



# Sample Policy Contract

This sample policy contract is provided for your information only.  
It is not a valid contract or an offer of insurance.

**GENERAL PROVISIONS**

**Definitions**

**Age** at a given date means attained age at the Policy Anniversary coinciding with or immediately prior to that date.

**Effective Date of Insurance** is the later of the date on which:

- a) A written application is received by the Company at its Office; and
- b) The medical history telephone interview (if applicable) is received by the Company at its Office; and
- c) The full premium for the insurance applied for is received by the Company at its Office;

If on that date he/she was insurable in accordance with the underwriting rules of the Company.

**Eligible Member** means a Member who, at the date his/her application is received by the Company at its Office is:

- a) resident in Canada; and
- b) under Age 71.

**Evidence of Insurability** is any information that the Company requires to decide if the person to be insured is insurable, and if so, on what terms. Evidence of Insurability includes information contained in the application and may include, but is not limited to, medical examination(s), Physician's report(s) and blood or fluid tests.

**Insured Member** means an Eligible Member who is insured under the Policy.

**Member** means a member of the Association or an alumnus of the post-secondary institution named in this Policy.

**Office** means the Company's Affinity Markets Office at 2 Queen Street East, Toronto, Ontario or elsewhere as advised by the Company.

**Payment Option** means:

- a) payment of the proceeds in the form of an annuity;
- b) leaving the proceeds on deposit at interest with a right of withdrawal; or

- c) any other form of payment agreed to by the Company.

**Physician** means a Physician 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: the Insured Member, or an immediate family member of the Insured Member.

**Policy Anniversary** is the Policy Anniversary date shown on the cover page.

**Premium Due Date** means:

- a) the Policy Anniversary if premiums are paid annually; or
- b) the first day of each month if premiums are paid by Pre-Authorized Collections (PAC).

**Non-Smoker Rates** or **Smoker Rates** mean the Term Life Insurance premium rates for which the Insured Member qualifies in accordance with the underwriting rules of the Company and the provisions of the Policy.

**Unit** means an amount of insurance available at a specific Age. For Term Life Insurance refer to the Term Life Insurance Schedule.

**Copy of Application**

A copy of the application for any Unit of insurance which is approved is attached to the Policy issued as a result of that application.

Please retain all certificates and policies since copies of application documents attached to earlier certificates and policies would still be relevant with regard to the Unit(s) of insurance approved at that time.

**Individual Policy**

The Insured Member's Policy consists of:

- a) this Individual Policy;
- b) the Insured Member's application for the insurance under this Policy;
- c) the Insured Member's medical history telephone interview report (if any);

- d) the Insured Member's Evidence of Insurability;
- e) all subsequent applications to change the insurance, any amendments to, or new versions of this Policy that results;
- f) any other amendments agreed upon in writing after this Policy is issued;
- g) any other documents recording changes to this Policy; and
- h) any application to reinstate the contract.

The Policy constitutes the entire contract, and no agent has the authority to change the contract or waive any of its provisions. Any change in the contract may be made only with the written consent of the Insured Member and the Company. Only the President or Vice-President of the Company has the authority to waive or agree to change any of the conditions or provisions of this Policy.

### **Special Provisions**

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

### **Currency**

All payments to be made hereunder either to or by the Company shall be in the lawful currency of Canada.

### **Governing Law**

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

### **Payment of Benefits**

Before any benefits are paid under this Policy, the Company will require satisfactory proof of:

- a) the Age of the Insured Member; and
- b) the right of the claimant to receive any proceeds payable.

The Insured Member, or in the event of his/her death, a beneficiary, may elect to have benefits paid either in a single sum or by means of a Payment Option offered by the Company. The Company will give details about Payment Options upon request.

The Company must receive proof of death at the Company's 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. The Company may also require submission of this Policy.

The Company has the right to investigate the circumstances of the death and to require an autopsy unless prohibited by law.

