Genesis-IRIS

LIFE INSURANCE

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Product Guide

iA Financial Group

For exclusive use by the agent

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SUMMARY

COSTS OF INSURANCE GUARANTEED

• YRT	0-85 years
• Level	0-85 years

DEATH BENEFIT (BASIC COVERAGE)

- Face amount + Fund - with or without Wealth Maximizer Option

INVESTMENT ACCOUNTS

Guaranteed Interest Accounts

- 5-year average Account
- Fixed term Accounts (6-month, 1 to 5 and 10-year)

Index Accounts

- Market Index Accounts
- Diversified Strategy Accounts
- Active Management Index Accounts

INTEREST BONUS

Low fees option (no bonus, lower MER)

JOINT INSURANCE (2–5 Life Insureds)

	2 life insureds	3 to 5 life insureds
First-to-die	√	√
Last-to-die	√	√

DISABILITY BENEFIT

Free protection covering up to 100% of the surrender value in the event of a disability

- Automatically included in the contract
- Non-taxable benefit

ADDITIONAL BENEFITS

- T10 and T20 (R&C)
- Critical Illness Coverage
- Single to JLTD Rider

OTHER FEATURES

- No surrender charges
- Available for leveraging
- Single to joint last to die rider
- No minimum premium requirement to keep the policy in force, as long as charges are paid
- Investment Income Tax (IIT) refund
- A number of modification opportunities
- Shuttle fund
- Automatic optimization of the face amount (AOFA)

DESIGNING A GENESIS-IRIS PLAN

1. GENESIS-IRIS UNIVERSAL LIFE COVERAGE

- The insured must purchase GENESIS-IRIS coverage and may purchase riders and additional coverages.
- Some Genesis-IRIS features are only available on the first coverage associated with the principal life insured (see section 1.1 – Coverage types and section 8.2 Face amount plus Fund with Wealth Maximizer).
- The insured can purchase any combination of GENESIS-IRIS coverage, riders and additional coverages.

COVERAGE TYPES	ISSUE AGES	COI OPTIONS	MAX LIVES	MINIMUM FACE AMOUNT
GENESIS-IRIS coverages:				
Individual coverage	0-85	YRT & LCOI	1	
Joint first to die	15-85	YRT & LCOI	5	$100,000 for all
Joint last to die	15-85	YRT & LCOI	5	

1.1. Coverage types

Individual coverage

Insurance coverage issued only for one life; the death benefit is payable at the death of the life insured.

Joint first to die coverage

Insurance coverage issued for two to five lives; the death benefit is payable when the first life insured dies and the coverage terminates.

Joint last to die coverage

Insurance coverage issued for two to five lives; the death benefit is payable when the last life insured dies and the insurance costs continue after the death of all but the last life insured.

The principal life insured

The insured must have at least one GENESIS-IRIS coverage, and may also have any combination of Term 10, Term 20 and Critical Illness coverages. GENESIS-IRIS and term coverages are available to the insured on an individual basis.

Joint life insureds

When the First Genesis Coverage is a Joint coverage on **two life insureds**, the two joint life insureds may have any combination of additional Genesis Coverages, Term 10 Riders and Term 20 Riders, as long as the coverage type is the same and the coverage is on the same two life insureds. They may also have Critical Illness coverages on an individual basis.

When the First Genesis Coverage is a joint coverage on **three or more life insureds**, the joint life insureds may have additional Genesis Coverages as long as the coverage type is the same and the coverage is on all the same life insureds, but no riders or additional coverages are available.

2. GENESIS IRIS – JOINT INSURANCE

2.1 Joint insurance rates

GENESIS-IRIS joint insurance rates are calculated according to the equivalent age.

The equivalent age is calculated in the GENESIS-IRIS software.

Joint term insurance rates are calculated according to the percentage rule. (The individual premiums are totalled, and then a percentage discount is applied according to the premium discount chart.)

Joint insurance T10/T20	RATE DISCOUNT (%)	
Age difference	First to die	Last to die
0 to 10 years	10%	65%
11 years and over	5%	60%

2.1.1 Paid-up coverage – Level COI

- **Joint first-to-die coverage**:
  The coverage is paid-up when the older of the life insureds reaches age 100.
- **Joint last-to-die coverage:**
  The coverage is paid-up when the younger of the life insureds reaches age 100.

2.1.2 Medical requirements

Each life insured is subject to the medical requirements corresponding to his actual age (and not the equivalent age).

2.1.3 Options available following a death - Joint first-to-die coverage only

New coverage option

Within 45 days following the death of one of the life insureds, the surviving life insured(s) under age 70 can request that the Company issue a new coverage as follows:

- A permanent individual coverage, without evidence of insurability, if the joint coverage was on two lives, or
- A permanent joint first to die coverage if the joint coverage was on three lives or more.
- The face amount of the new coverage must not exceed the face amount of the original joint coverage.
- The new coverage is issued based on the attained age(s) of the surviving life insured(s) according to the same conditions and restrictions as the original joint insurance coverage, initial rate category(ies) (non-preferred, Preferred or Elite) and initial smoking status for each life insured.

Extended coverage

In addition, if, within 45 days following the first death, any of the surviving life insureds dies and is under age 70, the Company will pay an additional amount equal to the joint first to die death benefit. This extended coverage is available only if the new coverage option has not been exercised.

2.1.4 Dissolution - Joint first-to-die coverage only

With GENESIS-IRIS, life insureds can convert their joint first-to-die coverage into new life insurance coverages on the life of each life insured in equal parts. Refer to section 11.4.4 for details on this option.

3. GENESIS-IRIS | COST OF INSURANCE OPTIONS

All GENESIS-IRIS cost of insurance options are fully guaranteed. The insured who purchase GENESIS-IRIS coverage can select from the following options:

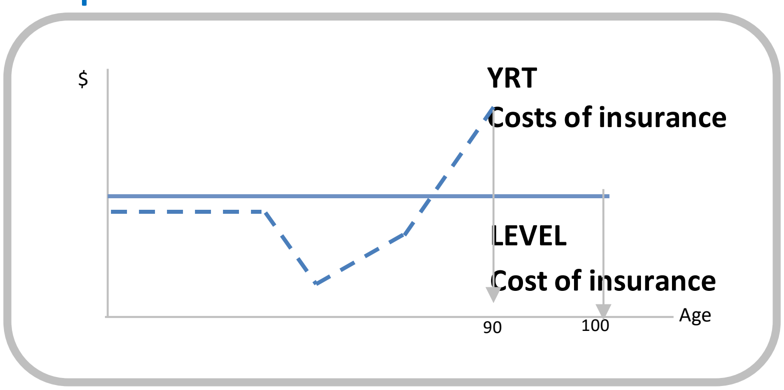
3.1 Yearly renewable term (YRT) costs of insurance

Yearly renewable costs of insurance are based on the life insured's age on each coverage anniversary. This involves insurance costs which generally increase from year to year up to age 90 (minimum of 10 years), after which time the cost is paid-up. These costs are established on the issue date and are guaranteed to age 90, after which time the insurance is paid-up.

3.2 Level cost of insurance

The level cost of insurance option is based on the life insured's age when the coverage is issued; the cost remains the same for the duration of the coverage. The coverage is paid-up at age 100. Since the cost is level for the duration of the insurance coverage, it is higher than YRT costs of insurance in the early years, but lower in later years.

Example - Cost of insurance



4. GENESIS-IRIS – BENEFITS PAYABLE AT DEATH

GENESIS-IRIS offers two death benefit options with respect to the principal life insured's basic coverage. These options are available as individual or joint coverage.

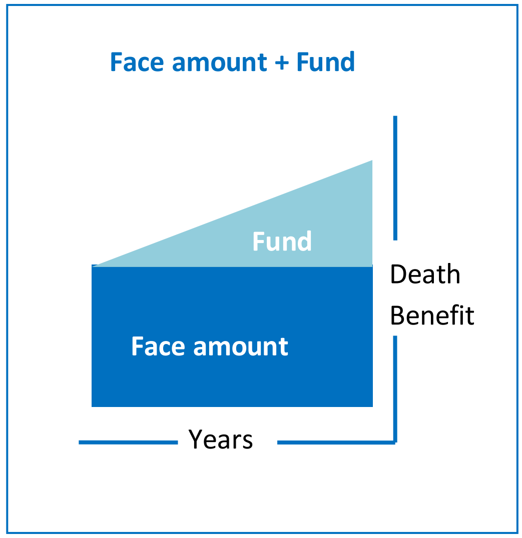
4.1 Face amount + fund

The accumulation fund is added to the face amount. This type of death benefit is available with all Genesis cost of insurance options.

