

Policy summary

Data

Life insured Male Test
Insuring age 30
Policyowner Male Test
Beneficiary Estate
Premium waiver insured Female PWI
Male PWI
Plan 20 Year Payment Life
with annual dividends
Dividend option Econolife
Policy number Bxxxxxx-x
Policy date July 1, 2009

Benefits

On death of the life insured

Basic insurance \$1,000,000
Econolife \$1,550,000 initially
Total basic plus Econolife \$2,550,000 initially
Supplementary term insurance \$500,000 before July 1, 2029
Accidental death insurance \$300,000 before July 1, 2049

On death of a premium waiver insured

No premium payable before July 1, 2029

On disability of a premium waiver insured

No premium payable before July 1, 2029 during total disability

On disability of the life insured commencing before July 1, 2029

No premium payable during total disability

Guaranteed insurability benefit of \$100,000

On July 1, of 2010, 2013, 2016, 2019, 2022 and 2025

Basic insurance benefit

London Life will pay \$1,000,000 on the death of the life insured.

Premiums

The agreements made by London Life are conditional on payment of premiums as shown in the policy summary. The first premium is payable on July 1, 2009.

If any premium other than the first is not paid within thirty-one days after it is due, the contract ceases to be in force, except as provided in Premiums loans. If proceeds become payable within the thirty-one days, unpaid premiums will be deducted.

If any premium is paid by cheque or other promise to pay which is not honoured, the premium will be considered unpaid.

Premium Vacation

Premium Vacation is an arrangement that permits the policyowner to apply available dividends and/or existing values (dividend acquired values) to pay part or all of each premium due under the contract, as described in the Use of dividends provision, for a selected period of time. The policy does not become paid-up if Premium Vacation is chosen.

Dividends are not guaranteed and may vary from time to time. Changes in the dividends credited or actions by the policyowner, such as taking a policy loan, may cause the dividends credited and/or existing values (dividend acquired values) to be insufficient to pay the amount selected for Premium Vacation. In that event, other arrangements must be made to pay that part of the premium which can no longer be paid under Premium Vacation. Payment of the full premium, regardless of payment method selected, remains at all times the responsibility of the policyowner.

The policyowner may discontinue Premium Vacation at any time by notifying London Life, though income tax considerations may restrict flexibility when making other premium payment arrangements. London Life may also discontinue Premium Vacation at any time.

Guaranteed values

The guaranteed values will be furnished upon request.

Dividends

Dividends apportioned by the directors of London Life will be credited to the contract at each anniversary of July 1, 2009. A dividend will not be credited at the first anniversary unless the premium then due is paid.

Econolife

Dividends credited provide an Econolife insurance benefit, subject to the Use of dividends provision. The Econolife insurance amount is guaranteed not to be less than \$1,550,000, provided no part of the Econolife insurance benefit is surrendered under the Use of dividends provision. The Econolife insurance benefit will be paid in the same event and subject to the same terms as the basic insurance benefit.

Use of dividends

Part or all of the Econolife insurance benefit may be surrendered for its cash value less any indebtedness. On written request and with the agreement of the policyowner and London Life, part or all of the dividends credited, and/or part or all of the cash value of the Econolife insurance benefit may be

- applied towards payment of premiums (Premium Vacation),
- applied to reduce any indebtedness, or
- paid in cash.

These uses of dividends may result in decreases to the Econolife insurance amount.

If part of the dividends credited are used for purposes other than purchasing the Econolife insurance benefit, and/or part or all of the Econolife insurance benefit is surrendered, the Econolife insurance amount of \$1,550,000 will no longer be guaranteed.

Conversion

The policyowner may exchange the Econolife insurance benefit for

- paid-up additions under this contract, plus
- a new contract on the life insured

by giving written notice to London Life not later than thirty-one days after July 1, 2044 and paying the first premium under the new contract. The total amount of paid-up insurance under this contract after the exchange plus the basic insurance amount of the new contract will be equal to the death benefit under this Econolife insurance benefit.

If the Econolife insurance benefit is exchanged under this conversion provision or ceases to be in force, the accidental death insurance benefit may be reduced by London Life at that time.

The application for the new contract includes the application for this contract and any application for change or reinstatement of this contract received before the new contract is made.

New contract after conversion

The policy date will be the date of exchange. The plan of insurance, subject to London Life's issue limits, may be any plan issued by London Life at the date of exchange, other than term insurance.

The premium will be determined according to

- the plan and amount of insurance,
- additional insurance benefits included in the new contract,
- the attained age of the life insured at the date of exchange, and
- the class of risk applicable to this Econolife insurance benefit.

