diseases/conditions, four of which qualify for an Early Assist Payment.
- Coverage is on an individual, fully underwritten basis.
- Coverage cannot be cancelled by Us; risk charges are guaranteed, and significant underwriting is done at time of issue.
- In the even of an approved Critical Assist claim for one of the full payout conditions, the policyowner will receive a lump-sum payment equal to the coverage amount of the Rider. There is no restriction on how the benefit can be used.
  - Should the policyowner receive a partial payout for one of the Early Assist conditions, the payment will be 10% of the face amount to a maximum of $50,000 and the coverage will continue.

Availability

- Must be issued on the same life as the base policy.
- Available only at issue on a Single Life, Multi-Life or Joint-Life basis in two forms:
  - 10 Year Renewals to Age 75; and
  - 25 Year with 20 Year Renewals to Age 75.
- The proposed insured must:
  - meet the health qualifications; and
  - meet the following age qualifications:
    - CA10: from Insurance Age 18 to Insurance Age 65; and
    - CA25: from Insurance Age 18 to Insurance Age 50.

Expiry/Coverage Period

- This coverage shall automatically terminate on the earliest of the following:
  - 31 days after the due date of any risk charge which remain unpaid for this coverage;
  - The coverage expiration date (coverage anniversary nearest the 75^{th} birthday of the Life Insured);
  - The date of death of the Life Insured;
  - The date We receive a written request to cancel this coverage;
  - The date of payment of a full payout critical illness benefit under this coverage; or
  - If within the first 90 days following the later of:
    - the effective date of the coverage; or
    - the effective date of the last reinstatement of the coverage.

    The Life Insured has any of the following:
    - signs, symptoms or investigations that lead to a diagnosis of Cancer (covered or excluded under the policy), regardless of when the diagnosis is made; or
    - a diagnosis of Cancer (covered or excluded under the policy)

If the cause for termination is due to the diagnosis, or symptoms leading to the diagnosis, of Cancer within the first 90 days as outlined above, We will refund to the Owner the risk charges that have been deducted for this coverage from the policy date to the date the coverage is terminated.

Premium Payback at Death

- If the Life Insured dies while the Critical Assist Rider is in-force, or during the days of grace and no benefit has been paid (excluding a claim for a partial payout under one of the specified partial coverage conditions, which does not reduce or eliminate the PPD amount payable). We will pay to the beneficiary the following Premium Payback at Death (PPD) benefit:
  - The risk charges, without interest, that have been deducted for the Critical Assist Rider from the coverage effective date to the date of death, less any indebtedness (any policy loan premium, overdue premium including applicable sales tax and accrued interest) owed to Us by the policyowner.
  - Charges associated with Total Disability Waiver of Charges on this coverage will not be refunded.

    - Charges associated with additional ratings on this coverage will be returned.
- This is an embedded benefit automatically issued with a Critical Assist Rider in all cases.
- We will require proof of death acceptable to Us, which must be provided at the cost of the claimant.

Counselling Benefit
- Available on all CA Riders (non-contractually)
- Upon diagnosis of a Covered Condition, the policyowner will receive access to up to 3 hours of over-the-phone counselling to be used by themselves or their family members.
- The policyowner will receive notice and access to this benefit at the time of claim.

Conversion Privileges
- Policyowners may convert 10-year and 25-year term coverages for Level to Age 75 or Level 20-Pay with Coverage to Age 75 policies, we are then offering for purposes of conversion, without evidence of insurability.
- The premiums charged for the new insurance will be subject to the current rules governing rate classes and will be based on the Life Insured's attained age nearest birthday at the date of conversion.
- Available at any time prior to the policy anniversary nearest the Life Insured's 50th birthday.
- Premium Payback at Surrender (PPS) or Premium Payback at Expiry (PPE) can be added at this time, but risk charges deducted prior to the conversion are not included in the PPS or PPE benefit.
- Disability Premium Waiver (DPW) can be added at this time, subject to the rules governing it, with evidence of insurability.
- The face amount of the policy taken can be less than or equal to the face amount of the original coverage.
- Partial conversions will be allowed; however, the face amount remaining on the original coverage must satisfy the minimum face amount requirement.
- Any substandard rating will continue to apply.

Note: The Benign Brain Tumour/Cancer/Parkinson's Disease exclusion period would not re-start due to the conversion.

Optional Total Disability Waiver of Charges (TDWOC)
- This optional benefit waives risk charges on the Critical Assist Rider and on TDWOC after the Life Insured has been totally disabled for six consecutive months.
- All risk charges falling due on the coverage while the Life Insured is totally disabled will be waived. This includes the risk charges for the Rider plan as well as the risk charges for the TDWOC coverage. The rated portion of the risk charges on any rated coverage is also waived (if applicable).
- The Life Insured must become totally disabled while this provision is in-force.
- All risk charges are payable until the TDWOC claim is approved. Any risk charges withdrawn from the policy account during the period of total disability will be credited to the policy account as an additional premium payment (with no Front End Load deduction)
- The TDWOC benefit is only available at issue. It is available to persons who meet:
    - The health qualifications; and
    - Are from Insurance Age 18 to Insurance Age 55.
- If there is a TDWOC Rider on the Universal Life base policy, TDWOC must also be added on the Critical Assist Rider.
- To purchase TDWOC on a Critical Assist Rider, there must be TDWOC on the Universal Life base policy.
- The TDWOC benefit terminates at the earlier of:
    - The benefit anniversary date nearest the Life Insured's 60th birthday[9.]
    - The lapse, surrender or termination of the Rider to which this additional benefit is attached; or
    - Upon receipt of a written required from the policyowner to cancel this coverage.

Refer to the Critical Assist Resource Guide for more information on the Critical Assist Rider.

[9.] Unless the Life Insured is on TDWOC claim.

Child Rider

General

- The Child Rider provides for a level amount of insurance on the lives of the insured children for a temporary period.

Availability

- Issue ages are between Insurance Ages 0 to 20.
- Available both at issue and after issue.
- May not be added to a Juvenile Universal Life plan.
- Only one Child Rider may be added to a Universal Life policy.
- There are no limits on the number of children eligible for coverage under this rider.[10.]
- For Multi-Life policies, the Child Rider is available only if the two lives insured are married or common-law.
- This rider is available on children of the Life Insured under the Universal Life base plan. The “legal parent” of the children to be insured must be one of the Policyowners.
- The rider is available when the Base Plan Insured is not the legal parent as long as he or she lives continuously with both the legal parent of the Children to be Insured under the Child Rider, as well as the Children to be Insured, for a minimum period of one year and has full knowledge of the children’s state of health.
- The rider is available when the Base Plan Insured is the legal parent but the children do not reside on a permanent basis with him or her, as long as this parent sees the children on a regular basis and has full knowledge of the children’s state of health; otherwise, a Non-Medical Declaration completed by the custodial parent will be required.
- Children born or legally adopted after the date of issue of the rider are insured automatically on the later of the following dates:
    - when they attain the age of 15 days; or
    - when they are released from hospital following birth.

Minimums and Maximums

- The minimum rider amount accepted is $5,000.
- The maximum rider amount accepted is $25,000.

Risk Charges

- The Risk Charges for the Child Rider is the basic COI rate per thousand times the number of $1,000 units in the face amount.

Termination of Coverage

- Insurance coverage on a Child Insured will terminate on the earliest of the following dates:
    - on the termination of the Child Rider in accordance with the Termination provision; or
    - on the insured child’s 21st birthday.
- This rider will automatically terminate on the earliest of the following dates:
    - termination of premiums under the basic policy to which this rider is attached;
    - the policy anniversary nearest the 65th birthday of the Parent Insured under the basic policy to which this rider is attached;
    - the policy anniversary nearest the 65th birthday of the younger of the two Parents Insured if the basic policy coverage is joint insurance on the two parents;
    - when the policy lapses, is surrendered, or is terminated for any other reason[11.]; or
    - receipt of a written request to cancel this rider accompanied by the policy for amendment.

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10. Most children subject to medical, occupation, aviation and avocation ratings will be excluded from coverage. Children whose mortality is assessed at greater than 200% will also be excluded from coverage. The name of any child so excluded will not appear on the rider page contained in the policy contract. Such exclusion will not result in a reduction of the rider premium if other children are still insured under the Child Rider.

11. If the basic policy terminates due to the death of the basic plan Life Insured (the parent, or both of the Life Insureds on a Joint Last-to-Die policy, coverage under the rider will continue on each Child Insured until such child’s 21st birthday at which time conversion to a permanent plan as per the conversion provision is available.

Conversion

- Coverage on each Child Insured may be converted to a new policy, for an amount up to five times the original Child Rider coverage amount at the request of the Policyowner.
- Conversion to any permanent plan of insurance we are then offering for the purposes of conversion will be permitted, without evidence of insurability, on the earliest of the following dates:
  - the insured child's 21st birthday;
  - the policy anniversary nearest the 65th birthday of the Parent Insured if the basic policy coverage is individual insurance; or
  - the policy anniversary nearest the 65th birthday of the younger of the two Parents Insured if the basic policy coverage is joint insurance on the two parents.
- Conversion must be applied for within 60 days of termination of insurance on each child and is subject to the rules regarding minimum amounts.
- The premiums charged for the new plan of insurance will be those in effect at the date of conversion for the plan selected and will be based on the attained age (nearest birthday) of the child.
- If the Universal Life policy terminates due to death of the parent of the insured child, coverage under the rider will continue on each insured child until such child's 21st birthday at which time conversion to a permanent plan is available.

Guaranteed Insurability Option (GIO)

General

- This benefit guarantees that a new individual life insurance policy on the Life Insured may be purchased, without evidence of insurability, on each of a series of option dates.
- The benefit and premium payments terminate upon the expiry of 30 days from and excluding the last of the regular option dates or upon lapse, surrender or termination of the basic policy.

Availability

- Issue age is between Insurance Age 0 and Insurance Age 38.
- This benefit is available only at issue on a Single Life and Multi-Life basis.
- GIO is not available on Joint Last-to-Die cases.
- GIO is not issued on rated policies, except on policies where an aviation, occupational and/or avocation rating of $3.00 or less per thousand applies. Any ratings and/or exclusions on policies will carry forward to any new policies purchased under the GIO.

Option Dates and Alternative Option Dates

- The option dates are the policy anniversaries at which the Life Insured's attained age nearest birthday is 25, 28, 31, 34, 37, 40 and 43.
- The right to purchase a new policy must be exercised within 30 days from and excluding an option date.
- Under the GIO benefit, the Policyowner can also exercise a future option during the 90-day period following these events:
    - the marriage of the Life Insured;
    - the live birth of each child of the Life Insured; and
    - the legal adoption of each child adopted by the Life Insured.