At the death of one of the insureds, the tax-free death benefit is paid as follows:

The face amount is paid to the deceased life insured's beneficiary of the insurance according to the Coverage Type;

The accumulation fund, net of loans and of any amount needed to maintain the contract in-force, is paid to the beneficiary of the funds, according to the designation made.



4.2 Face amount + fund with Wealth Maximizer option

The accumulation fund is added to the face amount which will be minimized later in the contract. This death benefit option is available for YRT cost of insurance only.

This death benefit option uses the Automatic Optimization of the Face amount (AOFA) to maximize growth while minimizing costs. See section 8.1 for more information.

5. GENESIS-IRIS - ACCUMULATION FUND PAYABLE AT DEATH

The owner may designate one or more beneficiaries of the funds to receive a benefit equal to a selected portion of the fund value upon the death of any life insured. This election of the benefit and designation of the beneficiary of the funds must be made prior to the death of the life insured in respect of whom the benefit is payable.

Death benefit is not subject to taxation but reduces the adjusted cost basis (ACB) of the policy.

5.1 Riders and additional coverages

The following riders and additional coverages are available in GENESIS-IRIS.

- Renewable and convertible Term 10 and Term 20 riders
- Option to modify an “Individual coverage” to a “Joint coverage payable on the last death” rider
- Critical Illness coverage (Term 10 and Term 75)

5.2 Term riders

Term 10 and term 20 riders are available in GENESIS-IRIS. The main features of these riders are as follows:

COVERAGE TYPES	ISSUE AGES	MAX LIVES	MINIMUM FACE AMOUNT
Single life	0 – 70	1	
Joint first to die	15-70	2	$100,000 for all
Joint last to die	15-70	2	
Renewable insurance	To age 85*	Renewal premiums are guaranteed and calculated according to the insured’s age at renewal. The premiums are established according to the initial rate category (non-preferred, Preferred or Elite) and according to the initial smoking status.	
Convertible insurance	To age 71		

* For T20 term insurance issued after age 65 up to 70, a full 20 years guaranteed term is offered without any renewal.

5.3 Modification of an individual coverage to a joint last to die coverage – Rider option

For details, see Modifications, Section 11.5.1.

5.4 Critical Illness coverage

Critical Illness is an insurance coverage that guarantees the payment of a lump-sum benefit when one of the illnesses covered is diagnosed. These additional coverages are offered on an individual basis only. Amount insured must be equal to or greater than $10,000.

The options available are:

- **Critical Illness T10 (R&C)**

This is 10-year term coverage that is renewable until age 75 of the life insured, and convertible to T75 or T100. The renewal premiums are guaranteed. The coverage terminates at the earlier of payment of the benefit, the life insured's death or age 75.

- **Critical Illness T75**

This is coverage to age 75 of the life insured. The premiums are guaranteed and level for the duration of the coverage. The insurance terminates at the earlier of payment of the benefit, the life insured's death or at age 75.

- **Critical Illness T100**

This is coverage to age 100 of the life insured. The premiums are guaranteed and level for the premium payment period. The insurance is paid-up at the life insured’s age 100. The insurance terminates at the earlier of payment of the benefit or the life insured's death.

6. TRANSACTION FEES

You can find the transaction fees on the Documentation centre of the Extranet in the Policies and procedures Guide – Administration, Life Insurance.

FUNDING THE GENESIS-IRIS POLICY

7. PREMIUMS & DEDUCTIONS

7.1 Premium payments

Depending on the owner's objective, the owner can elect to cover the monthly deductions, pay the minimum premium*, or deposit any amount up to the maximum premium (an amount established by law that allows the contract to maintain its tax-exempt status.)

Premium payments can be made on an annual basis or on a monthly PAC (Pre-Authorized Cheque) basis. The monthly premium is calculated by dividing the annual premium, including policy fees, by 12.

The owner can also make additional deposits at any time or elect to temporarily cease premium payments if permitted by the value of accumulation fund. Cost of insurance and policy fees are still deducted from the accumulation fund even if the payments are suspended.

7.2 Minimum premium

The total minimum premium of the contract includes:

The sum of the minimum premium and extra premium for:

- each Genesis-IRIS coverage*
- each rider
- premium tax, if any

7.3 Maximum premium

The maximum premium is the highest amount the owner can pay each year into the tax-exempt accumulation fund. This premium takes into account all benefits in effect.

All amounts paid in excess of the maximum premium are accumulated in a shuttle fund. The amount in the shuttle fund will be transferred to the accumulation fund, starting in the second year, when the balance in the accumulation fund is less than the maximum allowed for tax exempt purposes. The amount transferred will bring the accumulation fund balance up to the tax exempt maximum. The annual interest earned in the shuttle fund is taxable income.

7.4 Monthly Deductions

The monthly deductions are taken from the portfolio account of the accumulation fund. The monthly deductions include the following:

- the costs for each GENESIS-IRIS coverage;
- the minimum premium for any riders;
- the minimum premium for any additional benefits;
- any extra premiums.

7.5 Provincial Premium Tax

No premium tax will be applied to premium deposits, unless the tax rate in the province where the owner resides increases after December 31, 2015. In this case, the increase will be applied as a tax on premium.

Example:

At issue the tax rate for the Province of Ontario is 2.00%. Ten years later, if the provincial premium tax rate for Ontario increases to 2.20%, a tax of 0.2% will be applied to all premiums deposited into the policy of an Ontario resident.

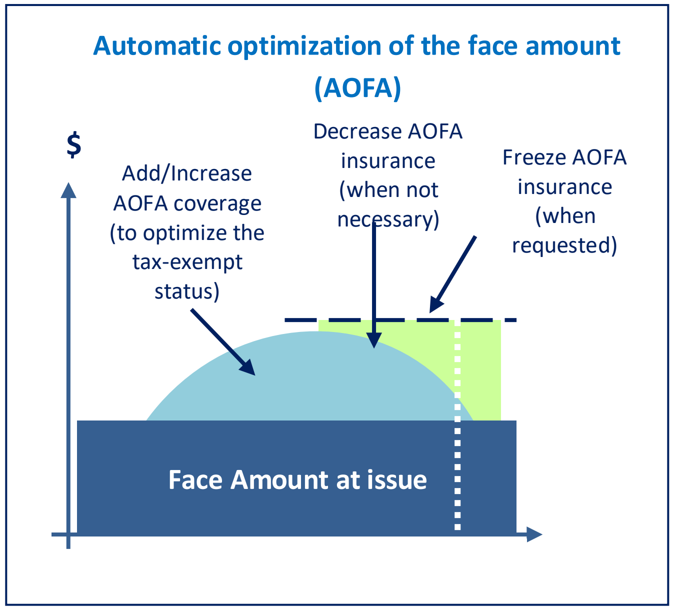
8. OPTIMIZATION

8.1 Automatic optimization of the face amount (AOFA)

If the automatic optimization of the face amount is chosen at issue, on every contract anniversary, when the balance of the accumulation fund exceeds the maximum allowed for tax exempt purposes, the Company will automatically increase the first life insured's face amount using AOFA coverage. The total annual increase of the face amount cannot exceed 8% and the total increase of the face amount is limited to the lesser of:

- 3 times the initial face amount or $25 million, and
- the reinsurance limits, which may change without notice.

The AOFA can be available if the first life insured's is removed.



Any AOFA coverage is issued without evidence of insurability and specific OAFA YRT costs of insurance are charged according to the first life insured's attained age and rate category. The OAFA coverage terminates at 100 years old.

Where applicable, automatic adjustments will be applied starting on the 1st contract anniversary. Until then, any excess premiums will be transferred to the shuttle fund.

