IAG SAVINGS AND
RETIREMENT PLAN

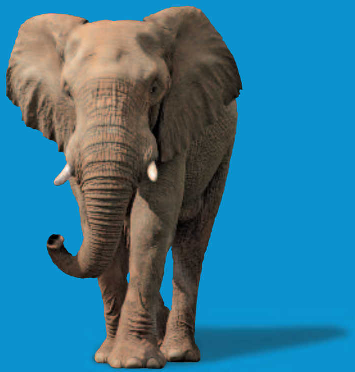
Product Guide
IAG Savings and Retirement Plan

Investments

Savings

Retirement income

A partner you can trust.



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INDUSTRIAL ALLIANCE
INSURANCE AND FINANCIAL SERVICES INC.

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1. Introduction

The **IAG Savings and Retirement Plan** is a savings and retirement income product that lets your clients grow their savings in order to achieve their most important goals, including a comfortable retirement free of financial worries.

The IAG Savings and Retirement Plan provides all the flexibility required to develop a global, synergistic, and adaptable savings strategy that accounts for current and future needs of your clients.

This guide is a reference tool for advisors. Please refer to the contract for more information on the features or to confirm specific details. The contract is part of the Information Folder - IAG Savings and Retirement Plan – Prospectus (F13-772a) available in the Documentation Centre on the Extranet under *Individual Savings and Retirement/Products/IAG Savings and Retirement Plan/Guide and Information*. You can also order it from Office Supplies. In the event of a discrepancy between this guide and the contract, the terms of the contract prevail.

2. STANDARDS AND INVESTMENT OPTIONS

2.1 Maximum Age at Issue

The maximum age at issue corresponds to the maximum age at which the policyholder can subscribe to a new contract and depends on the type of savings contract they have subscribed to.

Contract Type	Maximum Age at Issue
Non-registered plan / TFSA	Age 90*
RRSP / LIRA / Locked-in RSP	Age 71
RRIF / LIF	Age 71 (if transferred from an RRSP / LIRA / locked-in RSP)
	Age 90 (if transferred from a RRIF / LIF)

2.2 Minimum Investment Standards

Premium Investment in Funds	Classic Series	Ecoflex Series
Minimum to establish a contract	$100	$100
Subsequent minimum investment	$100	$100
Minimum PAC[1] investment	$25	$25
Minimum investment per fund	$25	$25
Dollar cost averaging (DCA)	$25 per fund	$25 per fund
Minimum surrender	$100	$100
Minimum fund transfer	$25	$25
Periodic income program (PIP)[2]	$1,000 per year or $100 per month	$1,000 per year or $100 per month

1 PAC: pre-authorized cheques

2 Under the PIP, the policyholder can receive monthly or annual income payments from amounts invested in the contract. The PIP is only available for RRIF, LIF, TFSA and non-registered contracts.

Note: No minimum amount is required for transfers from an Industrial Alliance RRSP/LIRA contract to an Industrial Alliance RRIF/LIF contract.

RRIF AND LIF	
Initial minimum investment	$10,000
Life investment	$25,000
Lump-sum payments or transfers	$500
Guaranteed Interest Funds	
Initial minimum deposit	$500

Dollar Cost Averaging (DCA)

This program allows your clients to invest a pre-determined amount of money at regular intervals over the course of a given period.

Under the DCA program, policyholders invest an initial premium in the Money Market Fund. They then determine in which funds and in which proportion the invested amount will be distributed. They also choose the period over which the transfers will be made (minimum 6 months, maximum 12 months). During this period, a prescribed amount is then automatically transferred each month from the Money Market Fund to the funds selected by the policyholder.

The objective is to purchase a higher number of units when the price is low and a lower number when the price is high. This reduces the average price paid and the client acquires more fund units.

2.3 Maturity Date of the Investment Period

The maturity date of the investment period is the date from which no other premium can be invested in the contract.

IAG SAVINGS AND RETIREMENT PLAN	Maturity Date of the Investment Period
Non-registered/TFSA	December 31 of the year in which the annuitant reaches **age 100**
RRSP/LIRA	December 31 of the year in which the annuitant reaches **age 71**
RRIF/LIF	December 31 of the year in which the annuitant reaches **age 100**[1]

1 For LIFs, in Newfoundland and Labrador, the maturity date is December 31 of the year in which the annuitant reaches **age 60**.

2.4 Available Savings Plans

The IAG Savings and Retirement Plan contract can be subscribed as any of the following:

- Non-registered savings plan
- Tax-Free Savings Account (TFSA)
- Registered Retirement Savings Plan (RRSP)
- Locked-in Retirement Account (LIRA) or locked-in RSP
- Registered Retirement Income Fund (RRIF)
- Life Income Fund (LIF)

Life Investment (RRIF only)

The life investment is the equivalent of a single premium annuity within the IAG Savings and Retirement Plan RRIF contract. For more details, refer to Section 2.4 "Combine a RRIF and an annuity using the lifetime investment" of the *Retirement Products Guide* available in the Documentation Centre on the Extranet under individual Savings and Retirement/Registered plans/Guide and Information.

Conversion of RRSP, Locked-in RSP, and LIRA Contracts

At any time, and at the most suitable moment for them, clients can request to convert their RRSP into a RRIF or their locked-in RSP or LIRA into a LIF within their contract. Through a rider to his contract, clients can maintain all of their existing investments without surrendering them or subscribing to a new contract.

If the RRSP, locked-in RSP or LIRA contract is still in force on December 31 of the year in which the annuitant reaches age 71, the contract will automatically be converted into a RRIF or LIF contract of the Company, without modifying the investments in effect when the conversion takes place.

The **IAG Savings and Retirement Plan** offers flexibility, growth, security and diversity. Its numerous advantages include:

- The possibility of registering the contract as an RRSP, LIRA, locked-in RSP, RRIF or LIF
- The possibility of taking advantage of the Tax-Free Savings Account (TFSA)
- Upon retirement, the ability to easily transfer amounts accumulated in income vehicles such as a pension, RRIF or LIF
- The possibility of combining a RRIF and an annuity through a life investment
- The possibility of investing in a wide range of investment funds to maximize the return on savings
- Creditor protection status for both non-registered and registered contracts (subject to legal requirements)
- The possibility of borrowing to increase RRSP contributions through our RRSP loan
- The possibility (except for the TFSA) of using the investment loan to amplify the investment earnings
- Among the most competitive guarantees in the investment fund market:

– A guaranteed minimum value at maturity

– A guaranteed minimum value at death

- Automatic management of investments and retirement income for clients who want to benefit from the advantages of their contract in total peace of mind
- The possibility of saving through pre-authorized withdrawals of as little as $25 per month

2.5 Investment Options

- **Daily interest fund (DIF)**
- **Guaranteed interest funds (minimum $500)**

  Fixed rate terms offered:

– 1 month (automatically renewable)

– 1 to 5 years

– 10 years

  Progressive rate term offered:

– 5 years (not eligible for the automatic investment term or available to non-residents).

Type of Interest Credited

For investment terms longer than one year, the client can choose between:

- Interest at the current rate

  Each year, on the anniversary date of the investment, the interest is paid in the DIF and reinvested according to the automatic investment term AIT at the current rate.

