



## Sample Policy Contract

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

*To make this policy easier to read, we have left out many of the usual cross-references and conditional statements. Therefore, this policy should be read as a whole, from beginning to end.*

## **1. Words and phrases used in this policy**

**age at the effective date** is the insured person's age on or immediately before the policy effective date.

**amount of insurance** is the amount of basic coverage shown on page 1 of this policy. Life insurance coverage is available in increments of \$25,000, up to \$1,000,000.

**applicant** is the person who applied for this policy. The applicant is the owner unless and until ownership is transferred to another person or an organization.

**attained age** is the sum of:

- o the insured person's age at the effective date; and
- o the number of complete years the coverage has been in force from the effective date to the most recent policy anniversary.

**contract** means this policy document and other related documents as referenced in Section 5.

**conversion date** is the monthly premium due date following the date we accept your application for conversion to a new permanent insurance policy.

**conversion expiry date** is the last day you can convert your coverage to a new permanent insurance policy. This day is the monthly premium due date immediately before your 70th birthday.

**coverage** refers to the life insurance provided under this policy.

**coverage expiry date** is the date coverage ends.

**death benefit** is the total amount paid out under this policy after an insured person's death.

**effective date** means the date coverage begins.

**evidence of Insurability** is any information that we require to decide if the person whose life is to be insured is insurable, and if so, on what terms. Evidence of insurability may include, but is not limited to, your insurance application, medical examination(s), physician's report(s) and blood and/or fluid tests. We can also request financial information.

**grace period** is the 30-day period following any premium due date while this policy is in force.

**in force** To find out if this policy is in force refer to Section 2 *When this policy is in force*.

**insured person** is a person who:

- o was resident in Canada at least 18, but not yet 71 years of age on the policy effective date;
- o has applied, and was approved by us, for this insurance; and
- o has not yet reached an attained age of 85 years.

The person who meets the above qualifications is the person whose life we have agreed to insure until this policy terminates. Refer to Section 2 *When insurance ends*.

**issue date** means the date on which this policy is mailed to you.

**non-smoker premiums** and **smoker premiums** refer to the premiums for which you qualify based on our underwriting rules.

**office** is The Manufacturers Life Insurance Company carrying on business, under the name "Manulife", 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.

**owner** means the person(s) able to use and assign the rights under this policy while this policy is in force. The owner must ensure that premiums are paid when due.

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*If you don't understand a term used in this policy, look for an explanation in Section 1, or contact us by telephone or e-mail and we'll be happy to explain it.*

**Physician** is a legally qualified medical doctor, who is licensed in the place where he or she practises and who is practising within the scope of his or her licensed authority. An insured person's physician must be someone other than: himself or herself; or a member of his or her immediate family.

**policy anniversary** means any anniversary of the first premium due date. For example, if the first premium due date is September 1, 2008, then policy anniversaries would be September 1, 2009, September 1, 2010, September 1, 2011, etc.

**premium** is the monthly or annual amount that we charge for coverage. The premium for the initial 10-year term and how often it is payable are shown on page 1 of this policy.

**premium due date** means:

- o the first day of the month following the effective date of this policy and the same date each subsequent month (the monthly premium due date), if your premiums are paid monthly; or
- o the first day of the month following effective date of this policy and each policy anniversary after that if your premiums are paid annually.

**reinstate** means to restore full rights under a contract which terminated solely because of a failure to pay a premium, in full, before the end of the grace period. A contract that has terminated can only be reinstated with our approval. To find out the conditions under which we will approve a reinstatement request, and how to request reinstatement of this policy refer to Section 4 *Reinstating your contract*.

**renewal dates** are policy anniversaries that fall at 10-year intervals after the first premium due date but before the coverage expiry date.

**we, us and our** mean The Manufacturers Life Insurance Company (Manulife).

**you and your** refer to the owner. The applicant is the policy owner unless and until ownership is transferred to another person or organization.

## **2. When this policy is in force**

### **When insurance begins (the effective date)**

Coverage under this policy begins on the date we receive the application for insurance, provided that:

- o the applicant satisfies our underwriting rules and issue requirements;
- o the applicant is resident in Canada; and
- o the cheque or credit card charge for the first premium is honoured when first presented for payment to the financial institution.

