



# Sample Policy Contract

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

## GUARANTEED ISSUE LIFE INSURANCE PLAN

### DEFINITIONS

**Accidental Death** means death which:

- a) results from bodily injury sustained while this Policy is in force, caused by external, violent and purely accidental means and independent of all other causes;
- b) does not result from any of the Risks Not Covered;
- c) occurs within 365 days of the bodily injury;
- d) occurs before age 85; and

does **not** include death which is caused directly or indirectly by one or more of the following:

- a) sickness, illness or bodily or mental infirmity, disease, or mental or nervous disorder of any kind;
- b) suicide or self-inflicted injury, regardless of whether the Insured Person is sane or insane;
- c) war or terrorism, or any act of war or act of terrorism, insurrection or the hostile actions of any armed force, whether or not war has been declared;
- d) operation, or care or control of a motor vehicle, vessel, aircraft or railway equipment, whether or not in motion, while the concentration of alcohol in the Insured Person's blood exceeds 80 milligrams of alcohol in 100 millilitres of blood or while the Insured Person is intoxicated due to the voluntary ingestion of drugs;
- e) any voluntary inhalation of gas or fumes, accidentally or otherwise, except accidentally in the course of duty;
- f) taking or absorbing, accidentally or otherwise, any drug, medicine, sedative or poison, except as prescribed by a licensed Physician other than the Insured Person;
- g) an accident that occurs while committing or trying to commit a criminal offence, or committing or provoking an assault or while in prison;

- h) medical or surgical treatment or complications arising therefrom, except when required as a direct result of an Accidental Bodily Injury;
- i) service in the armed forces, or any auxiliary civilian force, of any country at war or service in any force of any international body;
- j) travel in any aircraft, other than as a passenger with a commercially licensed airline, which is being used for training or test purposes, or being operated under the direction of any country's armed forces or any force of any international body. Travel in an aircraft includes being in it on the ground, regardless of whether or not it is in motion;
- k) an injury that has no visible wound or contusion except for an injury caused by involuntary asphyxiation or involuntary ingestion of a foreign object or internal injuries revealed by an X-ray or autopsy; or
- l) high-risk activities including, but not limited to, participating in a contest of speed, scuba-diving, skydiving, parachuting, hang-gliding, bungee jumping, or rock or mountain climbing.

**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. Life insurance coverage is available in increments of \$5,000 from \$5,000 up to \$25,000.

**Death Benefit** means the Amount of Insurance in force on the date of death, as shown in the Policy Summary, less any Living Benefit paid and any outstanding premium due.

**Effective Date of Coverage** is the later of the date on which We receive at Our Office:

- m) a written application; and
- n) the first full premium for the insurance applied for.

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 40 and 75 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, including smoking-cessation products, in the twelve (12) consecutive months preceding the date of application for this insurance or non-smoker rates, and who meets Manulife Financial's health standards.

**Office** means Our Affinity Markets Office at 2 Queen Street East, Toronto, Ontario 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 1<sup>st</sup> year immediately following the Effective Date, and every year thereafter.

**Premium Due Date** means the Effective Date and:

- a) the Policy Anniversary, if premiums are being paid annually; or
- b) the first day of each month, if premiums are being paid monthly.

**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,
  - i) if Your death is not an Accidental Death and is not due to suicide, We will refund all premiums paid since the Effective Date, plus 10% interest per annum compounded annually;
  - ii) if Your death is due to suicide, We will refund all premiums paid since the Effective Date, without interest; or
  - iii) if Your death is an Accidental Death, the death benefit is five times the Amount of Insurance as shown in the Policy summary.
- b) For Death of the Insured Person Occurring After the First Two (2) Policy Years,
  - i) if death is due to non-accidental causes at any age, or accidental causes at age 85 or above, the death benefit is the face amount; or
  - ii) if death is due to accidental causes before age 85, the death benefit is five times the face amount.

#### **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.

## **Manulife Financial**

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.

### **LIVING BENEFIT**

#### **Application for Living Benefit**

If this Policy has been in force for at least two (2) continuous years from the Effective Date, You may apply for the Living Benefit by submitting to Us a written application for the Living Benefit. The application must have the written concurrence of Your assignees and irrevocable Beneficiaries, if any.

#### **Conditions for Payment of Living Benefit**

We will pay the Living Benefit during the lifetime of the Insured Person subject to the provisions of this Policy upon receipt of proof, satisfactory to Us, that You suffer from a fatal illness with a prognosis of death within one (1) year.

