

iA Participating Life Insurance (iA PAR)



PRODUCT GUIDE

Ensuring the growth of your estate



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1. IMPORTANT INFORMATION ABOUT THE GUIDE

In the present document, unless the context otherwise requires, the term “Company” means Industrial Alliance Insurance and Financial Services Inc.

For more information, please refer to the contract. In the event of a discrepancy between this guide and the contract for the relevant product, the contract shall take precedence.

2. INTRODUCTION TO IA PARTICIPATING LIFE INSURANCE

Combining growth, flexibility and stability, iA Participating Life Insurance (iA PAR) is permanent life insurance that includes basic coverage with fully guaranteed premiums, initial life insurance amount and surrender value.

This product also allows clients to increase the total surrender value and the total life insurance amount in a tax-advantaged way by acquiring paid-up insurance coverage through annual dividends and the additional deposit option.

This guide provides advisors with an overview of the two versions of iA Participating Life Insurance: iA PAR Estate and iA PAR Wealth.

iA PAR Estate Solution

The iA PAR Estate version maximizes your clients’ estate by optimizing the long-term growth of the total surrender value and the total life insurance amount.

iA PAR Wealth Solution

The iA PAR Wealth version optimizes short-term growth by maximizing the total surrender value in the first years of the contract, while ensuring long-term growth of your clients’ estate.

Premium payment duration options

Your clients have three premium payment duration options for the basic coverage:

— **10-year payment or 20-year payment**

The premiums are levelled and guaranteed. Contract premiums are paid up after 10 or 20 years. Paying quicker generally allows for a more rapid accumulation of higher values.

— **Payable to age 100**

The premiums are levelled, guaranteed and payable until the insured reaches age 100. Beyond this period, the contract premiums are paid up.

3. IA PARTICIPATING LIFE INSURANCE PRODUCT SUMMARY

Characteristics	iA PAR Estate	iA PAR Wealth		
Target Clientele	Affluent Clients Seeking to maximize long-term estate protection by diversifying their assets in a tax-advantaged way.	Wealthy Clients Looking to generate a quick return on their investment and ensure a tax-advantaged way to transfer their estate.		
	Business Owners and Incorporated Professionals			
	Looking for solutions to fund a shareholder's agreement or replace a key person, while optimizing long-term estate value with access to liquidity.	Prioritizing access to high surrender values to fund an investment project, while ensuring the protection of their long-term estate value.		
	Parents or Grandparents Seeking to give their children or grandchildren a strong financial foundation with permanent paid-up insurance which will continue to grow over the long term.	OR Looking to strengthen their balance sheet, reduce the cost of their insurance and diversify their assets while also reducing their taxes.		
	Life Insurance Coverage	Basic coverage: Permanent life insurance coverage whose premiums are payable in 10 years, 20 years or until age 100. Paid-up insurance: Permanent life insurance free from premium payments and purchased using dividends or additional deposit option.		
Types of Coverage	Individual: One insured Joint last-to-die: Maximum two insureds			
Age at Issue	10-year payment	20-year payment	Payable to age 100	
— Individual Type of Coverage	0 to 85 years	0 to 80 years	0 to 75 years	
— Joint Last-to-Die Type of Coverage	15 to 85 years ¹	15 to 80 years ¹	15 to 75 years ¹	
	¹ The minimum age of both insureds is 15 years and the maximum is the age indicated. The resulting equivalent age must also be lower than the maximum age indicated.			
Rate Bands	Band 1: \$25,000 to \$49,999 Band 2: \$50,000 to \$99,999 Band 3: \$100,000 to \$199,999 Band 4: \$200,000 to \$499,999	Band 5: \$500,000 to \$999,999 Band 6: \$1,000,000 to \$1,999,999 Band 7: \$2,000,000 to \$25,000,000*		
	* A special quote is required for any face amount over \$25,000,000. In addition, any face amount in excess of \$2,000,000 is subject to reinsurers' capacities.			
Cash Surrender Value	Guaranteed cash surrender value as of the 5 th contract anniversary.	Guaranteed cash surrender value as of the 1 st contract anniversary.		
	Paid-up insurance (purchased with dividends or additional deposit option) has a cash surrender value starting at the time of purchase.			
Dividends Options	— Paid-up additions — Annual premium reduction	— Payable in cash — Deposit with interest		
Additional Deposit Option	An optional contribution that allows for the purchase of paid-up insurance. Certain conditions are applicable.			
Policy Loan Advance	— Cash loan advances Policy loans advances are subject to certain conditions.	— Automatic loan advances to keep the contract in force		
Riders and Additional Benefits	— Renewable and convertible term life insurance: — T10 (R & C) and T20 (R & C) — Pick-A-Term: T25 and T30 — Critical Illness — Critical Illness – Child — Disability Credit — Child Module — Child Module PLUS	— Accidental death (AD) — Accidental death and dismemberment (AD&D) — Accidental fracture (AF) — 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 death (WPD)		

