

Guaranteed Issue Whole Life Sample Contract

General Provisions

The contract takes effect on the Policy Date shown in the Benefit and Premium Information Schedule only if the policy has been delivered to the Insured and the first premium has been paid to the Insurer.

1. DEFINITIONS - The following definitions apply to this policy:

- "We", "Us" and "Ours" means FORESTERS LIFE INSURANCE COMPANY,
- "You" and "Your" means the owner of this policy named in the Benefit and Premium Information Schedule of this policy.
- "Life Insured" means the person whose life is insured. The proposed Life Insured referred to in the application becomes the Life Insured in the Policy. If more than one Life Insured is contemplated in the contract, the plural is intended, as applicable.
- "Policy Date" means the date stated on the Benefit and Premium Information Schedule from which policy anniversaries, policy years, policy months and premium due dates are determined.
- "Policy Anniversary" means the same day and month as the Policy Date for each succeeding year that the policy remains in force.
- "Expiry Date" means the date the Policy terminates, unless renewed in accordance with the renewal provision, if any.
- "Age" means the Life Insured's age on the birthday nearest the Policy Date.
- "Written Request" means a request signed by you and filed at our office in Mississauga, Ontario in a written form which is satisfactory to us.
- "Indebtedness" means unpaid policy loans and unpaid loan interest.
- "In Force" means the Life Insured remains insured under the terms of this policy.
- "Beneficiary" means the person or entity entitled to receive the proceeds of the policy in the event of the life Insured's death.
- "Proceeds" means the amount payable under the terms of this policy when it is surrendered, matures or when the Life Insured dies.
- "Issue Date" means that date which is the later of:
 - a. The date shown in the Benefit and Premium Information Schedule as the Policy Date; and
 - b. The date upon which the first premium is received at our office; and
 - c. The date upon which all amendments, signed by the owner and required by us to issue the policy, are received by us at our office.
- There are additional definitions provided in the provisions of this policy and the amendments and riders to it.

2. THE CONTRACT - The contract includes (a) the applications, together with all other documents authorized by the Life Insured and submitted as evidence of insurability to us; (b) the policy; (c) any documents attached to this policy on the Issue Date and, (d) any amendments agreed to by us in writing.

Only our President or Vice-President together with our Secretary or Actuary have the authority to waive or agree to change any of the conditions or provisions of the policy, and then only in writing. We will not be bound by any promise or representation heretofore or hereafter made by or to any agent or person other than as specified above.

3. OWNERSHIP - You, as the owner of this policy, may exercise all the rights and options that the policy provides, while the Life Insured is living, subject to the rights of any irrevocable beneficiary. If you are not the Life Insured and you die before the Life Insured, your estate will become the owner, unless you have made a written request naming a contingent owner. You may name a new owner or contingent owner at any time while the Life Insured is living, by filing a written request with us. Your written request will not be effective until it has been recorded at our office. Once recorded, the change will be effective as of the date you signed the request, whether or not you or the Life Insured is alive when we record the change. However, the change will be subject to any payments made or other action taken by us before your request was recorded at our office.

4. ASSIGNMENT - You can assign the policy. An assignment does not bind us until we receive written notice of it at our office. We are not responsible for its validity. The assignment should be filed with us in duplicate, and we will return a copy to you.

5. BENEFICIARY - The beneficiary is named in the application and will receive the death proceeds unless you name a new beneficiary. In that event, we will pay the death proceeds to the beneficiary named in your last Change of Beneficiary request. You may name a new beneficiary by filing a Change of Beneficiary request with us. The written consent of any irrevocable beneficiary will be required. Your Change of Beneficiary request will not be effective until recorded by us at our office. Once recorded, the change will be effective as of the date you signed the request, whether or not you or the Life Insured is alive when we record the change. However, the change will be subject to any payments made or other action taken by us before your request was recorded at our office. If there is no beneficiary living when the Life Insured dies, you or your estate shall be deemed to be the beneficiary.

