

Versatile Portfolios™

Education Savings Information Folder



Investments. Insurance. Advice.

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Investing in your future. Together.™

The information folder is published for information purposes only and is not an insurance policy.

Versatile Portfolios™ Education Savings Plan Key Facts

Key Facts is a summary of things you should know about when you enter 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 and your issued Policy contain a full list of product features and how these products work. You should review all of these documents and discuss any questions you may have with your financial representative.

What am I purchasing?

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

What guarantees are available?

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

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

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

Maturity Guarantees

This protects the value of your funds at a specific date in the future. The default maturity date will differ for each plan type. See *Guarantees* in the Information Folder for details and dates.

On these dates, you will receive the greater of:

- The market value of the funds; or
- 75% of the money you invested which is reduced proportionally by any withdrawals you make.

The Policy Maturity Date determines when the guarantee will come into effect.

Death Benefit Guarantees

This protects the value of your funds if you die. The death benefit applies if you die before the maturity date. We will pay the greater of:

- the market value of the funds; or
- 75% of the money you invested. This will be reduced proportionally by any withdrawals you make.

What investments are available?

You can invest in a mix of 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 funds you select 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, there may be a separate charge for them, such as fees for withdrawals and switching funds.

For more information on fee's, 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 Investment Changes

You may switch from one fund to another fund. You may also need to pay a fee. See *Investment Changes/Switches and Fees* in the Information Folder.

Make Withdrawals

You may be able to withdraw money from your Policy. If you do so, the withdrawal will affect your guarantees. You may also need to pay fees or taxes or both. See *Withdrawals* in the Information Folder for details.

Make Contributions

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

Certain restrictions and other conditions may apply. You should review the Policy for your rights and obligations. Be sure to discuss any questions with your agent.

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 the 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

Phone: 1-800-454-8061

Email: phs_wealth_mgmt@cooperators.ca

[Our corporate information and any other information related to the products and services we provide are on our website at \[cooperators.ca\]\(http://cooperators.ca\).](#)

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 \[assuris.ca\]\(http://assuris.ca\)](#) or by calling the Assuris Information Centre at 1-866-878-1225.

[For information about handling issues you are unable to resolve with your insurer, contact the OmbudService for Life and Health Insurance on the web at \[olhi.ca\]\(http://olhi.ca\)](#) or call 1-800-268-8099. If you are a resident of Quebec, you may also contact the Autorité des marchés financiers (AMF) at 1-877-525-0337 or information@lautorite.qc.ca.

[To learn how to contact the insurance regulator in your province, visit the Canadian Council of Insurance Regulators website at \[ccir-ccrra.org\]\(http://ccir-ccrra.org\).](#)

Co-operators Life Insurance Company

Co-operators Life Insurance Company is a federally incorporated insurance company and is part of The 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 more than 6,454 employees. We are supported by a dedicated financial representative network with 2,303 licensed insurance representatives throughout Canada.

Co-operators Life Insurance Company, with assets under management of \$9.45 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™ ESP Policy, an IVIC 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

Contents

Versatile Portfolios™ Education

Savings Plan Key Facts

What am I purchasing?	i
What guarantees are available?	i
Maturity Guarantees	i
Death Benefit Guarantees	i
What investments are available?	i
How much will this cost?	i
What can I do after I purchase the Policy?	i
Make Investment Changes	i
Make Withdrawals	i
Make Contributions	i
What information will I receive about my Policy?	i
Can I change my mind?	i
Where can I get more information or help?	ii

1. Definitions

1

2. The Information Folder

2

2.1. Information about the Insurance	2
Company Issuing Policies	2
2.2. Interest of Management and	2
Others in Material Transactions	2
2.3. Material Policies	3
2.4. Other Material Facts	3
2.5. Limitation of Action	3