4. FACE AMOUNT

The face amount is paid to the beneficiary(ies) on the death of the insured or on the last death in the case of joint last-to-die coverage. The face amount includes:

- The face amount of the basic coverage, including reduced paid-up insurance face amount, if any;
- Paid-up insurance face amount, if any;
- Balance of the dividend deposit account, if any;
- Term life insurance coverage(s) face amount, if any.

5. PREMIUMS

Policy fees are not added to the premium. Premiums for the basic coverage are fixed and guaranteed for the premium payment duration option selected (10 years, 20 years or to age 100). Thereafter, the basic coverage is paid-up. Nevertheless, all premiums related to riders and/or additional benefits will continue to be invoiced to the policy owner, even if the basic coverage is paid-up.

The premium rate for the basic coverage varies according to the following elements:

- product version;
- rate band;
- age at issue;
- smoking status;
- gender;
- premium payment frequency.

5.1 Contribution to the additional deposit option

The additional deposit option allows the policy owner to make additional contributions, over and above the premiums required for the basic coverage, in order to purchase paid-up insurance. Please refer to the additional deposit option section for more details.

5.2 Amount billed

The amount billed to the policy owner includes:

- The premium for the basic coverage;
- The contribution to the additional deposit option, if any;
- The premium for riders and additional benefits, if any;
- The amounts of extra premiums, if any.

5.3 Premium payment

The policy owner can pay premiums on an annual basis or on a monthly PAC (Pre-Authorized Cheque) basis).

If the policy owner elects to pay on a monthly basis, the amount billed each month for the basic coverage and for the term riders, if any, will be equal to the annual premium multiplied by a 0.09 conversion factor. For the additional deposit option, the conversion factor is 1/12.

5.4 Rate bands

The following rate bands apply to the basic coverage:

Rate bands	Face amount
1	\$25,000 to \$49,999
2	\$50,000 to \$99,999
3	\$100,000 to \$199,999
4	\$200,000 to \$499,999
5	\$500,000 to \$999,999
6	\$1,000,000 to \$1,999,999
7	\$2,000,000 to \$25,000,000*

*Special quotation required for any face amount over \$25,000,000. In addition, any face amount in excess of \$2,000,000 is subject to reinsurers' capacities.

6. SURRENDER VALUE

One of the benefits of the iA PAR is that the policy owner has access to surrender values. With iA PAR Estate, the policy owner has access to surrender values as early as the 5th policy anniversary, whereas with iA PAR Wealth, surrender values are available as early as the 1st policy anniversary.

The surrender value can be used as liquidity, as needed. Policy owners can access their contract's surrender value by requesting a total surrender or partial surrender (withdrawal) from the contract, or by requesting a policy loan advance. Withdrawals or loans reduce the contract values. Please refer to surrender of the contract and policy loans advances sections for the impacts of surrender and policy loans advances.

The basic coverage offers a surrender value, which is specified in the contract. Paid-up insurance also has surrender values.

The total surrender value of the contract on a given date is established using the following formula:

the surrender value of the basic coverage including the surrender value of the reduced paid-up insurance, if any;

+

the surrender value of the paid-up insurance acquired with dividends or the additional deposit option, if applicable;

+

the balance of the dividend deposit account, if applicable;

-

any amount owed to the Company.

The illustration report clearly shows the guaranteed surrender value of the basic coverage and the non-guaranteed surrender value acquired from dividend payments or additional deposit option.

The projections in the illustration report are made assuming that the dividend scale remains constant. The illustration report also includes an alternative scenario (current rate – 1%, current rate – 2%) which is at the advisor's choice.