Subject to London Life's issue limits and evidence of insurability satisfactory to London Life, additional insurance benefits issued by London Life at the date of exchange may be included in the new contract.

The beneficiary under the new contract will be the beneficiary under this contract. The policyowner may change or revoke the beneficiary as permitted by law.

Supplementary term insurance benefit

London Life will pay \$500,000 on the death of the life insured before July 1, 2029.

Conversion

If London Life is not providing total disability benefits under this contract, the policyowner may exchange the supplementary term insurance benefit for a new contract on the life of the life insured by giving written notice to London Life not later than thirty-one days after July 1, 2029 and paying the first premium under the new contract.

The application for the new contract includes the application for this contract and any application for change or reinstatement of this contract received before the new contract is made.

The amount of the basic insurance benefit of the new contract will be \$500,000. The new contract will be issued with the terms then in use by London Life and according to its rules then applicable to

- the plan of insurance which may be any plan other than term insurance,
- the premium, based on the then attained age of the life insured and the class of risk applicable to this insurance benefit, and
- the policy date.

If London Life is providing total disability insurance benefits under this contract on July 1, 2029, this supplementary term insurance benefit will be exchanged under this conversion provision for a non-participating whole life plan.

If the supplementary term insurance benefit is exchanged under this conversion provision or ceases to be in force, London Life may reduce the amount of accidental death insurance benefit under this contract according to its rules at that time. If London Life makes such a reduction, similar amounts of such benefits will be included in the new contract without evidence of insurability of the life insured.

Additional insurance benefits may be included in the new contract subject to evidence of insurability satisfactory to London Life.

The beneficiary under the new contract will be the beneficiary under this contract. The policyowner may change or revoke the beneficiary as permitted by law.

Accidental death insurance benefit

London Life will pay the amount of the accidental death insurance benefit shown in the policy summary if the death of the life insured

- results solely from injury received before July 1, 2049,
- is caused solely by external, violent, and accidental means, and
- occurs within 365 days of the injury.

Exceptions

No accidental death insurance benefit will be paid if death results directly or indirectly from

- illness or disease,
- suicide or self-inflicted injury while sane or insane,
- committing or attempting to commit a criminal offence,
- riot or hostilities of any kind,
- service in an armed force engaged in war, declared or not,
- inhalation of gas,
- poisoning,
- infection, or
- injury of which there is no visible contusion or wound, unless internal injury or drowning is revealed by autopsy.

Premium waiver insurance benefit

On death

No premium will be payable after the death of a premium waiver insured until July 1, 2029.

Exceptions

Suicide

If a premium waiver insured commits suicide, while sane or insane, within two years after the issue date of this policy or the date of any reinstatement of the contract, no premium will be waived.

On disability

If a premium waiver insured becomes totally disabled before July 1, 2029 and remains continuously totally disabled for a waiting period of six months, no premium will be payable while he or she is totally disabled, beginning with the premium falling due on or after the date total disability commenced until July 1, 2029 and in accordance with the mode of premium payment then in effect.

Definitions

Injury means accidental bodily injury sustained on or after the date this Premium waiver insurance benefit comes into effect. The signs and symptoms of the injury must be assessed and documented by a physician and supported of objective medical evidence.

Sickness means disease or illness first manifested on or after the date this Premium waiver insurance benefit comes into effect. The signs and symptoms of the sickness must be assessed and documented by a physician and supported by objective medical evidence.

Regular occupation means the occupation(s) regularly performed by a premium waiver insured on the date total disability commences.

Gainful occupation means an occupation for which a premium waiver insured is or becomes reasonably qualified by education, training or experience.

Totally disabled and **total disability** mean a premium waiver insured, due directly to injury or sickness, cannot:

- during the first 24 months of total disability, perform the substantial duties of his or her regular occupation and is not working in any other gainful occupation; and
- thereafter, work in any gainful occupation.

Presumptive total disability

A premium waiver insured will be considered to be totally disabled if, due directly to injury or sickness, he or she suffers the total and irrevocable loss of any of the following:

- speech;
- the sight of both eyes;
- the hearing of both ears;
- the use of both hands or both feet; or
- the use of one hand and one foot.

Exceptions

No benefits will be provided if total disability results directly or indirectly from

- self-inflicted injury while sane or insane;
- riot or hostilities of any kind; or
- service in an armed force engaged in war, declared or not.

Total disability insurance benefit

London Life will provide the benefits shown below if the life insured becomes totally disabled before July 1, 2029 and remains continuously totally disabled for a waiting period of six months.

Definitions

Injury means accidental bodily injury sustained on or after the date this Total disability insurance benefit comes into effect. The signs and symptoms of the injury must be assessed and documented by a physician and supported by objective medical evidence.

