

FLEXTERM POLICY

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RIDERS

APPLICATIONS

A - DEFINITIONS

In this Policy, unless otherwise specified:

- A-1. Age** means the Age of the Insured on his or her birthday nearest the Date of Issue of the Policy or of any attached Rider, as applicable, as indicated in the Policy Specifications.
- A-2. Amount Due** means any premium due and unpaid on the contract.
- A-3. Application** means any insurance application attached to the Policy.
- A-4. Assumption Life** means Assumption Mutual Life Insurance Company.
- A-5. Attained Age** means the sum of (i) the Age on the Date of Issue of the Policy or of any attached Rider, as applicable; and (ii) the number of complete years of insurance from the Date of Issue of the Policy or of any attached Rider, as applicable.
- A-6. Beneficiary** means the person or persons to whom the Death Benefit is payable and who have been so designated in the Application or will be so designated at a later date as provided for in the Policy.
- A-7. Date of Issue** means the Effective Date of the Policy or of any attached Rider, as applicable, as indicated in the Policy Specifications.
- A-8. Equivalent Age** means a single age calculated for all insureds under a joint policy, at its date of issue, as determined according to actuarial calculations based on the age, sex and smoking status of each insured and as indicated in the Policy Specifications.
- A-9. Extreme disability** means the insured is affected by a medical condition that renders him or her in a state of total and irrecoverable disability as a result of which the insured cannot perform four (4) out of the following six (6) activities of daily living without a reasonable expectancy of recovery as determined by a physician:
 - (1) **Bathing** means washing with or without the aid of assistive devices in a bathtub or shower, including getting in and out of the bathtub or shower, or by sponge bath. Bathing doesn't include the ability to reach and wash the back or feet.
 - (2) **Dressing** means putting on, taking off, fastening and unfastening, with or without the aid of assistive devices: clothing, and medically necessary braces or artificial limbs. An Insured is not functionally dependent for dressing if reasonable alterations to or changes in the clothing the Insured usually wears would let the Insured dress himself or herself without substantial physical assistance.
 - (3) **Toileting** means getting to and from and on and off the toilet, with or without the aid of assistive devices, and performing associated personal hygiene.
 - (4) **Transferring** means moving into or out of a bed, chair or wheelchair, with or without the aid of assistive devices.
 - (5) **Feeding** means consuming food or drink that has been prepared and served, with or without the use assistive utensils.
 - (6) **Continence** means the ability to control either bladder or bowel functions, or maintain a reasonable level of personal hygiene (including caring for catheter or colostomy bag) when not able to control bowel or bladder functions.

- A-10. Head Office** means Assumption Life's offices at 770 Main Street, P.O. Box 160, Moncton, New Brunswick E1C 8L1 or any other address Assumption Life may provide in writing to the Owner as its head office or principal place of business. You may contact the Head Office by telephone during normal business hours at 506-853-6040 or 1-800-455-7337.
- A-11. Immediate Family** means the spouse, child, brother, sister, parent, grandparent or grandchild of the Insured or the Owner and the child, brother, sister or parent of the Insured's spouse or the Owner's spouse.
- A-12. Insured** means the person insured under the Policy or any attached Rider, as applicable, and each of the persons insured in the case of a Joint Policy, and designated as such in the Policy Specifications.
- A-13. Joint Policy** means a policy issued on the life of more than one (1) Insured, as indicated in the Policy Specifications. If such is the case for this Policy, it is a Joint First-To-Die Policy.
- A-14. Owner** means any person designated as such in the Application or subsequently designated in accordance with the provisions of the contract.
- A-15. Physician** means an individual who holds a valid license from the College of Physicians and Surgeons from the province or territory within which the individual is practicing in Canada or a valid license in the United States to practice medicine and treat illnesses and injuries and who practices under the terms of that license. Physician does not include the Insured, the Owner, a person who is a member of the Insured's or the Owner's Immediate Family or an individual who holds any other health-related license or degree.
- A-16. Policy** means this Policy, excluding any attached Rider and Applications.
- A-17. Policy Anniversary** means the anniversary of the Date of Issue of the Policy. Policy years are calculated from the Date of Issue of the Policy.
- A-18. Policy Specifications** means the information pertaining to the Policy and to any attached Rider, as applicable, indicated in the Policy Specifications.
- A-19. Rider** means any document identified as "Rider" that provides for additional life insurance or benefits applied for by the Owner and that is issued and approved by us and is an integral part of the Policy, only when indicated in the Policy Specifications. Rider also means any amendment or exclusion identified as "Rider" that is issued and approved by us and accepted by the Owner, and by the Insured, if applicable.
- A-20. Sound Mind** means the state of mind of the Insured who is not prevented from forming intent due to the influence of narcotics, drugs, medication or alcohol, or of any psychological, nervous or medical disorder or state.
- A-21. Sum Insured** means the amount of term life insurance under the Policy or any attached Rider, as applicable, payable on the death of the Insured, as indicated in the Policy Specifications, as modified pursuant to this Policy.
- A-22. "We", "us" and "our"** refer to Assumption Life.
- A-23. "You" and "your"** refer to the Owner of the contract.