7. REDUCED PAID-UP INSURANCE

As of the 10th contract anniversary, if the policy owner wants to reduce or cease paying their premium, all or a portion of the basic coverage can be converted into reduced paid-up insurance. The conversion only reduces the face amount and surrender value of the basic coverage, and therefore has no impact on the paid-up insurance acquired. The face amount that the policy owner obtains following the conversion is guaranteed and specified in the contract.

The reduced paid-up insurance qualifies for dividends. However, since this operation reduces the face amount, the dividends will be smaller. The additional deposit option contribution allowed will also be reduced in proportion to the basic coverage reduction.

Note that all premiums for riders and/or additional benefits will continue to be billed to your policy owner, if applicable.

8. ANNUAL DIVIDENDS

The greatest advantage of participating life insurance is the possibility for the policy owner to receive annual dividends (which are not guaranteed). iA PAR offers four dividend options to meet a wider range of needs:

- Paid-up additions (PUA)
- Annual premium reduction
- Payable in cash
- Deposit with interest

Based on the policy owner's needs, it is possible to switch from one dividend option to another, without restriction. The following table briefly describes the dividend options.

iA PAR:

Dividend option	Description
Paid-up additions	Used to purchase paid-up insurance, thereby increasing the face amount and the surrender value
Annual premium reduction	Used to reduce the next annual premium payable
Payable in cash	Dividends are paid to the policy owner to provide the policy owner with liquidity
Deposit with interest	Dividends are deposited in a savings account with interest

Calculation of dividends

Dividends are not guaranteed. Thus, they can differ from those presented in the illustration report.

Each year, the Company's Board of Directors approves the amount of dividends to pay in accordance with the dividend policy. This policy governs the fair distribution of dividends to policy owners.

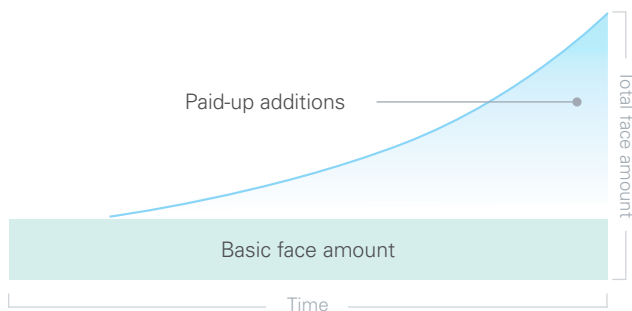
The dividend amount is set according to the dividend scale, which depends on the financial results of the participating account. These results vary based on investment return, mortality, lapse rate and expenses related to the group of iA PAR contracts. The dividend scale may increase or decrease. Dividends, if any, are paid on the contract anniversary.

It is important to note that the participating account is a separate account managed independently from other Company accounts.

The participating account comes with optimal diversification of asset classes, as well as a smoothing technique that weakens variation to favour long-term stability. For more information about this account, refer to the Participating account explanatory document (F13-1072A).

8.1 Paid-up additions

With this option, dividends are used to buy paid-up insurance. This increases the face amount and cash surrender value. Paid-up insurance is eligible for dividend payments, which can create an exponential effect on the contract values. We determine the additional amount of paid-up insurance that you can acquire with dividends.



*The total face amount is not guaranteed since it varies based on dividends.

The Company could limit the purchase of paid-up insurance in order to maintain the contract's exempt status under the *Income Tax Act*. To this end, all dividends not used to purchase paid-up insurance will be paid to the policy owner. However, this payment could be taxable (please refer to the taxation section for more fiscal information).

8.2 Annual premium reduction

The annual premium reduction dividend option allows policy owners to reduce the amount of the next annual premium payable. With this dividend option, policy owners must pay their premium on an annual basis (and not monthly). Policy owners can modify the frequency of their premium payment at any time to benefit from this dividend option.

Under the annual premium reduction option, if for a given year, the dividends are lower than the amount of the premium, the policy owner will have to pay the residual annual premium. The premium requested in the billing notice will be the residual premium. If, on the contrary, for a given year, the dividends are higher than the premium, the excess dividend will be used to purchase paid-up insurance.