Sickness means disease or illness first manifested on or after the date this Total disability insurance benefit comes into effect. The signs and symptoms of the sickness must be assessed and documented by a physician and supported by objective medical evidence.

Regular occupation means the occupation(s) regularly performed by the life insured on the date the total disability commences.

Gainful occupation means an occupation for which the life insured is or becomes reasonably qualified by education, training or experience.

Totally disabled and **total disability** mean the life insured, due directly to injury or sickness, cannot:

- during the first 24 months of total disability, perform the substantial duties of his or her regular occupation and is not working in any other gainful occupation; and
- thereafter, work in any gainful occupation.

Presumptive total disability

The life insured will be considered to be totally disabled if, due directly to injury or sickness, he or she suffers the total and irrevocable loss of any of the following:

- speech;
- the sight of both eyes;
- the hearing of both ears;
- the use of both hands or both feet; or
- the use of one hand and one foot.

Premium benefits

If the life insured is totally disabled as described above and has remained totally disabled for the waiting period, no premium will be payable while he or she is totally disabled, beginning with the premium falling due on or after the date total disability commenced and in accordance with the mode of premium payment then in effect.

Exceptions

No benefits will be provided if total disability results directly or indirectly from

- self-inflicted injury while sane or insane;
- riot or hostilities of any kind; or
- service in an armed force engaged in war, declared or not.

Guaranteed insurability benefit

The policyowner may buy additional insurance on the life of the life insured without evidence of insurability at each option date (July 1 of 2010, 2013, 2016, 2019, 2022 and 2025) or one or two years before or after each option date. The total amount of insurance with respect to each option date may be up to \$100,000.

The policyowner must apply for the additional contract within sixty days before the date the additional contract may be bought. The new contract will become effective on the anniversary of the policy date of this contract on or following the date of the application for the new contract. The first premium for the new contract must be paid and the date of birth of the life insured must be proved to London Life before the new contract is issued. London Life may require that the life insured sign the application.

The application for the new contract includes the application for this contract and any application for change or reinstatement of this contract received before the new contract is made.

The new contract will be issued with the terms then in use by London Life and according to its rules then applicable to

- the plan and amount of insurance,
- the premium, based on the then attained age of the life insured and the class of risk applicable to this insurance benefit, and
- the policy date.

The new contract will include a premium benefit under the total disability insurance benefit, subject to the rules of London Life at that time. Additional insurance benefits may be included in the new contract subject to evidence of insurability satisfactory to London Life.

Unless the policyowner designates a beneficiary under the new contract its proceeds will be paid to the policyowner. An assignment of this contract will not apply to the new contract.

Use of policy values

The cash value of the contract is the cash value of the basic insurance benefit plus the cash value of the Econolife insurance benefit.

Premium loans

If any premium is not paid, and if the contract has a cash value, London Life will keep the contract in force until the indebtedness exceeds the cash value of the contract. Unpaid premiums become indebtedness. The policyowner may start paying premiums again at any time while the contract is in force.

Cash loans

If the basic insurance benefit has a cash value, on written request London Life will make a loan on the security of the contract. The maximum loan available at any time will be

- the cash value of the contract at the next anniversary of the policy date, discounted to the date of the loan at the interest rate then applicable to the loan
- less existing indebtedness at the time of the loan.

The loan will be made within ninety days after receipt of the request for the loan.

Indebtedness

The indebtedness at any time is

- premium loans plus cash loans,
- less payments made to reduce indebtedness
- with interest to that time.

London Life sets the rate of interest and the times when interest is compounded, and may change them. Payments to reduce indebtedness may be made at any time while the contract is in force.

If the indebtedness becomes greater than the cash value of the contract, the contract will cease to be in force.

Indebtedness will be deducted in determining the proceeds under the contract.

Paid-up insurance

On written request to London Life, this contract will be changed to a paid-up contract. If there is indebtedness, it is first deducted from the cash value of the Econolife insurance benefit. Any remaining cash value of the Econolife insurance benefit will continue to provide an Econolife insurance benefit. The amount of the Econolife insurance benefit will be determined by London Life according to its rules at that time. Any remaining indebtedness is deducted from the cash value of the basic insurance benefit. The amount of paid-up insurance will be

- the guaranteed amount of paid-up insurance on the date the contract is changed to paid-up,
- multiplied by the cash value of the basic insurance benefit after deducting any indebtedness, as described above, and
- divided by the cash value of the basic insurance benefit before deducting any indebtedness.

There will be no other benefits in the paid-up contract.

Surrender for cash

On written request, London Life will pay

- the cash value of the contract
- less any indebtedness.

Payment will be made within ninety days after surrender of all rights under the contract.

