

Versatile Portfolios Navigator™

Information Folder



Investments. Insurance. Advice.

The information folder is not an insurance contract. Versatile Portfolios Navigator™ Individual Variable Insurance Contracts are issued by Co-operators Life Insurance Company.

 **co-operators**
Investing in your future. Together.

Versatile Portfolios Navigator™ Key Facts

Key Facts is a summary of the basic things you should know before you apply for an Individual Variable Insurance Contract (IVIC) with Co-operators Life Insurance Company. While this summary is part of the Information Folder document, it does not form part of your Contract with us. The Information Folder document and your issued Policy contain a full description of all the IVIC features and how the IVIC works. You should review these documents carefully and discuss any questions with your financial representative.

What am I purchasing?

You are purchasing an insurance contract called the Versatile Portfolios Navigator™ Policy. Please review the terms and conditions in the Policy we issued to you and the Information Folder.

What can I do?

As the owner of the Policy, you may:

- choose a guarantee level
- choose a registered or non-registered plan
- start scheduled payments now or later
- choose an investment option
- name the person who will receive the death benefit

The choices you make may affect your taxes. Ask your financial representative to help you understand your choices.

What guarantees are available?

Maturity and death benefit guarantees are available to help to protect your Segregated Fund investments (the “guarantee”).

The guarantee levels available for you to choose from are:

- 75% maturity guarantee and 75% death benefit guarantee
- 75% maturity guarantee and 100% death benefit guarantee
- 100% maturity guarantee and 100% death benefit guarantee

The value of your Policy can go up or down subject to the guarantees.

Any withdrawals you make will reduce the guarantees. For full details, please see the *Guarantees on Policies Invested in Segregated Funds* section in the Information Folder and Policy.

Maturity Benefit Guarantee

This protects the value of your Segregated Fund investment at specific dates in the future. The maturity benefit guarantee will take effect on your Policy's Maturity Date. If you have not selected a Maturity Date, the applicable default Maturity Date per the plan type you have selected will be applied. For full details, see the *Default Maturity Date* section in the Information Folder and Policy.

On the Maturity Date, you will receive the greater of:

- the market value of the funds; or
- 75% of the money you put into the funds.

For an increased fee, you can choose a guarantee of 100%.

For full details on the maturity benefit guarantee, refer to the *Guarantees on Policies Invested in Segregated Funds* section of the Information Folder and Policy.

Death Benefit Guarantee

This protects the value of your Segregated Fund investments if the Annuitant dies. The guarantee takes effect if the Annuitant dies before the Maturity Date.

If the Annuitant dies before the Maturity Date, the person you have named to receive the death benefit will receive a Death Benefit Amount that is the greater of:

- the market value of the funds; or
- 75% of the money you put into the funds.

For an increased fee, you can choose a guarantee of up to 100%.

For full details on the Death Benefit Guarantee amount, refer to the *Guarantees on Policies Invested in Segregated Funds* section of the Information Folder and Policy.

Resets

A Maturity Benefit Amount reset is available on a Policy with a 100/100 guarantee level. A Death Benefit Amount reset is available on a Policy with 75/100 and 100/100 guarantee levels. A reset allows for the Maturity Benefit Amount and Death Benefit Amount to be reset at specified times throughout the life of the Policy.

For full details regarding your reset features, refer to the *Maturity Benefit Resets* and *Death Benefit Resets* sections of the Information Folder and Policy.

What investments are available?

You can invest in a mix of Segregated Funds, the Variable Rate Option or Guaranteed Rate Options. The maturity and death benefit guarantees only apply to Segregated Funds. For details on the Segregated Funds, please refer to the Fund Facts.

Other than maturity and death benefit guarantees, we do not guarantee the performance of the Segregated Funds. You should carefully consider your tolerance for risk when choosing your investment options.

How much will this cost?

The guarantee level and funds you choose will affect your costs.

Fees and expenses are deducted from the Segregated Funds through management expense ratios (MERs). For more information on MERs, refer to the Fund Facts.

If you make certain transactions or other requests, you may incur fees or other charges, which may include a MVA or short term trading fee.

For more information on fees, please see the *Investment Changes/Switches and Fees* and *Withdrawal Service Fees* sections in the Information Folder and Policy.

What can I do after I purchase the Policy?

You can do any of the following:

Make Contributions

You can make lump-sum or regular payments. For full details on contributions, refer to the *Contribution* sections in the Information Folder or your Policy.

Make Investment Changes

You can switch amounts between the Segregated Funds, Variable Rate Options or Guaranteed Rate Options. For full details on investment changes, refer to *Investment Changes/Switches and Fees* sections in the Information Folder or your Policy.

Make Withdrawals

You can withdraw money from your Policy. Withdrawals from your Policy will affect your guarantees. Your withdrawal may also be subject to fees or taxes or both. For full details on withdrawals, refer to the *Withdrawal* sections in the Information Folder or your Policy.

Make Scheduled Payments

You can choose to receive scheduled payments from your policy. At certain times, unless you select another option, we will automatically start making payments to you. Your withdrawal may also be subject to fees or taxes or both.

For full details, refer to the *Scheduled Payments* and the *Options Upon Maturity* sections.

Certain restrictions and other conditions may apply. You should review the Policy for your rights and obligations and discuss any questions with your financial representative.

What information will I receive about my Policy?

At least once a year, we will tell you the value of your funds and any transactions you have made during the year. More detailed information, including Fund Facts, detailed Segregated Fund investment, underlying funds, audited and unaudited financial statements for the Segregated Funds are updated at certain times during the year. These are available on our website or we can send them to you upon request.

Can I change my mind?

Yes, you can change your mind about purchasing the Policy within two business days of receiving your Policy confirmation or within five business days after we mail the confirmation to you. You must tell us in writing that you want to cancel your Policy. The amount returned will be the lesser of the amount you invested or the value of the Segregated Fund(s) if it has gone down. The amount returned will include a refund of any sales charges or other fees you paid.

You can change your mind about any specific transaction you make under the Policy, such as contributing into a Segregated Fund or reversing an investment decision, within two business days from the date you received confirmation. This right to cancel applies only to that specific transaction.

For full details, refer to the *Rescission Rights* section of the Information Folder or your Policy.

Where can I get more information or help?

Your financial representative can answer any questions you may have or, if you prefer, you may contact us at:

Address:

Co-operators Life Insurance Company

Attn: Individual Wealth Client Service Centre

1900 Albert St, Regina, Saskatchewan, S4P 4K8

Email: phs_wealth_mgmt@cooperators.ca

Phone: 1-800-454-8061

Our corporate information and any other information related to the products and services we provide are on our website at cooperators.ca.

Co-operators Life Insurance Company is a member of Assuris. Assuris is the not for profit organization that protects Canadian policyholders if their life insurance company fails. Details about Assuris' protection are available at assuris.ca or by calling the Assuris Information Centre at 1-866-878-1225.

For information about handling issues you are unable to resolve with Co-operators, you may contact the OmbudService for Life and Health Insurance (OLHI), an independent service that offers recourse to Canadian consumers who have not been able to resolve their complaint by dealing with their insurance company. You may reach the OLHI by visiting its website at olhi.ca or calling 1-888-295-8112.

To learn how to contact the insurance regulator in your province, visit the Canadian Council of Insurance Regulators website at ccir-ccra.org.

If you are a Quebec resident and are not satisfied with how your complaint was handled or the results of our investigation, you have the right to request from us, in writing, that a copy of your complaint file be transferred to the Autorité des marchés financiers (AMF). You may contact the AMF at 1-877-525-0337 or information@lautorite.qc.ca.

Co-operators Life Insurance Company

Co-operators Life Insurance Company is a federally incorporated insurance company and is part of Co-operators Group Limited, generally known as Co-operators. We have been serving Canadians since 1945. We are owned and controlled by major agricultural and consumer co-operatives, credit union centrals and similar institutions across Canada. Co-operators believes in supporting the communities where it does business, and employs nearly 7,000 employees. We are supported by a dedicated financial representative network with 2,800 licensed insurance representatives throughout Canada.

Co-operators Life Insurance Company, with assets under management of over \$10 billion, is among the largest life insurance companies in Canada. We are committed to service excellence, aiming to provide our customers with the quality products and services they want at competitive prices. Our Head Office is located at 1900 Albert St, Regina, Saskatchewan, S4P 4K8.

Certification

The Information Folder and the Fund Facts booklet provide brief and plain disclosure of all material facts relating to the Versatile Portfolios Navigator™ Individual Variable Insurance Contract issued by Co-operators Life Insurance Company.

The Information Folder is not complete unless the most recent Fund Facts for each of the Segregated Funds are available with it.



Alec Blundell

Executive Vice President and Chief Operating Officer
Co-operators Life Insurance Company



Karen Higgins

Executive Vice President Finance and Chief Financial Officer
Co-operators Life Insurance Company

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SCHEDULE "A" located in the Fund Facts also forms a part of the Information Folder

1. Definitions

Whenever used in the Policy, the following words and phrases have the respective meanings described below. Certain other words and phrases used in the Policy are defined elsewhere in this document and shall have the meanings ascribed to them therein.

Applicable Legislation

"Applicable Legislation" means the *Income Tax Act* (Canada); Taxation Act (Quebec), relevant pension legislation and such other laws of Canada and of the provinces and territories applicable hereto.

Annuitant

"Annuitant" under a retirement savings plan means

- a. until such time after maturity of the plan as an individual's spouse or common-law partner becomes entitled, as a consequence of the individual's death, to receive benefits to be paid out of or under the plan, the individual referred to in paragraph (a) or (b) of the definition "retirement savings plan" in this subsection for whom, under a retirement savings plan, a retirement income is to be provided, and
- b. thereafter, the spouse or common-law partner referred to in paragraph (a);

"Annuitant" under a retirement income fund at any time means

- c. the first individual to whom the carrier has undertaken to make payments described in the definition "retirement income fund" out of or under the fund, where the first individual is alive at that time,
- d. after the death of the first individual, a spouse or common-law partner (in this definition referred to as the "survivor") of the first individual to whom the carrier has undertaken to make payments described in the definition "retirement income fund" out of or under the fund after the death of the first individual, if the survivor is alive at that time and the undertaking was made
 - i. pursuant to an election that is described in that definition and that was made by the first individual, or
 - ii. with the consent of the legal representative of the first individual, and
- e. after the death of the survivor, another spouse or common-law partner of the survivor to whom the carrier has undertaken, with the consent of the legal representative of the survivor, to make payments described in the definition "retirement income fund" out of or under the fund after the death of the survivor, where that other spouse or common-law partner is alive at that time.

Beneficiary

The person who is designated to receive the death benefit of the Policy when the Annuitant dies before the Policy's maturity date. If you do not designate a Beneficiary on the Policy, the death benefit will be paid to a beneficiary in accordance with Applicable Legislation.

Contingent Beneficiary

The person(s) designated by the Policy Owner as being entitled to the proceeds of the Policy in the event the Beneficiary predeceases the Annuitant.