You can modify the optimal face amount suggested by the application software to build a customized solution while respecting the following limits:

- Minimum: $10,000
- Maximum: $10,000,000

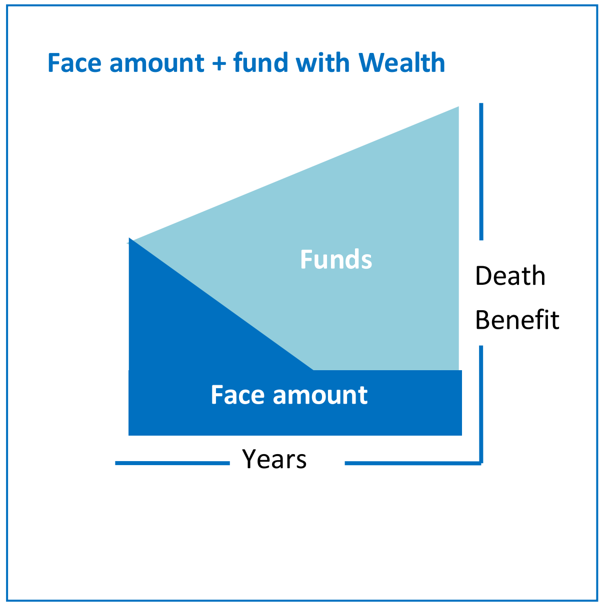
Beginning on the second contract anniversary, when there is no balance in the shuttle fund and the balance of the accumulation fund is lower than the maximum allowed for tax exempt purposes, the Company will automatically reduce any AOFA coverage.

Note that the owner can, at any time, request that the AOFA coverage remains in force as permanent coverage. In this case, the Company will stop any future automatic increase or decrease in the face amount. The owner also has the right to modify the type of cost of insurance for this permanent coverage to level costs or regular YRT costs, at attained age with rates in effect at the time of the modification.

The owner can also refuse the application of any AOFA increase after the contract is issued. If so, the AOFA is cancelled and cannot be used in the future.

8.2 Face amount + Fund with Wealth Maximizer

Wealth Maximizer is an option that maximizes investment growth while minimizing insurance costs.



The initial face amount remains unchanged until the contract anniversary selected by the owner. Minimization of the face amount cannot begin before the 5th contract anniversary. Beginning on the contract anniversary selected by the owner, and on each subsequent contract anniversary, the face amount is automatically adjusted to the minimum amount allowed according to the value of the accumulation fund, while still maintaining the exempt status of the policy. The face amount will never be lower than the floor face amount established by the owner.

The floor face amount and the year in which the minimization of the face amount begins are selected by the owner at issue but can be subsequently modified. Once the minimization begins, any annual decrease will be limited to 20% of the base coverage, since the AOFA coverage is reduced first. The floor face amount can be as low as $1,000.

The minimization option is only offered on the basic coverage of the first life insured (or principal life insureds for a joint insurance contract) and is only available with YRT costs of insurance.

8.3 Optimal face amount - illustrations

The GENESIS-IRIS software can determine the optimal face amount needed to maximize the future value of the accumulation fund. Simply specify the deposit scenario and interest rate used for projection purposes and the initial and optimal face amount will automatically be determined by the software.

The goal of the optimal face amount is to make sure that no money is being transferred to the shuttle fund before the minimization of the face amount begins. In some situations, with very short or uneven deposits streams, a shuttle fund could still be present in the first few years.

8.4 Beginning of minimization

The contract anniversary on which the minimization begins, as selected by the owner, must respect the following limits:

- minimum: 5^{th} contract anniversary (by default)
- maximum: at age 90 (no minimization)

The face amount will never fall below the floor face amount. This minimum can be revised after issue but not more than once a year.

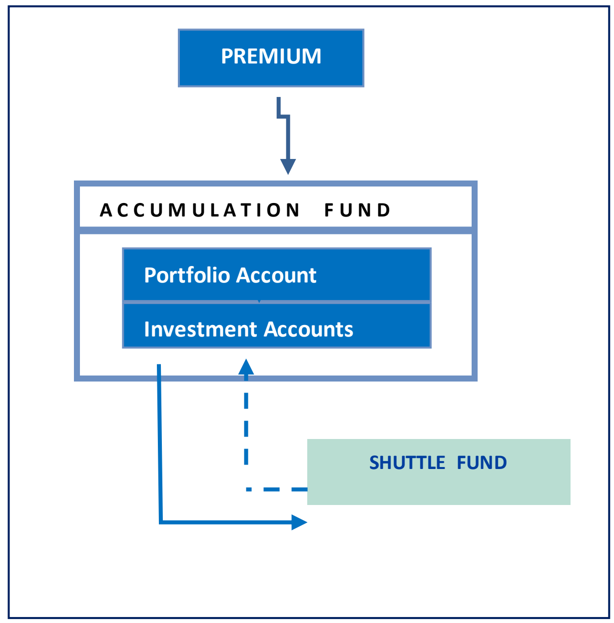
MANAGING THE GENESIS-IRIS FUNDS

9. ACCUMULATION FUND

The accumulation fund is comprised of the portfolio account and the various investment accounts. The owner's deposits are made to the portfolio account (the account in which all transactions are carried out) and where applicable, transferred to the investment accounts selected, while keeping the policy exempt. (See Section 10 for more details on the investment accounts.)

The shuttle fund receives any excess amounts necessary to maintain the contract's tax-exempt status.

9.1 Portfolio account



The portfolio account is an integral part of the accumulation fund and is the account in which all transactions are carried out.

How it works

- Deposits and withdrawals are made in the portfolio account of the accumulation fund
- On each monthly anniversary, monthly deductions are taken from the portfolio account.

Monthly mode of payment

An amount equivalent to a monthly deduction is kept in the portfolio account. If the balance of the portfolio account becomes insufficient, we will transfer a sufficient amount according to the DDA to make up for the deficit, in addition to a monthly deduction.

On any monthly anniversary, if the balance of the portfolio account is greater than the equivalent of a monthly deduction, the excess will be transferred to the various investment accounts according to the owner's automatic investment instructions (AII). A minimum of $500 is required to invest in fixed term accounts. No minimum applies to the 5-year average account and index accounts.

Annual mode of payment

If the owner selected the annual mode of payment, an equivalent amount of monthly deductions required until the next annual contract anniversary will be kept in the portfolio account.

On any monthly anniversary, if the balance of the portfolio account is greater than the deductions required until next annual contract anniversary, the excess will be transferred to the various investment accounts according to the owner's automatic investment instructions (AII). A minimum of $500 is required to invest in fixed term accounts. No minimum applies to the 5-year average account and index accounts.

The guaranteed interest rate for the portfolio account is the higher of:

- 0%;

  or

- 100% of the weighted average return of the last 60 months, expressed on an annual basis, of Canada 3 to 5 year bonds, less 1.25%. The weighted average return is based on the rate of Canada bonds in effect on the date on which the Company makes the investments on which all contracts of the same type are backed.

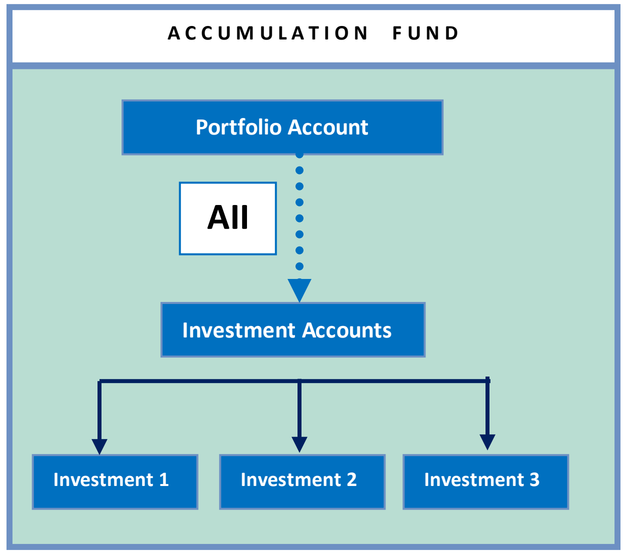
The portfolio account is not an investment account and is not available for automatic investment instructions (AII) or designated deduction accounts (DDA).

9.2 Automatic Investment Instructions (AII) and Designated Deduction Accounts (DDA)

9.2.1 AII - Automatic Investment Instructions

AII are available to allow the owner to rapidly invest the amounts accumulated in the portfolio account in the investment accounts of their choice. The owner can choose to invest directly in an investment account, regardless of his AII.

The AII can include up to 10 investment accounts concurrently. The amounts are transferred from the portfolio account to the investment accounts selected according to the proportions established by the owner.