### **Term of this policy**

The initial term of this policy is 10 years; the initial term ends on the first renewal date. For a definition of renewal dates, refer to Section 1 *Words and phrases used in this policy*. At each renewal date, we will renew this policy for another 10 years without requesting medical evidence of insurability of the insured person, if

- o all premiums have been paid when due, and
- o the insured person is less than 76 years of age.

If the insured person is 76 years or older, we will renew this policy for the number of years remaining to the policy anniversary at which the insured person will reach an attained age of 85 years. For example, if the insured person is 79 years old on a renewal date, the renewal term will be 6 years

### **When insurance ends**

Insurance under this policy ends on the earliest of the following dates:

- o the policy anniversary on which the insured person has reached an attained age of 85 years;
- o the first premium due date on which we have your written request to cancel this policy;
- o the date the insured person dies;
- o on any premium due date after the first, if the premium due on that date is not paid in full by the end of the grace period;
- o the date on which the amount of insurance (or coverage amount) does not meet our minimum requirements for this policy; or

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- o the date all coverage under this policy has been converted.

We may also declare the contract invalid under the conditions described in the Section 5 *Contesting the contract (contestability)*.

### **3. Benefits**

#### **Death Benefit**

##### **When we pay the death benefit**

Subject to any special conditions, we will pay the death benefit to the beneficiary when we receive, at our office:

- o proof, satisfactory to us, that the insured person's death occurred while this policy was in force;
- o proof, satisfactory to us, of the insured person's birth date;
- o proof, satisfactory to us, of the claimant's right to be paid the benefit;
- o proof, satisfactory to us, of the cause of death of the insured person; and
- o proof, satisfactory to us, of the insured person's smoking status.

##### **How to claim a death benefit**

Beneficiaries wanting to claim a death benefit should contact us at the phone number or e-mail address shown on page 2 of this policy within 12 months after the date of death. We will advise that person what documents we require to determine the benefit payable and to ensure that any payment is made to the appropriate person.

Failure to submit proof of death 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 have the right to request an autopsy except where it is prohibited by law.

##### **The amount of the death benefit**

We calculate the death benefit as of the day the insured person dies. The amount of the death benefit is:

- o the amount of insurance as shown on page 1 of this policy;
- o minus any living benefit paid to the insured person.

#### **Limitations and exclusions**

In some circumstances, a reduced death benefit or no death benefit is payable. These are described in:

- o *Grace period;*
- o *Suicide exclusion;*
- o *If the insured person's age or sex has been stated incorrectly;*
- o *Special conditions;*
- o *Contesting the contract; and*
- o *When this policy is in force.*

#### **Who receives the death benefit**

The death benefit is usually payable to the beneficiary. However, if you use this policy as security for a loan, the lender's rights may take precedence over the rights of any other person claiming the death benefit, including the beneficiary. See Section *Using the contract as security for a loan*.

#### **Living benefit**

##### **When we pay the living benefit**

Subject to any special conditions, we will pay the living benefit to the insured person provided that we receive the following at our office:

- o the insured person's written request for the living benefit. This request must include the express written consent to the payment of any living benefit from the insured person, any assignees and any irrevocable beneficiaries; and
- o the written medical opinion of a physician, establishing to our satisfaction that the insured person has a terminal illness with a prognosis of his or her death within 12 months provided that a diagnosis occurs prior to attained age 83; and
- o proof, satisfactory to us, that the terminal illness first manifested itself more than two years after: the effective date of this policy; any change to this policy; and any reinstatement of this policy; and
- o proof, satisfactory to us, of the birth date of the insured person.

We may require additional medical information, which must be provided at no cost to us. We reserve the right to make the final decision on whether the above conditions have been met.

##### **The amount of the living benefit**

The amount of the living benefit is 50% of the amount of insurance in force under this policy, to a maximum of \$100,000.

The living benefit will not be paid more than once.

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**Who receives the living benefit**

The living benefit will be paid only to the insured person and only during his or her lifetime.

**The effect of paying the living benefit**

If we pay the living benefit,

- o the death benefit will be reduced by the amount of any living benefit previously paid; and
- o the conversion option will no longer be available.

