



Your insurance policy

Policy on the life of

RBC Life Insurance Company agrees to pay benefits in accordance with the terms and conditions of this policy for losses occurring while this policy is in force.

Rino D'Onofrio
President and Chief Executive Officer

John Carinci
VP & Head, Operations & Client Experience

Dated at the company's office in Mississauga, Ontario on

You have a right to examine this policy for 30 days

As the policy owner, you are allowed 30 days from the date you receive this policy to examine its provisions and to return it to an office of RBC Life Insurance Company if you do not find it satisfactory. If you return it to us within this thirty day period, the policy will be deemed never to have been issued from the policy date and any premium paid will be refunded to you.

This policy contains a provision removing or restricting the right of the insured to designate persons to whom or for whose benefit insurance money is to be payable.

Please see the "Provincial amendments" section of your policy contract to determine when this statement applies.

We want to help you make the most of your insurance plan

If you have any questions about your insurance coverage or you require our assistance, you can:

Contact your insurance advisor

Call us toll free at 1-800-461-1413

Write to us at RBC Life Insurance Company

P.O. Box 515, Station A, Mississauga, ON L5A 4M3

Visit us at www.rbcinsurance.com

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Specimen

A Terms used in this Policy

We, us, our and **The Company** mean RBC Life Insurance Company.

You and **your** means the Policy Owner named in the Policy Schedule.

Accident means a sudden, involuntary and unforeseen event resulting from a violent external cause.

Administrative rules means the rules and procedures we establish to facilitate the administration of this Policy. We may amend our administrative rules from time to time. Any changes we make to our administrative rules will not alter any guarantee or benefit provided by this Policy.

Beneficiary means the person or entity entitled to receive the Death Benefit when the Life Insured dies.

Class means a grouping of individuals satisfying underwriting criteria related to specified aspects of tobacco usage. Based on these criteria, a Life Insured can be classified as either a Smoker or a Non-Smoker. We determine the Class applicable to the Life Insured and use it to establish his or her Premium. It is specified in the Policy Schedule.

Coverage means insurance on the life of a single person under this Policy. **Additional Coverage** means any requested increase to the initial Death Benefit of this Policy that is approved after the Policy is issued, as described in provision **C 4.1**.

Coverage Date means the first date Coverage is in force, as described in provision **B 1**.

Death Benefit means the amount payable to the Beneficiary when the Life Insured dies, as described in provision **C 1**.

In Force means insurance under this Policy is in effect. This Policy must be In Force for any benefits or privileges to be provided. This Policy will stay In Force until the earliest of the dates listed in provision **B 3**.

Injury means bodily harm, loss or damage sustained as a direct result of an Accident while this Policy is In Force.

Life Insured means a person whose life is insured under this Policy. The Life Insured is named in the Policy Schedule.

Monthly Processing Day means the same day of the month as the Policy Date.

Physician means an individual who is legally licensed to practice medicine or surgery in Canada or the United States, or other jurisdiction as we may approve and who is acting within the scope of his or her license. Physician is not you, the Life Insured or a relative or business associate of you or the Life Insured.

Policy means the written contract between you and us that describes the insurance coverage on the Life Insured.

Policy Anniversary means the same day and month as the Policy Date in each subsequent calendar year that this Policy remains In Force.

Policy Date means the date from which Policy Anniversaries, Policy years, months, and premium due dates are determined. It is specified in the Policy Schedule.

Premium means the amount you pay to us in consideration for the insurance provided under this Policy. It is specified in the Policy Schedule, and is guaranteed unless you request a material change to your Policy.

Written request or **written notice** means a request or notice signed by you and received by us, in a form that is satisfactory to us. A written request is not effective until we have recorded it at our office. Any Policy change you request is subject to any payments made or other action taken by us before your request was recorded at our office.

B When this Policy is In Force

B 1 When your insurance begins

Your insurance under this Policy begins on the In Force date which is the latest of:

- a) The Policy Date;
- b) The date your first Premium is received at our office. If your first Premium is not honoured, this Policy will not take effect;
- c) The date you receive this contract or, if you reside in Quebec, the date we approve your application.

B 2 When your insurance matures

If this Policy is still In Force at the Policy Anniversary following the Life Insured's 95th birthday, Premium payments will no longer be required, however; insurance coverage will continue. The Death Benefit will be held without interest until it becomes payable. The date of your last scheduled Premium payment is specified in the Policy Schedule.

