CRITICAL ILLNESS INSURANCE

Transition

PRODUCT GUIDE

iA Financial Group

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Important information about this guide

In this document, unless the context requires otherwise, the term “Company” refers to Industrial Alliance Insurance and Financial Services.

This guide is a reference tool intended for the exclusive use of advisors. This guide does not provide tax, legal or accounting advice. The tax information provided in this guide is based on the *Income Tax Act (Canada)* and its regulations in effect on the date this guide was prepared.

Critical Illness Insurance Product Summary

	TRANSITION – 25 illnesses	TRANSITION - 4 illnesses
Covered illnesses	– Aortic Surgery – Aplastic Anemia – Bacterial Meningitis – Benign Brain Tumour – Blindness – Cancer (Life-Threatening) – Coma – Coronary Artery Bypass Surgery – Deafness – Dementia, including Alzheimer's Disease – Heart Attack – Heart Valve Replacement or Repair – Kidney Failure – Loss of Independent Existence – Loss of Limbs – Loss of Speech – Major Organ Failure on Waiting List – Major Organ Transplant – Motor Neuron Disease – Multiple Sclerosis – Occupational HIV Infection – Paralysis – Parkinson's Disease and Specified Atypical Parkinsonian Disorders – Severe Burns – Stroke **5 additional juvenile illnesses** (covered up to age 25) – Cerebral Palsy – Congenital Heart Disease – Cystic Fibrosis – Muscular Dystrophy – Type 1 Diabetes Mellitus	– Cancer (Life-Threatening) – Coronary Artery Bypass Surgery – Heart Attack – Stroke **5 additional juvenile illnesses** (covered up to age 25) – Cerebral Palsy – Congenital Heart Disease – Cystic Fibrosis – Muscular Dystrophy – Type 1 Diabetes Mellitus
Coverages available and age at issue	T10*: 0 to 64 years T20*: 0 to 54 years T25*: 0 to 49 years T75: 0 to 65 years T00: 0 to 65 years T100-10-year Payment: 0 to 65 years T100 20-year Payment: 0 to 50 years * Also available with the decreasing to 50% option on Transition – 4 illnesses	
Face amount	$10,000 to $2,500,000 (Aged under 18: maximum $500,000) Decreasing to 50% option on Transition – 4 illnesses T10, T20 and T25	
Rate bands	Band 1 → $10,000 - $49,999 Band 2 → $50,000 - $99,999 Band 3 → $100,000 - $199,999	

	Band 4 → $200,000 and over
Renewal T10, T20, T25	Until the insured reaches age 75
Conversion privilege T10, T20, T25	T75 – until the insured reaches age 65 T100 – until the insured reaches age 65 T100 10-Year Payment – until the insured reaches age 65 T100 20-Year Payment – until the insured reaches age 50
Return of premiums riders	Return of premiums upon death (ROPD) and Flexible return of premiums (FRP) **Available at issue and upon a conversion:** ROPD → on all protections FRP15 → 0 to 60 years – T75 → 0 to 65 years – T100 FRP20 → 0 to 65 years – T100 10-Year Payment FRP20 → 0 to 50 years – T100 20-Year Payment FRP65 → 0 to 49 years – T75, T100
Riders and additional benefits	Available on all protections **Available at issue and upon a conversion[1]:** – Increased benefit rider – Return of premiums upon death (ROPD) – Flexible return of premiums (FRP) **At all times:** – Accidental Fracture (AF) – Hospitalization – Hospitalization & Home Health Care – Paramedical care in case of an accident – Supplementary income (SI) – Transition Child – WPD – WPDis – WPIDis

[1] Upon a conversion:
- If an increased benefit rider is attached to a term coverage, the rider ends automatically.
- If the client wishes to have a new increased benefit rider, new evidence of insurability must be submitted. Any increases in the face amount allowed under the increased benefit rider prior to conversion are therefore excluded from the maximum number of increases allowed after the conversion.

Prevention +	Partial benefit payment corresponding to 15% of the face amount, up to $50,000 per claim (up to 4 payments per contract, once per illness) **Covered illnesses:** – Chronic Lymphocytic Leukemia (CLL) Rai stage 0 – Coronary Angioplasty – Ductal Carcinoma in situ of the Breast – Papillary or Follicular Thyroid Cancer stage T1 – Stage 1 Malignant Melanoma – Gastrointestinal stromal tumours (GIST) and neuroendocrine tumours (classified less than AJCC Stage 2) – Stage A (T1a or T1b) Prostate Cancer
MediGuide	Medical second opinion service included
Policy fees	1 insured: $60 2+ insured: $90

Available Riders

Critical Illness	Child Critical Illness	Transition Child
Available on the following products: – EquiBuild – Genesis – Traditional Insurance	Available on the following products – EquiBuild – Genesis – Traditional Insurance	Available on the following product: – Transition
Same protections, characteristics and options as Transition – 25 illnesses and Transition – 4 illnesses products, with the exception of the return of premiums options that are not available with this rider. Also, the T100-10-year Payment and the T100-20-year Payment are not available as riders.	– Covers 25 illnesses from Transition and 6 juvenile illnesses (additional juvenile illness: Down Syndrome) – Covers each existing and future child up to age 25 – Maximum face amount of $20,000	

1. BACKGROUND

Contrary to popular belief, critical illness insurance was actually invented by a doctor—Marius Barnard—who observed that finances were more of a concern for his convalescing patients than medical complications.

A diagnosis of a critical illness can be a huge emotional and financial burden for patients and their families.

Knowing you can maintain your lifestyle and cover unexpected medical expenses even if you have to miss work for a time is a huge relief that can help get you through such a difficult period. Free of financial stress, you can focus entirely on your recovery or that of your loved one.

2. WHAT IS TRANSITION?

Transition critical illness insurance provides for the payment of a lump-sum tax-free amount during an insured's lifetime, following the diagnosis of one of the critical illnesses covered by the contract. This lump-sum amount can be used at the client's discretion to help get them, their family or their business through a difficult time. Transition offers full coverage with the flexibility to meet specific client needs.

One product, two versions:

- Transition – **25 Illnesses** is designed for people who would like full coverage in the event of a critical illness, would like to protect their retirement income or are interested in a guaranteed flexible return of premiums.

- Businesses can also use this version of the product to cover key employees or partner shareholders.

- Transition – **4 Illnesses** is a more affordable option that clients can count on and that's fast and easy to underwrite. This version of the product provides young families insurance that fits their lifestyle, either as term coverage or permanent coverage. It covers the four most common critical illnesses: cancer (life-threatening), stroke, heart attack and coronary artery bypass.

  Policyholders can also use it to cover their mortgage. With the **"Decreasing to 50%"** option, the coverage amount gradually decreases during the first few years until it hits 50% of the initial coverage and then stays there until the contract expires.

Transition can be underwritten as term or permanent coverage, and up to nine people (including the principal insured) can be insured on the same contract for different insurance amounts.

Transition critical illness insurance is not available for joint coverage.

3. HOW TRANSITION WORKS

Transition is an insurance protection that provides for the payment of a tax-free amount if the insured is alive at the time of diagnosis of any of the diseases or a condition covered by the contract. For some diseases, the insured must still be alive 30 days after the diagnosis.

Your client can use this amount as he pleases for him, his family or his business to help him cope with the situation. The contract does not impose restrictions on how the money can be used.

For example, clients can use the benefit to:

- Maintain their financial independence
- Stay by their ill child's or spouse's bedside
- Cover unexpected expenses
- Pay for childcare
- Pay for medical expenses not covered by the public healthcare plan
- Take a trip to rest and spend quality time with family and friends

4. PRODUCT FEATURES

The Transition product comes in two versions: Transition – 25 Illnesses and Transition – 4 Illnesses. The two versions have the same features, the same return of premium riders and the same additional benefits.

The Transition – 4 Illnesses version offers decreasing term conditions for the mortgage market, among other benefits. The acceptance process (medical opinions) is also faster and the medical questions have been reduced to eight to open the product up to more people.

4.1 Available coverages

Transition – 25 Illnesses						
Term coverages				**Permanent coverages**		
T10	T20	T25	T75	T100	T100 10-Year Payment	T100 – 20-Year Payment
Transition – 4 Illnesses						
Term coverages				**Permanent coverages**		
T10	T20	T25……T75		T100	T100 10-Year Payment	T100 – 20-Year Payment

Transition – 25 Illnesses and **Transition – 4 Illnesses** offer the following protections:

- **TRANSITION – T10, T20 and T25 (R & C)** – 10-, 20- and 25-year term coverages.
- **TRANSITION – T75** – Term coverage until the insured turns 75.
- **TRANSITION – T100** – Permanent coverage. The T100 coverage is paid-up when the insured turns 100. After that, no premium is required.
- **TRANSITION - T100 10-Year Payment** – Permanent coverage. With this option, the coverage is paid-up in full after 10 years. Thereafter, no premium is payable. This quick payment option must be selected when the contract is issued.
- **TRANSITION – T100 20-Year Payment** – Permanent coverage. With this option, the coverage is paid-up in full after 20 years. Thereafter, no premium is payable. This quick payment option must be selected when the contract is issued.