Minimums and Maximums

- The minimum option amount is $10,000.
- The maximum option amount, whether issued as a benefit under one or more policies, is the lesser of $50,000 or the basic plan amount under the policy. The option amount of $50,000 is the maximum available on any one life under all policies.
- In order to exercise the GIO to obtain a Universal Life Policy, the GIO must be a minimum of $25,000.

TDWOC Claim with GIO

- In the event of a Total Disability Waiver of Charges (TDWOC) claim, if the coverage to which the GIO is attached includes a TDWOC benefit, then the GIO risk charge will also be waived.

Application Process to Exercise a GIO Option

- Complete the electronic GIO application and collect the initial premium and applicable sales tax for the new policy or rider.
- If the application is in accordance with an alternative option date, legal evidence of the marriage, birth or adoption must be submitted.
- The new policy or rider may be on any of The Company's regular plans or Versatile Term Riders. If the new policy or rider is a Versatile Term product, the rate class for the new policy or rider will be determined by The Company's then governing rate classes (only N4 or S2 are available without full underwriting). The new policy or rider does not need to be identical to the original policy.
- The total coverage provided by the new policy or rider may not exceed the option amount.
- The new policy must meet minimum coverage amount rules for the plan or rider selected.
- The policy years under the new policy or rider will measure from the option date and the initial premium is due as of the option date. The premium for the new policy or rider will be those of The Company in effect at its date of issue at the then attained age of the Life Insured in accordance.

Accidental Death Benefit (ADB)

General

- This benefit provides for the payment of an amount in addition to the basic coverage amount when death has resulted from an injury sustained by accidental means.
- The injury must have occurred prior to the policy anniversary nearest Insurance Age 70 and death must have resulted within 90 days of the injury.
- ADB is attached to a specific Universal Life coverage.

Availability

- Available both at issue and after issue on a Single Life or Multi-Life basis.
- ADB may not be added to a Joint-Life plan.
- Not available on a child's life until the child reaches age two.
- Maximum issue age is Insurance Age 65.
- This benefit will not be offered to certain borderline risks that may be granted insurance, such as applicants with a poor driving record.

Minimums and Maximums

- The minimum amount is $10,000.
- The amount insured under this benefit cannot be greater than twice the basic plan amount of insurance (no credit may be given for riders).
- The maximum amount of this benefit that may be issued on any one life by Us is $150,000 for ages 18 and over and $50,000 for ages 2 to 17.[12.]

Risk Charges

- Risk Charges are payable for the same term as the basic plan or until the policy anniversary nearest age 70, whichever is the shorter term.
- All Risk Charges are processed monthly.

Termination of Coverage

- The ADB benefit will terminate at the earlier of:
  - the Expiry Date of this benefit;
  - when the associated insurance coverage is terminated for any reason; or
  - the date We receive a written request to cancel this provision.

Exclusions

- This benefit does not cover death arising from:
  - disease, illness, bacterial/viral infection, bodily or mental infirmity, or medical or surgical treatment;
  - insurrection, war or armed conflict or armed aggression or an act or hazard of war or armed conflict or armed aggression;
  - service in the naval, military or air force of any country, combination of countries or international organization at war, whether war be declared or not;
  - travel or flight anywhere, in any species of aircraft of any armed force except solely as a passenger having no duties on or relating to such aircraft of flight, or as a student pilot, pilot or officer or other member of the crew in any species of aircraft, or in any species of aircraft for training, testing or experimental purposes (descent from any species of aircraft in flight shall be deemed to be part of such flight);
  - suicide or self-inflicted injuries, regardless of mental state;
  - any drug, poison, gas or fumes, voluntarily or otherwise taken, administered, absorbed or inhaled, other than as a result of an accident arising from a hazard incident to the Life Insured's occupation;
  - acts of terrorism;
  - committing, attempting or provoking an assault or criminal offence;
  - driving a vehicle with alcohol in the blood in excess of 80 milligrams per 100 milliliters of blood ("vehicle" means a vehicle that is drawn, propelled or driven by any means other than muscular power); or
  - natural causes.

[12.] Included in the maximum are direct ADB amounts.

Total Disability Waiver of Charges Benefit (TDWOC)

General

- The TDWOC benefit waives the Risk Charges if the Life Insured becomes totally disabled as defined in the policy.
- If a Universal Life coverage is rated, the additional Risk Charges will also be waived.
- Premium payments can still be made during the waiver period if the Life Insured becomes totally disabled.

Note: We will not waive Risk Charges that fell due more than one year before We receive the written notice of a claim.

Availability

- Available only at issue on a Single Life, Multi-Life and Joint-Life basis.
    - Age at issue must be in the range of Insurance Age 16 to Insurance Age 55.
    - Up to two lives may purchase TDWOC coverage.
    - Each life will be charged a Single Life rate and if one person becomes disabled, the Risk Charges for that coverage plus any ADB, TDWOC, GIO and Child Rider benefits associated with that life will be waived.
    - All others on the policy who bought TDWOC will continue to pay TDWOC premiums.
    - For Joint-Life cases both lives must qualify and both will be covered upon approval.
- The benefit is available provided all Lives to be Insured are employed for compensation either on a full- or part-time basis or are attending a recognized institution of learning on a full-time basis or are a homemaker.
- The benefit will not be offered to certain risks which may be granted insurance, but where there is an increased morbidity risk, such as applicants with a history of back problems or those currently on disability payments.
- If there is a TDWOC benefit on the Universal Life base policy, TDWOC must also be added to any riders attached to Universal Life base policy.
- To purchase TDWOC on a Versatile Term Rider or Critical Assist Rider, there must be TDWOC on the Universal Life base plan.

Definition of Total Disability

- “Total disability” and “totally disabled” mean such a stage of incapacity resulting from bodily injury or disease as it shall wholly prevent the Life Insured from engaging in any occupation, and from performing any work for remuneration or profit.

Total Disability Processing

- The TDWOC benefit provides that, after the Life Insured has been totally disabled for a period of not less than six consecutive months, Risk Charges for Universal Life coverage(s) containing the TDWOC benefit that have become due and were withdrawn from the policy account during the period of total disability will be credited to the policy account as an additional premium payment (no Front End Load deductions).
- Future Risk Charges for such a Life Insured falling due under the Universal Life coverage(s) containing the TDWOC benefit will be waived during the continuance of total disability.
- The total disability must have commenced prior to the Universal Life coverage anniversary nearest the Life Insured’s 60th birthday.

Note: Universal Life coverages not containing a TDWOC benefit will continue to have Risk Charges withdrawn from the policy account each month.

Risk Charges

- TDWOC Risk Charges are payable until the Universal Life coverage anniversary nearest the Life Insured’s 60th birthday. Refer to the Total Disability Processing section above for a description of how these are handled in the event of a disability claim.

Exclusions

- Risk Charges will not be waived if the total disability results directly or indirectly from, or is associated with:
    - self-inflicted injuries regardless of mental state;
    - civil disorder, war or act of war whether declared or not;
    - aircraft accident unless the Rider Insured was travelling as a passenger having no duties on, or relating to, the aircraft or flight; or
    - service in the armed forces of any country, combination of countries or international organization at war, whether war is declared or not.

Notice and Proof of Claim

- A written notice of claim must be received by Us prior to the expiry date of this provision. This must be done during the lifetime of the Life Insured and during continuance of total disability.
- The proof of total disability must be received by Us within 60 days of the written notice of claim. Otherwise, the notice of claim will be re-dated to exactly 60 days before the proof of claim was received, regardless of original date of submission.
- No claim will be allowed if the notice and proof of claim have not been given within one year after the expiry date of this benefit.

Proof of Continuance of Total Disability

- Proof of continuance of total disability may be required at least annually during the duration of any total disability.

Termination

- This benefit will terminate and The Company's liability in respect to this benefit will cease on the earliest of:
    - the Expiry Date of this benefit (policy anniversary nearest Life Insured's 60th birthday);
    - when the associated insurance coverage is terminated for any reason; or
    - receipt of a written request to cancel this benefit accompanied by the policy for amendment.

Owner's Death and Total Disability Waiver of Charges Benefit (ODTDWOC)

General

- This optional benefit provides that on the death of the owner of a Juvenile Universal Life policy while this benefit is in-force, the Risk Charges on the base policy in addition to any ADB, GIO, or ODTDWOC benefits falling due after such death and prior to the policy anniversary nearest the child's 21st birthday will be waived.
- In addition to waiving premiums upon the death of the Policyowner of a Juvenile Universal Life policy, the benefit will also waive premiums after the Policyowner has become totally disabled for six consecutive months.
- Coverage terminates at the earlier of the policy anniversary nearest the child's 21st birthday or the Policyowner's 60th birthday.
    - At age 21, children may purchase DPW coverage for themselves and underwriting would be required.
- The inclusion of the benefit is subject to satisfactory evidence of the insurability of the Policyowner.
- We may request medical evidence to determine eligibility.

Availability

- Available on Juvenile Single Life plans only.
- Available at issue only.
- Child's age at issue must be in the range of Insurance Age 0 to Insurance Age 15.
- Available to persons who meet:
    - The health qualifications; and
    - are Insurance Age 16 to Insurance Age 55.

Risk Charges

- ODTDWOC Risk Charges are payable until the earlier of the Universal Life coverage anniversary nearest the child's 21st birthday or the Universal Life coverage anniversary nearest the Policyowner's 60th birthday.

Expiry/Coverage Period

- The ODTDWOC benefit terminates the earlier of:
    - the policy anniversary nearest child's 21st birthday;
    - the policy anniversary nearest the Policyowner's 60th birthday, unless the Policyowner is on ODTDWOC claim at the time;
    - the lapse, surrender or termination of the policy to which this additional benefit is attached; or
    - upon receipt of a written request from the Policyowner to cancel this coverage.

Additional Information

- For information regarding Definition of Total Disability, Total Disability Processing, Exclusions, Notice and Proof of Claim, and Proof of Continuance of Total Disability, refer to the Total Disability Waiver of Charges Benefit (TDWOC) section of this Guide.

Premium Protection Option (PPO)

Availability

- The Premium Protection Option is available on Single Life, Joint-Life and Multi-Life cases.
- PPO is available only to Constant COI UL policies.
- Available at time of issue only.