#### **Proof Required with Application for Living Benefit**

We will require submission of the written medical opinion of a Physician demonstrating, to Our satisfaction, the prognosis of Your death within one (1) year. Such medical opinion must be provided at no cost to Us.

Notwithstanding any other provisions in this Policy, the final decision on payment of the Living Benefit is reserved solely by Us.

#### **Maximum Amount of the Living Benefit**

The amount of the Living Benefit will be fifty per cent (50%) of the Amount of Insurance in force on Your life, which has been in force for at least 2 years.

### **Payment of Living Benefit**

Any Living Benefit payable under this Policy will be paid directly to You.

In the event that the Living Benefit is paid, the Amount of Insurance on Your life will be reduced by the amount of the Living Benefit paid.

In no event will We pay the Living Benefit more than once.

### **Notice and Proof of Claim**

A claim for a payment of the Living Benefit must be made in writing to Our Affinity Markets Office. We must receive the notice of claim within thirty (30) days of the date that a claim arises.

Within ninety (90) days of the date a claim arises under the contract, You must provide Us with reasonable proof of the commencement of the sickness and the resulting loss, and Your attained Age.

### **Failure to Give Notice or Proof of Claim**

If You fail to provide Us with notice of claim or proof of claim within the time prescribed in the previous subsection, You may still make a claim or provide proof if You do so as soon as reasonably possible and if You can provide reasons why it was not reasonably possible to make a claim or provide proof within that prescribed time. In all cases, You must provide proof of claim within one (1) year of the date a claim arises under the Policy.

### **Insurer to Furnish Forms for Proof of Claim**

Within fifteen (15) days of receiving a notice of claim, We will send You proof of claim forms. If You do not receive the proof of claim forms within fifteen (15) days, You may submit the proof of claim to Us in a written statement that includes the cause, nature and extent of the sickness that is the basis of this claim.

## **PREMIUMS**

### **General**

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

## **Manulife Financial**

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. Subsequent premiums are due on each Premium Due Date.

### **Policy Paid Up at Age 95**

If this Policy is in force on the date You attain 95 years of Age, then this Policy will become paid up. Subject to the provisions of this Policy, coverage shall continue in force, with no further premium payments required, as of the first of the month following the date You attain 95 years of Age.

### **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 and Frequency 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); or
- d) by any other payment method or frequency that We make available to You under the Policy.

All payments must be in Canadian dollars.

If You wish to change the method or frequency of Your premium 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. If a change in frequency is approved, the premium amount will also change to reflect the new frequency.

### **TERMINATION**

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

- a) the end of the Grace Period, after any premium due or any part thereof has not been paid;
- b) the Premium Due Date coinciding with or immediately following the date We receive written notice from You requesting all or part of Your insurance be cancelled. You may cancel one or more parts of Your insurance, but if only part of the insurance is cancelled, the coverage with the most recent Effective Date must be cancelled first;
- c) the date on which the Amount of Insurance does not meet Our minimum requirements for the Policy; or
- d) 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.

### **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.

### **Suicide Exclusion**

If You commit suicide, while sane or insane, within two (2) years from the Effective Date, the amount payable by Us will be limited to the sum of the premiums paid.

In the case of Reinstatement of this Policy, the two (2) year period will run from the date of last Reinstatement.

### **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.

### **Increases in the Amount of Insurance**

You may, from time to time, apply for increases in the Amount of Insurance, subject to the maximum amount available under this Policy by:

- a) submitting a written application to Us; and
- b) paying the appropriate premium.

You will be issued a new Policy for the additional coverage. The Premium rates for any additional coverage will be based on the rates then in effect.

### **Misstatement of Age and Sex**

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 Your sex was misstated in the application, the Amount of Insurance and/or the Premium required will be adjusted on the basis of the correct sex. 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.

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**

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.

The beneficiary for any Death Benefit payable under this Policy shall be Your estate. You may designate in writing one or more revocable or irrevocable beneficiaries to receive any Death Benefit payable under this Policy.

You may 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, or if none has been designated, any Death Benefit payable will be paid to the Insured Person's 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 the insurer for the recovery of a claim under this contract shall not be commenced more than one year, or any greater period specified by applicable provincial law, after the date the insurance money became payable or would have become payable if it had been a valid claim.

**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.