4.2 Face amount option

Transition – 25 Illnesses						
Term coverages				**Permanent coverages**		
T10	T20	T25	T75	T100	T100 10-Year Payment	T100 20-Year Payment
Leveled						
Transition – 4 Illnesses						
Term coverages				**Permanent coverages**		
T10	T20	T25	T75	T100	T100 10-Year Payment	T100 20-Year Payment
Leveled or decreasing to 50%			**Leveled**	**Leveled**		

Leveled face amount option

The leveled face amount is fixed for the entire duration of the coverage. This is ideal for people who want a fixed insurance amount.

Decreasing to 50% face amount option: Available only with Transition – 4 Illnesses (T10, T20, T25)

The initial face amount decreases once a year, on the annual anniversary of the coverage, to imitate a mortgage decrease. The initial face amount can be higher than the balance of the loan or credit line when the protection is established. For a decreasing to 50% face amount, the face amount decreases to reach 50% of the initial face amount towards the end of the term and then remains level.

The decrease is calculated like a mortgage amortization calendar, at an 8% interest rate. A calendar showing the decrease in the face amount attached to each new contract.

NOTE: The face amount doesn't have to correspond exactly to the balance of the loan or credit line and the applicant will not be asked to provide any proof of loan either at issue or when a claim is made.

In the 13 months after the contract is issued, the type of face amount can be changed from one to another, i.e. decreasing to level or level to decreasing. When the face amount is changed from decreasing to level, the established face amount will correspond to the current face amount when the change is made. Afterward, this type of change can no longer be made.

4.3 Face amount

- Minimum initial face amount: $10,000
- Maximum initial face amount:
  - 0 to 17 years: $500,000
  - 18 years+: $2,500,000

4.4 Age at issue [2]

- **Transition – T10 (R & C)**: 0–64 years
- **Transition – T20 (R & C)**: 0–54 years
- **Transition – T25 (R & C)**: 0–49 years
- **Transition – T75**: 0–65 years
- **Transition – T100**: 0–65 years
- **Transition – T100 10-Year Payment**: 0–65 years
- **Transition – T100 20-Year Payment**: 0–50 years

[2] Note that the age means the age on the birthday closest to the effective coverage date.

4.5 Critical illnesses and conditions covered

A detailed description of these conditions, along with limitations and exclusions, is included in the appendix.

Critical illnesses and conditions covered	Transition – 25 Illnesses	Transition – 4 Illnesses
Adult		
Aortic Surgery	Included	
Aplastic anemia	Included	
Bacterial Meningitis	Included	
Benign Brain Tumour	Included	
Blindness	Included	
Cancer (Life-Threatening)	Included	Included
Coma	Included	
Coronary Artery Bypass Surgery	Included	Included
Deafness	Included	
Dementia, including Alzheimer's Disease	Included	
Heart Attack	Included	Included
Heart Valve Replacement or Repair	Included	
Kidney Failure	Included	
Loss of Independent Existence	Included	
Loss of Limbs	Included	
Loss of Speech	Included	
Major Organ Failure on Waiting List	Included	
Major Organ Transplant	Included	
Motor Neuron Disease	Included	
Multiple Sclerosis	Included	
Occupational HIV Infection	Included	
Paralysis	Included	
Parkinson's Disease and Specified Atypical Parkinsonian Disorders	Included	
Severe Burns	Included	
Stroke (Cerebrovascular Accident)	Included	Included
Children		
Cerebral palsy	Included	Included
Congenital heart disease	Included	Included
Cystic fibrosis	Included	Included
Muscular dystrophy	Included	Included
Type 1 diabetes mellitus	Included	Included

4.6 Renewal privilege

Transition – 25 illnesses						
Term coverages				**Permanent coverages**		
T10	T20	T25	T75	T100	T100 10-Year Payment	T100 20-Year Payment
Renewal possible until age 75 (age of the insured on the contract)			**Not applicable**	**Not applicable**		

Transition – 4 illnesses						
Term coverages				**Permanent coverages**		
T10	T20	T25	T75	T100	T100 10-Year Payment	T100 20-Year Payment
Renewal possible until age 75 (age of the insured on the contract)			**Not applicable**	**Not applicable**		

- **TRANSITION – 4 Illnesses** and **TRANSITION – 25 Illnesses level – T10, T20 and T25 (R & C) –** Renewable up until the insured turns 75.
- **TRANSITION – 4 Illnesses, Decreasing to 50% – T10, T20 and T25 (R & C) –** Renewable up until the insured turns 75. The face amount will be equal to 50% of the initial face amount and will be level.

The renewal premiums are guaranteed at issue and calculated using the age of the insured at the time of renewal.

4.7 Conversion privilege

<table>
<tr><th></th><th colspan="5">Transition – 25 Illnesses</th></tr>
<tr><th colspan="3">Term coverages</th><th></th><th colspan="2">Permanent coverages</th></tr>
<tr><td>T10</td><td>T20</td><td>T25</td><td>T75</td><td>T100</td><td>T100 10-Year Payment</td><td>T100 20-Year Payment</td></tr>
<tr><td colspan="3">T75 – Until age 65
T100 – Until age 65
T100 – 10-Year Payment – Until age 65
T100 – 20-Year Payment – Until age 50</td><td>Not applicable</td><td colspan="2">Not applicable</td></tr>
<tr><th></th><th colspan="5">Transition – 4 Illnesses</th></tr>
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T100 – Until age 65
T100 – 10-Year Payment – Until age 65
T100 – 20-Year Payment – Until age 50</td><td>Not applicable</td><td colspan="2">Not applicable</td></tr>
</table>

- **TRANSITION – 4 Illnesses** and **TRANSITION – 25 Illnesses level – T10, T20 and T25 (R & C) –** Until the insured turns 65, conversion is possible for T75, T100 and T100 10-Year Payment. Until age 50 conversion for T100, 20-Year Payment is also possible. No evidence of insurability is required at the time of conversion.
- **TRANSITION – 4 Illnesses, decreasing to 50% – T10, T20 and T25 (R & C) –**Until the insured turns 65, conversion is possible for T75, T100 and T100 10-Year Payment. Until age 50, conversion for T100 20-Year Payment is also possible. The face amount will be equal to the face amount at the time of conversion and will remain leveled. No evidence of insurability is required at the time of conversion.

Conversion is permitted on a same-generation product only.

After the conversion, the attained age at conversion is used to determine when the return of premiums will be available.

Upon conversion, addition of the Return of Premiums upon Death and Flexible Return of Premiums riders is **allowed without medical exams**.

4.7.1 Return of premiums T10 (R&T), T20 (R&T) and T25 (R&T)

Return of Premiums upon Death (RPD):

The premiums paid before the conversion will be included in the return of premiums upon death as long as the RPD rider is part of the product before and after the conversion. See Section 6.1 for more information about the Return of Premiums upon Death rider (RPD).

Flexible Return of Premiums (FRP)

The premiums paid before the conversion will not be included in the flexible return of premiums because these riders are not available on term products. See Section 6.2 for more information about the Flexible Return of Premiums (FRP) rider.

4.8 Prevention + benefit

The Prevention + benefit is automatically included in all Transition products.

The Prevention + benefit pays a partial benefit equal to 15% of the face amount of the coverage up to $50,000 per benefit if the insured is diagnosed with one of the following seven diseases:

- Coronary angioplasty
- Cancers detected in early stages:
  - Gastrointestinal stromal tumours (GIST) and neuroendocrine tumours (classified less than AJCC Stage 2)
  - Stage 1 malignant melanoma
  - Stage A prostate cancer (T1a or T1b)
  - Ductal Carcinoma in situ of the breast
  - Papillary or follicular thyroid cancer stage T1
  - Rai Stage 0 chronic lymphocytic leukemia (CLL)

A definition of these illnesses is presented in the appendix.

The Prevention + benefit can be paid up to **four times** for all of the illnesses above (once per illness) for the term of the contract. The insured can therefore receive up to a total of $200,000 with the Prevention + benefit. The contract continues under the same conditions after the benefit is paid and the face amount of the coverage is not reduced by the amount paid under the Prevention + benefit.

5. RIDERS

5.1 Return of Premiums upon Death rider (RPD)

The Return of Premiums upon Death rider (RPD) is available **at issue or upon a conversion** and is offered on all Transition coverages, i.e.:

- Transition – T10 (R & C)
- Transition – T20 (R & C)
- Transition – T25 (R & C)
- Transition – T75
- Transition – T100
- Transition – T100 10-Year Payment
- Transition – T100 20-Year Payment

Premiums will be reimbursed on the insured's death if death occurs during the coverage term and the Transition critical illness benefit has not been paid (other than the Prevention + benefit).