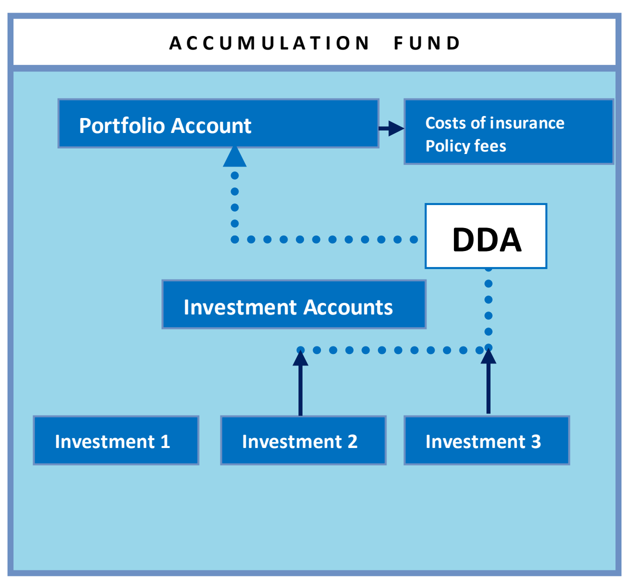


The AII must be specified on the insurance application. The owner can modify the AII any time afterward at no charge. If no instructions are specified, the AII will be set at 100% in the Diversified (iA) active management account.

The amounts deposited in the shuttle fund are invested according to the same AII as the accumulation fund. However, among the fixed term accounts, only the 1-year term is available in the shuttle fund. If a fixed term account other than 1-year, the SRIA or the SRDA is selected, these accounts will automatically be replaced for the 1-year fixed term account.

9.2.2 DDA - Designated Deduction Accounts

DDA are also available to the owner. The DDA are used to determine which investment accounts in the accumulation fund will be used to cover the monthly deductions when the portfolio account is insufficient. Up to 10 investment accounts can be used simultaneously. Monthly deductions are made according to the proportion selected by the owner in the DDA.



If no DDA have been specified, the same instructions as the AII will be used.

If the market value of the investment accounts specified in the DDA are insufficient to cover monthly deductions, all the other investments accounts available will be used proportionally to cover monthly deductions.

Please take note that the Stabilized Return Index Account (SRIA) is not available for DDA.

9.3 Market value of the accumulation fund

The market value is established as follows:

The balance of the portfolio account

Plus: The balance of the 5-year average account

Plus: The balance of the fixed term accounts

Plus: The balance of the index-based accounts

Plus: The balance of the SRIA account or account as collateral

Less: The market value adjustment (MVA) on the 5-year average account, the fixed term accounts, the Stabilized Return Index Account and the Smoothed Return Diversified Account if applicable.

The market value adjustment for fixed term accounts is calculated according to the current interest rate (see the contract for the complete formula). Regarding the 5-year average account, the remaining duration taken into account to establish the market value adjustment is always 2 years and 6 months. A market value adjustment will also apply to the Stabilized Return Index Account. Refer to the contract for details.

A market value adjustment is also applicable to specific transactions made from the SRIA and the SRDA (please see contract for all transactions subject to a market value adjustment as well as the full calculation).

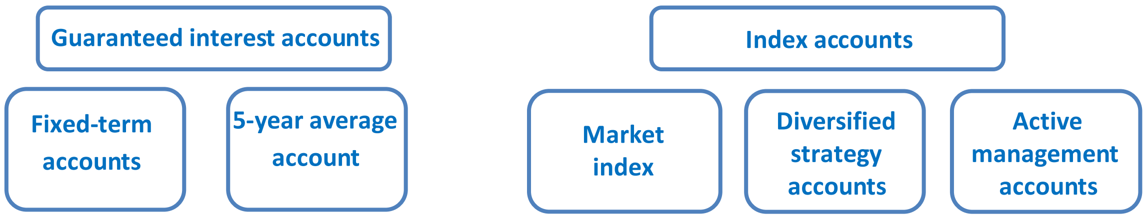
9.4 Market value of the shuttle fund

The shuttle fund contains the same investment accounts as the accumulation fund, except the SRIA and the SRDA. Furthermore, the only fixed term account available is the 1-year account. The market value of the shuttle fund is established in the same way as the accumulation fund.

No market value adjustment applies to transfers from the shuttle fund to the accumulation fund (please see contract for all transactions subject to a market value adjustment as well as the full calculation).

10. INVESTMENT ACCOUNTS

The owner may elect from the following investment accounts:



The company guarantees that at least one fixed-term account, the Stabilized Return Index Account and 3 Index accounts will always be available.

10.1 Guaranteed Interest accounts

10.1.1 5-year average account

Interest is credited to the amounts invested in this account, at a rate based on the average weighted return of a portfolio of securities with duration of 5 years and less. Interest is credited monthly to the portfolio account.

A market value adjustment may apply in case of a withdrawal or surrender. See section 9.3 Market Value of the Accumulation Fund and section 9.4 Market Value of the shuttle fund.

10.1.2 Fixed term accounts (6-month, 1 to 5 and 10-year)

The amounts invested in these accounts are credited with a guaranteed interest rate for terms of 6-months, 1 to 5 or 10-years (note that only the 1-year term is available for the shuttle fund). Interest is credited monthly and is compounded.

A minimum of $500 is required to invest in these accounts.

A market value adjustment may apply in case of withdrawal or surrender. See section 9.3 Market Value of the Accumulation Fund and section 9.4 Market Value of the shuttle fund.

Guaranteed Interest Accounts	Minimum Guaranteed Return
5-year average account and Portfolio Account	**the higher of:** ▪ 0% for either the Accumulation Fund or the Shuttle Fund ▪ 100% of the average weighted return over the last 60 months, expressed annually, on 3 to 5-year Government of Canada bonds less 1.25% for the Accumulation Fund (2.50% for the Shuttle Fund). The average weighted return is based on the yield on Government of Canada bonds on the dates we made the investments which support all policies of this type.
Fixed term account 6 months	**the higher of:** ▪ 0% ▪ 100% of the 6-month CDOR (Canadian Dealer Offered Rate) reference index less 1.05%
Fixed term account 1 to 5 years	**the higher of:** ▪ 0% ▪ 100 % of the return on Government of Canada bonds of an equivalent term, less 1.25% for the Accumulation Fund (2.50% for the 1-Year Fixed-Term Account of the Shuttle Fund)
Fixed term account 10 years	**the higher of:** ▪ 0% ▪ 100% of the return on Government of Canada 10-year bonds, less 1.00%

10.2 Index accounts

The amounts invested in index accounts allow the owner to take advantage of the potential for higher long-term returns available on the stock markets. The amounts invested in these accounts generate returns based on an external index specific to each account.

Three types of index accounts are available:

- Market index accounts
- Diversified strategy accounts
- Active management accounts

10.2.1 Market index accounts

The market index accounts currently offered reflect the performance of known reference indices.

The following index accounts are currently available:

Market Index account	Reference Index	Guaranteed Return	Maximum guaranteed annual fees	
			Shuttle fund*	Accumulation fund**
Money Market	Bank of Canada's overnight rate	100% of the return of the Bank of Canada's target for the overnight rate, less current annual fees	2.75%	1.55%
Bonds	DEX Universe Bonds index	100% of the return of DEX Universe Bonds index, less current annual fees	3.50%	2.30%
Canadian Stocks	S&P/TSX 60 index	100% of the total return of the S&P/TSX 60 index, including dividends, less current annual fees	3.50%	2.30%
Global Stocks	MSCI World index	100% of the net total return of the MSCI World index, including net dividends, converted in Canadian currency, less current annual fees	4.00%	2.80%
International Stocks	MSCI EAFE index	100% of the net total return of the MSCI EAFE index, including net dividends, converted in Canadian currency, less current annual fees	4.00%	2.80%
European Stocks	MSCI Europe index	100% of the net total return of the MSCI Europe index, including net dividends, converted in Canadian currency, less current annual fees	4.00%	2.80%
US Stocks	S&P 500 index	100% of the total return of the S&P 500 index, including dividends, converted in Canadian currency, less current annual fees	3.50%	2.30%
U.S. Stocks / DAQ	NASDAQ 100 Price index	100% of the return of the NASDAQ 100 Price index, converted in Canadian currency, less current annual fees	3.75%	2.55%