Overview

- It is an optional feature, available at time of issue only. If elected, the Policyowner agrees to pay a Lifetime Lapse Prevention Premium amount to their Premium Protection Account, and if that amount is paid, and is paid on time, their policy will not lapse. The Policyowner must place 100% of their Lifetime Lapse Prevention Premium into the Premium Protection Account.
- If the cumulative-to-date Lifetime Lapse Prevention Premium amount is not paid and the Account Value is negative, the policy will lapse at the end of the grace period.

Note: If the Premium Protection Account goes negative, the agreement is nullified and the policy is subject to lapse. However, if the fund goes negative due to a supplementary charge such as an NSF cheque fee and the Policyowner has paid the cumulative Premium Protection Option premium, the policy will not lapse.

- Any excess funds (amounts greater than the Lifetime Lapse Prevention Premium) invested outside the Premium Protection Account will be used to pay charges if the Premium Protection Account goes negative. In addition, the Policyowner can also utilize the Shuttle Account for amounts above the maximum premium amount. Refer to the Investment Options section of this Guide for more information.
- Refer to the Premium Protection Account (PPA) section of this Guide for more information on rules governing the premiums.

Lifetime Lapse Prevention Premium

- For those who have elected the Premium Protection Option, this is the minimum premium required to maintain the policy in force for the lifetime of the policy. The entire Lifetime Lapse Prevention Premium amount will be placed in the Premium Protection Account. All premiums are subject to Front End Loads and applicable sales tax.
- All additional benefits, riders and substandard premiums form part of the contractual Lifetime Lapse Prevention premium. Any transfers into, or withdrawals from, the Premium Protection Account will be added or subtracted respectively from the Cumulative Lifetime Lapse Prevention Premium paid. If there are any additional riders or benefits on a Lifetime Lapse Prevention Premium Option, the required premium will change in certain years (e.g. when there is a renewal on a renewable and convertible plan). The Policyowner must pay that amount to maintain the Lifetime Lapse Premium. The contract will contain a schedule of required premiums.

Extended Lapse Protection

- This feature provides up to one-month additional coverage beyond the usual one month grace period for a total of two months coverage if the Cash Surrender Value is insufficient to pay the required monthly charges and premiums remain unpaid.

Wealth Maximizer (WM)

General

- The Wealth Maximizer works in conjunction with the additional automatic insurance amount (see Taxation section) to maintain the policy's tax-exempt status, according to the current applicable provisions of the Income Tax Act, by decreasing the face amount and therefore the Risk Charges payable.
- Requests to decrease the Universal Life face amount without applying surrender charges are allowed at each policy anniversary beginning in the eighth policy year. Prior to the policy anniversary We will provide a review of the policy's tax status upon request. Please submit all requests in writing.
- Each decrease to the Universal Life face amount under this option will decrease the death benefit.
- Decreases made under this provision will be made in the following order:
    - Additional Automatic Insurance Amount, if any;
    - Universal Life face amount.
- Any requests to decrease the Universal Life face amount under this option, received by Us within five business days of the date Risk Charges are deducted, will be processed the following policy month.
- The remaining Universal Life face amount must continue to meet the minimum face amount requirements.

Availability

- Available on a Single Life and Joint-Life basis.
- Available from Insurance Age 18 to Insurance Age 80.
- Must have an initial base UL face amount of at least $100,000.
- Available only at time of application. If removed cannot be reinstated.

Risk Charges

- Risk Charges are recalculated based on the new Universal Life face amount after the request to decrease is received and approved by Us.
- The new Universal Life face amount and Risk Charges will be effective on the next policy month that Risk Charges are deducted.

Termination

- The WM benefit will terminate at the earlier of:
    - when the associated insurance coverage is terminated for any reason; or
    - the date We receive a written request to cancel this provision.

Death Benefit Options

- Only one of the following Death Benefit Options is available per policy.
- Changes from one Death Benefit Option to another have major contractual and taxation implications. Contact the Individual Actuarial department for illustrations.

Level Death Benefit Option

- The Death Benefit is the greater of:
  - the original insurance amount (face amount), less any outstanding loans and any withdrawals made; or
  - the Account Value, less any outstanding loans and any withdrawals made.[13.]
- As the policy Account Value increases, the Net Amount At Risk (NAAR) decreases. Additional premiums increase the Account Value resulting in a decrease in the NAAR. Refer to the Cash Accessibility section of this Guide for more information on what happens when there has been a decrease in the original insurance amount.
- This option is not available for Multi-Life cases.

Enhanced Death Benefit Option

- The Death Benefit is equal to the original insurance amount (face amount) plus the Account Value, less any outstanding loans and any withdrawals made. The Net Amount At Risk (NAAR) remains constant. The Enhanced Death Benefit Option costs more than the Level Death Benefit for the same face amount, as more insurance is provided.
- This is the only option for Multi-Life Cases.

[13.] At death, the Account Value is not added to the original insurance amount in this case.

Premiums

General

- Premiums are flexible as to amount and timing subject to The Company's rules.
- Premiums are not required as long as the Policy Cash Surrender Value is sufficient to keep the Policy in force.
- We may require additional premium to be paid at the time an additional coverage is added or a new Life Insured is added.

Days of Grace

- Thirty-one days of grace are allowed for the payment of each premium except the first. During this time, the Policy remains in force.
- If a Life Insured dies during this time, any charges due but unpaid will be deducted from the amount payable.

Minimum Premium

- This is the minimum premium required to maintain the policy in force for the initial 12 months. This premium is set at a level sufficient to cover risk charges. It varies by Cost of Insurance type as well as by other factors (e.g. age, gender).
- If the policy does not have a positive Account Value at the 13th month or later, it automatically lapses.
- All additional benefits, riders and substandard premiums form part of the contractual 12 Month Lapse Prevention Premium.

Planned Premium

- The client selects a premium allocation amount based on the objectives desired and a reasonable long-term interest rate, but below the maximum premium. The interest rate assumptions used must be related to the client's investment risk profile (to be determined by the Universal Life Risk Profile form, or the online version found in the illustration system) and the recommended interest rates posted on LIFE Pages.
- Premium contributions can be increased or decreased, within the given limits, by the Policyowner as circumstances change.

Maximum Premium

- The Government of Canada dictates, under the Income Tax Act, the maximum ratio of face amount and Cash Surrender Value to retain "tax exempt" status. To assist, we calculate a Maximum Premium.
- At each policy anniversary date, a Maximum Premium for the next 12 months is calculated. This new Maximum Premium is communicated to both the Policyowner and financial advisor.

Stop/Go Premiums

- The Policyowner can elect to stop premiums provided there is enough Cash Surrender Value to pay all monthly risk charges.
- Premiums can be restarted at any time, and will be required once the Cash Surrender Value no longer covers the monthly risk charges, or lapse processing will commence.

Note: For Universal Life Suites Premium Protection Option cases this is not recommended unless excess funds have been paid and the excess funds have been deposited to the Premium Protection Account.

Casual Premiums

- The Policyowner can make additional premium payments at any time. Should the exempt test determine the additional premium has caused a non-exempt status, action to return the policy to exempt status (refer to the Taxation section of this Guide) will be taken.

Limited Pay

- With the premium flexibility of Universal Life products, you may create a Limited Pay of any duration, from Single Pay to Life Pay (using the Shuttle Account).
- However, one must bear in mind that charges are taken every month whether or not premiums are paid. Requesting an illustration of a specific pay period does not imply that period is guaranteed. Changes in any of the non-guaranteed items (particularly interest) could change the amount required to be paid, and result in a longer (or shorter) pay period.

Risk Charges and Front End Loads

Risk Charges

- Risk Charges are deducted from Investment Accounts at the monthiversary date for the ensuing month's Cost of Insurance (COI), administration fee, and any rider and benefit charges due at that time.

Cost of Insurance (COI)

Only one of the following COI options is available per UL coverage:

- YRT90/15 (fully guaranteed)
  - A yearly renewable term rate structure, where the rate per thousand increases every year until age 90 or duration 15, whichever is later.
- Constant (fully guaranteed)
  - The same rate per thousand in all years until age 106.
  - Those who have elected the Premium Protection Option must choose the Constant COI option.

Note: Substandard extra premiums and flat extra premiums are in addition to the cost of insurance. In all cases, the actual charge is the rate per thousand multiplied by the Net Amount At Risk (NAAR) in thousands.

Administration Fee

- This fee is charged every month as long as the Universal Life coverage is in force and risk charges are still being charged on the policy. It is designed to recognize the ongoing costs of administration and, in particular, the service component of an ongoing insurance program.
- For Single Life and Multi-Life cases, the administration fee is $4 per month per Life Insured.
- For Joint-Life cases, a single administration fee of $4 per month covers both lives.
- In all cases, the administration fee is guaranteed for the life of the policy.

Rider and Benefit Charges

- The rider and benefit charges, including any substandard extra charges and flat extra charges related to them, are as stated in the illustration system.

Monthiversary Charge Surrender Order

- All Risk Charges are deducted on a monthly basis from investment accounts in the following order:
  - Premium Protection Account, if chosen;
  - Daily Interest Account;
  - Index Linked Accounts, where withdrawals are proportional to the value of all Index Linked Accounts;
  - Guaranteed Interest Accounts, starting with the shortest term and most recent deposit date; and
  - Shuttle Account, with the order of withdrawal above (i.e. Daily Interest Account, Index Linked Accounts, Guaranteed Interest Accounts).

Front End Loads

- Currently, the amount deducted from the total premium for the Front End Load (FEL) is 2.5%, the bulk of which is due to premium tax. This is subject to change if provincial premium tax rates change.

Supplementary Fees

No current supplementary fees.

Note: Fees are subject to change.

Investment Options

- Clients can complete the Risk Profile Questionnaire, or the online version in the illustration system, to determine which risk profile category they belong in. This will assist them when choosing from The Company's 5 custom designed "portfolios" or 14 other investment options, as well as a GIA Automatic Sweep Option.

