

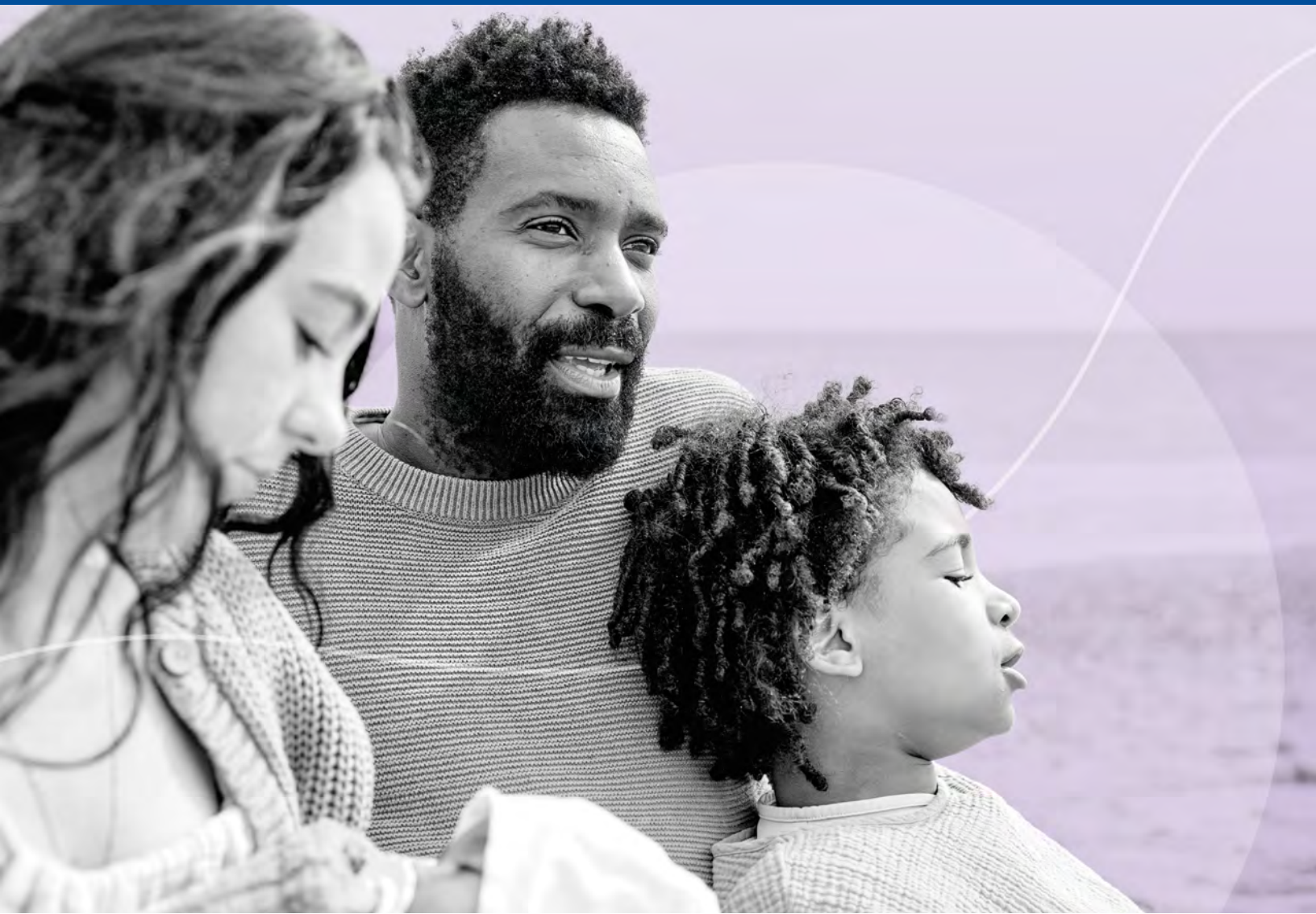
Transition



CRITICAL ILLNESS
INSURANCE

CRITICAL ILLNESS INSURANCE GUIDE

Policy and riders



This insurance offers your client complete protection combined with great flexibility to preserve their financial security and quality of life.

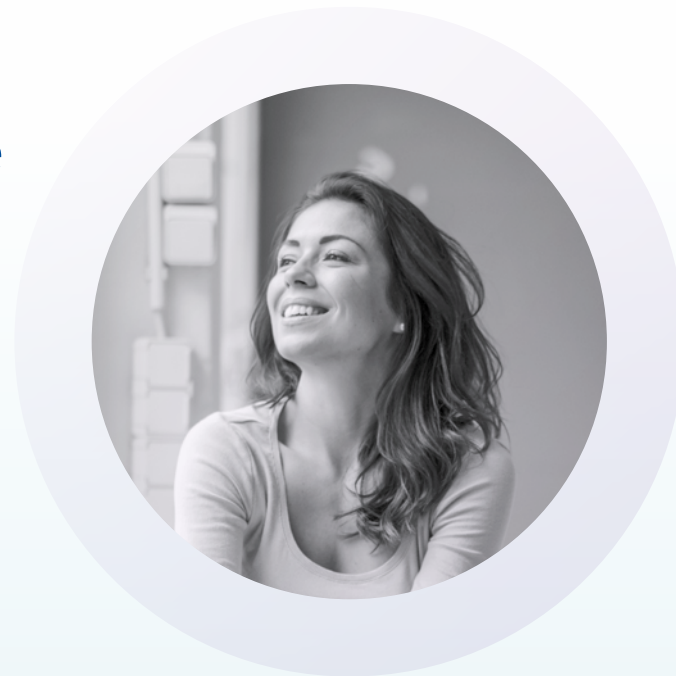


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Critical illness insurance – an overview

The critical illness insurance offered by iA is one of the cornerstones of efficient financial planning. This insurance offers your client complete protection combined with great flexibility to preserve their financial security and quality of life. A critical illness can have major financial repercussions on the client's standard of living and that of their family.




This protection guarantees your client the payment of a non-taxable lump-sum amount, which can be used any way they like, in the event a critical illness is diagnosed.

Critical illness insurance also allows your client to access a second medical opinion as well as a wide range of riders and additional benefits that provide customized protection which meets your clients' needs even better.