  OR

- Compound interest at the guaranteed rate

  Interest is added to the capital as it is credited and bears interest at the guaranteed rate. The interest will be credited at the end of the term.

Compound interest at the current rate applies automatically to terms of one year or less.

Interest Rate Structure

The interest rate credited on an amount invested in a guaranteed interest fund varies according to the amount invested and the balance of the contract when the investment is made.

Rate Structure by Band	Credited Interest Rate
$500 to $999.99	Refer to the rate schedule to find the current rates available.
$1,000 to $24,999.99	
$25,000 to $99,999.99	
$100,000 to $199,999.99	
$200,000 to $499,999.99	
$500,000 and more	Contact Head Office.

Interest can be paid monthly within a contract that has a value of $10,000 or more.

Annuity

The client can use the amounts accumulated in his contract to purchase an annuity from the company **at all times.**

Surrender Value

With the IAG Savings and Retirement Plan from Industrial Alliance, the client can make a total or partial surrender of a guaranteed interest fund at any time.

If the surrender is made when the investment term expires, the surrender value corresponds to the amount invested, plus interest credited to maturity, without penalty.

If the surrender is made before the investment term expires, the surrender value corresponds to the amount invested, less:

– An adjustment to reflect the market value, calculated according to a current interest rate plus 1% (see the contract for the complete formula)

  and

– A charge to recover non-amortized acquisition fees equal to [0.065% x deposit x number of months remaining until maturity]

- **Segregated Funds**

Segregated funds offer investors an opportunity to benefit from the long-term growth potential of mutual funds while enjoying the wealth protection that segregated funds provide.

Our wide range of funds allows for optimal diversification in terms of geography and asset categories and management styles. Your clients will have access to some of the best fund managers on the market.

The IAG Savings and Retirement Plan offers two series of segregated funds:

– **Classic Series**

– **Ecoflex Series**

The difference between the two series lies in the selection of funds and the guarantees offered. The premiums invested in the Classic Series and the Ecoflex Series provide a guarantee at maturity and a guarantee at death, but the guarantee offered with Ecoflex Series are wider.

For a list of the funds available in each series, please refer to Section 6.

3. GUARANTEES–CLASSIC SERIES

3.1 Guarantee at Maturity

The guarantee at maturity provided by the Classic Series ensures that clients recover at least 75% of their invested premiums regardless of market fluctuations.

3.1.1 Maturity Date of the Guarantee

The maturity date of the guarantee corresponds to the date at which the guarantee at maturity applies, which is **December 31 of the year the annuitant turns 100**.

For Newfoundland/Labrador, if the contract is registered as a LIF, the maturity date of the guarantee is December 31 of the year in which the annuitant reaches the age of eighty (80) years.

3.1.2 Guaranteed Minimum Value at Maturity

The guaranteed minimum value at maturity is equal to 75% of the premiums invested in the series funds on the initial investment date. The guaranteed minimum value at maturity can vary as follows:

- It increases by 75% of the subsequent premiums invested in the funds (except for transfers between funds in the same series).
- When surrenders are made by the client (except for transfers between funds in the same series), it is reduced proportionally to the surrendered amount against the market value of the invested premiums.

Example

Amount invested:	$100,000	
Guaranteed minimum value at maturity: 75% x $100,000		$75,000
Market value before surrender:	$115,000	
Surrendered amount:	$20,000	
Decrease in the guaranteed minimum value at maturity:		
$75,000 x ($20,000 ÷ $115,000) = $13,043.48		$13,043
Guaranteed minimum value at maturity after surrender		**$61,957**

- It is returned to zero when the market value of the series is nil or the contract is cancelled or terminated.

3.1.3 Application of the Guarantee on the Maturity Date of the Guarantee

Upon the maturity date of the guarantee, the value acquired by the client is the higher of:

- The market value of the invested premiums
- The current minimum guaranteed value at maturity

If the minimum guaranteed value at maturity is higher than the market value, the Company will make up the difference by crediting Money Market Fund units from the same series.

The policyholder can choose from one of the following options on the maturity date of the guarantee:

- Purchase an annuity offered by the Company at that time.
- Cash in the contract.
- Maintain the contract, including the annuity payments provided for in the contract.

3.2 Guarantee at Death

With the Classic Series guarantee at death, the client is guaranteed to cover at least 75% of the invested premiums regardless of market fluctuations.

3.2.1 Guaranteed Minimum Value at Death

The guaranteed minimum value at death is equal to 75% of the premiums invested in the series funds upon the initial investment date. The guaranteed minimum value at death can vary as follows:

- It increases by 75% of the subsequent premiums invested in the funds (except for transfers between funds in the same series).
- It is reduced in proportion to the decrease in the market value of the premiums invested when surrenders are made by the client (except for transfers between funds in the same series) (see example, Section 3.1.2).

- It is returned to zero when the market value of the series is nil or the contract is cancelled or terminated.

3.2.2 Application of the Guarantee at Death

Upon death, the minimum guaranteed value is the higher of:

- The market value of the premiums invested in the series on the date on which the Company receives all the documentation required to make the settlement
- The current guaranteed minimum value at death as at the previously mentioned reception date.

If, at death, the guaranteed minimum value at death is higher than the market value, the Company will make up the difference by crediting Money Market Fund units from the same series.

4. GUARANTEES–ECOFLEX SERIES

4.1 Guarantee at Maturity

According to the Ecoflex Series guarantee at maturity, the client is guaranteed to recover at least 100% of the invested premiums regardless of market fluctuations. The guarantee is 75% if the annuitant is 72 or over or if the new premiums are invested during the 15 years preceding maturity.

4.1.1 Maturity Date of the Guarantee

The maturity date of the guarantee corresponds to the date on which the guarantee at maturity applies. All withdrawals made by the client before this date are made at market value.

Establishment of the Maturity Date of the Guarantee

The maturity date of the guarantee must be stated on the client's application form. The date must fall between the annuitant's 60th and 71st birthdays. However, if the annuitant is age 57 or more upon purchasing the first units, the maturity date for the guarantee must be set at exactly fifteen (15) years after the date the first units are purchased.

Furthermore, the maturity date of the guarantee must be set at a minimum of fifteen (15) years from the purchase date for the first Ecoflex Series fund units.

Modification of the Maturity Date of the Guarantee

Upon written request from the policyholder, and up to fifteen (15) years preceding the maturity date of the guarantee, the date can be modified. The new maturity date must be set at a minimum of fifteen (15) years from the date the change is made.

Furthermore, the maturity date of the guarantee must be between the annuitant's 60^{th} and 71^{st} birthdays.

Extending the Guarantee

As of the maturity date of the guarantee, this date can be extended by fifteen (15) years upon written request by the policyholder.

Resets to the Guaranteed Minimum Value at Maturity

Your client may request up to four resets per year, up to fifteen (15) years before the maturity date of the guarantee. No minimum market value increase is required to request a reset.

The resets apply to the guaranteed minimum value (GMV) at maturity and the GMV at death. The resets constitute an administrative transaction, and the company reserves the right to modify this option at any time or charge a fee for the service.

To request a reset, use section F of the F51-153-1 form or send a handwritten, signed note from your client requesting a reset to head office.