Contingent Owner

For non-registered policies, this is the person who will own the Policy upon the Policy Owner's death as designated by the Policy Owner. In Quebec, the term "Contingent Owner" is the same as a subrogated Policy Owner.

Contract

Also referred to as the "Policy". The Contract is the agreement between you and Co-operators that contains the terms and conditions of your Policy or plan with us. In its entirety, it includes the following:

1. the Policy;
2. any endorsements attached to the contract
3. any changes to the Policy that Co-operators and its regulators have approved; and
4. any amendment to the Policy agreed on in writing after the Policy is issued

If you are a resident of Alberta or British Columbia, the Contract also includes a copy of your application and any document attached to the Policy when issued, such as the notice of Policy confirmation.

Death Benefit Amount

The amount payable to named Beneficiaries on the death of the Annuitant.

Distribution

An arrangement of which an individual is the holder means a payment out of or under the arrangement in satisfaction of all or part of the holder's interest in the arrangement.

Fund of Funds

Segregated Funds, which are composed entirely of Underlying Funds.

Guaranteed Rate Option (GRO)

An investment option with a fixed interest rate for a term of 1 to 5 years.

Holder

The Owner of the Tax-Free Savings Account (TFSA) Policy:

- e. until the death of the individual who entered into the arrangement with the issuer, the individual;
- f. at and after the death of the individual, the individual's survivor, if the survivor acquires
 - i. all of the individual's rights as the holder of the arrangement, and
 - ii. to the extent it is not included in the rights described in subparagraph (i), the unconditional right to revoke any beneficiary designation made, or similar direction imposed, by the individual under the arrangement or relating to property held in connection with the arrangement; and
- g. at and after the death of a holder described in paragraph (b) or in this paragraph, the holder's survivor, if the survivor acquires
 - i. all of the holder's rights as the holder of the arrangement, and
 - ii. to the extent it is not included in the rights described in subparagraph (i), the unconditional right to revoke any beneficiary designation made, or similar direction imposed, by the holder under the arrangement or relating to property held in connection with the arrangement.

Individual Variable Insurance Contract (IVIC)

An IVIC, generally, is an individual contract of life insurance, including an annuity, or an undertaking to provide an annuity, as defined by provincial and territorial insurance statutes and by the Civil Code of Quebec, under which the liabilities vary in amount depending upon the market value of a specified group of assets in a Segregated Fund, and includes a provision in an individual contract of life insurance under which Policy dividends are deposited in a Segregated Fund.

For clarity, you, as the Policy Owner, make deposits, and we, as the insurance company, invest them in Segregated Funds in an IVIC.

Issue Date

The date we have issued you your Policy as identified on the notice of Policy confirmation you have received from us. Your Policy Anniversary is based on this date.

Locked-in Plan

"Locked-in" means any restrictions or limitations imposed by the applicable pension legislation. If your deposits come from a pension plan (as defined in federal or provincial pension legislation), they continue to be locked-in under the Policy.

Market Value Adjustment

The penalty applied when unscheduled withdrawals or switches are made from a GRO prior to the maturity of the specified term.

Maturity Benefit Amount

The amount that is payable upon maturity of the Policy.

Maturity Date

"**Maturity Date**" under a retirement savings plan means the fixed date on which your Policy matures and the Maturity Benefit Amount becomes payable to you or a retirement income will commence.

"**Maturity Date**" under a retirement income fund means the fixed date on which your Policy matures and the Maturity Benefit Amount becomes payable to you.

Notice

Any written notification, request, requirement, form or other communication Co-operators or the Policy Owner is required or permitted to give and deliver under the Policy.

Person

A natural person or a legal entity, such as a corporation, partnership or association.

Policy

The document called, "Versatile Portfolios Navigator™ Policy", describes the features, terms and conditions of a registered or non-registered plan. The Policy forms part of the Contract you entered with us and is governed by the applicable provincial insurance legislation, provincial or federal pension legislation and the *Income Tax Act* (Canada).

Policy Anniversary

The yearly recurrence of your Policy's Issue Date as identified on the notice of Policy confirmation you have received from us.

Policy Owner

The owner or holder of any plan under the Policy. For registered plans, the Policy Owner is the same as the Annuitant. For non-registered plans, the Policy Owner can be someone other than the Annuitant and can be a legal entity, such as a corporation, association or partnership.

If the Policy Owner is a natural person, then the Policy Owner must:

1. be at the age of majority in the Policy Owner's province of residence when the application for the Policy is signed;
2. hold a Canadian social insurance number; and
3. be in the province where the financial representative is licensed at the time the Policy is applied for.

Qualifying Arrangement

An arrangement for a tax-free savings account

- a. that is entered into after 2008 between a person (in this definition referred to as the "issuer") and an individual (other than a trust) who is at least 18 years of age;
- b. that is an annuity contract with an issuer that is a licensed annuities provider, or
- c. that provides for contributions to be made under the arrangement to the issuer in consideration of, or to be used, invested or otherwise applied for the purpose of, the issuer making distributions under the arrangement to the holder;
- d. under which the issuer and the individual agree, at the time the arrangement is entered into, that the issuer will file with the Minister an election to register the arrangement as a TFSA; and
- e. that, at all times throughout the period that begins at the time the arrangement is entered into and that ends at the particular time, complies with the conditions in subsection (2).

Segregated Fund

Deposits paid by and held in trust for the benefit of a Policy Owner, which are pooled and held in an investment portfolio separate from Co-operators other assets. As Segregated Funds are an insurance product, investments are made indirectly, through an Individual Variable Insurance Contract (IVIC).

Spouse

A person to whom you are legally married or your common-law partner and does not include any person who is not recognized as a spouse or common-law partner in the applicable provincial Insurance Act or for the purposes of any provision of the *Income Tax Act* (Canada) in relation to registered savings plans.

Survivor

An individual who is, immediately before the individual's death, a spouse or common-law partner of the individual.

Underlying Funds

Funds in which other Segregated Funds invest all or part of their assets through the purchase of Units. Underlying Funds may be Segregated Funds or mutual funds.

Unit

A proportionate share in a Segregated Fund to measure the value of the insurance benefits and our financial obligation to you, which are based on the amount of your contributions and the Unit Values of such Segregated Fund. You do not acquire any ownership interest of the Units. Units are notional and are not transferable or assignable.

Valuation Day

Any business day on which the market value of the assets and the Unit Value of one or more of the Segregated Funds is determined.

On a Valuation Day, Co-operators will allow you to effect contributions, switches, maturity or withdrawals to or from a Segregated Fund. On a Valuation Day, transactions for VROs and GROs are also processed. If the valuation fails or cannot be completed due to circumstances beyond our control, then the transaction will be completed on the next Valuation Day when it can be successfully completed.

Variable Rate Option (VRO)

An investment option with a variable interest rate that may change on a daily basis.

2. The Information Folder

The Information Folder explains the terms of the Versatile Portfolios Navigator™ Individual Variable Insurance Contract (IVIC) and provides information on our current administrative practices, which are subject to change from time to time. It is not part of the Policy, and does not create or confer any contractual or other rights.

The Versatile Portfolios Navigator™ is an IVIC, which offers you a wide choice of investment options, including Segregated Funds, a Variable Rate Option (VRO) and Guaranteed Rate Options (GROs). A Versatile Portfolios Navigator™ offers the security of maturity and death benefit guarantees.

Subject to minimum contribution, you may invest your contributions in any combination of:

- Variable Rate Option (VRO)
- Guaranteed Rate Options (GROs)
- Segregated Funds

Co-operators Life Insurance Company will notify you prior to any Fundamental Changes being made in respect of a Segregated Fund under the Policy.

2.1. Information about Co-operators Life Insurance Company

The Company is a life insurance company that is owned by its shareholders. The Company is federally incorporated in Canada.

Its operations are governed by its Letters Patent and by the Insurance Companies Act. The terms and conditions of the policies issued by the Company and the manner in which those policies are distributed are regulated by the Insurance Act of the provinces and territories in which the Company operates.

Segregated Funds are regulated by the Office of the Superintendent of Financial Institutions pursuant to the Insurance Companies Act (Canada) which among other things, ensures that sufficient reserves are maintained in the respect of the guarantee obligations of the Company under the policies.

The Company is in the business of providing financial services which includes the sale of retirement and investment products, life, health and accident insurance in all provinces and territories of Canada. The management of the Company is carried out under the overall authority of its Board of Directors. Responsibility for day-to-day operations is delegated to the Chief Operating Officer.

2.2. Non-Participating Policy

This is a non-participating Policy. It is not eligible to participate in the Company's surplus distribution.

2.3. Changes in Legislation

We may amend any of the provisions of the Policy from time to time as a result of changes to any Applicable Legislation without providing notice to the Policy Owner.

2.4. Claims

Any claim for benefit under the Contract must be made in writing to our Head Office. The claimant must provide satisfactory proof of the claim and the right to receive the benefit.

2.5. Limitation of Action

Every action or proceeding against an insurer for the recovery of insurance money payable under the Policy is absolutely barred unless commenced within the time set out in the applicable provincial Insurance Act (Alberta, British Columbia and Manitoba), the Limitations Act, 2002 (Ontario), The Civil Code of Quebec (for Quebec) or other applicable legislation for other territories and jurisdictions.

2.6. Interest of Management and Others in Material Transactions

There are no material transactions to report in the three preceding years between the insurer or any of its subsidiaries and any director, senior office or principal broker of the insurer, or any associates or affiliates of the foregoing, with respect to the Segregated Funds.

2.7. Material Policies

There are no Policies that can be reasonably regarded as presently material to any proposed Policyholder with respect to any of the Segregated Funds.

2.8. Other Material Facts

There are no other material facts which are known which would be relevant to the operation of the Versatile Portfolios Navigator™ that have not been disclosed previously.

2.9. Auditor

The auditor of the Segregated Funds is PricewaterhouseCoopers LLP, Chartered Accountants, located at One Lombard Place, Suite 2300, Winnipeg, MB, R3B 0X6.

3. General

3.1. Policy Participants

All policies must have a Policy Owner, an Annuitant and a Beneficiary.

3.1.1. Policy Owner

As the Policy Owner, you are entitled to all the rights under the Policy. Your rights may be limited if:

- you have appointed an irrevocable Beneficiary;
- you have assigned your Policy to a lender; or
- your Policy is registered.

3.1.2. Annuitant

The Annuitant can only be one person as this person is the individual whose life the Policy is provided. The Annuitant's age is used to set various dates and age restrictions within the Policy. On the Annuitant's death, the Policy terminates unless a Successor Annuitant or Successor Holder has been designated.

3.1.3. Beneficiary

You may name and change the Beneficiaries of your Policy in accordance with Applicable Legislation. If you designate a Beneficiary as irrevocable, you may not change or revoke designation without the irrevocable Beneficiaries consent.