B - GENERAL PROVISIONS

B-1. CONTRACT

The contract is comprised of the Policy and of any attached Riders, amendments and copies of Applications. If the contract lapses and is subsequently reinstated, the written notice of reinstatement becomes an integral part of the contract.

B-2. AMENDMENT

Assumption Life will not be bound by any agreement, promise, Application, representation or understanding that is not expressly contained in the contract. Only Assumption Life's President and Chief Executive Officer is authorized to amend the contract and its terms and conditions, and only then, in writing. No broker, agent or other representative is authorized to modify any of the provisions of the contract.

B-3. METHOD OF PREMIUM PAYMENT

Premiums are payable at our Head Office on an annual, semi-annual, quarterly or monthly basis, subject to our administrative rules. The first (1st) premium is due on the Date of Issue. Each subsequent premium is due at the end of the period covered by the previous premium.

You may, at any time, request that the method of premium payment indicated in the Policy Specifications be changed, subject to our administrative rules.

B-4. CONTRACT PREMIUMS

The annual premiums of the Policy and of any attached Rider, as applicable, are indicated in the Policy Specifications and are guaranteed, unless otherwise indicated in the contract. The said annual premiums are guaranteed for the term specified and are subject to section "Provisions Governing Automatic Renewal" of the Policy. If the Policy or any attached Rider, as applicable, terminates, the annual premiums payable under the contract will be reduced accordingly.

B-5. PREMIUM PAYMENT PERIOD

Premiums of the Policy and of any attached Rider, as applicable, are payable until the dates indicated in the Policy Specifications, subject to section "Provisions Governing Automatic Renewal" of the Policy.

B-6. TERM

The Policy is a renewable and convertible level term life insurance issued for an initial term whose duration is indicated in the Policy Specifications.

B-7. CURRENCY AND PLACE OF PAYMENT

Amounts to be paid by or to us will be in Canadian dollars. Premiums payable under the contract must be remitted to our Head Office.

B-8. EFFECTIVE DATE OF POLICY

The Policy takes effect on the latest of the following dates:

- (a) the date the Application is approved without amendment or restriction by us;
- (b) the Date of Issue; or
- (c) the date the Insured signs an amendment or restriction to the Application at our request,

provided that on that date:

- (a) the first (1st) premium has been paid during the lifetime of the Insured;
- (b) no change has occurred with respect to the insurability of the Insured since the signing of the Application; and
- (c) any information or answer provided in the Application remains complete and true.

B-9. GRACE PERIOD

Except for the payment of the first (1st) premium, a grace period of thirty (30) days is granted for premium payment. The contract remains in force during this grace period, subject to any other cause of termination or cancellation. If the Insured dies during the grace period, the amount of any outstanding premium will be deducted from the Death Benefit payable.

B-10. LAPSE

Subject to the grace period provided for in the Policy, the contract lapses and our obligations hereunder automatically cease if premiums remain unpaid after the grace period.

B-11. REINSTATEMENT

The Policy and any attached Rider, as applicable, may be reinstated upon fulfillment of all of the following conditions:

- (a) you request reinstatement in writing within three (3) years following their lapse;
- (b) satisfactory proof of insurability of all the Insureds and for any insured child, if applicable, is provided to us;
- (c) you pay all outstanding premiums with interest at a rate permitted by law and compounded annually; and
- (d) we have not received written notice requesting termination of the Policy or of any attached Rider, as applicable.

