

CAA CHILD TERM LIFE PLAN

DEFINITIONS

Age means the Insured Child's attained Age on the first Premium Due Date and each subsequent Policy Anniversary Date.

Amount of Insurance is the amount of CAA Child Term Life Insurance on the life of the Insured Child as shown on the Schedule Page. CAA Child Term Life Insurance is available in amounts ranging from \$5,000 to \$35,000.

At the Policy Anniversary Date following Age twenty-one (21), the Amount of Insurance will automatically triple.

The total Amount of Insurance on an Insured Child's life under all Policies underwritten by Us cannot exceed a maximum of \$35,000. In that case, the most recently issued Policy(ies) exceeding the maximum will not be valid, and any amount payable by Us will be limited to the sum of the premiums paid.

Automobile means a motorized land vehicle which does not operate on rails or crawler treads and does not include a two-wheeled vehicle, farm-type tractor or any equipment primarily designed for off-road use.

Death Benefit means the Amount of Insurance in-force on the date of death, as shown on the Schedule Page, less any outstanding premium due.

Effective Date of Coverage means the later of the date on which We receive at Our Office:

- a) a written application for insurance; and
- b) the first full premium for the insurance applied for.

The Effective Date of Coverage is outlined on the Schedule Page.

Eligible Child means any natural child, stepchild, adopted child, grandchild or legal ward of the Policyholder who is:

- a) resident in Canada at the time of application;
- b) between sixty (60) days and twelve (12) years of Age; and
- c) not insured for more than \$35,000 by Us.

Grace Period is the 30-day period following any Premium Due Date except the first, while this Policy is in force.

Insured Child means an Eligible Child whose life has been insured under this Policy.

Office means Our office at the address shown on page 2 of this Policy. If Our address changes, We will send You written notice by mail or e-mail.

Policy Anniversary Date means the Policy Anniversary shown on the Schedule Page.

Policyholder means an Insured Child's parent, grandparent or legal guardian and may also mean the Insured Child where the Insured Child notifies Us on or after the date he or she becomes twenty-one (21) years of Age that he or she wishes to become the Policyholder.

Pre-Existing Condition means any medical condition, symptom, illness or disease, diagnosed or undiagnosed, for which medical advice, consultation, investigation or diagnosis was sought or received, or for which treatment was required or recommended by a provider of health care services, at any time prior to the Effective Date of Coverage.

Premium Due Date means the first day of the month following the Effective Date of Coverage and:

- a) each Policy Anniversary Date thereafter, if premiums are being paid annually; or
- b) the first day of each subsequent month, if premiums are being paid monthly.

Schedule Page means the portion of this Policy which outlines the benefits to the Policyholder.

We, Us and Our means The Manufacturers Life Insurance Company ("Manulife").

BENEFITS

DEATH BENEFIT

Payment of Benefits

We will pay a Death Benefit to the Beneficiary when We receive at Our Office proof, satisfactory to Us, that the death of the Insured Child occurred while this Policy was in force.

Notice and Proof of Claim

We must receive proof of death at Our Offices, as outlined below, within twelve (12) months after the date of death. Failure to submit proof within twelve (12) months after the date of death shall not invalidate any claim if it can be shown that submission of such proof was not reasonably possible and that proof was submitted as soon as was reasonably possible.

We have the right to investigate the circumstances of the death and to require an autopsy unless prohibited by law.

Before a Death Benefit is paid, We must receive proof, satisfactory to Us:

- a) that death occurred, while this Policy was in force;
- b) of the Insured Child's date of birth;
- c) of the cause of death of the Insured Child;
- d) of the right of the Beneficiary to receive any proceeds payable; and
- e) of the relationship of the Policyholder to the Insured Child.

Pre-Existing Condition

No benefits will be paid if the death of the Insured Child occurs during the twenty-four (24) month period following the Effective Date of Coverage and results from or is in any way associated with a Pre-Existing Condition.

