

## **GUARANTEED ISSUE LIFE INSURANCE**

### **DEFINITIONS**

Wherever used in this Policy:

**Accidental Bodily Injury** means bodily injury sustained by You and which is caused, directly and independently of all other causes, by an accident occurring while this Policy is in force.

**Accidental Death** means death which:

- a) results from bodily injury sustained while this Policy is in force, caused by external, violent and purely accidental means and independent of all other causes;
- b) does not result from any of the Accidental Death Risks Not Covered;
- c) occurs within 365 days of the bodily injury; and
- d) occurs before age 85.

**Amount of Life Insurance** is the amount of life insurance coverage in force, as shown on the Schedule Page of this Policy. Life insurance coverage is available in increments of \$2,500 from \$5,000 to \$25,000.

**CAA Club** means one of: British Columbia Automobile Association, Alberta Motor Association, CAA Saskatchewan, CAA Manitoba, CAA Mid-Western Ontario, CAA South Central Ontario, CAA Niagara, CAA Central Ontario, CAA North & East Ontario, CAA-Quebec or CAA Maritimes.

**CAA Member Benefit** has the meaning ascribed to it on page 4 of this Policy.

**Death Benefit** is the Amount of Life Insurance in force on the date of Your death, as shown in the Schedule Page, less any Living Benefit paid and any outstanding premium due.

**Effective Date** means the date on which insurance under this Policy begins and is the later of the following dates:

- a) the date the application is received by Us or our authorized administrator provided the required premium is paid; or
- b) the date the first premium is received by Us or our authorized administrator.

**Non-Smoker** means that You have not used any form of tobacco, including tobacco cessation products and marijuana, in the past twelve (12) consecutive months preceding the date of application for insurance or non-smoker premium.

**Overall Plan Maximum** means \$25,000.00 and is described in more detail on page 3 of this Policy.

**Owner** of this Policy means You unless changed by written notice to Us.

**Physician** means a legally qualified medical doctor or surgeon who is duly licensed in the jurisdiction in which he/she operates and who gives medical care within the scope of his/her licensed authority. A Physician must be a person other than You, or an immediate family member.

**Policy** means this insurance policy.

**Policy Anniversary** means each anniversary of the first day of the month following the Effective Date.

**Policy Years** are measured from the Effective Date subject to the Reinstatement provisions of this Policy.

**Premium Due Date** means the Effective Date of this Policy and if premiums are paid annually, the Policy Anniversary or if premiums are paid monthly, the 1<sup>st</sup> of each subsequent month.

**Schedule Page** means the portion of this Policy entitled "Schedule Page" which outlines Your benefits.

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

**You or Your** means a person who:

- a) has made application for insurance hereunder;
- b) at the time of application was resident in Canada and between the ages of 40 and 75 years inclusive; and has paid premiums as outlined in this Policy.

## **BENEFITS**

Subject to the provisions of this Policy, We will pay benefits as follows:

### **Death Benefit**

We will pay a Death Benefit to the beneficiary upon receipt of proof, satisfactory to Us, that Your death occurred while this Policy was in force.

The amount of the Death Benefit, subject to the Overall Plan Maximum, is as follows:

**a) For death occurring during the first two (2) Policy Years:**

- i. If Your death is an Accidental Death, the Death Benefit is five (5) times the Amount of Life Insurance as shown in the Schedule Page not including any CAA Member Benefit earned, less the amount of any unpaid premium due. No CAA Member Benefit is payable.
- ii. If Your death is not an Accidental Death and is not due to suicide, the Death Benefit is a return of the premiums paid since the Effective Date, accrued with interest at an effective rate of 10% per annum compounded annually. No CAA Member Benefit is payable.
- iii. If Your death is due to suicide, We will refund all premiums paid since the Effective Date, without interest. No CAA Member Benefit is payable.

**b) For death occurring after the first two (2) Policy Years:**

- i. If You are under age 85 at the date of death and Your death is an Accidental Death, the Death Benefit is five (5) times the Amount of Life Insurance as shown in the Schedule Page not including any CAA Member Benefit, less the amount of any Living Benefit paid and less the amount of any unpaid premium due. No CAA Member Benefit is payable.
- ii. If Your death is not an Accidental Death or if You are 85 years or older at the date of death and Your death is an Accidental Death, the Death Benefit is the Amount of Life Insurance as shown in the Schedule Page plus any CAA Member Benefit earned less the amount of any Living Benefit paid and less the amount of any unpaid premium due.