8.3 Payable in cash

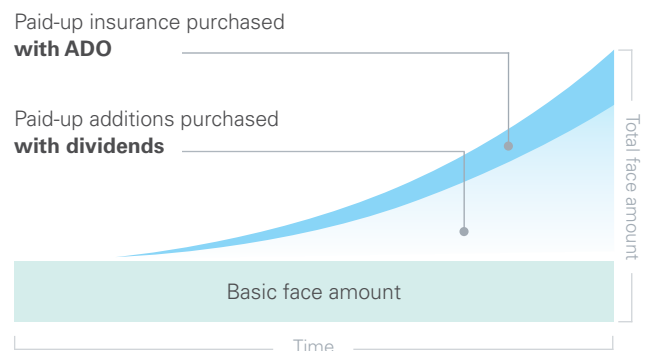
The payable in cash dividend option leads to the annual payment of dividends, providing the policy owner with liquidity while maintaining the face amount. Dividend payments could be taxable (please refer to the taxation section for more fiscal information).

8.4 Deposit with interest

Under the deposit with interest option, dividends are paid into a savings account, the dividend deposit account. An interest rate determined by the Company is credited on the balance of this account. This rate is available in the Advisor Centre. The policy owner can withdraw amounts from this account at any time. Dividend payments could be taxable and the interest credited is taxable (please refer to the taxation section for more fiscal information).

9. ADDITIONAL DEPOSIT OPTION

The additional deposit option is a growth accelerator for iA PAR contract values. Policy owners can make optional contributions, which allows them to acquire additional paid-up insurance. This is added to the paid-up insurance coverage acquired through dividends, growing your client's investment even faster.



*The total face amount is not guaranteed.

9.1 How it works

Policy owners must have the paid-up additions dividend option to make these additional deposits. The Company determines the additional amount of face amount of paid-up insurance that dividends allow the policy owners to acquire.

Policy owners' intention to contribute or not to the Additional Deposit Option must be indicated on the insurance application. If Policy owners chose to contribute to the Additional Deposit Option, the contribution amount must also be specified.

9.2 Contribution amount

Policy owners may change at any time the contribution amount initially indicated in their insurance proposal, without providing evidence of insurability. However, the new contribution amount must be less than or equal to the amount specified in their insurance application.

Furthermore, for a face amount exceeding \$2M, the new contribution amount must be less than or equal to the highest total annual contribution made on the first or the second year of the policy.

The Company's approval and evidence of insurability may be required if policy owners wish to increase their contribution amount beyond what is permitted, or to begin contributing without having selected this option in their insurance application.

The minimum contribution amount must be the following:

- Minimum annual contribution of \$100
- Minimum monthly contribution of: \$10

9.3 Mode of payment

The additional contribution for policy owners who selected the annual mode of payment will be included in the amount on their billing notice. For policy owners who selected the monthly mode of payment, the additional contribution is added to their PAC.

Any lump sum contribution to the ODS not included in the billing notice and made during the last two months preceding the contract anniversary will apply to the calculation of the following year's dividends.

9.4 Limitations

- 1) The additional deposit option is not available for 10-year payment premiums option.
- 2) This option is not available if an insured is subject to an extra premium expressed in dollars per \$1,000.
- 3) The Company could limit the contribution amount to maintain the exempt status under the *Income Tax Act*.

10. POLICY LOAN ADVANCES

10.1 General provisions

There are two types of policy loan advance. Where the guide refers to "policy loan advances," it refers to both types, unless otherwise specified. A contract that benefits from a policy loan advance still qualifies for dividend payments.

There are situations where policy loan advances may cause the contract to lapse. Please refer to the policy lapse and reinstatement section for more information about lapses and reinstatement.

Cash loan advance

The policy owner can request a cash loan advance at any time in writing. However, this type of loan cannot exceed the maximum amount calculated using the following formula:

90% of the surrender value of the basic coverage including the surrender value of the reduced paid-up insurance (if any) **plus 90%** of the surrender value of the paid-up insurance (if any) **less** any amounts owed to the Company.

Automatic loan advance

An automatic loan advance is initiated by the Company when premiums are due and are not paid before end of the grace period.

The automatic loan advance can never result in the outstanding loan balance **plus** any other amounts owed to the Company exceeding the surrender value of the basic coverage including the surrender value of the reduced paid-up insurance, if any **plus** the surrender value of the paid-up insurance **plus** the balance of the dividend deposit account, if any.