SEAT BELT BENEFIT

If a Death Benefit becomes payable upon an Insured Child's death as a result of an accident while driving or riding as a passenger in an Automobile, We will pay an additional benefit in the amount of fifty per cent (50%) of the Amount of Insurance in force, to a maximum of \$20,000 provided that:

- a) the Automobile was equipped with seat belts;
- b) the seat belt was in use and properly fastened (including appropriately fastened to a car seat when required by law) at the time of the accident; and
- c) the positions and use of the seat belt is certified in the official report of the accident or by the investigating officer.

Seat Belt Benefit Exclusions

If the Insured Child was in operation of or had care or control of the Automobile at the time of the accident, no Seat Belt Benefit will be paid where death is caused directly or indirectly by, or is in any way associated with one or more of the following:

- Abuse of prescription drugs or use of illicit drugs;
- Suicide or self-inflicted injury;
- Sickness, illness, bodily or mental infirmity or disease of any kind;
- Participating in a contest of speed; or
- Operation, care or control of the Automobile, while the quantity of alcohol in the Insured Child's blood exceeds 80 milligrams of alcohol in 100 millilitres of blood

Regardless of whether the Insured Child was in operation of or had care or control of the Automobile at the time of the accident, or was riding as a passenger, no Seat Belt Benefit will be paid where death is caused directly or indirectly by, or is in any way associated with, the commission or attempted commission of a criminal offence.

OPTIONAL CONVERSION OPTION

Between the Age of twenty-one (21) and twenty-six (26), the Policyholder may convert, without evidence of insurability, the CAA Child Term Life Insurance then in force on the Insured Child to an available CAA 5-Year Term or 20-Year Term Life Insurance product and/or a CAA Critical Illness Insurance product.

The Policyholder may purchase up to two (2) times the Amount of Insurance in-force at the date that this option is exercised up to a maximum of \$200,000. The Policyholder may elect to convert up to fifty per cent (50%) of the Amount of Insurance, up to a maximum of \$75,000, into an available CAA Critical Illness Insurance with the balance converted to an available CAA 5-Year Term or 20-Year Term Life Insurance product. Where the option to acquire Critical Illness and Life Insurance coverage is exercised, two separate Policies will be issued.

All the terms and conditions of the selected Policy(ies) will apply. The minimum amount which may be converted is the minimum Amount of Insurance available at the time the conversion option is exercised.

Any Special Provision, limitation or exclusion found in this Policy will be included in the Policy(ies) to be issued, but no waiver of premium benefit, supplementary benefit or any other rider will be included under this conversion. The premium for the Policy(ies) to be issued will be calculated using:

- a) Our rates for the type and amount of insurance;
- b) the class of risk to which the Insured Child then belongs; and
- c) the Age of the Insured Child on the date that the option is exercised.

The Insured Child will be assigned smoking rates, if applicable, on the insurance products that have been selected unless proof of non-smoker status sufficient to Us is provided.

The Policyholder must exercise the option and apply within 60 days following the date on which the CAA Child Term Life Insurance coverage terminates. The application must have the written concurrence of irrevocable beneficiaries, if any.

PREMIUMS

Premiums are based on the Amount of Insurance in-force. Premiums are payable in advance on or before the first day of the month following the Effective Date of Coverage and on each Premium Due Date. Premiums may be paid in accordance with the payment method selected in the application for insurance, or by any other method satisfactory to Us.

When Premiums Must Be Paid

In order to keep the insurance in effect, premiums must be paid by the Premium Due Dates. The first premium is payable with the application. The first premium covers the period from the Effective Date of Coverage to the next Premium Due Date. Subsequent premiums are due on each Premium Due Date. If We do not receive the first premium, or if the first premium is not honoured when presented for payment, the application for insurance will be void.

Grace Period

Except for the first premium, a Grace Period of thirty (30) days is allowed for payment in full of any premium due, during which time this Policy will stay in force subject to the termination provisions of this Policy.

If any premium, or any part thereof, is not paid when due, this Policy will, without any notice from Us, cease to be in force and will not be in force thereafter unless the Policy is reinstated in accordance with the Policy's Reinstatement provision.

If a benefit becomes payable under the Policy during the Grace Period, any premium due but unpaid will be deducted from the benefit payable.

