Genesis

LIFE INSURANCE

PRODUCT GUIDE

iA Financial Group

For advisor use only

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1. AT A GLANCE

COSTS OF INSURANCE GUARANTEED

YRT	0-85 years
Level	0-85 years
Level with Options:	
10*	0-80 years
15*	0-70 years
20*	0-60 years

QUICK PAID-UP OPTIONS 10-15-20

- Guaranteed paid-up insurance option after 10, 15 or 20 years
- Guaranteed surrender values

DEATH BENEFIT OPTIONS (BASIC COVERAGE)

- Face amount only
- Face amount + fund
- Face amount + fund with wealth maximizer option

INVESTMENT OPTIONS

Guaranteed Interest Accounts

- 5-year average account
- Fixed term accounts (6 months, 1 to 5 and 10 years)

Index Accounts

Market Indices

Money Market

Bonds

Canadian Stocks

Global Stocks

International Stocks

European Stocks

US Stocks

US Stocks / DAQ

Global Allocation Account

Diversified Strategy

Prudent Account

Moderate Account

Balanced Account

Growth Account

Aggressive Account

Active Management

Canadian Bonds (iA)

Diversified (iA)

Global Diversified (Loomis Sayles)

Strategic Equity Income (iAGP)

Dividend Growth (iA)

Canadian Stocks (Fidelity)

Canadian Stocks Small Cap. (Fidelity)

Global Dividend (Dynamic)

Global Stocks (iA)

North Star® (Fidelity)

Global Diversified Account (iA)

European Stocks (Fidelity)

U.S. Dividend Growth (iA)

Global Health Care (Renaissance)

Smoothed Return Diversified Account (SRDA)

INVESTMENT BONUS

+0.75% on money invested in all Index accounts except for Money Market and the Smoothed Return Diversified Account (SRDA).

PREMIUMS AND COSTS OF INSURANCE BY BAND

Band	1	=	$25,000 – $49,999
	2	=	$50,000 – $99,999
	3	=	$100,000 – $199,999
	4	=	$200,000 – $499,999
	5	=	$500,000 – $999,999
	6	=	$1,000 000 and over (level only)

JOINT INSURANCE (2–5 Insureds)

	2 insureds	3 to 5 insureds
First to die	Available	Available
Last to die	Available	Available
Last to die, paid-up on the first death	Available	Not available

DISABILITY BENEFIT

Protection that allows withdrawal of up to 100% of the surrender value of the accumulation fund tax-free in the event of a disability:

- Automatically included in the contract

ADDITIONAL BENEFITS

- Hospitalization rider
- Hospitalization and Home Care
- Paramedical Care in the Event of an accident
- Child Module

- Child module PLUS
- Critical Illness
- Child Critical Illness
- AD&D, CAD, AF, CADE, GI, AD, SI, CID
- Disability (2 years, 5 years, up to age 65)

Term protection:

- T10 (R&C) and T20 (R&T)
- Pick-A-Term: T25 and T30

SURRENDER CHARGES

- None with level COI
- YRT COI: Surrender charges for 15 years

OTHER FEATURES

- Partial withdrawals
- Policy loans
- Shuttle fund
- Automatic optimization of the face amount (AOFA)

2. INTRODUCTION

In this guide, the term “Company” refers to Industrial Alliance Insurance and Financial Services Inc. The terms “policy” and “contract” may have the same meaning and be used interchangeably.

Genesis universal life insurance contract is a planning tool for clients seeking flexible coverage combined with significant financial advantages.

Genesis offers a wide range of affordable insurance coverages and allows your clients to accumulate large amounts in a tax shelter as long as these amounts are not withdrawn from the policy. Genesis universal life has distinctive advantages over traditional non-registered investments.

By combining flexibility with security, Genesis is a financial product that adapts perfectly to the demands and needs of your clients through the various stages of their lives.

Genesis meets the needs of a wide range of clients:

Individuals or families

People buy life insurance on an individual or family basis for several reasons. Some people want to ensure their family’s financial security in case of premature death. Others want to bequeath a tax-free estate or accumulate additional funds to finance their children’s education or fulfil a dream.

This type of clientele may prefer the stability that comes with level costs; however, those looking for added flexibility, or who are more budget-conscious, may appreciate the additional benefits of YRT costs, namely:

— Flexible permanent insurance that evolves with, and adapts to, their budget and needs
— High cash values to provide additional flexibility down the road

Young professionals

Two-income families can “quick-pay” the insurance premiums and have paid-up permanent insurance in a few short years. Genesis with level costs also offers guaranteed paid-up 10-15-20 options which are unique to the Universal Life market. This advantage allows clients to enjoy financial security for themselves and their families for life.

Upper income earners

Joint first- or last-to-die options are ideal for estate planning purposes. Genesis can be used to pay income taxes at the death of one of the insureds.

It also offers clients an alternative tax-sheltered investment, with many advantages when compared to traditional non-registered investments. With the YRT costs option, Genesis can also offer long-term liquidity for retirement or long-term care, and estate protection with options.

Corporations

Genesis is an excellent product in the corporate market, particularly in the following situations: buy-sell agreement, key person insurance, intergenerational transfer or retirement income supplement.

This type of clientele can also benefit from the added flexibility of YRT costs, should they be looking to:

— Manage fluctuating revenues
— Pay taxes upon the shareholder’s death
— Maximize the Capital Dividend Account (CDA)

— Maintain access to a source of liquidity for additional security.

Key advantages of Genesis

- Personalized and flexible insurance coverage;
- A tax-sheltered alternative to non-registered investments
- Flexibility of deposit
- Payment tailored to your cash flow
- Fully guaranteed costs of insurance;
- Low management fees
- Investment bonus starting the first year (not applicable to Money Market or the Smoothed Return Diversified Account (SRDA))
- No surrender fees for protection with level COI
- Guaranteed 10-, 15- or 20- year quick-pay options including guaranteed surrender values;
- Preferred rates on term protection of face amount over $2,000,000, according to the insured's state of health and lifestyle;
- Several riders and additional benefits;
- Numerous investment options.

Several financial strategies have been developed to help you demonstrate all the efficiency of Genesis universal life insurance to increase or protect your clients' estate value. Many investment strategies may be possible with a Genesis universal life policy. Here are a few of them:

Insured Retirement Strategy: At retirement, the surrender value of the contract is assigned as collateral to a financial institution to obtain a loan in order to increase the retirement income, tax-free.

CDB – Maximizer Estate Value: This capital dividend bond (CDB) strategy targets Canadian corporations with significant liquid assets not being used in its day-to-day operations. Universal life is used to transfer these amounts to heirs, sheltered from taxes.

Estate Protection Financial Strategy: This strategy helps the client to determine the required amount of insurance coverage in order to cover taxes at death and preserve the value of assets left to heirs.

3. INSURANCE PROTECTION

- The principal insured must purchase basic Genesis coverage.
- For a joint insurance policy, the applicant must purchase basic Genesis coverage and can add term riders on a joint basis (T10 [R&C] or T20 [R&C]).

BENEFITS	AGES	MINIMUM FACE AMOUNT
Genesis basic coverage Level and YRT COI	0 – 85	$25,000
Options 10 15 20	0 – 80 0 – 70 0 – 60	$25,000
Renewable and convertible Term insurance options:		
T10 (R&C) and T20 (R&C)	0 – 70	$25,000
Pick-A-Term T25	0 – 60	$25,000
Pick-A-Term T30	0 – 55	$25,000

3.1 Coverage options

Single life

Insurance coverage issued only for one life; the death benefit is payable at the death of the life insured. This coverage is typically used to create an estate for the beneficiaries.

Joint insurance payable on the first-to-die

Insurance coverage issued for two to five lives. The death benefit is payable when the first insured dies and the contract terminates. It is an excellent option when insuring loans or mortgages. All life insurance coverages on the policy must also be joint.

Joint insurance payable on the last-to-die

Insurance coverage issued for two to five lives. The death benefit is payable when the last insured dies and the insurance costs continue after the death of all but the last of the insureds. This type of coverage, which preserves the insured's estate by providing cash to cover capital gains and estate taxes on the last-to-die, is ideal for estate planning. All life insurance coverages on the policy must also be joint.

Joint insurance payable on the last-to-die, paid-up on the first death

Insurance coverage issued for maximum two lives. This protection offers the same advantages as the preceding protection with the exception that the costs of insurance are paid-up after the death of one of the insureds. This option is available with level insurance costs only, including the 10-15-20 options. All life insurance coverages on the policy must also be joint.

4. JOINT INSURANCE

4.1 Issue criteria

Available on the first and last to die, joint insurance insures the lives of two to five individuals and provides for the payment of the face amount when one insured dies (first or last one to die). Joint insurance can be underwritten on people of the same sex or the opposite sex. Joint last-to-die paid up on the first death is also available but can only insure the lives of two individuals.