B 3 When your insurance ends

Insurance under this Policy ends on the earliest of the following dates:

- a) The date the Life Insured dies;
- b) The effective date of your cancellation, as described in provision **E 5**;
- c) The date we terminate this Policy under the terms of provision **E 6**; and
- d) At the end of the grace period if your Premium is still unpaid, as described in provision **D 2**.

Specimen

C Benefits provided by this Policy

C 1 The Death Benefit

Upon the death of the Life Insured on or after the second Policy Anniversary, the Death Benefit specified in the Policy Schedule is payable to the Beneficiary subject to the terms and provisions of this Policy.

Should the Life Insured die prior to the second Policy Anniversary, the Death Benefit payable to the Beneficiary will be limited to the sum of any Premium payments you have made to us, without interest, unless the Life Insured dies from injuries caused solely by an Accident before his or her eighty-fifth (85th) birthday. In that event, we will pay the Accidental Death Benefit as described in provision **C 2**.

C 2 The Accidental Death Benefit

We will pay the Accidental Death Benefit to the Beneficiary, instead of the Death Benefit described in provision C 1, if the Life Insured dies from injuries caused solely by an Accident before his or her eighty-fifth (85th) birthday and the death occurs within ninety (90) days of the Accident. The Accidental Death Benefit is the amount of the Death Benefit specified in the Policy Schedule multiplied by five (5). For example, if the Death Benefit is \$20,000, then the Accidental Death Benefit is \$100,000. The maximum Accidental Death Benefit is \$200,000.

If the Life Insured dies after his or her eighty-fifth (85th) birthday, only the Death Benefit described in provision C 1 is payable.

C 3 Compassionate Advance

While this Policy is In Force, you may request a one-time advance payment of a portion of the Death Benefit, on compassionate grounds when the Life Insured is terminally ill. The payment of this Compassionate Advance is subject to our administrative rules in effect at the time of your request and to the following conditions:

1. The Life Insured must be determined by a Physician to have a life expectancy of twelve (12) months or less, and we must validate the Physician's prognosis.
2. The Compassionate Advance is not payable until after the second (2nd) Policy Anniversary or, if this Policy has been reinstated, until two (2) years have elapsed from the date of the last reinstatement.
3. The Compassionate Advance is payable to you, the Policy Owner. Any irrevocable Beneficiary under this Policy must consent to the payment of the Compassionate Advance. If this Policy has been assigned as collateral, the assignee must consent to the payment of the Compassionate Advance.
4. The amount of the Compassionate Advance will be fifty percent (50%) of the Death Benefit described in provision **C 1**.
5. We will reduce the amount of any Death Benefit or Accidental Death Benefit payable under the terms of this Policy by the amount of the Compassionate Advance plus interest, compounded at a rate we will determine in accordance with our administrative rules.
6. When you claim the Compassionate Advance, you agree to the following conditions and limitations on your rights as a Policy Owner:
 - a) You may not cancel this Policy;
 - b) You must continue to pay all premiums due and take reasonable steps to keep this Policy In Force until the death of the Life Insured;
 - c) You may not collaterally assign or change the ownership of this Policy without our written consent; and
 - d) You may not change the Death Benefit as described in provision **C 4**.

C Benefits provided by this Policy

C 4 Changing your Death Benefit

C 4.1 Increasing your Death Benefit

You may apply for an increase to your Death Benefit at any time, subject to our administrative rules at the time of the request and the following conditions:

1. The minimum increase allowed is \$5,000, and you must submit evidence of eligibility, satisfactory to us, for each increase.
2. Each increase will consist of an Additional Coverage with its own Coverage Date. The premium rates applicable to the Additional Coverage will be based on the following:
 - a) The amount of Additional Coverage; and
 - b) The premium rates we offer for this insurance plan at the time of the increase; and
 - c) The last attained age of the Life Insured at the time of the increase; and
 - d) The Class applicable to the Life Insured at the time you applied for the increase.
3. The Additional Coverage will be effective on the Monthly Processing Day on or following the date we have approved your application for an increase, and we will adjust your Premiums effective on that day. This date will be the Coverage Date for the Additional Coverage.
4. If the Life Insured dies within two years of the Coverage Date for the Additional Coverage, the Death Benefit for the Additional Coverage will be limited to the sum of any Premium payments made, without interest, for the Additional Coverage unless the Life Insured dies from injuries caused solely by an Accident before his or her eighty-fifth (85th) birthday. In that event, we will pay the Accidental Death Benefit as described in provision **C 2**.
5. The period within which we may contest the validity of the Policy, as described in provision **E6**, and the suicide exclusion, as described in provision **C7**, will apply to the Additional Coverage from its Coverage Date.
6. The sum of the Death Benefits for all Coverage and Additional Coverage under the Policy cannot exceed the maximum Death Benefit available under this plan at the time of the increase.