Proof of death must be received by Us at Our office within 12 months after the date of death. Failure to submit proof within 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 will have the right to investigate the circumstances of the death and to require an autopsy unless prohibited by law.

### **ACCIDENTAL DEATH RISKS NOT COVERED**

Accidental Death **does not include** death which is caused directly or indirectly by one or more of the following:

- a) Sickness, illness or bodily or mental infirmity or disease of any kind; or
- b) Suicide or self-inflicted injury; or
- c) Declared or undeclared war, or any act of war, riot or insurrection, or service in the armed forces; or
- d) Any event directly or indirectly related to the ingestion of alcohol by You where the concentration of alcohol in Your blood exceeds 80 milligrams of alcohol in 100 millilitres of blood; or
- e) Voluntary ingestion of poison, toxic substances or non-toxic substances or drugs, sedatives or narcotics, whether illicit or prescribed, in such quantity that they become toxic, or voluntary inhalation of a gas; or
- f) From or while committing or attempting to commit a criminal offence, or committing or provoking an assault; or
- g) Medical or surgical treatment or complications arising therefrom, except when required as a direct result of an Accidental Bodily Injury; or
- h) Participating in a contest of speed, scuba-diving, sky-diving, parachuting, hang-gliding or bungee jumping, or a flight accident except when travelling as a passenger on a commercially licensed airline.

### **OVERALL PLAN MAXIMUM**

The Overall Plan Maximum for the CAA Guaranteed Issue Plan is \$25,000.00. Under no circumstances will We pay a Death Benefit on an Amount of Life Insurance in excess of the Overall Plan Maximum or an Accidental Death benefit multiplier on an Amount of Life Insurance in excess of the Overall Plan Maximum.

The Overall Plan Maximum does not include the CAA Member Benefit.

### **CAA MEMBER BENEFIT**

If on each Policy Anniversary You have maintained a membership in a CAA Club, the death benefit except for Accidental Death, of this Policy will be increased by one CAA Member Benefit unit. At the time of claim, if the CAA Member Benefit is payable, the Amount of Insurance in force at time of death will be increased by 2% for each unit of CAA Member Benefit earned.

The CAA Member Benefit is subject to a maximum of 50% of the Amount of Life Insurance and it will cease to increase once the maximum has been reached.

### **LIVING BENEFIT**

#### **Conditions for Payment of Living Benefit**

We will pay the Living Benefit during Your lifetime subject to the provisions of the Policy upon receipt of proof, satisfactory to Us, that You suffer from a fatal disease with a prognosis of Your death within 12 months.

#### **Application for Living Benefit**

If Your insurance under this Policy has been in force for at least two consecutive years, You may apply for the Living Benefit by submitting to Us a written application for the Living Benefit. The application must have the written concurrence of Your assignees and irrevocable beneficiaries, if any.

#### **Proof Required with Application for Living Benefit**

We will require submission of the written medical opinion of a Physician demonstrating, to Our satisfaction, the prognosis of Your death within 12 months. Such medical opinion must be provided at no cost to Us.

Notwithstanding any other provisions in this section, the final decision on payment of the Living Benefit is reserved solely to Us.

#### **Amount of the Living Benefit**

The maximum of the Living Benefit is 50% of the Amount of Life Insurance which has been in force for at least 2 years plus any CAA Member Benefit.

In no event will We pay the Living Benefit under the Policy more than once to You.

#### **Living Benefit Premium Waiver**

If You receive a Living Benefit under this section, insurance which has been in force for at least 2 years at the date of payment of the Living Benefit may be continued under this section and premiums will be waived. Premiums will be waived from the first Premium Due Date which falls after the Living Benefit is paid by Us.

#### **Payment of the Living Benefit**

Any Living Benefit payable under the Policy will be paid directly to You.

Any Death Benefit payable under the Policy upon Your death will be reduced by the amount of the Living Benefit paid.

### **PREMIUMS**

#### **General**

Premiums for this Policy are based on Your sex, smoker status and Your age at the Effective Date.