All life insurance coverage (permanent and/or term) must be purchased on a joint basis. However, any other type of protection (disability, critical illness, additional guarantees) can be subscribed on an individual basis.

- Minimum age at issue: 15 for each insured
- The joint insurance premium is calculated according to the equivalent age or the percentage rule. (See the software for the premium calculation.)
- The percentage rule is used for joint term coverage. The individual premiums are totalled, and then a percentage discount is applied according to the premium discount chart.

		AVAILABILITY JOINT INSURANCE PAYABLE ON:		
Coverage	**Calculation method**	**First-to-die**	**Last-to-die**	**Last-to-die paid up after the first death**
Level costs of insurance 10-15-20 Options	Equivalent age (Male non-smoker)	Available	Available	Available
YRT COI	Equivalent age (Male non-smoker)	Available	Available	Not available
T10 (R&C) and T20 (R&C)	% rule (see table below)	Available	Available	Not available
Pick-A-Term T25 and T30	Not available	Not available	Not available	Not available

	PREMIUM DISCOUNT (%)	
Age difference	**First-to-die**	**Last-to-die**
0 to 10 years	10%	65%
11 years and over	5%	60%

4.2 Paid-up coverage – Level COI

- **Joint first-to-die:**

  Protection is released when the sum of the equivalent age and the duration reaches 100 years.

- **Joint last-to-die:**

  Protection is released when the sum of the equivalent age and the duration reaches 100 years.

- **Joint last-to-die, paid-up on the first death:**

  The coverage is paid-up on the first-to-die or at the latest when the sum of the equivalent age and the duration reaches 100 years.

4.3 Joint protection when one of the lives is not insurable

a) Joint first-to-die insurance

Not available

b) Joint last-to-die insurance

The initial joint insurance application will be maintained and a joint last-to-die contract will be issued. The premiums are established according to the age, gender and risk class of the insurable life.

When one of the lives is not insurable, the joint last-to-die insurance can only cover two insureds.

Note that in the case of a joint last-to-die insurance with an **uninsurable insured,** the fund will be payable at death before the 5th coverage anniversary, only if the insured that dies was insurable at issue of the coverage.

c) Joint last to die insurance, paid-up on the first death

The initial joint insurance application will be maintained and a joint last-to-die contract will be issued without being paid-up on the first death. The premiums are established according to the age, gender and risk class of the insurable life.

4.4 Fund payable on the first death

For joint insurance payable on the last to die or on the last to die paid-up after the first death, the accumulation fund[1] and shuttle fund will be paid in part or in full tax-free on the **first death** (on every death if there are multiple insureds) to the applicant or any other fund's beneficiary, according to the beneficiary designation made.

However, in the case of a joint last to die insurance with an **uninsurable insured,** the fund will be payable before the 5th coverage anniversary only if the insured that dies was insurable at issue of the coverage.

[1] The accumulation fund, net of any amount needed to keep the contract in force in accordance with the lapse clause.

4.5 Medical requirements

Each insured is subject to the medical requirements corresponding to his or her real age (and not the equivalent age).

4.6 Options available following a death (joint First-to-die only)

New contract

Within 45 days of the death of one of the insureds, the surviving insured(s) under age 70 can request to convert the insurance into a permanent individual insurance contract, without evidence of insurability, if the joint coverage was on two lives or into a permanent joint insurance contract if the joint coverage was on three lives or more. The face amount of the new contract must not exceed the face amount of the previous contract on a joint basis. The new coverage is issued at the surviving insured's attained age according to the same conditions as the joint insurance coverage, and initial smoking status.

Extended coverage

In addition, if within 45 days of the first death, one of the surviving insureds dies and is under age 70, the Company will pay an additional amount equal to the death benefit.

4.7 Dissolution (joint insurance – First-to-die only)

With Genesis, insureds can convert their joint coverage into new life insurance coverage on the life of each insured. Refer to section 16.3 for details on this conversion option.

5. GRACE PERIOD AND LAPSE CLAUSE

Once the initial minimum premium has been paid, where the value of the accumulation fund is insufficient to cover a monthly deduction, the policy shall remain in force for a 31-day grace period.

At the end of this grace period, if the balance of the accumulation fund is still insufficient to cover the monthly deduction, failure to pay shall cause the policy to lapse and the policy shall terminate on the date of the first of the following events:

- Where all sums due to the Company, including interest on policy loans, exceeds the surrender value of the policy excluding the value of the shuttle fund;
- Where the value of the accumulation fund is less than zero (0).

However, once the grace period expires, if the policy has a guaranteed surrender value for the 10-15-20 options, to the extent possible, we will make an automatic policy loan to cover the shortfall in order to prevent the policy from lapsing.

6. TYPES OF COSTS OF INSURANCE

All Genesis costs of insurance options are fully guaranteed for the life of the contract. The principal insured and additional insureds who purchase basic coverage can select from the types of costs of insurance described below:

6.1 Yearly renewable term (YRT) costs of insurance

The yearly renewable term costs of insurance are based on the insured's age on each contract anniversary. This involves insurance costs which generally increase from year to year up to age 90, after which the costs are paid-up. These costs are established on the issue date and are guaranteed.

If the contract is issued on a joint basis, the yearly renewable term costs of insurance are payable up to the protection anniversary in the year in which the equivalent age plus the number of years elapsed reaches 90 years.

Notwithstanding the above, the client must pay the cost of insurance for at least 10 years.

6.2 Level costs of insurance

The level costs of insurance are based on the insured's age when the contract is issued. The costs remain the same for all the duration of the coverage. The insurance is paid up at age 100. Since these costs are level for the duration of the insurance coverage, they are higher than YRT costs of insurance for a certain number of years, but lower in later years.

If the contract is issued on a joint basis, the leveled insurance costs are payable up to the protection anniversary in the year in which the equivalent age plus the number of years elapsed reaches 100 years.

6.3 Level costs of insurance with the 10-15-20 options

Subject to the payment of an additional premium, these options allow a client who has basic coverage with level costs of insurance to pay up the entire protection by the end of the period chosen (10, 15 or 20 years).

These options can be purchased when the contract is first issued or added afterward. They can be surrendered during the premium payment period without necessarily surrendering the basic coverage. After the premium payment period, even if the insurance is entirely paid up, the client can continue to pay premiums (subject to the maximum prescribed by law) to accumulate additional amounts in the accumulation fund.

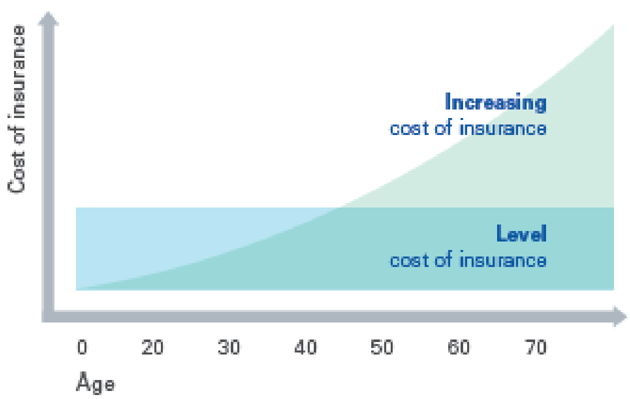
The 10-15-20 options also include a guaranteed surrender value starting in their 6th contract year. The guaranteed surrender value is considered in the following manner:

- The surrender value is available for a policy loan (up to 90% of the value)
- The surrender value is not payable upon the insured’s death, whether death occurs during or after the premium payment period
- When the option is surrendered, the surrender value is transferred to the accumulation fund or the shuttle fund

- A decrease in the face amount at the applicant's request is a partial surrender of the option and therefore the payment of a portion of the surrender value.

The 10-15-20 options are excellent insurance options for children as they provide low-cost insurance paid-up at a young age.

6.4 Graph showing the different types of costs of insurance (COI)



The client is targeting the potential growth of the "savings" portion with a YRT cost of insurance option.

Level costs of insurance will suit clients who are seeking peace of mind knowing that the costs are fixed.

6.5 Levelling the costs of insurance

YRT COSTS ➔ **LEVEL COSTS**

OR

YRT COSTS ➔ **LEVEL COSTS WITH THE 10-15-20 OPTION**

- Change is possible if the coverage has been in force for at least 36 months;
- Change made without evidence of insurability according to and the initial smoking status;
- Application of the levelling rate in effect according to the insured's attained age when the change is made;
- The payment period is extended up to 100 years of age.

An illustration can be produced, indicating the values in the event premiums are levelled at a later date. A reminder will be sent to you on the date determined and you will be able to evaluate with your client at this time if the levelling the COI is still needed. We will wait for a request signed by the client before proceeding.

