Universal Life Insurance

La Capitale

FACT SHEET

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LIFE SAVER

1. Type of coverage

Non-participating Permanent Life Insurance

Products offered
> Individual coverage
> Joint coverage:*
  o First-to-die death benefit
  o Death benefit payable on 2nd death, premiums payable until 1st or 2nd death.

* Only spouses living together (whether opposite or same-sex), business partners, or co-owners (mortgage) are eligible for joint insurance.

For Quebec's residents only, Succession Advantage benefit is included in this product. To learn more about this benefit consult Succession Advantage Leaflet.

2. Age at issue

> Age at nearest birthday
> Individual coverage:
o Basic Coverage: 0 to 80 inclusive
o 10-Year Option: 0 to 75 inclusive
o 15-Year Option: 0 to 70 inclusive
o 20-Year Option: 0 to 65 inclusive
o Maximum age : 65 (minimum 25-year): 0 to 60 inclusive
> Joint Coverage:
o Basic Coverage: 18 to 70 inclusive
o 10-Year Option: 18 to 70 inclusive
o 15-Year Option: 18 to 65 inclusive
o 20-Year Option: 18 to 60 inclusive
o Maximum age : 65 (minimum 25-year): 0 to 55 inclusive

3. Insured amount

> Fixed
> Payable on death (No endowment at age 100)
> Minimum $ 10,000
> Maximum $ 2,500,00; In excess, it must request a special quotation.

4. Duration of coverage

> Life.

5. Premiums

Based on the sex, age, and smoker/non-smoker status of the insureds, an equivalent age and standard or preferred rate are determined. The equivalent age, which corresponds to a single policy on a single person, is based on the man's actual age.

Rates: Male, standard, preferred*, by band:

- $10,000 to $24,999
- $25,000 to $49,999
- $50,000 to $99,999
- $100,000 to $249,999
- $250,000 to $499,999
- $500,000 and over

* Preferred rate available beginning at age 15.

6. Premium payment period

- Basic Coverage only: Premiums are payable for life
- 10-15-20-Year Options: Premiums are payable for 10, 15, 20 years or Maximum age : 65 (minimum 25-year), respectively or until the date of the first death

7. Policy fees

None.

8. Cash surrender value

> Basic Coverage:	No cash surrender value
> 10-15-20-Year Options	Guaranteed cash surrender values available from the 6th policy year

9. Dividends

Non-participating.

10. Underwriting

Coverage under this benefit can only be issued if at least one of the insureds is approved on a standard basis. Excess mortality cannot exceed 200% of the standard mortality rate.

11. Simultaneous death (Joint first-to-die coverage)

In the event that both insureds die simultaneously or under circumstances in which the order of the deaths cannot be determined or the survivor dies within 45 days of the first death, the insured amount is payable for the death of each insured.

If the survivor dies within 45 days of the first death, the insured amount is only payable if he or she did not exercise the option for new coverage after the first death.

12. Option for new coverage after the first death (Joint coverage on first-to-die basis).

Within 45 days of the first death, the survivor may take out new Permanent Life Insurance without evidence of insurability if he or she is under the age of 65. The survivor may choose from among the products offered by the insurer at the time, excluding policies containing additional benefits, premium reimbursement at death, an increase in the insured amount payable at death, or amendment or conversion privileges.

The insured amount under the new policy cannot be higher than the amount in effect at the time of the first death. The cost of the new coverage is established based on the rate in effect, the survivor's age, and the same risk class as the existing coverage. If the insured pays extra premiums for the existing coverage, the new coverage is also subject to extra premiums for the same risk class.

13. Dissociation of the insureds (Joint first-to-die coverage)

The contractholder may submit a request in writing to dissociate the insureds covered under this benefit. La Capitale will agree to do so under the following conditions:

The existing coverage is terminated on the date the request is received and replaced with the contractholder's choice of a Permanent Life Insurance policy of the same type benefit for one of the insureds, or two separate policies, one for each insured. In both cases, the insured amount for coverage created through dissociation cannot exceed 50% of the insured amount under the existing coverage as at the date the request is received. Evidence of insurability is not required.

Additional benefits for an insured are only carried forward after dissociation if the person in question becomes the insured under the new coverage and the additional benefits are added to the policy, after being adjusted to reflect the new insured amount, as the case may be. Otherwise, they cease to have effect.

The annual cost of insurance for the new coverage for each insured is established based on the rate in effect, the age of the insured, and the same risk class as on the date the existing coverage came into force.

If the cost of insurance for the existing coverage involves extra premiums, the new life coverage for the insured in question is also subject to extra premiums for the same risk class.

14. Total loss of autonomy benefit

If one of the two insureds under joint coverage suffers a total loss of autonomy before age 60 (age as of the nearest birthday), and this condition persists for a continuous period of 6 months, the insurer will pay the policyholder an advance disability benefit equal to 50% of the insured amount up to a maximum of $200,000. If a benefit for total loss of autonomy is paid, the insured amount payable on death will be reduced by the amount paid in advance.

