

YOUR GUIDE TO

London Life term life insurance



Coverage that can change with you



Term life insurance from London Life

London Life term life insurance enables you to buy the protection you need, for the period of time you need it, for a low initial cost.

For example, a couple with young children and a mortgage might select *London Life term life insurance* as an affordable way to obtain the full coverage they need today.

London Life term life insurance not only meets your financial needs today, but also has the flexibility to change with you in the future.

- Policies are renewable after 10 or 20 years, with no need to show proof of health.
- You have the option to convert your policy to permanent life insurance, again with no need to show proof of health.

Your goals are as individual as you are.

London Life term life insurance provides the flexibility to create a personal insurance solution, tailored to your budget and lifestyle.



Do I really need life insurance?

Life insurance is an important part of a sound financial security plan. The right life insurance protection can have an enormous effect on your life and the lives of those you love. If you die prematurely, term life insurance can:

- Cover final expenses and pay off debts, such as a mortgage
- Provide an income for your family
- Ensure your family maintains a comfortable standard of living
- Ensure your children can continue their education
- Give your business the money to fund a buy-sell agreement
- Protect your business against the loss of a key employee

Live your life
knowing you're
protecting
the people who
depend on you.



Coverage to meet your changing needs

Over the course of a lifetime, situations and responsibilities change. *London Life term life insurance* enables you to buy the full amount of protection you need today, subject to underwriting guidelines, at an affordable price. It also has the flexibility to change with you.

Guarantees you can count on

When there are people depending on you, guarantees matter. With *London Life term life insurance*, your death benefits are guaranteed, as long as premiums are paid when due. Your premium is guaranteed to remain level until the next renewal period. All future renewal premiums are guaranteed. We also guarantee you can convert your policy to permanent life insurance, without having to provide proof of insurability, until the date stated in your policy.

Choose the term that's best for you

Whether your needs are short-term, like debt protection, or longer-term, like mortgage protection, you can choose the term that's best for you.

- **Term 10** – Your premium remains level for 10 years. Then you can renew your policy automatically, without any proof of insurability. You lock in your new premium, reflecting your new age, for another 10 years.
- **Term 20** – Your premium remains level for 20 years. Then you can renew your policy automatically, without any proof of insurability. You lock in your new premium, reflecting your new age, for another 20 years.

With both options, you can keep renewing your coverage until the policy anniversary nearest to your 85th birthday.

Convertible to permanent coverage

Term life insurance may be right for you now, but permanent life insurance may be better for you in the future. Your best solution may be a combination of both term and permanent life insurance.

Term life insurance becomes more expensive at each renewal, so if you need coverage for the long term, permanent life insurance may eventually become more appropriate for you. Permanent life insurance can also build up a cash value, which grows on a tax-advantaged basis within the policy.

Term 10 and Term 20 give you the flexibility to convert some or all of your term life insurance to permanent life insurance from London Life, without having to provide medical or financial evidence, until the date specified in your policy. Premiums for the new, permanent policy are based on your age at the time you decide to convert.

- Term 10 and Term 20 coverages are convertible until the policy anniversary nearest to your 70th birthday.
- If you're 69 or older when your Term 10 policy is issued, based on your nearest birthday, you can convert to permanent coverage any time within the first two years.

Convert from Term 10 to Term 20

Single-life Term 10 policies may contain a provision that lets you convert some or all of your basic coverage to a Term 20 policy. This gives you flexibility to adapt your coverage to your longer-term needs.

You must convert before the policy's fifth anniversary, or the anniversary nearest to your 65th birthday, whichever is earlier. Premiums for the new Term 20 policy are based on your age when you decide to convert. The first renewal occurs 20 years from the conversion, regardless of how long the Term 10 coverage was in force before.

Preferred underwriting

Good health and a sound lifestyle usually qualify you for better rates. That's why, for coverages of \$250,000 or more, London Life looks at your smoking habits, build, blood pressure, cholesterol, personal and family history, occupations, sports, driving habits and other factors. Based on this, you are classified as:

- Standard non-smoker
- Preferred non-smoker
- Super Preferred non-smoker
- Standard smoker
- Preferred smoker

These risk classifications enable London Life to offer coverage at a cost that reflects its risk, so all policyowners receive good value for their premium.

Coverage options

Single-life

A single-life policy insures one person. The death benefit is payable when that person dies.

Joint first-to-die

A joint first-to-die policy insures two people. The death benefit is payable on the death of whichever person dies first. Term 10 and Term 20 joint first-to-die policies offer these options:

- **Survivor benefit** – After the first death, provided it's within the conversion period, this benefit provides 60 days of temporary coverage on the life of the survivor. The survivor can convert some or all of this temporary coverage to a permanent individual life insurance policy, if the survivor is less than 70, based on the nearest birthday. Premiums for the converted policy are based on the survivor's age at the time of conversion.
- **Exchange feature** – You can exchange the joint coverage for two new single-life policies, within the conversion period. Each policy can have up to 60 per cent of the coverage of the term policy at the time of the exchange. This feature's available:
 - For any reason, prior to the fifth policy anniversary
 - After that, within 60 days of a legal separation, divorce or partnership dissolution

As your life changes,
your life insurance needs also change.