When the change is made, if the insured's death benefit option is "Face amount only" or "Face amount + fund with the wealth maximizer option", the benefit must be changed to "Face amount + fund". The costs of insurance will conform to the new rate band corresponding to the face amount on the date of the request (see details in the "Change of death benefit option" section). The surrender fees accumulated before this change remains in effect.

7. DEATH BENEFIT OPTIONS

7.1 CHOOSING THE DEATH BENEFIT OPTION

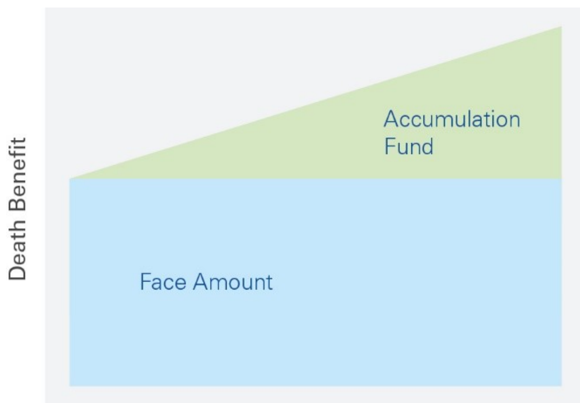
Genesis universal life insurance offers different types of death benefit options. They are available as individual or joint coverage.

7.1.1 Face amount + fund

The accumulation fund is added to the face amount. This death benefit option is available for all insureds on the contract and with all Genesis cost of insurance options.

Upon the death of the insured, the death benefit is paid as follows:

- The face amount is paid to the beneficiary of the death benefit;
- The accumulation fund, net of any amount net of any amount payable to the Company in accordance with the lapse clause, is paid to the beneficiary of the funds, according to the designation made.



For clients who want more than insurance coverage since an additional savings fund accumulates in a tax shelter.

7.1.2 Face amount only

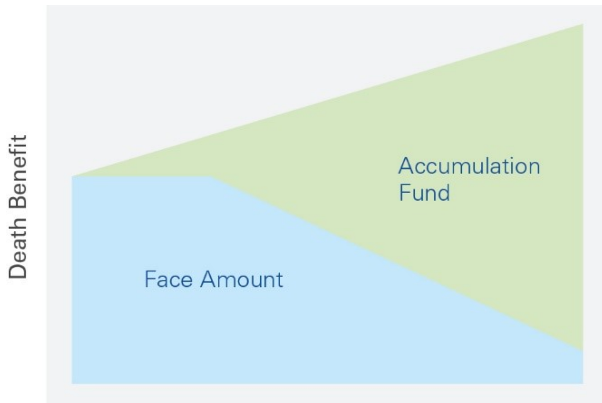
The death benefit is level. The accumulation fund is an integral part of the death benefit. This death benefit option is available for **YRT cost of insurance only**. Upon the death of the insured, the death benefit is paid as follows:

- The face amount is paid to the beneficiary of the death benefit;
- The accumulation fund, net of any amount payable to the Company, is paid to the beneficiary of funds, according to the designation made.

For clients who generally have stable insurance needs and who want to reduce their insurance charges over the years.

7.1.3 Face amount + fund with wealth maximizer option

The accumulation fund is added to the face amount which will be minimized later in the contract. This death benefit option is available for **YRT cost of insurance only** and applies to the first Genesis coverage only. The Face amount + fund death benefit option applies to all other policy protections, if applicable.



For clients who prefer to maximize savings

This death benefit option is intended to take maximum advantage of the tax exemption on investment income earned in a universal life insurance policy. The purpose of this option is to maximize the accumulated value of the accumulation fund while keeping the costs of insurance as low as possible.

The face amount remains fixed until the policy anniversary chosen by the client for the adjustment to begin. However, this adjustment may not begin until at least the 5th policy anniversary. Beginning on this policy anniversary, the face amount is adjusted automatically to the minimum required to maintain the policy's exempted status. The face amount fluctuates based on the value of the accumulation fund and investment performance however, it cannot be less than the threshold face amount set by the client. The threshold face amount cannot be less than $25,000.

Upon the insured's death, the death benefit is paid as follows:

- the adjusted face amount is paid to the beneficiary of the death benefit;
- the accumulation fund, net of any amount payable to the Company, is paid to the beneficiary of funds, according to the designation made.

7.2 Change of death benefit option

Insureds or applicants can change the death benefit option to one of the following:

Face amount + fund to Face amount only

- This change is only possible if the client has selected the YRT cost of insurance;
- The face amount will remain the same when the change occurs;
- If applicable, surrender fees remain payable;
- Following the change, the reference premium and the minimum premium will be recalculated, as needed;

- The face amount of the first Genesis coverage may increase without evidence of the value of the accumulation fund when the change is made.

Face amount only to Face amount + fund

- The face amount of the first Genesis coverage will be reduced by the value of the accumulation fund on the date of the modification. If, at that time, the value of the accumulation fund exceeds the face amount of that coverage, the face amount of the other Genesis coverage, if any, will be automatically reduced by this excess, beginning with the first one issued, without exceeding the total of current face amount of the Genesis coverages under the policy;
- If applicable, surrender fees remain payable;
- The Face amount only death benefit option will no longer be available to the applicant after the change is made;
- Following the change, the reference premium and the minimum premium will be recalculated, as needed;
- The face amount of the first Genesis coverage may increase of the value of the accumulation fund when the change is made. In this case, we will require evidence.

Face amount + fund with wealth maximizer option to Face amount + fund

- The face amount will remain fixed when the change occurs;
- If applicable, surrender fees remain payable;
- The Face amount + wealth maximizer option will no longer be available to the applicant after the change is made;
- Following the change, the reference premium and the minimum premium will be recalculated, as needed.

8. PREMIUMS

8.1 Premium payments

The Genesis universal life insurance policy offers outstanding flexibility with respect to premium payments in order to meet the specific needs of each client.

Thus, the client determines the amount of the premium to be paid, subject to the minimum premium required to keep the policy in force, without exceeding the maximum premium established to ensure the policy maintains its tax-exempt status.

The premium selected by the client is the **target premium**.

For a YRT COI policy, the minimum premium generally increases each year.

The client can pay premiums on an annual basis or on a monthly PAC basis. The monthly premium is calculated by dividing the annual premium by 12.

The client can also make additional deposits at any time or temporarily cease premium payments if the value of the accumulation fund is sufficient. The client can even opt for accelerated premium payments in order to reach his/her objective sooner.

All amounts paid in excess of the maximum established to ensure the policy maintains its tax-exempt status are accumulated in a shuttle fund. The amount in the shuttle fund will be transferred to the accumulation fund, as soon as possible starting the second policy anniversary. The annual interest earned in the shuttle fund is taxable income. A loss in the shuttle fund can only be considered for tax purposes when it is materialized (i.e. when the money is taken out of the shuttle fund).

8.2 Minimum premium

This is the minimum annual premium required to keep the policy in force until the costs of insurance are paid up.

The minimum premium of the policy includes the cost of insurance for the basic coverage, extra premiums (if applicable), as well as the costs of the 10-15-20 options (if applicable) plus the provincial premium tax and rider and additional coverage premiums, if applicable.

The cost of insurance is guaranteed by the Company, but the premium tax rate varies based on the policyowner's province of residence and may fluctuate based on legislative changes. For the 10-15-20 options, the minimum premium is guaranteed to never increase, even if the provincial tax were to increase.

Notwithstanding the above, the Company reserves the right to unilaterally adjust the minimum premium to take into account any addition, withdrawal or modification to any benefit, the risk category or the premium tax rate as required by law.

8.3 Maximum premium

The maximum premium is the highest tax-sheltered amount the client can pay each year for his/her contract in the accumulation fund. This premium takes into account all coverages in effect. Note that the maximum premium reflects only the current year and the changes made to the contract may lose the tax exemption over the years.

8.4 Reference premium

This is a suggested premium to cover monthly costs of insurance.

For level costs of insurance, this premium is equal to the minimum premium defined above.

For YRT costs of insurance, this premium allows the client to accumulate a portion for a defined period; however, it does not guarantee that the policy will remain in force. This is also the premium used to calculate the surrender fees.

The policy reference premium is the sum of the reference premium for all Genesis protections and the extra premiums (if applicable) and the reference premiums for all riders and additional coverages (if applicable).

8.5 Premium taxes

For all premiums paid into the accumulation fund, provincial premium taxes based on the applicant's province of residence are collected and the balance (net premium) is deposited into the accumulation fund.

No premium taxes are collected for amounts transferred or paid into the shuttle fund.

9. ACCUMULATION FUND

Each Genesis contract has an accumulation fund in which all financial transactions are carried out and the amounts paid by the client are accumulated, up to the maximum allowed by law to maintain the contract's tax-exempt status.