4.1.2 Guaranteed Minimum Value (GMV) at Maturity

At 15 years or more before the maturity date of the guarantee

The guaranteed minimum value at maturity is equal to 100% of the premiums invested in the series funds on the initial date of investment. It may vary in the following ways:

- Increasing to 100% of the premiums subsequently invested in the funds (75% if the annuitant is 72 or over), with the exception of transfers between funds from the same series
- When surrenders are made by the client (except for transfers between funds from the same series), reducing in proportion to the surrendered amount against the market value of the invested premiums (see Section 3.1.2 for an example)
- Increasing each time the client requests a reset

At exactly 15 years before the maturity date: automatic reset

Following this reset, the guaranteed minimum value at maturity is equal to the highest of:

- The current guaranteed minimum value at maturity
- 100% of the market value if the annuitant is below age 72
- 75% of the market value if the annuitant is 72 or over

During the 15 years preceding the maturity date of the guarantee

The guaranteed minimum value at maturity is equal to:

- The reset made at 15 years before the maturity date

  PLUS

- 75% of the new premiums invested in the funds (except for transfers between funds from the same series)

LESS

- Surrenders made by the client (except for transfers between funds from the same series). The reduction is made in proportion to the reduction in the market value of the invested premiums (see Section 3.1.2 for an example)

4.1.3 Application of the Guarantee on the Maturity Date of the Guarantee

On the maturity date of the guarantee, the value acquired by the client is the highest of:

- The market value of the Ecoflex Series investment
- The current guaranteed minimum value at maturity

If the guaranteed minimum value at maturity is higher that the market value, the Company will make up the difference by crediting Money Market Fund units from the same series.

On the maturity date of the guarantee, the client has three options:

- Purchase an annuity offered by the Company.
- Cash in the contract.
- Maintain the contract, including the annuity payments provided for in the contract.

If the client chooses to continue the contract:

- The new maturity date of the contract must be set at exactly fifteen (15) years
- If the annuitant is below age 72:
  - The guaranteed value equals 100% of the amount established at maturity for the period that has just ended.
- If the annuitant is 72 or over:
  - The guaranteed value is equal to 75% of the amount established at maturity for the period that has just ended.

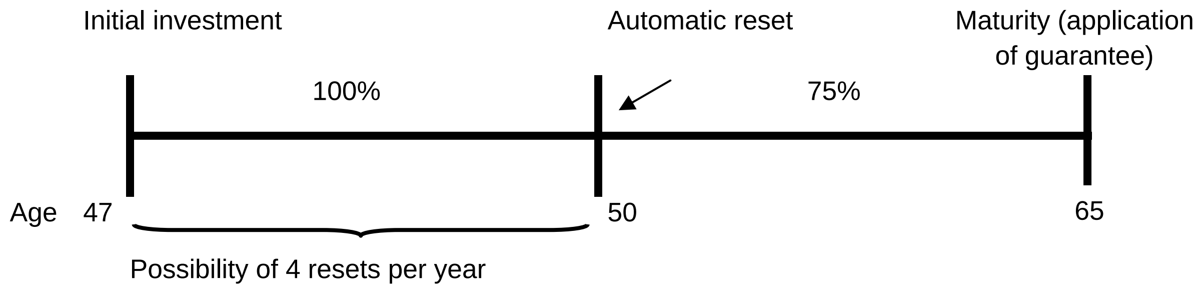
The guaranteed minimum value at maturity is zero is the contract is cancelled or terminated.

John's Example

Age	Activity	Current GMV at Maturity	Market Value	New GMV at Maturity
40	Initial investment	$30,000	$30,000	n/a
47	Reset requested by Jean	$30,000	$35,000	$35,000
50	Automatic reset[1]	$35,000	$39,500	$39,500
55	New deposit of $5,000	$39,500	$42,000[2]	$43,250[3]
65	Application of the guarantee	$43,250	$39,000	$43,250[4]

1. There is an automatic reset at exactly 15 years from maturity.
2. Assuming the market value just before the deposit had decreased by $37,000
3. The guarantee is 75% of new deposits at least 15 years from maturity
   Current GMV at maturity: $39,500 + ($5,000 x 75%) = $43,250
4. The Company applies the guarantee at maturity by crediting Money Market Fund units from the Ecoflex Series for an amount of $4,250 ($43,250 - $39,000).

Guarantee at Maturity Overview



4.2 Guarantee at Death

As per the Ecoflex Series guarantee at death, the client is guaranteed to recover, at death, at least **100%** of the invested premiums before age 80 and at least 75% of subsequently invested premiums, regardless of market fluctuations.

4.2.1 Guaranteed Minimum Value at Death

At the initial investment date, the guaranteed minimum value at death is equal to 100% of the premiums invested in series funds. It may vary in the following ways:

- It increases by 100% of the subsequent premiums invested in the funds (75% if after age 80), except in the case of transfers between funds in the same series. It is reduced in proportion to the decrease in the market value when surrenders are made by the client (except for transfers between funds in the same series).

Example

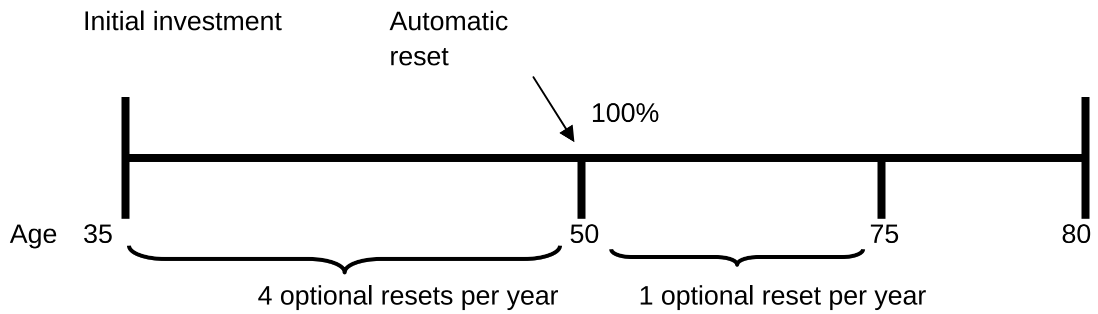
Amount invested:	$100,000	
Guaranteed minimum value at death: 100% x $100,000		$100,000
Market value before surrender:	$115,000	
Surrender:	$20,000	
Decrease of the guaranteed minimum value at death		
$100,000 x ($20,000 ÷ $115,000) = $17,391		$17,391

- Guaranteed minimum value at maturity after surrender: **$82,609**It returns to zero when the market value of the series is nil or the contract is cancelled or terminated.

Reset of the GMV at Death

Please note that the four annual reset scenarios described in Section 4.1.1. apply to both the GMV at maturity **AND** the GMV at death.

What's more, for the GMV at death only, it is possible to request a reset once per year up until December 31 of the year the annuitant turns 75.



4.2.2 Application of the Guarantee at Death

At death, the guaranteed minimum value is the higher of:

- The market value of the investments in the series, on the date on which the Company receives all documents needed to make the settlement
- The current guaranteed minimum value at death on the previously mentioned reception date

If, at death, the current guaranteed minimum value is higher than the market value, the Company will make up the difference by crediting Money Market Fund units from the same series.

4.3 Conversion of an RRSP to an RRIF before Maturity

If an RRSP contract is converted to an RRIF before the guarantee reaches maturity, all of the client's investments will be maintained in effect and no changes will be made. The maturity date for the RRSP contract becomes that of the RRIF contract and the RRSP contract terms regarding the application of the guarantee until the maturity are upheld.