Critical illness insurance allows your client to protect their financial security, in all steps of life:

- Replace their income and protect the investment made in their home, two cornerstones of financial security.
- If the client's child is diagnosed with a critical illness, take unpaid leave for the time needed to support and take care of the child.
- Back their retirement projects by integrating critical illness insurance in their investment and savings strategy.
- Ensure business continuity, repayment of debts and succession planning

 To be eligible for payment of the face amount, the client's critical illness diagnosis must be consistent with the definition provided in the policy or the rider. This definition may include certain exclusions and limitations. It is important to ensure your client is aware of these.

Transition critical illness insurance policy – at a glance

Coverage options	<ul style="list-style-type: none"> — Transition 25 illnesses — Transition 4 illnesses <p>Transition 25 illnesses and Transition 4 illnesses which each come in the following options:</p> <ul style="list-style-type: none"> — Term coverages: T10, T20, T25 and T75 — Permanent coverages: T100 and T100 10-Year or T100 20-Year Payment
Face amount – minimum and maximum	<ul style="list-style-type: none"> — Insured aged 18 years or over: \$10,000 to \$3,000,000 — Insured under age 18 years: \$10,000 to \$500,000
Type of face amount	<ul style="list-style-type: none"> — Level — Decreasing to 50% <p>Note: The decreasing to 50% face amount is only available with the 4 illnesses coverage - T10, T20 and T25.</p>
Type of insurance	Individual
Maximum number of insureds per contract	Up to 9 insureds under a same contract, including the principal insured.
Maximum ages at issue	<ul style="list-style-type: none"> — T10: 0 to 64 years — T20: 0 to 54 years — T25: 0 to 49 years — T75: 0 to 65 years — T100: 0 to 65 years — T100 10-Year Payment: 0 to 65 years — T100 20-Year Payment: 0 to 50 years

Covered critical illnesses – Transition 25 illnesses	— Aortic Surgery	— Loss of Independent Existence
	— Aplastic Anemia	— Loss of Limbs
	— Bacterial Meningitis	— Loss of Speech
	— Benign Brain Tumour	— Major Organ Failure on Waiting List
	— Blindness	— Major Organ Transplant
	— Cancer (Life-Threatening)	— Motor Neuron Disease
	— Coma	— Multiple Sclerosis
	— Coronary Artery Bypass Surgery	— Occupational HIV Infection
	— Deafness	— Paralysis
	— Dementia, including Alzheimer's Disease	— Parkinson's Disease and Specified Atypical Parkinsonian Disorders
	— Heart Attack	— Severe Burns
	— Heart Valve Replacement or Repair	— Stroke (Cerebrovascular Accident)
	— Kidney Failure	
Covered critical illnesses – Transition 4 illnesses	— Cancer (Life Threatening)	
	— Coronary Artery Bypass Surgery	
	— Heart Attack	
	— Stroke (Cerebrovascular Accident)	
Covered juvenile critical illnesses – 5 illnesses	— Included in both versions: 25 illnesses and 4 illnesses	
	— Payment of a benefit in the event of diagnosis of one of the following 5 juvenile critical illnesses:	
	— Cerebral Palsy	
	— Congenital Heart Disease	
	— Cystic Fibrosis	
	— Muscular Dystrophy	
— Type 1 Diabetes Mellitus		
Note : The diagnosis must be made before the insured's 25th birthday.		
Prevention + Benefit covered illnesses – 7 illnesses	— Included in both versions: 25 illnesses and 4 illnesses	
	— Partial benefit payment corresponding to 15% of the face amount, up to \$50,000 per payment (payable up to 4 times per contract, once per illness), in the event of diagnosis of one of the following 7 illnesses:	
	— Chronic Lymphocytic Leukemia (CLL) Rai stage 0	
	— Coronary Angioplasty	
	— Ductal Carcinoma <i>in situ</i> of the Breast	
	— Gastrointestinal stromal tumours (GIST) and neuroendocrine tumours (classified less than AJCC Stage 2)	
	— Papillary or Follicular Thyroid Cancer stage T1	
	— Stage 1 Malignant Melanoma	
	— Stage A (T1a or T1b) Prostate Cancer	

Return of premiums riders	— Return of premiums upon death (RPD): available for all coverages
	— Flexible return of premiums (FRP):
	— FRP15: available for T75 and T100
	— FRP20: available for T100 10-Year and T100 20-Year Payment
	— FRP65: available for T75 and T100
	Note : A maximum age is applicable at issue for any flexible return of premiums rider. Please refer to the section concerning return of premiums riders for more details.
Renewal T10, T20 and T25	Until age 75
Conversion T10, T20 and T25	— T75, T100 and T100 10-Year Payment: to age 65
	— T100 20-Year Payment: to age 50
Rate bands	Band 1: \$10,000 to \$49,999
	Band 2: \$50,000 to \$99,999
	Band 3: \$100,000 to \$199,999
	Band 4: \$200,000 or over
Premium payments	— On an annual basis
	— On a monthly basis (pre-authorized cheque (PAC))
MediGuide	Unlimited access to a medical second opinion service included in both versions: 25 illnesses and 4 illnesses
Increased benefit rider	— Automatic increase in the face amount on the 5th and 10th contract anniversary, without evidence
	— Maximum increase in the face amount each year: 50% of the face amount to a maximum of de \$250,000.
	Note: The increase cannot be lower than \$10,000
Other riders and additional benefits	Offered at issue and upon a conversion:
	— Increased Benefit rider
	— Return of Premiums upon Death rider (RPD)
	— Flexible Return of Premiums rider (FRP)
	At all times:
	— 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)
	— Accidental Fracture (AF)
	— Hospitalization
	— Hospitalization and Home Care
	— Supplementary Income (SI)
	— Paramedical Care in the Event of an Accident
	— Transition Child
Policy fees	— 1 insured: \$60
	— 2 + insureds: \$90, regardless of the number of insureds

Critical illness insurance riders – at a glance

Critical Illness rider

Available on the following products:

- Term and Whole Life Insurance
- EquiBuild Universal Life Insurance
- Genesis Universal Life Insurance
- iA Participating Life Insurance (Wealth & Estate versions)

Characteristics identical to those detailed in the “At a glance” table for the Transition critical illness insurance policy, according to the version of the rider purchased (25 illnesses or 4 illnesses), except for:

- T100 10-Year and T100 20-Year Payment not available
- No return of premiums rider available
- No rider or additional benefit available

Child Critical Illness rider

Available on the following products:

