

# A GUIDE TO THE PROVISIONS OF THIS CONTRACT

## prosperity Simplified Issue

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SAMPLE

## GENERAL PROVISIONS

**This Policy contains a provision removing or restricting the right of the Owner to transfer ownership of the Policy to other persons.**

### 1. Definitions

The words defined below have specific meanings when used in this Policy and other communications about the Policy. Section headings have been used to assist you in understanding the terms of the Policy.

"**You**", "**your**" and "**yours**" refer to the Owner(s) as named in the Schedule of Benefits and Premiums or as changed as permitted by the terms of this Policy. "**We**", "**us**" and "**our**" refer to *ivari*, or our Service provider.

**Age** means the age of the Insured on his or her nearest birthday to a specific date.

**Application** means your application for the insurance coverage described in this Policy.

**Beneficiary** means the person to whom you have requested us to pay the death benefit when the Insured dies. You can make the request in the Application or after this Policy is issued. (See the section entitled "Beneficiary" for how to change the Beneficiary.)

**Contract** has the meaning set out in the section entitled "The Contract".

**Death Benefit** has the meaning set out in the section entitled "The Death Benefit."

**Effective Date** has the meaning set out in the section entitled "The Date the Policy Takes Effect".

**Grace Period** has the meaning set out in the section entitled "Grace Period".

**Head Office** means *ivari's* office at 500-5000 Yonge Street, Toronto ON M2N 7J8 or such other address as we may notify you from time to time as being our head office or principal place of business.

**Issue Date** means the date specified as being the Issue Date in the Schedule of Benefits and Premiums.

**Insured** means the person whose life is insured under this Policy and as shown in the Schedule of Benefits and Premiums and upon whose death the benefit is payable.

**Issue Age** means the Age for an Insured on his or her birthday nearest the Issue Date and as shown in the Schedule of Benefits and Premiums.

**Lapse** means this Policy has been terminated because of non-payment of Premiums in accordance with the section entitled "Premiums and Charges."

**Policy** means the Schedule of Benefits and Premium and General Provisions, as well as any endorsements and any amendments made in other documents attached to this Policy on the Effective Date.

**Owner** means the owner or owners of this Policy, as shown in the Schedule of Benefits and Premiums or as changed in accordance with the provisions of this Policy.

**Premium** means the amount charged by us for the insurance coverage and shown in the Schedule of Benefits and Premiums, and as changed under the terms of this Policy.

**Premium Due Date** means the Effective Date and each date on which Premiums are due. The Premium frequency is shown in the Schedule of Benefits and Premiums.

**Schedule of Benefits and Premiums** means the pages entitled "Schedule of Benefits and Premiums" attached to this Policy that set out specific information about this Policy.

**Sum Insured** means the amount of insurance coverage as shown in the Schedule of Benefits and Premiums, or as confirmed by us, if you request a decrease of the Sum Insured. (See "Death Benefit" under Section 4). We reserve the right to limit the Sum Insured for the Insured.

## 2. About this Policy

### Type of Policy

**Simplified Issue** is a permanent life insurance policy.

This Policy is non-participating and does not provide for participation in a distribution of surplus or profits that may be declared by us.

### Cash Value

This Policy has no cash value.

### Loan Value

This Policy has no loan value.

### The Contract

The entire contract between you and us consists of this Policy, any endorsements, any statements and answers furnished as evidence of insurability made in support of the Application, and any amendments made in other documents attached to this Policy on the Issue Date, the Application and any application for reinstatement or policy change requested by you and approved by us, in accordance with this Policy after it is issued. Only our President together with a Vice-President or Corporate Secretary of *ivari*, has the authority to bind us or to make any change to the Contract, and then only in writing. All statements made by or on behalf of the Insured or you will be deemed to have been relied upon by us. We will not be bound by any promise or representation made by any other person, and no broker or agent is authorized to waive, amend or modify any of the terms of the Contract.

### Ownership

A new Owner or contingent Owner may be named at any time while the Insured is living and this Policy is in effect. Unless you notify us of a different date and we agree, the change of ownership will be effective on the date the request was completed, according to our requirements, whether or not the Insured is living when we receive the request.

Your right to change the ownership is limited to those changes that do not create a taxable disposition under the *Income Tax Act* (Canada).

You are responsible for determining whether or not changes in ownership will create a taxable disposition under the *Income Tax Act* (Canada). We reserve the right to reject or request further documentation relating to your request to change ownership of the Policy.

### Assignment

An assignment of this Policy will not be binding on us until we have received and recorded written notice of

the assignment at the Head Office. We are not responsible for the adequacy or validity of any assignment.

### **The Date the Policy Takes Effect**

The Effective Date shown in the Schedule of Benefits and Premiums is the date that this Policy will take effect, provided that all of the following conditions are satisfied:

- a) this Policy is delivered to you or a Beneficiary during the lifetime of Insured;
- b) the full amount of the first Premium has been received by us on or before the date this Policy was delivered to you or a Beneficiary, and the full amount of the Premium was honoured by the financial institution from which it was to be collected;
- c) there has been no change in the insurability of the Insured between the date that the Application was completed and the date that this Policy was delivered to you or a Beneficiary; and
- d) if required by us, all amendments, endorsements that are required for this Policy to take effect are accepted and completed by you according to our requirements.