Policyowner Direction

- If no direction of funds is indicated, all money (less Front End Loads) will be held in the Premium Protection Account (PPA), or the Daily Interest Account (DIA) until We are notified otherwise.
- If the policy contains a Policyowner pre-selected Guaranteed Investment Account (GIA) Sweep option, the funds will be swept to the GIA when the value of the DIA meets, or exceeds, the GIA minimum deposit.
- Our Risk Profile Questionnaire, or the online version in the illustration system, allows a client to determine investment options that match their savings objectives. The six risk profile categories are as follows:
  - Safety Insurance Investor
  - Very Conservative Insurance Investor
  - Conservative Insurance Investor
  - Moderate Insurance Investor
  - Aggressive Insurance Investor
  - Very Aggressive Insurance Investor

Shuttle Account

Overview

- The Shuttle Account is a separate account set up outside of a UL policy, and is used to:
  - hold funds that must be transferred out of a UL policy in order to maintain the UL policy's tax-exempt status; and
  - hold premium when contributing that premium to a UL policy would jeopardize its tax-exempt status. For clients with large initial premiums that violate the maximum premium, the excess funds can be transferred from the Shuttle Account back to the UL policy.
- The value of a Shuttle Account will not be used in determining whether a UL policy will lapse. However, if there are funds in the Shuttle Account, room is available in the UL policy, and failure of the lapse test is imminent, we will automatically perform a transfer from the Shuttle Account to the UL policy.
- Premium contributions directly into a Shuttle Account are not permitted.

Premium Tax

- Transfers to the Shuttle Account are not subject to premium tax. However, premium tax and applicable sales tax is collected when funds are transferred from the Shuttle Account to the UL Policy. Transfers to the Shuttle Account are made in accordance with the premium allocations that exist on the UL policy at the same time the transfer is made.

Transfers to the Shuttle Account

- If a transfer from a UL policy to a Policyowner's Shuttle Account is required because their UL policy has become non-tax exempt, the transfer amount will be withdrawn from the UL policy as follows:
  - first from the Premium Protection Account; then
  - from the Daily Interest Account; then
  - from the Index Linked Accounts (ILAs), from each ILA in proportion to the total ILA value; then
  - from the Guaranteed Interest Accounts (GIAs). When there is more than one GIA in effect, amounts are first withdrawn from the GIA in effect at any time with the shortest term period to maturity and the most recent issue date. Market Value Adjustments do not apply in these situations.
- The funds are then placed in the Shuttle Account in accordance with the premium allocations that exist on the UL policy at the time the transfer to the Shuttle Account is made.

Transfers from the Shuttle Account

- If a transfer from a Policyowner's Shuttle Account to their UL policy is performed by Us, the transfer amount will be withdrawn from the Shuttle Account as follows:
  - first from the Daily Interest Account; then
  - from the Index Linked Accounts (ILAs), from each ILA in proportion to the total ILA value; then
  - from the Guaranteed Interest Accounts (GIAs). When there is more than one GIA in effect, amounts are first withdrawn from the GIA in effect at any time with the shortest term period to maturity and the most recent issue date. Market Value Adjustments do not apply in these situations.
- The transfer amount, less premium tax and applicable sales tax, is then placed in the UL policy in accordance with the premium allocations that exist on the UL policy at the time the transfer is made.

Investment Options

- The investment options within the Shuttle Account:
  - are the same investment options available within the base plan, excluding the Premium Protection Account:
    - DIA, GIAs (1, 2, 3, 4, 5, 10 and 25-year terms), all of the ILAs (including portfolio ILAs); and
  - have the same interest rates and unit values as the regular UL investment options.

Transfer Fees

- Client requested transfers between investment options within a Shuttle Account are subject to the same transfer fee rules as the UL policy. There is no charge for transfers we make between the UL policy and the Shuttle Account to keep the UL policy onside with the taxation rules.

GIA Automatic Sweeps

- GIA Sweeps are not available in the Shuttle Account.

Account Value of the Shuttle Account

- The Account Value of the Shuttle Account is the value of all amounts in:
  - the Shuttle Account Daily Interest Account; plus
  - all active Shuttle Account Guaranteed Interest Accounts; plus
  - all Shuttle Account Index Linked Accounts.

Cash Surrender Value of the Shuttle Account

- The Cash Surrender Value of the Shuttle Account is the value of all amounts in:
  - the Shuttle Account Daily Interest Account; plus
  - all active Shuttle Account Guaranteed Interest Accounts; less
  - the Market Value Adjustment applicable to all Shuttle Account Guaranteed Interest Accounts in effect at that time; plus
  - all Shuttle Account Index Linked Accounts.

Loyalty Bonus

- The Account Value of the Shuttle Account is not taken into consideration when calculating the Valued Client Bonus and the Account Level Bonus payable on the UL policy.

Death of the Owner

- Upon the death of the Policyowner, and in the absence of a Contingent Policyowner, the Account Value of the Shuttle Account is paid to the Policyowner's Estate.

Termination or Surrender of the UL Policy

- On termination or surrender of the UL policy, the Cash Surrender Value of the Shuttle Account is paid to the Policyowner.

Partial Cash Withdrawal from the UL Policy

- If the Policyowner elects to withdraw cash from their UL policy and there are funds being held in the Shuttle Account, the funds held in the Shuttle Account will be withdrawn first to satisfy the requested withdrawal amount. The withdrawal order will be the same order as specified in the Transfers to the Shuttle Account section above, and Market Value Adjustments may apply.

Policy Loans

- The Policyowner may not take a policy loan against the Cash Surrender Value of the Shuttle Account, nor will the Cash Surrender Value of the Shuttle Account be used in determining the amount of a policy loan available to the Universal Life Policy.

Taxation

- Under current legislation, any interest earned in the Shuttle Account is subject to annual accrual taxation. Each year, the amount of interest income earned within the Shuttle Account will be reported on a tax information slip as Canadian source interest income to the Policyowner.

Shuttle Account Maturity Date

- The maturity date of the Shuttle Account is when the owner attains the Insurance Age of 106. If the Shuttle Account is in force at the maturity date, the Shuttle Account will be provided to the owner in the form of a one-year term certain annuity.

Premium Protection Account (PPA)

- The Premium Protection Account is available only to Policyowners with an active Premium Protection Option. The PPA is a daily interest account – very similar to the DIA investment option. Policyowners should direct the entire amount of their Lifetime Lapse Prevention Premium to the PPA. The Policyowner can pay amounts above the Lifetime Lapse Prevention Premium amount, and direct those amounts to any investment option, including the PPA. (However, if these investments go negative, the premium paid for these investments does not count towards the cumulative premium protection paid.) The Policyowner can also utilize the Shuttle Account for amounts above the Lifetime Lapse Prevention Premium amount (if they exceed the tax-exempt limit).

Overview

- Premiums (less Front End Loads) credited to the PPA accumulate at current competitive short term interest rates. Cost of Insurance (including the Universal Life coverage, as well as any rider and benefit charges) and administration fees are deducted first from the PPA on a monthly basis.
- Interest is calculated daily at the current rate, credited monthly and compounded annually.

PPA Minimum Amount

- No minimum amount is required to enter the PPA.

Guaranteed Minimum PPA Interest Rate

- The PPA features a 1.5% minimum interest rate guarantee.

PPA Interest Rate Changes

- The PPA interest rate is subject to change at any time and will fluctuate with the investment market. The current and historical PPA interest rates are listed on LIFE Pages.

PPA New Policy Issues

- Premiums earn interest by the end of the next business day following application approval. All premiums are subject to Front End Loads. Should there be a delay between the date the application and premium payment are received at Head Office and the date the application is approved for issue resulting in an interest loss of $25.00 or more (based on the PPA interest rates for the delay period), such loss will be credited to the PPA on policy issuance. This does not apply to cases that are declined or processed as NPW or Not Taken.

PPA Premium Payments After Policy Issuance

- Renewal premium received by the Receipt Processing/POC System will normally be processed by the end of the second business day following receipt at Head Office. All other renewal premium will normally be processed by the end of the next business day following receipt at Head Office. All premiums are subject to Front End Loads.

Daily Interest Account (DIA)

Overview

- Premiums (less Front End Loads) credited to the DIA accumulate at current competitive short term interest rates. Cost of Insurance (including the Universal Life coverage, as well as any rider and benefit charges) and administration fees are deducted first from the DIA[14.] on a monthly basis.
- Interest is calculated daily at the current rate, credited monthly and compounded annually.
- If the policy contains a Policyowner pre-selected Guaranteed Interest Account (GIA) Automatic Sweep Option, the funds will be swept to the GIA when the value of the DIA meets or exceeds the GIA minimum deposit.

DIA Minimum Deposit

- No minimum amount is required to enter the DIA.

Guaranteed Minimum DIA Interest Rate

- The DIA does not feature a minimum interest rate guarantee, other than that the interest rate will never fall below 0%.

DIA Interest Rate Changes

- The DIA interest rate is subject to change at any time and will fluctuate with the investment market. The current and historical DIA interest rates are listed on LIFE Pages.

DIA New Policy Issues

- Premiums earn interest by the end of the next business day following application approval. All premiums are subject to Front End Loads. Should there be a delay between the date the application and premiums are received at Head Office and the date the application is approved for issue resulting in an interest loss of $25.00 or more (based on the DIA interest rates for the delay period), such loss will be credited to the DIA on policy issuance. This does not apply to cases that are declined or processed as NPW or Not Taken.

DIA Premium Allocations After Policy Issuance

- Renewal premium received by the Receipt Processing/POC System will normally be processed by the end of the second business day following receipt at Head Office. All other renewal premium will normally be processed by the end of the next business day following receipt at Head Office. All premiums are subject to Front End Loads.

DIA Transfer Fees

- Policyowners are allowed four free transfers between ILAs, and between the DIA/GIA and ILAs per calendar year. The fifth and subsequent transfer in a calendar year incurs a charge of $20 each. Transfer requests will normally be processed within five business days following receipt at Head Office.

[14.] Unless a PPA exists on the policy, in which case charges are drawn first from the PPA.

Guaranteed Interest Accounts (GIAs)

Overview

- Funds may be transferred (in amounts of at least $250) to a GIA where the interest rate is guaranteed for a specific period of time. One, two, three, four, five, ten, and twenty-five-year terms are available.
- Premiums paid to a GIA are credited with interest compounded annually at the rate in effect for the GIA term selected by the Policyowner.
- At the end of the guaranteed rate period, the entire principal and accumulated interest automatically flow back into the DIA. The Policyowner may then elect to reinvest in another GIA, or in the Index Linked Accounts.

GIA Minimum Deposit

- A $250 minimum amount is required to enter a GIA.

Guaranteed Minimum GIA Interest Rate

- The GIA interest rate is guaranteed never to be less than the greater of:
  - 90% of the then current yield on Government of Canada Bonds with similar term period to maturity, less 2.5%; or
  - a rate based on the selected term length, as follows:
    - 1-year Term: 0.00%
    - 2-year Term: 0.00%
    - 3-year Term: 0.00%
    - 4-year Term: 0.00%
    - 5-year Term: 0.25%
    - 10-year Term: 1.00%
    - 25-year Term: 1.00%

GIA Interest Rate Changes

- The interest rate is subject to change at any time and will fluctuate with the investment market. The current and historical GIA interest rates are listed on LIFE Pages.