*** Series IV and **Series IV Plus**

10.2.2 Diversified strategy accounts

These index accounts are designed to meet the owner's needs for financial diversification by offering a target asset allocation (market indices) that are rebalanced monthly in order to maintain the desired distribution. The following diversified strategy accounts are currently available:

Diversified strategy accounts	Target Allocation % of each Diversified Strategy Account					
	Income		Stocks			
	Money Market	Bonds	Canadian Stocks	U.S. Stocks	International Stocks	Total %
Prudent Account	12	60	10	9	9	100
Moderate Account	10	50	14	13	13	100
Balanced Account	8	40	18	17	17	100
Growth Account	6	30	22	21	21	100
Aggressive Account	4	20	26	25	25	100

Diversified strategy accounts	Guaranteed Return	Maximum guaranteed annual fees	
		Shuttle fund*	Accumulation fund**
Prudent Account	100% of the compound return of index accounts found in the Market Index Account portfolio (including dividends), converted into Canadian currency, less annual fees charged proportionately according to the allocation of each account.	3.46%	2.26%
Moderate Account		3.49%	2.29%
Balanced Account		3.53%	2.33%
Growth Account		3.56%	2.36%
Aggressive Account		3.60%	2.40%

* Series IV and **Series IV Plus

10.2.3 Active management accounts:

These index accounts aim to outperform reference indices.

Active management accounts	Underlying Funds	Maximum guaranteed annual fees	
		Shuttle fund*	Accumulation fund**
Canadian Bonds (iA)	100% of the return of IA Clarington Bond Fund – A Series[1] less current annual fees	2.25%	0.50%
Diversified (iA)	100% of the return of the IA Clarington Monthly Income Balanced Fund – T6 Series[1] less current annual fees	2.25%	0.50%
Diversified (Fidelity)	100% of the return of the Fidelity Canadian Asset Allocation Fund – A Series[1] less current annual fees	2.25%	0.50%
Global Diversified (Loomis Sayles)	100% of the return of the IA Clarington Global Income Fund – T8 Series[1] less current annual fees	2.25%	0.50%
Global Dividend (Dynamic)	100% of the return of the Dynamic Global Dividend Value Fund – A Series[1] less current annual fees	2.25%	0.50%
Strategic Equity Income (iA)	100% of the return of the IA Clarington Strategic Equity Income Fund – Y Series[1] less current annual fees	2.25%	0.50%
Dividend Growth (iA)	100% of the return of the IA Clarington Dividend Growth Fund – T6 Series[1] less current annual fees	2.25%	0.50%
Canadian Stocks (iA)	100% of the return of the IA Clarington Canadian Leaders Fund – A Series[1] less current annual fees	2.25%	0.50%
Canadian Stocks (Fidelity)	100% of the return of the Fidelity True North® Fund – A Series[1], less current annual fees	2.25%	0.50%
Canadian Stocks (Taylor AM)	100% of the return of the IA Clarington Focused Canadian Equity Class Fund – A Series[1] less current annual fees	2.25%	0.50%
Canadian Stocks Small Capitalisation (Fidelity)	100% of the return of the Fidelity Canadian Opportunities Fund – A Series[1] less current annual fees	2.25%	0.50%
Canadian Stocks (iA)	100% of the return of the IA Clarington Canadian Conservative Equity Fund – A Series[1] less current annual fees	2.25%	0.50%
Global Stocks (Templeton)	100% of the return of the Templeton Growth Fund Ltd – A Series[1] ,less current annual fees	2.25%	0.50%

[1] *The return is net of external management fees.*

Global Stocks (iA)	100% of the return of the IA Clarington Global Value Fund – A Series[1] ,less current annual fees	2.25%	0.50%
NorthStar® (Fidelity)	100% of the return of the Fidelity NorthStar® Fund – A Series[1] ,less current annual fees	2.25%	0.50%
International Stocks (Templeton)	100% of the return of the Templeton International Stock Fund – A Series[1], less current annual fees	2.25%	0.50%
European Stocks (Fidelity)	100% of the return of the Fidelity Europe Fund – A Series[1] ,less current annual fees	2.25%	0.50%
U.S. Dividend Growth (iA)	100% of the return of the IA Clarington U.S. Dividend Growth Fund – A Series[1] ,less current annual fees	2.25%	0.50%
Emerging Markets (Mackenzie Cundill)	100% of the return of the MacKenzie Cundill Emerging Markets Value Fund – A Series[1] ,less current annual fees	2.25%	0.50%
Global Health Care (Renaissance)	100% of the return of the Renaissance Global Health Care Fund – Class A[1] ,less current annual fees	2.25%	0.50%
Stabilized Return Index Account (iA)	iA SRIA Balanced Fund	N/A	See below
Smoothed Return Diversified Account	Smoothed Return Diversified Fund	N/A	See below

*** Series IV and **Series IV Plus**

Notes regarding the SRIA and the iA SRIA Balanced Fund:

The gross smoothed yield on the iA SRIA Balanced Fund is set on each January 1.

The maximum guaranteed fee charged in any calendar year in respect of the SRIA is determined as follows:

- If the gross smoothed yield on the iA SRIA Balanced Fund for that year is less than or equal to 6.00%, the Maximum guaranteed annual fee is 1.50% (0.0040792% daily).

- If the gross smoothed yield on the iA SRIA Balanced Fund for that year is greater than 6.00% and less than 7.50%, the Maximum guaranteed annual fee will be calculated according to the following formula:

  Annual fee = 1.50% + 1/3 X (gross smoothed yield on the SRIA – 6.00%)

  The daily fee will be determined from this annual fee using the same methodology used to convert the annual fees shown in points i) and iii) to daily fees.

- If the gross smoothed yield on the iA SRIA Balanced Fund for that year is greater than or equal to 7.50%, the Maximum guaranteed annual fee will be 2.00% (0.0054255% daily).

The net credited rate on the SRIA for any calendar year equals the gross smoothed yield set for the iA SRIA Balanced Fund for that year less the applicable annual fee. The net credited rate on the SRIA is guaranteed never to be negative. Interest is compounded daily and credited to the SRIA on each monthly anniversary.

For the SRDA, the maximum guaranteed fees are determined as follows:

Before the end of each calendar year, we will set the Smoothed Return Diversified Fund Declared Rate for the forthcoming calendar year. The Smoothed Return Diversified Fund Declared Rate is based on returns earned on the fund assets to which the Company applies a smoothing formula in order to reduce yield volatility. The Smoothed Return Diversified Fund Declared Rate should never vary more than 0.5% from one year to the next.

The net credited rate for a given year equals the Smoothed Return Diversified Fund Declared Rate for that year, less the applicable annual fees, subject to a minimum net credited rate of 0% and a maximum net credited rate of 8.5%. Interest is compounded daily and credited to the SRDA on each monthly anniversary.

If, in any year, the net credited rate is capped at 8.5%, that portion of the return in excess of 8.5% for that year will be retained in the Smoothed Return Diversified Fund and used in subsequent years to increase the net credited rate.

The maximum guaranteed annual fees for the SRDA are 1.75%. The maximum guaranteed annual fees may increase as appropriate to reflect any ITA amendment which increases our liability for investment income tax.

Refer to the quarterly *GENESIS Info* magazine to find out about the current annual fees assigned to each index account. It is located on our website at www.ia.ca as well as on the Advisor Centre.

10.3 Index accounts guarantee at death

All index accounts, except the Stabilized Return Index Account and the Smoothed Return Diversified Account, have a guarantee at death. The death benefit from these accounts will be at least equal to a percentage of the premiums paid into them, based on the life insured's age at issue (see table), adjusted proportionally for any withdrawals including monthly deductions.

Any withdrawal will reduce the guarantee by a percentage (%) equal to the market value percentage (%). For example, withdrawing 10% of the market value of the index account will reduce the guarantee at death by 10%.

Life Insured's age at issue	Guaranteed percentage
0 to 60	100%
61	95%
62	90%
63	85%
64	80%
65 +	75%

The guarantee at death of a joint coverage is payable according to the deceased life insured's age at issue of the joint coverage.

The guarantee at death of a joint coverage payable on the last death or joint coverage payable on the last death and paid up on the first death applies only on the last death.