- Term and Whole Life insurance
- EquiBuild Universal Life Insurance
- Genesis Universal Life Insurance
- iA Participating Life Insurance (Wealth & Estate versions)

Characteristics:

- 25 critical illnesses
- 6 juvenile critical illnesses (5 juvenile critical illnesses from Transition and one additional juvenile illness: Down Syndrome)
- Eligibility: each existing and future child up to age 25
- Level face amount – minimum and maximum: \$2,000 to \$20,000
- Conversion privilege
- No return of premiums rider available
- Increased Benefit rider not available
- No rider or additional benefit available

Transition Child rider

Available on the following product:

- Transition 25 illnesses and 4 illnesses

Characteristics:

- 25 critical illnesses
- 6 juvenile critical illnesses (5 juvenile critical illnesses from Transition and one additional juvenile illness: Down Syndrome)
- Eligibility: each existing and future child up to age 25
- Level face amount minimum and maximum: \$2,000 to \$20,000
- Conversion privilege
- No return of premiums rider available
- Increased Benefit rider not available
- No rider or additional benefit available

1. Important information about this guide

This guide is a reference tool intended for the exclusive use of advisors. Its purpose is to outline the main characteristics of the critical illness insurance products currently offered¹ by Industrial Alliance Insurance and Financial Services Inc.



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.

We recommend that you invite your client to consult their independent legal and financial advisors concerning the tax and financial impacts of critical illness insurance.

¹ The “critical illness insurance products currently offered” include the Transition 6.0 Policy, Transition 6.0 Child, Child Critical Illness 6.0 and Critical Illness 6.0 Coverage riders. The most recent versions of the Return of Premium and Increased Benefit riders associated with a Transition 6.0 Policy also represent the critical illness insurance products currently offered.

2. Advantages of critical illness insurance

Wide range of protections, designed for all budgets

The choice between a complete protection covering 25 critical illnesses and another more affordable protection covering the 4 most common critical illnesses allows your client to be insured for a specific commitment or financial obligation, for the period they need, while taking into consideration their budget.

Two types of face amount are also offered: a level face amount, which remains the same for the entire coverage period, or a decreasing to 50% face amount, like a mortgage loan. The decreasing to 50% face amount is only available with the 4 illnesses coverage.

Decreasing to 50% face amount

Ideal for mortgage clients, the 4 illnesses coverage-T10, T20 and T25 offers a face amount that decreases to 50% of the initial face amount and then remains level. This unique flexibility provides an even more affordable option to guarantee a loan in the event of critical illness.

Renewal privilege: future protection guaranteed in the event of a change in the client's health

Thanks to the renewal privilege of the T10, T20 and T25 term critical illness insurance coverages, the client can purchase another period of protection, without evidence. The premiums also remain guaranteed and level for the entire selected protection period. This guarantees future protection for your client in the event of a change in their health.

MediGuide – Second medical opinion

MediGuide allows the insured to obtain a second medical opinion when they are diagnosed with a critical illness. This service gives the insured access to a group of top medical specialists who can verify the insured's initial diagnosis and recommend the best treatment plan.

Conversion privilege to a longer or permanent protection period

The client can convert a T10, T20 and T25 term critical illness insurance into T75 term coverage or T100 or T100 10-Year or 20-Year Payment permanent coverage. These conversions are made without evidence, which guarantees certain future protection options for your client in the event of a change in their state of health.

Wide range of additional coverage options

Thanks to a vast selection of 16 riders and additional benefits, you can create custom coverage for your clients as their needs evolve under one contract. In addition, your clients can save money through the Combined Protections discount, which helps avoid extra policy fees!

Prevention + Benefit included in all choices of coverage

The Prevention + Benefit pays a partial benefit equal to 15% of the face amount up to \$50,000 per payment, up to four times, for the duration of the contract. Following the benefit payment, the critical illness insurance continues according to the same conditions and the face amount is not reduced by the amount paid.

3. General information about critical illness insurance

Critical illness insurance provides for the payment of a lump-sum tax-free amount during an insured's lifetime, following the diagnosis of a critical illness, in accordance with its description, the provisions, limitations and exclusions specified by the policy or rider.

Critical illness insurance can be purchased as a **policy** (Transition 25 illnesses or 4 illnesses) or a **rider** (critical illness rider or Transition Child rider) to an existing policy.

The 4 illnesses coverage is a more affordable solution covering the four most common critical illnesses and is quickly underwritten thanks to the simplified selection process in order to make the product accessible to a larger number of people.

Coverage option

There are two versions of the critical illness insurance product: 25 illnesses and 4 illnesses, which are divided into several coverage options. Purchasing a policy, whether for the 25 illnesses or 4 illnesses coverage, provides access to the same characteristics, return of premium riders and riders and additional benefits.

However, a few exceptions differentiate the critical illness insurance policy and rider. These exceptions are described in the "Critical Illness Insurance riders – at a glance" section at the beginning of this guide.

Clients have several choices of coverage options, according to their needs:

Coverage options	Description	Available as policy or rider
T10, T20 and 25	10-, 20- or 25-year term coverages. These coverages are renewable and convertible.	Policy and rider
T75	Term coverage until the insured turns 75.	Policy and rider
T100	Permanent coverage. Premiums payable until the insured turns 100.	Policy and rider
T100 10-Year Payment	Permanent coverage. Premiums payable for 10 years. This quick payment option must be selected when the contract is issued.	Policy only
T100 20-Year Payment	Permanent coverage. Premiums payable for 20 years. This quick payment option must be selected when the contract is issued.	Policy only

Face amount

For all critical illness insurance coverage options, the face amount is offered according to two choices:

- Leveled: Fixed for the entire duration of the coverage.
- Decreasing to 50% (only available with 4 illnesses coverage- T10, T20 and 25). The initial face amount decreases once a year, on the annual anniversary of the coverage, to a maximum of 50% of the face amount.

Termination of an insured's critical illness coverage

The payment of a critical illness benefit automatically terminates the coverage of the insured who received a benefit for their illness, unlike the payment of a benefit under the Prevention + Benefit.

Good to know!

For the decreasing to 50% face amount option, the face amount decreases to 50% of the initial face amount and then remains level.

The decrease is calculated according to a mortgage amortization schedule, at an 8% interest rate. A schedule showing the decrease in the face amount is attached to each contract issued. During a protection period, the insured cannot switch from a decreasing face amount to level.