The reinstatement of the Policy or any attached Rider, as applicable, will not extend the duration of the contract or the expiry date of the Policy or of any attached Rider, as applicable, beyond the expiry dates indicated in the Policy Specifications, subject to section "Provisions Governing Automatic Renewal" of the Policy.

The reinstatement of the Policy or any attached Rider, as applicable, will not apply to any part of the Sum Insured under the Policy or of any attached Rider, as applicable, through which you have exercised your Conversion Privilege.

B-12. ASSIGNMENT

You may assign the contract by written notice filed at our Head Office. The assignment, however, will not have any effect on measures taken by us before receiving such notice. We assume no liability with respect to the validity of such assignment.

B-13. BENEFICIARY

Unless the Beneficiary has been designated irrevocably, and subject to any legal restrictions, you may, during the Insured's lifetime, change the Beneficiary by way of a written notice sent to our Head Office. The change will take effect on the date the notice is signed, whether the Insured is living or not on the date such notice is received. However, the change will not have any effect on any measures taken by us before receiving such notice. We assume no liability with respect to the validity of the change of Beneficiary.

Consent from the irrevocable beneficiary is required when you submit a request for a change of beneficiary or when you dispose of your rights under the contract.

B-14. IF NO DESIGNATED BENEFICIARY

Should there be no designated Beneficiary on the death of the Insured:

- (a) you, as Owner, become the Beneficiary;
- (b) if you are both the Insured and the sole Owner, your estate will become the Beneficiary, unless otherwise specified; or
- (c) if there are multiple owners and one (1) of you is the insured, the owner(s) will become the beneficiary(ies), unless otherwise specified.

B-15. OWNER

Subject to any legal restrictions, you may change the Owner of the contract by written notice during the Insured's lifetime. The change will take effect on the date the notice is signed, whether the Insured is living or not on the date such notice is received. However, the change will not have any effect on any measures taken by us before receiving such notice. We assume no responsibility with respect to the validity of the change of Owner.

In the event of multiple Owner, the remaining living Owner(s) shall automatically become (sole) Owner(s) of the contract upon the death of one (1) of the Owners, unless otherwise specified.

B-16. INCONTESTABILITY

Except in the case of fraud or in the case of misrepresentation with regard to the use of tobacco, nicotine, marijuana mixed with nicotine or e-cigarettes or in the case of misstatement of the Age or sex of the Insured, we will not contest the Policy for misrepresentation or failure to inform us of all material facts in connection with the insurance after the Policy has been in force during the Insured's lifetime for a period of two (2) years from the later of the following dates:

- (a) the Date of Issue of the Policy; or
- (b) the date the last reinstatement was approved.

Any misrepresentation or failure to inform us of all material facts in connection with the insurance may render the Policy voidable at our option within two (2) years from the later of the above dates. Fraud will automatically render this contract void and no premiums will be reimbursed. No Death Benefit will be payable in either case.

B-17. MISSTATEMENT OF AGE OR SEX

If the Age or sex of the Insured has been misstated, the benefit payable will be adjusted by us to the amount that would have been payable had the Insured's Age or sex been correctly stated on the Date of Issue. If, on the Date of Issue of the Policy, the Age of the Insured was outside the applicable Age limits, the Policy will be deemed void, subject to any legal restrictions. In the event of fraud, no premiums will be reimbursed.

B-18. FALSE STATEMENT - SMOKING STATUS

If, with respect to the Insured, or to one (1) of the Insureds in the case of a Joint Policy, the statements provided in an Application with regard to the use of tobacco, nicotine, marijuana mixed with nicotine or e-cigarettes are erroneous, the Policy terminates and no Death Benefit is payable. Our liability will be limited to the reimbursement of premiums paid for the Policy during the twelve (12) months preceding the termination of the Policy. In the event of fraud, no premiums will be reimbursed.

B-19. SUICIDE

If the Insured commits suicide, whether or not he or she is of Sound Mind at the time, within two (2) years from the later of:

- (a) the Date of Issue of the Policy; or
- (b) the date the last reinstatement was approved,

the Death Benefit provided for in the Policy will not be paid to the Beneficiary. We will only pay to the Beneficiary a Death Benefit equal to the sum of all premiums paid from the later of the above dates with respect to the Policy.

B-20. NON-PARTICIPATING POLICY

The Policy is non-participating; therefore, no dividends are payable on the contract.