The **accumulation fund** is comprised of the portfolio account and the various investment accounts selected by the client.

The accumulation fund is owned by the applicant. However, with one exception (see section 4.3 B), following the death of the insured, all or a part of the accumulation fund, net of any amount required to keep the contract in force in accordance with the lapse clause, can be paid, tax-free, to the applicant or to any other beneficiaries of the funds, according to the designation made.

The shuttle fund receives any excess amounts necessary that would otherwise compromise the contract's tax-exempt status.

When the applicant dies, all rights in the contract, including the accumulation fund and the shuttle fund, belong to his/her heirs, unless a contingent policyowner has been designated.

9.1 Market value of the accumulation fund

The market value of the accumulation fund and the shuttle fund is equal to:

- The balance of the portfolio account, plus
- The balance of the 5-year average account, plus
- The balance of the fixed-term accounts, plus
- The balance of the index accounts, less
- The market value adjustment (MVA) on the 5-year average account, the fixed-term accounts and the Smoothed Return Diversified Account, if applicable.

9.2 Market value adjustment

A market value adjustment may be applicable when funds are withdrawn from the 5-year average account, the fixed-term accounts and the Smoothed Return Diversified Account. This MVA may vary depending on:

- changes in financial market conditions,
- the number of days before the end of the term (for the 5-year average account and the fixed-term accounts), and
- the amount involved in the transaction.

The MVA result calculated for each transaction involving an amount from the accounts named above can thus be positive or negative. If the MVA for the transaction is positive, then an amount equal to that sum is charged against the policy. If the MVA for the transaction is negative, no amount is charged against the policy.MVA for the 5-year average account and the fixed-term accounts.

9.2.1 MVA for the 5-year average account and the fixed-term accounts

Transactions subject to an MVA	Transactions not subject to an MVA
Transfer from the 5-year average account or the fixed-term account to another investment account	Partial withdrawal from the 5-year average account, for an amount up to 10% of the balance in that account on that date
Partial withdrawal	Monthly deductions to pay for insurance costs
Payment of the surrender value	Transfer from the accumulation fund to the shuttle fund
Death benefit paid from the shuttle fund	Transfer from the shuttle fund to the accumulation fund
Payment of disability benefits	Death benefit paid from the accumulation fund
Deduction of surrender charges	
Policy loan repayment	

9.2.2 Calculation of the MVA for the 5-year average account

The MVA for the 5-year average account is equal to the **amount involved** x [**J – I**] x **remaining term**.

Where:

Amount involved corresponds to the amount deducted from the 5-year average account as a result of a transaction subject to an MVA;

J corresponds to the annual rate in effect at the time of the MVA on 3 to 5-year Government of Canada bonds;

I corresponds to the average weighted return on 3 to 5-year Government of Canada bonds over the last 60 months; and

Remaining term is equal to 2.5 years.

9.2.3 Calculation of the MVA for the fixed-term accounts

The MVA for the fixed-term accounts is equal to the **amount involved** x [**J – I**] x **remaining term**.

Where:

Amount involved corresponds to the amount deducted from a fixed-term account as a result of a transaction subject to an MVA;

J corresponds to the interest rate currently offered on a fixed-term account for the same term;

I corresponds to the guaranteed interest rate on the fixed-term account to which the MVA applies; and

Remaining term is equal to the number of days remaining before the term expires divided by 365.

9.2.4 MVA for the Smoothed Return Diversified Account

Transactions subject to an MVA	Transactions not subject to an MVA
Transfer from the SRDA to another investment account	Monthly deductions to pay for insurance costs
Partial withdrawal	Payment of disability benefits
Payment of the surrender value	Death benefit paid from the accumulation fund
Transfer from the accumulation fund to the shuttle fund	
Deduction of surrender charges	
Policy loan repayment	

9.2.5 Calculation of the MVA for the Smoothed Return Diversified Account

The MVA for the Smoothed Return Diversified Account is equal to the **amount involved** x **MVA factor**.

Where:

Amount involved corresponds to the amount deducted from the SRDA as a result of a transaction subject to an MVA;

MVA factor corresponds to a factor published occasionally by us that equals, at the time of calculation, 1 – (A / B), but not less than zero, where:

A is equal to the MVA of all assets backing the SRDA; and

B is equal to the sum of the SRDA balances for all policies at that time.

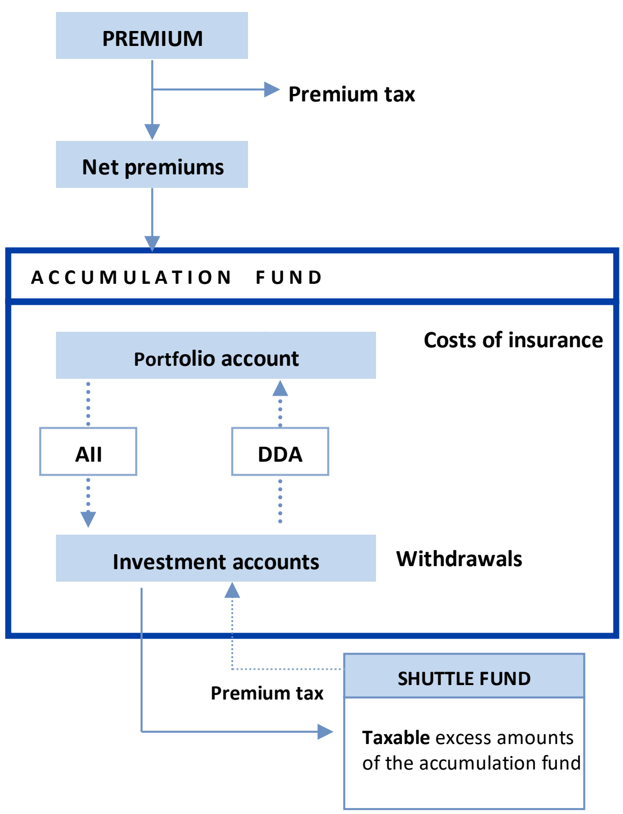
The SRDA is designed for clients who have a long-term investment horizon and plan to keep their insurance on a permanent basis with the ability to use the money in the account to pay their insurance costs.

The MVA for the SRDA is intended to reflect the difference between the cumulative returns earned on the underlying fund assets and the cumulative interest credited to the SRDA.

The calculation of the MVA factor is based on the sum of the SRDA balances for all policies. This MVA factor, which is used to calculate the MVA at the time of the transaction, is updated regularly and is the same for all policies regardless of when the investments were made.

The current MVA factor for the SRDA is published in the Life Insurance Rate Schedule available in the document centre in the Advisor Centre.

9.3 How it works



In the diagram above, AII is the acronym for "automatic investment instructions" and DDA is the acronym for "designated deduction accounts", as described at section 8.5 of this guide.

9.4 Portfolio account

The portfolio account is an integral part of the accumulation fund and is the account in which all transactions are carried out.

How it works:

- Deposits and withdrawals are made in the accumulation fund portfolio account
- We deduct the costs of insurance on each monthly anniversary of the accumulation fund portfolio account.
- On each monthly anniversary, we deduct from the portfolio account:
    - the insurance costs for each Genesis coverage and for any permanent coverage;
    - the costs of the 10-15-20 options;
    - the premiums of riders, net of taxes;
    - the premiums of additional benefits, net of taxes;
    - extra premiums, net of taxes;

Monthly method of payment:

An amount equivalent to a monthly deduction is kept in the portfolio account. If the balance of the portfolio account turns out to be insufficient, we will transfer a sufficient amount according to the designated deduction account.

Annual method of payment:

An amount equivalent to monthly deductions required until the next annual contract anniversary will generally be kept in the portfolio account. If the balance of the portfolio account turns out to be insufficient, we will transfer a sufficient amount according to the designated deduction account.

9.5 Automatic investment instructions

9.5.1 AII - Automatic Investment Instructions

Automatic investment instructions are available to allow clients to rapidly invest the amounts accumulated in the portfolio account in the investment accounts of their choice. Clients can choose to invest directly in an investment account, regardless of their automatic investment instructions.

The automatic investment instructions can include up to 10 investment options concurrently. The amounts are transferred from the portfolio account to the investment options selected according to the proportions established by the client. However, an amount equivalent to the costs of insurance could be kept in the portfolio account before applying the automatic investment instructions.

The automatic investment instructions must be specified on the insurance application. The client can modify them any time thereafter, at no charge. By default, the automatic investment instructions are set at 100% in the Diversified (iA) Account.

The amounts deposited in the shuttle fund are invested according to the same automatic investment instructions as the accumulation fund. However, if a fixed-term account other than one year or the Smoothed Return Diversified Account is designated in the accumulation fund automatic investment instructions, the accounts will be replaced by the one-year fixed-term account.

