

CAA SIMPLIFIED TERM LIFE INSURANCE PLAN

Age means Your attained age on the Effective Date, and each subsequent Policy Anniversary Date.

Amount of Insurance is the amount of life insurance coverage in force, as shown on page 1 of this Policy.

Effective Date of Coverage means the date on which insurance under this policy begins. The Effective Date is the later of the following dates:

- a) the date of 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.

The Effective Date of Coverage is subject to the Reinstatement provision of this Policy.

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

Immediate Family Member means the Insured Person's Spouse, children, parents and siblings.

Insured Person means a person who:

- a) has applied and been approved for the insurance hereunder;
- b) has paid premiums in accordance with the provisions of this Policy;
- c) was between Ages 18 and 60 years inclusive, at the time of application; and
- d) was resident in Canada, at the time of application.

Issue Date means the date on which this Policy is mailed to You.

Non-Smoker means an Insured Person who has not used any form of tobacco, tobacco cessation products, or marijuana in the past twelve (12) consecutive months.

Office means Our Affinity Markets Office at P.O. Box 670, Stn Waterloo, Waterloo, Ontario, N2J 4B8, or elsewhere as advised by Us.

Physician means a legally qualified medical doctor who is duly licensed in the place where he/she practises and who is practising within the scope of his/her licensed authority. For the purposes of this Policy, the Insured Person's Physician must be a person other than the Insured Person, or the Insured Person's Immediate Family Member.

Policy Anniversary is the first year immediately following the Effective Date, and every year thereafter.

Premium Due Date means the Effective Date, and the first day of every month following this date.

Spouse means a person who:

- a) is legally married to the Insured Person; or
- b) if not legally married to the Insured Person, resides with him/her in a conjugal relationship, and has so resided for a continuous period of not less than two years.

You, Your and Yourself means the Insured Person.

BENEFITS

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

DEATH BENEFIT

Payment of Benefit

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

The amount of the Death Benefit is as follows:

- a) For Death of the Insured Person occurring during the first two (2) policy years, we will refund all premiums paid since the Effective Date, without interest; or
- b) For Death of the Insured Person occurring after the first two (2) policy years, the Death Benefit is the Amount of Insurance.

Notice and Proof of Claim

We must receive proof of death at Our Office 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 Your date of birth; and
- c) of the right of the Beneficiary to receive any proceeds payable.

We may also require submission of this Policy.

PREMIUMS

General

Premiums for this Policy are based on the Amount of Insurance that You have in force as well as Your Age, and smoking status.

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 Your insurance in effect, You need to pay Your premiums on Your Premium Due Dates.

Your first premium is payable with Your application. Your first premium covers the period from the first day of the month following the Effective Date of Coverage to the next Premium Due Date. If We do not receive Your first premium, or if Your first premium is not honoured when first presented for payment, the contract will not go into effect and You will not be covered. Subsequent premiums are due on each Premium Due Date.

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 or act on Our part, 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.

If the Insured Person dies during the Grace Period, any premium due but unpaid will be deducted from the Death Benefit.

Method of Premium Payments

You can choose to pay premiums:

- a) monthly by pre-authorized withdrawals from Your chequing account;
- b) monthly or annually by charging Your premiums to a credit card that is acceptable to Us;
- c) annually by cheque (made payable to Manulife Financial);
- d) by any other payment method or frequency that we make available under this policy.

All payments must be in Canadian dollars.

If You wish to change the method of payments, please contact Us by telephone, e-mail or regular mail. We will tell You what information or documents You need to send to Us to request this change.

TERMINATION

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

- a) The Policy Anniversary Date coinciding with or immediately following the Insured Person's attainment of age 75.
- 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 You requesting that all of Your insurance be cancelled;
- d) the date on which the Amount of Insurance does not meet Our minimum requirements for the Policy; or
- e) Your date of death.