GIA Premium Payments After Policy Issuance

- Renewal premium received by the Receipt Processing/POC System will normally be processed by the end of the second business day following receipt at Head Office. All other renewal premium will normally be processed by the end of the next business day following receipt at Head Office. All premiums are subject to Front End Loads.
- The GIA interest rate for the term selected will be the rate in effect as of the date the premium was received by any Co-operators Life Advisor or Service Office.

One Time Premium Payments to a Specified GIA Term

- The Policyowner can make a lump sum premium payment for an amount not exceeding the current policy year maximum and direct it to one or more GIAs (provided the premium payment is sufficient to meet the GIA minimum of $250). All premiums are subject to Front End Loads.

GIA Transfer Fees

- Policyowners are allowed four free transfers between ILAs, and between the DIA/GIA and ILAs per calendar year. The fifth and subsequent transfer in a calendar year incurs a charge of $20 each. The GIA minimum must be met. Transfer requests will normally be processed within five business days following receipt at Head Office.

GIA Market Value Adjustment (MVA)

- Market Value Adjustments (MVAs) apply to GIA withdrawals before maturity (e.g. withdrawals for partial surrenders, policy loans, etc.) when the GIA interest rate at the time of withdrawal for a GIA of the term remaining is higher than the existing rate on that particular GIA. MVAs do not apply to death claims and “not taken after policy contract issue” situations.

GIA Market Value Adjustment Formula

- Funds may be withdrawn early from a GIA as per the following calculation (portions of the fund may be left in the GIA at the original interest rate and term); the proceeds will equal the Cash Surrender Value of the funds at the end of the guaranteed period discounted to the termination date at an annual interest rate that is the greater of:
    - The prevailing rate of interest for the time left (increased by an amount not exceeding 1%); or
    - The interest rate in effect for the original GIA.
- The Market Value Adjustment is the difference between the GIA Value today and the Cash Surrender Value as calculated above.

Example:

Purchased: $5,000 GIA @ 7% for 5 years

Value @ end of 5 years = $5{,}000 \times (1.07)^5$

$5{,}000 \times 1.40255 = \$7{,}012.76$

If surrendered after 2 years (3 years to the end of the GIA term), discount rate to be used is the greater of:

a) Contract Rate = 7%; or
b) Current rate for period remaining plus 1%.

Assume current 3-year rate = 8% (8% + 1% = 9%)

Cash Surrender Value = Value at the end of the Period discounted at greater of (a) or (b) to the surrender date =

$7{,}012.76 / (1.09)^3 = \$7{,}012.76 / 1.29503 = \$5{,}415.44$

GIA Value Today: $7{,}012.76 / (1.07)^3 = \$7{,}012.76 / 1.22564 = \$5{,}724.50$

Market Value Adjustment = GIA Value today less Cash Surrender Value =

$\$5{,}724.50 - \$5{,}415.14 = \$309.36$

GIA Surrender Due to Insufficient Funds in Other Investment Options

- A surrender of a GIA to maintain the policy in force occurs automatically when the funds in the PPA, DIA and Index Linked Accounts (ILAs) are insufficient to pay the monthly risk charges.
- We do not charge Market Value Adjustments on monthly risk charges taken from GIAs.

GIA Surrender Order

- If there are insufficient funds in the DIA and Index Linked Accounts to cover a withdrawal, one or more GIAs will be surrendered in the following order:
    - The GIA with the shortest term (i.e. if the policy contains 3-year, 5-year and 10-year GIAs; the surrender order is 3-year GIAs, then 5-year GIAs, then 10-year GIAs).
    - Within the GIAs to be surrendered the most recent premium payment will be drawn from first (i.e. last in first out).
- Any funds remaining in the partially surrendered GIA will continue to grow at the original interest rate for the original term. In addition, Market Value Adjustment Charges may be applicable for future withdrawals.

GIA Automatic Sweep

- At the time of application (or anytime following policy issuance) the Policyowner may select one GIA term for the Automatic Sweep process. The sweep feature is not available on policies with the Premium Protection Option elected, nor is it available on the Shuttle Account.
- This process automatically transfers funds from the DIA (in amounts of at least $250) to the Policyowner's pre-selected GIA, at the interest rate in effect as of the sweep date.
- These automatic transfers occur as part of the daily processing. Maturing GIA amounts, which flow back to the DIA, will be included in the Automatic Sweep process.

GIA Maturity Notice

- Policyowners who have not selected an Automatic Sweep option will receive a GIA Maturity Notice approximately 30 days in advance of the GIA maturity date. This notice will advise them that the maturity amount of the GIA will be placed in the DIA on the GIA maturity date unless the client advises Policyholder Services otherwise at least 15 days prior to the GIA maturity date.

Index Linked Accounts (ILAs)

Overview

- The Index Linked Accounts (ILAs) earn rates of interest linked to various indices/funds. The "link" involves an annual management fee and does not mean that the performance of the ILA will match that of the linked index/fund. Investments in ILAs are not guaranteed - they will fluctuate with the market value of the fund linked to. Interest can be positive or negative (i.e. the principal can be affected).
- There are five "portfolio ILAs," made up of different combinations of the following ILAs:
  - Co-operators Canadian Equity ILA;
  - Co-operators US Equity ILA;
  - Co-operators Universe Bond ILA;
  - Co-operators Corporate Bond ILA; and
  - Co-operators International Equity ILA

- Clients should not select more than one portfolio ILA per policy. To do so defeats the purpose and benefit of a portfolio ILA.
- The portfolio ILAs available are:
  - **Very Conservative Portfolio ILA** - This portfolio is designed to provide a durable stream of income and limited capital growth with minimal risk. It is best suited for investors who want to avoid short-term losses (even if it means getting a lower return), but still want returns to exceed inflation.
  - **Conservative Portfolio ILA** - This portfolio is designed to provide both income and capital growth with relatively low volatility. It is intended for investors with a low to moderate risk tolerance who want reasonable but relatively stable growth of income and capital and are comfortable with modest fluctuations in the year-to-year value of their portfolio.
  - **Moderate Portfolio ILA** - This portfolio is designed to provide a combination of income and long-term growth of capital. It is intended for investors who can tolerate moderate fluctuations in the value of their portfolios in exchange for potentially higher long-term returns.
  - **Aggressive Portfolio ILA** - This portfolio is designed to provide investors with a combination of long-term growth of capital and income. It is suitable for investors who can withstand moderate to significant year-to-year fluctuations in the value of their portfolios in exchange for potentially higher long-term returns.
  - **Very Aggressive Portfolio ILA** - This portfolio is designed to provide long-term growth of capital with little concern over short-term volatility. It is suitable for investors with a long-term time horizon who can withstand significant year-to-year fluctuations in the value of their portfolios in exchange for potentially higher long-term returns.
- Asset mixes for the portfolio ILAs are located on LIFE Pages.
- The following ILAs are also available:
  - **Co-operators Canadian Equity ILA:** Earns interest linked to the Addenda Canadian Equity Pooled Fund, which is an actively managed portfolio of stocks from the Canadian equity markets that seeks to meet or exceed the return on the S&P/TSX Composite Index.
  - **Co-operators US Equity ILA:** Earns interest linked to the Addenda US Equity Pooled Fund, which is an actively managed portfolio of stocks from the US equity markets that seeks to meet or exceed the return on the S&P 500 Index. Returns are adjusted for changes in Canadian currency.
  - **Co-operators Universe Bond ILA:** Earns interest linked to the Addenda Bonds Universe Core Pooled Fund, which is an actively managed portfolio of bonds that seeks to meet or exceed the return on the FTSE TMX Canada Universe Bond Index.

- **Co-operators Corporate Bond ILA:** Earns interest linked to the Addenda Bonds Corporate Core Pooled Fund, which is an actively managed portfolio of bonds that seeks to meet or exceed the return on the FTSE TMX Canada Universe Corporate Bond Index.
- **Co-operators International Equity ILA:** Earns interest linked to the Addenda International Equity Pooled Fund, which is and actively managed portfolio of stocks from developed markets, excluding the US and Canada, designed to meet or exceed the return on the MSCI EAFE Net Index. Returns are adjusted for changes in currency.

Note: To accommodate market movement, a unitized approach to record keeping is employed. Premiums allocated to the ILAs are used to acquire units in the ILAs, which will be credited to the policy.

ILA Minimum Premium Amount

- No minimum amount is required to enter any of the ILAs.

Guaranteed Minimum ILA Interest Rate/Annual Management Fee

- The interest rate credited to each ILA is guaranteed to be at least 100% of the percentage change in the value of the linked fund, less a daily portion of a management fee guaranteed not to exceed 3.95% per annum. For ILAs based on foreign indices, returns are adjusted for changes in Canadian currency. Current ILA management fee levels can be found on LIFE Pages.
- It is crucial to note that interest can be positive or negative. Negative interest will result in a decrease in policy Account Value and may result in the Policyowner having to increase the amount of premiums to maintain the policy in force.
- The annual management fee will fluctuate over time with market conditions but will never exceed the guaranteed parameters.

Determining ILA Interest Rates

- The following are examples of how the interest rates on an ILA are determined. What follows are illustrations of a hypothetical ILA assuming an annual management fee of 3.25%. In actuality, the annual management fees will fluctuate over time with market conditions but will never exceed the guaranteed parameters.

Hypothetical ILA – How Unit Prices are Calculated

Assumes an annual management fee of 3.25%, which is 0.0089% daily.					
	Date	**Index Value**	**% Index Change**	**% Unit Value Change**	**Daily Unit Value**
Monday	1	$100.00	-	-	$100.000
Tuesday	2	$101.00	1.00000%	0.99110%	$100.991
Wednesday	3	$103.00	1.98020%	1.97129%	$102.982
Thursday	4	$104.00	0.97087%	0.96197%	$103.973
Friday	5	$105.00	0.96154%	0.95263%	$104.963
Saturday	6	$105.00	0.00000%	-0.00890%	$104.954
Sunday	7	$105.00	0.00000%	-0.00890%	$104.945
Monday	8	$104.50	-0.47619%	-0.48509%	$104.436
Tuesday	9	$104.00	-0.47847%	-0.48737%	$103.927
Wednesday	10	$103.50	-0.48077%	-0.48967%	$103.418
Thursday	11	$102.10	-1.35266%	-1.36156%	$102.010
Friday	12	$101.00	-1.07738%	-1.08628%	$100.902
Saturday	13	$101.00	0.00000%	-0.00890%	$100.893
Sunday	14	$101.00	0.00000%	-0.00890%	$100.884
Note: Current ILA annual management fee levels can be found on LIFE Pages.					