For the definition of "outstanding policy loan balance" refer to Definitions section at the end of this guide.

10.2 Policy loan interest

The policy loan interest rate is determined by the Company and is subject to change. The rate is available in the secure section of the Advisor Centre.

Policy loan interest accrues daily and is capitalized on each contract anniversary.

11. SALES CONCEPT – PREMIUM OFFSET

If the paid-up additions dividend option is selected, the advisor can illustrate the premium offset sales concept. This concept provides for a time in the illustration when policy owners stop paying their premium and change their dividend option to annual premium reduction at a given moment.

Starting at this time, the dividends are used to pay the premium. If the dividends are not sufficient, three options are offered to pay the premium's balance, using:

- a partial or total surrender of the paid-up insurance;
- cash; or
- an automatic policy loan advance.

The illustration assumes however that the residual premium will be offset by a partial or total surrender of the paid-up insurance. This concept will not run automatically. To apply it, the advisor must request the following changes when the policy owner wants to stop paying premiums:

- 4) Change the dividend option for annual premium reduction;
- 5) Change the mode of payment to annual, if applicable.

The policy owner will then receive annual billing notices. If the contract premium is higher than the dividends paid, the billing notice will request that the policy owner pay the residual premium. The policy owner could then decide, as indicated in the illustration, to pay the residual premium through a partial or total surrender of the paid-up insurance.

12. TAXATION

iA PAR is a life insurance contract that has exempt status under the *Income Tax Act*. The contract values can therefore grow sheltered from tax, subject to the limit provided in this law. Following an increase in the dividend scale or transactions requested by the policy owner, a portion of the surrender values could be payable to the policy owner, in order that the contract retain its tax-free status.

12.1 Taxation of dividends

Taxation of life insurance contract dividends depends on the dividend option selected.

Paid-up additions

- The policy owner uses the annual dividends to purchase paid-up insurance.
- The Company could limit the purchase of paid-up insurance to maintain the contract's exempt status under the *Income Tax Act*. In this case, all unused dividends to purchase paid-up insurance will be paid to the policy owner.

- There is no taxable income if the total dividends purchase paid-up insurance.
- This dividend option has a neutral impact on the contract's adjusted cost basis (hereinafter "ACB") if the total dividends is used to purchase paid-up insurance.
- If a portion of the dividends is paid to the policy owner, for these dividends, the process described below for the payable in cash option applies.

Payable in cash

- The Company automatically pays the dividends to the policy owner.
- The dividends paid do not generate taxable income, unless they exceed the ACB.
- The amount of dividends exceeding the ACB is declared as taxable income. One or more tax slips will be issued.
- The contract's ACB is reduced by this amount.

Annual premium reduction

- The policy owner uses the annual dividend to reduce the amount of the next annual premium payable.
- The dividends paid do not generate taxable income.
- This dividend option does not modify the ACB.

Deposit with interest

- Dividends are deposited in a savings account. An interest rate is credited on the balance of the account.
- If the contract's ACB is lower than the amount of dividends deposited in the account, the amount that exceeds the ACB is declared as taxable income. One or more tax slips will be issued.
- The contract's ACB is reduced by this amount.
- Any interest credited in the account is taxable income. One or more tax slips will be issued.

12.2 Taxation of total surrenders, partial surrenders (withdrawals) or policy loan advances

For a total surrender, partial surrender (withdrawal) or policy loan advance, when the amount of the surrender or policy loan advance exceeds the contract's ACB, the amount in excess of the ACB will be a taxable amount. For a partial surrender (withdrawal), the taxable amount will be determined in proportion to the amount withdrawn. For a policy loan advance, the amount in excess of the ACB will be a taxable amount.

13. RIDERS AND ADDITIONAL BENEFITS

iA PAR offers the following riders and additional benefits on all basic coverages:

- Term coverages: Renewable and convertible term life insurance:
 - T10 (R&C) and T20 (R&C)
 - Pick-A-Term: T25 and T30
- Critical Illness
- Critical Illness – Child
- Disability Credit
- Child Module
- Child Module PLUS
- Accidental death (AD)
- Accidental death and dismemberment (AD&D)
- Accidental fracture (AF)
- 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)

All details concerning the above riders and additional benefits are found in the *Riders and Additional Benefits* product guide, available in the Document Centre of the Advisor Centre.