## **3. Premiums and Charges**

### **Payment of Premiums**

Other than the initial Premium which is due and payable to us on the Effective Date of the Policy, all other Premiums must be paid to us on or before its due date, and within the Grace Period, to prevent this Policy from lapsing.

### **Premium Structure**

The Premium paying period for the Policy ends at the policy anniversary following the Insured's Age 100. Premiums will not increase or decrease during the Premium paying period, providing there has been no change in the Policy during this period.

### **The Premium Frequency**

The Premium frequency indicated in your Application is shown in the Schedule of Benefits and Premiums.

### **Grace Period**

After the payment of the first Premium, we will allow a period of 31 days after each Premium Due Date for the payment of the corresponding Premium ("Grace Period"). During the Grace Period, this Policy remains in force and no interest will be charged on the Premium that is due. If the Insured dies during the Grace Period and before the Premium is paid, then any Premiums due but unpaid will be deducted from the Death Benefit if payable.

### **Non-Payment of Premiums**

If any Premium is not paid by the end of the Grace Period, this Policy will automatically Lapse and our liability will cease.

### **Policy Fee**

In addition to the Premium, a policy fee will be payable to us, as shown in the Schedule of Benefit and Premiums.

## Reinstatement

If this Policy has Lapsed for non-payment of Premiums, then this Policy may be reinstated only if all the following conditions are met **within two years following the Effective Date of the Lapse** as shown in our records:

- a) we must receive your completed Application for reinstatement, according to our requirements;
- b) the Insured must continue to be in good health and otherwise insurable by our standards, and we must be satisfied with the evidence of the good health of the Insured; and
- c) all overdue Premiums must be paid to us, this includes: (i) Premiums calculated from and including the date this Policy Lapsed to the date of reinstatement of this Policy ("Overdue Premiums"), and (ii) interest on the Overdue Premiums at a rate set by us from time to time, compounded annually.

## 4. Payment of Death Benefit

### The Death Benefit

The death benefit is the amount payable by us upon the death of the Insured while this Policy is in effect. From the Effective Date until the day before the second policy anniversary, the death benefit is equal to:

- a) the total Premiums paid; plus
- b) simple interest, at a rate of 5 percent per annum, on the Premiums paid to the date of death of the Insured; minus
- c) any Premiums due but not received by us.

From the second policy anniversary, until the death of the Insured the Death Benefit is equal to:

- a) the Sum Insured in effect at the time of death of the Insured, subject to the terms of this Policy; minus
- b) any Premiums due but not received by us.

You may decrease your Sum Insured for this Policy as determined by us. However, increase of Sum Insured is not allowed within the same policy.

### Beneficiary

**Who can request a Beneficiary:** While the Insured is living, only the Owner may make a Beneficiary request. If there is more than one Owner, all Owners must agree in writing before we can complete the request.

**How to request a Beneficiary:** You may request a Beneficiary for the Death Benefit in writing only, either in the Application at the time of issue, or after this Policy is issued. The request must be dated and completed by you according to our requirements.

**Beneficiary request limits:** This provision restricts your right to request to whom or for whose benefit insurance money is to be payable. We will only accept Beneficiary requests for an individual.

**Irrevocable Beneficiary:** Once you request a Beneficiary to be irrevocable, that Beneficiary must agree in writing before we can complete your later request to change that Beneficiary. An Irrevocable Beneficiary may also be required to consent to other changes made to this Policy.

**Who receives the Death Benefit:** The Death Benefit is payable by us, because of the death of the Insured, according to the Beneficiary request last made by you and received by us. If we have not received your Beneficiary request, then the Death Benefit will be payable to you, if you are living, and otherwise to your estate.

**Change of Beneficiary:** You may request a Beneficiary change by writing to us at any time. A change of Beneficiary will not be effective unless recorded by us at the Head Office. Once recorded, even if the Insured is not then living, the change will take effect on the date that the notice was completed according to our requirements. We will not be held liable for a change of Beneficiary if we receive it after we have paid a Death Benefit.

**If the Beneficiary Dies before the Insured:** If the Beneficiary dies before or at the same time as the Insured, the estate of the deceased Beneficiary will not be eligible to receive the Death Benefit and the Death Benefit payable will be paid to you. If you are not living at that time, the Death Benefit payable will be paid to the executor or administrator of your estate.

### **Protection Against Creditors**

To the extent permitted by law, benefits payable under this Policy and the rights and interests in this Policy will be exempt from seizure and from the claims of your creditors, if you request a Beneficiary.

## **5. When the Death Benefit May Not Be Paid (Incontestability)**

### **Misrepresentation or Fraud**

If a statement or answer given for the Application misrepresents or fails to disclose a fact material to our decision to offer you this Policy, no matter how that information was provided to us, we may contest the validity of the Contract, treat the Contract as void and refuse to pay the Death Benefit.