Any appointment of a Beneficiary is effective when an acceptable form is received in our office. We assume no responsibility for the validity or effect of any appointment or change.

If there is no surviving Beneficiary or you fail to appoint a Beneficiary, any death benefit will be paid to you if you are not the Annuitant or will be paid to a beneficiary specified under Applicable Legislation.

3.2. Administrative Rules

We reserve the right to change our administrative rules and practices. We may change these requirements from time to time without prior notice to you.

3.3. Currency

Any withdrawal, contribution, switch or other transactions made under the Policy will be in Canadian currency.

3.4. Age Requirements

In order to purchase one of the non-registered or registered plans offered under the Versatile Portfolios Navigator™ Policy, the following age requirements must be met, subject to any age requirements for certain plan types under Applicable Legislation.

We may request proof of your age before making any payment under the maturity options of the Policy. If you have misstated your age, the correct age will be used to determine the amount of the income payment. We shall also be entitled to proof of age of any other person to whose date of birth is used to calculate income payments. We reserve the right to set a minimum age for commencing any income payment.

Plan Type	Earliest Age of Annuitant	Minimum Age of Policy Owner	Maximum Age of Policy Owner	Maximum Age of Annuitant
Non-Registered Plans	1 day	16	N/A	90
Tax-Free Savings Account (TFSA)	N/A	18	90	90
Registered Retirement Savings Plan (RRSP)	N/A	16	71	71
Retirement Income Plan	N/A	16	N/A	90

4. Plan Types

As a means to save for your retirement, you may choose to purchase any of the following types of plans.

4.1. Non-Registered Plans

The Versatile Portfolios Navigator™ Policy offers non-registered savings or non-registered income plans. Investment earnings and losses in a Versatile Portfolios Navigator™ Policy with non-registered plans are taxable to you on an annual basis. For these non-registered plans, the Policy Owner may differ from the Annuitant. The Policy Owner of a non-registered plan must be aged 16 or older. Prior to your Maturity Date, you may change the ownership of your Policy.

Non-registered savings plans include:

- Non-registered Savings Plan

Non-registered income plans include:

- Non-registered Scheduled Withdrawal Plan (SWP)

A Savings Plan is a plan that accumulates value through deposits. A SWP is plan that would allow you to receive income on a scheduled basis.

4.1.1. Contingent Owner

You may choose to designate a Contingent Owner on a non-registered plan where you are not the Annuitant. The Contingent Owner will assume ownership of the Policy upon your death. If you are the Annuitant, the Policy will end upon your death.

4.1.2. Joint Owners

Within a non-registered Policy, you may choose to have "joint owners" where there is more than one Policy Owner. Each Policy Owner holds an interest in the Policy and must agree to any change or transaction made to the Policy. In a jointly owned Policy, only one Policy Owner can be the Annuitant. The Policy will end upon the death of the Annuitant. If the surviving joint owner and Annuitant are the same, the Policy will continue until the Annuitant is deceased.

4.1.3. Assignment

Subject to Applicable Legislation, you may use a non-registered Policy as security for a loan by assigning it to a lender. If you assign your Policy to a lender, the lender will have the right to receive the proceeds, including death benefits, from the Policy. The assignment may delay or restrict certain transactions. We are not responsible for the validity of any assignment. We must receive the assignment in writing for it to become effective.

4.2. Registered Plans

The Versatile Portfolios Navigator™ Policy offers registered savings or income plans. For these registered plans, the Policy Owner and the Annuitant must be one and the same.

Registered savings plans include:

- Registered Retirement Savings Plan (RRSP)
- Locked-in Retirement Account (LIRA)
- Locked-in Retirement Savings Plan (LRSP)
- Restricted Locked-in Savings Plan (RLSP)
- Tax-Free Savings Account (TFSA)

Registered income plans include:

- Registered Retirement Income Fund (RRIF)
- Life Income Fund (LIF)
- Locked-in Retirement Income Fund (LRIF)
- Prescribed Registered Retirement Income Fund (pRRIF)
- Restricted Life Income Fund (RLIF)
- Tax-Free Savings Account Scheduled Withdrawal Plan (TFSA SWP)

For locked-in plans, additional addendum specific to the legislation will be provided to you. Should there be any conflicts between the Policy and the addendum or amendment, the addendum or amendment will take precedence.

Investment gains or losses earned under registered plans are not subject to income tax.

Except for a TFSA, you cannot assign a registered plan to a lender as security for a loan.

4.2.1. Registered Savings Plans

RRSP

The Policy Owner of a RRSP must be aged 16 or at the age of majority in the province where the Policy Owner resides.

The contributions you pay into your RRSP (excluding locked-in plans and registered plans transferred from other financial institutions) may be eligible for tax deduction, up to the allowable limits under Applicable Legislation.

Unless you provide us with other instructions, when your RRSP matures, we will automatically transfer the value of your RRSP to a RRIF offered by us. Your investment selections and guarantees under the Policy will not be affected by such transfer.

If your Spouse deposits contributions into a RRSP you own, it is a spousal RRSP. You are the Policy Owner and the Annuitant of the spousal RRSP Policy, while your Spouse is the contributor and receives the tax deduction.

Withdrawals from a RRSP are fully taxable for income tax purposes and may be subject to withholding tax in accordance with the *Income Tax Act* (Canada).

LIRA, LRSP or RLSP

The Policy Owner of a LIRA, LRSP or RLSP must meet the applicable age requirements in accordance with Applicable Legislation.

Unless you provide us with other instructions, when your LIRA, LRSP or RLSP matures, we will automatically transfer the value of your LIRA, LRSP or RLSP to a LIF, pRRIF, LRIF or RLIF offered by us. Your investment selections and guarantees under the Policy will not be affected by such transfer.

Withdrawals from a LIRA, LRSP or RLSP are subject to Applicable Legislation. They are fully taxable for income tax purposes and may be subject to withholding tax in accordance with the *Income Tax Act* (Canada).

TFSA

The Policy Owner of a TFSA must be aged 18 or older.

The contributions you pay into your TFSA are not eligible for tax deduction and are subject to maximum contribution amounts. Investment gains or losses earned under a TFSA are not subject to income tax.

Assignment

Subject to Applicable Legislation, you may use a TFSA as security for a loan by assigning it to a lender. If you assign your Policy to a lender, the lender will have the right to receive the proceeds, including death benefits, from the Policy. The assignment may delay or restrict certain transactions. We are not responsible for the validity of any assignment. We must receive the assignment in writing for it to become effective.

Successor Holder

Subject to Applicable Legislation, you may choose to designate a "Successor Holder" in your TFSA Policy. A Successor Holder must be an individual who is, immediately before your death, your surviving Spouse. When you die, ownership of the Policy will be transferred to your designated Successor Holder.

Your Successor Holder designation on a TFSA Policy will override any Beneficiary designation. In accordance with CRA guidelines, the Beneficiary designation on a TFSA must be revocable.

4.2.2 Registered Income Plans

The Policy Owner of a RRIF, LIF, RLIF, pRRIF or LRIF must meet the age requirement in accordance with Applicable Legislation.

RRIF

The *Income Tax Act* (Canada) requires you to withdraw an annual minimum amount from your RRIF. There is no minimum amount to withdraw in the year the RRIF is issued; however, we will calculate a minimum amount for withdrawal each calendar year thereafter. The minimum amount can be based on your age or that of your Spouse's. If you wish to have the minimum withdrawal amount calculated based on the age of your Spouse, you must advise us in writing prior to the issuance of your Policy; otherwise, the minimum amount will be calculated using your age. Once the Policy is issued, your decision on whose age will be used as the basis for calculating the minimum amount is irrevocable. The annual minimum income must be paid to you no later than December 31st each year.

Subject to the minimum income amounts under the *Income Tax Act* (Canada), you can choose how much income you would like to receive from your plan on a monthly, quarterly, semi-annual or annual basis. In accordance with the *Income Tax Act* (Canada), withdrawals are fully taxable and may be subject to withholding tax based on the annual income you receive from the Policy.

If your RRIF is purchased with monies transferred from a spousal RRSP, your RRIF will be a spousal RRIF.

You cannot contribute directly to a registered income fund. Instead, your contributions must arrive in the form of a transfer from a RRSP. Transfers to a locked-in plan must be from another locked-in plan.

Successor Annuitant

You may choose to designate your Spouse to become the Successor Annuitant of your RRIF Policy. When you die, your Spouse becomes the Successor Annuitant of the Policy. There would be no changes to the way the withdrawal calculations are made.

LIF, RLIF, pRRIF or LRIF

The *Income Tax Act* (Canada) requires you to withdraw an annual minimum amount from your registered income plan. There is no minimum amount to withdraw in the year the plan is issued; however, we will calculate a minimum amount for withdrawal each calendar year thereafter. The minimum amount can be based on your age or that of your Spouse's. If you wish to have the minimum withdrawal amount calculated based on the age of your Spouse, you must advise us in writing prior to the issuance of your Policy; otherwise, the minimum amount will be calculated using your age. Once the Policy is issued, your decision on whose age will be used as the basis for calculating the minimum amount is irrevocable. The annual minimum income must be paid to you no later than December 31st each year.

Federal or provincial legislation may restrict locked-in plans to an annual maximum income amount for withdrawal. The annual maximum amount for withdrawal is calculated using a formula prescribed in the applicable pension legislation.

Subject to the minimum and maximum income amounts under the *Income Tax Act* (Canada), you can choose how much income you would like to receive from your plan on a monthly, quarterly, semi-annual or annual basis. In accordance with the *Income Tax Act* (Canada), withdrawals are fully taxable and may be subject to withholding tax based on the annual income you receive from the Policy.

TFSA SWP

A TFSA SWP is a plan that would allow you to receive income on a scheduled basis. The Policy Owner of a TFSA SWP must be aged 18 or older. If you are receiving income on a scheduled basis, you cannot re-contribute that amount to a TFSA in the same calendar year unless you have room to contribute to your TFSA. If you do re-contribute, amounts over your contribution room will be subject to punitive tax penalties from CRA.

Assignment

Subject to Applicable Legislation, you may use a TFSA SWP as security for a loan by assigning it to a lender. If you assign your Policy to a lender, the lender will have the right to receive the proceeds, including death benefits, from the Policy. The assignment may delay or restrict certain transactions. We are not responsible for the validity of any assignment. We must receive the assignment in writing for it to become effective.

Successor Holder

Subject to Applicable Legislation, you may choose to designate a Successor Holder in your TFSA SWP Policy. A Successor Holder must be an individual who is, immediately before your death, your surviving Spouse. When you die, ownership of the Policy will be transferred to your designated Successor Holder.

Your Successor Holder designation on a TFSA Policy will override any Beneficiary designation. In accordance with CRA guidelines, the Beneficiary designation on a TFSA must be revocable.

5. Contributions

5.1. Pre-Authorized Debit (PAD)

You can make automatic contributions to your savings plan through PAD, which can be scheduled on a weekly, bi-weekly, semi-monthly or monthly basis. The minimum amount to be drawn from your bank account is \$50 per PAD transaction.