3. General

3

3.1. Policy Participants	3
3.1.1. Subscriber	3
3.1.2. Beneficiary	3
3.1.3. Custodial Parent	3
3.1.4. Primary Caregiver	3
3.1.5. Annuitant	3
3.2. Administrative Rules	3
3.3. Currency	3
3.4. Age Requirements	3

4. Contributions

3

4.1. Pre-Authorized Debit (PAD)	3
4.2. Lump Sum Contributions	3

5. Investment Changes/Switches and Fees

4

5.1. Minimum and Maximum Amounts	4
5.2. Investment Change Fees	4

6. Withdrawals

4

6.1. Withdrawal Restrictions	4
6.1.1. Minimum Withdrawal	4
6.1.2. Maximum Withdrawal	4
6.2. Withdrawal Service Fees	5

7. Policy Values

5

7.1. Account value of the policy	5
7.2. Cash value of the policy	5

8. Termination

5

9. Transaction Timing

5

10. Tax

5

10.1. Tax Status of Subscriber	5
10.2. Tax Status of Segregated Funds	5
10.3. Premium Tax	5

11. Guarantees

5

11.1. Maturity Dates	5
11.2. Maturity Benefit Guarantee	6
11.3. Options Upon Maturity	6
11.4. Death Benefit Guarantee	6
11.5. Proportional Reduction Calculation	6

12. Investment Options

6

12.1. Segregated Fund Investments	6
-----------------------------------	---

13. Operation of the Segregated Funds

7

13.1. Reinvestment of Earnings	7
13.2. Valuation of Assets	7
13.3. Unit Values	7
13.4. Management Fees	7
13.5. Insurance Fees	8
13.6. Other Fees and Expenses	8
13.7. Management Expense Ratio (MER)	8
13.8. Compensation	8
13.9. Changes, Additions or Withdrawals	8
of a Segregated Fund	8

14. Fundamental Changes

8

14.1. Fundamental Change Rights	8
14.1.1. Right to Switch	9
14.1.2. Right to Redeem	9
14.2. Fundamental Changes to Funds	9
that Invest in Underlying Mutual Funds	9

15. Policy Notifications

9

15.1. Policy Statements	9
15.2. Financial Statements	9
15.3. Effective Date	9
15.4. Confirmations	9
15.5. Amendments	9

16. Rescission Rights

10

17. Notice

10

18. Creditor Protection

10

19. Allocation of Units

10

20. Limiting Contributions

10

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

1. Definitions

Account Value of the Policy

The sum of the Segregated Fund Account Values. The method of determining the Account Value is set out in the *Policy Values* section.

Annuitant

The person whose life is insured by the Policy and is the same as the Subscriber and Owner of the Policy.

Beneficiary

An individual designated by the Subscribers to whom or on whose behalf an Educational Assistance Payment under the Plan is agreed to be paid if the person qualifies under the Plan and whose designation as a Beneficiary has not been revoked.

Cash Value of the Policy

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 and any charges or return of funds due to legislative requirements.

Contract

Also referred to as the "Policy". The Contract is this 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, British Columbia, Manitoba, Ontario or Québec, 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.

Contributions

Contributions include all contributions made by you and all amounts received under the ESP as Canada Education Savings Grants, Canadian Learning Bonds, Alberta Centennial Education Savings Grants, or any other federal and provincial grants that may be applicable.

Death Benefit

The amount payable to the ESP Trust on the death of the Annuitant.

ESP

Education Savings Plan is a government approved plan for the purpose of providing post-secondary education funding for a Listed Student.

Fund of Funds

Segregated Funds which are composed entirely of Underlying Funds.

Guidelines

Refers to Canada Life and Health Insurance Association (CLHIA) G2: Guideline on IVICs Relating to Segregated Funds. For residents of Quebec, Guidelines refers to Autorité des marchés financiers (AMF) and Guideline on IVICs Relating to Segregated Funds

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.