Except where there is evidence of fraud, we will not contest the validity of this Policy after this Policy has been in force for two years from the later of the Effective Date and the date of the last reinstatement of or change to this Policy requiring evidence of insurability.

If there is evidence of misrepresentation (within the first two years) or fraud we may void this Policy and our liability will be limited to refunding the Premiums paid since the later of the Effective Date and the date of the last reinstatement or change, if any, less any amounts paid by us and without interest.

### **Suicide and Self-Destruction**

Regardless of the mental state of the Insured, if within two years from the later of the Effective Date and the date of the last reinstatement or change requiring evidence of insurability, the Insured:

- a) dies by suicide; or
- b) attempts or commits an act of suicide or sustains an intentionally self-inflicted injury and, as a result of which, the Insured dies after such two-year period,

then the Sum Insured will not be payable.

In such case, our liability will be limited to refunding the Premiums paid since the later of the Effective Date and the date of the last reinstatement, if any, less any amounts paid by us, and without interest.

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

If the Insured's date of birth has been misstated on the Application and:

If the Insured's actual age is outside the contractual limits on the insurable age offered for this product, we may contest the validity of the Contract and treat the Contract as void. In such case, our liability will be limited to refunding the Premiums paid since the later of the Effective Date and the date of the last reinstatement or change, if any, less any amounts paid by us, and without interest.

If the Insured's actual age is within the contractual limits on the insurable age offered for this product, we will increase or decrease the Premium payable to reflect the correct age going forward, and:

Refund you the difference in total Premiums actually paid and corrected total Premiums payable up to the date of correction, if we decrease the Premium payable going forward; or

Charge you for the difference in corrected total Premiums payable up to the date of correction and total Premiums actually paid, if we increase the Premium payable going forward.

If the Insured's sex has been misstated on the Application, we will increase or decrease the Premium payable to reflect the correct sex going forward, and:

Refund you the difference in total Premiums actually paid and corrected total Premiums payable up to the date of correction, if we decrease the Premium payable going forward; or

Charge you for the difference in corrected total Premiums payable up to the date of correction and total Premiums actually paid, if we increase the Premium payable going forward.

Premiums that become due and payable due to correction of age or sex, if not paid by the Premium Due Date, may lead to Lapse in accordance with the terms of this Policy.

If a misstatement of age or sex is identified upon the Insured's death, the Premiums that would have been due and payable upon correction of age or sex shall adjust the Death Benefit as required and in accordance with the terms of this Policy.

### **Termination and Cancellation**

In the absence of misrepresentation or fraud this Policy will terminate on the earliest of:

- a) the Premium Due Date after we receive your written request to cancel this Policy;
- b) the Effective Date of Lapse of this Policy due to your failure to pay a Premium within the Grace Period;  
and
- c) the date of the death of the Insured.

If there is evidence of misrepresentation or fraud, we may void this Policy, in which case we treat this Policy as if it had not been issued.

## **6. How to Make a Claim**

### **Notice of Claim**

You or the Beneficiary must notify us of a claim as soon as possible after the death of the Insured so that we can begin our claim assessment. Your notice should include the information described under Proof of Claim.



## **Proof of Claim**

Proof of claim must be received by us at our address before we can assess a claim. We must receive evidence satisfactory to us of:

- a) the death of the Insured;
- b) the cause and circumstances of the death of the Insured;
- c) the birth date of the Insured; and
- d) the right of the claimant to receive payment.

We may request additional information and documents to assess a claim. Our claim assessment must be completed before the Death Benefit is payable.

We will not be liable to any person (including a corporation, trust, partnership or individual) for failure to request evidence or proof related to any matter dealt with in this Policy or for any error made in reviewing such evidence or proof.

## **Limitation of Actions**

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, The Limitations Act 2002* (Ontario) or *The Civil Code* (Quebec), as applicable.

It's important to check the most recent laws that limit the time within which you can make a claim, as laws may change from time to time.

## **General Notice**

Any notice to us must be sent to us at our address. We will notify you of our change of address. Any notice or statement to be given by us will be sent to your last address shown on our records. It is your responsibility to notify us of your change of address.

## **Currency**

All amounts payable to or by us are payable in Canadian money, unless otherwise stated in this Policy.

## **What Law Applies to Your Policy**

The province or territory in Canada where you signed the Application and this Policy was delivered will determine the law that applies to this Policy in most cases. Conflicts-of-laws rules will not apply. All words and terms of this Policy must be consistent with Canadian laws that apply to life insurance.

## **Catastrophic Events**

If our performance of any of our obligations under the Contract is delayed or otherwise made impractical by reason of any flood, riot, fire, acts of nature, labour unrest, acts of war, terrorism, power outage or any other causes beyond our control, such obligations will be postponed until the earlier of such time as the cause ceases to preclude or make impractical our performance of such obligations and 7 business days.

Signed for *ivari* at Toronto, Ontario, on the Issue Date.



Todd Lawrence  
President and Chief Executive Officer



Tamara Steinberg  
Corporate Secretary

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