You will not be required to pay any premiums due, under this policy, on and after the date we pay the living benefit to the insured person.

**Notice and proof of claim**

A claim for payment of the living benefit must be made in writing to our office. We must receive the notice of claim within 30 days of the date that a claim arises. Within 90 days of the date a claim arises under this policy, you must provide us with reasonable proof of the commencement of the illness.

**Failure to give notice or proof of claims**

If you fail to provide us with notice of claim or proof of claim within the time prescribed above, notice or proof of claim may still be provided if done as soon as reasonably possible, with an explanation why it was not reasonably possible to make a claim or provide proof within the prescribed time. In all cases, proof of claim, must be provided within 1 year of the date a claim arises under the policy.

**Conversion option**

You may find that your insurance needs change in the future and that you want a different kind of coverage.

At any monthly premium due date prior to the policy anniversary at which the insured person has reached an attained age of 70 years, you may convert all or part of your policy to a new permanent single life insurance policy offered by us at that time, subject to the conditions outlined in this Section. The new policy must be on the life of the insured person. The insured person will not have to provide evidence of insurability. If you would like to convert only part of your insurance, the amount of insurance remaining under this policy after deduction of the conversion amount must meet our requirements for amount of insurance, otherwise this policy will terminate. Refer to Section 1 *Amount of insurance*.

If you would like to convert all or part of this policy, let us know by phone, e-mail or regular mail. We will:

- o provide written information about the plans to which you can convert;
- o answer any questions you have about conversion application; and
- o arrange for a licensed representative to provide you with a detailed illustration, if an illustration is required for the plan to which you wish to convert.

We must receive your completed application form and the first premium payment for the new policy before the conversion expiry date. Any collateral assignee or any irrevocable beneficiary must give his or her written consent to the conversion.

**How conversion works**

- o Once we've accepted your application for conversion, the new policy takes effect on the monthly premium due date immediately following the date we receive all requirements. This date is called the conversion date. The coverage, or portion of coverage under this policy, that is being converted ends at midnight on the day before the conversion date.
- o We will reduce the amount of insurance and the premium under this policy to reflect the amount of insurance being converted.
- o The amount of the new insurance cannot be more than the amount of the existing insurance you are converting.
- o The insured person must meet our minimum and maximum age requirements, minimum face amount and minimum premium for the policy you select.
- o Any special conditions that apply to your existing coverage will apply to the new insurance.
- o If the insured person dies before the conversion date, the new insurance will not go into effect, and we will refund any payments we received for conversion and pay benefits as described in the death benefit provision of this policy.
- o If we contest the new policy, we can rely upon any information provided to us for the purposed of obtaining or reinstating this policy.

The cost of the new insurance will be based on:

- o the amount of insurance being converted;
- o the insured person's age at his or her birthday nearest the conversion date;
- o the insured person's gender; and

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- o the risk classification, under the new policy, that is comparable to the insured person's smoking status as shown on page 1 of this policy.

If this policy ends as a result of a conversion, we will apply any overpayment toward the premiums due on the new insurance.

#### **Additional options with evidence of insurability**

If you would like the coverage under the new policy to be greater than the amount of insurance being converted, we must receive new evidence of insurability of the insured person. Any increase is subject to our approval based on our underwriting rules for policies of that type.

If you would like the new policy to be issued on the life of more than one person (joint life coverage), we must receive evidence of insurability of the additional person to be insured. The application for coverage on the life of the additional person is subject to our approval based on our underwriting rules for policies of that type. We will not require evidence of insurability if the additional life to be insured is also exercising a conversion option, under a policy issued by us, for the full amount of insurance under the new policy. In the case of joint coverages, we will calculate the joint age based on the requirements of the new policy.

When the new policy is based on additional evidence of insurability, the contestability period and suicide exclusion period will run from the effective date of the new policy.

## **4. Paying your premiums**

### **The amount of your premiums**

Premiums for this policy are based on the amount of insurance selected as well as the age, gender and smoking status of the insured person and the premium frequency chosen by you.

### **Premium payable for the first 10 policy years**

The premium payable for the first 10 policy years is shown on page 1 of this policy. Your premium is guaranteed not to increase for the first 10 policy years.