The Company will reimburse the designated beneficiary for all of the premiums paid since the protection was issued.

Table A – What is included in the return of premiums

What is included in the Transition reimbursed amount	
Included	**Excluded**
▪ Premiums for the coverage to which the rider is attached (including those waived due to a disability) ▪ Policy fees ▪ Premiums for the *Return of Premiums upon Death* rider ▪ Premiums for the *Flexible Return of Premiums* rider ▪ Rated premiums ▪ Fees for a mode of payment other than annual	▪ Premiums for the Hospitalization rider and the Hospitalization and Home Care rider ▪ Premiums for the Increased Benefit rider ▪ Premiums for the TRANSITION Child rider ▪ Premiums for Waiver of premiums in the event of the applicant's disability (WPDis), Waiver of premiums in the event of the insured's disability (WPIDis) and Waiver of premiums in the event of the applicant's death (WPD) ▪ Supplementary Income (SI) premiums ▪ Accidental Fracture (AF) premiums ▪ Premiums for the Paramedical Care in the Event of an Accident rider

The return of premiums upon death is not limited to the face amount of the coverage.

Refer to the "Administrative Conditions" section to find out the implications of a reduction in the face amount of the coverage to which the Return of Premiums upon Death rider is attached.

5.2 Flexible Return of Premiums riders (FRP)

Transition – 25 Illnesses						
Term coverages				**Permanent coverages**		
T10	T20	T25	T75	T100	T100 10-Year Payment	T100 20-Year Payment
Not available			**FRP 15 or FRP at 65**		**FRP 20**	

Transition – 4 Illnesses						
Term coverages				**Permanent coverages**		
T10	T20	T25	T75	T100	T100 10-Year Payment	T100 20-Year Payment
Not available			**FRP 15 or FRP at 65**		**FRP 20**	

The Flexible Return of Premiums (FRP) stands out through the great flexibility with which your client can recover premiums. In fact, the client has a choice as to the year in which the return of premiums option can be exercised. Note that the Flexible Return of Premiums rider is not subject to the extra premiums applicable to the coverage to which it is attached, if any.

Flexible Return of Premiums is offered as a rider **at issue or upon a conversion**. It is available on the following Transition coverages, i.e.:

- Transition – T75
- Transition – T100
- Transition – T100 10-Year Payment
- Transition – T100 20-Year Payment

Flexible Return of Premiums includes the same exclusions and inclusions shown in Table A – "What is included in the Transition return of premiums" in the previous section.

Flexible Return of Premiums can only be exercised if the Transition critical illness benefit was not paid (excluding the Prevention + benefit).

As soon as the right to a Flexible Return of Premiums is fully exercised, the Transition coverage terminates.

Refer to the *Administrative Conditions* section to find out the implications of a reduction in the face amount of the coverage to which the Flexible Return of Premiums rider is attached.

When the insured reaches age 75 or 100 (depending on whether coverage is under a T75 or T100) without having submitted a critical illness claim, premiums are returned.

When the amount of the Flexible Return of Premiums benefit is higher than the face amount of the coverage and the insured is stricken with a critical illness, the Flexible Return of Premiums benefit is paid.

Contingent beneficiary

If the beneficiary is the applicant, it is important to designate a contingent beneficiary in the event that the applicant is deceased at the time the Flexible Return of Premiums is payable.

5.2.1 Flexible Return of Premiums offered on Transition T75 and T100

T75 and T100 offer a choice between two Flexible Return of Premiums options: after 15 years or at age 65. The applicant can request in writing that the protection be terminated in order to benefit from the flexible return of premiums, as long as the critical illness benefit has not been paid in full. Depending on the return of premiums option chosen, the amount paid by the Company to the policyholder or designated beneficiary is equivalent to a percentage of the total eligible premiums as indicated in the table below.

FRP 15		
Age at issue	**Coverage anniversary**	**Rate of reimbursement**
T75: **0 to 60** **T100:** **0 to 65**	5	15%
	6	22%
	7	29%
	8	36%
	9	43%
	10	50%
	11	60%
	12	70%
	13	80%
	14	90%
	15	100%

FRP 65		
Age at issue	**Insured's age**	**Rate of reimbursement**
T75 and T100: 0–49	55	15%
	56	22%
	57	29%
	58	36%
	59	43%
	60	50%
	61	60%
	62	70%
	63	80%
	64	90%
	65	100%

5.2.2 Flexible Return of Premiums offered on Transition T100 – 10-Year Payment and Transition T100 – 20-Year Payment

Only one option is available for the T100 – 10-Year Payment and T100 20-Year Payment coverage. The applicant can request in writing that the protection be terminated in order to benefit from the flexible return of premiums, as long as the critical illness benefit has not been paid in full. Depending on the return of premiums option chosen, the amount paid by the Company to the policyholder or designated beneficiary is equivalent to a percentage of the total eligible premiums as indicated in the table below.

FRP 20		
Age at issue	**Coverage anniversary**	**Rate of reimbursement**
T100 – 10-Year Payment : 0 - 65	5	15%
	6	22%
	7	29%
	8	36%
	9	43%
	10	50%
	11	55%

T100 – 20-Year Payment: 0 - 50	12	60%
	13	65%
	14	70%
	15	75%
	16	80%
	17	85%
	18	90%
	19	95%
	20	100%

5.3 Increased Benefit rider

Under this rider, the face amount will be automatically increased on the 5th and 10th contract anniversary, without evidence of insurability. Depending on what the client chooses, this increase can be up to 50% of the initial face amount. This means that the applicant has two opportunities to take advantage of the increase in the face amount. The premium for the rider is guaranteed and payable for 10 years.

A written increase notice is sent to the policyholder 60 days before each of the two contract anniversaries. A policyholder who does not want to increase the face amount must return the signed written notice to the head office at least 15 days before the contract anniversary.

In the event the policyholder partially or totally refuses the increase in the face amount on the 5th contract anniversary, the unused face amount is not deferred over to the next increase, planned for the 10th anniversary.

The face amount is increased by adding a Transition protection of the same generation.

If the basic coverage includes an exclusion, this exclusion will also apply to the face amount of the additional coverage.

The protection added on the increase is always of the same as the permanent basic coverage to which the Increased Benefit rider is attached, including the return of premiums riders (upon death and flexible) if they are attached to the basic coverage. However, the basic term coverages (T10, T20 and T25) are exempt from this rule since the added protection will always be a T75 and, if applicable, the Flexible Return of Premiums rider will be the FRP 65.

The premiums for the added coverage as well as the Flexible Return of Premiums riders (upon death and flexible), if any, are not guaranteed at issue. They are determined at the

rate in effect when the increase takes place, based on the attained age, sex and tobacco status of the basic contract.

The Increase Benefit Rider doesn't have a conversion privilege. If this rider is attached to a term basic coverage T10, T20 or T25, the rider will be automatically terminated at the time of conversion of the basic coverage.

The increase in the face amount from the addition of protection following the use of the Increased Benefit Rider will not be done when a diagnosis of critical illness is made or has been made. If the date of diagnosis corresponds to a date preceding the protection increase date:

- The 50% increase in the face amount will not be paid when a claim is made;
- The following premiums paid by the client will be returned to the client:
  - Portion of premiums related to the Increased Benefit Rider paid after the diagnosis
  - Premiums related to the additional coverage after the increase in the face amount, paid after the diagnosis

Refer to the contract for the limitation and exclusions.

The applicant can terminate this coverage at any time.

Characteristics

- Available at issue only
- Offered on all types of Transition coverage, i.e., T10, T20, T25, T75, T100, T100 10-Year Payment and T100 20-Year Payment.
- Eligible face amount: $20,000 to $2,000,000
- Minimum increase: $10,000
- Maximum increase: the lesser of
  - 50% of the face amount or
  - $250,000, whichever is less
- Insured's age at issue:
  - T10, T20, T25, T75, T100, T100 10-Year Payment : 0 to 45 years
  - T100 20-Year Payment: 0 to 40 years
  - Coverage including a return of premiums rider at age 65: 0 to 39 years
- A single rider can be purchased per insured
- Not available for cases with an extra premium

6. ADDITIONAL COVERAGES

Complete insurance coverage adapted to each individual's needs is the cornerstone of a good financial security program. That is why we encourage you to offer the following additional benefits to your clients, depending on their needs, so they will be well protected if certain difficult situations were to arise.

- Transition Child coverage
- Supplementary Income (SI)
- Accidental Fracture (AF)
- Hospitalization
- Hospitalization and Home Care
- Paramedical Care in the Event of an Accident
- Waiver of premiums in the event of the applicant's disability (WPDis)
- Waiver of premiums in the event of the insured's disability (WPIDis)
- Waiver of premiums in the event of the applicant's death (WPD)

For detailed information on these benefits, see the **RIDERS AND ADDITIONAL BENEFITS PRODUCT GUIDE** in the documentation centre.

The table below presents the additional coverages available for Transition.

