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POLICY TERMS AND CONDITIONS

1. DEFINITIONS

“You” and **“your”** means the person who owns the Policy and is also the Life Insured as shown on the Summary of Coverage. All rights and privileges under this Policy belong to you, subject to any limits imposed by law or the Policy. Your rights may be limited if a Beneficiary has been designated as irrevocable or if this Contract has been hypothecated or assigned as collateral security.

“We”, “our”, “us” or **“Company”** means BMO Life Assurance Company.

Insurance Application means all the information provided in the application for insurance which includes the application, enrolment or acceptance form and statements and answers furnished as evidence of insurability, whether on paper or in electronic format.

Beneficiary means the person entitled to receive the Death Benefit on the death of the Life Insured as designated in the application, or as changed in accordance with law or the terms of the Policy.

Death Benefit means the amount of insurance payable upon the death of the Life Insured subject to any Premium Adjustment at Death. The Death Benefit amount is set out in the Summary of Coverage.

Head Office means 60 Yonge Street, Toronto, Ontario, M5E 1H5 and such other address as we may inform you from time to time as being our Head Office.

Policy means this document that we have issued as evidence of the contract of insurance and includes all coverages issued under it.

Effective Date means the date from which this Policy is effective and from which Premium due dates are determined. The Effective Date is set out on the Summary of Coverage.

Premium(s) means the amount you pay to us in return for the insurance provided under this Policy. The Premium is set out in the Summary of Coverage.

Serious Illness means:

- (a) in the 5 years prior to the Effective Date, you have been diagnosed with or had symptoms of heart disease, stroke, high blood pressure (greater than 160/110), diabetes mellitus requiring insulin, chronic renal disease, chronic obstructive pulmonary/lung disease (COPD/COLD) [e.g. chronic bronchitis or emphysema], cirrhosis of the liver, cancer (all types, including leukemia, Hodgkin’s disease, lymphoma) or hepatitis C; or

- (b) prior to or on the Effective Date you were under treatment or medication for any of the conditions listed in (a) other than high blood pressure; or
- (c) prior to or on the Effective date, you had a positive HIV test or were treated, counselled or told that you have AIDS (acquired immune deficiency syndrome), or any other immunological disorder [such as systemic lupus erythematosus (SLE, lupus)]; or
- (d) prior to or on the Effective Date, you have been told you have or you have received treatment for dementia including Alzheimer's, amyotrophic lateral sclerosis (ALS, Lou Gehrig's disease), multiple sclerosis (MS), Parkinson's, cystic fibrosis or muscular dystrophy.

2. ELIGIBILITY

You are eligible for coverage under this Policy if you:

- (a) are between the ages of fifty (50) and eighty (80);
- (b) are a resident of Canada; and
- (c) did not suffer a Serious Illness at the time of application.

3. WHEN COVERAGE BEGINS

Coverage under this Policy will take effect on the Effective Date set out in the Summary of Coverage.

4. WHEN COVERAGE ENDS

Coverage under the Policy will end on the earliest of the following dates:

- (a) the date we receive your request in writing to cancel the Policy;
- (b) the date the first Premium is due and not paid;
- (c) the date the Grace Period expires; or
- (d) the date the Life Insured dies.

5. DEATH BENEFIT

Subject to the terms and provisions of the Policy and the rights of any assignee, we will pay the Death Benefit to your Beneficiary upon receipt of satisfactory evidence to us of the following:

- (a) the Life Insured died while the Policy was in force;
- (b) the date of birth of the Life Insured;

- (c) the cause and circumstances of the death of the Life Insured; and
- (d) the right of the claimant to the Benefit.

6. SUICIDE EXCLUSION

We will not pay the Death Benefit if the Life Insured dies by suicide or self destruction, while sane or insane, within two (2) years from the later of the Effective Date or the last reinstatement date of the Policy. In such case, we will refund to your estate the Premiums paid from the later of the Effective Date or the date of the latest reinstatement.

7. BENEFICIARY

The Beneficiary is the person(s) or entity named in the application or the most recent Beneficiary designation filed with us to receive the Death Benefit on the death of the Life Insured. If no Beneficiary is designated, the Death Benefit will be paid to your estate.

During your lifetime you may change or revoke a Beneficiary designation by filing a written notice with us. The written consent of any irrevocable Beneficiary will be required. A change of Beneficiary will not be effective until recorded at our Head Office and will take effect as of the date of the designation, subject to any payment we made or action we took before receiving notice of the change.