Claims

Death claim

London Life must be provided with proof of death and the means of death. London Life may also require proof of the truth of the information in the application for the contract and for any amendment or reinstatement of the contract.

Exceptions

Suicide

If the life insured commits suicide, while sane or insane, the amount of proceeds payable with respect to that portion of any insurance benefit that has been continuously in force with respect to that life insured, for less than two years immediately before the death of that life insured, will be limited to the greater of the cash value of that portion and the sum of the premiums paid for that portion during that period.

Disability claim

London Life will provide benefits only if it receives notice and proof of a claim as shown below.

Notice of claim

Written notice of claim must be received

- during the lifetime of the totally disabled person;
- while the person is totally disabled;
- not later than July 1, 2030 for the total disability insurance benefit;
- not later than July 1, 2030 for the premium waiver insurance benefit; and,
- not later than twelve months after the start of total disability; otherwise, the total disability will be considered to have started twelve months before receipt of notice.

Proof of claim

Total disability must be proved to London Life. Proof must be received within three months after notice of the claim; if not, notice of claim will be considered to have been received on the date the proof is received. London Life may also require proof of the truth of the information in the application for the contract and for any amendment or reinstatement of the contract.

Proof that total disability continues

At any time, London Life may require proof that total disability continues. Proof includes the right and opportunity to medically examine the person.

If the continuation of total disability is not proved to London Life when required, or if total disability ceases, no further benefits will be provided. Premiums will be payable accordingly.

Settlement options

The payee may elect to have any proceeds that are payable under the contract in one sum applied to provide one or more of the following, subject to the rules and rates London Life is using at that time:

- a deposit account earning interest,
- periodic payments for a selected number of years up to 30,
- periodic payments for life, with payments guaranteed 10, 15 or 20 years as selected,
- periodic payments as long as either of two persons lives, with payments guaranteed 10, 15 or 20 years as selected, and
- any other settlement option London Life is issuing at that time.

London Life will issue a new policy if the proceeds are applied to provide periodic payments.

Taxation

At the policy date, the policy is exempt from accrual taxation under Canadian federal income tax legislation. This tax-exempt status is subject to change and will be reviewed at each policy anniversary. London Life has, and reserves the right to make adjustments to the policy, in its discretion, in an effort to preserve the tax-exempt status. The adjustment may be in the form of, but is not limited to, automatically surrendering part or all of the Econolife insurance benefit.

The cash value of the Econolife insurance benefit will be applied first to any unpaid premiums and then to any indebtedness on the contract. Any remaining amount will be paid in cash to the policyowner.

London Life may still be required to report an amount in the policyowner's income for tax purposes. This may occur as a result of a partial or complete disposition of the policy. For tax purposes, a partial or complete disposition of the policy includes, but is not limited to:

- a cash loan
- the surrender of the Econolife insurance benefit
- the partial or full surrender of the contract for its cash value, or some portion thereof.

General provisions

Contract

The contract is the agreement between the policyowner and London Life. It consists of

- this policy,
- any amendment to the contract, and
- the application for the contract and for any amendment or reinstatement of the contract.

The contract comes into force if

- the first premium has been paid,
- the policy has been delivered to the policyowner or the beneficiary, and
- there has been no change in the insurability of the life insured or the premium waiver insureds since the application was completed.

The contract ceases to be in force when the basic insurance benefit ceases to be in force.

The signature of a London Life registrar is required to amend the contract or to waive any of its terms.

Giving facts to London Life

London Life makes the contract on the basis of facts disclosed in the written application for

- the contract,
- any amendment to the contract, and
- any reinstatement of the contract.

It is not sufficient that an agent, employee or medical examiner has knowledge of a fact. If a fact that is material to the insurance benefits was not disclosed in the written application, the contract may be declared void.

Proof of birth date

If the date of birth was not correctly disclosed, London Life may

- adjust the amount of the insurance benefit for the correct date of birth,
- reapportion the premium among the insurance benefits so that the combination is correct according to its rules at the date the policy was issued,
- adjust any starting and expiry date of the insurance benefits and the date to which premiums are payable, and
- cancel any insurance benefit not available because of age.

Beneficiary

The policyowner may designate a beneficiary to receive the proceeds and may revoke or change the designation as permitted by law.

Reinstatement

London Life will put the contract back into force if

- application for reinstatement is made within two years after the contract ceased to be in force,
- the good health and insurability of the life insured and the premium waiver insureds are proved to the satisfaction of London Life,
- overdue premiums with interest at a rate determined by London Life are paid, and
- indebtedness is paid to London Life.

Place of payment and currency

All payments to or by London Life will be made in Canada in lawful money of Canada.