Additional coverage	Transition
Transition Child	Included
Supplementary Income (SI)	Included
Accidental Fracture (AF)	Included
Hospitalization	Included
Hospitalization and Home Care	Included
Paramedical Care in the Event of an Accident	Included
WPDis	Included
WPIDis	Included
WPD	Included

7. MEDIGUIDE SERVICE

A second medical opinion with MediGuide, a world leader

Because time is of the essence and peace of mind can often be the best medicine, when taking out Transition – 25 Illnesses or Transition – 4 Illnesses, if the insured is diagnosed with a critical illness (whether covered by the contract or not), MediGuide's medical second opinion service is included.

The second opinion is provided by a group of some of the world's top medical specialists. They can verify the insured's initial diagnosis and recommend the best treatment plan.

Advantages of MediGuide

- Unlimited access to the service for the insured
- No additional cost
- Access to a group of specialists
- Support for the insured
- Communication between the insured's treating physician and MediGuide's experts at no additional cost

Using MediGuide's services

1. The insured contacts MediGuide directly at 1-877-260-7746 and provides the policy number.

2. MediGuide takes care of everything, even before verifying the insured's eligibility, to avoid slowing down the process:
   - The information required to compile the medical file is collected at no cost.
   - The medical file is analyzed.
   - A recommendation is made for three different medical centres based on the insured's diagnosis.

3. The insured and the treating physician choose a centre from among the suggestions, then:
   - Within an average of ten business days after the complete medical file is received, they will receive a comprehensive report with recommendations from the group of specialists.

8. PREMIUMS

Insurance premiums vary in accordance with the face amount, age, sex and smoking status of each individual insured when the contract is issued.

Preferred rates are not available for the Transition product.

Premiums are guaranteed for all coverages.

8.1 Rate bands

Premiums are set according to the following four rate bands:

Rate bands	Insurance volume ($)
1	$10,000 to $49,999
2	$50,000 to $99,999
3	$100,000 to $199,999
4	$200,000 to $2,500,000

8.2 Premium payment

The client can choose to pay premiums on an annual basis or on a monthly pre-authorized cheque (PAC) basis. If the payments are monthly, the premium is the annual premium multiplied by 0.09.

8.3 Policy fees

Policy fees are added to the premium.

- 1 insured: $60 annually
- 2+ insured: $90 annually, no matter how many insureds

9. COVERAGE FOR CHILDREN

Offered from birth on an individual basis only, the Transition product includes critical illness insurance covering 30 critical illnesses and conditions.

Here are the key features of the protection for children:

- Age at issue: 0 to 18 years
- Coverages: T10, T20, T25, T75, T100, T100 10-Year Payment and T100 20-Year Payment
- Face amount:
  - Minimum $10,000
  - Maximum $500,000
- Critical illness covered:
  - 25 critical illnesses and conditions
  - 5 juvenile critical illnesses and conditions
- The Prevention + benefit is included

List of medical conditions covered

This coverage covers the same 25 critical illnesses and conditions covered for adults, plus the following five children's critical illnesses and conditions:

- Cerebral palsy
- Congenital heart disease
- Cystic fibrosis
- Muscular dystrophy
- Type 1 diabetes mellitus

A detailed description of the covered critical Illnesses and conditions, including restrictions and exclusions, is included in the appendix.

10. DIAGNOSIS

In Canada and the U.S.

The diagnosis of a critical illness must be made by specialist authorized to exercise his profession in Canada or in the United States and be confirmed by modern investigation techniques relevant to this illness, normally used at the time of settlement. The specialist must not be the insured, the applicant, a relative or a business partner of the insured or of the applicant.

Outside Canada and the U.S.

When the diagnosis of a critical illness is made outside of Canada and the United States by a specialist exercising his profession in a jurisdiction deemed to be acceptable by the Company, the benefit is paid if all of the following conditions are respected:

- The Company receives all medical files;

- Based on the medical files received, the Company is assured that:
  - The same diagnosis would have been made if the critical illness or accident had been diagnosed by a specialist exercising his profession in Canada;
  - the same treatment would have been prescribed in accordance with Canadian standards;
    and
  - the same treatment, including any required surgery, when applicable, would have been prescribed if the treatment had been provided in Canada.

- The Company may require that the insured undergo an independent medical examination performed for a physician designated by the Company. For elective surgery, the required medical examination will have to be performed before the surgery.

11. LIMITATIONS AND EXCLUSIONS

The benefit is paid to the designated beneficiary if the insured survives for over 30 days following the diagnosis of a covered critical illness or condition by the contract and for which a survival period applies. Where no survival period applies to a covered Critical Illness, the insured must be alive at the time the diagnosis is made.

For some illnesses, payment of the benefit is subject to the conditions set out below.

11.1 Limitations

11.1.1 Exclusion moratorium period

There is a 90-day exclusion moratorium period for cancer and benign brain tumour. Refer to Appendix I *Definitions of critical illnesses and conditions* for the definitions of cancer and benign brain tumour.

Moreover, after diagnosis of the following critical illness or condition, the benefit will only be paid if:

Illness	Details
Paralysis	The paralysis lasts for at least 90 days
Coma	The Glasgow coma scale indicates 4 or less for a continuous period of 96 hours
Loss of speech	The loss of speech persists for at least 180 days
Bacterial meningitis	The meningitis results in a neurological deficit documented for at least 90 days from the date of diagnosis

11.1.2 Coverage limit (financial underwriting):

Proposed insured employed	Maximum
Up to age 50	9 times the earned income*
Age 51–60	7 times the earned income*
Age 61+	5 times the earned income* (annually decreasing factor)
Farmers	Up to 10 times the net income

*The earned income is the salary or similar income, such as commissions or bonuses. For small and medium-sized business owners who are active in their company, dividends taken in addition to or in lieu of salary can be added to calculate actual earned income. However, income from investments, rental property and pensions is not included.

Proposed insured unemployed or without an income	Maximum
Stay-at-home spouse	50% of the maximum for the employed spouse up to a maximum of $500,000
Adults	Up to $100,000
Children	50% of the maximum for the parents as long as all children are insured for the same amount

11.2 Exclusions

No benefit is paid if the insured's condition:

- Results from self-inflicted injuries or an attempt to commit suicide, whether or not the insured was conscious of his or her actions
- Results from voluntary absorption of medications, drugs, steroids, narcotics or toxic substances, unless taken as prescribed by a licensed physician
- Results from wars, armed conflicts, riots, insurrections or public demonstrations, regardless of whether or not the insured was an active participant
- Results from service in the armed forces, engaged in surveillance, training, peacekeeping duties or war, whether war was declared or not
- Occurs while the insured was committing, attempting to commit or provoking a criminal offence
- Occurs while the insured was driving a vehicle under the influence of drugs or a blood alcohol concentration exceeding 0.08

12. ADMINISTRATIVE CONDITIONS

12.1 Termination of the Contract

The insurance terminates when the first of the following events occurs:

- The date the last protection terminates
- The date the critical illness benefit is paid
- The date the last insured dies
- The date the contract lapses
- The date we rescind or terminate this contract within the limits permitted by law

12.2 Reduction in critical illness coverage

12.2.1 Adjustment of the Return of Premiums upon Death Benefit

The Return of Premiums upon Death Benefit will be adjusted for the following events:

Reduction of the Face Amount of a Coverage

Upon reduction of the Face Amount of a Coverage to which this Rider is attached as described in provision 5.3 (Reduction of the Face Amount of a Coverage) of the contract, the Return of Premiums upon Death Benefit will be reduced as follows:

Amount of the Return of Premiums upon Death Benefit before reduction multiplied by (1 - Proportion)

Where:

$$\text{Proportion} = \frac{\text{Premium before reduction - Premium after reduction}}{\text{Premium before reduction}}$$

Where:

Premium = The sum of the items included in the Premium of the reduced Coverage listed below:

- The Premium of this Coverage,
- The Premium of this Rider,
- The Premium of the Flexible Return of Premiums Rider attached to this Coverage, if any, provided it was in force at the time of your Request, and
- The Extra Premiums applicable to this Coverage, if any.

The Proportion cannot be lower than 0.

Partial Conversion of a Term Coverage

Upon partial exercise of the conversion option of a Term Coverage to which this Rider is attached, the Return of Premiums upon Death Benefit will be attributed as follows:

a) After the partial conversion, where the sum of the Face Amount of the Term Coverage and the face amount of the new critical illness coverage equals the Face Amount of the Term Coverage in force before the transaction:

i. The portion attributable to the Term Coverage after the partial conversion is calculated as follows:

amount of the Return of Premiums upon Death Benefit before partial conversion x (1 - Proportion)

Where:

$$\text{Proportion} = \frac{\text{Premium before partial conversion - Premium after partial conversion}}{\text{Premium before partial conversion}}$$

Where:

Premium = The sum of the items included in the Premium of the Term Coverage listed below:

- The Premium of this Coverage,
- The Premium of this Rider, and
- Any Extra Premiums applicable to this Coverage and this Rider.