A minimum of $500 is required to invest in a fixed-term account. No minimum applies to the 5-year average account, the index accounts or the SRDA.

9.5.2 DDA - Designated Deduction Accounts

Designated deduction accounts are also available to clients. They are used to determine which investment accounts will cover the costs of insurance when the portfolio account cannot cover the monthly deduction.

Up to 10 investment options can be used simultaneously. These deductions are made according to the proportions selected by the client in the designated deduction accounts.

If there are not sufficient funds in the investment options specified by the client to make the deductions described above, or if the client did not specify designated deduction accounts, the deductions are made in accordance to the order specified in the contract.

10. INVESTMENT OPTIONS

The amounts deposited in the portfolio account can be invested in the following investment vehicles:

10.1 Guaranteed interest accounts

10.1.1 5-year average account

Interest is credited monthly to the portfolio account. There is no minimum amount required to invest in this account.

A market value adjustment may apply in case of a withdrawal. See sections "Withdrawal, Surrender and Policy Loans" and "Market value adjustment" for further details.

10.1.2 Fixed-term accounts (6 months, one to five and ten years)

The amounts invested in these accounts are credited with a guaranteed interest rate for terms of 6 months, one to five or ten years (note that only the 6-month and the one-year terms are available for the shuttle fund). Interest is credited monthly and is compounded.

A minimum of $500 is required to invest in these accounts.

A market value adjustment may apply in case of a surrender. See sections "Withdrawal, Surrender and Policy Loans" and "Market value adjustment" for further details.

10.2 Index accounts

The amounts invested in index accounts allow the policyowner to take advantage of the higher long-term returns available on the stock markets. The amounts invested in these accounts generate returns based on an external index specific to each of these accounts.

The SRDA is not available in the shuttle fund.

Three types of index accounts are available:

10.2.1 Market index accounts:

These index accounts aim to reproduce the performance of known reference indexes rather than trying to outdo them.

The Market index accounts available are:

Market Index accounts
➢ Money Market ➢ Bonds ➢ Canadian Stocks ➢ Global Stocks ➢ International Stocks ➢ European Stocks ➢ U.S. Stocks ➢ U.S. Stocks / DAQ ➢ Global Allocation Account *(see the allocation in the table below)*

Target allocation % of the Global Allocation Account				
	Income	Stocks		
	Bonds	Canadian Stocks	Global Stocks	Total en %
Global Allocation Account	40	15	45	100

10.2.2 Diversified strategy accounts:

These index accounts are designed to answer clients' needs for financial diversification by offering a target asset allocation of reference market indexes that is rebalanced monthly or as needed in order to maintain the desired distribution.

Here is a list of the Diversified strategy accounts and their allocation:

Target allocation % of each Diversified Strategy Account						
	Income		Stocks			
Account	Money Market	Bonds	Canadian Stocks	U.S. Stocks	International Stocks	Total %
Prudent Account	12	60	10	9	9	100
Moderate Account	10	50	14	13	13	100
Balanced Account	8	40	18	17	17	100
Growth Account	6	30	22	21	21	100
Aggressive Account	4	20	26	25	25	100

10.2.3 Active management accounts:

These index accounts aim to reproduce the performance of underlying funds.

Here is a list of the Active management accounts available:

Active Management	
➢ Canadian Bonds (iA) ➢ Diversified (iA) ➢ Global Diversified (Loomis Sales) ➢ Strategic Equity Income (iAGP) ➢ Dividend Growth (iA) ➢ Canadian Stocks (Fidelity) ➢ Canadian Stocks Small Cap. (Fidelity) ➢ Global Diversified Account (iA) *(see the allocation in the table below)*	➢ Global Dividend (Dynamic) ➢ Global Stocks (iA) ➢ NorthStar® (Fidelity) ➢ European Stocks (Fidelity) ➢ U.S. Dividend Growth (iA) ➢ Global Health Care (Renaissance) ➢ Smoothed Return Diversified Account (SRDA)

Target allocation % of the Global Diversified Account (iA)				
	Income	Stocks		
	Canadian Bonds (iA)	Diversified (iA)	Global Stocks (iA)	Total en %
Global Diversified Account (iA)	30	25	45	100

10.3 Availability

The Company guarantees that **at least** one guaranteed interest account and three major index-based accounts will always be available: one Canadian, one American and one of the Company's choice.

The Company also guarantees that a smoothed return account will always be available. However, we reserve the right to close this type of index-based account to new deposits at our sole discretion. In the event your client has a balance in a smoothed return diversified account, or if a smoothed return diversified account is designated in the automatic investment instructions, we will notify your client of such a change in writing.

These investment options are available in the accumulation fund and the shuttle fund except for the two-to-five-year, the ten-year fixed-term accounts and the SRDA, which are not available in the shuttle fund.

The Company reserves the right to refuse all investments in index accounts (with the exception of the Money Market account) and to transfer all amounts already invested in these accounts to the Money Market account starting when the YRT Genesis coverage is paid up according to the contract when the type of death benefit is “Face amount only”.

10.4 Index account guarantee at death

These index accounts have a **guarantee at death**. In fact, the death benefit from these accounts will be at least equal to a percentage of the premium paid into them based on the insured’s age at issue (see table below), adjusted proportionally for any withdrawals including monthly deductions.

Insured’s age at issue	Guaranteed percentage
0 to 60	100%
61	95%
62	90%
63	85%
64	80%
65 and +	75%

For a joint last-to-die contract, the guarantee only applies on the last death.

This benefit does not apply to the SRDA, as its net credited rate can never be less than 0%.

10.5 Guaranteed return (contractual) for each investment option

All investment options in the Genesis universal life insurance policy come with a guaranteed return based on recognized external indices:

Guaranteed interest accounts	Guaranteed return
5-year average account	The guaranteed interest rate for the 5-year average account is: • 0% or • The 60-month weighted average yield, expressed annually, of Government of Canada 3- to 5-year bonds less 1.25%.

Guaranteed interest accounts	Guaranteed return
Fixed-term account (6-month)	The guaranteed interest rate for this fixed-term account is: • 0% or • 100% of the 6-month CORRA (Canadian Overnight Repo Rate Average) reference index less 1.05%.
Fixed-term accounts (1- to 5-year)	The guaranteed interest rate for the 1- to 5-year fixed-term account is: • 0% or • The return on a Government of Canada bonds for a period of same term less 1.25%.
Fixed-term accounts (10-year)	The guaranteed interest rate for the 10-year fixed-term account is: • 0% or • The return on a Government of Canada bonds for a 10- year period **less 1.0%.**
Portfolio account of the accumulation fund	The guaranteed interest rate for the portfolio account is: • 0% or • The 60-month weighted average yield, expressed annually, of Government of Canada 3- to 5-year bonds **less 1.25%.**
Portfolio account of the shuttle fund	The guaranteed interest rate for the shuttle fund is: • 0% or • The 60-month weighted average yield, expressed annually, of Government of Canada 3- to 5-year bonds **less 2.50%.**

10.6 Maximum guaranteed annual fees

The annual fees will not exceed the maximum guaranteed annual fees indicated in the table below for each index account:

Market Index		
Accounts	**Market Indexes**	**Maximum guaranteed annual fees - Serie IV Plus**
The interest rate credited for each of these accounts in respect of any period is equal to 100% of the total return of the applicable Reference Market Index (or Indexes) over that same period less annual fees, calculated daily and cannot exceed the percentage indicated in the table below.		
Money Market	Bank of Canada's Target for the overnight rate	1.55%
Bonds	FTSE Canada Universe Bond Index, total return	2.30%
Canadian Stocks	S&P /TSX 60, total return	2.30%
International Stocks	MSCI-EAFE, total net return	2.80%
Global Stocks	MSCI-World, total net return	2.80%
European Stocks	MSCI-Europe, total net return	2.80%
U.S. Stocks	S&P 500, total return	2.30%
U.S. Stocks / DAQ	Nasdaq 100	2.55%
Global Allocation Account	S&P /TSX 60, total return MSCI-World, total net return FTSE Canada Universe Bond Index, total return	2.53%

Diversified strategy		
Accounts	**Portfolio type**	**Maximum guaranteed annual fees - Serie IV Plus**
The interest rate credited for each of the five (5) Diversified Strategy Accounts in respect of any period is equal to 100% of the return of a portfolio composed of five (5) Market Indexes over that same period less proportional annual fees, calculated daily.		
Prudent Account	Refer to section 10.2.2 for the description of the portfolio types.	2.26%
Moderate Account		2.29%
Balanced Account		2.33%
Growth Account		2.36%
Aggressive Account		2.40%