Represents the first day the ILA is in force.

The “% Unit Value Change” is calculated as follows:

% Index Change – 1/365 of the annual management fee = % unit value change

1.0% - 0.0089% = 0.99110%

-0.47619% - 0.0089% = -0.48509%

The unit value calculation is as follows:

Yesterday’s unit value x (1 + the % Unit Change) = today’s unit value

102.010 x (100% + -1.08628%) = 100.902

Note that unit values are also established on days the markets are closed (weekends and public holidays). This is because a monthiversary and/or PAD draw date can fall on a weekend or a public holiday, and units within an ILA will need to be bought and sold.

Although the value of the linked index will not have changed on a weekend or public holiday, the unit value reflects another day’s portion of the annual management fee.

Hypothetical ILA – Sample Transactions – Example A

Assumes an annual management fee of 3.25%, which is 0.0089% daily.						Sample ILA Transactions The following illustrates a scenario where there is an increase in the client's ILA at a point in time.		
	Date	**Index Value**	**% Index Change**	**% Unit Value Change**	**Daily Unit Value**	**Dollars In (+) or Out (-) of the ILA**	**# of Units Bought (+) or Sold (-)**	**Type of ILA Transaction**
Monday	1	$100.00	-	-	$100.000	+$100	+1 unit	Premium Payment $100 net premium (after FELs) / $100 unit price = 1 unit bought
Tuesday	2	$101.00	1.00000%	0.99110%	$100.991			
Wednesday	3	$103.00	1.98020%	1.97129%	$102.982			
Thursday	4	$104.00	0.97087%	0.96197%	$103.973			
Friday	5	$105.00	0.96154%	0.95263%	$104.963	-$30	-0.286 units	Monthiversary Charges $30 / $104.963 unit price = 0.286 units sold
Saturday	6	$105.00	0.00000%	-0.00890%	$104.954			
Sunday	7	$105.00	0.00000%	-0.00890%	$104.945			
Monday	8	$104.50	-0.47619%	-0.48509%	$104.436			
Tuesday	9	$104.00	-0.47847%	-0.48737%	$103.927			
Wednesday	10	$103.50	-0.48077%	-0.48967%	$103.418			
Thursday	11	$102.10	-1.35266%	-1.36156%	$102.010			
Friday	12	$101.00	-1.07738%	-1.08628%	$100.902			
Saturday	13	$101.00	0.00000%	-0.00890%	$100.893			
Sunday	14	$101.00	0.00000%	-0.00890%	$100.884			
* The Cash Surrender Value (CV) is an estimate only, based on the last unit price. All surrenders or transfers out of the ILAs will occur using the price in effect on the date of the transaction.							0.714 units	Estimated CV* = $72.03 (0.714 units x last unit price of $100.884)
Note: Current ILA annual management fee levels can be found on LIFE Pages.								

Hypothetical ILA – Sample Transactions – Example B

Assumes an annual management fee of 3.25%, which is 0.0089% daily.						Sample ILA Transactions The following illustrates a scenario where there is an increase in the client's ILA at a point in time.		
	Date	**Index Value**	**% Index Change**	**% Unit Value Change**	**Daily Unit Value**	**Dollars In (+) or Out (-) of the ILA**	**# of Units Bought (+) or Sold (-)**	**Type of ILA Transaction**
Monday	1	$100.00	-	-	$100.000			
Tuesday	2	$101.00	1.00000%	0.99110%	$100.991			
Wednesday	3	$103.00	1.98020%	1.97129%	$102.982	+$100	+0.971 units	Premium Payment $100 net premium (after FELs) / $102.982 unit price = 0.971 units bought
Thursday	4	$104.00	0.97087%	0.96197%	$103.973			
Friday	5	$105.00	0.96154%	0.95263%	$104.963			
Saturday	6	$105.00	0.00000%	-0.00890%	$104.954			
Sunday	7	$105.00	0.00000%	-0.00890%	$104.945			
Monday	8	$104.50	-0.47619%	-0.48509%	$104.436			
Tuesday	9	$104.00	-0.47847%	-0.48737%	$103.927			
Wednesday	10	$103.50	-0.48077%	-0.48967%	$103.418			
Thursday	11	$102.10	-1.35266%	-1.36156%	$102.010			
Friday	12	$101.00	-1.07738%	-1.08628%	$100.902	-$30	-0.297 units	Monthiversary Charges $30 / $100.902 unit price = 0.297 units sold
Saturday	13	$101.00	0.00000%	-0.00890%	$100.893			
Sunday	14	$101.00	0.00000%	-0.00890%	$100.884			
* The Cash Surrender Value (CV) is an estimate only, based on the last unit price. All surrenders or transfers out of the ILAs will occur using the price in effect on the date of the transaction.							0.674 units	Estimated CV* = $67.99 (0.674 units x last unit price of $100.884)
Note: Current ILA annual management fee levels can be found on LIFE Pages.								

ILA Interest Rate Changes

- The interest rates on ILAs will fluctuate with the investment markets, may be either positive or negative, and are subject to change daily. To accommodate market movement, a unitized approach to record keeping is employed. Positive or negative interest is credited to the policy via the value of the units bought or sold within the policy.

ILA New Policy Issues

- Premiums earn interest (either positive or negative) by the end of the next business day following application approval. All premiums are subject to Front End Loads.

ILA Premium Payments After Policy Issuance

- Renewal premium received by the Receipt Processing/POC System will normally be processed by the end of the second business day following receipt at Head Office. In these cases, the ILA unit price will be the price in effect as of the day after the date the premium payment was received by any Co-operators Advisor or Service Office. All other renewal premium will normally be processed by the end of the next business day following receipt at Head Office. All premiums are subject to Front End Loads.

One Time Premium Payment to a Specified ILA

- The owner can make a lump sum premium payment for an amount not exceeding the current policy year maximum and direct it to one or more ILA. All premiums are subject to Front End Loads.

ILA Surrender Due to Insufficient Funds in PPA or DIA

- A surrender of all or a portion of an ILA to maintain the policy in force occurs automatically when the funds in the PPA or DIA are insufficient to pay the monthly risk charges. The ILA surrender amount will be the amount required to pay the monthly risk charges.

ILA Surrender Order

- If there are insufficient funds in the DIA to cover a Risk Charge withdrawal, the amount withdrawn from each individual ILA will be proportional to its value in comparison to the total value of all the ILAs.
- For example, when taking a monthiversary charge of $50:

	ILA Cash Surrender Value at Monthiversary:	Calculation: (Risk Charge x ILA CV) / Total CV of all ILAs	Amount of Risk Charge:
Corporate Bond ILA	$500	($50 x $500) / $3,500 =	$7.14
International Equity ILA	$1,000	($50 x $1,000) / $3,500 =	$14.29
Canadian Equity ILA	$2,000	($50 x $2,000) / $3,500 =	$28.57
Total ILAs	$3,500		$50.00

ILA Transfer Fees

- Policyowners are allowed four free transfers between ILAs, and between the DIA/GIA and ILAs per calendar year. The fifth and subsequent transfer in a calendar year incurs a charge of $20 each. Transfer requests will normally be processed by the end of the next business day following receipt at Head Office.

The Differences Between Segregated Funds and ILAs

- It is important to note the distinction between Segregated Funds and Index Linked Accounts:
  - **Segregated Fund:** This fund is maintained separately on the books of a life insurance company so the investment performance of the fund can only be a function of the performance of the assets of the fund. It is available only to meet the obligations owed to those Policyowners investing in it. No guarantee of performance is made. The gains and losses on a non-registered Segregated Fund within a Universal Life policy would be taxable to the Policyowner annually. Gains and losses within a non-registered Segregated Fund are made up of:
    - realized and unrealized capital gains and losses;
    - dividend income; and
    - interest income.
  - **Index Linked Account:** An investment vehicle where the premium invested is not maintained separately on the books of a life insurance company; ILA investments are held within the general account (like DIA and GIAs). Gains and losses on ILAs are always in the form of interest (which can be positive or negative). The interest rate credited to an ILA is based on the performance of an index (Index: A statistical yardstick tracking the ups and downs of a particular market by monitoring a certain group of securities over time) less an annual management fee. No guarantee of performance is made. ILAs within a Universal Life policy are tax deferred to the Policyowner.
- **Administration:** For both Segregated Funds and Index Linked Accounts, unit value accounting is utilized, as this is the most efficient method of allocating gains and losses (Segregated Funds) and positive and negative interest (ILAs). While Segregated Funds and Index Linked Accounts are administered similarly it is very important to be aware of the differences between the two.

What is premium allocation?

- A client determines their premium allocation for Universal Life policies by considering their investment risk profile. (Refer to the Universal Life Risk Profile form, or the online version in the illustration system.) A client specifies on the application how premiums are to be allocated to their policy. Since all premiums are subject to Front End Loads, it is important to note that the allocation will be net of Front End Loads.
- A premium allocation does not ensure that the Account Value within a Universal Life policy will reflect those allocations. Accounts will be drawn down to pay the monthly insurance charges. Each ILA will earn interest (positive and negative) at different rates. Automatic balancing to maintain account allocations is not currently available for Universal Life products.
- On the policy anniversary, the actual values in each investment option need to be reviewed with the Policyowner and adjustments made as required.

How is the premium allocation determined?

- The circumstances of each client will determine what may be a suitable premium allocation for them. The best tool to accomplish this is the Universal Life Risk Profile form, or the online version in the illustration system. A premium allocation is not static and will likely change over time. It is important to keep in mind that Universal Life is a life insurance product. Cash Surrender Values are available in the policy as an extra benefit and to allow pre-funding of future costs as much as to provide cash to the Policyowner.
- Allocation of the premiums among the investment options is primarily a function of the client's risk profile. Some important points to consider are:
  - There is no "right mix" for all.
  - The mix changes with time and the circumstances of the markets and clients.
- Clients should not select more than one portfolio ILA per policy. To do so defeats the purpose and benefit of a portfolio ILA.