The Proportion cannot be lower than 0.

ii. The portion attributable to the new permanent critical illness coverage or the term critical illness coverage up to 75 years after conversion is calculated as follows for at long as a Return of Premiums upon Death Benefit is attached to the new critical illness coverage:

Amount of the Return of Premiums upon Death Benefit before the partial conversion multiplied by the Proportion

The Proportion is calculated at point a) i. above.

b) After the partial conversion, where the sum of the Face Amount of the Term Coverage and the face amount of the new critical illness coverage is lower than the Face Amount of the Term Coverage in force before the transaction, the Return of Premiums upon Death shall be:

i. First, reduced as described in provision Reduction of the Face Amount of a Coverage above;

ii. Then, allocated as described in subparagraphs a) i. and a) ii. above.

12.2.2 Adjustment of the Flexible Return of Premiums Benefit

Upon reduction of the Face Amount of the Coverage to which this Rider is attached as described in provision 5.3 (Reduction of the Face Amount of a Coverage) of the contract provided the Flexible Return of Premiums Benefit is available at the time of the transaction, it will be adjusted as follows:

Amount of the Flexible Return of Premiums Benefit before reduction multiplied by (1 - Proportion)

Where:

$$\text{Proportion} = \frac{\text{Premium before reduction - Premium after reduction}}{\text{Premium before reduction}}$$

Where:

Premium = The sum of the items included in the Premium of the reduced Coverage listed below:

- The Premium of this Coverage,
- The Premium of this Rider,
- The Premium of the Flexible Return of Premiums Rider attached to this Coverage, if any, provided it is in force at the time of your Request, and
- The Extra Premiums applicable to this Coverage, if any.

The Proportion cannot be lower than 0.

The Company will pay the portion attributable to any adjustment to the Beneficiary of the Flexible Return of Premiums Benefit. The paid portion equals the Flexible Return of Premiums Benefit available at the time of the transaction multiplied by the Proportion (indicated above) less any Amount Owed to Us.

12.3 Automatic loan advances

When the contract includes the Return of Premiums upon Death and the Flexible Return of Premiums riders, any premiums that are not paid at the end of the grace period are paid by means of an automatic loan advance if the Flexible Return of Premiums rider benefit is available and the right to a Flexible Return of Premiums can be exercised (fully or partially) at that time. If the available value of the Flexible Return of Premiums benefit is not sufficient to pay the full premium, the coverage remains in effect for a period proportional to the portion of the paid-up premium.

The value of automatic loan advance shall not exceed the total face amount of the coverages for which the Flexible Return of Premiums rider is available.

Policy loans bear interest at the rate the Company determines. Interest is calculated daily and capitalized on each contract anniversary.

When the amounts owed to the Company, including interest, are equal to or greater than the Flexible Return of Premiums rider benefit, the contract shall be terminated without notice.

Any benefit payable under your client's contract will be reduced by the value of the automatic loan advance granted by the Company.

12.4 Cash policy loans

The cash policy loan is available when the contract includes the Return of Premiums upon Death and Flexible Return of Premiums riders and if the Flexible Return of Premiums rider benefit is available. Upon written request from an applicant, the Company loans an amount which, added to the amounts due to the Company (including any premium due and unpaid plus interest), shall not exceed 95% of the value of the Flexible Return of Premiums rider benefit available when the request is made.

Under no circumstances may the value of the cash policy loans exceed the coverage face amount for which the Flexible Return of Premiums rider is available.

Policy loans bear interest at the rate the Company determines. Interest is calculated daily and capitalized on each contract anniversary.

When the amounts owed to the Company, including interest, are equal to or greater than the Flexible Return of Premiums rider benefit, the contract shall be terminated without notice.

Any benefit payable under your client's contract will be reduced by the value of the loans granted by the Company.

13. UNDERWRITING

The medical requirements and financial underwriting for Transition are not the same as for life insurance products.

Forms to be completed:

- Life insurance proposal (F1) or EVO application form
- Required medical exams: Usual medical requirements table F13–166

Age	0 $99,999	$100,000 $199,999	$200,000 $500,000	$500,001 $2,500,000
0 - 14	Declaration of insurability	Declaration of insurability	Declaration of insurability	
15 - 17	Declaration of insurability	Declaration of insurability	Phone interview Vital signs Blood profile	
18 - 50	Declaration of insurability*	Declaration of insurability*	Phone interview Vital signs Blood profile	Phone interview Vital signs Blood profile
51 - 65	Phone interview	Phone interview Vital signs Blood profile	Phone interview Vital signs Blood profile	Phone interview Vital signs Blood profile

14. TAXATION

The Transition critical illness benefit and return of premiums are not taxable.

If the beneficiary of the benefit is an employee, the premiums paid by the Company may be tax deductible. Moreover, the benefit and return of premiums paid to a corporation are not part of the capital dividend account.

The following table summarizes the tax implications for the various options available.

SUMMARY OF TAX IMPLICATIONS OF CRITICAL ILLNESS INSURANCE				
	Individual	**Business**		
Policyholder	Individual	Business	Business	Business
Benefit beneficiary	Individual	Individual (as a shareholder)	Individual (as an employee)	Business
Premiums	Non-deductible	Non-deductible	Deductible	Non-deductible
Benefit	Non-taxable	Non-taxable	Non-taxable	Non-taxable
Return of premiums:				
At maturity (paid to the applicant)	Non-taxable	Non-taxable	Could be taxable	Non-taxable
At death (paid to the beneficiary)	Non-taxable	Non-taxable	Non-taxable	Non-taxable
Other tax implications	None	Taxable benefit for the shareholder equal to the premiums	Taxable benefit for the employee equal to the premiums	Is not part of the capital dividend account

APPENDIX I – DEFINITIONS OF CRITICAL ILLNESSES AND CONDITIONS

A survival period applies for certain critical illnesses covered. When no survival period applies to a covered critical illness, the insured must be alive at the time the illness is diagnosed.

You will find here below definitions for each of the 25 critical illnesses and conditions covered by the contract.

The following critical illnesses and conditions are covered under this contract:

Aortic Surgery

The undergoing of surgery for disease of the aorta requiring excision and surgical replacement of any part of the diseased aorta with a graft. Aorta means the thoracic and abdominal aorta but not its branches. The surgery must be determined to be medically necessary by a specialist. A 30-day survival period applies.

Exclusion from this definition:

No critical illness benefit will be payable for angioplasty, intra-arterial procedures, percutaneous trans-catheter procedures or non-surgical procedures.

Aplastic Anemia

A definite diagnosis of a chronic persistent bone marrow failure, confirmed by biopsy, which results in anemia, neutropenia and thrombocytopenia requiring blood product transfusion, and treatment with at least one of the following:

- marrow stimulating agents;
- immunosuppressive agents;
- bone marrow transplantation.

The diagnosis of aplastic anemia must be made by a specialist.

Bacterial Meningitis

A definite diagnosis of meningitis, confirmed by cerebrospinal fluid showing growth of pathogenic bacteria in culture, resulting in neurological deficit documented for at least 90 days from the date of diagnosis. The diagnosis of bacterial meningitis must be made by a specialist.

Exclusion from this definition: No critical illness benefit will be payable for viral meningitis.

Benign Brain Tumour

A definite diagnosis of a non-malignant tumour located in the cranial vault and limited to the brain, meninges, cranial nerves or pituitary gland. The tumour must require surgical or radiation treatment or cause irreversible objective neurological deficit(s). The diagnosis of benign brain tumour must be made by a specialist.

Exclusion from this definition:

No critical illness benefit will be payable if, within the first 90 days following the later of, the effective date of the contract, or the date of last reinstatement of the contract, the life insured has any of the following:

- signs, symptoms or investigations that lead to a diagnosis of benign brain tumour (covered or excluded under the contract), regardless of when the diagnosis is made; or
- a diagnosis of benign brain tumour (covered or excluded under the contract).

Medical information about the diagnosis and any signs, symptoms or investigations leading to the diagnosis must be reported to the Company within 6 months of the date of the diagnosis. If this information is not provided within this period, the Company has the right to deny any claim for benign brain tumour or, any critical illness caused by any benign brain tumour or its treatment. No critical illness benefit will be payable for pituitary adenomas less than 10 mm.

Blindness

A definite diagnosis of the total and irreversible loss of vision in both eyes, evidenced by:

- the corrected visual acuity being 20/200 or less in both eyes; or,
- the field of vision being less than 20 degrees in both eyes.

The diagnosis of blindness must be made by a specialist.

Cancer (Life-Threatening)

A definite diagnosis of a tumour, which must be characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. Types of cancer include carcinoma, melanoma, leukemia, lymphoma, and sarcoma. The diagnosis of cancer must be made by a specialist.