### **Assignment**

The Insured Member may assign his/her Member Term Life Insurance only. No assignment of any insurance under the Policy will be binding on the Company unless it is in writing and received by the Company at its Office. The Company is not responsible for the validity or effect of any assignment.

### **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 event of death.

### **General**

The Insured Member may name one or more revocable or irrevocable beneficiaries to receive the amount of insurance in effect on his/her life. Any beneficiary appointment or change will apply to all Units unless the Insured Member states otherwise in writing.

### **Change**

The Insured Member may change a revocable beneficiary from time to time and a change will automatically revoke any prior appointment. A change of beneficiary appointment may be made by filing a written request with the Company, in a form acceptable to the Company. When it has been recorded by the Company, the change will take effect as of the date the form was signed, subject to any payment made or other action taken by the Company before it was recorded.

### **Benefit Payment**

Unless otherwise provided in the beneficiary appointment applicable to any Unit:

- a) if more than one beneficiary is named, the benefits will be paid in equal shares;
- b) if no beneficiary survives the Insured Member, or if none has been named, benefits will be paid to the estate of the Insured Member;

- c) if a beneficiary dies before the Insured Member, and one or more beneficiaries survive, the share of the deceased beneficiary will pass to the survivor or in equal shares to the survivors.

### **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.

### **Incontestability**

The Company will not contest the validity of any Unit on the life of the Insured Member after it has been in effect for two years during his/her lifetime, from the later of:

- a) the Effective Date; or
- b) the date of the last reinstatement; or
- c) the date of the last change where Evidence of Insurability was required;

except for fraud. No statement will be used by the Company to void insurance on the life of the Insured Member or deny a claim during this two year period unless the statement is:

- a) false;
- b) part of his/her application; and
- c) material to the insurance.

In issuing this Policy, the Company has relied on statements made by the Insured Member in his/her application(s). These are representations and not warranties.

### **Misstatement of Age or Sex**

If the Age or sex of the Insured Member has been misstated, the amount of insurance and the premium required will be adjusted on the basis of the correct Age or sex.

### **Premium Payment**

The first premium is payable on or before the Effective Date of each Unit of insurance. Thereafter, premiums are payable in advance on or before each Premium Due Date.

### **Grace Period**

Except for the first premium for any Unit of insurance, a grace period of 31 days is allowed for payment in full of any premium due.

### **Payment of Premiums After Insurance Ceases**

If a premium is paid after insurance ceases, the Company is not liable for the payment of any benefits under this Policy in respect of the insurance which ceased. In that event, the Company will refund the amount of premium paid.

### **Premium Rates**

The premium rates shown in any of the Policy pages are not guaranteed and could change on any Policy Anniversary, in accordance with the terms of this Policy.

### **Non-Participating**

This Policy is not eligible to share in the divisible surplus of the Company. This Policy does not have any cash value and is not eligible for dividends.

### **Reinstatement**

This Policy may be reinstated within 3 years after the due date of the first unpaid premium. The requirements to reinstate are:

- 1) a written application for reinstatement;
- 2) Evidence of Insurability satisfactory to the Company; and
- 3) payment of overdue premiums with interest at a rate to be determined by the Company.

### **Waiver**

The Company shall be deemed not to have waived any condition of this contract, either in whole or in part, unless the waiver is clearly expressed in writing signed by the Company.

**MEMBER MAJOR ACCIDENT PROTECTION**

The General Provisions of the Policy apply along with the following qualifications.

**Benefits**

**Accidental Death Benefit.** The Company will pay an Accidental Death Benefit subject to the provisions of the Policy and this Rider upon receipt of proof, satisfactory to the Company, that death of the Insured Member:

- a) resulted from Injury which occurred while he/she was insured under this Rider; and
- b) did not result from a Risk Not Covered.

The amount of the Accidental Death Benefit will be \$10,000 for each Unit of Member Major Accident Protection which is in effect on the Insured Member's life on the date the Injury occurred.