Guaranteed Issue Whole Life Sample Contract

6. **MISSTATEMENT OF AGE** - If the date of birth of the Life Insured has been misstated, any amount payable shall be increased or decreased at any time to the amount that would have been provided by the premium paid, as determined by us, using the correct age.
7. **SELF DESTRUCTION** - If the Life Insured dies by his or her own act, while sane or insane, within two years from the Issue Date or any reinstatement date, then our liability will be limited to the amount of premiums paid, without interest, less any indebtedness and any other amounts paid by us.
8. **CONTESTABILITY** - We may contest the contract if any statement or answer on the application misrepresents or fails to disclose any fact material to the insurance. Except for fraud, the Company shall not for the above reasons contest the contract after it has been in force during the lifetime of the Life Insured for two years from the date it takes effect.
9. **PREMIUMS** - The first premium is due on the Policy Date. Future premium due dates are determined by the frequency of payment you selected in the application. The amount of premiums, their due dates and the period of years for which they are payable are shown in the Benefit and Premium Information Schedule. You may change the frequency of premium payment on any premium due date with our consent. We will accept premium payments on an annual basis, semi-annual basis or monthly by pre-authorized cheque. The premium for any frequency will be based on our rates in effect at the time of change. A written request for change in premium frequency must be made to us. Each premium must be paid on, or before, its due date or within the grace period.
10. **GRACE PERIOD** - We will allow a period of 31 days after the premium due date for payment of each premium after the first. This is the grace period. If the Life Insured dies during the grace period, before the premium is paid, we will deduct the outstanding premium from the death proceeds of this policy. If any premium is not paid on or before its due date, that premium is in default. If that premium is still unpaid at the expiration of the grace period, this policy automatically terminates, except as otherwise provided.
11. **REINSTATEMENT** - Unless surrendered for its cash value, this policy may be reinstated within two years of lapse. Reinstatement requires: (a) A written application; and (b) Evidence which satisfies us of (i) the good health and (ii) other aspects of the insurability of the Life Insured; and (c) Payment of overdue premiums with interest at such rates determined by us or prescribed by law.
12. **EVIDENCE ON DEATH** - The proceeds payable on the death of the Life Insured will be paid by us when we receive evidence which we consider sufficient to establish:
 - a. the cause and circumstances of the death;
 - b. the age of the Life Insured;
 - c. the right of the claimant to be paid.
13. **INDEBTEDNESS** - Indebtedness will be deducted in any settlement under this policy.
14. **CURRENCY** - All payments to or by us will be in Canadian dollars.
15. **PARTICIPATING** - Your policy is issued at guaranteed participating rates and is therefore entitled to share in any distribution of surplus in accordance with the Dividend Provision.
16. **LAPSE** - Your policy will lapse and the liability of the Insurer will cease at the end of the days of grace of an unpaid premium, except as provided in the Automatic Premium Loan Provision.

Guaranteed Issue Whole Life Sample Contract

Benefits

DEATH BENEFIT - In the event of the death of the Life Insured within the first two policy years the Company will refund all premiums paid, less any indebtedness, accumulated with interest at a rate of 3%.

In the event of the death of the Life Insured after two full policy years the benefit will be the sum of the Initial Face Amount stated on the Benefit and Information Premium Schedule and any additional paid-up insurance purchased by dividends, as described in the Dividend Provision, less any indebtedness.

ACCIDENTAL DEATH BENEFIT - The Company will pay an Accidental Death Benefit when sufficient evidence is received that the Life Insured's death resulted directly, and independently of all other causes, from bodily injury caused solely through external, violent and accidental means. Death must occur within 90 days after such injury and before termination of coverage. The amount of the Accidental Death Benefit is the Initial Face Amount of this policy as shown on the Benefit and Information Premium Schedule. If this benefit is paid during the first two policy years, it will be paid instead of the refund of premium. After the first two policy years this benefit is paid in addition to the Death Benefit.

This benefit is only payable for accidental death prior to the Life Insured's attaining age 70. After age 70 no Accidental Death Benefit is payable.

EXCEPTIONS - The Accidental Death Benefit will not be paid if death results directly or indirectly from any of the following:

- a. Suicide, whether sane or insane.
- b. Committing or attempting to commit assault or criminal offence.
- c. Service in the naval, military or air force of any country in a state of war, whether war be declared or not.
- d. Riot, civil commotion, insurrection, war, or hostilities of any kind, or any act incident thereto.
- e. Participating in any maneuvers or training exercises in the Armed Forces of any country or international authority.
- f. Participating in motorized racing or any speed contest.
- g. Travel in any kind of aircraft, or descent therefrom, other than as a civilian passenger for the purpose of transport from one place to another.
- h. Bodily or mental infirmity or illness or disease of any kind.
- i. Any drug, poison, gas or fumes, voluntarily or otherwise taken, administered, absorbed or inhaled, other than as a hazard incident to the Life Insured's occupation.
- j. Poisoning or infection, other than infections occurring simultaneously with and in consequence of an accidental cut or wound.
- k. Injuries of which there is no visible contusion or wound on the exterior of the body, drowning and internal injuries revealed by autopsy excepted.