Exclusion from this definition:

No critical illness benefit will be payable under this condition if, within the first 90 days following the later of, the effective date of the contract, or the date of last reinstatement of the contract, the life insured has any of the following:

- signs, symptoms or investigations, that lead to a diagnosis of cancer (covered or excluded under the contract), regardless of when the diagnosis is made; or
- a diagnosis of cancer (covered or excluded under the contract).

Medical information about the diagnosis and any signs, symptoms or investigations leading to the diagnosis must be reported to the Company within 6 months of the date of the diagnosis. If this information is not provided within this period, the Company has the right to deny any claim for cancer or, any critical Illness caused by any cancer or its treatment.

No critical Illness benefit will be payable for the following:

- lesions described as benign, pre-malignant, uncertain, borderline, non-invasive, carcinoma in-situ (Tis), or tumors classified as Ta;
- malignant melanoma skin cancer that is less than or equal to 1.0 mm in thickness, unless it is ulcerated or is accompanied by lymph node or distant metastasis;
- any non-melanoma skin cancer, without lymph node or distant metastasis;
- prostate cancer classified as T1a or T1b, without lymph node or distant metastasis;
- papillary thyroid cancer or follicular thyroid cancer, or both, that is less than or equal to 2.0 cm in greatest diameter and classified as T1, without lymph node or distant metastasis;
- chronic lymphocytic leukemia classified less than Rai stage 1; or
- malignant gastrointestinal stromal tumours (GIST) and malignant carcinoid tumours, classified less than AJCC Stage 2.

For purposes of the contract, the terms Tis, Ta, T1a, T1b, T1 and AJCC Stage 2 are to be applied as defined in the American Joint Committee on Cancer (AJCC) cancer staging manual, 7th Edition, 2010.

For purposes of the contract, the term Rai staging is to be applied as set out in KR Rai, A Sawitsky, EP Cronkite, AD Chanana, RN Levy and BS Pasternack: Clinical staging of chronic lymphocytic leukemia. Blood 46:219, 1975.

Coma

A definite diagnosis of a state of unconsciousness with no reaction to external stimuli or response to internal needs for a continuous period of at least 96 hours, and for which period the Glasgow coma score must be 4 or less. The diagnosis of coma must be made by a specialist.

Exclusion from this definition:

No critical illness benefit will be payable for:

- a medically induced coma; or,
- a coma which results directly from alcohol or drug use; or,
- a diagnosis of brain death.

Coronary Artery Bypass Surgery

The undergoing of heart surgery to correct narrowing or blockage of one or more coronary arteries with bypass graft(s). The surgery must be determined to be medically necessary by a specialist. A 30-day survival period applies.

Exclusion from this definition:

No critical illness benefit will be payable for angioplasty, intra-arterial procedures, percutaneous trans-catheter procedures or non-surgical procedures.

Deafness

A definite diagnosis of the total and irreversible loss of hearing in both ears, with an auditory threshold of 90 decibels or greater within the speech threshold of 500 to 3,000 hertz. The diagnosis of deafness must be made by a specialist.

Dementia, including Alzheimer's Disease

A definite diagnosis of dementia, which must be characterized by a progressive deterioration of memory and at least one of the following areas of cognitive function:

- aphasia (a disorder of speech);
- apraxia (difficulty performing familiar tasks);
- agnosia (difficulty recognizing objects); or
- disturbance in executive functioning (e.g. inability to think abstractly and to plan, initiate,
- sequence, monitor, and stop complex behaviour), which is affecting daily life.

The life insured must exhibit:

- dementia of at least moderate severity, which must be evidenced by a Mini Mental State Exam of 20/30 or less, or equivalent score on another generally medically accepted test or tests of cognitive function; and
- evidence of progressive worsening in cognitive and daily functioning either by serial cognitive tests or by history over at least a 6-month period.

The diagnosis of dementia must be made by a specialist.

Exclusion from this definition:

No critical illness benefit will be payable for affective or schizophrenic disorders, or delirium.

For purposes of the contract, reference to the Mini Mental State Exam is to Folstein MF, Folstein SE, McHugh PR, J Psychiatr Res. 1975;12(3):189.

Heart Attack

A definite diagnosis of the death of heart muscle due to obstruction of blood flow, that results in rise and fall of biochemical cardiac markers to levels considered diagnostic of myocardial infarction, with at least one of the following:

- heart attack symptoms;
- new electrocardiogram (ECG) changes consistent with a heart attack;
- development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty.

The diagnosis of heart attack must be made by a specialist. A 30-day survival period applies.

Exclusion from this definition:

No critical illness benefit will be payable for:

- elevated biochemical cardiac markers as a result of an intra-arterial cardiac procedure, including, but not limited to, coronary angiography and coronary angioplasty, in the absence of new Q waves, or
- ECG changes suggesting a prior myocardial infarction, which do not meet the heart attack definition as described above.

Heart Valve Replacement or Repair

The undergoing of surgery to replace any heart valve with either a natural or mechanical valve or to repair heart valve defects or abnormalities. The surgery must be determined to be medically necessary by a specialist. A 30-day survival period applies.

Exclusion from this definition:

No critical illness benefit will be payable for angioplasty, intra-arterial procedures, percutaneous trans-catheter procedures or non-surgical procedures.

Kidney Failure

A definite diagnosis of chronic irreversible failure of both kidneys to function, as a result of which regular haemodialysis, peritoneal dialysis or renal transplantation is initiated. The diagnosis of kidney failure must be made by a specialist.

Loss of Independent Existence

A definite diagnosis of the total inability to perform, by oneself, at least 2 of the following 6 activities of daily living for a continuous period of at least 90 days with no reasonable chance of recovery. The diagnosis of loss of independent existence must be made by a specialist.

Activities of daily living are:

- bathing – the ability to wash oneself in a bathtub, shower or by sponge bath, with or without the aid of assistive devices;
- dressing – the ability to put on and remove necessary clothing, braces, artificial limbs or other surgical appliances with or without the aid of assistive devices;
- toileting – the ability to get on and off the toilet and maintain personal hygiene with or without the aid of assistive devices;
- bladder and bowel continence – the ability to manage bowel and bladder function with or without protective undergarments or surgical appliances so that a reasonable level of hygiene is maintained;
- transferring – the ability to move in and out of a bed, chair or wheelchair, with or without the aid of assistive devices; and
- feeding – the ability to consume food or drink that already has been prepared and made available, with or without the use of assistive devices.

Loss of Limbs

A definite diagnosis of the complete severance of two or more limbs at or above the wrist or ankle joint as the result of an accident or medically required amputation. The diagnosis of loss of limbs must be made by a specialist.

Loss of Speech

A definite diagnosis of the total and irreversible loss of the ability to speak as the result of physical injury or disease, for a period of at least 180 days. The diagnosis of loss of speech must be made by a specialist.

Exclusion from this definition:

No critical illness benefit will be payable for all psychiatric related causes.

Major Organ Failure on Waiting List

A definite diagnosis of the irreversible failure of the heart, both lungs, liver, both kidneys or bone marrow, and transplantation must be medically necessary. To qualify under major organ failure on waiting list, the life insured must become enrolled as the recipient in a recognized transplant centre in Canada or the United States of America that performs the required form of transplant surgery. The date of diagnosis is the date of the life insured's enrolment in the transplant centre. The diagnosis of the major organ failure must be made by a specialist.

Major Organ Transplant

A definite diagnosis of the irreversible failure of the heart, both lungs, liver, both kidneys or bone marrow, and transplantation must be medically necessary. To qualify under major organ transplant, the life insured must undergo a transplantation procedure as the recipient of a heart, lung, liver, kidney or bone marrow, and limited to these entities. The diagnosis of the major organ failure must be made by a specialist.

Motor Neuron Disease

A definite diagnosis of one of the following: amyotrophic lateral sclerosis (ALS or Lou Gehrig's disease), primary lateral sclerosis, progressive spinal muscular atrophy, progressive bulbar palsy, or pseudo bulbar palsy, and limited to these conditions. The diagnosis of motor neuron disease must be made by a specialist.

Multiple Sclerosis

A definite diagnosis of at least one of the following:

- two or more separate clinical attacks, confirmed by magnetic resonance imaging (MRI) of the nervous system, showing multiple lesions of demyelination; or,
- well-defined neurological abnormalities lasting more than 6 months, confirmed by MRI imaging of the nervous system, showing multiple lesions of demyelination; or,
- a single attack, confirmed by repeated MRI imaging of the nervous system, which shows multiple lesions of demyelination which have developed at intervals at least one month apart.

The diagnosis of multiple sclerosis must be made by a specialist.

Occupational HIV Infection

A definite diagnosis of infection with human immunodeficiency virus (HIV) resulting from accidental injury during the course of the life insured's normal occupation, which exposed the person to HIV contaminated body fluids. The accidental injury leading to the infection must have occurred after the later of the effective date of the contract, or the effective date of last reinstatement of the contract. The critical illness benefit is payable if all of the following conditions are satisfied:

- The accidental injury must be reported to the insurer within 14 days of the accidental injury;
- A serum HIV test must be taken within 14 days of the accidental injury and the result must be negative;
- A serum HIV test must be taken between 90 days and 180 days after the accidental injury and the result must be positive;
- All HIV tests must be performed by a duly licensed laboratory in Canada or the United States of America;
- The accidental injury must have been reported, investigated and documented in accordance with current Canadian or United States of America workplace guidelines.