B-21. CHANGE FROM SMOKER TO NON-SMOKER PREMIUM CLASS

If the Policy or any attached Rider, as applicable, was issued under the smoker premium class, you may, at any time, ask for a change to non-smoker premium class upon presentation of satisfactory proof as required by us.

B-22. NOTICE AND CORRESPONDENCE

Any notice or correspondence to be delivered will be sent to the last mailing or e-mail address that you have provided us. Any postal or e-mail communication sent to you will be deemed received seven (7) days after it has been sent.

Any notice that you must give us may be delivered by mail, messenger, fax or any form of electronic transmission. Certain restrictions apply when sending forms that must be signed in your own handwriting. All communication with us will be deemed received on the date of receipt at our Head Office located in Moncton, New Brunswick.

B-23. ACCESS TO PERSONAL INFORMATION

Any claim under the terms of the Policy or of any attached Rider, as applicable, must be submitted in writing and supported by the relevant documents. We reserve the right to request any information that we deem relevant in support of said claim.

At the time of processing a claim, personal information concerning the Insured, including medical information on the Insured's state of health, will be required.

No amount will be paid in the event that the Insured or the Insured's estate, legal guardian or personal representative refuses to consent to the disclosure of personal information pertaining to the Insured that are necessary for claim processing purposes.

B-24. RIGHT TO CANCEL POLICY AT NO CHARGE

You have ten (10) days following receipt of your contract to review it and cancel it without incurring any fees or penalty, provided that we receive a written notice to that effect at our Head Office within the timeframe specified. Upon receipt of your cancellation notice within the timeframe specified, we will reimburse the full amount of premiums paid. Your contract will be considered null and void as of the Date of Issue and no benefit will be payable.

B-25. TERMINATION BY THE OWNER

You may, at any time, terminate this contract with a written notice to terminate by sending it to us by mail at our Head Office. Any premium paid after the termination date indicated in the notice or the date the notice is received, whichever is the later, will be reimbursed.

B-26. COMPLIANCE WITH THE LAW

Any provision of the contract that, on the Effective Date, does not comply with the applicable legislation in the province or territory in which the contract was issued, will be amended so as to meet the minimum requirements of that legislation.

C - PROVISIONS GOVERNING THE DEATH BENEFIT

C-1. BENEFIT

The Death Benefit of the Policy is equal to the Sum Insured and is payable to the Beneficiary on the death of the Insured, or on the death of the first (1st) Insured to die in the case of a Joint Policy, and upon receipt of the proofs as set out below under the heading "Entitlement to Benefit".

Any amount due on the death of the Insured, or on the death of the first (1st) Insured to die in the case of a Joint Policy, will be deducted from the Death Benefit.

C-2. SIMULTANEOUS DEATH – JOINT FIRST-TO-DIE POLICY

Simultaneous Death occurs, for the purposes of the Policy, if both Insureds die at the same time or if the surviving Insured dies within the twenty-four (24) hour period following the death of the other Insured.

In case of Simultaneous Death, and provided that the death occurs before the Policy Anniversary nearest at least one of the Insureds' sixty-fifth (65th) birthday, the Death Benefit of the Joint Policy, decreased by one-half ($\frac{1}{2}$) of any amount due on the Policy, will be payable to the Beneficiaries of each of the Insureds.

If the Attained Age of both Insureds is sixty-five (65) or more at the time of Simultaneous Death, we shall pay half ($\frac{1}{2}$) of the Death Benefit of the Joint Policy, decreased by half ($\frac{1}{2}$) of any amount due, to the Beneficiaries of each of the Insureds.

If an Insured is a Beneficiary at the time of Simultaneous Death, the rights of such Beneficiary are vested in his or her estate, unless otherwise provided in the Beneficiary designation.

C-3. ENTITLEMENT TO BENEFIT

In order for the Death Benefit of the Policy to be paid, the following proofs must be provided to us:

- (a) satisfactory proof that the death of the Insured occurred while the Policy was in force;
- (b) a Physician's statement confirming the cause and circumstances of death of the Insured;
- (c) satisfactory proof of the Age of the Insured, or both Insureds in the case of a Joint Policy; and
- (d) satisfactory proof of the claimant's right to the Death Benefit of the Policy.

C-4. EXAMINATION, OBTAINING MEDICAL INFORMATION AND AUTOPSY

We reserve the right to request additional medical information from any Physician or medical institution that may have provided treatment to the Insured, or to require an autopsy on the body of the deceased Insured, subject to the limitations of the law. In the event of refusal or failure to provide the proofs requested, we will not be bound to pay any amount claimed.