This way, all additional RRIF income or withdrawals will proportionally reduce the guaranteed minimum value. Upon the RRSP maturity date—which also applies to the RRIF—the Company will apply the guarantee if applicable. If the guaranteed minimum value exceeds the market value of the funds, additional units will be credited to the contract.

If the maturity date exceeds the age of 71, an automatic conversion of the RRSP contract to a RRIF is carried out on December 31 of the year the client turns 71. All of the terms described in the preceding paragraph and concerning the transfer of an RRSP contract to an RRIF before the maturity date apply.

The same terms apply when a LIRA or locked-in RSP is transferred to a LIF.

For more information please consult the explanatory note in section 2.11.

5. GUARANTEE OVERVIEW

Guarantees	Classic Series	Ecoflex Series
Maturity Date of the Guarantee	December 31 of the year in which the annuitant reaches age 100	Chosen by the policyholder • Must be between ages 60 and 71 • Must be at least 15 years from the date of initial investment in the series
Guarantee at Maturity The higher of the market value and:	• 75% of all premiums invested in the funds[1]	• Before T-15 years: 100% of deposits[1] • (75% if the annuitant is age ≥ 72[1]) • May increase up to 4 times/year if the client requests resets • After T-15 years: 75% of deposits[1]
Guarantee at Death The higher of the market value and:	• 75% of all premiums invested in the funds	• 100% of deposits made before age 80[1] • Before T-15: The client can reset up to 4 times/year. • After T-15: The client can reset 1 time/year until December 31 of the year they turn 75. • 75% of deposits made at or after age 80[1]

(1) Reduced in proportion to surrenders.

6. FUNDS AVAILABLE THROUGH THE IAG SAVINGS AND RETIREMENT PLAN

	FUNDS AVAILABLE		ASSET ALLOCATION		
FUNDS	**Classic Series**	**Ecoflex Series**	**Income (%)**	**Canadian Equity (%)**	**Global Equity (%)**
FOCUS FUNDS					
Focus Prudent	✓	✓	75	15	10
Focus Moderate	✓	✓	60	25	15
Focus Balanced	✓	✓	45	35	20
Focus Growth	✓	✓	30	45	25
Focus Aggressive	✓	✓	15	55	30
INCOME FUNDS					
Money Market	✓	✓	100	–	–
Short Term Bonds	✓	✓	100	–	–
Bonds	✓	✓	100	–	–
Strategic Corporate Bond	✓	✓	100	–	–
Tactical Bonds (Catapult)	✓	✓	100	–	–
Real Return Bond	✓	✓	100	–	–

FUNDS	FUNDS AVAILABLE		ASSET ALLOCATION		
	Classic Series	Ecoflex Series	Income (%)	Canadian Equity (%)	Global Equity (%)
DIVERSIFIED FUNDS					
Diversified Security	✓	✓	75	20	5
Diversified	✓	✓	55	35	10
Diversified Opportunity	✓	✓	35	50	15
Fidelity Canadian Asset Allocation	✓	✓	35	65	–
Canadian Balanced (QV)	✓	✓	40	60	–
SRI Balanced (Inhance)	✓	✓	40	35	25
Diversified Income	✓	✓	25	70	5
Strategic Income	✓	✓	40	35	25
Global Diversified (Aston Hill)	✓	✓	40	–	60
Tactical Income (Aston Hill)	✓	✓	30	50	20
Monthly Income (PH&N)	✓	✓	50	50	0
CANADIAN HYBRID FUNDS					
Strategic Equity Income Hybrid 75/25	✓	✓	25	75	–
Dividend Growth Hybrid 75/25	✓	✓	25	75	–
Canadian Equity (Leon Frazer) Hybrid 75/25	✓	✓	25	75	–
Fidelity Dividend Hybrid 75/25	✓	✓	25	75	–
Canadian Equity Index Hybrid 75/25	✓	✓	25	75	–
Select Canadian Hybrid 75/25(5)	✓	✓	25	75	–
Canadian Equity Value Hybrid 75/25	✓	✓	25	65	10
Canadian Equity (Taylor AM) Hybrid 75/25	✓	✓	25	50	25
CANADIAN HYBRID FUNDS					
Canadian Leaders Hybrid 75/25	✓	✓	25	75	–
Fidelity True North® Hybrid 75/25	✓	✓	25	75	–
Canadian Equity Growth Hybrid 75/25	✓	✓	25	75	–
Fidelity Canadian Opportunities Hybrid 75/25	✓	✓	25	75	–
Canadian Equity (Small Cap.) (QV) Hybrid 75/25	✓	✓	25	75	–

GLOBAL HYBRID FUNDS					
Global Dividend (Dynamic) Hybrid 75/25	✓	✓	25	–	75
Global Equity Hybrid 75/25	✓	✓	25	–	75
Global Equity (Templeton) Hybrid 75/25	✓	✓	25	–	75
Global Equity (Mackenzie Cundill) Hybrid 75/25	✓	✓	25	–	75
Global Opportunities(Radin) Hybrid 75/25	✓	✓	25		75
Global Conviction Hybrid 75/25	✓	✓	25		75
Fidelity North Star® Hybrid 75/25	✓	✓	25	–	75
U.S. Equity (Sarbit) Hybrid 75/25	✓	✓	25	–	75
CANADIAN EQUITY FUNDS					
Strategic Equity Income	✓	✓	–	100	–
Dividend Growth	✓	✓	–	100	–
Canadian Equity (Leon Frazer)	✓	✓	–	100	–
Fidelity Dividend	✓			100	
Canadian Equity Index	✓		–	100	–
Select Canadian[1]	✓		–	100	–
Canadian Equity Value	✓		–	90	10
Canadian Equity (Taylor AM)	✓		–	70	30
Canadian Leaders	✓		–	100	–
Fidelity True North®	✓		–	100	–
Canadian Equity Growth	✓		–	100	–
Fidelity Canadian Opportunities	✓		–	100	–
Canadian Equity (Small Cap.) (QV)	✓		–	100	–
U.S. & INTERNATIONAL EQUITY FUNDS					
Global Dividend (Dynamic)	✓		–	–	100
Global Equity*	✓		–	–	100
Global Equity (Templeton)	✓		–	–	100
Global Equity (Mackenzie Cundill)	✓		–	–	100
Global Opportunities(Radin)	✓		–	–	100
Global True Conviction	✓		–	–	100
Fidelity NorthStar®	✓		–	–	100
International Equity Index	✓		–	–	100
International Equity*	✓		–	–	100
International Equity (Templeton)	✓		–	–	100
Fidelity European Equity	✓		–	–	100
U.S. Equity Index	✓		–	–	100
U.S. Equity*	✓		–	–	100
U.S. Equity (MFS McLean)	✓		–	–	100

U.S. Equity (Sarbit)	✓		–	–	100
SPECIALTY FUNDS					
Asian Pacific (Dynamic)	✓		–	–	100
Emerging Markets (Mackenzie Cundill)	✓		–	–	100
Global Health Care (Renaissance)	✓		–	–	100
Real Estate Income	✓		–	100	–
U.S. DAQ Index	✓		–	–	100

1. Not available with registered or TFSA contracts

Fund units are credited to the contract on the valuation date that coincides with or follows the reception at Head Office of the request to invest a premium.