The diagnosis of occupational HIV infection must be made by a specialist.

Exclusion from this definition:

No critical illness benefit will be payable if:

- The life insured has elected not to take any available licensed vaccine offering protection against HIV; or,
- A licensed cure for HIV infection has become available prior to the accidental injury; or,
- HIV infection has occurred as a result of non-accidental injury including, but not limited to, sexual transmission and intravenous (IV) drug use.

Paralysis

A definite diagnosis of the total loss of muscle function of two or more limbs as a result of injury or disease to the nerve supply of those limbs, for a period of at least 90 days following the precipitating event. The diagnosis of paralysis must be made by a specialist.

Parkinson's Disease and Specified Atypical Parkinsonian Disorders*

Parkinson's disease is defined as a definite diagnosis of primary Parkinson's disease, a permanent neurologic condition which must be characterized by bradykinesia (slowness of movement) and at least one of: muscular rigidity or rest tremor. The life insured must exhibit objective signs of progressive deterioration in function for at least one year, for which the treating neurologist has recommended dopaminergic medication or other generally medically accepted equivalent treatment for Parkinson's disease.

Specified atypical parkinsonian disorders are defined as a definite diagnosis of progressive supranuclear palsy, corticobasal degeneration, or multiple system atrophy.

The diagnosis of Parkinson's disease or a specified atypical parkinsonian disorder must be made by a neurologist.

Exclusion from this definition:

No critical Illness benefit will be payable for Parkinson's disease or specified atypical parkinsonian disorders if, within the first year following the later of, the effective date of the contract, or the date of last reinstatement of the contract, the life insured has any of the following:

- signs, symptoms or investigations that lead to a diagnosis of Parkinson's disease, a specified atypical parkinsonian disorder or any other type of parkinsonism, regardless of when the diagnosis is made; or
- a diagnosis of Parkinson's disease, a specified atypical parkinsonian disorder or any other type of parkinsonism.

Medical information about the diagnosis and any signs, symptoms or investigations leading to the diagnosis must be reported to the Company within 6 months of the date of the diagnosis. If this information is not provided within this period, the Company has the right to deny any claim for Parkinson's disease or specified atypical parkinsonian disorders or, any critical illness caused by Parkinson's disease or specified atypical parkinsonian disorders or its treatment.

No critical illness Benefit will be payable for any other type of parkinsonism.

Severe Burns

A definite diagnosis of third-degree burns over at least 20% of the body surface. The diagnosis of severe burns must be made by a specialist.

Stroke (Cerebrovascular Accident)

A definite diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis or haemorrhage, or embolism from an extra-cranial source, with acute onset of new neurological symptoms, and new objective neurological deficits on clinical examination, persisting for more than 30 days following the date of diagnosis. These new symptoms and deficits must be corroborated by diagnostic imaging testing. The diagnosis of stroke must be made by a specialist. A 30-day survival period applies.

Exclusion from this definition:

No critical illness benefit will be payable for:

- Transient ischaemic attacks; or,
- Intracerebral vascular events due to trauma; or,
- Lacunar infarcts which do not meet the definition of stroke as described above.

APPENDIX II – DEFINITIONS OF JUVENILE CRITICAL ILLNESSES AND CONDITIONS

A survival period applies for certain juvenile critical illness covered. When no survival period applies to a covered juvenile critical Illness, the insured must be alive at the time the diagnosis is made. The diagnosis of a juvenile critical illness and condition must be made before the life insured's 25th birthday.

The following juvenile critical illnesses and conditions are covered under this contract:

Cerebral Palsy

A definitive diagnosis of cerebral palsy, a non-progressive neurological defect characterized by spasticity and incoordination of movements. The diagnosis of cerebral palsy must be made by a specialist.

Congenital Heart Disease

A definite diagnosis of congenital heart disease listed below, made by a specialist and supported by appropriate cardiac imaging. A 30-day survival period applies.

1) The following congenital heart diseases are covered:

- Transposition of the great vessels
- Atresia of any heart valve
- Coarctation of the aorta
- Single ventricle
- Hypoplastic left heart syndrome
- Double outlet left ventricle
- Total anomalous pulmonary venous connection
- Truncus arteriosus
- Tetralogy of Fallot
- Eisenmenger syndrome
- Double inlet ventricle
- Hypoplastic right ventricle
- Ebstein's anomaly

2) The following congenital heart diseases are covered if open-heart surgery is determined medically necessary by a specialist.

- Pulmonary stenosis
- Aortic stenosis
- Discrete subvalvular aortic stenosis
- Ventricular septal defect
- Atrial septal defect

Exclusion from this definition:

No critical illness benefit is payable if the congenital heart disease is not listed in items 1) and 2) above and for techniques such as valvuloplasty and percutaneous interauricular communication closure.

Cystic Fibrosis

A definitive diagnosis of cystic fibrosis with evidence of chronic lung disease and pancreatic insufficiency and high levels of chlorine in sweat (60 mmol/L or higher). The diagnosis of cystic fibrosis must be made by a specialist.

Muscular Dystrophy

A definitive diagnosis of muscular dystrophy, characterized by well-defined neurological abnormalities, confirmed by electromyography and muscle biopsy. The diagnosis of muscular dystrophy must be made by a specialist.

Type 1 Diabetes Mellitus

A definite diagnosis of type 1 diabetes mellitus, characterized by an absolute deficiency of insulin secretion and continued dependence on exogenous insulin for survival. Diagnosis must be made by a specialist practising in Canada or the United States of America. In addition, there must be proof that there has been insulin dependence for a minimum of three months.

APPENDIX III – PREVENTION +

A survival period applies for certain critical illnesses covered under the Prevention + benefit. When no survival period applies to a covered critical illness, the insured must be alive at the time the diagnosis is made. The following critical illnesses and conditions are covered under the Prevention + benefit:

Coronary angioplasty

The undergoing of an interventional procedure to unblock or widen a coronary artery that supplies blood to the heart to allow an uninterrupted flow of blood. The procedure must be determined to be medically necessary by a specialist. A 30-day survival period applies.

Ductal carcinoma in situ of the breast

A definite diagnosis of ductal carcinoma in situ of the breast, confirmed by biopsy. The diagnosis must be made by a specialist.

Gastrointestinal stromal tumours (GIST) and neuroendocrine tumours (classified less than AJCC Stage 2)

A definite diagnosis of malignant gastrointestinal stromal tumours (GIST) and malignant neuroendocrine tumours, classified less than AJCC Stage 2. The diagnosis must be made by a specialist and confirmed by biopsy.

Stage 1 malignant melanoma

A definite diagnosis of stage 1A or 1B malignant melanoma not ulcerated into the dermis equal to or lower than a depth of one millimetre confirmed by biopsy. The diagnosis must be made by a specialist.

Exclusion from this definition:

No Prevention + benefit will be payable under this critical Illness for any malignant melanoma in situ.

Stage A (T1a or T1b) prostate cancer

A definite diagnosis of stage A (T1a or T1b) prostate cancer, confirmed by biopsy. The diagnosis must be made by a specialist.

Rai stage 0 chronic lymphocytic leukemia (CLL)

A definite diagnosis of Rai stage 0 chronic lymphocytic leukemia (CLL) confirmed by appropriate blood tests. The diagnosis must be made by a specialist.

For the purposes of the contract, the term Rai staging is to be applied as set out in Rai, K.R., Sawitsky, A., Cronkite, E.P., Chanana, A.D., Levy, R.N. & Pasternack, B.S (1975). Clinical staging of chronic lymphocytic leukemia. Blood, Volume 46, p. 219.

Exclusion from this definition:

No Prevention + Benefit will be payable under this critical illness for any monoclonal lymphocytosis of undetermined significance (MLUS).

Papillary or follicular thyroid cancer stage T1

A definite diagnosis of papillary or follicular thyroid cancer or both, that is less than or equal to two centimetres in greatest diameter and classified as T1, without lymph node or distant metastasis, confirmed by a biopsy. The diagnosis must be made by a specialist.

Exclusions and Restrictions applicable to Prevention + Benefit

Subject to any other exclusions and restrictions under this contract, no Prevention + benefit is payable to the diagnosis of any of the cancers described in provision 5.2.1 (Terminology of Critical Illnesses covered under Prevention + Benefit) if, within the first 90 days following the latter of the effective date of the contract and the date of last reinstatement of the contract, the insured has any of the following:

- signs, symptoms or investigations, that lead to a diagnosis of cancer (covered or excluded under this contract), regardless of when the diagnosis is made; or
- a diagnosis of cancer (covered or excluded under this contract).