The payment of a benefit for total loss of autonomy:

- Will not reduce the premium payable under the contract
- Will not be considered a “loan” to the insured and will not incur fees or interest
- Is paid only once for all insureds combined
  - Whether or not the maximum amount of $200,000 is reached
  - Even if the insured is covered under more than one benefit that provides for such payments.

It should be noted that the issuance of such payments will affect:

> the surrender value
> the reduced paid-up insurance
> dissociation and right to purchase within 45 days of the first death (joint plan)

Definition of total loss of autonomy

The insured shall be considered as experiencing total loss of autonomy if he or she is permanently unable to perform any gainful occupation and in a state of total dependency, that is, unable to perform most of the time, without the assistance of another person, 4 of the following 6 activities of daily living:

- **Bathing**: The ability to wash oneself in a bath or shower, including the entering into and exiting from the bath or shower; or by sponge bath
- **Feeding:** The ability to eat by oneself the food and beverages prepared and served by other persons
- **Dressing:** The ability to put on or take off, button and unbutton all requisite clothing, including putting on orthotic devices, artificial limbs or any other surgical accessory
- **Transferring:** The ability to move towards a bed, to get into and out of bed, and the ability to sit in a chair or a wheelchair and to get up from it with or without the assistance of auxiliary equipment
- **Toileting:** The ability to go to the bathroom and return after having taken care of all one's personal hygienic needs
- **Continence:** The ability to control one’s own bowel and bladder functions, with or without surgical appliances or protection from incontinence in such a way that an acceptable degree of hygiene is maintained.

The insurer reserves the right to require that an insured who is claiming total loss of autonomy benefits undergo a medical examination.

15. Accelerated death benefit

The accelerated death benefit provides for the advance payment of a portion of the insured amount of a life insurance benefit during the insured's lifetime. This accelerated payment is subject to the administrative rules applicable at the time the request is made as well as the following conditions. These conditions are subject to change at any time and without notice.

- The life insurance benefit under which the request for an accelerated death benefit is made must have been in force for at least two years.
- The life expectancy of the insured must not exceed two years or the insured must have received a vital organ transplant.
- The accelerated death benefit may not exceed 50% of the insured amount of the life insurance benefit under which the request is made.
- As of the payment date of the accelerated death benefit, compound interest is applied at a rate determined by the insurer. This rate is subject to change upon each contract anniversary.
- Following the insured's death, the insured amount of the life insurance benefit under which the request for an accelerated death benefit is made is reduced by the amount paid as an accelerated death benefit plus accrued interest.

Additional benefits

- Accidental Death and Dismemberment (individual coverage only)
- Guaranteed Insurability benefit (individual coverage only)
- Waiver of cost of insurance in the event of the contractholder's disability
- Waiver of cost of insurance in the event of the contractholder’s disability or death
- Disability Income Benefit (when the 10-, 15- or 20-year payment options are selected, only the 20-year Disability Income Benefit option is available)
- Children's Insurance Rider
- Accidental Fracture rider
- 10-, 20-, 25-, 30- or 35- year Term Life Insurance Rider

Savings component

Investment instructions

Investments in savings accounts are made in accordance with the contractholder's most recent written investment instructions. Any changes to these investment instructions must be sent to the insurer in writing. Any changes only become effective on the date the insurer receives written confirmation thereof.
The insurer shall in no way be held responsible for any results not achieved with regard to the contractholder's objectives. Also, the insurer reserves the right to offer new savings accounts and/or withdraw existing accounts.

Daily interest account

Daily interest account with a variable interest rate that is determined by the insurer. Interest is credited at each policy anniversary date.

Fixed interest accounts

Accounts with an interest rate that is fixed and guaranteed for a specific period of time. Contractholders choose from the terms offered by the insurer and the interest rate granted is as declared by the insurer on the date of investment. The declared interest rate shall be at least equal to 90% of the current rate of return for Government of Canada bonds with an equivalent term, less 2%. Amounts invested are at the contractholder's discretion, subject to a minimum set by the insurer.

A market value adjustment and penalty apply to any amounts withdrawn from one of these accounts before the end of the predetermined period.

Additional notes
This type of investment is redeemable and amounts invested in this account are subject to a minimum investment of $500.

Indexed interest accounts

Accounts with an interest rate linked to the performance of a market index or underlying fund external to La Capitale, less the guaranteed management fees charged by the insurer. The value of these accounts may, depending on the performance of the market index or underlying fund, increase or decrease on a daily basis and even fall lower than the initial capital invested if the rate of return, after deduction of management fees, is negative.
La Capitale reserves the right to use another market index or another underlying fund in the event that any of the indexes or underlying funds it offers should be unavailable or at any time the insurer deems it relevant to do so.

Amounts invested in these accounts are not guaranteed, except in the event of an insured's death. In the event of an insured's death, the insurer guarantees for all indexed interest rate accounts the highest of the following amounts:

- The balance of these accounts on the date of death
- 100% of the sums invested in these accounts, adjusted proportionately to any withdrawals made from the accounts
- The adjustment referred to above shall be made in the same proportion as the amount withdrawn in relation to the value of the accounts on the date of the withdrawal.