The Company shall, before payment, have the right and opportunity to examine the body and to effect an autopsy to be performed.

Guaranteed Issue Whole Life Sample Contract

Guaranteed Value Provisions

1. **CASH VALUE** - This policy provides a cash value as specified in the Table of Guaranteed Values in this policy. This cash value is dependent on the Issue Age and the number of completed policy years.
2. **USE OF CASH VALUE** - You may apply the cash value to one of the following options:
 - a. **POLICY SURRENDER** - This policy may be surrendered for its Surrender Value by completion of a form satisfactory to us. This request, together with the policy, must be submitted to us. The Surrender Value is equal to the cash value less any indebtedness. Upon surrender, the policy terminates. We may postpone payment for not more than ninety days after receipt of request to surrender.
 - b. **PAID UP INSURANCE** - This policy provides a paid-up value as specified in the Table of Guaranteed Values. At your request, this policy may be continued as paid-up insurance as of the due date of any unpaid premium after that time. Paid-up values are shown in the Table of Guaranteed Values. The face amount of the paid-up policy will be equal to the paid-up value, or if there is indebtedness against the policy, decreased in the ratio of the Surrender Value to the cash value.

Loan Provisions

1. **POLICY LOAN** - You may borrow against this policy an amount not exceeding the Amount of Loan available.
 - a. **LOAN VALUE** - The Loan Value of this policy is the Cash Value of this policy calculated as of the next anniversary.
 - b. **AMOUNT OF LOAN AVAILABLE** - This will be the Loan Value less any due and unpaid premiums, any existing policy loan, and any loan interest to the next policy anniversary.
 - c. **APPLICATION FOR LOAN** - You may obtain all or part of the Amount of Loan Available by completion of a form satisfactory to us. We may postpone payment for not more than ninety days after receipt of a request for a policy loan.
 - d. **LOAN INTEREST** - Interest is payable at a rate as determined by us, compounded annually. Details of the current rate are available upon request. Unpaid interest will be added to the principal on the Policy Anniversary and will be subject to interest at the same rate.
 - e. **REPAYMENT** - The policy loan, together with accrued interest, may be repaid in full or in part at any time while this policy remains in force.
 - f. **TERMINATION** - This policy will terminate at the end of the first policy month in which the policy loan together with interest due on it exceeds the Loan Value. In no event will this policy terminate until 31 days after Notice of Termination has been mailed to you.
2. **AUTOMATIC PREMIUM LOAN PROVISION** - If on any premium due date there is a Cash Value, and if this policy has not been previously surrendered to the Company, the amount of any premium then due and not paid before the end of the Grace Period, will be advanced automatically by the Insurer as a loan, provided that, following the advance, the indebtedness on the next premium due date would not exceed the Total Cash Value of the policy. If the advance of the full premium would create an indebtedness on the next premium due date, then only a proportion of the premium will be advanced as a loan, and the policy will be continued in force for the same proportion of the premium period. This proportion will be determined by the Insurer, but if on any date the total indebtedness exceeds the Total Cash Value, this will be sufficient to terminate the contract.

Any amount advanced in accordance with the provision will be charged as indebtedness from the due date of the unpaid premium.

Premium payments may be resumed at any time before the policy terminates by payment of the amount of the premiums charged as indebtedness against the policy. Interest will be charged at a rate determined by the Insurer.

Guaranteed Issue Whole Life Sample Contract

Settlement Options

1. **SETTLEMENT OPTIONS** - Benefits payable on the death of the Life Insured, or to you upon policy surrender, may be paid in cash, used to provide an annuity, or settled on any other agreed basis. Details of the options and the conditions under which Settlement Options are available will be provided on request.

Dividends

DIVIDENDS - At the end of the first and each subsequent Policy Year, this Policy while in force, will be credited with such dividends as may be apportioned by the Directors of the Company under the rules and regulations then in force. Dividends, shall on the anniversary of the Policy Year Date be applied to purchase additional paid-up insurance.

Sample