You may choose to increase your contributions through PAD on the Policy Anniversary using a rate between 1 to 10%.

You cannot make contributions to a Policy through PAD that has automatic scheduled withdrawals.

5.2. Lump Sum Contributions

All contributions will be deposited on the day we receive all requirements. If we receive the requirements before 3 p.m. Eastern Standard Time ("EST"), the Units will be purchased at the Unit price on that Valuation Day. If we receive the requirements after 3 p.m. EST, the Units will be purchased at the Unit price on the next Valuation Day.

Under unusual circumstances, we may have to postpone the date of a contribution of any amount. This may happen if normal trading is suspended on a stock exchange where the segregated fund or underlying fund has a significant percentage of its assets, or we believe it is not practical to dispose of investments held in a segregated fund or underlying fund or that it would be unfair to other policy holders. During such a delay, we will administer the contribution in a manner that we consider fair.

5.3. Over-Contributions for Registered Plans

The total RRSP contributions (excluding switches from registered plans) made to a RRSP Policy in any year shall not exceed the maximum allowable contribution limits permitted by the *Income Tax Act* (Canada). There may be a tax penalty for contributing more than your limit. If you over-contribute to your Policy, you can withdraw an amount to reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act* (Canada).

If you withdraw from a TFSA, you cannot re-contribute that amount to a TFSA in the same calendar year unless you have room to contribute to your TFSA. If you do re-contribute, amounts over your contribution room will be subject to punitive tax penalties from CRA.

5.4. Transfers To Your Policy

For any transfer into a registered plan under the Policy, we will only accept monetary contributions that can be transferred into a fund or plan that is listed in any combination of the fund or plans described in paragraphs 146.3(2)(f) and 207.02 or 207.03 of the *Income Tax Act* (Canada).

5.5. Minimum Investment to Establish and Maintain a Policy

You may choose to invest in one or more of the investment options as long you either deposit the minimum total investment to the Policy of \$250, or start PAD deposits.

Contributions may be directed to one or more of the investment options as long as the applicable minimum amounts are met. The current minimum amounts are as follows:

5.5.1. Non-Registered & Registered Savings Plans

Transaction	VRO	GRO	Segregated Funds
Lump Sum Contribution	\$50	\$250	\$50
PAD	\$50 per transaction	\$250 per transaction	\$50 per transaction
Investment Change/Switch	\$50	\$250	\$50

5.5.2. Non-Registered & Registered Income Plans

You may choose to invest in one or more of the investment options as long as the total initial investment into the Policy meets the minimum investment amount of \$10,000.

5.6. Continued Investment Minimums

5.6.1 Non-Registered and Registered Savings Plans

Once you meet the minimum initial investment required to establish a Policy, you can continue to invest or make changes, provided the following minimums are met.

Transaction

Minimum lump sum contribution	\$50
Minimum PAD	\$50 per transaction
Minimum investment change	\$50
Minimum policy value	\$250

You must continue to meet the minimum investment requirements to maintain your Policy. For full details on what occurs when you do not maintain the minimum investment requirement, refer to the *Termination* section of the Information Folder and the Policy.

5.6.2. Non-Registered and Registered Income Plans

Once you meet the minimum initial investment required to establish a Policy, you can continue to invest or make changes, provided you maintain scheduled withdrawals from your Policy.

You must continue to meet the minimum investment requirements to maintain your Policy. For full details on what occurs when you do not maintain the minimum investment requirement, refer to the *Termination* section of the Information Folder and the Policy.

6. Investment Changes/Switches and Fees

At any time prior to the Maturity Date of your Policy, you may make investment changes in the Policy by switching monies to or from your Segregated Fund investments. All investment changes will be made on the day we receive all requirements. If we receive the requirements before 3 p.m. EST, the Units will be purchased at the Unit price on that Valuation Day. If we receive the requirements after 3 p.m. EST, the Units will be purchased at the Unit price on the next Valuation Day.

You may switch all or a portion of your Segregated Fund investments to other Segregated Fund investments without changing your maturity and death benefit guarantees. Short term trading fees may apply.

You may also switch all or a portion of your Segregated Fund investments to a VRO or GRO. Switches outside of Segregated Funds will reduce your maturity and death benefit guarantees.

We reserve the right to postpone the switch pending notification to the investment managers. Switches will normally be processed upon our receipt of your written request in accordance with the *Transaction Timing* section of the policy.

Under unusual circumstances, we may have to postpone the date of an Investment Change of any amount. This may happen if normal trading is suspended on a stock exchange where the segregated fund or underlying fund has a significant percentage of its assets, or we believe it is not practical to dispose of investments held in a segregated fund or underlying fund or that it would be unfair to other policy holders. During such a delay, we will administer the Investment Change in a manner that we consider fair.

6.1. Minimum and Maximum Amounts

You may switch monies to and from one or more Segregated Fund or investment option to another Segregated Fund or investment option as long as the applicable minimums are met, which are described in the *Minimum Investment* section of the Policy.

The maximum cash withdrawal amount is \$250,000 per Segregated Fund. If you intend to withdraw monies in excess of this maximum amount, you must notify us of your intent in writing. We reserve the right to postpone the withdrawal pending notification to the investment managers and their determination as to the appropriate timing for the sale of the Units of the Segregated Fund.

6.2. Short Term Trading Fee

Segregated Funds are considered long term investments. While you may make unlimited switches to and from Segregated Funds, frequent switches are not consistent with a long term investment approach. If you switch all or part of your Segregated Funds within 90 days of the last switch, you are engaging in short term trading. As such, if you request a switch out of that Segregated Fund within 90 days of the last switch, we will charge a short term trading fee equal to 2% of the amount switched into the switching Segregated Fund. This short term trading rule does not apply to switches in and out of the Money Market Fund.

Example—switch less than deposit amount

Day	Transaction	Transaction Amount	Short Term Trading Fee
1	Switch from Co-operators Balanced Growth Portfolio to Co-operators Growth Portfolio	\$10,000	N/A
45	Switch 100% of Co-operators Growth Portfolio to Co-operators Income Portfolio	\$8,000	\$160

Example—switch greater than deposit amount

Day	Transaction	Transaction Amount	Short Term Trading Fee
1	Switch from Co-operators Balanced Growth Portfolio to Co-operators Growth Portfolio	\$10,000	N/A
45	Switch 100% of Co-operators Growth Portfolio to Co-operators Income Portfolio	\$12,000	\$200

The value of Units redeemed or acquired in a Segregated Fund to effect a switch is not guaranteed and may fluctuate with the market value of the assets of the particular Segregated Fund.

6.3. Market Value Adjustment (MVA)

Prior to the expiry of a GRO's term, a MVA may be applied on a switch to another investment option.

7. Withdrawals

You have the right to surrender your Policy for its Cash Value at any time. The Cash Value of the Policy will be determined upon our receipt of your written request to surrender your Policy and will be processed in accordance with the *Transaction Timing* section of the Policy.

The maximum cash withdrawal amount is \$250,000 per Segregated Fund. If you intend to withdraw monies in excess of this maximum amount, you must notify us of your intent in writing. We reserve the right to postpone the withdrawal pending notification to the investment managers and their determination as to the appropriate timing for the sale of the Units of the Segregated Fund.

Under unusual circumstances, we may have to postpone the date of a withdrawal of any amount. This may happen if normal trading is suspended on a stock exchange where the segregated fund or underlying fund has a significant percentage of its assets, or we believe it is not practical to dispose of investments held in a segregated fund or underlying fund or that it would be unfair to other policy holders. During such a delay, we will administer the withdrawal in a manner that we consider fair.

When you surrender your Policy, all of the insurance benefits and our financial obligation to you will end on the date we receive your notice.

Upon surrender, any portion of the Cash Value of the Policy, which is based on the value of units in a Segregated Fund, is not guaranteed but fluctuates with the market value of the assets of the particular Segregated Fund.

7.1. Unscheduled Withdrawals

At any time before your Policy's Maturity Date, you may withdraw part or all of the Cash Value of the Policy.

All withdrawals will be processed on the day we receive all the requirements. If we receive the requirements before 3 p.m. EST, the Units will be sold at the Unit prices on that Valuation Day. If we receive the requirements after 3 p.m. EST, the Units will be sold at the Unit prices on the next Valuation Day.

When requesting any withdrawal, you must indicate whether you would like your withdrawal to be gross or net of any fees and applicable withholding taxes. If you do not indicate whether the withdrawal will be gross or net, the withdrawal will be processed as gross. If the value of your Policy will be depleted to zero, we will pay to you the amount available after applicable taxes and fees. You must also select the investment option from which you would like the money withdrawn. If you do not select an investment option, the withdrawal will be equally drawn from all your investments.

There is a minimum cash withdrawal amount of \$500 per withdrawal.

7.1.1. Transfers From Your Policy

For any transfer from a registered plan under the Policy, we will only transfer monetary contributions that can be transferred into a fund or plan that is listed in any combination of the funds or plans described in paragraphs 146.3(2)(f) and 207.02 or 207.03 of the *Income Tax Act* (Canada).

If you request to transfer all or part of your RRIF or pRRIF to another financial institution, we will proceed to pay you the required minimum amount for the calendar year in accordance with the *Income Tax Act* (Canada) prior to effecting the transfer.

If you request to transfer all or part of your LIF, RLIF or LRIF to another financial institution, we will proceed to pay you the required maximum amount for the calendar year in accordance with the *Income Tax Act* (Canada) prior to effecting the transfer.

7.1.2. Market Value Adjustment (MVA)

Prior to the expiry of a Guaranteed Rate Option's (GRO) term, a MVA may be applied on withdrawals from a GRO.

7.1.3. Withdrawal Service Fees

You may request up to three unscheduled withdrawals in a calendar year without incurring a withdrawal service fee. Any withdrawal after your third one will be subject to a withdrawal service fee of \$35. If you withdraw from more than one Segregated Fund or investment option under one withdrawal request, you will only be charged one withdrawal service fee.

7.2. Scheduled Withdrawals

You may schedule automatic withdrawals from your registered income plan or non-registered SWP. You may select monthly, quarterly, semi-annual or annual withdrawals and choose to receive these withdrawals on any date between the 1st and 28th of the month.

The minimum amount for a scheduled withdrawal is \$100 per transaction.

Available Options

Product Type	Level	Minimum	Maximum
RRIF or pRRIF	Yes	Yes	Not Available
LIF, LRIF or RLIF	Yes ¹	Yes	Yes
Non-Registered SWP or TFSA SWP	Yes	Not Available	Not Available

¹Subject to Minimum and Maximum Restrictions

If we cannot withdraw the amount using your current dis-investment allocation, we will contact you for new dis-investment instructions. If we are unable to contact you, we will withdraw the amount equally from all your investments.

If the selected payment date falls on a non-valuation day, the withdrawal will be processed on the next valuation day. If the next valuation day occurs in the next calendar month, we will process the withdrawal on next months' valuation day and report it in the month it was requested.