Premiums are payable in advance on the Effective Date and on each Premium Due Date. Premiums may be paid annually by a credit card accepted by Us or monthly by pre-authorized withdrawals from Your chequing account with a financial institution or by a credit card accepted by Us.

No premiums are payable on and after the Policy Anniversary on or immediately following the date on which You attain age 95 and the insurance under this Policy shall continue in force.

## Grace Period

Except for the first premium, a grace period of 30 days is allowed for payment in full of any premium due, during which time this Policy will stay in force.

If any premium or any part thereof remains unpaid following the grace period, this Policy will, without any notice or act on our part, cease to be in force and will not be in force thereafter unless the Policy is reinstated pursuant to the reinstatement provisions of this contract.

If You die during the grace period, any premium due but unpaid will be deducted from the Death Benefit.

## TERMINATION

This Policy will terminate on the earliest of the following dates:

- a) the end of the grace period, after any premium due or any part thereof has not been paid;
- b) the Premium Due Date coinciding with or immediately following the date on which We receive a written request from the Owner to terminate this Policy;
- c) the date You die.

## GENERAL PROVISIONS

### The Contract

The contract consists of this Policy, the application for insurance, and any amendments agreed to in writing by Us and the Owner.

A change in the contract may be made only with the written consent of the Owner and Us. Only Our chief executive officer has the authority to waive or agree to change any of the conditions or provisions of this Policy on Our behalf.

### 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.

## Incontestability

Subject to the misstatement of smoker status provision, in the absence of fraud, We will not contest the validity of this Policy after it has been in force during Your lifetime for two (2) years from the later of the Effective Date or from the date of the last reinstatement. In issuing this Policy, We have relied on statements made in connection with the application. No statement will be used by Us to void this Policy or to deny a claim unless the statement is a material misrepresentation and is part of the application.

## Reinstatement

This Policy may be reinstated within two (2) years after the due date of the first unpaid premium.

The requirements to reinstate are:

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

If this Policy is reinstated, then:

- a) For death occurring during the first two (2) years immediately following the date of the last reinstatement, any benefits payable will be paid according to the Death Benefit provisions of this Policy for death occurring during the first two (2) Policy Years.
- b) For death occurring more than two (2) years after the date of the last reinstatement, benefits will be paid according to the Death Benefit provisions of this Policy for death occurring after the first two (2) Policy Years.

## Misstatement of Age and Sex

Your age is based on Your date of birth as provided in Your application for this Policy. Your age at any given date shall be Your age on the birthday coinciding with or immediately preceding that date.

If Your age or sex has been misstated in the application, the amount of insurance and/or the premium required will be adjusted on the basis of the correct age or sex. If at Your correct age this Policy would not have been issued the only amount payable by Us for the period that coverage would not have been in effect will be the premiums paid for that period.

### **Non-Smoker Status**

If You have not used any form of tobacco, including tobacco cessation products or marijuana, during the previous 12 months You may apply for Non-Smoker rates. You will be considered to have non-smoker status on:

- a) the date of receipt of the application, if You are not already insured under this Policy; or
- b) the first of the month following the date You apply for non-smoker status.

### **Misstatement of Smoker Status**

A misstatement of smoker status shall void the insurance.

### **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.

### **Owner**

All benefits, rights and privileges under this Policy belong to the Owner while You are living.

### **Assignment**

The Owner may assign this Policy. No assignment of this Policy will be binding on Us unless it is in writing and received by Us at Our office. We will not be responsible for the validity, effect or sufficiency of any assignment. Any absolute assignment will revoke the interest of a revocable beneficiary. Any collateral assignment will transfer the interest of the beneficiary to the assignee to the extent of the assignee's interest.

### **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 Owner may designate one of more revocable or irrevocable beneficiaries to receive any Death Benefit payable under this Policy. Unless otherwise provided by law or the beneficiary appointment:

- a) if more than one beneficiary is designated, any Death Benefit payable will be paid in equal shares; and
- b) if no beneficiary survives You, or if none has been designated, any Death Benefit payable will be paid to the Owner if living, otherwise to the estate of the Owner;
- c) if a beneficiary dies before You, and one (1) or more beneficiaries survive, the share of the deceased beneficiary will pass to the survivor, or in equal shares to the survivors.

### **Non-Participating**

This Policy is not eligible to share in Our divisible surplus.