It is not imperative that the face amount equal the exact balance of the loan or line of credit: the face amount can be higher than these balances when the policy is purchased. In this respect, no evidence is required at issue or for a claim.

4. Covered critical illnesses – 25 illnesses and 4 illnesses versions

Critical illness insurance provides for the payment of the total face amount if the insured is diagnosed with a critical illness **in accordance with its description, the provisions, limitations and exclusions specified by the policy or rider.**

The covered critical illnesses are listed in the "At a glance" section at the beginning of this guide. The complete description of each of these illnesses as well as the

applicable exclusions and limitations are specified in the Critical Illness Descriptions Guide available in the Advisor Centre Document Centre.

 Certain periods must also be completed or considered before a benefit can be paid by the Company. The periods are also specified in the same guide.

5. Covered juvenile critical illnesses

Several juvenile critical illnesses are automatically included in all critical illness insurance products, whether in the form of a policy or a rider.

Note that if critical illness insurance is purchased as a Transition critical illness child rider or Transition child rider to an existing policy, an additional juvenile illness is included in the coverage (Down syndrome).

Critical illness insurance provides for the payment of the total face amount if the insured is diagnosed with a juvenile critical illness **in accordance with its description, the provisions, limitations and exclusions**

specified by the policy or rider. The diagnosis of such critical illness must however occur before the insured's 25th birthday.

The covered juvenile critical illnesses are listed in the "At a glance" section at the beginning of this guide. The complete description of each of these illnesses as well as the applicable exclusions and limitations are specified in the Critical Illness Descriptions Guide available in the Advisor Centre Document Centre.

6. Prevention + Benefit

Certain illnesses specifically excluded in the contractual descriptions of the covered critical illnesses may be subject to the payment of a partial benefit under the Prevention + Benefit.


This protection is automatically included in all critical illness insurance products, whether in the form of a policy or a rider.

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 an illness **in accordance with its description, the provisions, limitations and exclusions specified by the policy or rider.**

The Prevention + Benefit can be paid up to four times, for the term of the contract, for all covered illnesses, subject to a maximum of one time per illness. A total of up to \$200,000 can be paid under the Prevention + Benefit.

The contract continues under the same conditions after the benefit is paid and the face amount is not reduced by the amount paid.

The Prevention + Benefit covered critical illnesses are listed in the "At a glance" section at the beginning of this guide. The complete description of each of these illnesses as well as the applicable exclusions and limitations are specified in the Critical Illness Descriptions Guide available in the Advisor Centre Document Centre.

 Certain periods must also be completed or considered before a benefit can be paid by the Company. The periods are also specified in the same guide.

7. Return of premiums riders

Attaching a Return of Premiums upon Death or Flexible Return of Premiums rider to a critical illness insurance policy represents a considerable advantage for your clients.

For a policyowner to be eligible for a return of premiums, no critical illness benefit (other than the Prevention + Benefit) must have been paid.

Return of Premiums upon Death rider (RPD)

The Return of Premiums upon Death rider is available **at issue or upon a conversion of a critical illness insurance policy** and is offered for all coverages.

The maximum ages applicable at issue for any Flexible Return of Premiums rider are identical to those of the coverage to which the rider is attached.


This rider pays an amount equal to the sum of the eligible premiums paid for the items listed in the table on the following page.

Eligible and non-eligible premiums in the Return of Premiums upon Death rider

Eligible premiums	Non-eligible premiums
<ul style="list-style-type: none"> — Critical illness insurance premiums to which the rider is attached (including those waived due to a disability) — Premiums for the Return of Premiums upon Death rider (RPD) — Premiums for the Flexible Return of Premiums rider (FRP) — Extra premiums — Policy fees — Fees for a premium payment other than annual 	<ul style="list-style-type: none"> — 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 the WPDIs, WPIDIs and WPD — Supplementary Income (SI) premiums — Accidental Fracture (AF) premiums — Premiums for the Paramedical Care in the Event of an Accident rider

A return of premiums is made on the death of the insured if this death occurs during the coverage period. The Company returns to the designated beneficiary the total eligible premiums collected since the issue date of the coverage.

Moreover, a return of premiums is also made to the designated beneficiary if the insured, diagnosed with a critical illness, dies during the survival period for this illness.

 The amount of return of premiums upon death is not limited to the face amount of the coverage and can therefore be higher.

Flexible Return of Premiums rider (FRP)

The Flexible Return of Premiums rider is offered **at issue or upon a conversion of a critical illness insurance policy** for the following coverages:

- T75 coverage
- T100 coverage
- T100 10-Year Payment coverage
- T100 20-Year Payment coverage


The Flexible Return of Premiums rider pays an amount equal to the sum of the eligible premiums, which are identical to those provided for the Return of Premiums upon Death rider. For more details, refer to the table concerning eligible and non-eligible premiums in the Return of Premiums upon Death rider located in the previous section.

This payment can be made, on written request from the policyowner, starting on the 5th anniversary of the coverage (for the FRP15 and FRP20 riders) or starting on the insured's 55th birthday (for the FRP65 rider).

If the amount of the flexible return of premiums is higher than the face amount of the coverage and the insured is diagnosed with a critical illness, the Company will pay the Flexible Return of Premiums benefit.

The following minimum and maximum ages are applicable when any Flexible Return of Premiums rider is issued:

Coverage	Type of FRP rider	Minimum and maximum ages
T75	FRP15	0 to 60 years
T75	FRP65	0 to 49 years
T100	FRP15	0 to 65 years
T100	FRP65	0 to 49 years
T100 10-Year Payment	FRP20	0 to 65 years
T100 20-Year Payment	FRP20	0 to 50 years

 As soon as the flexible return of premiums privilege is exercised, the critical illness insurance policy is terminated, along with any rider or additional benefit that is attached to it.

Flexible Return of Premiums rider associated with a T75 or T100 coverage

Two flexible return of premiums options are available for the T75 and T100 coverages:

- FRP15: Return of premiums starting from the 5th anniversary of coverage.
- FRP65: Return of premiums starting from the insured's 55th birthday.

According to the return option chosen, the amount paid by the Company to the policyowner or designated beneficiary equals a percentage of the total eligible premiums as described in the following tables.