Active management		
Accounts	**Underlying Fund**	**Maximum guaranteed annual fees - Serie IV Plus**
The interest rate credited for each of these accounts in respect of any period is equal to 100% of the total return of the Underlying Fund over the same period, net of the fund manager's fees, less annual fees, calculated daily and cannot exceed the percentage indicated in the table below.		
Canadian Bonds (iA)	IA Wealth Core Bond Pool - A Series	0.50%
Diversified (iA)	IA Clarington Monthly Income Balanced Fund – T6 Series	0.50%
Global Diversified (Loomis Sayles)	IA Clarington Loomis Global Allocation Fund	0.50%
Strategic Equity Income (iAGP)	IA Clarington Strategic Equity Income Fund – Y Series	0.50%
Dividend Growth (iA)	IA Clarington Dividend Growth Class – T6 Series	0.50%
Canadian Stock (Fidelity)	Fidelity True North® Fund – A Series	0.50%
Canadian Stock Small Cap. (Fidelity)	Fidelity Canadian Opportunities Fund – A Series	0.50%
Global Dividend (Dynamic)	Dynamic Global Dividend Value Fund – A Series	0.50%
Global Stock (iA)	IA Clarington Global Value Fund – A Series	0.50%
NorthStar (Fidelity)	Fidelity NorthStar – A Series	0.50%
Global Diversified (iA) Account	- IA Clarington Monthly Income Balanced Fund – T6 Series -IA Clarington Bond Fund – A Series -IA Clarington Global Value Fund – A Series	0.50%
European Stock (Fidelity)	Fidelity Europe Fund – A Series	0.50%
U.S. Dividend Growth (iA)	IA Clarington U.S. Dividend Growth Fund – A Series	0.50%
Global Health Care (Renaissance)	Renaissance Global Health Care Fund – Class A	0.50%
Smoothed Return Diversified Account (SRDA)	Smoothed Return Diversified Fund	See note "SRDA – Net credited rate and maximum guaranteed annual fees"

Refer to the quarterly Genesis Info magazine to learn more about the current annual fees assigned to each index account. It is located on our website at www.ia.ca as well as on the Advisor Centre.

The total annual fees are compounded daily and the net return is converted into Canadian dollars, if necessary.

SRDA – Net credited rate and maximum guaranteed annual fees:

The net credited rate for a given year equals the Smoothed Return Diversified Fund declared rate for that year, less the applicable annual fees, subject to a minimum net credited rate of 0% and a maximum net credited rate of 8.5%. Interest is compounded daily and credited to the SRDA on each monthly anniversary.

If, in any year, the net credited rate is capped at 8.5%, that portion of the return in excess of 8.5% for that year will be retained in the Smoothed Return Diversified Fund and used in subsequent years to increase the net credited rate.

The maximum guaranteed annual fees for the SRDA are 2%. The maximum guaranteed annual fees may increase as appropriate to reflect any ITA amendment which increases our liability for investment income tax.

10.7 External Managers

The Genesis universal life insurance policy is not a product from external managers and the latter offer no guarantee on the returns of this policy. The policyowner has no direct or indirect rights with regards to the units in the underlying funds or any other funds of the same family.

11. INVESTMENT BONUS

As of the first year, an investment bonus of 0.75% is paid in the accumulation fund on all index accounts available in Genesis, excluding the Money Market account and the Smoothed Return Diversified Account, regardless of its performance during the year.

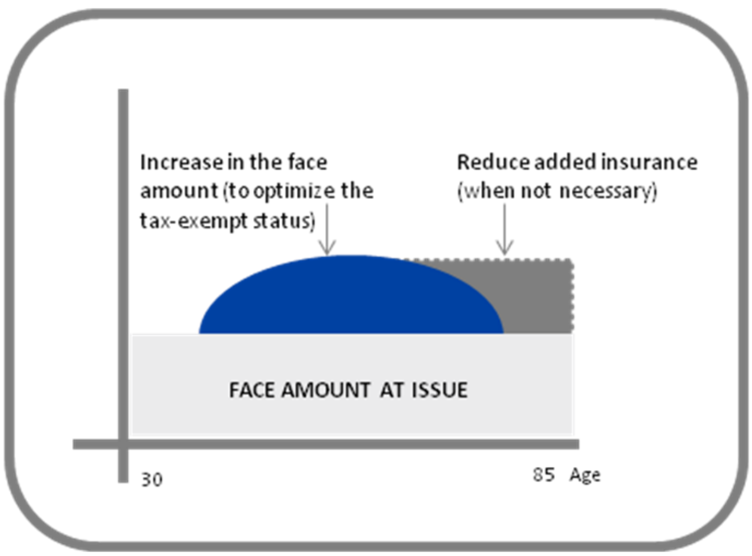
12. TAXATION (POLICY'S TAX-EXEMPT STATUS)

The Genesis universal life insurance policy was designed to allow clients to take full advantage of their savings. As long as the balance of the policy's accumulation fund does not exceed the maximum value prescribed by the *Income Tax Act* (hereinafter the "ITA"), the interest in the accumulation fund is not subject to annual income taxes.

On each annual anniversary, the policy is verified to make sure it continues to comply with the tax exemption criteria under the ITA. If the verification indicates that the balance of the accumulation fund exceeds the maximum allowed by the ITA, adjustments are made in the following order, unless the client provides instructions to the contrary:

12.1 Automatic optimization of the face amount (AOFA)

On the policy anniversary, if the balance of the policy's accumulation fund exceeds the maximum allowed by the ITA, the Company will automatically increase the principal insured's Genesis basic coverage. The annual increase of the death benefit cannot exceed 8% and the total increase of the face amount is limited three times the initial face amount.



Any increase is made without evidence of insurability and specific AOFA YRT costs of insurance are charged according to the principal insured's attained age.

This option is applied starting the first policy anniversary. Until then, the excess amounts will be transferred directly to the shuttle fund.

However, if on a subsequent anniversary, the balance of the policy's accumulation fund is lower than the maximum allowed by the ITA, the Company will automatically reduce the insurance additions made for the principal insured, without going below the face amount at issue. In this way, a maximum amount of funds accumulates tax-free while the costs of insurance are kept to a minimum.

The applicant can, at any time, request that the insurance additions made for the principal insured remain in force. In this case, the Company will stop any future automatic increase or decrease in the face amount and any costs associated with the addition of coverage. Unless otherwise indicated, the AOFA ends at 100 years of age.

The applicant can also refuse the application of the AOFA after the contract is issued. If so, the AOFA cannot be used in the future.

12.2 Transfer to the shuttle fund

After the automatic increase in the face amount, the amounts accumulated in the accumulation fund in excess of the maximum allowed by the ITA are transferred into the shuttle fund, while waiting to be returned to the accumulation fund at the earliest possible moment. This transfer is deemed to be a disposition and may lead to a taxable gain. The annual interest earned in the shuttle fund is taxable income.

Furthermore, no market value adjustment applies to amounts transferred from the shuttle fund to the accumulation fund and the premium tax applies to these amounts.

13. WITHDRAWAL, SURRENDER AND POLICY LOANS

The surrender value of the Genesis contract gives the applicant or the client access to funds through a withdrawal or a policy loan.

13.1 Policy loans

There are two types of policy loan. Where this product guide refers to “Policy loan advances” or “Policy loan”, it refers to both types, which are:

Cash loan advance

A cash loan advance is initiated upon written request by the policyowner and is payable to the policyowner.

The maximum loan that can be obtained is 90% of the policy’s total surrender value, including the surrender value of the 10-15-20 options and excluding the amounts accumulated in the index accounts (except the Money Market and the Smoothed Return Diversified Account) and the shuttle fund.

The following accounts are eligible for cash loan advances are the following:

- 5-year average account
- Fixed-term accounts
- Money Market account
- SRDA

Automatic loan advance

An automatic loan advance is initiated by the Company to cover any shortfall in the Accumulation fund when monthly deductions are due and is payable to the Company.

Policy loan advances bear interest at the policy loan interest rate. The policy loan interest rate corresponds to the average interest rate credited during the previous month on the value of the accumulation fund excluding the index-based accounts (other than the Money market account and the SRDA), plus 3%. For more information about policy loan interest, refer to the terms of the policy.

Policy loan repayments are not subject to premium tax.

13.2 Withdrawal

The applicant can make partial withdrawals at any time from the accumulation fund or the shuttle fund. The maximum withdrawal cannot exceed the surrender value of the accumulation fund and the shuttle fund. Withdrawals are made from the investment accounts indicated by the client.

A partial withdrawal may be subject to surrender fees (see section 13.4 Surrender Charges).

Some fees apply, please refer to the “Transaction Charges” section for details.

13.3 Surrender

The applicant can request to surrender the policy at any time.