14. MODIFICATIONS AFTER ISSUE

iA PAR is flexible and adapts to the policy owner's needs. The present section covers the modifications that can be made without terminating the contract.

14.1 Separation of a term life or a critical illness insurance rider

With the policyowner's and the irrevocable beneficiary's consent, where applicable, any term life or critical illness insurance rider can be separated and continue as a separate contract without having to submit evidence of insurability.

- The term life insurance protection will continue under a traditional insurance contract issued by the Company. As for the critical illness protection, it remains in effect as well as a separate contract.
- The new contract will have the same effective date and features as the coverage in force under the old contract.
- Policy fees will be payable under the new contract.
- A transaction fee will be charged for this transaction. Refer to the *Policies and Procedures Guide – Administration, Life Insurance*, in the Document Centre of the Advisor Centre for more information.

14.2 Convert a term rider to permanent life coverage

It is possible to convert a term life insurance rider to permanent life insurance, without evidence of insurability. However, any conversion must be to a new contract offered by the Company when the conversion request is made.

If the term rider is completely converted to a new participating life insurance policy, the conversion rule depends on the amount of the term coverage:

- For coverage of \$2M or less, contributions to the additional deposit option are allowed in the new policy without having to provide new evidence of insurability.
- For coverage exceeding \$2M, no additional deposit option contributions are allowed in the new policy unless new evidence of insurability is provided. It is, however, possible to convert to a new participating life insurance policy with a lower death benefit and an additional deposit option contribution amount without evidence of insurability. To do so, the maximum net amount at risk (NAR) of the participating product illustration report is considered and must be less than or equal to the death benefit of the term product prior to conversion. If part of the term product is conserved after the conversion, the conserved death benefit must be added to the participating product's NAR to establish eligibility for the additional deposit option. The maximum NAR can be found in the "Summary of coverage" section of the report under the heading "For advisor's use".

14.3 Change from smoker to non-smoker status

If one of the insureds changes from a smoker to non-smoker status, the premium and the total surrender value of the contract are reduced. The reduction in surrender value is paid to the policy owner. The policy owner could be taxed on the surrender value that is paid.

15. SURRENDER OF THE CONTRACT

The policy owner can request the **total surrender** of the contract at any time. If applicable, the policyowner will receive the total surrender value of the contract on the established request date as provided for in the surrender value section. Total surrender of the contract results in its termination.

The policy owner can request a **partial surrender (withdrawal)** of the contract at any time. The following conditions apply:

- The partial surrender first applies against the surrender value of the paid-up insurance, if any;
- Once the surrender value of the paid-up insurance is depleted, the partial surrender reduces the surrender value of the basic coverage including the surrender value of the reduced paid-up insurance, if any;
- The reduction in the surrender value will reduce the face amount acquired with the paid-up insurance, if any, and could reduce the guaranteed initial face amount;
- A reduction in the face amount of the basic coverage could lead to a reduction in the eligible additional deposit option contribution;
- Further to the reduction, the policy owner cannot reinstate the surrender value that was surrendered or the corresponding face amount;
- Given that the face amount of the basic coverage is reduced, the dividends that your policy owner can expect annually will also be smaller. For more information on the taxation of withdrawals and surrenders, please refer to the section on the taxation of total surrenders, partial surrenders (withdrawals) and policy loan advances.

16. POLICY LAPSE AND REINSTATEMENT

16.1 Grace period and lapse

If premiums are due and unpaid at the end of a 31-day grace period, to the extent possible, the Company will make an automatic loan advance in order to prevent the contract from lapsing.

At all times, if the total of the policy loan advances **plus** any other amount owed to the Company exceeds the surrender value of the basic coverage, including the surrender value of the reduced paid-up insurance, if any, **plus** the surrender value of the paid-up insurance, if any **plus** the balance of the dividend deposit account, if any, the contract will terminate.

16.2 Reinstatement

If the contract terminates, as described in the preceding section, it may be reinstated once the following conditions have been met:

- The policy owner has sent a request to reinstate the contract within two years following the date of the lapse;
- The total surrender value has not been paid to the policy owner;
- The policy owner has provided evidence which establishes, based on the Company's underwriting rules at the time of the request, that each insured is still alive and meets the conditions required to be insured under the contract;
- The policy owner has paid an amount sufficient to cover:
 - All unpaid premiums, **plus**
 - Any other amounts owed to the Company, **plus**
 - Interest compounded annually at the rate that the Company determines.