**Major Impairment Benefit.** The Company will pay the Major Impairment Benefit subject to the provisions of the Policy and this Rider upon receipt of proof, satisfactory to the Company, that due to Injury:

- a) the Insured Member has suffered a Major Impairment; and
- b) the Major Impairment did not result from one or more of the Risks Not Covered; and
- c) the Insured Member has survived the occurrence of the Major Impairment for a minimum of thirty days.

The amount of the Major Impairment Benefit for the Insured Member will be in accordance with the following schedule and will be based on the type of Major Impairment and the number of Units of Major Accident Protection in effect on the Insured Member's life on the date of the Injury which caused his/her Major Impairment:

<b>Major Impairment</b>	<b>Amount per Unit</b>
Brain Damage	\$50,000
Total and permanent paralysis or Loss of Use of two limbs	\$50,000
Total and permanent loss of sight or speech or hearing	\$50,000
Loss of Use of one arm, one leg, one hand or one foot	\$25,000
Total and permanent loss of sight in one eye	\$25,000
Total and permanent loss of hearing in one ear	\$25,000

If, while insured under this Rider, an Insured Member sustains more than one Major Impairment as a result of any one Injury, the maximum payment for all such Major Impairments shall be \$50,000 per Unit.

The Company has the right to investigate the circumstances of the death or impairment, to require a medical examination of the Insured Member, and in the event of death to require an autopsy unless prohibited by law.

**Beneficiary**

Any Major Impairment Benefit payable under this Rider will be paid to the Insured Member. Any Accidental Death Benefit payable under this Rider will be paid to the Insured Member's beneficiary.

**Risks Not Covered**

No Accidental Death Benefit or Major Impairment Benefit will be paid if death or Major Impairment of an Insured Member results directly or indirectly:

- a) from suicide or self-inflicted injury while sane or insane;

- b) from war, whether declared or not, or any act of war or insurrection;
- c) from travel in, or descent from any aircraft in which the Insured Member is travelling **except** as a passenger on a commercial flight; or
- d) from or while committing or attempting to commit or provoking a criminal offence.

**Premiums**

The Annual Premium for each Unit of Member Major Accident Protection is \$18.00. If an Insured Member becomes Totally Disabled, premiums will be waived in accordance with the Total Disability Benefit provisions of the Policy.

**Definitions**

**Major Impairment** means:

- a) Brain Damage;
- b) Total and permanent paralysis or Loss of Use of two limbs;
- c) Total and permanent loss of sight or speech or hearing;
- d) Loss of Use of one arm, one leg, one hand or one foot;
- e) Total and permanent loss of sight in one eye; or
- f) Total and permanent loss of hearing in one ear.

**Brain Damage** means brain death, severe brain damage or coma which results in a persistent vegetative state or other permanent neurologic disability and which requires constant specialized care, specialized feeding or permanent hospitalization in an institution.

**Loss of Use** means loss of use that is permanent, total and irreversible and that is beyond remedy by surgical or other means.

**Injury** means accidental bodily injury sustained by an Insured Member while insured under this Rider and which, independently of all else, causes death or a Major Impairment within three months after the accidental bodily injury was sustained.

**Rider** means the Major Accident Protection Rider.

**Insured Member** means an Eligible Member who is insured under this Rider.

**Termination of Major Accident Protection**

Member Major Accident Protection of an Insured Member will automatically cease on the earliest of:

- a) the Policy Anniversary coinciding with or immediately following the date on which the Member attains Age 70;
- b) the Premium Due Date coinciding with or immediately following the date on which the Company receives a written request by the Insured Member that one or more Units of his/her Member Major Accident Protection are to be terminated;
- c) the date the Insured Member dies;
- d) the date any premium due has not been paid unless premiums are being waived in accordance with the Total Disability Benefit provisions of the Policy; or
- e) the date this Rider or the Policy is terminated.

Member Major Accident Protection is not convertible.