8. Policy Values

8.1. Account Value of the Policy

The "Account Value" of the Policy is the sum of the following:

- the VRO Account Value;
- the total GRO Account Values; and
- the total Segregated Fund Account Values.

8.2. Cash Value of the Policy

The "Cash Value" of the Policy is the amount you will receive upon termination of the Policy. It is equal to the Account Value of the Policy minus the sum of:

- any applicable withdrawal service fees;
- any MVA applicable to amounts in the GRO;
- any scheduled withdrawals that may be in progress; and
- any other fees or charges that may be required under applicable legislation.

Any amount that is allocated to a Segregated Fund is invested at the risk of the Policyholder and may increase or decrease in value.

9. Termination

We will review your Policy(s) on an annual basis, at the end of each calendar year, to assess ongoing eligibility.

We reserve the right, upon notifying you in writing, to pay you the Cash Value of the Policy and terminate the Policy on a Valuation Day of our choice if at any time following your Policy Anniversary you do not meet the Policy Minimum. For full details, refer to the *Minimum Investment to Establish and Maintain a Policy* section of the Policy.

If the value of your Policy falls below the minimum total investment requirement after an unscheduled withdrawal, we will notify you in writing and you will be provided with the following options:

- Invest additional premium to meet the minimum total investment amount;
- Have the value under the Policy applied to one of our other Co-operators products; or
- Receive the value of your Policy in cash.

If one of these options is not chosen, we reserve the right to make a lump sum payment of the proceeds payable under the Policy.

Any applicable withdrawal service fees or withholding taxes will be deducted from the withdrawal.

Withdrawals may result in a capital gain or a capital loss since this creates a taxable disposition. For full details, refer to the *Tax* section of the Policy and Information folder.

If the account value of your plan decreases as a result of market volatility, we will not consider the plan to have fallen below the minimum investment requirement.

The Cash Value of the Policy will be determined on the Valuation Day that the Policy is to be terminated. A withdrawal service fees may apply in the calculation of the Cash Value. See the *Withdrawals* section for details regarding these charges.

Upon termination of the Policy, any portion of the Cash Value of the Policy, which is based on the Unit Value of a Segregated Fund, is not guaranteed but fluctuates with the market value of the assets of the particular Segregated Fund.

10. Transaction Timing

For a transaction to occur on the current Valuation Day, all transaction requests and supporting documents must be received at our Head Office by 3:00 p.m. EST. Otherwise, the transaction will occur on the next Valuation Day.

Under unusual circumstances, we may have to postpone the date of a transaction of any amount. This may happen if normal trading is suspended on a stock exchange where the segregated fund or underlying fund has a significant percentage of its assets, or we believe it is not practical to dispose of investments held in a segregated fund or underlying fund or that it would be unfair to other policy holders. During such a delay, we will administer the transaction requests in a manner that we consider fair.

11. Tax

This section provides general tax information for Canadian residents and is based on the current *Income Tax Act* (Canada). It does not include all possible tax considerations. We advise you to consult with your personal tax advisor regarding your own circumstances.

11.1. Tax Status of Policy Owner or Contributor

If you have requested that your Policy be registered as a registered retirement savings plan under the *Income Tax Act* (Canada), you may be able to claim an income tax deduction for contributions made to your own personal RRSP plan or your Spouse's RRSP plan up to the maximum allowed under the *Income Tax Act* (Canada). Income earned will not be subject to tax when allocated to the Policy Owner. All benefits payable in cash under the Policy are subject to income tax in the year the benefits are withdrawn from the Policy. There will be restrictions on surrender and assignment, and the Policy must provide for a lifetime income to commence not later than the end of the year in which the Annuitant reaches the age of 71 or the latest date specified by the Applicable Legislation.

If you have requested that your Policy be registered as a registered retirement income plan under the *Income Tax Act* (Canada), income earned will not be subject to tax when held in the Policy. Any amounts withdrawn in cash may be taxable to the Annuitant. Any amount withdrawn in excess of the minimum amount specified in the *Income Tax Act* (Canada) is subject to withholding tax.

11.2. Tax Status of Segregated Funds

Under the current *Income Tax Act* (Canada), the Company is taxed at regular corporate rates on its business profits.

The value of the Units in a Segregated Fund attributed to a Policy will not be reduced by income tax on the income from monies invested in respect of that Policy or on the gains realized on such investments. However, a Segregated Fund is subject to foreign withholding taxes on income derived from non-Canadian investments.

We will report to you any capital gains or losses resulting from withdrawals, switches from the Segregated Fund to other investment options or Segregated Funds Segregated Fund terminations, and your allocated portion of the Segregated Fund investment income (e.g. interest, dividends, foreign Income, capital gains and losses) under your Policy each year, which you must report as taxable income.

11.3. Tax Status of the GROs or VRO

If your Policy is not registered under the *Income Tax Act* (Canada), we will report to you yearly, the accrued interest calculated on a Policy Anniversary basis.

11.4. Premium Tax

We reserve the right, following notice to you, to charge for the amount of any premium tax or similar imposition payable by us in respect of your Policy as a result of legislation enacted or regulations becoming effective after the Policy was issued.

12. Options Upon Maturity

When your VRO, GRO or Segregated Fund investment plan matures, you may choose one of the maturity benefit options below, subject to the Policy's terms and conditions.

12.1. Guarantee Level 75/75

Upon maturity of any registered or non-registered plan that has the 75/75 feature, you may choose to apply the maturity benefit to one of the options below, subject to the type of plan's terms and conditions.

12.1.1. Non-Registered Savings, Non-Registered SWP, TFSA or TFSA SWP

You may choose to have the maturity benefit under the Policy applied to one of the following options:

- a new annuity purchased with the proceeds from your matured Policy; or
- a payment in cash

12.1.2. Registered Savings Plans

When your registered savings plan matures, we will automatically transfer the value of your registered savings plan to a registered income fund offered by us unless you provide us with other instructions before your Policy's Maturity Date. Your investment selections and guarantees under the Policy will not be affected by such transfer.

You may also choose to have the maturity benefit of your registered savings plan under the Policy applied to one of the following options:

- a new annuity purchased with the proceeds from your matured Policy
- a payment in cash (subject to Applicable Legislation)
- a registered income fund (subject to Applicable Legislation)

12.1.3. Registered Income Funds

When your registered income fund matures, you may choose to have the maturity benefit of your registered income fund under the Policy applied to one of the following options:

- a new annuity purchased with the proceeds from your matured Policy
- a payment in cash (subject to Applicable Legislation)

The annuity payment amount will be determined by applying our current rates on your Policy's maturity date, unless the Annuitant is a resident of Quebec, in which case the rates will be the greater of the minimum rates stated in the table below and the rates in effect at the time the annuity payment starts.

12.2. Guarantee Levels 75/100 and 100/100

Upon maturity of any non-registered or registered plan that has the 75/100 or 100/100 feature, you may choose to apply the maturity benefit to one of the options below, subject to the type of plan's terms and conditions.

12.2.1. Non-Registered Savings, Non-Registered SWP, TFSA or TFSA SWP

Maturity prior to age 106

For non-registered plans, you may choose to have the maturity benefit applied to one of the following options:

- a new annuity purchased with the proceeds from your matured Policy
- a lump sum withdrawal in cash
- a Scheduled Withdrawal Plan, where the maturity benefit will be paid to you based on the amount and frequency that you determine (subject to age requirements defined in the *Age Requirements* section).
- a new Versatile Portfolios Navigator™ Policy (subject to age requirements defined in the *Age Requirements* section).

Maturity at age 106

For non-registered plans, you may choose to have the maturity benefit applied to one of the following options:

- a new annuity purchased with the proceeds from your matured Policy
- a lump sum withdrawal in cash

12.2.2. Registered Plans

You may choose to apply the maturity benefit to one of the options described below.

12.2.2.1. Registered Savings Plans

When your registered savings plan matures, we will automatically transfer the value of your registered savings plan to a registered income plan offered by us unless you provide us with other instructions before your Policy's Maturity Date. Your investment selections and guarantees under the Policy will not be affected by such transfer.

You may also choose to have the maturity benefit of your registered savings plan under the Policy applied to one of the following options:

- a new annuity purchased with the proceeds from your matured Policy
- a payment in cash (subject to Applicable Legislation)
- a registered income plan (subject to Applicable Legislation)
- a new Versatile Portfolios Navigator™ Policy (subject to age requirements defined in the *Age Requirements* section).

12.2.2.2. Registered Income Funds

When your registered income fund matures, you may choose to have the maturity benefit of your registered income fund under the Policy applied to one of the following options:

Maturity Prior to age 106

- a new annuity purchased with the proceeds from your matured Policy
- a payment in cash (subject to Applicable Legislation and taxation)

Maturity at age 106

- a new annuity purchased with the proceeds from your matured Policy
- a lump sum withdrawal in cash

The annuity payment amount will be determined by applying our current rates on your Policy's maturity date, unless the Annuitant is a resident of Quebec, in which case the rates will be the greater of the minimum rates stated in the table below and the rates in effect at the time the annuity payment starts.

12.3. Default Option for VRO, GRO or Segregated Fund Investment Plans Where No Maturity Option Selected

If you have not selected a maturity option prior to the Policy's maturity date, and we are unable to provide you with an income plan, the maturity benefit will be used to provide annuity payments to you when your Policy matures. The life annuity will provide a guarantee period of 10 years.

The annuity payment amount will be determined by applying our current rates on the Maturity Date of the Policy, unless the Annuitant is a resident of Quebec, in which case the rates will be the greater of the minimum rates stated in the table below and the rates in effect at the time the annuity payment commences.

For residents of Quebec, the following table specifies the minimum rates of annuity payment:

Age	Annual Factor per \$10,000 of Policy Maturity Benefit
50	121.44
55	151.08
60	184.92
65	223.92
70	267.96
75	312.00
80	350.04
85	373.44
90	385.56

Notwithstanding any option chosen, we reserve the right to make a lump sum payment of the proceeds payable under the Policy if such amount is less than our minimum or the amount of monthly payments would be less than our minimum payment.

13. Policy Notifications

You must notify us of any change in address or contact information. We are not responsible for you not receiving any materials from us if you fail to notify us of any change in your contact information.

13.1. Policy Statements

We will provide you with at least one statement per year summarizing any financial activity that occurred on your Policy between January 1st and December 31st of each year your Policy is in-force.

If you are receiving a registered income payment from us, we will advise you in the first quarter of each year of any applicable minimum and maximum amounts payable to you.

13.2. Financial Statements

We will post the Fund Facts and audited financial statements of the Segregated Funds on our website at cooperators.ca. We recommend you review these statements before you allocate contributions. Unaudited Segregated Fund information is posted on our website at all times. Alternatively, you may contact us at any time to request a copy of these financial statements. A complete investment policy for each Segregated Fund and the Underlying Fund, if applicable, is available upon request.