For contracts with multiple life insureds, the guarantee at death will apply at each death according to the proportion of the accumulation fund payable as a death benefit at that time. Any amount paid will reduce the subsequent death guarantee by the same proportion.

The Stabilized Return Index Account and the Smoothed Return Diversified Account are not included in the guarantee at death, as their net credited rate can never be less than 0%.

11. MANAGING THE GENESIS-IRIS BENEFITS

11.1 Modifications

GENESIS-IRIS is a flexible product that adapts to the owner's changing needs. This section covers modifications that can be made without terminating the contract. They are as follows:

	FROM		TO	MEDICAL REQUIREMENTS
11.1	**Levelling the costs of insurance**			**No**
11.2	**Modifying the death benefit option**			
11.2.1	Face amount + Fund with the Wealth Maximizer Option	➡	Face amount + Fund (YRT or level costs of insurance)	No
11.2.2	Face amount + Fund	➡	Face amount + Fund with the Wealth Maximizer Option	No
11.3	**Replacing, Adding or Withdrawing Life Insureds**			
11.3.2	Dissociation of coverage			No
11.3.3	Addition of a life insured to a Joint first to die coverage			Yes, for new life insured
11.3.4	Withdrawal of a life insured from a Joint first to die coverage			n/a
11.3.5	Dissolution of a Joint first to die coverage			no
11.3.6	Addition of a life insured to a Joint last to die coverage			Yes, for new life insured
11.4	**Modifying the coverage type**			
11.4.1	Individual coverage	➡	Joint Last to Die (Rider Option)	Yes, for new life insured at time of rider issue
11.4.2	Individual coverage	➡	Joint Last to Die (Contractual Option)	Yes, for new life insured at time of modification
11.4.3	Individual coverage	➡	Joint First to Die	Yes, for new life insured
11.4.4	Joint Last to Die coverage	➡	One or more individual coverage	Yes
11.4.5	Joint First to Die coverage	➡	Joint Last to Die	No

11.2 Levelling the costs of insurance

This modification is permitted after the coverage has been in force for at least 36 months, upon written request by the owner.

Modification is made without evidence of insurability according to the initial rate category and the initial smoking status.

Attained age rates in effect at the time of the modification will apply.

Further to the levelling, the minimum premium will not be adjusted. However, the premium required to keep the contract in force could be higher than the minimum premium.

When the modification is made, if the life insured's death benefit is “Face amount + fund with the Wealth Maximizer”, the death benefit will be changed to "Face amount + Fund". The costs of insurance for the rate band corresponding to the face amount on the date of the request will apply.

11.3 Modifying the death benefit option

11.3.1 Modifying “Face amount + Fund with the Wealth Maximizer” to “Face amount + Fund”

- The modification to “Face amount + Fund” is made without evidence of insurability;
- The face amount equals the face amount on the date of the request;
- Automatic optimization of the face amount (AOFA) is stopped, if applicable, and is no longer available after this modification;
- The minimum premium is adjusted based on the new face amount, if applicable.

11.3.2 Modifying “Face amount + Fund” to “Face amount + Fund with the Wealth Maximizer”

- Available only for the base coverage of the principal life insured with YRT costs of insurance.
- The Wealth Maximizer Option can be exercised after the 5th coverage year.
- Upon modification, the owner must indicate the contract anniversary when the minimization will begin and the floor face amount.
- The “Face amount + Fund” death benefit option is no longer available after the modification.

11.4 Replacing, Adding or Withdrawing Life Insureds

11.4.1 Dissociation of coverage

- Any coverage can be dissociated and continued as a separate GENESIS-IRIS contract, or an equivalent contract, without evidence of insurability.
- The new contract will have the same effective date and features as the coverage in force under the old contract;
- Annual policy fees will be payable under the new contract as long as costs of insurance are deducted;
- According to the owner's instructions, a portion of the accumulation fund may be transferred to the new contract.

Transaction fees will apply. See section 6. Transaction Fees.

11.4.2 Addition of a life insured to a Joint First to die coverage

Upon written request, an additional life insured can be added to an existing Joint First-to-Die coverage. Evidence of insurability and financial justification are required. The number of life insureds must not exceed the maximum number of life insureds allowed for this type of coverage.

When being added, the new life insured must not have reached 75 years of age.

The face amount of the joint coverage remains unchanged.

Any level cost of insurance applicable to the joint coverage will be calculated using the new equivalent age and the level cost of insurance rates that are in effect at the time of the modification.

Any YRT costs of insurance applicable to the joint coverage will be calculated based on the new equivalent age and the YRT costs of insurance rates that were in effect on the effective date of the joint coverage; taking into account the number of years elapsed since the effective date of the joint coverage.

The new equivalent age is re-established as follows:

- using the age of each life insured on the effective date of the joint coverage;
- using the rate category of each life insured already covered under the joint coverage on the effective date of the joint coverage or reinstatement date of the contract;
- using the rate category of each added life insured at the time of the modification;
- using the equivalent age calculation method in effect on the effective date of the joint coverage or reinstatement date of the contract;
- plus the number of years that have elapsed since the date of issue for level cost of insurance.

The suicide and incontestability clauses begin for a period of two years from the effective date of the modification with regard to the added life insureds and statements made at that time.

11.4.3 Withdrawal of a life insured from a Joint First-to-die coverage

The following rules apply if at least two life insureds are still covered under the joint coverage after the withdrawal. If not, refer to the Dissolution of a joint first-to-die coverage, section 11.4.4.

Upon written request, a life insured can be withdrawn from an existing joint first-to-die coverage.

A new individual coverage may be established for the withdrawn life insured without evidence of insurability. The face amount may not exceed the initial face amount of the joint coverage divided by the number of life insureds on the date the written request is received. This new coverage is issued based on the age and rate category of the withdrawn life insured on the effective date of the joint coverage.

The costs of insurance, level or YRT, applicable to the new individual coverage will be calculated using the rates in effect on the effective date of the joint coverage.

The face amount of the joint coverage is reduced to correspond to the original face amount, divided by the number of life insureds before the modification, multiplied by the number of life insureds after the modification.

The costs of insurance, level or YRT, applicable to the joint coverage will be calculated using the rates in effect on the effective date of the joint coverage.

The new equivalent age is re-established as follows:

- using the age of each remaining life insured on the effective date of the joint coverage;
- using the rate category of each remaining life insured on the effective date of the joint coverage or reinstatement date of the contract;
- using the equivalent age calculation method in effect on the effective date of the joint coverage or reinstatement date of the contract;

11.4.4 Dissolution of a Joint First-to-die coverage

Upon written request, a joint first to die coverage can be dissolved into individual coverages without evidence of insurability. The new face amount will be limited to the original face amount divided by the number of life insureds under the joint coverage.

The new individual coverage will be established based on the costs of insurance, level or YRT, and age of the life insureds on the effective date of the joint coverage.

The effective date and the particulars of the new individual coverage will be the same as those of the joint coverage.

11.4.5 Addition of a life insured to a Joint Last-to-die coverage

Upon written request, an additional life insured can be added to an existing joint last-to-die coverage. Evidence of insurability and financial justification are required. The number of life insureds must not exceed the maximum number of life insureds allowed for this type of coverage.

When being added, the new life insured must not have reached 75 years of age.

The face amount of the joint coverage remains unchanged.

Any level cost of insurance applicable to the joint coverage will be calculated using the new equivalent age and the level cost of insurance rates that are in effect at the time of the modification.

Any YRT costs of insurance applicable to the joint coverage will be calculated based on the new equivalent age and the YRT cost of insurance rates that were in effect on the effective date of the joint coverage; taking into account the number of years elapsed since the effective date of the joint coverage.

The new equivalent age is re-established as follows:

- using the age of each life insured on the effective date of the joint coverage;
- using the rate category of each life insured already covered under the joint coverage on the effective date of the joint coverage or reinstatement date of the contract;
- using the rate category of each added life insured at the time of the modification;
- using the equivalent age calculation method in effect on the effective date of the joint coverage or reinstatement date of the contract;
- plus the number of years that have elapsed since the date of issue for level cost of insurance.

The suicide and incontestability clauses begin for a period of two years from the effective date of the modification with regard to the added life insureds and statements made at that time.