The total surrender value of the contract is equal to:

- The market value of the accumulation fund (minus surrender charges), plus
- The surrender value of the 10-15-20 options (if the client chose these options), plus
- The market value of the shuttle fund, less
- The balance of any policy loans.

Note that the 10-15-20 options may be surrendered partially. This would reduce the guaranteed face amount and surrender value.

Some transaction fees apply. Please refer to the *Policies and procedures – Administration, Individual Insurance* guide or see marketing document F13-875A, available in the Document Centre in the Advisor Centre.

For a policy loan, the taxable amount corresponds to the total amount of the policy loan less the adjusted cost basis (ACB).

For a partial withdrawal or surrender, the taxable amount is calculated proportionally according to the ACB on the policy's total surrender value.

% of taxable amount = 1 – (ACB/surrender value)

13.4 Surrender charges

Level costs of insurance with or without the 10-15-20 options

There are no surrender fees.

YRT costs of insurance

Surrender fees apply and are spread out over a 15-years period. These fees are calculated for each Genesis protection:

Surrender fees = surrender factor X cumulative premiums of the coverage

Where:

Surrender factor = a factor as a percentage as shown in the table below.

	YRT
Coverage anniversary* at the time of the surrender	**Surrender factor**
0 to 2	100%
3	75%
4	65%
5	55%
6	35%
7	30%
8	25%
9	20%
10	20%
11	15%
12	10%
13	7%
14	5%
15 or more	0%

*Where the surrender occurs between two anniversaries, the surrender factor is established on a prorate basis.

Cumulative premiums = the sum of the coverage's monthly reference premiums net of all extra premiums, from the effective date until the surrender date.

Surrender fees apply to partial withdrawals from the policy and are calculated as follows:

Surrender fees =

$$\textit{surrender factor X cumulative premiums of the coverage X } \frac{\textit{amount of the partial withdrawal}}{\textit{surrender value of the policy}}$$

Where: the amount of the partial withdrawal excludes the amount of the partial withdrawal that is made from the shuttle fund.

Where: the surrender value of the policy excludes the value of the shuttle fund.

14. DISABILITY BENEFIT

Through this benefit, available in the Genesis universal life insurance policy, the applicant can receive the payment of disability benefits drawn from the surrender value of the accumulation fund (excluding the surrender values of the 10-15-20 options) if an insured aged 18 and over suffers from a condition leading to a disability (see below).

Disability benefits are not subject to taxation and do not affect the contract's adjusted cost basis (ACB), unlike a traditional partial withdrawal.

Amount and frequency of the benefits

When an insured is disabled, the applicant can request the payment of a benefit of up to 100% of the surrender value of the accumulation fund. The minimum payment is $500 or the surrender value, if it's lower.

The applicant may receive up to four payments over the course of a calendar year. Each payment is subject to transaction fees.

Any disability benefit will be paid first from the shuttle fund and then, if necessary, from the accumulation fund. Payments made result in a decrease in the value of one or both of these funds, as applicable.

Conditions leading to a disability

A disability benefit will be paid if an insured exhibits one of the following conditions, for a period of at least 90 days, as diagnosed, in writing, by a qualified and licensed medical practitioner:

a) Before age 65, as a direct result of an illness or an injury, the total and continuous inability to perform the duties of his regular occupation, for an insured who practises a remunerated occupation at the onset of the total disability;
   or

b) Before age 65, as the direct result of an illness or injury, the total and continuous inability, to perform the duties of any occupation for which he is reasonably qualified regardless of the availability of employment, for an insured who is temporarily unemployed or on employment insurance at the onset of disability;
   or

c) At any age, the total, permanent and irrevocable loss of sight in both eyes, or use of both hands, both feet, or use of one hand and one foot as confirmed by a medical practitioner;
   or

d) At any age, an illness or injury which, according to the diagnosis of a medical practitioner, is expected to result in the death of the insured within 24 months of the date of the diagnosis;
   or,

e) At any age, the continued inability of the insured to perform by himself one of the primary activities of daily living as defined below:

   Activities of daily living are:

   - walking;
   - feeding – the ability to consume food or drink that already has been prepared and made available, with or without the use of adaptive utensils;
   - dressing – the ability to put on and take off, fasten and unfasten clothing including medically necessary braces, artificial limbs or other surgical appliances;
   - bladder and bowel continence – the ability to control bowel and bladder function, with or without the use of catheters, incontinence pads or other artificial aids;
   - bathing – the ability to wash oneself in a bathtub, shower or by sponge bath, or otherwise maintain adequate personal cleanliness with or without the aid of equipment;
   - talking to make himself understood in a quiet place, by a person of his acquaintance
   - hearing so as to understand, in a quiet place, a person of his acquaintance;
   - using the mental functions necessary for everyday activities such as:
     - memory;
     - problem solving, goal-setting and decision making (taken together),
     - adaptive functioning.

15. RIDERS AND ADDITIONAL BENEFITS

Complete insurance coverage adapted to specific needs is the cornerstone of a solid financial program. That's why we encourage you to offer the following additional benefits to your clients, so that they are thoroughly covered when difficult situations arise.

In addition to the basic coverage and the 10-15-20 options, the Genesis universal life insurance policy allows each insured to purchase the following additional benefits.

15.1 Additional protection available

- ✓ Term life insurance
- ✓ Accidental death (AD)
- ✓ Accidental death and dismemberment (AD&D)
- ✓ Supplementary income (SI)
- ✓ Accidental fracture (AF)
- ✓ Guaranteed insurability (GI)
- ✓ Hospitalization
- ✓ Hospitalization and home care
- ✓ Paramedical care in the event of an accident
- ✓ Contribution in the event of the applicant's disability (CAD)
- ✓ Contribution in the event of the insured's disability (CID)
- ✓ Contribution in the event of the applicant's death (CADE)
- ✓ Child Module
- ✓ Child Module PLUS
- ✓ Critical illness
- ✓ Child critical illness
- ✓ Disability (two years, 5 years, to age 65)

The term insurance options are presented in the next section. See all the details about the other complementary coverage in the **RIDERS AND ADDITIONAL BENEFITS GUIDE** that you'll find in the Document Centre in the Advisor Centre.

Note: When more than two lives are covered by joint insurance, only the CAD and CID supplementary coverages are available.

15.2 Premium payment of the additional benefits

The premiums of the additional benefits are generally payable until the benefit expires, except for those related to the 10-15-20 options, where the premiums are payable for the duration of the premium payment option.

15.3 Term life insurance options

Four term insurance options are available as riders. The main features of these options are as follows:

	T10 (R &C), T20 (R & C)	PICK-A-TERM T25 AND T30
Age at issue	0-70 years	T25: 0-60 years T30: 0-55 years
Minimum face amount	$25,000	$25,000
Renewable insurance*	To age 85	Renewable at the end of the term, with a YRT cost
Convertible insurance	To age 71	To age 71
Preferred underwriting	4 classes available	4 classes available

* Renewal premiums are guaranteed and calculated according to the insured's age at renewal. The premiums are established according to the risk class (non-preferred, Preferred or Elite) and according to the initial smoking status.

15.3.1 Preferred underwriting

Preferred underwriting is offer only on term life insurance riders (T10 R&T, T20 R&T, Pick-A-Term T25 and Pick-A-Term T30) and is available to smokers and non-smokers between 15 and 85 years of age with a face amount greater than $2,000,000.

Preferred classes

- **Preferred (smoker/non-smoker)**

  Available to insureds who present a preferred risk compared to the average insured.

- **Elite (smoker/non-smoker)**

  Available to insureds who present an ultimate preferred risk compared to the average insured.

16. CHANGEOVERS

Genesis is a flexible product that adapts to your clients' changing needs. This section covers the conversions and other changes that can be made without terminating the contract. They are as follows:

	At issue	Conversion	Medical requirements
1	Individual	Joint last-to-die	Yes, if a an insured is added
2	Joint last-to-die	Individuals	Yes
3	Joint last-to-die	Add a life insured	Yes
4	Individual	Joint first-to-die	Yes, if an insured is added
5	Joint first-to-die	Add a life insured	Yes
6	Joint first-to-die	Joint last-to-die	No

16.1 Conversions

16.1.1 From individual to joint last-to-die coverage

For conversion purposes, the following terms and conditions apply:

- Conversion is only possible on Genesis 4 and subsequent generations of Genesis policies (July 2007).
- The conversion request can be made in writing, at any time <u>after the fifth contract anniversary</u>.
- Face amount:
  - The face amount can be completely or partially converted.
  - Under no circumstances can the face amount after the conversion exceed the face amount before the conversion.
- <u>When the conversion takes place</u>, evidence of insurability and financial proof will be required for the insured who is being added. The total death benefit could be limited according to the decision made by underwriting.
- All persons insured under the new joint coverage must be over 15 years of age and under 75 years of age.
- No conversion is allowed while benefits are being paid under CID, CAD or CADE coverage.
- Transaction fees will be charged.
- The insurer reserves the right to terminate any additional benefit when the conversion takes place.
- According to current laws, a conversion could have tax consequences. The insurer is not responsible for predicting the outcome.