Transaction account

Daily interest account into which all premiums for the contract are deposited, less the applicable tax on premiums. This account has a variable interest rate that is determined by the insurer.

Interest is credited at each policy anniversary date. A minimum balance, determined periodically by the insurer, must be maintained in the account to cover payment of future insurance costs.

The cost of insurance is withdrawn from the account on each monthly policy anniversary, along with any applicable transaction fees. Amounts are then withdrawn from this account for distribution among various savings accounts offered by the insurer in accordance with the contractholder's investment instructions.

Additional notes

This coverage is always registered in the contractholder's name.

If the funds available in the transaction account are insufficient to cover the cost of insurance, funds for payment of the cost of insurance are first withdrawn from the indexed interest rate accounts and liquidity account, in proportion with the contractholder's most recent written investment instructions for these accounts.

If the balance of these accounts is insufficient, funds are then withdrawn from other accounts on a pro rata basis.

Liquidity account

This is a daily interest account with a variable interest rate that is determined by the insurer. Interest is credited at each policy anniversary date.

Suspense account

This is a daily interest account under the non-registered (non-RRSP) savings annuity contract that the insurer opens in the contractholder's name. This account has a variable interest rate that is determined by the insurer.

The insurer uses this account to transfer and temporarily hold any funds in savings accounts under this contract that exceed the maximum permitted by tax legislation.

Funds for such transfers are first withdrawn from the transaction account. If the funds available in this account are insufficient, funds are then withdrawn from the indexed interest rate accounts and liquidity account, in proportion with the contractholder's most recent written investment instructions for these accounts. If the balance of these accounts is insufficient, funds are then withdrawn from other accounts on a pro rata basis. Such transfers may generate taxable income.

On each policy anniversary, if the total balance of all savings accounts under this contract is below the maximum permitted, the insurer withdraws funds from the suspense account and transfers these to the transaction account as a bonus, up to the maximum balance permitted by tax legislation.

Interest is credited at each policy anniversary date and is taxable each year as interest income.

Bonus interest

Bonus interest is paid to the transaction account starting on the 6th policy anniversary and at each subsequent policy anniversary. The bonus is calculated based on the average balance for the year of all accounts under the contract, with the exception of the suspense account, in accordance with the following scale:

Policy anniversary	Bonus interest
6th to 10th	0.5%
11th and later	1.0%

Disability benefits

If an insured age 18 or over becomes disabled, as defined below, the contractholder may apply to the insurer for payment of disability benefits from the savings accounts held. In accordance with applicable tax legislation at the time of contract issue, these benefits shall not be considered to be interest payments under a life insurance policy. These benefit payments are therefore not taxable and will in no way affect the adjusted cost basis of the contract.

a) Definition of disability

> The insured is considered to be disabled if, following illness or bodily injury occurring before age 65, he or she is unable to carry out the duties of his or her regular employment.

> The insured is also considered to be disabled if he or she becomes unable to carry out his or her regular daily activities due to any of the following conditions:

- Cerebrovascular accident (stroke), excluding transient ischemic attacks
- Amputation of a limb
- Third-degree burns covering at least 20% of the body
- Cancer
- Huntington's Chorea
- Coma
- Muscular dystrophy
- Major organ transplant (insured receiving organ)
- Hepatitis
- Chronic kidney failure
- Coronary artery disease, myocardial infarction or congestive heart failure
- Alzheimer's disease
- Paralysis, paraplegia or quadriplegia
- Multiple sclerosis
- Acquired Immune Deficiency Syndrome (AIDS)

Disability also includes any of the following circumstances:

- Disability due to the total and permanent loss of sight in both eyes or the use of both hands, of both feet or of one hand and one foot
- Disability due to an illness or injury reducing life expectancy to two years or less
- Continuous disability preventing the insured from carrying out any of the following activities of daily living (ADLs): Bathing, dressing, transferring and feeding.

b) Benefit terms and conditions

> The contractholder may request up to four benefit payment instalments per calendar year. Each instalment must be at least $500, unless the accumulated savings amount is lower.

> The contractholder must provide proof of disability deemed satisfactory by the insurer. The insurer reserves the right to require proof of disability each time an application for disability benefits is submitted.

> The disability must begin after the effective date or date of reinstatement of the insured's life insurance coverage and must persist for a continuous period of at least 90 days.

c) Termination of entitlement to benefits

The insured's entitlement to benefits terminates on the earliest of the following dates:

- The date on which the insured's disability ends
- The latest expiration date of a principal benefit on the life of the insured

Frequency of savings statements

The frequency at which savings statements are issued to clients depends on the savings fund accumulated, as follows:

- Amounts of $0 to $10,000: Annual, on December 31
- Amounts of $10,000 to $99,999: Semi-annual
- Amounts of $100,000 and over: Quarterly

Important Notice

In the event of any discrepancy between this fact sheet and the provisions of the contract, the latter shall prevail.