C 4.2 Reducing your Death Benefit

You may request that we reduce the Death Benefit at any time, subject to our administrative rules at the time of the request and the following conditions:

1. All Premiums are paid to the effective date of the reduction.
2. The reduced Death Benefit will be effective on the Monthly Processing Day following the date we have received your Written request. We will adjust your Premiums effective on that day.
3. The minimum decrease allowed is \$1,000 and the remaining Death Benefit must not be less than the minimum specified in our administrative rules at the time of the request.
4. If we have previously approved any Additional Coverage as described in provision **C 4.1**, we will reduce your Death Benefit sequentially starting with the most recently added Coverage.

C Benefits provided by this Policy

C 5 When we will pay the Death Benefit

We will pay the Death Benefit to the Beneficiary upon the death of the Life Insured, subject to the terms and conditions of this Policy, only after we receive any information we might reasonably request to evaluate the claim and evidence we consider sufficient to establish:

- a) That the Life Insured died while this Policy was In Force;
- b) The cause and circumstances of the death;
- c) The age of the Life Insured;
- d) The smoking habit of the Life Insured on the Policy Date; and
- e) The right of the claimant to be paid.

C 6 When we will adjust the Death Benefit or the Accidental Death Benefit

If a Premium is due at the time of death, we will deduct it from the Death Benefit or the Accidental Death Benefit.

If a Compassionate Advance has been paid, the Death Benefit or Accidental Death Benefit will be reduced as described in provision **C 3**.

If the Life Insured dies prior to the second (2nd) Policy Anniversary, the Death Benefit will be limited to the sum of Premiums paid, as described in provision **C 1**, unless the Life Insured dies from injuries caused solely by an Accident before his or her eighty-fifth (85th) birthday.

If the date of birth or sex of the Life Insured has been stated incorrectly, we reserve the right to increase or decrease any Death Benefit payable to the amount that would have been provided by the Premium paid using the correct age or sex. We will calculate the correct amount payable at any time after the misstatement of age or sex is discovered.

C 7 When we will not pay a Death Benefit

We will not pay the Death Benefit if the Life Insured commits suicide, while sane or insane, within two (2) years from the Policy Date or any reinstatement date. We will refund the Premiums paid for this Policy, from the later of the Policy Date or the date of the last reinstatement, without interest, to you or your estate.

We will not pay the Death Benefit if this Policy is declared void due to a material omission, misrepresentation or fraud, as described in provision **E 6**.

We will not pay the Accidental Death Benefit if the death of the Life Insured results, either directly or indirectly, from any of the following:

- a) Natural causes, illness or disease of any kind, regardless of how acquired, or bodily or mental infirmity, or medical or surgical treatment;
- b) Suicide or intentionally self-inflicting injuries whether sane or insane;
- c) The commission or attempted commission by the Life Insured of a criminal offence, whether charged or not, or provocation of an assault;
- d) Any event, illness or treatment related to the excessive use of alcohol, or related to the operation of heavy machinery, motor vehicle or other conveyance while under the influence of a concentration exceeding 80 milligrams of alcohol per 100 millilitres of blood;
- e) Any event, illness or treatment related to the chronic use of alcohol;
- f) Any event, illness or treatment related to the voluntary ingestion of illegal drugs, to the misuse of prescribed or non-prescribed medication, or to the use, inhalation or ingestion of an illicit substance;
- g) Poisoning in any form, or inhalation of gas or fumes, whether voluntary or involuntary;
- h) Injuries where there is no visible contusion or wound on the exterior of the body, except in the case of drowning or internal injuries revealed by an autopsy;
- i) Travel in an aircraft other than as a fare-paying passenger or an aircraft operated by a commercial airline on a regularly scheduled flight. Descent from an aircraft in flight will be deemed to be part of such flight; or
- j) Riot, insurrection or war, whether declared or not; service as a combatant or non-combatant in the military, naval or air force of any country.