The managers of the Focus Funds perform an automatic monthly rebalancing of the positions of the underlying funds, specific to each fund of funds, to maintain the initial asset allocation based on the investor profile.

INVESTMENT MANAGEMENT

6.1 Management Methods Available

Regardless of the type of savings contract purchased, the IAG Savings and Retirement Plan lets clients choose how their investments are managed. Two (2) management methods are available:

Personal Management

All new premiums, matured guaranteed interest funds and credited interest are transferred to the daily interest fund (DIF) and are only invested when instructions are received from the client.

Automated Management

All new premiums, matured guaranteed interest funds and credited interest are transferred to the daily interest fund (DIF) and are automatically invested according to the automatic investment term (AIT) selected by the client, as soon as the minimum required for investment (MRI) is reached. The MRI is $25 for investment funds and $500 or $1,000 (client's choice) for guaranteed interest funds.

The AIT allows the client to invest in several investment funds at the same time as well as in a guaranteed interest fund.

<u>If the client does not provide instructions</u> as to the desired allocation of a premium in the various funds, the premium is invested in the daily interest fund. If the contract is managed through FundServ, premiums will be invested in the Money Market Fund.

6.2 Transfers Between Funds

The policyholder may request, in writing, that the investments in a fund be transferred to another fund. For partial transfers, the balance of fund units remaining must not fall below the required minimum, otherwise all the units in the fund will be transferred. **Transfer must be made to a fund that has the same type of sales commission.**

For transfers between funds:

- No redemption fees are required.
- There may be tax implications with non-registered contracts since a transfer between funds constitutes a disposition.

Note: For surrender fee purposes, the purchase date for fund units acquired following a transfer remains the purchase date of the units in the original fund. For Money Market Fund transfers, please refer to Section 2.11 of the contract.

6.3 Change of Series

The policyholder may, in writing, request a change of series. The following table describes the different possibilities for which a change of series is allowed under the contract:

From \ To	Classic Series	Ecoflex Series
Classic Series		Allowed
Ecoflex Series	Not Allowed	

Upon a change of Series:

- No surrender fees
- No tax implications
- The type of sales commission for funds that changed to another series must remain the same.

The surrender value of the contract is used to calculate the annuity. However, if the contract is established on the maturity date of the investment period and investment fund units are held by the client, the value used to calculate the annuity may not be lower than the guaranteed minimum value (GMV).

6.4 Investment Statements

A semi-annual statement of the amounts invested is sent to clients on December 31 and June 31 of each year.

A confirmation is also sent to clients when:

- An amount of $1,000 or over (which is not a new premium)

  or

- A new premium of $100 or over

is invested in one of the available investment vehicles, except for the premiums invested by PAC, which are detailed on the December 31 statements.

7. INVESTMENT LOAN

You may meet investors who want to use the loan as financial leverage to amplify their investment returns. These clients now have access to a new strategy, the investment loan, offered only in non-registered IAG Savings and Retirement Plan contracts.

The investment loan is offered for new contracts and contracts already in force.

For details about the investment loan, refer to the guide in the Documentation Centre on the Extranet under Individual *Savings and Retirement/Financing - Loans/Leverage loan/Guide and Information*.

8. INVESTMENT FUND FEES

Unit Valuations

The units of each investment fund are valuated on each working day, which allows clients to purchase or surrender units on the same day the request is received at the Head Office.

8.1 Management and Operating Expenses

Management fees are paid to Industrial Alliance and are deducted from the assets of each fund on each valuation date. These fees vary from fund to fund and are calculated according to the market value of each fund on the valuation date.

The rate of management fees may be modified from time to time, but shall never exceed the rate of management fees in effect on June 30, 2010 (indicated in the following table) plus 2%.

For the Classic Series, the insurance fees associated with the guarantees are included in the management fee. For the Ecoflex Series, these fees are not included in the management fee and are charged to the contract through debit of units. Commissions paid to life insurance agents for the initial investment in funds (except front-end fees, if any) and service fees that are paid to the agents on a monthly basis for the duration of the contract are also embedded in the management fee. An increase in management fees would be considered a fundamental change and would grant the policyholder certain rights (see Section 2.4 of the contract).

In addition to the management fees, current operating expenses are deducted from the fund, including:

- Legal, audit and safeguarding fees
- Management and operating expenses
- Fees for unit holder communications
- All other fees incurred by the funds
- Interest charges
- Financial and other legally required reports and disclosure documents
- Applicable taxes, including goods and services tax (GST)

8.2 Management Expense Ratio (MER)

The total amount of all combined fees (i.e., management fees, operating fees and applicable taxes), is called the **management expense ratio (MER)** and is charged to the fund (see fee schedule on the next page). The MER includes all fees of any underlying investment fund or mutual fund in which the company invests through its investment funds.

The MER is the same for the two series (Classic and Ecoflex).

8.3 Ecoflex Fee

The Ecoflex fee offers policyholders complete maturity and death protection against market downturns and the opportunity to lock in guaranteed values.

The Ecoflex fee is charged proportionately and paid to the company through an automatic surrender of fund units from the Ecoflex Series. The fee is established every December 31 based on market value on that date after all transactions have been processed, and are paid on a quarterly basis, starting in January of the following calendar year. Surrenders made to pay these fees will not affect the guaranteed minimum value at maturity or the minimum guaranteed value at death. However, they will have a tax impact on non-registered contracts.

The Ecoflex fee is not subject to the goods and services tax (GST) or harmonized sales tax (HST). For more information, please refer to the Information Folder.

All fees that make up the MER are deducted on the valuation date whereas the GSB fees are deducted quarterly, on the anniversary date of the series.On dit trimestriellement en français.

8.4 Fee Schedule

	FUNDS AVAILABLE		Fees	
Funds	**Classic Series**	**Ecoflex Series**	**Management Expense Ratio[1] (%)**	**Ecoflex Fee Rate (%)**
FOCUS FUNDS				
Focus Prudent	✓	✓	2.63	0.25
Focus Moderate	✓	✓	2.76	0.40
Focus Balanced	✓	✓	2.85	0.40
Focus Growth	✓	✓	2.94	0.50
Focus Aggressive	✓	✓	3.00	0.65
INCOME FUNDS				
Money Market	✓	✓	1.53	0.25
Short Term Bonds	✓	✓	2.17	0.25
Bonds	✓	✓	2.16	0.25
Strategic Corporate Bond	✓	✓	2.24	0.25
Tactical Bonds (Aston Hill)	✓	✓	2.33	0.25