13.3. Effective Date

When we issue you your Policy, you will receive a confirmation notice from us that identifies the "Issue Date" of the Policy. Your Policy is effective on the Issue Date indicated on the confirmation notice.

13.4. Confirmations

We will send you notice confirming any unscheduled or non-PAD contribution you make to your Policy if such contribution is at least \$250.

We will send you notice confirming any change of investments you make.

We will not send you confirmation of scheduled or PAD transactions. In some situations, you may only receive one notice confirming your initial purchase, but may not receive confirmation for each subsequent transaction.

13.5. Amendments

We may make non-material or non-Fundamental Changes to the Policy without the approval of our regulators at any time. We will notify you at least 30 days before any non-material change becoming effective. Any changes required by Applicable Legislation and administrative or judicial decisions may be implemented immediately without notice. For any material or Fundamental Changes to the Policy, see the *Fundamental Changes* section of the Policy.

14. Rescission Rights

You have rescission rights under the Policy, which will allow you to cancel your purchase or any allocation of your contributions to a Segregated Fund subject to the following terms:

- you may cancel the purchase of the Segregated Fund and any allocation of premiums to a Segregated Fund by sending us a written notice requesting the rescission within two (2) business days from the date you received confirmation of the purchase.
- for any allocation of premiums to a Segregated Fund other than the initial purchase, the right to rescind will only apply in respect to the additional allocated premiums and written notice requesting the rescission must be provided within two (2) business days from the date you received confirmation.
- you will be refunded the lesser of the amount invested in the Segregated Fund and the value of the Segregated Fund on the Valuation Day following the day we received the request for rescission plus any fees or charges associated with the transaction.
- you will be deemed to have received the confirmation five (5) business days after we have mailed it to you.

15. Notice

Any notice required or permitted to be given to Co-operators under the Policy shall be in writing and delivered by mail, by personal delivery or by facsimile or similar means of recorded electronic communication addressed to our Head Office:

Address:

Co-operators Life Insurance Company
Attn: Individual Wealth Client Service Centre
1900 Albert St, Regina, SK, S4P 4K8

Email: [pks_wealth_mgmt@cooperators.ca](mailto:phs_wealth_mgmt@cooperators.ca)

Facsimile: 1-888-877-8453

We will provide the Policy Owner with notice by mail or by personal delivery to the Policy Owner at the address we currently have on our records.

Notice from us is deemed to have been given to you and received by you in accordance with the following delivery methods:

- notice by mail to the last known address of the Policyholder: notice is effective on the 5th business day after we post it in the mail
- notice by personal delivery: notice is effective on the day you receive such notice from us in person
- notice by electronic transmission: where notice was made between 5 p.m. and midnight EST, it shall be deemed to have been made on the next business day as long as such electronic means provides confirmation of transmission

Except any transaction or contribution request, any notice we receive from you either by mail, personal delivery or electronic transmission is deemed to have been given to us and received by us in accordance with the following:

- if we receive your notice between midnight and 5 p.m. EST on a business day, it will be deemed to have been made on that business day;
- if we receive your notice between 5 p.m. and midnight EST on any day, it shall be deemed to have been made on the next business day; and
- any notice by electronic transmission shall provide confirmation of your transmission.

16. Creditor Protection

Your Policy may offer some creditor protection under applicable insurance or pension legislation. The Beneficiary designation affects whether or not proceeds from your Policy are protected from your creditors. In many provinces, insurance money is exempt from seizure by creditors if the designated Beneficiary is the Policy Owner and Annuitant's Spouse, child, grandchild or parent. In Quebec, the designated Beneficiary must be related to the Policy Owner, such as a Spouse, child or parent; if the designated Beneficiary is not related, such Beneficiary must have been named irrevocably for the Policy proceeds to be protected from a creditor. In other provinces, the designated Beneficiary must be related to the Annuitant. This special protection includes adopted children in most provinces, but it does not apply to an ex-spouse unless he or she has been named an irrevocable Beneficiary in the Policy.

Provisions Specific to Segregated Fund Investments

17. Segregated Fund Investments

We offer you a broad spectrum of Segregated Funds. Information on the Segregated Funds is provided in the Fund Facts booklet. We reserve the right to change the investment objectives of any Segregated Fund subject to the terms described in the *Fundamental Changes* section of the Policy.

The Account Value of a Segregated Fund on any Valuation Day is the number of Units held by your Policy within each of your Segregated Funds, multiplied by the Unit Value of that Segregated Fund on Valuation Day. Any scheduled withdrawals that may be in progress will reduce the Account Value of your Segregated Fund.

The Cash Value of your Segregated Fund is the Account Value of the Segregated Fund, minus any applicable withdrawal service fees.

The Account Values and Cash Values of the Segregated Funds under your Policy will depend on the market value of the assets of the particular Segregated Funds and are not guaranteed.

18. Allocation of Units

The number of Units of a Segregated Fund allocated to your Policy is determined by dividing the amount of your contribution by the Unit Value of the Segregated Fund on the date of purchase.

19. Limiting Contributions

We reserve the right, at our discretion, to decline any new contributions. We also reserve the right to set a maximum amount of new contributions that can be added to a Segregated Fund or Segregated Funds.

20. Sales Charge Options

Only a no load sales charge option is offered under the policy. The policy will not be subject to deferred sales charges.

21. Guarantees on Policies Invested in Segregated Funds

Your Policy provides maturity benefit and death benefit guarantees. Below is a summary of the guarantees depending on the level of protection you purchased.

The maturity and death benefits are reduced to zero when the total of all Units have been surrendered or if the Policy has been cancelled.

The below table summarizes the guarantees and reset options available and described in detail in this section.

Guarantee Level	75/75	75/100	100/100
Maturity benefit guarantee (provided on the Maturity Date)	The greater of one the following: <ul style="list-style-type: none">• The sum of the Segregated Fund Cash Values; or• 75% of the sum of contributions invested in the Segregated Funds²		The greater of one the following: <ul style="list-style-type: none">• The sum of the Segregated Fund Cash Values; or• 100% of the sum of contributions invested in the Segregated Funds for 5 years or more, and 75% of the sum of contributions invested in the Segregated Funds for less than 5 years²
Death Benefit Guarantee (provided on the death of the Annuitant)	The greater of one the following: <ul style="list-style-type: none">• The sum of the Segregated Fund Cash Values; or• 75% of the sum of contributions invested in the Segregated Funds²		The greater of one the following: <ul style="list-style-type: none">• The sum of the Segregated Fund Cash Values; or• 100% of the sum of contributions to age 80; and 75% of the sum of contributions after age 80 proportionately reduced²
Resets	Not Available	Maturity Benefit: Not Available Death Benefit: Automatic annual resets to age 55 and thereafter every 5 years to age 80 on the Policy anniversary date. Final reset will occur on the Policy anniversary nearest age 80. Resets will increase the death benefit guarantee.	Maturity Benefit: Automatic resets every 15 years. Last reset will occur 15 years prior to the maturity date. Resets will increase the maturity benefit guarantee. Death Benefit: Automatic annual resets to age 55 and thereafter every 5 years to age 80 on the Policy anniversary date. Final reset will occur on the Policy anniversary nearest age 80. Resets will increase the death benefit guarantee amount.

²Maturity and Death Benefit Guarantees are proportionally reduced by any withdrawals.

The Cash Values of the Segregated Fund will depend on the market value of the assets of the particular Segregated Fund and are not guaranteed.

21.1. Maturity Benefit Guarantee

The maturity benefit will become available to you when your Policy reaches its Maturity Date.

21.2. Default Maturity Date

If you have selected a guarantee level of 75/75, you may not select a Maturity Date. Instead your Policy will mature on default Maturity Date described in the table of this section. If you have selected a guarantee level of 75/100 or 100/100, you may select a Maturity Date with a minimum of 15 years from your Policy's Issue Date. If you did not select a Maturity Date for your Policy, your Policy will mature on the applicable dates below, subject to any age requirements for certain plan types under Applicable Legislation:

Plan Type	Default Maturity Date
Non-Registered Plans	The Policy will mature on the Annuitant's 106 th birthday.
TFSA Plans	The Policy will mature on the Annuitant's 106 th birthday.
Registered Savings Plans	December 31 in the year the Annuitant turns 71 years old or such other age specified under the <i>Income Tax Act</i> (Canada).
Retirement Income Plans ³	The Policy will mature on the Annuitant's 106 th birthday.

³The default maturity date and age are subject to applicable pension legislation.

21.3. Death Benefit Guarantee

We will calculate the death benefit on the Valuation Day we receive notice of the Annuitant's death.

On death of the Annuitant, the death benefit of the Policy may be subject to tax implications. For more information, please refer to the *Taxation* section of the Policy.

The Account Values of the Segregated Funds will be calculated based on the Unit Values of the Segregated Funds held by the Policy on the Valuation Day we receive notice of the Annuitant's death.

The Policy will terminate upon payment of the death benefit.

21.4. Proportional Reduction Calculation

Withdrawals and investment switches out of Segregated Funds will cause the Maturity Benefit Amount and Death Benefit Amount to be reduced proportionally.

To calculate a proportional reduction, you need to calculate the amount withdrawn as a percentage of the total Segregated Fund value at the time of the withdrawal and then reduce the current guarantee by that percentage.

$$\text{Reduction Percentage} = \frac{\text{Withdrawal Amount}}{\text{Total Segregated Fund Value at Time of Withdrawal}} \times 100$$

$$\text{New Guarantee} = \text{Current Guarantee} - (\text{Current Guarantee} \times \text{Reduction Percentage})$$

For example:

An individual purchased a 75/100 guarantee level Policy and has contributed a total of \$100,000 to a Segregated Fund. The Maturity Benefit Amount payable upon the Policy's maturity is \$75,000, and the Death Benefit Amount payable upon the Annuitant's death is \$100,000. On the date that the Segregated Fund value is \$125,000, the individual withdraws an amount of \$15,000.

To calculate the reduction percentage for the maturity benefit guarantee and death benefit guarantee, the withdrawal amount of \$15,000 is divided by \$125,000, which amounts to a 12% reduction. The current maturity benefit guarantee of \$75,000 multiplied by 12% is equal to the reduction amount of \$9,000. The current death benefit guarantee of \$100,000 multiplied by 12% is equal to the reduction amount of \$12,000.

The current maturity guarantee of \$75,000 minus the reduction amount of \$9,000 is equal to \$66,000, which is now the new maturity benefit guarantee. The current death guarantee of \$100,000 minus the reduction amount of \$12,000 is equal to \$88,000, which is now the new death benefit guarantee.

21.5. Guarantee Level 75/75

Upon maturity of a Level 75/75 Policy, the Maturity Benefit Amount and Death Benefit Amount described below are guaranteed.

21.5.1. Maturity Date

The Maturity Date is automatically set to the Annuitant's age as described in the *Default Maturity Date* section.