Additional benefits and riders to meet your needs

Your life insurance is the foundation of your financial security plan, so you need to be sure your coverage keeps pace with your changing lifestyle. One way to do that is by adding and removing different benefits and riders as your needs change.

Review your coverage regularly with your financial security advisor. You can make sure you're taking advantage of the appropriate options to tailor your life insurance to your current needs and goals.

Waiver of premium benefit

This benefit ensures that if the insured person becomes totally disabled, as defined in the policy, the premiums are waived. Total disability must occur before the policy anniversary nearest to the insured person's age 60. The policy must be in force and premiums paid to date.

While premiums are being waived, the insured person can convert to permanent insurance from London Life, without any medical evidence. However, premiums aren't waived on the new policy. This benefit is only available for single-life coverage.

Accidental death benefit

This benefit gives your beneficiary an additional death benefit, on top of the basic insurance amount, if death occurs by accident, as defined in the policy. This benefit is only available for single-life coverage.

Guaranteed insurability rider

This rider guarantees your right to buy more insurance without providing evidence of insurability, at specified dates.

Child's life insurance rider

For one set premium, this rider protects all the children in your immediate family, until the rider anniversary date after each insured child turns 25. Every year, coverage increases four per cent, based on the original insurance amount.

Additional children born are automatically insured 15 days after birth. Adopted children are also included, provided they're adopted before their 16th birthday. You can convert this term coverage to a permanent policy of five times the original amount for each child, when the child reaches age 25.

Glossary of life insurance terms

Beneficiary One or more people or organizations named in the policy to receive the life insurance proceeds when the insured person dies.

Convertible term life insurance Life insurance that allows policyowners to change to permanent life insurance, without providing evidence of insurability. The new premium is usually based on the age of the insured person at the time of conversion.

Death benefit The amount to be paid when the insured person dies.

Evidence of insurability Medical, financial and lifestyle information that underwriters need to assess the risk before approving a life insurance application. The life insurance company may request this information from the policyowner, the insured person or both.

Insured person (life insured) The person on whom the application, premium and coverage are based. This person may or may not be the policyowner.

Lapse Termination of a life insurance policy, because premiums haven't been paid. Coverage is suspended and can be terminated if premiums aren't paid within a certain time.

Permanent life insurance Life insurance intended to provide protection for the lifetime

of the insured person. Most permanent life insurance products have a cash surrender value.

Policy Your contract with London Life, stating the terms and conditions of your coverage.

Policy illustration A presentation to help explain how a life insurance policy works. It's for information purposes and isn't part of the contract. It should clearly show what's guaranteed and what's not.

Policyowner The person who owns the life insurance policy and can access any cash value it has. This person can request changes to the policy, unless the policy is assigned or has an irrevocable beneficiary. This is not necessarily the person who pays the premium or the person insured.

Premium amount Payment in exchange for life insurance coverage.

Renewable term life insurance Life insurance you can renew, or continue until its expiry date, without evidence of insurability.

Term life insurance Life insurance that provides coverage for a specified period of time. The premium usually increases at each renewal. There is no cash surrender value.



Need more information?

If you would like more information about term life insurance, or any other life insurance from London Life, contact your financial security advisor.

As your financial situation and goals change over time, it's important to meet regularly with your financial security advisor to ensure your life insurance continues to meet your needs and objectives.

You may want to keep this guide with your policy as a handy reference.

You can also call London Life directly at 1-877-566-5433. One of our client service representatives will be happy to help you by answering any questions, updating your file or resolving any service issues you might have.

London Life – serving our clients since 1874

Life insurance is a promise that may not be put to the test for 30, 40, 50 years or more. You need to be certain your policy is backed by a life insurance company that's established, reputable and secure.

London Life Insurance Company has helped Canadians meet their financial security needs for more than 130 years and has almost two million clients.

London Life has more than \$54 billion* of assets under administration. In 2006 London Life paid or credited \$2.3 billion* in benefits and policyowner dividends to our clients and their beneficiaries across Canada. That's an average of \$6.4 million* per day.

London Life is a subsidiary of The Great-West Life Assurance Company. Together, Great-West and its subsidiaries – London Life and Canada Life – serve the financial security needs of 12 million people across Canada. London Life, Great-West and Canada Life are members of the Power Financial Corporation group of companies.

*As at Dec. 31, 2006

While every effort has been made to ensure the accuracy of the information in this brochure, some errors and omissions may occur. In the event of a discrepancy, the terms of the *London Life term life insurance* contract will prevail.