	FUNDS AVAILABLE		Fees	
Funds	**Classic Series**	**Ecoflex Series**	**Management Expense Ratio[1] (%)**	**Ecoflex Fee Rate (%)**
Real Return Bond	✓	✓	2.24	0.25
DIVERSIFIED FUNDS				
Diversified Security	✓	✓	2.65	0.25
Diversified	✓	✓	2.67	0.40
Diversified Opportunity	✓	✓	2.72	0.50
Fidelity Canadian Asset Allocation	✓	✓	3.06	0.50
Canadian Balanced (QV)	✓	✓	3.03	0.50
SRI Balanced (Inhance)	✓	✓	3.09	0.50
Diversified Income	✓	✓	2.89	0.50
Strategic Income	✓	✓	2.89	0.50
Global Diversified (Aston Hill)	✓	✓	3.07	0.50
Tactical Income (Aston Hill)	✓	✓	3.06	0.50
Monthly Income (PH&N)	✓	✓	3.11	0.50
CANADIAN HYBRID FUNDS				
Strategic Equity Income Hybrid 75/25	✓	✓	2.51	0.50
Dividend Growth Hybrid 75/25	✓	✓	2.59	0.50
Canadian Equity (Leon Frazer) Hybrid 75/25	✓	✓	2.93	0.50
Fidelity Dividend hybrid 75/25	✓	✓	3.04	0.65
Canadian Equity Index Hybrid 75/25	✓	✓	2.70	0.65
Select Canadian Hybrid 75/25[2]	✓	✓	2.64	0.65
Canadian Equity Value Hybrid 75/25	✓	✓	2.70	0.65
Canadian Equity Taylor AM) Hybrid 75/25	✓	✓	3.05	0.65
Canadian Leaders Hybrid 75/25	✓	✓	2.70	0.65
Fidelity True North® Hybrid 75/25	✓	✓	3.12	0.65
Canadian Equity Growth Hybrid 75/25	✓	✓	2.67	0.65
Fidelity Canadian Opportunities Hybrid 75/25	✓	✓	3.13	0.65
Canadian Equity (Small Cap.) (QV) Hybrid 75/25	✓	✓	3.07	0.65
GLOBAL HYBRID FUNDS				
Global Dividend (Dynamic) Hybrid 75/25	✓	✓	3.01	0.65
Global Equity Hybrid 75/25	✓	✓	2.91	0.65
Global Equity (Templeton) Hybrid 75/25	✓	✓	3.17	0.65
Global Equity (Mackenzie Cundill) Hybrid 75/25	✓	✓	3.28	0.65

	FUNDS AVAILABLE		Fees	
Funds	**Classic Series**	**Ecoflex Series**	**Management Expense Ratio[1] (%)**	**Ecoflex Fee Rate (%)**
Global Opportunities (Radin) Hybrid 75/25	✓	✓	2.99	0.65
Global Conviction Hybrid 75/25	✓	✓	2.83	0.65
Fidelity North Star® Hybrid 75/25	✓	✓	3.13	0.65
U.S. Equity (Sarbit) Hybrid 75/25	✓	✓	3.05	0.65
CANADIAN EQUITY FUNDS				
Strategic Equity Income	✓	✓	2.58	0.75
Dividend Growth	✓	✓	2.66	0.75
Canadian Equity (Leon Frazer)	✓	✓	3.01	0.75
Fidelity Dividend	✓		3.06	–
Canadian Equity Index	✓		2.75	–
Select Canadian[(2)]	✓		2.73	–
Canadian Equity Value	✓		2.79	–
Canadian Equity (Taylor AM)	✓		3.16	–
Canadian Leaders	✓		2.76	–
Fidelity True North®	✓		3.22	–
Canadian Equity Growth	✓		2.79	–
Fidelity Canadian Opportunities	✓		3.25	–
Canadian Equity (Small Cap.) (QV)	✓		3.18	–
U.S. AND INTERNATIONAL EQUITY FUNDS				
Global Dividend (Dynamic)	✓		3.09	–
Global Equity*	✓		2.97	–
Global Equity (Templeton)	✓		3.23	–
Global Equity (Mackenzie Cundill)	✓		3.30	–
Global Opportunities (Radin)	✓		3.09	
Global True Conviction	✓		2.89	–
Fidelity NorthStar®	✓		3.28	–
International Equity Index	✓		2.83	–
International Equity*	✓		2.97	–
International Equity (Templeton)	✓		3.18	–
Fidelity European Equity	✓		3.18	–
U.S. Equity Index	✓		2.75	–
U.S. Equity*	✓		2.94	–
U.S. Equity (MFS McLean)	✓		3.02	–
U.S. Equity (Sarbit)	✓		3.03	–

Funds	FUNDS AVAILABLE		Fees	
	Classic Series	Ecoflex Series	Management Expense Ratio[1] (%)	Ecoflex Fee Rate (%)
SPECIALTY FUNDS				
Asian Pacific (Dynamic)	✓		3.36	–
Emerging Markets (Mackenzie Cundill)	✓		4.45	–
Global Health Care (Renaissance)	✓		3.81	–
Real Estate Income	✓		3.06	–
U.S. DAQ Index	✓		3.15	–

1. The MER is the same for the two series. The MER is based on figures as at January 1, 2012, and may vary at all times.
2. Not offered in registered and TFSA contracts

At no time will there be any duplication of management fees when the Company invests some or all of the assets allocated to a fund in an underlying investment fund.

Other Taxes and Income Taxes

The funds are subject to foreign withholding taxes on income from non-Canadian investments. Otherwise, according to current tax laws, the funds are tax-exempt since all capital gains and income are attributed to policyholders.

Should the funds become taxable, taxes will be charged against the funds.

GST and HST are included in the MER.

8.5 Surrender Fees

The client can request a partial or total surrender of the premiums invested in funds at any time on or before the maturity date of the investment period. A partial surrender must be at least $100 per fund and the value of the remaining units must be at least $25.

Sales Charge Options

Front-End Load Option

A sales charge of up to 5% of the premium is negotiated between the policyholder and his financial advisor and is payable by the policyholder to the financial advisor. Fund units acquired under the front-end load option can be surrendered at all times without surrender fees. Note that a front-end sales charge will reduce the client's net investment.

Deferred Sales Charge Option

Under the deferred sales charge option, surrender fees are deducted if a surrender is made within seven (7) years following the acquisition date of the surrendered units. These fees correspond to a percentage of the amount of the surrender and decrease from 5% to 0% after seven (7) years.

Year of Surrender	Surrender Charge as a % of the Market Value of Premiums Invested
1	5.5%
2-3	5.0%
4-5	4.0%
6	3.0%
7	2.0%
8 and over	0 %

There are no surrender fees for transfers between funds within the same series and for transfers between the two series. There are also no surrender fees when fund units are surrendered for settlement of the death benefit.

8.6 Right to Surrender Without Surrender Fees

- Clients can withdraw up to 10% of the total value of the investment funds as at December 31 of the previous year plus 10% of the new units purchased during the current year, without surrender fees being charged. Please note that 10% must be calculated solely on the funds invested according to the deferred sales charge option and not on the total market value of the series.
- The right to surrender without surrender fees cannot be used to invest in funds with another type of sales commission
- Also, within a same contract, there are no surrender fees for a transfer from a guaranteed investment fund with a duration equal to or greater than one (1) year.
- The premiums surrendered under the periodic income program (PIP) are included in the calculation of the surrenders without surrender fees.

Example:

Date	Transaction	No. of Units	Unit Value	Total Transaction	Market Value After Transaction
30/06/2007	Purchase	1,000	$10	$10,000	$10,000
31/12/2010	----	1,000	$12.25	----	$12,250
21/05/2011	Surrender	384,615	$13	$5,000	$8,000

Calculation of Surrender Fees

Amount of surrender	$5,000
Minus:	
Right to surrender without fees: 10% x $12,250	$1,225
Amount subject to surrender fees	$3,775
Surrender fee rate in year 4:	4%
Surrender fees: 4% x $3,775	$151

In the event of partial surrender and to keep the surrender fee rate as low as possible, surrenders are made such that the oldest units credited to the contract are surrendered first.