### **Premium changes at renewal dates**

Your premiums will usually increase at each renewal date until the coverage expiry date, at which time this policy will terminate. Premiums for each renewal term will be based on the insured person's attained age on the renewal date. We will send advance notice of any premium changes to the address we have on file for you.

### **Requesting a change to non-smoker premiums**

If you are paying smoker premiums, you can apply to change to non-smoker premiums after the insured person has not used any form of tobacco or tobacco cessation products in the past 12 months. Evidence of insurability to support this request must be sent to us.

An application for change to non-smoker premium rates is available online. You can also request this form by phone, e-mail or regular mail.

If the insured person meets our health standards and we approve the change, 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.

### **When premiums must be paid**

#### **Premium due dates**

In order to keep the insurance in effect, you need to pay your premiums when they are due. Your first payment is payable with your application. The first premium covers the period from the first day of the month following the effective date shown on page 1 of this policy 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. Subsequent premiums are due on each premium due date.

### **Grace period**

If on any premium due date after the first, we do not receive enough money to cover your entire premium, you will have 30 days to pay the entire premium. If you do not pay the entire premium within that time, this contract and the coverage it provides will end. This 30-day period is called the grace period.

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If the insured person dies during the grace period of an unpaid premium, we will deduct the overdue premium from any death benefit payable.

### **Missing a payment**

At the end of the grace period, the contract is automatically cancelled if you have not paid the full premium owing. We will refund to you any partial payments received, in respect of your policy, between the start of the grace period and the day we cancel your policy.

### **Reinstating your contract**

If your contract is terminated for non-payment of premiums, you may ask us to reinstate your contract by sending the following to our office within two years after the end of the grace period but prior to the policy anniversary on which the insured person has reached an attained age of 85 years and during the lifetime of the insured person:

- o your written application for reinstatement;
- o evidence of insurability, satisfactory to us; and
- o payment from you for:
  - o any amounts that were due on or before the date your contract was cancelled due to non-payment of premium; and
  - o the total of all payments due from the date your contract was cancelled due to non-payment of premium to the date of reinstatement, plus interest on these amounts. We will determine the interest rate, unless a different interest rate is required by the laws of the legal jurisdiction.

Provided you qualify, based on our underwriting rules, we will reinstate your contract on the day these requirements are met. If this contract is reinstated, the contestability period and the suicide exclusion begin anew.

### **How premiums can be paid**

#### **Method and frequency of payments**

You can choose to pay premiums in one of four ways:

- o monthly by pre-authorized withdrawals from your chequing account;
- o monthly or annually by charging your premiums to a credit card that is acceptable to us;

- o annually by delivering or mailing your payments to us (cheques should be made payable to Manulife); or
- o by any other payment method or frequency that we make available to you under this policy.

You may request a change in payment frequency. An application for payment method change is available online. You can also request this form by phone, e-mail or regular mail. If the change in frequency is approved, the premium amount will also change to reflect the new frequency.

### **5. More information about this policy**

#### **Your contract**

This life insurance policy is part of the legal contract between you and us. The contract commits us to provide life insurance and any other benefit(s) described in this policy. The entire contract consists of:

- o this policy;
- o the insurance application;
- o evidence of insurability;
- o all subsequent applications to change the insurance and any amendments to or new versions of the policy that result;
- o any other amendments agreed upon in writing after this policy is issued;
- o any other documents recording changes to this policy; and
- o any application to reinstate the contract.

We are bound only by the contract's written terms. Only our president or one of our vice-presidents can agree to any change you request in the contract, and their agreement must be in writing.

#### **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.

#### **How we keep you informed**

We will send you a premium notice before each renewal date to notify you that your premium payment is scheduled to change and the amount of your new premium. Premium notices include a summary of your coverage.

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**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 change in your street or e-mail 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:

- o naming the beneficiary or beneficiaries;
- o transferring ownership of the contract;
- o using this policy as security for a loan;
- o varying the frequency of your premium payments, within our administrative limits; and
- o cancelling the contract as a whole.

Throughout this policy, we refer to the owner in the singular. If there is more than one owner, all owners must act unanimously in order to exercise their rights and options.

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.

**Your beneficiaries**

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.