D Paying your Premiums

D 1 When your Premiums must be paid

The first Premium is due on the Policy Date. If we do not receive your first Premium, or if your first Premium is not honoured, this Policy will not take effect.

Future premium due dates are determined by the payment frequency you requested in your application. Each Premium must be paid on, or before, its due date. The amount of your Premiums is specified in the Policy Schedule.

You may change the frequency of your premium payments on any premium due date by written request and with our consent. We will accept Premium payments annually, or monthly by payment methods we make available at our discretion.

D 2 The grace period for paying your Premiums

Except for your first Premium payment, we allow you a grace period of thirty-one (31) days after the date any Premium is due to make your payment.

If you do not pay your Premium by the end of the grace period, this Policy automatically terminates.

If the Life Insured dies during the grace period, before the Premium is paid, we will deduct the outstanding Premium from the Death Benefit.

D 3 Reinstating your Policy after it has ended due to non-payment of Premium

A Policy that has been cancelled cannot be reinstated. If this Policy terminates due to non-payment of Premium, it may be reinstated subject to the following conditions:

1. You must make a written request for reinstatement, and submit it to our office within two (2) years after the end of the grace period and prior to the Life Insured's eightieth (80th) birthday.
2. You must pay each unpaid Premium from the due date of the first unpaid Premium to the reinstatement date, with interest compounded at a rate we will determine in accordance with our administrative rules.
3. The Death Benefit will be in the same amount as it was on the date your Policy terminated.
4. If this Policy is reinstated, the period within which we may contest the validity of this Policy, as described in provision **C7**, and the suicide exclusion, as described in provision **E6**, begin anew from the date of reinstatement. The Compassionate Advance, as described in provision **C3**, is not payable until two (2) years have elapsed from the date of the last reinstatement.

D 4 The smoking status of the Life Insured

The smoking status of the Life Insured is based on the information provided to us at the time of the application for life insurance.

You may submit a written request to change the smoking status of the Life Insured. If we approve the change, it will take effect on the Monthly Processing Day following the date we have approved your request. We will approve this request subject to our administrative rules and the following conditions:

1. We offer Non-Smoker premium rates at the time of your request.
2. You submit evidence we consider satisfactory as to the smoking habit of the Life Insured, including our then current Smoking Questionnaire. The Life Insured must meet our definition of a Non-Smoker at the time of the request.

E Information about this Policy

E 1 This Policy is a contract between you and RBC Life Insurance Company

This is a life insurance Policy within the meaning of the relevant provincial legislation in Canada, and forms the entire contract between you and us. It includes:

- a) This Policy;
- b) Your completed application (or acceptance form, as the case may be) for insurance;
- c) Any application we approve for Additional Coverage; and
- d) Any application we approve for reinstatement; and
- e) Any other documents we attach to this Policy.

Any statement that is not part of this Policy does not bind us, and no agent or person other than an officer of RBC Life Insurance Company can modify this Policy. Any such modification must be clearly expressed in writing and signed by two of our officers.

If for any reason we fail to enforce a Policy provision at the relevant date, we reserve the right to enforce that provision at a later date.

This Policy is non-participating. It does not share in the distribution of our surplus or profits. This Policy does not pay any dividends.

The sum of the Death Benefits for all RBC Guaranteed Acceptance Life Insurance Policies in force on the life of the Life Insured cannot exceed the maximum Death Benefit available under this plan. We will cancel any Coverage in excess of the maximum Death Benefit and refund the Premiums paid in respect of the cancelled Coverage.

E 2 Your rights and privileges as the Policy Owner

As the Owner of this Policy, you may exercise all the rights and privileges the Policy provides while it is In Force. These rights include:

- a) Claiming the Compassionate Advance, as described in provision **C 3**;
- b) Changing your Death Benefit, as described in provision **C 4**;
- c) Changing the frequency of Premium payments, as described in provision **D 1**;
- d) Naming the Beneficiary, as described in provision **E 3**;
- e) Transferring the ownership of this Policy, as described in provision **E 4**; and
- f) Cancelling this Policy, as described in provision **E 5**.