There are no surrender fees for a transfer between investment funds and the units acquired following the transfer maintain the original date of the surrendered units.

Surrender fees do not apply to deposits made in the Money Market Fund, unless these deposits come from a transfer from other investment funds.

8.7 Right to Surrender Without Surrender Fees (RRIF and LIF contracts)

The client can withdraw the following amounts without surrender fees during a calendar year:

The higher of:

a) 10% of: (book value of the contract - book value of the Life Investment)*

\+ 10% of: premiums invested in the current year other than the Life Investment

*as at December 31 of the previous year

b) The minimum annual RRIF payment or LIF payment provided by law

The right to surrender without surrender fees includes the periodic income program, surrenders by cheque and transfers to guaranteed investments. However, fees apply for a transfer to a daily interest fund and for transfers to other institutions.

The annual surrender without fees privilege is not cumulative and cannot be carried over to subsequent years.

9. INCOME PROGRAMS

9.1 Periodic Income Program (RRSP, TFSA and Non-registered Contracts)

On written request, the client can enroll in the periodic income program (PIP). The client can choose to receive the income on an annual or monthly basis. The amount of periodic income must not be lower than $1,000 per year or $100 per month. The client can terminate the PIP at any time on written request.

The periodic income program is only available with contracts of over $10,000.

9.2 Periodic Retirement Benefits (RRIF and LIF)

Each year, the Company pays the policyholder retirement benefits according to the terms of payment he has chosen. The total benefits paid during each calendar year must not be lower than the minimum payment defined by law. The schedule of RRIF/LIF surrenders is presented in Appendix I.

Minimum Benefits

This is the minimum annual payment provided by law. It is established on January 1 of each year by multiplying the book value of the contract on that date by a percentage prescribed by the law. If the contract contains a life investment, the minimum benefits option is only available if the total payments from the life investment for a calendar year are lower than the minimum prescribed by law.

Level Benefits

The annuitant receives a fixed amount determined for the duration of the contract. This amount must include the payments from the life investment, if applicable. The amount of the selected benefit can be modified at any time on written request.

Indexed Benefits

The amount determined by the policyholder increases at the beginning of each calendar year according to an indexation rate selected by the policyholder. The indexation rate cannot exceed 8%. This amount must include the amount of payments from the life investment, if applicable.

Maximum Benefits (LIF)

The amount paid during the calendar year corresponds to the maximum surrender provided by law with respect to a Life Income Fund (LIF).

9.2.1 Frequency of Benefits

Policyholders can choose to receive periodic retirement benefits on a monthly, quarterly, semi-annual or annual basis, on the day of their choice. However, if the total periodic retirement benefits during a calendar year are less than $1,200 the frequency must be annual. In the absence of instructions from the policyholder, payments will be made on a monthly basis. If the contract contains a life investment, the frequency of payments and day of the month on which the benefits are paid cannot be modified while the life investment is in force.

For a life investment, the terms of payment chosen by the policyholder cannot be modified as long as the life investment is in force.

9.2.2 Payment of Benefits

If the contract contains a life investment, the payment of the retirement benefit will first come from the amount paid under the life investment. If an additional amount is required, the amounts will be surrendered from various other investment vehicles. For more information, see Section 6.8 of the contract.

9.2.3 Automated Management of the Benefit

All benefits paid (periodic retirement benefits as well as lump-sum surrenders) are made from investment vehicles determined by the client.

Thanks to an AST (automatic surrender term), the benefits are withdrawn according to the instructions specified by the client.

10. TRANSFER OPTIONS AT DEATH

The IAG Savings and Retirement Plan can be maintained in force after the policyholder's death. As such, the policyholder has two options:

- Designate his or her spouse as sole beneficiary.*
- Designate a successor annuitant (spouse or other).

* If the beneficiary is someone other than the spouse, the contract cannot be maintained in force. The beneficiary receives the death benefit and the contract terminates.

Designation of the spouse as sole beneficiary or successor annuitant:

- Available for registered and non-registered contracts
- Can be made at issue or at any other time before the annuitant dies for an in-force contract

10.1 Spouse as Sole Beneficiary

On the death of the annuitant, the contract is transferred to the surviving spouse **tax-free**. The spouse must make a choice:

- Receive the amount of the guarantee at death and terminate the contract.
- Keep the contract in force.

This choice must be made upon the notification of death.

If the spouse beneficiary chooses to keep the contract in force:

- The values accumulated in the contract are maintained.
- The spouse becomes the policyholder and the new annuitant.
- The spouse obtains all ownership rights, including the right to increase or decrease the amount of benefits, name or replace beneficiaries, make lump-sum withdrawals, etc.
- The life investment, if applicable, terminates and any book value is invested in the daily interest fund (DIF).

Classic Series

The guarantee at death is applied. The new guaranteed minimum value at death is equal to 75% of the higher of:

- The market value at the date on which all documents attesting to the death are received by the Company
- The value granted in accordance with the application of the guarantee at death

Ecoflex Series

The guarantee at death is applied. A new guarantee period begins with a new percentage of guarantee based on the age of the new annuitant (Sections 4.1 and 4.2).

10.2 Successor Annuitant Designated in the Contract

Policyholders sometimes want to ensure that their policies remain in force after their deaths. For example, a policyholder may want to ensure an income for a surviving spouse while making sure that children from a previous union receive the residual assets of the contract when that spouse dies.

To this end, the policyholder can designate a successor annuitant. When a successor annuitant is designated, the death benefit cannot be paid, which means that the contract must remain in force.

On the annuitant's death, the successor annuitant automatically becomes the new annuitant and policyholder (if the deceased was both the policyholder and the annuitant). If so, the new policyholder can change the beneficiaries. The successor annuitant can be the spouse, a child or a third party.

On the death of the initial annuitant:

- All values accumulated in the contract are maintained.

- If the deceased was both the policyholder and the annuitant, the successor annuitant becomes the policyholder and annuitant. Otherwise, the successor annuitant becomes the annuitant, but not the policyholder.
- The life investment, if applicable, terminates and any book value is invested in the daily interest fund (DIF).

Classic Series

- If the guaranteed minimum value at death (GMVD) is higher than the market value, the Company credits units in the Money Market Fund to make up for the difference. However, the value of units thus credited does not increase the GMV in subsequent calculations of the GMVD. Only new deposits by the client and resets can increase the GMVD. The new guaranteed minimum value at maturity (GMVM) and the new GMVD are equivalent to 75% of the market value after the guarantee has been applied.

Ecoflex Series

- The guarantee at death is applied.
- A new GMVM is established on the date on which the company receives all documents confirming the death. The new GMVM is equal to 100% (75% if the new annuitant is 72 or over) of the market value on that date, including the value of any units credited by the Company in applying the guarantee at death.
- A new guarantee maturity date must be established by the policyholder. This date must be at least 15 years from the date the company receives all documents confirming the annuitant's death. Furthermore, the guarantee maturity date must be between the successor annuitant’s 60th and 71st birthday. If the successor annuitant 57 or over, the guarantee maturity date must be set at exactly 15 years after this date.