C-5. CLAIMS

All claims must be submitted in writing and received at our Head Office within twelve (12) months following the death of the Insured. For additional information regarding our claim procedures or to request the relevant forms, you may contact us by telephone at 506-853-6040 or 1-800-455-7337. You may also contact us by mail at the following address: Assumption Life, 770 Main Street / P.O. Box 160, Moncton NB, E1C 8L1, by fax at 1-855-230-2500 or by e-mail at: claims@assumption.ca.

C-6. APPEAL

Anyone claiming to be entitled to a benefit and disagreeing with a refusal to pay a claim, may ask for a review within thirty (30) days from the date of the decision by sending us a written request for review and attaching any new supporting document.

A review will be undertaken and we will advise this person of our decision within sixty (60) days of receiving the written request accompanied by any new supporting document.

C-7. LIMITATION OF ACTIONS

An action or proceeding against us for the recovery of a claim under the contract shall not be initiated more than one (1) year after the date the benefit became payable or would have become payable if a valid claim had been presented.

For a contract issued in British Columbia or Alberta, every action or proceeding for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*, RSBC 2012, c 1 or the *Insurance Act*, RSA 2000, c I-3, respectively.

For a contract issued in Ontario, every action or proceeding against an insurer for the recovery of insurance money payable under the contract is prescribed by the time frame set out in the *Limitations Act, 2002*, SO 2002, c 24, Sched B.

C-8. SETTLEMENT OPTIONS

The benefit payable upon the death of the Insured may be paid by cheque or by direct deposit in a lump sum, left on deposit with interest, used to purchase an immediate annuity or a variable deferred annuity, or settled in any other manner prescribed by law and approved by us.

D - PROVISIONS GOVERNING THE CONVERSION PRIVILEGE

You may convert the current Policy, without proof of insurability, to a permanent life insurance policy (the "Converted Policy") offered by us for this conversion privilege (the "Conversion Privilege"). All of the following conditions must be fulfilled:

- (a) the current Policy is in force on the date of conversion;
- (b) at least one (1) year has elapsed since the Date of Issue of the current Policy; and
- (c) the application for conversion is received at our Head Office before the Policy Anniversary nearest the seventy-fifth (75th) birthday of the Insured, or of the oldest Insured in the case of a Joint Policy, regardless of the last renewal date.

The Converted Policy resulting from this conversion is subject to the following conditions and limitations:

- (a) the amount of life insurance of the Converted Policy is equal to or less than the Sum Insured under the current Policy as of the date of conversion and is not lower than the minimum amount required by us for the Converted Policy;
- (b) any Joint Policy may be converted to a permanent joint first-to-die life insurance policy or two (2) permanent individual life insurance policies. Should you convert to a Joint Policy, the amount of life insurance is equal to or less than the Sum Insured under the current Policy as of the date of conversion. Should you convert to two (2) individual policies, the amount of life insurance for each individual policy is equal to or less than one half ($\frac{1}{2}$) of the Sum Insured under the current Policy as of the date of conversion. In both cases, the amount of life insurance is not lower than the minimum amount required by us for the Converted Policy or Policies;
- (c) the premium of the Converted Policy is based on the sex and the Age of the Insured as of the Date of Issue of the Converted Policy, in accordance with the premium rate in force on such Date of Issue. If the current Policy is converted into a Joint Policy, the premium for the Converted Policy is set according to an Equivalent Age that is based on the Age of each Insured at the Date of Issue of the Converted Policy and the premium class of each Insured for the current Policy;
- (d) the premium class, smoker or non-smoker, of the current Policy applies to the Converted Policy if this premium class is available at that time;
- (e) if the Insured is subject to an extra premium on the current Policy, an equivalent increase in premiums applies to the Converted Policy; and
- (f) if there is an exclusion Rider on the Insured, a similar exclusion Rider applies to the Converted Policy.

Satisfactory proof of insurability will be required for the addition of any Rider to the Converted Policy and will be subject to our approval.

Conversion of the current Policy terminates the said current Policy and any attached Rider. If only part of the Sum Insured under the current Policy is converted, you may choose to keep the current Policy in force for the remaining Sum Insured, only if it is not lower than the minimum amount required by us for the current Policy and if indicated clearly in your application for conversion.