21.5.2 Maturity Benefit Amount

The Maturity Benefit Amount is 75% of all contributions to the Segregated Funds, reduced proportionally by all withdrawals from or transfers out of such Segregated Funds.

When the Annuitant dies, the designated Successor Annuitant or Successor Holder in the Policy becomes the new Annuitant. The Maturity Benefit Amount becomes available when the new Annuitant reaches the Maturity Date.

For any options available upon maturity of your Policy, see *Options upon Maturity* section of the Policy.

Example of maturity benefit guarantee

Guarantee Level	Sum of Premiums	Policy Value	Maturity Benefit Guarantee	Maturity Benefit Paid
75/75	\$100,000	\$125,000	\$75,000	\$125,000
75/75	\$100,000	\$63,000	\$75,000	\$75,000

21.5.3. Death Benefit Amount

The Death Benefit Amount is equal to the greater of the Policy value at the time of death or 75% of all contributions to the Segregated Funds, reduced proportionally by all withdrawals from or transfers out of such Segregated Funds.

When the Annuitant dies, the designated Successor Annuitant or Successor Holder in the Policy becomes the new Annuitant. The Death Benefit Amount becomes payable to the designated Beneficiary when the new Annuitant dies.

Example of death benefit guarantee

Guarantee Level	Sum of Premiums	Policy Value	Death Benefit Guarantee	Death Benefit Paid
75/75	\$100,000	\$125,000	\$75,000	\$125,000
75/75	\$100,000	\$63,000	\$75,000	\$75,000

21.6. Guarantee Level 75/100

Upon maturity of a Level 75/100 plan, the Maturity Benefit Amount and Death Benefit Amount described below are guaranteed.

21.6.1. Maturity Date

The Maturity Date is automatically set to the Annuitant's age as described in the *Default Maturity Date* section. If you do not wish to have your Policy mature on the default Maturity Date, you may change the Maturity Date of your Policy subject to the following:

1. the new Maturity Date must be at least 15 years from the Issue Date of your Policy
2. the new Maturity Date cannot be later than the default maturity dates set out in the *Age Requirements* section of the Policy
3. the request to change the Maturity Date of your Policy must be provided at least 1 year before the new Maturity Date

21.6.2. Maturity Benefit Amount

The Maturity Benefit Amount is 75% of all contributions to the Segregated Funds, reduced proportionally by all withdrawals from or transfers out of such Segregated Funds.

When the Annuitant dies, the designated Successor Annuitant or Successor Holder in the Policy becomes the new Annuitant. The Maturity Benefit Amount becomes available when the new Annuitant reaches the Maturity Date.

For any options available upon maturity of your Policy, see the *Options Upon Maturity* section of the Policy.

Example of maturity benefit guarantee

Guarantee Level	Sum of Premiums	Policy Value	Maturity Benefit Guarantee	Maturity Benefit Paid
75/100	\$100,000	\$125,000	\$75,000	\$125,000
75/100	\$100,000	\$63,000	\$75,000	\$75,000

21.6.3. Death Benefit Amount

The Death Benefit Amount is equal to 100% of all contributions to the Segregated Funds made before the Annuitant turns 80 years of age plus 75% of all contributions to the Segregated Funds made after the Annuitant turns 80 years of age, reduced proportionally by all withdrawals from or transfers out of Segregated Funds.

When the Annuitant dies, the designated Successor Annuitant or Successor Holder in the Policy becomes the new Annuitant. The Death Benefit Amount becomes payable to the designated Beneficiary when the new Annuitant dies.

Example of death benefit guarantee

Guarantee Level	Sum of Premiums ⁴	Policy Value	Death Benefit Guarantee	Death Benefit Paid
75/100	\$100,000	\$125,000	\$100,000	\$125,000
75/100	\$100,000	\$63,000	\$100,000	\$100,000

21.6.4 Death Benefit Resets

Your Policy provides resets that allow for the Death Benefit to be set to the greater of the Policy's Account Value or the current Death Benefit Amount. These resets will occur annually on your Policy Anniversary until the Annuitant reaches 55 years of age, with resets continuing to occur every fifth Policy Anniversary thereafter, until the Policy Anniversary nearest the Annuitants 80th birthday, after which all resets will cease.

Example of death benefit reset

Guarantee Level	Sum of Premiums ⁴	Policy Value	Death Benefit Guarantee	Death Benefit Reset
75/100	\$100,000	\$125,000	\$100,000	\$125,000
75/100	\$100,000	\$63,000	\$100,000	No Change

21.7. Guarantee Level 100/100

Upon maturity of a Level 100/100 plan, the Maturity Benefit Amount and Death Benefit Amount described below are guaranteed.

21.7.1. Maturity Date

The Maturity Date is automatically set to the Annuitant's age as described in the *Default Maturity Date* section. If you do not wish to have your Policy mature on the default Maturity Date, you may change the Maturity Date of your Policy subject to the following:

1. the new Maturity Date must be at least 15 years from the Issue Date of your Policy
2. the new Maturity Date cannot be later than the default maturity dates set out in the *Default Maturity Date* section of the Policy
3. request to change the Maturity Date of your Policy must be provided at least 1 year before the new Maturity Date

21.7.2. Maturity Benefit Amount

The Maturity Benefit Amount is equal to 100% of all contributions to the Segregated Funds invested for more than 5 years plus 75% of all contributions to the Segregated Funds invested for less than 5 years, reduced proportionally by all withdrawals from or switches out of Segregated Funds.

When the Annuitant dies, the designated Successor Annuitant or Successor Holder in the Policy becomes the new Annuitant. The Maturity Benefit Amount becomes available when the new Annuitant reaches the Maturity Date.

For any options available upon maturity of your Policy, see the *Options Upon Maturity* section of the Policy.

Example of maturity benefit guarantee

Guarantee Level	Sum of Premiums	Policy Value	Maturity Benefit Guarantee	Maturity Benefit Paid
100/100	\$100,000	\$125,000	\$100,000	\$125,000
100/100	\$100,000	\$63,000	\$100,000	\$100,000

21.7.3. Maturity Benefit Resets

Your Policy provides that every 15 years, the Maturity Benefit will be set to the higher of the Policy's Account Value or the current Maturity Benefit Amount. These resets will automatically occur every 15 years on your Policy Anniversary with the final reset occurring 15 years prior to your Policy's Maturity Date.

Example of maturity benefit reset

Guarantee Level	Sum of Premiums	Policy Value	Maturity Benefit Guarantee	Maturity Benefit Reset
100/100	\$100,000	\$125,000	\$75,000	\$125,000
100/100	\$100,000	\$63,000	\$100,000	No Change

21.7.4. Death Benefit Amount

The Death Benefit Amount is equal to 100% of all contributions to the Segregated Funds made before the Annuitant turns 80 years of age plus 75% of all contributions to the Segregated Funds made after the Annuitant turns 80 years of age, reduced proportionally by all withdrawals from or switches out of Segregated Funds.

When the Annuitant dies, the designated Successor Annuitant or Successor Holder in the Policy becomes the new Annuitant. The Death Benefit Amount becomes payable to the designated Beneficiary when the new Annuitant dies.

Example of death benefit guarantee

Guarantee Level	Sum of Premiums ⁵	Policy Value	Death Benefit Guarantee	Death Benefit Paid
100/100	\$100,000	\$125,000	\$100,000	\$125,000
100/100	\$100,000	\$63,000	\$100,000	\$100,000

21.7.5. Death Benefit Resets

Your Policy provides resets that allow for the Death Benefit to be set to the greater of the Policy's Account Value or the current Death Benefit Amount. These resets will occur annually on your Policy Anniversary until the Annuitant reaches 55 years of age, with resets continuing to occur every fifth Policy Anniversary day thereafter, until the Policy Anniversary nearest the Annuitants 80th birthday, after which all resets will cease.

Example of death benefit reset

Guarantee Level	Sum of Premiums ⁵	Policy Value	Death Benefit Guarantee	Death Benefit Reset
100/100	\$100,000	\$125,000	\$100,000	\$125,000
100/100	\$100,000	\$63,000	\$100,000	No Change

21.8. Movement between Guarantee Levels

At any given time, you may transfer to another level during the lifetime of the Policy to a maximum of three level movements. We reserve the right to apply a minimum amount to this option at any time without notice.

22. Operation of the Segregated Funds

Co-operators owns the assets, including all asset investments and investment earnings, of the Segregated Funds. These assets are segregated from our other assets to protect them from any creditor claims in the event of insolvency.

Each Segregated Fund is notionally divided into Units which are allocated to individual policies when switches or contributions are made to one or more of the Segregated Funds.

We retain control of the cash and securities of the Segregated Funds. Our Fund Managers currently manage the investment portfolios of the Segregated Funds. These entities professionally manage the Segregated Funds by providing us with investment advice and by carrying out investment activities, including the purchase and sale functions for the investment portfolios. Transactions are normally arranged through a large number of brokerage houses and no principal broker is retained for the purposes of the Segregated Funds management. Further details regarding our Segregated Funds can be found in the Fund Facts.

The assets of the Segregated Funds may be invested in any way we judge to be most effective under the circumstances prevailing, at any time, to achieve the investment objectives of each Segregated Fund. We do not guarantee the performance of the Segregated Funds. You should carefully consider your tolerance for risk when you select an investment option.

Co-operators will not be liable for any of the following:

- any loss that you may incur as a result of investing in the Segregated Funds
- any error of judgement or mistake as to law or fact that we make with regard to our investment in any Segregated Fund
- any act or omission of the Policyholder with regard to the investments in the Segregated Funds

22.1. Reinvestment of Earnings

We invest or reinvest the Income of each Segregated Fund at our discretion and in accordance with each Segregated Fund's investment objectives without distinguishing between principal and income. The assets of the Segregated Funds are invested in accordance with Applicable Legislation. We may invest the assets in any permitted investments.

From time to time, we may choose to hold some portion of the Segregated Funds in cash.

22.2. Valuation of Assets

We determine the market value of the assets of each Segregated Fund on a Valuation Day. Each Segregated Fund's Valuation Day may vary, and we reserve the right to change the frequency and timing of valuations which, in any event, will not be less than monthly.

Any decrease in the frequency with which Units of the Segregated Fund are to be regularly valued will be considered a Fundamental Change.

22.3. Unit Value

On the Valuation Day of each Segregated Fund, the Unit Value is determined by dividing the market value of the assets of that Segregated Fund (minus any management fees, other fees and expenses) by the number of Units outstanding at the time of valuation. The Unit Value applies on that Valuation Day and remains in effect until the next Valuation Day.

Dividends, interest income and capital gains are retained in each Segregated Fund, which increase the Unit Value. The number of Units acquired by your Policy in a Segregated Fund is determined by dividing the contributions and switches allocated to the Segregated Fund by the Unit Value of the respective Segregated Fund on the Valuation Day when the Units are acquired.

The value of Units acquired by your Policy in a Segregated Fund is not guaranteed but fluctuates with the market value of the assets of the particular Segregated Fund.