11.5 Modification of coverage type

11.5.1 Modification of an Individual coverage to a Joint last-to-die coverage – Rider option

This option, provided through the issue of a rider, requires evidence of insurability for the added life insured when applying for the rider.

- This rider entitles the basic individual coverage of the principal life insured to be modified to a joint last to die coverage without evidence of insurability.
- This rider replaces in full the “option to modify and individual coverage to a joint last-to-die coverage” within the insurance contract described in section 11.5.2.
- The rider can be added anytime after issue of the individual coverage provided that the added life insured is not less than 15 years of age or more than 70 years of age on the effective date of the individual coverage.
- The rider is available when the added life insured is rated to a maximum of 100% extra premium.
- The premium for the rider is $7.50 per month plus any rating on the second life insured, when applicable.
- The modification request can be made in writing, any time after the fifth anniversary of the coverage to which the rider is attached.
- The face amount of the individual coverage can be completely or partially modified.
- The insurer reserves the right to terminate any additional benefit with regard to the principal life insured when the modification takes place.
- Transaction fees will apply. These fees are not refundable under any circumstances. See section 6. Transaction fees.
- Under no circumstances can the total face amount of the coverage after the modification exceed the face amount before the modification.

At the time of modification, an amended contract with the following features will be issued:

- The contract number and issue date will remain the same as before the modification.
- Any level cost of insurance applicable to the joint coverage will be calculated using the equivalent age and the level cost of insurance rates that are in effect at the time of the modification.
- Any YRT costs of insurance applicable to the joint coverage will be calculated based on the equivalent age and the YRT costs of insurance rates that were in effect on the effective date of the individual coverage; taking into account the number of years that have elapsed since the effective date of the individual coverage.

Equivalent age is determined as follow:

- using the age of the principal life insured on the effective date of the individual coverage;
- using the rate category of the principal life insured on the effective date of the individual coverage or reinstatement date of the contract;
- using the age of the added life insured on the effective date of the individual coverage, adjusted for the increased mortality risk on the effective date of the modification; taking into account the number of years that have elapsed since the issue of the rider, as follows:

Number of years	Increased mortality risk
0 to 5	0%
6 to 10	25%
11 to 15	50%
16 or more	100%

- using the rate category of the added life insured on the effective date of the rider;
- using the equivalent age calculation method in effect on the effective date of the individual coverage or reinstatement date of the contract;

The minimum premium is recalculated at the time of the modification.

Any extra premium that applies to a life insured will be considered and may result in a new and permanent extra premium.

The suicide and incontestability provisions begin for a period of two years from the effective date of the rider with regard to the added life insured and statements made at that time.

All the general conditions of the contract will remain exactly the same as they were prior to the modification.

The following apply to modifications described under 11.4.2, 11.4.3, 11.4.4 and 11.4.5:

- The face amount can be completely or partially converted and the total face amount following modification cannot exceed the face amount before the modification;

- All persons insured under any new joint coverage must be over 15 years of age at issue date of the original coverage and under 75 years of age at time of the modification.

- Transaction fees will apply. These fees are not refundable under any circumstances, including situations in which we deny the coverage modification following the risk analysis. See section 6. Transaction fees.

- The insurer reserves the right to terminate any additional benefit when the modification takes place.

- For individual to joint coverage modifications, evidence of insurability is not required when:
    - An added life insured has individual life insurance coverage with the Company that is surrendered in full as a result of the modification, and
    - The face amount of the new protection is equal to or lower than the face amount of the surrendered individual coverage.
    - In such cases:
        - Funds of any cancelled contract may not be transferred to this contract.
        - Suicide and incontestability clauses do not begin again.
- Individual to joint coverage modifications can only be exercised on the basic coverage of the principal life insured. For a modification from individual to joint on the individual coverage of any other life insured, a dissociation will be needed, leading to the creation of a new contract.

11.5.2 Modification of an Individual coverage to a Joint last-to-die coverage – Genesis-IRIS contract option

This modification can be requested at any time following the fifth coverage anniversary.

This option, provided under the Genesis-IRIS contract, requires evidence of insurability and financial justification for the added life insureds at the time of modification.

This option is not available for a life insured who has already been covered by the rider "option to modify an individual coverage to a joint coverage payable on the last death" described in section 11.5.1.

Following the modification, an amended contract with the following features will be issued:

- The contract number and issue date will remain the same as before the modification since it is a continuation of the initial contract.
- Any level cost of insurance applicable to the joint coverage will be calculated using the equivalent age and the level cost of insurance rates that are in effect at the time of the modification.
- Any YRT costs of insurance applicable to the joint coverage will be calculated based on the equivalent age and the YRT cost of insurance rates that were in effect on the effective date of the individual coverage; taking into account the number of years that have elapsed since the effective date of the individual coverage.

Equivalent age is determined as follows:

- using the age of each life insured on the effective date of the individual coverage;
- using the rate category of the life insured covered under the individual coverage on the effective date of the individual coverage or reinstatement date of the contract;

- using the rate category of each added life insured at the time of the modification;
- using the equivalent age calculation method in effect on the effective date of the individual coverage or reinstatement date of the contract;

The minimum premium is recalculated at the time of the modification.

Any extra premium that applies to a life insured will be considered and may result in a new and permanent extra premium.

At the time of modification, the suicide clause begins for a period of two years with regard to the life insured added.

The suicide and incontestability provisions begin for a period of two years from the effective date of the rider with regard to the added life insured and statements made at that time.

All the general conditions of the contract will remain exactly the same as they were prior to the modification.

11.5.3 Option to modify an "Individual coverage" to a "Joint coverage payable on the first death"

This modification can be requested at any time following the second coverage anniversary.

This option, provided under the Genesis-IRIS contract, requires evidence of insurability and financial justification for the added life insureds at the time of modification.

Following the modification, an amended contract with the following features will be issued:

- The contract number and issue date will remain the same as before the modification since it's a continuation of the initial contract.
- Any level cost of insurance applicable to the joint coverage will be calculated using the equivalent age and the level cost of insurance rates that are in effect at the time of the modification.
- Any YRT costs of insurance applicable to the joint coverage will be calculated based on the equivalent age and the YRT costs of insurance rates that were in effect on the effective date of the individual coverage; taking into account the number of years that have elapsed since the effective date of the individual coverage.

Equivalent age is determined as follows:

- using the age of each life insured on the effective date of the individual coverage;
- using the rate category of the life insured covered under the individual coverage on the effective date of the individual coverage or reinstatement date of the contract;
- using the rate category of each added life insured at the time of the modification;

- using the equivalent age calculation method in effect on the effective date of the individual coverage or reinstatement date of the contract;
- plus the number of years that have elapsed since the date of issue for level cost of insurance.

Any extra premium that applies to a life insured will be considered and may result in a new and permanent extra premium.

The suicide and incontestability provisions begin for a period of two years from the effective date of the rider with regard to the added life insured and statements made at that time.

All the general conditions of the contract remain exactly as they were prior to the modification.

11.5.4 Option to modifiy a "Joint coverage payable on the last death" to one or more "Individual coverages"

The modification can be requested at any time.

When the modification is requested, each of the individual life insureds must provide evidence of insurability and financial justification.

Following the modification, an amended contract with the following features will be issued:

- The contract number and issue date will remain the same as before the modification since it's a continuation of the initial contract.
- The minimum premium for each coverage is recalculated on modification of coverage.
- The joint insureds' initial coverage, which is modified, expires in whole or in part.
- Any level cost of insurance applicable to each individual coverage will be calculated using the life insured's attained age and the current rates that are in effect at the time of modification.
- Any YRT costs of insurance applicable to each individual coverage will be calculated based on the age and YRT costs of insurance that were in effect on the effective date of the joint coverage; taking into account the number of years that have elapsed since the effective date of the joint coverage.
- Any extra premium that applies to a life insured will be considered and may result in a new and permanent extra premium.
- The suicide and incontestability provisions begin for a period of two years from the effective date of the rider with regard to the life insured under the new individual coverage and statements made at that time.
- All the general conditions of the contract remain exactly as they were prior to the modification.

11.5.5 Option to modify a "Joint coverage payable on the first death" to a "Joint coverage payable on the last death"

This modification can be requested at any time following the fifth coverage anniversary.

If you modify to a joint coverage payable on the last death, your coverage must have level cost of insurance and must not cover more than two life insureds after the modification.