E - ADDITIONAL PROVISIONS GOVERNING A JOINT FIRST-TO-DIE POLICY

The following provisions apply if this is a Joint First-To-Die Policy.

E-1. TERM LIFE INSURANCE ON SURVIVING INSURED

If the death of the first (1st) Insured to die occurs before the Policy Anniversary nearest the surviving Insured's sixty-fifth (65th) birthday, term life insurance equal to the Death Benefit of the Joint Policy on the date of the first (1st) death will be continued on the surviving Insured for a maximum period of forty-five (45) days from the date of the first (1st) death. Such term life insurance terminates automatically at the end of the forty-five (45) day period or when the Conversion Privilege provided in the section hereafter is exercised, whichever comes first.

This term life insurance on the surviving Insured has the same Beneficiary designation as the one in force on the surviving Insured on the date of the first (1st) death, unless otherwise specified in a written notice received from the Owner.

E-2. CONVERSION OF TERM LIFE INSURANCE ON SURVIVING INSURED

The surviving Insured may convert his or her term life insurance, without proof of insurability, to a Converted Policy offered by us for this conversion, provided that the application for conversion along with the first (1st) premium payment are received at our Head Office before the end of the term life insurance.

The Converted Policy resulting from this conversion is subject to the following conditions and limitations:

- (a) the amount of life insurance of the Converted Policy is equal to or less than the amount of the term life insurance on the surviving Insured and is not lower than the minimum amount approved by us for the Converted Policy;
- (b) the premium of the Converted Policy is based on the sex and the Age of the surviving Insured as of the Date of Issue of the Converted Policy, in accordance with the premium rate set on such Date of Issue;
- (c) the premium class, smoker or non-smoker, which applied on an individual basis to the surviving Insured on the Joint Policy, applies to the Converted Policy if this premium class is available at that time;
- (d) if the surviving Insured was subject to an extra premium on the Joint Policy, an equivalent increase in premiums applies to the Converted Policy; and
- (e) if there was an exclusion Rider on the surviving Insured on the Joint Policy, a similar exclusion Rider applies to the Converted Policy.

Satisfactory proof of insurability will be required for the addition of any Rider to the Converted Policy and will be subject to our approval.

E-3. CHANGE FROM JOINT POLICY TO INDIVIDUAL POLICIES

If no premiums are due and unpaid, the Joint FlexTerm Policy may be changed, without proof of insurability, to an individual FlexTerm policy on each of the Insureds. This change is made with the same Date of Issue and term as the Joint Policy and with the sex, Age, premium class and risk that would have been applicable to each of the Insureds if the Policy had been an individual one on this Date of Issue. The Sum Insured under each individual policy may be equal to or less than half (½) the Sum Insured under the Joint Policy on the date the change is made.

If the Insureds are spouses and legally separate or divorce, the Joint FlexTerm Policy may be changed, without proof of insurability, to an individual FlexTerm policy on each of the Insureds or to an individual FlexTerm policy on either of the Insureds, provided that as of the date the change is made no premiums are due and unpaid and the Insureds are less than 60 years of Age. This change is made with the same Date of Issue and term as the Joint Policy and with the sex, Age, premium class and risk that would have been applicable to each of the Insureds if the Policy had been an individual one on this Date of Issue. The Sum Insured under each individual policy may be equal to or less than the Sum Insured under the Joint Policy on the date the change is made. If this Joint FlexTerm Policy is changed to an individual policy on the life of only one of the Insureds, any insurance on the other Insured is terminated.

We reserve the right to set the adjustment basis for such change. Administrative fees are applicable.

SPECIMEN

F - PROVISIONS GOVERNING THE TERM EXCHANGE OPTION OF THE POLICY

This provision does not apply if the Insured has already exercised his or her option to exchange the term of the Policy (the "Term Exchange Option").

You may extend the term of the Policy without proof of insurability. All of the following conditions must be fulfilled :

- (a) the current Policy is in force when the option is exercised;
- (b) at least one (1) month, and no more than five (5) years, have elapsed since the original Date of Issue of the current Policy; and
- (c) the new term period selected is longer than the original term and the Insured's current Age plus the new term period do not exceed eighty-five (85).