- By the same token, the insurer cannot guarantee that there will not be a shuttle account following the conversion.
- Any request for conversion is conditional on acceptance by the reinsurers involved.

Further to the conversion, an amended contract with the following features will be issued:

- The contract number and issue date will remain the same as before the conversion, since it is a continuation of the initial contract.
- After the conversion, the surrender fee structure will remain the same as before the conversion.
- The equivalent age for the new joint coverage will be calculated according to the age at issue and the current calculation method.
- The cost of insurance for the new joint coverage will be the cost of coverage that has the same features and parameters according to the **initial age** and **current rates** when the conversion takes place.
- A new extra premium could be applicable following the decisions made by underwriting.
- Starting on the conversion date, the provisions concerning suicide and incontestability are reapplied for a two-year period for the new insured. In the event the insured commits suicide, the protection will be established on an individual basis as before the conversion and insurance costs in arrears may be charged.
- The other general conditions of the contract will remain the same as before the conversion.

16.1.2 From joint last-to-die to individual coverage

The following terms and conditions apply for conversion purposes:

- Conversion is only possible on Genesis 4 and subsequent generations of Genesis policies (July 2007).
- The conversion request can be made in writing, at any time.
- Face amount:
  - The face amount can be completely or partially converted.
  - Under no circumstances can the face amount after the conversion exceed the face amount before the conversion.
- <u>When the conversion takes place</u>, evidence of insurability will be required for the insured person under the new individual coverage, in addition to satisfactory proof of an insurable interest. The total death benefit could be limited according to the decision made by underwriting.
- The person insured under the individual coverage must be under age 75 years.
- No conversion is allowed while benefits are being paid under CID, CAD or CADE coverage.
- A transaction fee will be charged.

- The Company reserves the right to terminate any additional benefit and withdraw any rider to the basic coverage when the conversion takes place.
- According to current laws, a conversion could have tax consequences. The Company is not responsible for predicting the outcome.
- By the same token, the Company cannot guarantee that there will not be a shuttle account following the conversion.
- Any request for conversion is conditional on acceptance by the reinsurers involved.
- The conversion could result in the dissociation of the riders.

Further to the conversion, an amended contract with the following features will be issued:

- Each insured will receive a separate contract bearing the issue date, which corresponds to the date the original coverage was issued.
- After the conversion, the surrender fee structure will remain the same as it was before the conversion.
- The cost of insurance for the new individual coverage will be the cost of protection that has the same features and parameters according to **current rates** when the conversion takes place.
- The **attained age** will be used for level cost of insurance coverage. The **initial age** will be used for YRT cost of insurance coverage.
- A new extra premium could be applicable following the decisions made by Underwriting.
- Starting on the conversion date, the provisions concerning suicide and contestability are reapplied for a two-year period for the new insured. In the event the insured commits suicide in the first two years following the conversion, the death benefit will consist of the accumulation fund and the total costs of insurance since the conversion. No other death benefit will be paid and the contract terminates.
- After the conversion, the other general conditions of the contract remain the same as before the conversion.

16.1.3 Add a life insured to a joint last-to-die coverage

Refer to the contract for details.

16.1.4 From individual to joint first-to-die coverage

Refer to the contract for details.

16.1.5 Add a life insured to a joint first-to-die coverage

Refer to the contract for details.

16.1.6 From joint first-to-die to joint last-to-die coverage

Refer to the contract for details.

16.2 Other changes

16.2.1 Dissolution (joint first-to-die protection only)

Genesis gives the insureds the ability to convert their joint insurance coverage to individual coverage on the life of each insured without evidence of insurability. In the event of dissolution:

- The new policies are issued without evidence of insurability:
  - on an individual basis on the date the request is received;
  - according to the smoking status of each insured on the issue date of the joint insurance contract;
- each insured's coverage is divided into equal shares (50%) of the joint face amount on the previous contract on a joint basis if there are two insureds. If there are more than two, the protection corresponds to the face amount on a joint basis divided by the number of insureds;
- the premiums are established according to:
  - the age of each insured and the rates in effect on the date the joint contract is issued;
  - the rate band corresponding to the new face amount.
- the effective date of the individual policies is the same as the joint contract.

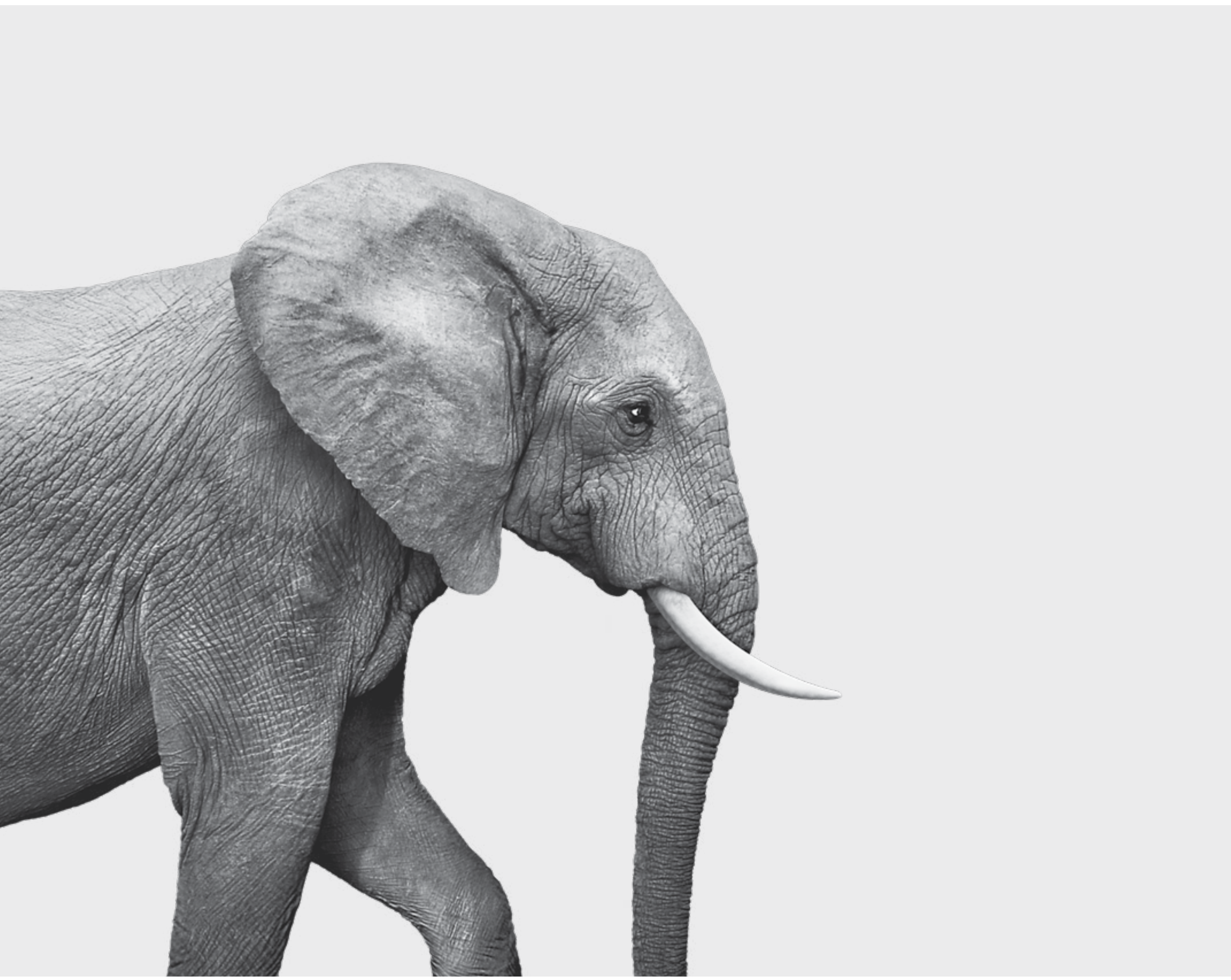
16.2.2 Decreasing face amount

If the coverage contains surrender fees, they are calculated on a proportional basis and are debited from the accumulation fund for all types of benefit. There are no surrender fees when the reduction is made automatically (through the AOFA).

17. TRANSACTION CHARGES

Please refer to the **Policies and Procedures Guide – Administration, Life Insurance**, available in the Document Centre in the Advisor Centre.

Genesis universal life insurance is an indispensable financial planning tool for people who want coverage combined with incomparable financial advantages.



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