Payment of Premium After Insurance Ceases

Subject to the provisions of the Policy, if a premium is paid after insurance ceases in accordance with the immediately preceding subsections a), b) and c), We are not liable for the payment of any benefits under the Policy in respect of the insurance which ceased. In that event, We will refund the amount of premium paid after the insurance ceased.

GENERAL PROVISIONS

The Contract

The Contract consists of this Policy, any documents attached to this Policy, the application for insurance, a copy of which is attached, and any amendment(s) agreed to in writing by Us and the Insured Person. We are bound only by the contract's written terms.

A change in the Contract may be made with the written consent of the Insured Person and Us. Only Our President has the authority to waive or agree to change any of the conditions or provisions of this Policy on Our behalf.

How We Contact You

All notices will be sent to Your address as shown in Our files. It is Your responsibility to advise Us of any changes in Your address.

How to Contact Us

Please send payments or documents to Our address shown on page 2 of this Policy.

Your Rights as an Owner

Your rights include:

- a) naming the beneficiary or beneficiaries;
- b) varying the frequency of Your premium payments, within Our administrative limits; and
- c) cancelling the contract as a whole.

You must follow the Policy's terms and conditions when You use any of these rights. Your rights may also be limited by any applicable laws.

Non-Waiver

If We waive or fail to insist on performance of any of the provisions of this Policy, that will not be construed as a waiver of any subsequent breach of the same provision. If We consent to or approve any act by You, that will not be construed as a consent to or approval of any subsequent similar act by You.

Applicable Jurisdiction

The contract shall be subject to the laws of the Canadian province or territory in which You resided at the time of application for insurance.

Incontestability

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. These are representations and not warranties. 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 as of the due date of the first unpaid premium. You may Reinstatement this Policy by providing:

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

Misstatement of Age

Your attained Age is determined from Your date of birth as provided in Your application for this Policy.

If Your Age was misstated in the application, the Amount of Insurance will be adjusted on the basis of the correct Age. If at Your 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 for the period that coverage would not have been in effect will be the premiums paid for that period.

Requesting a Change to Non-Smoker Premiums

If You are paying smoker premiums, You can apply to change to Non-Smoker premiums after You have been a Non-Smoker for twelve (12) consecutive months, that is, You must not have used any form of tobacco, including smoking cessation products or marijuana.

If You wish to change to Non-Smoker premiums, please contact Us by telephone, e-mail or mail. We will tell You what information or documents You need to send to Us to request this change.

If We approve the change, Your future premiums will be payable on a Non-Smoker basis. The change will take effect on the Premium Due Date following the date We approve the change to Non-Smoker status.

Misstatement of Non-Smoker Status

A misstatement of Non-Smoker status is considered fraud. We reserve the right to void Your insurance if Non-Smoker status has been misstated.

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.

Ownership

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

Assignment

You 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

If you wish to designate a beneficiary or beneficiaries other than your estate to receive the proceeds of your Policy, You must complete, sign and send back to Us a Beneficiary Change Request Form. If you do not designate a new beneficiary in this manner, your estate will continue to be listed as your beneficiary.

You may further change a revocable beneficiary or beneficiaries at any time before You die as permitted by any laws that apply to Your Policy. A change will automatically revoke any prior appointment. A change of beneficiary appointment may be made by filing a written request in a form acceptable to Us. When it has been recorded by Us, the change will take effect as of the date the form was signed, subject to any payment made or other action taken by Us before it was recorded. An irrevocable beneficiary designation may only be changed if the irrevocable beneficiary consents to such change in writing.

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;
- b) if no beneficiary survives You, any Death Benefit payable will be paid to your estate; and
- 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.

Limitation of Actions

An action or proceeding against Us for the recovery of a claim under this Policy must begin within two (2) years (three (3) years in the Province of Quebec) of the date the insurance money became payable or would have become payable if the claim had been valid.

Non-Participating

This Policy is not eligible to share in the divisible surplus of the Insurer.

This Policy does not have any cash value and is not eligible for dividends.