FRP15			
Anniversary of the coverage	Percentage of return	Anniversary of the coverage	Percentage of return
5 years	15%	11 years	60%
6 years	22%	12 years	70%
7 years	29%	13 years	80%
8 years	36%	14 years	90%
9 years	43%	15 years	100%
10 years	50%		

FRP65			
Insured's age	Percentage of return	Insured's age	Percentage of return
55 years	15%	61 years	60%
56 years	22%	62 years	70%
57 years	29%	63 years	80%
58 years	36%	64 years	90%
59 years	43%	65 years	100%
60 years	50%		

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

Flexible Return of Premiums rider associated with a T100 10-Year Payment or T100 20-Year Payment coverage

Only one flexible return of premiums option is available for the T100 – 10-Year Payment and T100 20-Year Payment coverage:

- FRP20: Return of premiums starting from the 5th anniversary of coverage.

The amount paid by the Company to the policyowner or designated beneficiary equals a percentage of the total eligible premiums as described in the following table.

RFP20			
Anniversary of the coverage	Percentage of return	Anniversary of the coverage	Percentage of return
5 years	15%	13 years	65%
6 years	22%	14 years	70%
7 years	29%	15 years	75%
8 years	36%	16 years	80%
9 years	43%	17 years	85%
10 years	50%	18 years	90%
11 years	55%	19 years	95%
12 years	60%	20 years	100%

When the insured reaches age 100 without a critical illness benefit having been paid, premiums are returned automatically.

Summary – Coverage options and return of premiums rider

The following table summarizes the availability of the different return of premium riders according to the coverage option purchased by the policyowner:

Coverage option	RPD	FRP
T10	Available	Not available
T20	Available	Not available
T25	Available	Not available
T75	Available	Available: FRP15 & FRP65
T100	Available	Available: FRP15 & FRP65
T100 10-Year Payment	Available	Available: FRP20
T100 20-Year Payment	Available	Available: FRP20

8. Reduced paid-up insurance

If the Flexible Return of Premiums rider is attached to the critical illness insurance policy, the policyowner can submit a request to stop making premium payments and maintain a reduced face amount.

This request can be made starting from the 5th anniversary of the coverage.

A request for reduced paid-up insurance leads to the termination of the Flexible Return of Premiums rider. The accumulated value of the amount of return of premiums is also erased.

9. Policy loans

Policy loans are only available when the following two riders are attached to the critical illness insurance policy:

- Return of Premiums upon Death.
- Flexible Return of Premiums. However, the policyowner must be eligible for the flexible return of premiums when the policy loan is made, whether partially or totally.

There are two types of policy loans:

- Cash loan advances
The policyowner can request a cash loan advance at any time in writing.
- Automatic loan advances
The automatic loan advance is made by the Company when the premiums are due and unpaid before the end of the grace period. If the amount of the flexible return of premiums is insufficient to pay the premium in full, the policy remains in effect for the protection period equal to the share of the premiums paid. When the amounts owed to the Company, including interest, are equal to or greater than the amount of flexible return of premiums, the contract shall be terminated without notice.

Whether it is a cash loan or an automatic loan advances, the amount of loan cannot exceed 95% of the amount of the Flexible Return of Premiums when the request is made, less any amount owed to the Company.

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

Interest on policy loans accumulates daily and is capitalized on each contract anniversary.

In the event of payment of a critical illness benefit, the amount paid is reduced by the balance of any policy loan.

10. Renewal and conversion

If your client is insured by term critical illness insurance and their insurance needs extend beyond the coverage period, once this period has elapsed, the client can renew their insurance for an additional period, without having to provide evidence.

Different conversion options are also offered to your client throughout their coverage period, without having to provide evidence when exercising the conversion privilege.

Only the T10, T20 and T25 term coverages can be renewed or converted.

Renewal

One of the advantages of term coverage is the possibility of renewing a critical illness insurance coverage period **without having to provide evidence and by maintaining the initial face amount** (except for the 4 illnesses coverage with decreasing to 50% face amount).

The renewal premiums are guaranteed at issue and calculated according to the following items:

- the insured's attained age on the renewal date,
- the face amount² on the renewal date.

The policyowner must send the Company a written request or a duly completed form to stop the automatic renewal of a term critical illness insurance coverage.

Main characteristics of the renewal of a term critical illness insurance coverage

At the end of the initial coverage period, the coverage is **automatically** renewed according to the following conditions:

- Subsequent coverage period identical to the previous period.
- Renewable at level premiums until age 75.

Conversion

The possibility of converting all or a portion of a term critical illness insurance into term or permanent insurance, without having to provide evidence and by maintaining the initial face amount, represents a customized solution adapted to your clients' needs.

The premiums during the year of the conversion privilege are calculated according to:

- the insured's attained age on the date of the conversion,
- the face amount³ on the date of the conversion.

Conversion is only allowed on a product of a same generation.

Main characteristics of the conversion of a term critical illness insurance coverage

- Conversion of a term critical illness insurance **policy** into T75, T100 and T100 10-Year Payment and T100 20-Year Payment coverages.
- Conversion of a term critical illness insurance **rider** into T75, T100 and T100 20-Year Payment coverages.
- Maximum age for conversion into T75, T100 and T100 10-Year Payment coverages: 65 years.
- Maximum age for conversion into T100 20-Year Payment coverages: 55 years.
- Following the conversion, the insured's attained age on the date of the conversion is used to determine when the return of premiums is available.
- Possibility of adding, without evidence, the Return of Premiums upon Death or Flexible Return of Premiums riders. The premiums paid before the date the conversion privilege is exercised are not included in the amount of flexible return of premiums.

- No conversion privilege allowed for the Increased Benefit rider when it is associated with a term critical illness insurance policy. The policyowner must purchase a new Increased Benefit rider and provide evidence.
- When only a portion of a term critical illness insurance is converted into permanent critical illness insurance, the remaining portion of the coverage cannot be converted into term critical illness insurance. Consequently, the policyowner has the choice of remaining insured until the end of the coverage period or cancelling the term insurance.

Return of Premiums upon Death rider attached to a T10, T20 and T25 term critical illness insurance policy

The premiums paid before the date that the conversion privilege is exercised are included in the amount of Return of Premiums upon Death provided that the RPD rider is attached to the policy before and after the conversion date. Please refer to the section concerning the return of premiums riders and the appendix entitled "Adjustment of the amount of return of premiums in the event of modification to the contract" for more information.

11. Modifications after issue and policyowner's rights

Face amount changes

The face amount of a critical illness insurance may be increased or decreased at any time, subject to administrative rules. However, face amount increases require evidence.

