



Product Specifications – Individual Savings Annuity

General

Product Name	Product Name <ul style="list-style-type: none">Individual Savings Annuity (ISA)
High-Level Description	Individual Savings Annuity is a deferred annuity which provides a number of options for accumulating the amounts which will be used to provide the annuity payments. Amounts may be invested in the Daily Interest Account and/or one or more Guaranteed Interest Accounts. Available on both a Registered and Non-Registered basis. Also available as a Locked-In plan for pension funds.
Launch Date	18 December 2006
Par/Non-Par	Participating – Dividends are not currently being paid, but if payable will be applied to the Daily Interest Account.
Policy Values	Policy Value – at any time, is the sum of the Account Value of the Daily Interest Account (DIA) and the Account Value of all the Guaranteed Interest Accounts (GIAs) Net Cash Value – at any time prior to the maturity date, is equal to the Policy Value minus any Market Value Adjustments applicable to the GIAs.
Line of Business	Annuity
Age Definitions	Issue Age: age last birthday

Basic Features

Basic Policy Form(s)	Individual Savings Annuity is available as a base plan only.
Maturity Date	For non-registered policies – the maturity date is the policy anniversary in the year in which the Life Annuitant reaches age 85, or 10 years after issue if later. For RRSP/LIRA/LRSP policies – the maturity date is the policy anniversary in the year in which the Life Annuitant reaches age 69.
Number of Lives	Single Life
Owner/Life Annuitant	For Registered policies, the Owner and Life Annuitant must be the same person. For Non-Registered adult policies, the Owner and Life Annuitant must be the same person. For Non-Registered juvenile policies (i.e. issue ages 0 through 15 inclusive), the Owner and Life Annuitant must be different people. The Owner can only be another person (i.e. company-ownership, joint-ownership, church-ownership etc. not permitted).
Benefit Payable	Death Benefit If the Life Annuitant dies while the policy is in force, a death benefit will be payable to the named Beneficiary. The Death Benefit is the Policy Value on the date of Death. No Market Value Adjustments will apply. Maturity Benefit On the Maturity Date, the automatic maturity provisions are as follows: <ul style="list-style-type: none">For registered policies, the Policy Value will be converted to a RRIF/LIF policy.In all other cases, the Policy Value will be used as a single premium to



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	<p>purchase a life annuity with a guarantee period of 10 years.</p> <p>At any time prior to the maturity date, one of the following maturity options may be requested in place of the automatic maturity provision described above:</p> <ul style="list-style-type: none">• A life annuity with or without a guaranteed period• Lump sum cash settlement• Conversion to a RRIF/LIF policy if the policy is registered (subject to the minimum requirements for such contracts)• Other settlement options which we offer at that time.
Benefit Payable To	The Death Benefit will be paid to the named beneficiary, unless assigned or subject to a garnishee. The Maturity Benefit will be paid to the owner.
Guarantees	Not applicable.
Surrenders (Full or Partial)	<p>All or a portion of the policy's Net Cash Value may be surrendered at any time prior to the Maturity Date.</p> <p>A Market Value Adjustment <i>may apply</i> when all or a portion of a GIA is surrendered prior to expiry of its term.</p> <p>The minimum partial surrender amount allowed is \$500. The minimum policy value remaining after a partial surrender must be at least \$500, or the entire net cash value must be surrendered. Similarly, if the partial surrender is coming from a GIA, the minimum remaining in the GIA must be \$500 or the entire GIA must be surrendered with any excess transferred to the DIA.</p> <p>Refer to Appendix A</p>
Scheduled Withdrawal Provision (SWP)	<p>Only non-registered ISA plans offer a Scheduled Withdrawal Provision Option (SWP Option)*.</p> <p>Scheduled Withdrawals must be made via EFT, and can be monthly, quarterly, semi-annually or annually. The minimum amount is \$50 per payment. Payment dates allowed are the 1st through 28th. Neither PAC nor payroll contributions are permitted if the SWP Option is elected.</p> <p>The SWP Option allows regular payments to be elected, where up to 20% of the policy value as of December 31 of the previous year may be withdrawn annually as a regularly scheduled payment, with no MVA charged on the scheduled withdrawals. SWP payments in excess of the 20% maximum are subject to MVA charges. SWP payments will be assumed to continue indefinitely until the funds are exhausted. Any requested changes made to reduce this regular payout schedule within three years of its commencement will retroactively invoke MVA on the regular payments previously received. SWP payments can be initialized at time of application or requested in writing at any time after a non-registered policy is issued.</p> <p>* To establish scheduled withdrawals from registered ISA plans, transfer to a RRIF.</p> <p>Refer to Appendix A</p>



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Internal Transfers	All or a portion of the Account Value of any Interest Account may be transferred to a new Interest Account. A Market Value Adjustment may apply to a transfer from a GIA before the expiry of its term. All such transfers to a GIA are subject to the \$500 minimum amount requirement for the new Account.
Charges	<p>A Market Value Adjustment applicable to a GIA at any time will be equal to the product of A, B and C where:</p> <p>A is the Account Value of the GIA</p> <p>B is the number of years and fractional years remaining to the end of the term, and</p> <p>C is the excess, if any, of the highest of the interest rates then applicable to new GIAs, plus an administration expense amount, over the interest rate applicable to the affected GIA. The administration expense amount will not exceed 1% (currently 0.2%).</p>
Investment Options	<ul style="list-style-type: none">▪ Daily Interest Account (DIA) Option▪ Guaranteed Interest Account (GIA) Options – 9 months through 5 years (inclusive), in 3-month increments▪ No segregated fund investment options available <p><i>A GIA term may not be selected which will end after the policy maturity date.</i></p> <p><i>Subject to this restriction and unless elected otherwise, at the end of the term of each GIA, the Account Value of the GIA will be transferred to another GIA of the same length term, at the interest rate in effect at the time of transfer.</i></p>