Successor Annuitant with Revocable Beneficiary(ies)

- Successor annuitants who also become new policyholders obtain all ownership rights, including the right to increase or decrease the amount of benefits, name or replace beneficiaries, make lump-sum withdrawals, etc.

Successor Annuitant with Irrevocable Beneficiary(ies)

Policyholders wishing to protect the interests of their children by making sure that a spouse cannot cash in the assets or bequeath the contract to other people may designate their children as irrevocable beneficiaries.

The consequence of designating an irrevocable beneficiary is that it substantially restricts the ownership rights on the contract. The surviving spouse and even the initial policyholder must obtain the beneficiaries' consent to:

- Modify the amount of benefits.
- Change beneficiaries.
- Cash in the investments.

Note that irrevocable beneficiaries who are minors cannot give consent.

Finally, the designation of a successor annuitant can be cancelled at any time. If the beneficiary of the contract is irrevocable, this latter's consent will also be required.

Additional Details on Keeping a Contract In Force After Death

- For the Classic Series, the maturity date of the guarantee is modified to correspond to December 31 of the year in which the new annuitant reaches age 100.
- The initial investment dates of the Classic Series remain unchanged.
- The new annuitant can invest new premiums in accordance with the maturity date of the initial investment period.
- There is no reset of the GMVD. It remains unchanged.

Investment Loan

New IAG Savings and Retirement Plan Contract

When an IAG Savings and Retirement Plan contract is assigned as collateral for an investment loan upon issue:

- A successor annuitant cannot be designated.
- At death, the spouse designated sole beneficiary will not be able to maintain the contract. The death benefit will be paid in this case.

IN-Force IAG Savings and Retirement Plan Contract

When an in-force IAG Savings and Retirement Plan contract is assigned as collateral for an investment loan, the successor annuitant (if there is one) is automatically revoked.

10.3 Taxation

When the contract is transferred to the spouse, either as beneficiary or successor annuitant, there are no tax consequences. Taxes are deferred until the surviving spouse dies.

When the contract is transferred to a successor annuitant other than the spouse, there is deemed disposition of the contract, resulting in tax consequences. This deemed disposition is made by the deceased, which means that it is the estate, and not the successor annuitant, that must settle the tax bill. An RRSP, RRIF, or LIF contract will be deregistered.

In both cases, the property transfer takes place without the contract going through the deceased annuitant's estate.

11. DEATH BENEFIT

On the death of the annuitant, regardless of the type of contract purchased, the benefit payable is equal to:

- The book value of the DIF, guaranteed interest funds and life investment

  Plus

- The market value of investment funds* or the guaranteed minimum value (whichever is higher)

* For the deferred sales charge option, there are no surrender fees for the death benefit purpose.

12. ADDITIONAL BENEFIT

12.1 Contribution in the Event of the Insured’s Disability (CID)

When an IAG Savings and Retirement Plan contract contains PACs, the client can subscribe to the **CID** benefit (contribution in the event of the insured's disability). Under this benefit, the Company will continue to make the client's contributions to a savings plan (**registered or not**) in the event of a disability.

If the savings plan is registered, the contributions are paid up to the eligible maximum provided by law. Any excess contributions are paid into a non-registered IAG Savings and Retirement Plan contract.**Definition of disability:**

Disability is the inability to carry out the normal functions of one’s job for 24 months, and inability to perform the duties of any occupation afterward (see the definition of "disability" in the contract).

Total disability must occur before the insured reaches age 60. The first contribution payment is made four (4) months after the onset of disability and terminates on the first of the following dates:

- The end of the disability
- The insured's 65th birthday
- The start of annuity payments provided under the contract

The following rules apply at issue:

- Age: 18–55
- Minimum insured contribution: $50/month
- Maximum insured contribution: $650/month

See Appendix II for the annual or monthly premium for this additional benefit.

GLOSSARY

Anniversary Date

For the two series, the anniversary date corresponds to the date on which units were credited to any fund in the series for the first time.

Valuation Date

A valuation date refers to a day on which the market value of fund units is established. The market value of fund units is valuated on each working day on which the stock markets are active.

Initial Investment Date

The initial investment date corresponds to the date on which a premium is invested for the first time in any fund in a series.

Guarantee at Maturity

This is a contractual guarantee under which the client is assured of recovering a minimum amount defined by the guarantee.

For the **Classic** Series, "maturity" refers to the maturity of the contract, which corresponds to December 31 of the year in which the annuitant reaches age 100.

For the **Ecoflex** Series, "maturity" refers to the date of maturity of the guarantee, which is chosen by the client, within certain limits.

Premium

A premium is an amount received by the Company for purposes of investing in the contract.

Surrender

A surrender is an amount withdrawn from the contract by the client.

Book Value

The book value of a guaranteed investment is equal to the amount invested in the guaranteed investment plus accrued interest.

APPENDIX I.A | RRIF MINIMUM SURRENDER

Table illustrating the percentage of minimum surrender that must be made each year under the Income Tax Act (Canada)

Minimum Surrender as a % of Assets on January 1			
Age on January 1	**% of fund**	Age on January 1	**% of fund**
55	2.86%	75	7.85%
56	2.94%	76	7.99%
57	3.03%	77	8.15%
58	3.13%	78	8.33%
59	3.23%	79	8.53%
60	3.33%	80	8.75%
61	3.45%	81	8.99%
62	3.57%	82	9.27%
63	3.70%	83	9.58%
64	3.85%	84	9.93%
65	4.00%	85	10.33%
66	4.17%	86	10.79%
67	4.35%	87	11.33%
68	4.55%	88	11.96%
69	4.76%	89	12.71%
70	5.00%	90	13.62%
71	7.38%	91	14.73%
72	7.48%	92	16.12%
73	7.59%	93	17.92%
74	7.71%	94 and over	20.00%

APPENDIX II| TABLE OF CID BENEFIT PREMIUMS

Contribution in the event of the insured's disability (CID)

ANNUAL PREMIUM* PER $10 OF MONTHLY CONTRIBUTION		
Age	Male	Female
18	2.50	3.43
19	2.58	3.53
20	2.66	3.64
21	2.75	3.75
22	2.83	3.87
23	2.92	3.99
24	3.01	4.12
25	3.11	4.25
26	3.21	4.39
27	3.31	4.54
28	3.42	4.69
29	3.53	4.84
30	3.65	5.00
31	3.77	5.16
32	3.90	5.33
33	4.04	5.50
34	4.18	5.67
35	4.34	5.83
36	4.50	6.00
37	4.67	6.17
38	4.85	6.33
39	5.05	6.50
40	5.25	6.66
41	5.47	6.82
42	5.70	6.97
43	5.95	7.12
44	6.21	7.27
45	6.48	7.42
46	6.78	7.57
47	7.09	7.72
48	7.43	7.87
49	7.80	8.04
50	8.20	8.23
51	8.66	8.44
52	9.19	8.71
53	9.86	9.08
54	10.78	9.65
55	12.19	10.62

*** To obtain the monthly premium, multiply the annual premium by .09**

The elephant,
symbol or our 100 years
of strength and longevity.

INDUSTRIAL ALLIANCE
INSURANCE AND FINANCIAL SERVICES INC.

SRM338A(12-08)