A decrease in the face amount can result in impacts on the amount of return of premiums when a return of premiums rider is attached to a critical illness insurance policy. Please refer to the appendix entitled "Adjustment of the amount of return of premiums in the event of modification to the contract" at the end of this guide.

Dissociation

Dissociation is a transaction whereby one of the coverages of a critical illness insurance policy is withdrawn and maintained under another critical illness insurance policy.

Subject to the policyowner's consent, the **additional insureds** can dissociate and continue to be insured by their own critical illness insurance policy, without having to submit evidence.

When there is a dissociation, the following terms and conditions apply:

- The face amount of the new policy is the same as that in effect at the end of the previous policy,
- Transaction fees are charged for the modification,
- Annual policy fees are payable for the new policy.

Policyowner rights

Critical illness insurance purchased by a policyowner grants several rights that they can exercise at certain specific times after the contract is issued.

Here are a few of these rights, detailed according to the coverage purchased:

- **For the policyowner of a T10, T20 or T25 term critical illness insurance policy**
Renewal and conversion of their insurance: for more details, refer to the renewal and conversion section.
- **For the policyowner of return of premium riders who has not received any critical illness benefits other than the Prevention + Benefit**
Return of premiums upon the death of the insured and flexible return of premiums when the policyowner becomes eligible: for more details, refer to the return of premiums riders section.
Policy loans: for more details, refer to the policy loans section.
- **For the policyowner of an Increased Benefit rider who has not been diagnosed with a critical illness**
Increase in the benefit: for more details, refer to the Increased Benefit rider section.
- **For the policyowner of a critical illness insurance policy or rider**
MediGuide, second medical opinion service: for more details, refer to the MediGuide service section.

² For coverage with a decreasing to 50% face amount, the face amount after the renewal will be equivalent to 50% of the initial face amount and then remains level.

³ For coverage with a decreasing to 50% face amount, the face amount after the conversion is equal to the face amount on the date of the conversion and remains level.

12. Premiums

Critical illness insurance premiums are based on the insured's age, sex, tobacco status and face amount on the policy or rider issue date.

For term critical illness insurance, the premiums increase at the end of each term and remain level between each increase.

For T100 permanent critical illness insurance, the premiums are level until the end of the protection. The premiums for the T100 10-Year Payment and T100 20-Year Payment are respectively paid up after 10 and 20 years.

Preferred rates are not available for the critical illness insurance product.

Premium rate bands

Premiums are offered in the four rate bands listed in the "At a glance" section at the beginning of this guide.

Each rate band provides a rate reduction from the previous band. The choice among these different bands is made when the insured underwrites a critical illness insurance policy.

Selection of the applicable rate band is based on the face amount of each coverage held by each insured, not on the total of the individual face amounts, whether or not the coverage has the same effective date.

Changes in the face amount and rate bands

When the face amount decreases **after the policy issue date**, the premium is adjusted based on the new applicable rate band.

When the face amount increases **after the policy issue date**, a new rate band is not selected.

Premium payment

The policyowner has the option of paying premiums annually, or monthly by preauthorized cheques (PACs). For monthly payments, the premium is equal to the annual premium multiplied by 0.09.


13. MediGuide service

MediGuide allows the insured to obtain a second medical opinion when the insured is diagnosed with a covered critical illness.

This service gives the insured access to a group of top specialists who can verify the insured's initial diagnosis and recommend the best treatment plan.

Advantages of the MediGuide service

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

 All clients insured by a critical illness insurance policy or rider, regardless of the generation and face amount, are eligible for this service.

14. Increased benefit rider

With the Increased Benefit rider, the face amount of the policyowner's critical illness insurance policy increases automatically, on the 5th and 10th contract anniversary, without evidence.

This rider is available **at issue or upon the conversion of a critical illness insurance policy** and is available for all choices of coverage.

The policyowner can terminate this rider at any time.

Main characteristics of the Increased Benefit rider

- Eligible face amount- minimum and maximum: \$20,000 to \$2,000,000
- Increase in the face amount each time: 50% of the face amount (minimum increase: \$10,000; maximum increase: \$250,000)
- A single rider underwritten per insured, regardless of the number of policies held
- Rider only offered for standard risks, i.e. not subject to an additional premium
- Payment of the premium for this rider: until the 10th anniversary of protection

The following maximum ages are applicable upon the issuance of any Increased Benefit rider:

Coverage	Minimum and maximum ages
T10, T20, T25, T75, T100, T100 10-Year Payment	0 to 45 years
T100 20-Year Payment	0 to 40 years
Protection including a Flexible Return of Premiums rider FRP65	0 to 39 years

How face amount increases work

An increase notice is sent to the policyowner 30 days before each of the two contract anniversaries. A policyowner 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 policyowner 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 critical illness insurance 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 type as the permanent basic coverage to which the Increased Benefit rider is attached, including the return of premiums riders, if they are attached to the basic coverage⁴.

Premiums

The premiums for the added coverage as well as the return of premiums riders, if any, are not guaranteed at issue. They are determined according to:

- the rate in effect when the increase takes place,
- the insured's attained age,
- the insured's sex,
- the insured's tobacco status.

⁴ 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 FRP65.

Impact of the conversion of a term critical illness insurance on the Increased Benefit rider

The Increased Benefit rider cannot be subject to any conversion privilege. If this rider is attached to a T10, T20 or T25 term base coverage, it is automatically terminated on the date of the conversion.

However, upon conversion, if a policyowner wishes to underwrite a new Increased Benefit rider, evidence is required. The face amount increases allowed by the Increased Benefit rider and made before the conversion are excluded from the maximum number of increases allowed after the conversion.

15. Other riders and additional benefits

Complete insurance coverage tailored to each individual's needs is the cornerstone of a strong financial security program. That's why iA offers a wide range of riders and additional benefits to ensure your clients will be well protected if something were to happen.

Additional benefits:

- 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)
- Accidental Fracture (AF)

Exclusions and limitations

There is no increase in the face amount from the Increased Benefit rider if a critical illness diagnosis is made or has been made. Therefore, in the event where the date of the diagnosis is prior to the coverage increase date:

- no increase in the face amount is paid when the benefit request is made;
- the premiums below, paid by the policyowner, will be returned:
 - portion of premiums related to the Increased Benefit rider paid after the diagnosis, and
 - premiums related to the added coverage following the increase in the face amount and paid after the diagnosis.

For the other exclusions and limitations, refer to the contract.