Following the modification, an amended contract with the following features will be issued:

- The minimum premium is recalculated on modification of coverage.
- The initial joint coverage payable on the first death, which is modified, expires in whole or in part, as the case may be, at the time of modification.
- Any level cost of insurance applicable to the new joint coverage will be calculated using the new equivalent age and the level cost of insurance rates that are in effect at the time of the modification.
- Any YRT costs of insurance applicable to the new joint coverage will be calculated based on the new equivalent age and the YRT costs of insurance rates that were in effect on the effective date of the joint coverage; taking into account the number of years that have elapsed since the effective date of the joint coverage.
- The new equivalent age is re-established as follows:
  - using the age of each life insured on the effective date of the joint coverage payable on the first death;
  - using the rate category of each life insured on the effective date of the joint coverage payable on the first death or the reinstatement date of the contract;
  - using the equivalent age calculation method in effect on the effective date of the joint coverage payable on the first death or the reinstatement date of the contract.
- Any extra premium that applies to a life insured will be considered and may result in a new and permanent extra premium.
- All the general conditions of the contract remain exactly as they were prior to the modification.

12. WITHDRAWAL, SURRENDER

12.1 Withdrawal

The owner can make partial withdrawals at any time from the accumulation fund or the shuttle fund. The maximum withdrawal cannot exceed the market value of the accumulation fund and the shuttle fund less any outstanding loan balance and amounts owing to the company. Withdrawals are made from the investment accounts indicated by the owner.

A withdrawal from the 5- year average account, any fixed term account, the Stabilized Return Index Account or the Smoothed Return Diversified Account may be subject to a market value adjustment. See section 9.3 Market Value of the Accumulation Fund and section 9.4 Market Value of the Shuttle Fund.

Transaction fees will apply. See section 6 Transaction fees.

12.2 Surrender

The owner can request to surrender the contract at any time.

The total surrender value of the contract is equal to:

- The market value of the accumulation fund plus
- The market value of the shuttle fund, less
- The balance of any policy loans and amounts owing to the company.

The surrender of the 5- year average account, any fixed term account, the Stabilized Return Index Account or the Smoothed Return Diversified Account may be subject to a market value adjustment. See section 9.3 Market Value of the Accumulation Fund and section 9.4 Market Value of the Shuttle Fund.

Transaction fees will apply. See section 6 Transaction fees.

12.2.1 Assignment of the policy to a lender as collateral security

Where the policy has been assigned by the owner to a lender as collateral security for a loan to a borrower and the lender confirms in writing to the Company that:

a) it has demanded that the borrower repay the loan in full and the borrower has failed to comply with this demand, and

b) the surrender value is not sufficient for the lender to repay in full the amount that remains outstanding under the loan agreement,

then the Company will make a payment to the lender equal to the excess, if any, of the loan balance outstanding over the surrender value.

Notwithstanding the foregoing, the amount of the payment by the Company is subject to the following conditions:

- the payment shall not exceed 5% of the balance of the SRDA at the time the lender provides the confirmation to the Company described above, and
- if necessary, such payment will be limited so that it does not cause the policy to lose its status as an exempt policy.

This provision shall terminate and be of no further force and effect immediately after the later of the following dates:

a) December 31, 2024; and
b) the 12^{th} policy anniversary date.

12.3 Investment Income Tax (IIT) Refund

The GENESIS-IRIS contract enhances the values paid to the owner in the event of total or partial surrender by refunding a portion of the IIT. The IIT refund amount corresponds to the amount by which the Company's responsibility for IIT under section 211.1 of the Income Tax Act (Canada) is reduced following a full or partial withdrawal of the surrender value. The refund amount is added to the partial withdrawal amount or to the surrender value. The IIT refund amount is taxable income for the owner, just as the income received following a partial withdrawal or surrender of the contract may be taxable.

Please note that the IIT refund could be limited to respect to the maximum taxed Accumulation Fund.

13. POLICY LOANS

Upon written request, the Company will loan an amount which may not exceed the maximum amount determined by the Company on the policy loan date, calculated as follows:

$$\left(\frac{(1 - \text{Defined Percentage}) \text{ X value of the accumulation fund} - \text{Deductions X Future Scheduled Deposits}}{1.02} - \text{Amounts owed to the Company} \right)$$

Where:

Defined percentage =	6% from 2014 to 2018 and 3% beginning in 2019.
Deductions =	number of months until next policy anniversary X one Monthly Deduction
Future Scheduled Deposits* =	the lesser of one Monthly Deduction and the Monthly Amount Billed X the greater of 0 and the number of Months before next policy anniversary minus 2.
	* This amount is limited to the maximum deposit allowed.

An initial policy loan for a minimum amount of $25,000 or according to the Company's administrative rules in effect at the time of request must be made. No policy loan can be made from the shuttle fund.

The interest rate on a policy loan is determined on January 1st each year. The interest rate on a policy loan corresponds to the net credited rate on the Stabilized Return Index Account, plus a spread determined as follows:

- If the net credited rate on the SRIA is less than or equal to 4.50%, the spread is 1.50%.
- If the net credited rate on the SRIA is greater than 4.50% and lower than 5.50%, the spread will be calculated according to the following formula:
- Spread = 1.50% + ½ X (net credited rate on the SRIA – 4.50%)

If the net credited rate on the SRIA is greater than or equal to 5.50%, the spread will be 2.00%.

The policy loan is payable on the contract's monthly anniversary following the written request,

13.1 Collateral Accounts

When the first policy loan is disbursed, if necessary, an amount equal to the policy loan will be transferred to the chosen collateral account(s). (Money Market by default). Market value adjustments of transferred funds may be applied.

There are 4 Eligible accounts to serve as collateral accounts:

- Stabilized Return Index Account
- Money Market Account
- Fixed-Term accounts
- 5-year Average Account:

14. DISABILITY BENEFIT

Through this benefit, available in the GENESIS-IRIS universal life contract, the owner can receive the payment of disability benefits drawn from the surrender value of the accumulation fund if a life insured aged 18 and over suffers from a condition leading to a disability (see below).

Unlike a traditional partial withdrawal, Disability benefits are not subject to taxation but reduce the contract's adjusted cost basis (ACB).

14.1 Amount and frequency of the benefits

When a life insured is disabled, the owner can request the payment of a benefit of up to 100% of the surrender value of the accumulation fund less any IIT reimbursement payable. The minimum payment is $500 or the surrender value of the accumulation fund, if it is lower.

The owner may receive up to 4 payments in a calendar year. Each payment is subject to a market value adjustment (except when made from the Stabilized Return Index Account or the Smoothed Return Diversified Account, where an MVA will not apply) and transaction fees.

All disability benefit payments, market value adjustments and fees will be deducted from the surrender value of the accumulation fund.

For a benefit to be payable, the life insured must be disabled by one of the following conditions:

- Before age 65, as the result of an illness or injury, the total and continuous inability to perform the duties of his regular occupation, for a life insured who practices a remunerated occupation at the onset of disability;
- Before age 65, as the result of an illness or injury, the total and continuous inability to perform the duties of any occupation for which the life insured is reasonably qualified regardless of the availability of employment, for a life insured who is temporarily unemployed or on employment insurance at the onset of disability;
- At any age, the continued inability of the life insured to perform by himself one of the primary activities of daily living as defined below:

Activities of daily living are:

- walking;
- feeding – the ability to consume food or drink that already has been prepared and made available, with or without the use of adaptive utensils;
- dressing – the ability to put on and remove necessary clothing including braces, artificial limbs or other surgical appliances;
- bladder and bowel continence – the ability to manage bowel and bladder function
- bathing – the ability to wash oneself in a bathtub, shower or by sponge bath, with or without the aid of equipment;
- talking to make himself understood in a quiet place, by a person of his acquaintance

        - hearing so as to understand, in a quiet place, a person of his acquaintance;
        - using the mental functions necessary for everyday activities as:
            - memory;
            - problem solving, goal setting and decision making (taken together),
            - adaptive functioning.
- at any age, the total and permanent loss of sight in both eyes, or the use of both hands, both feet, or of one hand and one foot as confirmed by a medical practitioner;
- at any age, an illness or injury which, according to the diagnosis of a medical practitioner, is expected to result in the death of the life insured within 24 months of the date of the diagnosis.