Once the contract is reinstated:

- The two-year period during which the Company can contest the validity of the contract or one of its coverages (contestability period) will begin again on the effective date of reinstatement;
- The two-year period that applies to suicide will begin again on the effective date of reinstatement.

17. DISABILITY BENEFIT

A disability benefit can be paid to the policy owner without additional charge, when an insured aged 18 or over becomes totally disabled. Total disability is defined in the "Definitions" section of the present guide.

This disability benefit comes from the surrender value of the paid-up insurance. It also reduces the face amount of the paid-up insurance.

17.1 Conditions

The following conditions apply to any disability benefit.

- When the request is made, the life insured must be totally disabled and must have been totally disabled for a continuous period of at least thirty days.
- The policy owner can request one disability benefit per twelve-month period, which will be paid in a single payment.
- Each disability benefit cannot exceed the surrender value of the paid-up insurance when the request is made.
- Evidence of disability could be required by the Company.
- Each disability payment may be subject to a transaction fee and a medical assessment fee.
- Disability payments cease as soon as the insured person is no longer disabled.
- Restrictions and exclusions may apply. Please refer to your contract.

18. TRANSACTION FEES

To find the transaction fees schedule, please refer to the Document Centre of the Advisor Centre in the "Policies and Procedures Guide – Administration, Life Insurance".

DEFINITIONS

Age

At any time, "age," in respect of a coverage, is the age of the life insured rounded to his/her nearest birthday.

Equivalent age

For joint last-to-die coverage, the equivalent age is a single age for the two insureds, calculated according to our administrative rules and used to calculate the premium that the policy owner must pay.

Contract anniversary

The annual anniversary of the effective date of the contract.

Total disability

The insured is deemed totally disabled from the moment when he satisfies one of the following conditions:

- a) Before age 65, as the result of an illness or injury, the total and continuous inability to perform the duties of his regular occupation, for an insured who practices a remunerated occupation at the onset of his disability;
- b) Before age 65, as the result of an illness or injury, the total and continuous inability to perform the duties of any occupation for which the insured is reasonably qualified, regardless of the availability of employment, for an insured who is temporarily unemployed or on employment insurance at the onset of his disability;
- c) At any age, the continuous disability caused by the total and permanent loss of sight in both eyes, or use of both hands, or use of both feet, or use of one hand and one foot, as confirmed by a doctor's diagnosis;
- d) At any age, the continuous disability caused by 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 continuous disability preventing the insured to perform, by himself, any one of the primary activities of daily living hereunder described.

Primary Activities of Daily Living

- a) Walking;
- b) Feeding – the ability to consume food or drink that already has been prepared and made available, with or without the use of adaptive utensils;
- c) Dressing – the ability to put on and take off necessary clothing including braces, artificial limbs or other surgical appliances;
- d) 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;
- e) Bathing – the ability to wash oneself in a bathtub, shower or by sponge bath, with or without the aid of equipment;
- f) Talking to make himself understood in a quiet place, by a person of his acquaintance;
- g) Hearing so as to understand, in a quiet place, a person of his acquaintance; and
- h) Using the mental functions necessary for everyday activities, such as:
 - i. Memory;
 - ii. Problem solving, goal-setting and decision making (taken together); and
 - iii. Adaptive functioning.

Outstanding policy loan balance

At any time, the total of all policy loan advances which have been made to the extent that they have not been repaid plus all accrued interest.

Amounts owed to the Company

At any time, the sum of the following items:

- transaction fees incurred and unpaid;
- any policy loan balance;
- any amount needed to keep the contract in force until this date.

iA Financial Group – A solid, trusted company

With over 125 years of history in the insurance and wealth management businesses, iA Financial Group is a name that inspires trust for its clients. Founded in 1892, iA has always succeeded in adapting its practices and product offering to changing market needs in order to meet the needs of clients.

Our mission is to ensure the financial wellbeing of our clients by offering them personal insurance coverage and investment solutions to help them achieve their personal goals.



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