Riders:

- Hospitalization
- Hospitalization and Home Care
- Transition Child (Transition / Transition Child coverage)
- Supplementary Income (SI)
- Paramedical Care in the Event of an Accident

For detailed information on these additional coverages, see the Riders and Additional Benefits Product Guide available in the documentation centre.

16. Policyowner's obligations

Policyowner's obligation to provide the Company with all medical information concerning the diagnosis of certain illnesses including any sign, symptom or investigation having led to this diagnosis

If the insured has signs or symptoms or investigations that lead to a diagnosis of one of the following illnesses:

- cancer,
- Parkinson's disease,
- atypical parkinsonian disorders,
- benign brain tumour
- all cancers covered by the Prevention + Benefit, namely stage A (T1a or T1b) prostate cancer, papillary or follicular thyroid cancer stage T1, ductal carcinoma *in situ* of the breast, chronic lymphocytic leukemia (CLL) Rai stage 0, stage 1 malignant melanoma and gastrointestinal stromal tumours (GIST) and neuroendocrine tumours (classified less than AJCC Stage 2).

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 the concerned illness or, any critical illness caused by any cancer or its treatment.

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 claim.

Diagnosis 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 had been diagnosed by a specialist exercising his profession in Canada;
 - the same treatment would have been prescribed in accordance with Canadian standards;
 - 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.



17. Grace period and contract termination

After the initial premium has been paid, policyowners have a 31-day grace period from the due date of each subsequent premium. If they have not paid the premium by the end of the grace period, their policy will lapse without notice.

If the return of premiums upon death and flexible return of premiums riders are associated with the policy, the Company will make automatic loan advances to pay the premiums due and to prevent the policy's lapse. If the amount of premiums exceeds the amount of flexible return of premiums, the contract will terminate.

A policy can be reinstated subject to the following conditions:

- the policyowner sends the Company a request for reinstatement within two years starting from the policy's termination date,
- evidence is required, and
- the policyowner has paid an amount sufficient to cover all unpaid premiums, annual interest compounded annually at the rate determined by the Company and any other amount due to the Company.

18. Policy and transaction fees

Policy fees

- 1 insured: \$60
- 2 or more insureds: \$90, regardless of the number of insureds

Transaction fees

The various transaction fees can be found in the Advisor Centre Document Centre under *Individual insurance/ Administration and forms/Policies and procedures guide/ Transaction fees*.

19. Financial underwriting

The maximum face amount of a critical illness insurance policy is \$3,000,000. This amount includes all critical illness insurance policies that a policyowner could have with the Company.

Despite this maximum, there are maximum face amounts which apply according to the proposed insured's situation:

Proposed insured employed	Maximum face amount
Age 18 to 55	10 times the earned income ⁵
Age 56 to 60	5 times the earned income ⁵
Age 61 to 65	3 times the earned income ⁵ (annually decreasing factor)

Proposed insured unemployed or without an income	Maximum face amount
Stay-at-home spouse	\$250,000 or 4x the working spouse's income or the face amount of critical illness insurance of the working spouse
Adults	\$250,000
Children	\$250,000 to \$500,000 AND the face amount must be the same for all children

⁵ The earned income is the salary or similar income, such as commissions or bonuses.

For small 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.

20. Taxation

The critical illness benefit and the amount of return of premiums (upon death or flexible) 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.

Tax implications of critical illness insurance				
	Individual	Business		
Policyowner	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				
— Flexible (paid to the policyowner)	Non-taxable	Non-taxable	Could be taxable	Non-taxable
— Upon 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 – Adjustement of the amount of return of premiums in the event of modification to the contract

Impact of the reduction in the face amount on the amount of Return of Premiums upon Death

The Return of Premiums upon Death is adjusted when one of the following events occurs:

- Reduction of the face amount of a critical illness insurance
- Partial conversion of a term critical illness insurance

Reduction of the face amount of a critical illness insurance

The reduction of the face amount of a critical illness insurance attached to a Return of Premiums upon Death rider leads to a reduction in the amount of return of premiums according to the following calculation:

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

Where:

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

Where:

Premium = The sum of the items included in the premium of the reduced critical illness insurance listed below:

- the premium of this coverage,
- the premium of the Return of Premiums upon Death 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 request, and
- any additional premium applicable to this coverage and to the Return of Premiums upon Death rider.

The Proportion cannot be lower than 0.

Partial Conversion of a term critical illness insurance coverage

Upon exercise of a partial conversion of a term critical illness insurance attached to a Return of Premiums upon Death rider, the amount of return of premiums is distributed in one of the following ways, as applicable:

- a) After the partial conversion, where the sum of the face amount of the **term coverage (A)** and that of the **new coverage (B) equals** the face amount of the term critical illness insurance in force before the conversion:
 - i. The portion of the amount of return of premiums attributable to the **term coverage (A)** after the partial conversion is calculated as follows:

Amount of the Return of Premiums upon Death benefit before partial conversion multiplied by (1 – Proportion)

Where:

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

Where:

Premium = The sum of the items included in the premium of the **term coverage (A)** listed below:

- the premium of the term coverage (A),
- the premium of the Return of Premiums upon Death rider, and
- any additional premium applicable to this coverage and this rider.

The Proportion cannot be lower than 0.

- ii. The portion of the amount of return of premiums attributable to the **new coverage (B)** after the partial conversion is calculated as follows (on the condition that a Return of Premiums upon Death Benefit is attached to the new coverage (B)):

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

The calculation of the proportion is the same as in point i. above.

- b) After the partial conversion, where the sum of the face amount of the **term coverage (A)** and that of the **new coverage (B) is lower** than the face amount of the term critical illness insurance in force before the conversion, the Return of Premiums upon Death shall be:
 - i. First, reduced as described in the “Reduction of the Face Amount of a Critical Illness Insurance Coverage” section above;
 - ii. Then, allocated as described in the “Partial Conversion of a Term Critical Illness Insurance Coverage” section.

Impact of the reduction in the face amount on the amount of flexible return of premiums

Provided that the policyowner is eligible for the flexible return of premiums at that time, the reduction in face amount of a critical illness insurance attached to a Flexible Return of Premiums rider leads to the reduction in the amount of return of premiums according to the following calculation:

Amount of the Flexible Return of Premiums benefit before the reduction multiplied by (1 – Proportion)

Where:

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

Where:

Premium = The sum of the items included in the premium of the reduced critical illness insurance listed below:

- the premium of this coverage,
- the premium of the Flexible Return of Premiums rider,
- the premium of the Return of Premiums upon Death rider attached to this coverage, if any, provided it is in force at the time of request, and
- any additional premium applicable to this coverage and to the Return of Premiums upon Death rider.