- It is important to remember as well that a premium allocation mix that is appropriate today will need to be reviewed over time. While clients should not panic at every market downturn (getting out of an ILA in a downturn will only lock in losses), they must recognize that in an 'unbundled' product like Universal Life, the responsibility and the risk on the investment side is transferred from the Insurance Company to the individual Policyowner. Over time, both Advisors and clients will need to stay apprised of market circumstances and adjust the premium allocations accordingly.
- Also, as his or her circumstances change, a Policyowner's ability and willingness to accept risk will change, and the premium allocation will need to be reviewed and potentially changed. Factors influencing this are:
    - Clients may become more tolerant of risk with increased sophistication and exposure.
    - The difference between GIA and ILA rates may make one more or less attractive than the other.
    - The client's ability to withstand potential market related losses will change with their own financial circumstances.
- One recommendation is to ensure the Account Value (client's money) and not the entire premium is allocated to the ILAs. This can be calculated by looking on the Benefits and Charges page of the illustration system, taking the Annualized Planned Premium and subtracting the Total risk charges, then dividing the Account Value by the Annualized Planned Premium. For example: $100 Premium - $85 risk charges = $15 Account Value. 15/100 = 15%, so an aggressive investor would invest 85% in the DIA to cover the Risk Charge, and 15% in the ILAs.

Changing Future Net Premium Allocations

- Future net premium allocations can be changed at any time by completing the Universal Life Investment Option form.

In-Force Illustrations

- The Individual Actuarial department can provide you with an illustration on a current in-force UL policy.
- Please e-mail your request to: UL_Inforce_Illustrations@cooperators.ca
- Remember to include your client's name, their policy number and any special requests you may have. An Illustration Analyst requires two to three business days to prepare an in-force illustration, and it will be returned to you via e-mail.

Cash Accessibility

Policy Account Value Definition

- The policy Account Value is the value of all amounts in:
  - the Premium Protection Account; plus
  - the Daily Interest Account; plus
  - all active Guaranteed Interest Accounts; plus
  - all Index Linked Accounts.

Policy Cash (Surrender) Value Definition

- The policy Cash Surrender Value is defined as:
  - the policy Account Value; less
  - the surrender charge applicable to the Universal Life coverage; less
  - the Market Value Adjustment (MVA) applicable to all in-force GIAs; less
  - any existing policy loan(s) and accrued loan interest; plus
  - the value of all amounts in:
    - the Shuttle Account Daily Interest Account; plus
    - all active Shuttle Account Guaranteed Interest Accounts; less
    - the MVA applicable to all Shuttle Account Guaranteed Interest Accounts in effect at that time; plus
    - all Shuttle Account Index Linked Accounts.
- The policy Cash Value is the sole property of the Policyowner. Regardless of the number of lives insured and/or number of coverages contained in the policy, there is only one Cash Value account.
- Policy termination requests will normally be processed by the end of the third business day following receipt at Head Office.

Policyowner Requested Withdrawal (Partial Surrender)

- The minimum withdrawal amount is $500.
- The maximum partial withdrawal amount is the Cash Surrender Value less an amount equal to three times the monthly Risk Charges for the policy.
- The maximum total withdrawal amount is the total policy Cash Surrender Value.
- A supplementary fee is applicable to the second and all subsequent partial withdrawals in a 12-month period; any Market Value Adjustment is also applicable. Currently the fee is $25 and it will be deducted from the policy account.
- If the Policyowner elects to withdraw cash from their UL policy and there are funds being held in the Shuttle Account, the funds held in the Shuttle Account will be withdrawn first to satisfy the requested withdrawal amount.
- Partial withdrawal requests will normally be processed within three business days following receipt at Head Office.
- Partial withdrawals are subject to taxation. Refer to the Taxation section of this Guide for more details.
- Partial surrenders reduce the amount payable at death. If the withdrawal amount in any policy year is $1,000 or more, the death benefit is reduced by the withdrawal amount. This also applies to Cash Surrender Value withdrawals on Joint Last-to-Die plans when the first person dies.
- If a withdrawal/transfer from the Premium Protection Account takes the policy below the required cumulative amount, the PPO is automatically cancelled.

Surrender Charges

- The surrender charge applies to the initial nine years of all UL coverages. This charge represents unrecovered issue expenses and is intended to reduce the subsidy paid to those who leave by those who stay.
- The surrender charge is based on the number of years from the UL coverage issue date and is a percentage of the minimum premium as follows:

Year:	Surrender Charge as a Percentage of UL Coverage Minimum Premium:
1	150%
2	200%
3	300%
4	400%
5	400%
6	400%
7	300%
8	200%
9	100%
10+	0%

- A pro-rata surrender charge is applied to all UL insurance amount decreases when the UL coverage is still subject to surrender charges.

Policy Loans

- The Policyowner may borrow up to the policy Cash Surrender Value, less;
  - one year's loan interest; and less
  - the amount of monthly Risk Charges in respect of each insurance coverage for each month up to the next premium due date, plus an additional two months.
- The policy loan interest rate is the DIA interest rate plus a margin (i.e. the loan interest rate changes every time the DIA interest rate changes).
- A supplementary fee is applicable to the second and subsequent policy loans per 12-month period. Currently the fee is $25.00 and it will be deducted from the policy account.

Impact on PPO Plans

- Taking a policy loan cancels the PPO until the loan is repaid and sufficient premium is paid to restore the PPO.

Policy Loans and the Shuttle Account

- The Policyowner may not take a policy loan against the Cash Surrender Value of the Shuttle Account, nor will the Cash Surrender Value of the Shuttle Account be used in determining the amount of a policy loan available to the Universal Life Policy.

Loan Collateral Fund

- Interest earned in the Loan Collateral Fund (LCF) is the same as interest earned in the DIA. The LCF will automatically be re-adjusted by all loan activity (e.g. new loans, loan repayments, reversals, capitalization of loan interest at anniversary).

Note: The funds in the LCF are beyond Policyowner influence (i.e. as loan collateral the funds cannot be withdrawn or transferred, except for in the form of loan activity).

Taxation

Exempt Status Monitoring

- We will monitor the exempt status of our policies as follows:
  - Policyowner premium payments will be tested to a Maximum (Guideline) Premium (determined according to legislated rules) when they are received. If premium payments exceed the Maximum Premium they will be moved to the Shuttle Account.
  - At each policy anniversary, We will verify the exempt status and if a policy is found to be non-exempt, we will immediately take the following steps to restore it to an exempt status:
    - Increase the insurance amount by up to 8%.
    - Move the excess to the Shuttle Account and move it back into the base UL plan when there is “room”.

Note: If a policy is non-exempt at a policy anniversary we have 60 days to return it to an exempt status. Failure to return a policy to an exempt status results in the Policyowner being subject to taxation on the entire policy gain in the year it becomes non-exempt. In addition, future gains in the policy would be taxable when they occur.

Exempt Line

- The exempt line is based on the cash value of an 8-pay endowment at age 90, issued for the same face amount at the same age. The policy exempt line for all UL policies is the sum of the individual coverage exempt lines.

The Accumulating Fund

- The Accumulating Fund is equal to the greater of the policy’s Account Value or the policy’s Net Premium Reserve.

Exempt Test

- A policy is deemed to be exempt if the Accumulating Fund at the end of each policy anniversary is less than the policy Exempt Line.
- If the Accumulating Fund exceeds the Exempt Line at the end of a policy anniversary the policy amount of insurance can be increased by a maximum of 8%. Insurance amount increases on UL policies will be apportioned equally between all UL coverages.
- If the Accumulating Fund still exceeds the Exempt Line following the insurance amount increase, the Cash Value in excess of the Exempt Line must be either placed in the Shuttle Account or refunded to the Policyowner as a partial surrender. The surrender amount is subject to taxation.

250% Rule

- The 250% Rule requires the ratio of the policy Accumulating Fund at the 10^{th} and all subsequent policy anniversaries to the policy Account Value on the third preceding policy anniversary to be less than 250% (i.e. year 10 compared to year 7, etc.).
- If this ratio is greater than 250%, a second test is performed. If the Accumulating Fund is less than 3/8 of the policy Exempt Line at that anniversary, the 250% Rule is not violated. If the Accumulating Fund is greater than 3/8 of the policy Exempt Line, the 250% test is failed and the following action is required:
  - Re-date the Exempt Line to duration 3 and repeat the Exempt Test; and
  - Do not perform the 250% test for the next six policy anniversaries.

Taxation on Death

- Death proceeds of an exempt policy are free from taxation.

Policyowner's Net Cost for Taxation Purposes

- The Policyowner's Net Cost for taxation purposes (e.g. full and partial surrenders, loans) is calculated as follows:
    - Net Cost =
        - Sum of all UL and Versatile Term Rider premiums; less
        - Mortality Charges; less
        - Sum of all amounts withdrawn from the policy (e.g. loans, withdrawals)

Withdrawals (Partial Surrenders)

- Withdrawals from the policy will give rise to proportionate taxation based on Cash Surrender Values in the entire policy.
- **Example:** A contract has a Net Cost of $10,000 and a Cash Surrender Value of $12,000. The total gain is $2,000. If $6,000 is withdrawn, the taxable gain calculation will be:
    - 6,000 / 12,000 x 2,000 = $1,000
    - $1,000 would be taxable.

Full Policy Surrenders

- Policy surrenders which exceed the Policyowner's Net Cost are subject to taxation.

Policy Loans

- Policy loans which exceed the Policyowner's Net Cost are subject to taxation.

Shuttle Account

- Under current legislation, any interest earned in the Shuttle Account is subject to annual accrual taxation. Each year, the amount of interest income earned within the Shuttle Account will be reported on a tax information slip as Canadian source interest income to the Policyholder.

Issue and Underwriting Criteria

General

- Full underwriting, which will vary by age and amount, is required for Universal Life insurance.
- Applications for amounts of $500,000 or greater on adult plans are subject to the preferred underwriting criteria.
- The “Regular” rate class applies to all juvenile life (Insurance Age 0-15) applications.
- Medical, occupational, avocation, professional sports, aviation and military ratings may apply to all Lives to be Insured.

Key Underwriting Indicators
The following indicates the types of information required to determine a client’s rate class:

Tobacco Use:	Types of products, date of last use
Health Status:	Blood pressure, cholesterol, etc.
Lifestyle:	Avocation, alcohol/drug use, driving record, foreign travel and aviation
Build:	Height and weight
Personal & Family Medical History:	Client’s medical history, as well as their parents’ and siblings’ medical history

Backdating / Age Conservation

- A policy can be issued with an effective date based on the date required to conserve the last age of the applicant. When the application is approved for issue, We will advise of the one-time payment amount required to pay premium arrears.
- Age conservation for these policies is subject to the following conditions:
    - The age conservation date is not more than 10 months ago.
    - The age conservation date is not prior to the introduction of a new product.
- The one-time payment is submitted prior to issue and does not form any part of the contract.
- The one-time payment is not included in the Advisor’s compensation.
- Backdating and age conservation is not allowed on policies with CA or MDI riders.