8. PREMIUMS

The first Premium is due within thirty (30) days after the Effective Date of the Policy. All subsequent Premiums are due monthly on the same day each month. The Premium Due Date is set out in the Summary of Coverage.

8.1. Grace Period

If any Premium, other than the first Premium, is not paid when due, we allow thirty-one (31) days grace from the Premium due date ("Grace Period"). All insurance continues during this Grace Period unless we receive written notification from you to cancel the Policy. If Premium is still unpaid at the end of the Grace Period, the Policy will automatically terminate.

8.2. Premium Adjustment at Death

If the Life Insured dies on the day a Premium is due and unpaid or during the Grace Period, we will deduct any outstanding Premium from the Death Benefit. Premiums paid before the date of death of the Life Insured, but not yet due, will be refunded.

8.3. Reinstatement

This Policy may be reinstated with no evidence of insurability at any time within 30 days after the Grace Period has expired, providing the Life Insured is living and all outstanding Premiums are paid.

Otherwise, this Policy may be reinstated at any time within two years after the Grace Period has expired, subject to receipt by us of the following:

- (a) a completed application for reinstatement;
- (b) evidence of insurability, satisfactory to us, including proof of non-smoking status (if applicable);
- (c) payment of all past due Premiums, including compound interest on past due Premiums at a rate determined by us, but not exceeding any limits imposed by law.

Any supplementary agreement attached to the Policy will be reinstated if the Policy is reinstated, subject to the terms of the reinstatement. The reinstatement will take effect when we determine that all the conditions outlined in this reinstatement section have been met.

9. MISREPRESENTATION

9.1. Misrepresentation of Serious Illness

In issuing this Policy, we have relied on your declaration that you have no Serious Illness at the time of application. Your declaration is material to this Policy and we will not pay the Death Benefit if this Policy is declared void due to a material or fraudulent misrepresentation.

9.2. Misstatement of Age and Sex

The Premium rates for the Policy depend in part on the age and sex of the Life Insured as stated in the application. If the date of birth or sex of a Life Insured has been misstated, we will recalculate the Death Benefit based on the Premiums paid and the correct age and sex of the Life Insured. The Death Benefit shall not exceed our issue limits in effect at that time. If, at the correct age, the Policy would not have been issued, we can declare the Policy void, within the period allowed by law. If the Policy is declared void, we will refund all Premiums paid.

9.3 Misstatement of Smoking Habits

Any misrepresentation made regarding the use of tobacco substances in the application, application for reinstatement, or any supplement to either, shall be deemed fraudulent. The Policy shall be deemed void and no claim for benefits will be accepted. We will refund any Premium paid beyond the date of discovery of the misrepresentation.

9.4 Incontestability

We have the right to contest the validity of the Policy and deny any claim if any fact is misrepresented. Except in the case of fraud, we will not contest the Policy after it has been in force during the lifetime of the Life Insured for two (2) years from the later of the Effective Date or the date of the latest reinstatement. We will not refund Premiums paid if the Policy is declared void for fraud.

10. OTHER PROVISIONS

Assignment – You may assign the Policy by filing a notice of the assignment to our Head Office. We are not responsible for the validity or legal effect of any assignment or actions taken by us before receiving notice of the assignment.

Contract – The entire contract consists of the Summary of Coverage, the Policy, any endorsements and any document attached to the Policy when issued, the completed application, the application for reinstatement and any amendment agreed on in writing after the Policy is issued along with any medical evidence, written statements and answers provided as evidence of insurability given in writing or in electronic format.

Changes to the Contract – Only an authorized officer of BMO Life Assurance Company can change, modify or waive any provisions of the Policy, and then only in writing. No agent, broker or financial advisor is authorized to change, modify or waive any provisions of this Contract.

Currency – All payments either to or by us will be in Canadian dollars.

Language – The parties expressly consent that this Policy as well as other documents, agreements, notices relating to them be drafted in English. Les parties reconnaissent explicitement que le présent contrat ainsi que tous les documents, conventions ou avis s’y rattachant directement ou indirectement soient rédigés en langue anglaise.

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 (or the applicable legislation).

Non-participating – The Policy does not participate in our profits or surplus.

Termination by You – You may terminate the Contract at any time by giving us written notice of termination to our Head Office.

Signed for and on behalf of BMO Life Assurance Company



Peter McCarthy
President and Chief Executive Officer



Vandra Goedvolk
Corporate Secretary

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