The Proportion cannot be lower than 0.

APPENDIX II – And if the amount of premiums paid is higher than the face amount?

Depending on certain circumstances, the amount of critical illness insurance premiums paid by the policyowner could exceed the face amount. The reasons that could give rise to such a situation are:

- Payment of an additional premium
- Age of a person when the contract is issued
- Tobacco status
- Coverage option whose premiums are payable for a defined period, such as the T100 10-year Payment or T100 20-Year Payment
- Addition of a return of premiums rider

Here are the various scenarios that could arise if the amount of eligible premiums paid exceeds the face amount:

Contract with or without return of premiums rider	Event		
	Critical illness insurance claim	Request for a flexible return of premiums	Death
Contract without return of premiums rider	Amount of face amount	\$0	\$0
Contract with return of premiums rider	Amount of face amount	\$0	Amount of eligible premiums ⁶ paid ⁷
Contract with FRP (whose premiums are not eligible for a return on the date of the event)	Amount of face amount	\$0	\$0
Contract with FRP (whose premiums are eligible for a return on the date of the event)	The higher amount between the face amount and the eligible premiums ⁶ paid ⁷	Amount of eligible premiums ⁶ paid ⁷	\$0
Contract with RPD and FRP (whose premiums are not eligible for a return on the date of the event)	Amount of face amount	\$0	Amount of eligible premiums ⁶ paid ⁷
Contract with RPD and FRP (whose premiums are eligible for a return on the date of the event)	The higher amount between the face amount and the eligible premiums ⁶ paid ⁷	Amount of eligible premiums ⁶ paid ⁷	Amount of eligible premiums ⁶ paid ⁷



⁶ For more information about premiums eligible for a return, refer to the "Eligible and non-eligible premiums in the Return of Premiums upon Death rider" table in the return of premiums riders section.

⁷ Upon this event, the amount of premiums is paid even if it is higher than that of the face amount.

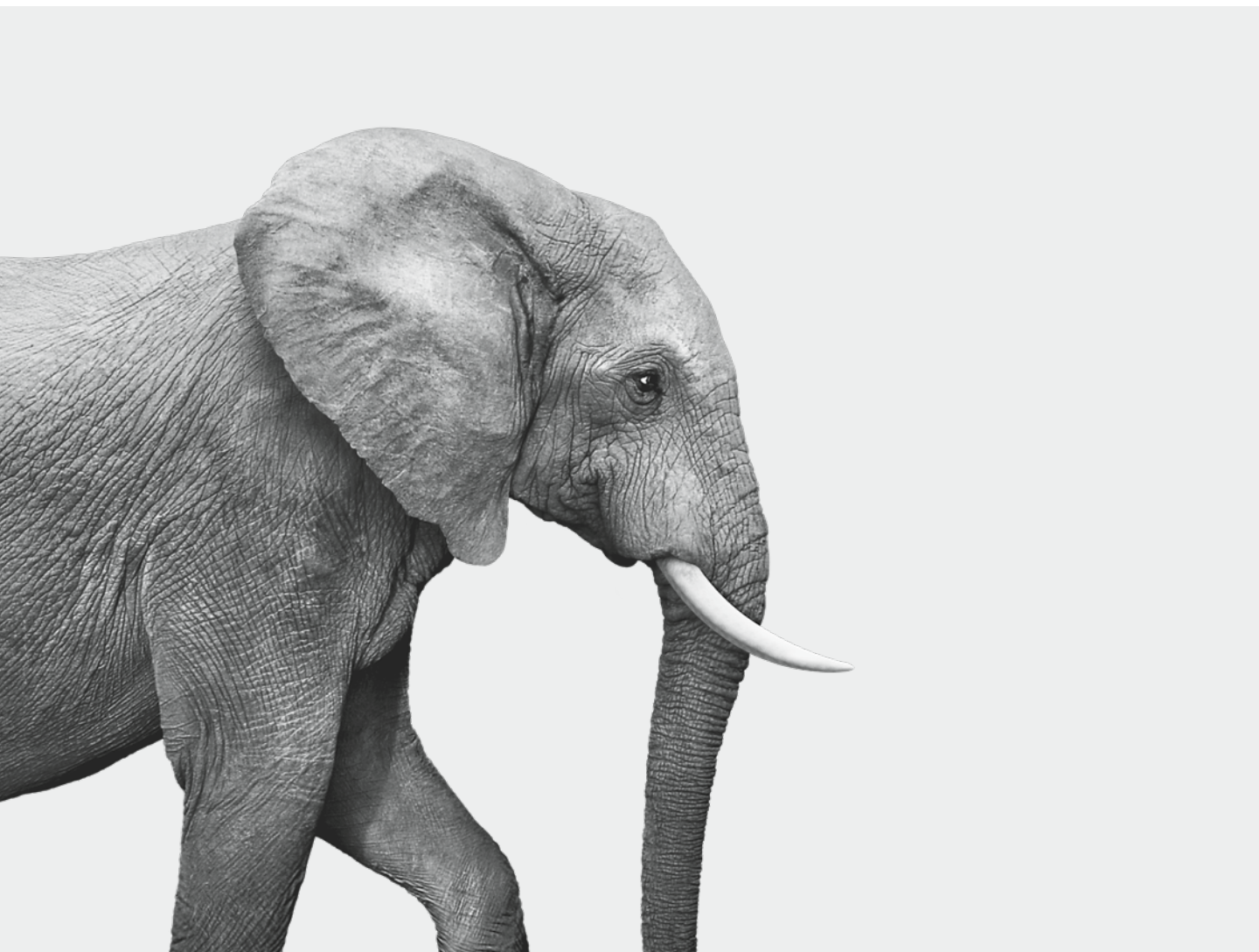
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small enough to care**

iA Financial Group, a leader in the Canadian insurance and wealth management industry, has been serving Canadians and earning their trust for over 130 years. Because our clients' needs are constantly evolving, we provide a comprehensive range of the most varied insurance products and financial services.

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.

Important:

This guide is not part of your policy. In the event of any discrepancies between its contents and your policy, the provisions of your policy will prevail, particularly for the processing of insurance claims.



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