Temporary Insurance Agreement

- The Temporary Insurance Agreement (TIA) is not to be issued and no premium is to be accepted if:
    - any Life to be Insured answers yes to any of the questions on the Temporary Insurance Application;
    - the Advisor has reason to believe any Life to be Insured is not a good risk for health or any other reason;
    - the total amount applied for with The Company on any Life to be Insured exceeds $2,000,000; or
    - the Life to be Insured is less than 15 days old or is Insurance Age 66 or older.

Refer to the Field Risk Selection Guide for more information about underwriting.

Policy Changes

- To ensure the exempt status of a policy is not negatively impacted, it is important that one contact Us for any assistance in making policy changes.
  - If the tax-exempt line increases, larger premium payments may be possible than previously illustrated.
  - If the tax-exempt line decreases, taxable income may result due to the policy change.
- All policy changes require the written consent of the Policyowner(s), any irrevocable beneficiary plus any assignee.
- Any policy change resulting in an increase in the insurance amount risk is subject to complete underwriting requirements.
- All policy changes must be effective on a current policy monthly anniversary date.

Change of Ownership (Assignment)

- The original Policyowner may be subject to taxation if the policy ownership is changed.
- There is tax-free rollover in some Single Life cases pursuant to section 148(8) of the Income Tax Act. These cases typically involve transfer to a spouse or child, either for no consideration or as part of a legal settlement.
- If the Policyowner has been changed, a new Revocable Beneficiary Designation Form (LSR130) must be completed by the new Policyowner, even if no change in beneficiary is being made. For change of ownership, the Ownership Change (Absolute Assignment) for Individual Life Insurance form (LSR045) must also be completed.

Change in Death Benefit Option

- A change from Enhanced to Level does not require underwriting.
- A change from Level to Enhanced is not allowed.

Change from a Single Life Plan to a Multi-Life Plan

- Only allowed if the original Single Life plan has an Enhanced Death Benefit Option.
- Not available on Level Death Benefit Single Life plans.

Exchange Provision

- A Multi-Life policy provides for a given Life Insured's coverage to be transferred to an independent Single Life Universal Life plan.
- Coverage can only be transferred under the following conditions:
  - The Policyowner gives written consent; and
  - The transferred coverage meets the current insurance amount minimum and cannot exceed the insurance amount in effect on the Insured's life under the Multi-Life policy.
- The new policy type must be the current UL product available for sale as of the date of exchange.
- The insurance provided on the Life Insured under the Multi-Life policy will terminate on the date of exchange.
- No evidence of insurability is required. The Life Insured will have the same risk classifications and exclusions, if any, which were in effect under the Multi-Life policy.
- The Life Insured may become the owner of the new policy.
- The new policy will be issued with the current age and a current policy date. Risk charges and Front End Loads will continue from the transfer effective date. The appropriate administration fee will also need to be paid.
- Current tax rules will apply to the new policy.
- The Premium Protection Option (PPO) is available.

Increases in Base Insurance Amounts

- Increases are not allowed. A new fully completed application is required.

Decreases in Base Insurance Amounts

- Decreases are subject to the minimum $25,000 coverage amount limit.
- If a decrease is requested within nine years of a UL coverage effective date, a pro-rata surrender charge is applicable.
- Any Accidental Death Benefit coverage attached to the decreased UL coverage will be reviewed to ensure it complies with The Company's maximum limits.

Substitute Life

- Substitution may result in a tax liability for the Policyowner.
- Any Versatile Term Rider, ADB or WOC benefit on the deleted life must be terminated.
- The 12 Month Lapse Prevention Premium / Minimum Premium / Lifetime Lapse Prevention Premium changes to reflect the new Insured Life. If it is less than the original 12 Month Lapse Prevention Premium / Minimum Premium, a pro-rata portion of the original coverage surrender charge will be deducted from the policy Account Value.
- The new life must provide satisfactory evidence of insurability, at the Policyowner's expense, and is subject to the Age & Amount Requirements.
- Substitution on a Joint Last-to-Die policy requires both the new life and the remaining life to provide satisfactory evidence of insurability at the Policyowner's expense. All Lives to be Insured under the new arrangement are subject to the Age & Amount requirements. A new equivalized age and 12 Month Lapse Prevention Premium / Minimum Premium will apply. No substitution of lives may be made on Joint-Life cases after the first death on the policy.
- The policy exempt line continues from the original policy effective date.

Deletion of a Life on a Joint-Life Plan

- Deletion results in policy termination and the issuance of a new policy.
- The remaining life must provide satisfactory evidence of insurability, at the Policyowner's expense.
- A new 12 Month Lapse Prevention Premium / Minimum Premium will apply.

Change in Cost of Insurance (COI) Option

- A change from YRT to Constant is not contractual, but may be available in some cases.
- A change from Constant to YRT is not available.

Change from Smoker (Regular) to Non-Smoker Rates

- This process applies when only a change in smoking status is requested. If any other change is requested, the requirements governing that change apply.
- The client must meet The Company's current Non-Smoker definition.
- The change will be effective as of the current date, but the original policy age and date will be retained.
- The following are required:
    - An Application for Policy Change and/or Reinstatement of Life/Health Insurance form (LSR005), Sections 1, 3, 4, 5, 6 and 7;
    - A Urine Test if the face amount is greater than or equal to $500,000; and
    - An illustration with Non-Smoker rates.
- Additional medical evidence may be required to assess the risk if determined by a review by the underwriting department.

Change from Standard (N4, S2) to Preferred (N1, N2, N3, N5, S1) Rates

- Treated as a replacement of the existing policy and will require:
  - A new electronic application;
  - Electronic Application Signature Form for Adult or Child's Life/Health Insurance (LUR149CM) reviewed with applicant and signed as required;
  - Full Age & Amount Requirements;
  - An illustration; and
  - Disclosure forms.
- Will be reissued with a current age and date.

Conversion Privileges

General Conversion Requirements

- In order to convert a Versatile Term policy to a Universal Life policy, the following requirements must be met:
  - Section 2 and 7 of the Application for Policy Change and/or Reinstatement of Life/Health Insurance form (LSR005);
  - Universal Life Investment Option Form (LSR134);
  - The Financial Advisor's Page of the Illustration; and
  - Planned Premium.

General Conversion Rules

- If the applicant submits appropriate medical evidence, the normal rules for rate class assignment apply.
- The premiums charged for the insurance will be those in effect at the date of conversion and will be based on the Life Insured's Insurance Age at the date of conversion, and risk classification at the date of issue of the Versatile Term policy/rider.
- The amount available for conversion and the conversion period vary by plan and rider (some plans and riders do not provide a conversion privilege) and are stated in the Policy Contract. If the Contract is not available, contact the Policy Change department for these details.
- Partial Conversion is available provided the balance of the Versatile Term policy/rider to remain in force meets The Company's current minimum amount and base 12 Month Lapse Prevention Premium requirements. The balance of the Versatile Term coverage being carried over as a rider on the new policy is subject to full underwriting (Sections 3, 4 and 5 of LSR005, and Age and Amount Requirements for current age and the amount carried over as a Versatile Term rider); the Provincial Insurance Council also requires that the applicable provincial disclosure forms be completed. Premium rate class and premium amount are based on current age and current underwriting risk classification.
- All Lives to be Insured that are not eligible for conversion under the policy/rider being converted, must provide evidence of insurability (Sections 3, 4 and 5 of LSR005 and evidence in accordance with the Age & Amount Requirements), plus qualify in accordance with The Company's established risk selection guidelines.

Single and Multi-Life

- For conversions to Universal Life, the premiums charged for the new insurance will be subject to then-current rules governing rate classes and will be based on the Life Insured's Insurance Age at the date of conversion. The rate class for the new policy will be determined by The Company's then-current rules.
- If the rate class on the original policy was not preferred, non-preferred rates will also apply on the new policy, unless the applicant submits appropriate medical evidence. The new policy will also not be eligible for a preferred rate class if the converted amount is below the cut-off amount for preferred underwriting on the new plan.

Note: In the event of a partial conversion, the remaining Versatile Term coverage will revert to the available class for the remaining amount. If preferred is not available for that amount on the rate scale under which the policy was issued, the class will revert to non-preferred rates (N4 or S2).

Joint-Life

- Conversion to a Universal Life Joint Last-to-Die plan is not available. A new application with evidence of insurability is required instead.

Additional Requirements for Benefit/Rider Carry-Overs/Additions

- ADB:
    - Can be carried over from policy to policy without underwriting evidence subject to The Company's rules governing this benefit.
- DPW/TDWOC:
    - Can be carried over subject to underwriting (Sections 1, 3, 4, 5 and 6 of LSR005).
- VT Riders:
    - Carry-over of any rider is subject to underwriting (Sections 1, 3, 5, 6, 7 and 8 of LSR005 plus evidence in accordance with the Age & Amount Requirements based on current age and the amount being carried over).
- Child Rider:
    - Can be carried over subject to the rider qualifications as per the Child Rider description contained in this Guide.
- The premiums charged for any benefits/riders carried over or added to the new UL policy will be those in effect at the date of conversion and will be based on the Life to be Insured's Insurance Age at the date of conversion, and risk classification as of the date of issue.

Reinstatements

- If insurance coverage lapses (and such lapse is not the direct result of a cash withdrawal), it can be reinstated within three years, if We receive:
    - Completed Sections 1, 3, 4, 5, 6 and 7 of LSR005 covering each Life to be Insured under the lapsed policy, and the appropriate Age & Amount Requirements;
    - Medical evidence with respect to each Life to be Insured under the lapsed policy if such evidence would be required for a new application.
    - Payment of the amount that would have been required to have kept the policy in force since the lapse date;
    - Payment of an amount sufficient to keep the policy in force for at least the three month period commencing on the date of reinstatement; and
    - Any applicable interest charges or sales tax on back premium.

Note: The Universal Life Premium Protection Option (PPO) can also be reinstated if arrears are paid.

Assuris Coverage

Assuris will guarantee:

- up to $200,000 or 85% of the death benefit, whichever is higher; and
- up to $60,000 or 85% of the savings in the investment account, whichever is higher.

For policy benefit information, Advisors should refer to www.assuris.ca.

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