Your rights and privileges may be limited by the terms and provisions of this Policy, by any applicable laws, or by the rights of any assignee or irrevocable Beneficiary.

If you are not a Life Insured and you die while this Policy is In Force, your estate will become the Owner unless you have made a written request naming a contingent Owner. You may name a contingent Owner at any time while this Policy is In Force by filing a written request with us.

E 3 Naming the Beneficiary

We will pay the Death Benefit and any other amounts due to be paid to the Beneficiary named in the Policy Schedule, unless you have named a new Beneficiary. In that event, we will pay the amounts due to the Beneficiary named in your last Change of Beneficiary request.

You may name a new Beneficiary for this Policy by filing a written Change of Beneficiary request with us at any time before the Life Insured dies. The written consent of any irrevocable Beneficiary will be required. Once it is recorded at our office, the change will be effective as of the date you signed the request. A Change of Beneficiary request is not effective until we have recorded it at our office.

If no Beneficiary is living when the Life Insured dies, and the Beneficiary designation then in effect does not state otherwise, any Death Benefit that becomes payable will be paid to you or your estate.

E Information about this Policy

E 4 Transferring Ownership of this Policy

You can transfer Ownership of this Policy to another person or entity, subject to our approval and to legislation in effect at that time. This is known as an absolute assignment. If you have named an irrevocable Beneficiary, you will need his or her written consent to transfer Ownership of this Policy. We are not bound by an assignment until we receive written notice of it at our office, and we are not responsible for its effect or validity.

You may name a new Owner at any time while this Policy is In Force by filing a written request with us. Once it is approved and recorded at our office, the change will be effective on that date whether or not you or the Life Insured are alive when we record the change.

E 5 Cancelling this Policy

You may cancel this Policy at any time by written request unless a Compassionate Advance has been paid. If your last monthly Premium was paid by its due date, the effective date of your cancellation will be the Monthly Processing Day following the date we receive your request to cancel. If your last monthly Premium was not paid by its due date and remains outstanding, the effective date of your cancellation will be the date we receive your written request to cancel.

If your Premium payment frequency is annual, the effective date of your cancellation will then be the Monthly Processing Day following the date we receive your request to cancel, and we will refund the unused portion of your annual Premium.

You may not cancel this policy if a Compassionate Advance has been paid.

E 6 When we will contest the validity of this Policy

We have the right to contest the validity of this Policy, or the payment of the Death Benefit or any other Policy benefits, if you or any Life Insured under this Policy have incorrectly stated, misrepresented or failed to disclose a material fact in the application for insurance or in any written or electronic statements or answers provided as evidence of insurability.

Except in the case of fraud, we will not contest this Policy for misrepresentation after it has been In Force for two (2) years during the lifetime of the Life Insured, from the later of the Policy Date or the last date of reinstatement. If the Life Insured dies during this two (2) year period, we can contest at any time.

When there is an indication of fraud, we can declare this Policy void at any time. Fraud includes but is not limited to a material misrepresentation of the smoking habit of any Life Insured. If the Policy is declared void for fraud, we will not refund Premiums paid.

E 7 Currency

All amounts payable under this Policy, either to us or by us, are payable in Canadian dollars.

Provincial amendments

This policy contract is amended by adding the following provisions:

Limitation of Actions:

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act (for actions or proceedings governed by the laws of Alberta and British Columbia), The Insurance Act (for actions or proceedings governed by the laws of Manitoba), the *Limitations Act*, 2002 (for actions or proceedings governed by the laws of Ontario), or in other applicable legislation in your province of residence. For those actions or proceedings governed by the laws of Quebec, the prescriptive period is set out in the Quebec Civil Code.

Beneficiary restrictions:

Your policy contains a provision restricting or removing your right to designate a beneficiary to receive any insurance money payable under the contract if,

- this coverage was purchased over the telephone*;
- this coverage was purchased on-line*;
- a Child Term Rider was or will be added to the policy contract;
- this coverage is a Critical Illness policy which contains a Return of Premium rider;
- this coverage is a Disability Buy/Sell Insurance policy;
- this coverage is a Key Person Disability Insurance policy;
- this coverage is a Retirement Protector Insurance policy; or
- this coverage includes a Retirement Protector Rider.

**You can designate a beneficiary or beneficiaries of your choice without restriction once your policy has been delivered to you by completing a Beneficiary Change form.*

Specimen