22.4. Management Fees

Management fees cover the charges we incur for the management and administration of the Segregated Funds and are calculated based on the net asset value of the Segregated Funds. All management fees are charged to the Segregated Funds and are paid into the general funds of Co-operators. The management fees currently applicable to each Segregated Fund are detailed in the Versatile Portfolios Navigator™ Information Folder, the Fund Facts booklet and our Financial Statements. The management fees of Segregated Funds include management fees of the Underlying Fund.

We reserve the right to increase management fees from time to time, subject to Fundamental Change provisions.

22.5. Insurance Fees

The benefits of your contribution to Segregated Funds under the Policy are guaranteed and, thus, insured. We charge an insurance fee for this feature. The insurance fee is included in the management fee found in Schedule "A" of the Fund Facts.

22.6. Other Fees and Expenses

Expenses paid to third parties may be charged to each Segregated Fund and will decrease the Unit Value. Such charges may include any or all of the following:

- administrative fees
- audit, legal, custodial, safekeeping, registrar and transfer agent fees
- costs of regulatory documentation
- Segregated Fund accounting and valuation costs

22.7. Management Expense Ratio (MER)

The Management Expense Ratio (MER) is comprised of all fees and operating expenses of the Segregated Fund, including the management fee, insurance fee and other fees and expenses to which the Segregated is subject to.

These fees are paid or payable by the Segregated Fund, not you directly. The MER is calculated by dividing the Segregated Fund's total payable fees, charges and other expenses (including any applicable taxes and interest charges) during the financial year by the amount of the average net asset value of the Segregated Fund for that financial year.

Where the Segregated Fund invests in an underlying mutual fund, the MER includes fees and expenses paid by the underlying mutual fund, as well as all fees and expenses paid or payable by the Segregated Fund. There are no management fees or sales charges payable by the Segregated Fund that would duplicate a fee or sales charge payable by the Underlying Fund for the same service.

The MER of each Segregated Fund that invests in Underlying Funds is calculated as the weighted average of the Management Expense Ratios of each of the Underlying Funds in proportion to their holdings.

The Management Expense Ratio of each Segregated Fund is detailed in the Versatile Portfolios Navigator™ Fund Facts booklet and the Audited Financial Statements, the latter of which includes the Financial Highlights. The MER of each of the funds indicated is calculated based on each Segregated Fund on the last Valuation Day of the calendar year. The current MER will be disclosed when the Audited Financial Statements for this calendar year are published. Audited Financial Statements are available on our website or upon request.

22.8. Compensation

Versatile Portfolios Navigator™ IVICs are sold through our financial representative. We compensate our financial representative for the professional advice and services provided to you.

The amount of compensation is dependent on the investment option you choose.

Fund Name	Commission Payable	Trailing Commission
All Funds excluding Co-operators Money Market Fund	0% on new premium	0.058% of the value on the monthly Policy Anniversary
Co-operators Money Market Fund	0.00%	0.008% of the value on the monthly Policy Anniversary

We reserve the right to change the rates and terms of commissions.

22.9. Changes, Additions or Withdrawals of a Segregated Fund

We reserve the right to make changes to or increase or decrease the number of Segregated Funds available for investment within your Policy. In the event we choose to withdraw or close a Segregated Fund, this will constitute a Fundamental Change.

The Account Value of the Segregated Fund arising from investments in the withdrawn Segregated Fund is not guaranteed but will fluctuate with the market value of the Units acquired by your Policy in the particular Segregated Fund.

23. Fundamental Changes

We will notify you and our regulators at least 60 days before making any of the following fundamental changes related to any Segregated Fund under your Policy (each a "Fundamental Change"; collectively, "Fundamental Changes"):

- an increase in the management fee which may be charged against the assets of the Segregated Fund
- a change in the fundamental investment objectives of the Segregated Fund
- a decrease in the frequency with which Units of the Segregated Fund are valued
- an increase in the insurance fee limit for the Segregated Fund
- a Segregated Fund is closed or two or more Segregated Funds are merged

We reserve the right to make Fundamental Changes from time to time, subject to the terms in this section.

We will notify you of any Fundamental Change by mail at the address we currently have on our records.

23.1. Fundamental Change Rights

When a Fundamental Change occurs, you may exercise one of the following rights: the right to switch or the right to redeem.

23.1.1. Right to Switch

You may switch within the Policy, without affecting any of your other rights or obligations under the Policy, to a similar Segregated Fund in the same investment category offered under the Policy that is not subject to the Fundamental Change for which the notice is being delivered without incurring any fees as long as we receive your election by 3 p.m. EST on the date indicated in our notice letter. The similar Segregated Fund must have comparable fundamental investment objectives, be in the same investment Segregated Fund category, and have the same management fee and insurance fee as or lower than that of the Segregated Fund subject to the Fundamental Change.

23.1.2. Right to Redeem

If we do not offer a similar Segregated Fund, you may redeem the Units of the Segregated Fund without incurring any fees as long as we receive your election by 3 p.m. EST on the date indicated in our notice letter.

In the event a Segregated Fund is closing, we reserve the right to discontinue switches to such Segregated Fund during the notice period. In all other cases of Fundamental Changes, you will be permitted to switch to that Segregated Fund if you waive your right to redeem in writing.

23.2. Fundamental Changes to Segregated Funds Invested In Underlying Mutual Funds

The Policy allows you to invest in Segregated Funds that are invested entirely in corresponding underlying mutual funds. You are purchasing an insurance Policy and if you invest in a Segregated Fund that invests in an underlying mutual fund, you do not hold Units of the underlying mutual fund. The investment objectives of such Segregated Fund correspond with the investment objectives of the underlying mutual fund in which the Segregated Fund invests. A Fundamental Change to the investment objectives of the underlying mutual fund cannot be made unless approved by the unit-holders of the underlying mutual fund. Upon the unit-holders' approval, we will notify you of the Fundamental Change if you have invested in a Segregated Fund which has invested in the particular underlying mutual fund that was subject to the Fundamental Change.

We reserve the right to make Fundamental Changes to such Segregated Funds and the right to change the underlying mutual fund. If the change to the underlying mutual fund is a Fundamental Change, the Policyholder will have the right to switch or the right to redeem as described in the *Fundamental Change Rights* section of the Policy.

Changing an Underlying Fund to another substantially similar Underlying Fund will not constitute a Fundamental Change as long as the total amount of the management fee and insurance fee immediately after the change is the same as or lower than the total amount of the management fee and insurance fee immediately before the change.

A substantially similar Underlying Fund is one that meets all of the following criteria:

- it has similar fundamental investment objectives as the Underlying Fund that is changing
- it is in the same investment Segregated Fund category as the changing Underlying Fund
- it has the same or lower management fee as the changing Underlying Fund

We will notify you and our regulators at least 60 days before effecting any change. If notice is not practicable under any circumstance, we will notify you and our regulators as soon as reasonably practicable. We will also amend or re-file the Information Folder to reflect the change. The terms above may be set aside by any legislative or regulatory developments governing changes to Segregated Funds.

Provisions Specific to VRO and GRO Investments

24. Investment Options

24.1. VRO

The VRO features an interest rate paid by Co-operators that fluctuates to reflect current short-term rates. This interest rate may fluctuate daily.

The VRO Account Value is the sum of the contributions and switches to the VRO, plus the interest rate credited, minus all amounts switched or withdrawn from the VRO.

24.2. GRO

The GRO features guaranteed compound interest and a choice of terms. A new GRO is established for each amount contributed or switched to a GRO. A GRO is available in terms of 1, 2, 3, 4 or 5 years.

The minimum amount you may invest in a GRO is \$250. You may have an unlimited number of GROs.

Unless you elect otherwise, at the end of the term of any GRO, the GRO's Account Value will be rolled into another GRO of the same term at the interest rate in effect at that time.

If the term of a GRO extends past your Policy's Maturity Date, a MVA may apply to the Maturity Benefit Amount.

For us to process your request for a switch, scheduled withdrawal or unscheduled withdrawal, we may have to terminate one or more of your GROs and a MVA may apply. If so, we will only terminate the portion of your GRO that requires termination at the time. If the remaining portion of your GRO is more than \$250, it will be left to accumulate at the original guaranteed interest rate for the period remaining in the term. If the remaining portion of your GRO is less than \$250 after a withdrawal or switch, the amount remaining will be moved into the VRO. Withdrawals or switches will always be made from the GRO that has been in effect for the longest time.

The Account Value of a GRO is the sum of all contributions allocated to each GRO, minus any amounts withdrawn or switched out, plus accrued interest. Any withdrawals that may be in progress will reduce the Account Value of the Policy.

24.2.1. GRO Market Value Adjustments (MVA)

Before the expiry of a GRO's term, a MVA may apply to any of the following:

- an unscheduled withdrawal from a GRO;
- the surrender of the Policy; or
- a switch from a GRO.

We will process the redemption of a GRO when we receive your written request in accordance with the *Transaction Timing* section of the Policy. The MVA of a GRO will equal the GRO Account Value at the end of the GRO term, discounted to the date of withdrawal at an interest rate which is the greater of either:

- the current interest rate plus a maximum of an additional 2% for the GRO term equivalent to the remaining time to maturity of the original GRO; or
- the current interest rate for the original GRO term.

If less than the entire amount of the GRO is withdrawn, the MVA will be applied proportionally.

If your Policy matures prior to the GRO's Maturity Date, MVA will be applied.

Example:

A \$5,000, 5-year GRO was purchased with a 5%** interest rate. The maturity value of this GRO at the end of the term is:

$$= \$5,000 \text{ at } 5\% \text{ for } 5 \text{ years}$$

$$= \$5,000(1.05)^5 = \$6,381.41$$

Two years later (with 3 years left in the GRO term) the Policyholder decides to withdraw the value in the GRO.

Assuming the current interest rate for the remaining term (3 years) is 6%**, the withdrawal will be discounted with interest at the greater of:

- the original 5 year GRO interest rate of 5%; or
- the current interest rate for the remaining term plus 2%.

In this case, an interest rate of 8% (6%+2%=8%) will be used to discount the withdrawal.

The Cash Value of the withdrawal will be:

$$\$6,381.41(1.08)^{-3} = \$5,065.77$$

25. Compensation

Versatile Portfolios Navigator™ IVICs are sold through our financial representative. We compensate our financial representative for the professional advice and services provided to you by paying them commission.

The amount of commission payable to the financial representative is dependent on the investment option you choose. New commission is paid when new money is deposited to your Policy. Trailing commissions are paid for ongoing service and advice you receive. These amounts are not deducted from your Policy's Account Value. The following commission rates are currently in effect.

Investment Option	New Commission	Trailing Commission
VRO	0% on new premium	0.017% of the value on the Policy Anniversary
GRO	0.20% per year of selected term for new and renewing GRO's	Not Applicable

We reserve the right to change the rates and terms of commissions.

Versatile Portfolios Navigator™



For more information, please visit cooperators.ca

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