Medical information about the diagnosis and any signs, symptoms or investigations leading to the diagnosis must be reported to the Company within six months of the date of the diagnosis. If this information is not provided within this period, the Company has the right to deny any claim for cancer or any critical illness caused by any cancer or its treatment.

APPENDIX IV – GLOSSARY OF MEDICAL TERMS

Amyotrophic lateral sclerosis (Lou Gherig's Disease)

- Lateral sclerosis
- Muscular dystrophy
- Progressive bulbar paralysis
- Pseudobulbar paralysis

  Illnesses that attack the spinal cord or nerves that control muscles movements. The muscles then weaken and atrophy.

Angina

Severe squeezing pain in the heart region that generally spreads to the left arm. This pain is caused by insufficient blood flow to the heart.

Balloon angioplasty

Procedure to treat heart disease by expanding a restricted coronary artery. Fatty material (plaque) in the arteries of the heart are flattened against the artery walls. A catheter with a balloon on the tip is placed into the artery up to the area of restriction. The balloon is inflated and deflated many times to flatten the plaque and restore the blood flow through the artery.

Benign

Term used to describe a tumour with limited progression. It normally does not invade neighbouring tissue and doesn't spread to other tissues or organs.

Cancer in situ

Mass of cancerous cells which are not in tumour form. They are usually localized and have not invaded surrounding tissues. The diagnosis is usually confirmed by a biopsy. This type of lesion is frequently found with cancer of the cervix.

Cardiac enzyme

Chemical components of the cardiac cells that are released into the blood following a heart attack (myocardial infarction).

Congenital heart diseases

Cardiac artresia:
Malformations of the heart orifices or arteries that are partially or completely closed.

Transposition of the great arteries:
Aortic and pulmonary artery abnormality characterized by a reversal of these vessels.

Truncus arteriosus:
Abnormality of the great arteries at the base of the heart characterized by a single arterial trunk.

Abnormal complete drainage of the pulmonary arteries:
Abnormality of the pulmonary veins, which are linked to other vessels instead of terminating at the left auricle.

Tetralogy of Fallot:
Abnormality of the heart consisting of 4 malformations affecting the ventricles, pulmonary artery and aorta.

Decibel

Unit to measure the intensity of sound.

Dialysis

Procedure to filter the blood using a machine or the abdominal peritoneum as a filtration membrane to eliminate toxic substances that have accumulated. This treatment is used for patients whose kidneys have failed.

Electrocardiogram (ECG)

Electrical heart activity, created by electrical impulses, are recorded on graph paper.

Emphysema

Chronic disease characterized by excessive dilation and destruction of the pulmonary alveoli. The lungs lose their elasticity and become rigid, leading to a decrease in respiratory function.

Endocrine gland

Gland that releases its secretions (hormones) directly in the bloodstream (pituitary gland, thyroid, pancreas).

Glands

Exocrine gland
Gland that releases its secretions on the skin surface (sebaceous, sweet gland) or in a body cavity (salivary gland).

Huntington's chorea

Hereditary central nervous system illness that usually manifests itself between 30 and 50 years of age. It progresses to dementia. There is no known treatment for this illness.

Laser

Technique used to burn a blood clot in an artery, among other uses.

Malignant

This term is used to describe a tumour, which grows and invades normal neighbouring tissue or organs (metastasis).

Malignant melanoma

Cancer that generally appears as a discoloured patch on the skin. The prognosis for this type of cancer depends on the depth of penetration. Excessive exposure to sun, without protection, can lead to this type of cancer.

Neurological deficiency or abnormality

Signs and symptoms associated with an attack on the central nervous system: weakness, paralysis, tremors, etc.

Polycystic kidney

Hereditary illness characterized by multiple cysts on both kidneys. These cysts gradually grow and cause kidney failure.

Prostate cancer, stage A:

First stage of prostate cancer, with no symptoms, sometimes found through high PSA in a blood test and confirmed by a biopsy. There is a good cure rate.

Pulmonary fibrosis

Ailment characterized by the formation of fibrous (scar) tissue in the lungs. Most often it is localized and caused by bronchitis, pneumonia or tuberculosis. It can spread and cause a major decrease in respiratory function.

Sickle-cell anemia

Hereditary blood disease that changes the shape of red blood cells and affects their ability to carry oxygen. There is a severe form that is serious, with limited survival rates as well as a benign form (the most common) that causes mild anemia.

Skin cancer

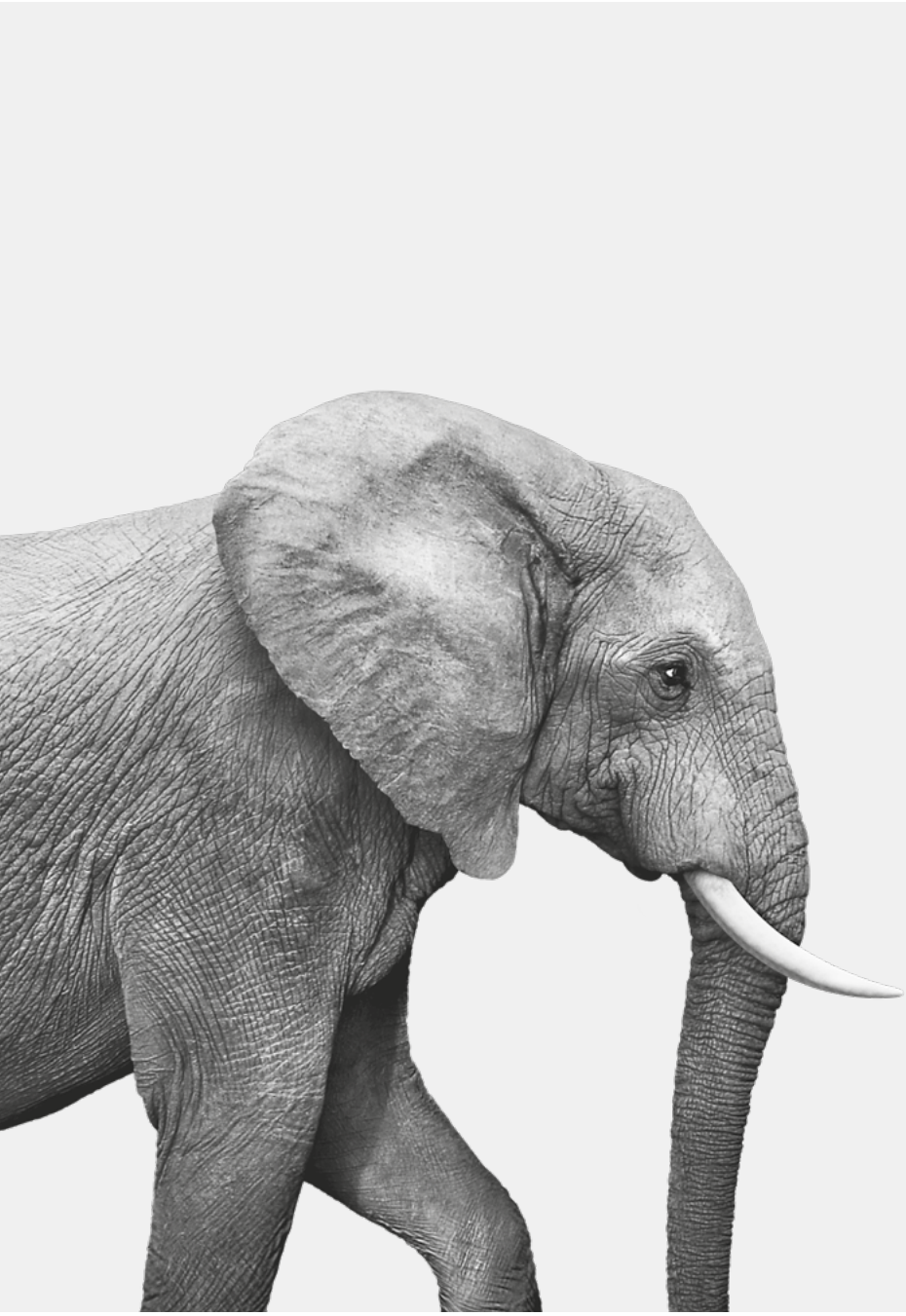
Cancer on the skin surface that usually appears as a spot or beauty mark that changes in size or colour, or a small ulceration. In the majority of cases, this cancer does not penetrate the deep tissues but remains on the skin surface.

Systemic lupus erythematosus

A serious inflammatory illness that is normally chronic and slowly progressive. It attacks the skin, muscles, joints, then the kidneys and central nervous system.

Transient Ischemic Attack (TIA)

Decrease in blood flow to part of the brain. Symptoms and neurological signs such as numbness, weakness, vision problems, confusion, etc. are transient (temporary). An attack can last a few seconds or a few hours but does finally disappear without leaving permanent neurological damage. This is not a cerebrovascular accident (stroke).



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