Minimums & Maximums

Issue Ages	<p><u>Issue Ages:</u></p> <p>For Non-Registered – 0 through 110. Issue ages 0 through 15 inclusive are considered Juvenile Policies and must be issued with a different Owner and Life Annuitant (refer to "Owner/Life Annuitant" section).</p> <p>For Registered plans (i.e. RRSP/LIRA/LRSP) – ages 16 through 68</p>
Contributions	<p>Variable contributions permitted – either lump sum contributions or PAC.</p> <p>Initial Lump Sum Contribution to DIA: minimum = \$500</p> <p>Initial Lump Sum Contribution to GIA: minimum = \$500</p> <p>Additional Lump Sum Contributions to DIA/GIA: minimum = \$500</p> <p>PAC contributions – Adult and Juvenile Policies: minimum = \$50 per frequency</p> <p>See Appendix B for details.</p>



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Issue Considerations

Application Process	WM Electronic Application. (Paper application – Form #172-12-2006 -- will be accepted until March 1, 2007.)
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Contract Considerations

10 Day Free Look	No
Member Assurance Guarantee	N/A
Other	Premiums, benefits and definitions are guaranteed. Administrative limits are not guaranteed.

Taxation

Tax Treatment of Benefit Payment	Standard annuity taxation
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Claim Considerations

Benefit Payments	Upon death of the Life Annuitant proceeds become payable to the designated beneficiary. Proceeds will be released when claim documentation requirements including proof of death have been filed with our Head Office. We request that the policy be returned to us at the time of settlement.
Interest on Delayed Claims/Settlement Annuities	The Death Benefit is the Policy Value on the date of Death. Interest is payable from the date of death to the date of payment at the rate then in effect.



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Compensation & Distribution Channels

Commission	<p>To align the commission structure to industry standards, commissions will be paid as follows:</p> <p><u>Contributions to a Policy:</u> (paid to the Writing District Representative)</p> <p>New Money to Society – 0.50%</p> <p>Transfers from other Society Policies – 0%</p> <p><u>DIA Commission:</u> (paid to Servicing District Representative)</p> <p>Daily Interest Account (DIA) value: $0.20\%/12 \times$ amount in Daily Interest Account → paid on the “policy anniversary day” of each month</p> <p><u>GIA Commissions:</u></p> <p>Initial Commission (paid to the Writing District Representative)</p> <p>Guaranteed Interest Account (GIA) values: $0.20\% \times$ (# of months in the term/12) → paid on contribution</p> <p>Rollover Commission (paid to the Servicing District Representative)</p> <p>Guaranteed Interest Account (GIA) values: $0.20\% \times$ (# of months in the term/12) → paid at rollover</p> <p>* For policy years where the Life Annuitant has attained age 85 or more, commissions payable will be half the standard commissions defined above.</p> <p>These rates apply to each single premium payment except when the premium arises from the proceeds of another policy (refer to AFP #37).</p> <p>This commission is not payable after termination of the District Representative Service Contract.</p> <p><u>Overrides:</u></p> <p>No override is payable to the District Representative.</p>
Chargebacks	N/A
Agent Licensing	Life license required



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Appendix A – Rules for Cash Payouts/Surrenders

Payout/Surrender	Non-Registered	RRSP	LIRA/LRSP
<p>"Scheduled Withdrawal Provision (SWP)" Payouts (available for non-registered plans only)</p>	<ul style="list-style-type: none"> • Payments can be established up to a maximum of 20% based on the policy value as of December 31 of the previous year • No MVA charges applied on SWP Payouts to the 20% maximum • For SWP payouts in excess of the 20% maximum, MVA charges apply to the excess • Any requested changes made to reduce the regular payment schedule within 3 years of its commencement will retroactively invoke MVA charges on the regular payments previously received 	N/A	N/A
<p>Partial or Full Surrenders - RSP</p>	<ul style="list-style-type: none"> • Minimum partial surrender = \$500 • Minimum policy value remaining after payout = \$500 • If surrender is coming from a GIA, the minimum remaining in the GIA must be \$500, or the entire GIA must be surrendered with the excess transferred to DIA • MVA charges apply 	<ul style="list-style-type: none"> • Minimum partial surrender = \$500 • Minimum policy value remaining after payout = \$500 • If surrender is coming from a GIA, the minimum remaining in the GIA must be \$500, or the entire GIA must be surrendered with the excess transferred to DIA • MVA charges apply 	<p>If permitted by pension legislation, RRSP surrender rules apply.</p>



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Appendix B – Contribution Rules

	Non-Registered	RRSP	LIRA/LRSP
Minimum Amount to start a policy	\$50 if PAC or payroll, otherwise \$500	\$50 if PAC or payroll, otherwise \$500	\$500 (via transfer only)
Minimum Additional Lump Sum Contribution	\$500	\$500	Any amount (via transfer only)
Minimum Allocation Amount to any GIA	\$500	\$500	\$500
Minimum PAC Contributions – Adult & Juvenile Policies	\$50 (PAC not permitted if SWP option elected)	\$50	N/A
Minimum Payroll Contributions	\$50 (Payroll not permitted if SWP option elected)	\$50	N/A