The new policy (the "Term Exchange Policy") resulting from the exercise of the Term Exchange Option is subject to the following conditions and limitations:

- (a) the amount of life insurance under the Term Exchange Policy is equal to or less than the Sum Insured under the current Policy as of the date the Term Exchange Option is exercised and is not lower than the minimum amount required by us for the Term Exchange Policy;
- (b) the premium of the Term Exchange Policy is based on the term chosen and the sex and the Age of the Insured as of the Date of Issue of the Term Exchange Policy, in accordance with the premium rate in force on such Date of Issue. If the current Policy is a Joint Policy, the premium for the Term Exchange Policy is set according to a formula based on the Age of each Insured at the Date of Issue of the Term Exchange Policy and the premium class of each Insured for the current Policy;
- (c) the premium class, smoker or non-smoker, of the current Policy applies to the Term Exchange Policy, if this premium class is available at that time;
- (d) if the Insured is subject to an extra premium on the current Policy, an equivalent increase in premiums applies to the Term Exchange Policy; and
- (e) if there is an exclusion Rider on the Insured, a similar exclusion Rider applies to the Term Exchange Policy.

Riders that form part of the current Policy may be added to the Term Exchange Policy without proof of insurability for an equal or lesser Sum Insured. The premium for these added Riders will be based on the rates in force on that date, taking into account the premium class and any extra premium, exclusion or restriction applicable to the covered Insureds. The premium for these new Riders will also be based on the sex and the Attained Age of the Insured, except for the disability benefit Riders, where the Age at the Date of Issue of the current Policy will be maintained.

Satisfactory proof of insurability will be required for the addition of any Rider to the Term Exchange Policy and will be subject to our approval.

If the Term Exchange Option is exercised on the entire Sum Insured under the current Policy, it shall terminate the current Policy and any attached Rider, as applicable.

If the Term Exchange Option is exercised on only part of the Sum Insured under the current Policy, you may choose to keep the current Policy in force for the remaining Sum Insured, only if it is not lower than the minimum amount required by us for the current Policy and if indicated clearly in your application for term exchange. Both the current Policy (remaining in force) and the Term Exchange Policy (resulting from exercising the Term Exchange Option) must meet the current minimum requirements required by us.

SPECIMEN

G - PROVISIONS GOVERNING AUTOMATIC RENEWAL

The Policy is issued for the duration of the initial term indicated in the Policy Specifications and may be renewed for additional periods of one (1) year. However, the expiry date of the Policy may not exceed the Policy Anniversary nearest the ninetieth (90th) birthday of the Insured, or of the oldest Insured in the case of a Joint Policy, regardless of the date of the latest renewal.

Renewals for the initial Sum Insured are automatic, provided the contract is in force and the first (1st) premium for the new additional period is paid within thirty-one (31) days following the end of the previous term.

The renewal premium rates are guaranteed. The renewal premium is found at the Renewal Premium Table of your contract.

Annual Policy fees apply to renewal premiums.

G-1. ATTACHED RIDERS

Any Rider attached to the Policy will be automatically renewed upon automatic renewal of the Policy. Premiums and expiry dates for these Riders will be maintained.

H - PROVISIONS GOVERNING THE INSURABILITY BENEFIT

This provision does not apply if the Insured has already exercised the Term Exchange Option.

H-1. BENEFIT

The Owner may, by making one or more requests as set out herein before the Anniversary Date nearest the Insured's sixtieth (60th) birthday, obtain additional coverage of up to twenty-five percent (25%) of the Sum Insured, up to an aggregate maximum of one hundred twenty-five thousand dollars (\$125,000), without evidence of insurability. The aggregate additional coverage obtained under this Policy and any other policy or rider issued by Assumption Life may not exceed the limit set out above per insured.

If this Policy is a Joint Policy and the Owner elects to obtain individual riders pursuant to this benefit, the additional coverage may not exceed \$62,500 per Insured in the aggregate.

The new additional coverage (the "Additional Coverage") resulting from the exercise of the Insurability Benefit is subject to the following conditions and limitations:

- (a) the amount of life insurance under the Additional Coverage is not lower than the minimum amount required by us for the Additional Coverage;
- (b) the premium of the Additional Coverage is based on the term chosen and the sex and the Age of the Insured as of the Date of Issue of the Additional Coverage, in accordance with the premium rate in force on such Date of Issue;
- (c) the premium class, smoker or non-smoker, of the current Policy applies to the Additional Coverage, if this premium class is available at that time;
- (d) if the Insured is subject to an extra premium on the current Policy, an equivalent increase in premiums applies to the Additional Coverage;
- (e) if there is an exclusion Rider on the Insured under the current Policy, a similar exclusion Rider applies to the Additional Coverage;
- (f) the Additional Coverage does not include a Term Exchange Option, an Insurability Benefit or an Extreme Disability Benefit; and
- (g) the Additional Coverage's renewal shall coincide with the Policy's renewal.