Method and Frequency of Premium Payments

If the Policyholder wishes to change the method or frequency of premium payments, he or she may contact Us by telephone, e-mail or regular mail. We will advise the Policyholder of the documents required to process his or her request. If a change in frequency is approved, the premium amount will also change to reflect the new frequency.

GENERAL PROVISIONS

The Contract

The Contract consists of this Policy, any documents attached to this Policy, the application for insurance, and any endorsement(s) issued to the Policyholder.

Incontestability

In the absence of fraud, We will not contest the validity of any Amount of Insurance after it has been in force during an Insured Child's lifetime for two (2) years from the later of his or her Effective Date of Coverage or from the date of the last Reinstatement.

In issuing this Policy, We have relied on statements made in connection with the application for CAA Child Term Life Insurance. These are representations and not warranties. No statement will be used by Us to void insurance or to deny a claim unless the statement is a material misrepresentation and is part of the application.

Limitation Period

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*, or other applicable legislation, or in the *Limitations Act*, 2002 in Ontario.

Special Provisions

If a Special Provision is applied to any insurance on the life of an Insured Child, the Special Provision will be endorsed on the Policy.

Suicide Exclusion

If an Insured Child commits suicide within two (2) years of the Effective Date of Coverage, the amount payable by Us will be limited to the sum of the premiums paid.

Ownership

An Insured Child's parent, grandparent or legal guardian may apply for coverage on an Eligible Child and will be the Policyholder unless and until

- a) the Insured Child notifies Us in writing on or after the date he or she becomes twenty-one (21) years of Age that he or she wishes to become the Policyholder; or
- b) the Conversion Option is exercised and a new Policy(ies) is/are issued.

If the Policyholder dies before the Insured Child's twenty-first (21) birthday, ownership of the Policy will be transferred to the Policyholder's estate.

The Policyholder may exercise all rights and take any action which We agree to in connection with this Policy (including changing the ownership).

Beneficiary

The right of any person to designate persons to whom or for whose benefit insurance money is to be payable is restricted to money payable in the event of death.

The Beneficiary named in the application or in the last Beneficiary designation filed with Us will receive the proceeds. If two (2) or more persons are named Beneficiaries, the proceeds will be paid to the person(s) who is/are alive when the benefit becomes payable. If more than one Beneficiary is alive, the proceeds will be shared equally, unless otherwise specified. If no Beneficiary survives the Insured Child, the proceeds will be payable to the Policyholder's estate.

The Policyholder may change the Beneficiary named at any time during the life of the Insured Child, unless the Beneficiary was designated irrevocable, in which case any change will require the consent of the irrevocable Beneficiary. The Policyholder may make these changes by making a written request to Our Office in a form satisfactory to Us. The change will be effective on the date signed, but will have no effect on any payment made or other action taken by Us before the change was filed with Us.

Assignment

There is no right to assign the insurance under this Policy.

Currency and Place of Payment

All payments to be made hereunder to or by Us shall be in the lawful currency of Canada. Payments to Us shall be made at Our Office or elsewhere as may be determined by Us.

Payments by Us shall be made in the applicable jurisdiction or elsewhere if We consent.

Reinstatement

This Policy may be reinstated within two (2) years as of the date of the first unpaid premium. The Policyholder may reinstate this Policy by providing:

- a) a written application; and
- b) payment of overdue premiums with interest at a rate to be determined by Us.

Age

The Insured Child's attained Age is determined from the date of birth as provided in the application for the Policy.

If an Insured Child's Age was misstated in the application, the premium will be adjusted on the basis of the correct Age.

If at the Insured Child's correct Age this Policy:

- a) would not have been issued; or
- b) would have terminated at an earlier date,

the only amount payable by us is the premium paid to Us for the period that the coverage should not have been in effect.

TERMINATION

The coverage terminates on the earliest of:

- a) the death of the Insured Child;
- b) the end of the Grace Period, after any premium due or any part thereof has not been paid;
- c) the Premium Due Date coinciding with or immediately following the date We receive written notice from the Policyholder requesting that all or part of the insurance be cancelled; and
- d) the Policy Anniversary Date the Insured Child is Age 26.