You may name one or more beneficiaries to receive any death benefit payable when the insured person dies. You may change the beneficiary or beneficiaries at any time before the insured person dies, as permitted by any laws that apply to your policy.

You can request a change of beneficiary form by phone, e-mail or regular mail. If there is no surviving beneficiary or if no beneficiary has been named, any death benefit that becomes payable will be paid to the owner, if living, otherwise to the owner's estate.

**Using the contract as security for a loan**

You can use the contract as security for a loan by assigning it to the lender. This is called a collateral assignment. We are only bound by the assignment when we receive written notice of it at our office.

After you have collaterally assigned the contract, you may need the lender's written consent to apply for the living benefit, reduce your coverage or cancel the contract. The lender's rights may take precedence over the rights of any other person claiming a death benefit(s), including the beneficiary.

We are not responsible for the validity or effect of any assignment.

**Transferring ownership**

You can transfer ownership of your contract to another person. This is called an absolute assignment. The effective date of an absolute assignment is the day we receive written notice of it at our office.

**Contesting the contract (contestability)**

You and the insured person under the contract have an obligation to disclose every fact that is material to:

- o our decision to issue the coverage for which you have applied; and
- o our decision as to the conditions under which we will issue the coverage, if we decide to issue it.

We have the right to contest the validity of the contract and deny any claim, if you either misrepresent or fail to disclose a material fact.

In issuing this policy, we have relied on the information provided in connection with the application. We may contest the contract if, in any application, or on any medical examination, or in any written or electronic statements or answers provided as evidence of insurability, you or the insured person under the contract have:

- o not disclosed a material fact;
- o incorrectly stated a material fact;
- o misrepresented the insured person's age or smoking status; or
- o fraudulently misrepresented a material fact.

A material fact is a fact that, if disclosed, would either influence our decision to issue this policy or

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affect the conditions under which we would be willing to provide the coverage. The conditions could include limiting the amount of coverage or charging higher premiums.

**When we can contest**

When there is an indication of fraud, we can, at any time, declare the contract or any insurance coverage invalid. Fraud includes, but is not limited to, a material misrepresentation of smoking status. If the contract is voided for fraud, we will not refund premiums paid under that contract.

Except in the case of fraud, we cannot contest the validity of the coverage after it has been in force for two years from the latest of the following dates:

- o the effective date;
- o the approval date;
- o the date of the last policy amendment, if any;
- o the date of the last reinstatement, if any; or
- o the date of the last change, if any, where evidence of insurability of the insured person, satisfactory to us, was provided.

If the insured person under the contract dies during this two-year period, we can contest at any time.

**If the insured person's age or sex has been stated incorrectly**

If the insured person's age or sex has been stated incorrectly, we will adjust the death benefit(s) payable using the correct age or sex. However, if we would not have issued the coverage because the correct age does not meet our minimum and maximum age rules, we can declare the coverage invalid, within the period permitted by law.

**Suicide exclusions**

If the insured person commits suicide within two years of the effective date or the last policy reinstatement date or the date of the last change where evidence of insurability was provided, we will not pay the death benefit as described in Section 3 *The amount of the death benefit*. Instead, we will pay the reduced

death benefit to the beneficiary. The reduced benefit will be equal to the total premiums paid for the coverage since the effective date or the last reinstatement date. We will then cancel the coverage as of the day the insured person died.

**Special conditions**

If at the time of application for:

- o this policy;
- o any change to this policy; or
- o any reinstatement of this policy,

the person to be insured does not qualify for standard premiums, we may, at our sole discretion, either decline the application or make an alternate offer. If the offer is accepted, this policy will be issued with a special condition.

The special condition may include, but is not limited to:

- o payment of an extra premium;
- o reduction in the amount of insurance; or
- o denial of benefits if death results from certain specified risks.

If a special condition applies to this policy, the special condition will be described in a document attached to the policy when it is: issued; changed; and/or reinstated.

**Currency**

All payments by us or to us under this policy must be in Canadian dollars.

**Non-participating policy**

This policy is non-participating; it is not eligible to share in our divisible surplus. It has no cash value and receives no dividends.

**Legal jurisdiction**

This policy is subject to the laws of the Canadian province or territory in which the applicant resided at the time of application.

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