H-2. ENTITLEMENT TO BENEFIT

To be entitled to the Insurability Benefit, the Insured cannot be disabled, as determined by us, and we must receive the request within sixty (60) days of one of the following events:

- (a) the issuance of a new loan to the Owner,
- (b) the increase of the sum borrowed under a current loan,
- (c) the marriage of the Insured,
- (d) the divorce of the Insured,
- (e) the adoption or birth of a child of the Insured, or
- (f) the Insured's obtainment of a bachelor's degree, a master's degree or a doctorate.

The request must include a properly completed application and a copy of relevant documents acceptable to us. We reserve the right to request additional information.

I - PROVISIONS GOVERNING THE EXTREME DISABILITY BENEFIT

This provision does not apply if the Insured has already exercised the Term Exchange Option.

I-1. BENEFIT

The Owner may, by making a request as set out herein before the Anniversary Date nearest the Insured's sixtieth (60th) birthday, obtain an Extreme Disability Benefit equal to fifty percent (50%) of the Sum Insured, up to a maximum of two hundred and fifty thousand dollars (\$250,000), if the Insured is in a state of Extreme Disability, as determined by a Physician, and this benefit was in force at the onset of the Extreme Disability.

Any Amount Due on the date of disbursement of this benefit will be deducted from the amount payable.

The Sum Insured will be reduced by the amount paid under this benefit.

Even if the Sum Insured is reduced following payment of this Extreme Disability Benefit, the Policy's premium remains calculated on the initial Sum Insured and is payable in the same manner and frequency.

I-2. ENTITLEMENT TO BENEFIT

This benefit may be paid after the Insured has been in a state of Extreme Disability for a period of six (6) consecutive months from the onset of Extreme Disability. This benefit may only be paid once and once paid, no further amount will be payable under this benefit.

We must receive a written notice of claim within one (1) year after the onset of the Extreme Disability.

No Extreme Disability Benefit will be paid unless we receive written proof of the Insured's Extreme Disability. Written proof includes a properly completed claim form and a Physician's statement satisfactory to us. We reserve the right to request additional medical information from any Physician or institution that may have provided treatment to the Insured. We may require, at our own expense, an additional examination by a Physician of our choice. If there is a discrepancy between medical opinions, the opinion of our Physician will prevail. In the event of refusal or failure to provide the proofs requested, we will not be bound to pay any amount claimed for this benefit.

I-3. EXCLUSIONS

No Extreme Disability Benefit will be paid if the Insured's Extreme Disability results directly or indirectly from any of the following, whether or not the Insured or the Owner, as applicable, is of Sound Mind at the time:

- (a) a self-inflicted injury;
- (b) an attempted suicide;
- (c) the commission or attempted commission of a criminal act by the Insured; or
- (d) the Owner's intentional acts.

J - POLICY TERMINATION

The Policy terminates on the earliest of:

- (a) the death of the Insured or the death of the first (1st) Insured to die, in the case of a Joint Policy;
- (b) the end of the grace period, if any premium due under the contract remains unpaid;
- (c) the date we receive your written notice requesting the termination of the Policy or the date of termination requested in your notice, should this date be later;
- (d) the Policy Anniversary nearest the ninetieth (90th) birthday of the Insured or the oldest Insured, in the case of a Joint Policy, regardless of the last renewal date;
- (e) the expiry date of the Policy as indicated in the Policy Specifications, subject to section "Provisions Governing Automatic Renewal" of the Policy;
- (f) the date the Conversion Privilege is exercised on the entire Sum Insured; or
- (g) the date the Term Exchange Option is exercised on the entire Sum Insured.

Notwithstanding the preceding, on the death of an Insured under the Policy, if a life insurance Rider is an integral part of the Policy and the Insured under the Rider is not the same person as the Insured under the Policy, the contract remains in force for the Insured under the life insurance Rider.