Joint Subscriber

A secondary Subscriber who must be the primary Subscriber's spouse or common-law partner and is also a Policyholder, but not an Annuitant. In the event of the Primary Subscriber's death, the Joint Subscriber may elect to become the Primary Subscriber under a newly established Policy.

Listed Student

The individuals listed on the ESP application forms who will be pursuing post-secondary education in the future.

Notice

Any written notification and other communication the Company or the Policyholder is required or permitted to give and deliver under the Policy.

Policy

The document called, "Versatile Portfolios™ Education Savings Policy", which describes the features, terms and conditions of a registered education savings 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 Date

The day and month that the Policy becomes effective. The Policy becomes effective on the Valuation Day of the first contribution.

Policy Maturity Benefit

The amount that is payable upon maturity of the Policy.

Policy Maturity Date

The date on which your Policy matures.

Primary Subscriber

The individual who contributes to an ESP and is the Policyholder and Annuitant of the ESP.

Segregated Fund Account Value

The Segregated Fund Account Value on any Valuation Day is the number of Units held by your Policy in respect of a Segregated Fund multiplied by the Unit Value of that Segregated Fund on that Valuation Day.

Segregated Fund Cash Value

The Segregated Fund Account Value minus any applicable fees and charges.

Segregated Funds

These are Investment Options to which you may allocate contributions under your Policy to acquire Units, the value of which fluctuates with the market value of the assets held in a particular Segregated Fund.

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 for the purposes of any provision of the *Income Tax Act* (Canada).

Subscriber

The Policyholder(s) of the Policy who is authorized to transact on the ESP account. If the Policy has two Subscribers, the Primary Subscriber is the Annuitant.

For Family Plan ESP accounts, the Subscribers must be a parent, grandparent or sibling of the Beneficiary.

For Individual Plan ESP accounts, there are no restrictions for the relation of the Subscriber to the Beneficiary. For Joint Subscriber policies, any transaction on the ESP account may require all of the Subscribers' respective signatures for any application and/or withdrawal depending on the signature requirement selection at time of application.

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 which is

related to the amount of your contribution and the Unit Value of that Segregated Fund.

Unit Value

The Unit Value of a Segregated Fund is determined on a Valuation Day by dividing the market value of the assets of that Segregated Fund, minus any management fees, other fees and expenses, by the total number of Units held by all individual Policies at the time of valuation.

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, transfers, maturity or withdrawals to or from a Segregated Fund. If the valuation fails or cannot be completed due to circumstances beyond our control, then it will be moved to the next date when it can be successfully completed.

2. The Information Folder

The Information Folder is intended to explain the terms of the Versatile Portfolios™ ESP Policy IVIC and to provide 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.

2.1. Information about the Insurance Company Issuing Policies

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 (Canada). 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 also 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 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. 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 officer, or principal broker of the insurer, or any associates or affiliates of the foregoing, with respect to the Segregated Funds.

2.3. 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.

2.4. Other Material Facts

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

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.

3. General

The Versatile Portfolios™ ESP Policy is an Individual Variable Insurance Contract (IVIC), which offers Segregated Funds with the security of a Policy Maturity Benefit and Death Benefit.

Subject to meeting minimum contribution and switch amount requirements, you may invest your contributions in any of the available Segregated Funds.

The Versatile Portfolios™ ESP Policy is a no-load Policy, which allows you to surrender Units in your Versatile Portfolios™ ESP without incurring any surrender charges.

3.1. Policy Participants

All Policies must have a Subscriber, Beneficiary, Custodial Parent and Primary Caregiver.

3.1.1. Subscriber

The Subscriber is entitled to all the rights under the Policy. Your rights may be limited if there is a Joint Subscriber named on the Policy.

3.1.2. Beneficiary

Legislation requires that the ESP Trust be the Beneficiary of the Policy. We assume no responsibility for the validity of a change of Beneficiary of the Policy.

3.1.3. Custodial Parent

The legal guardian of the Beneficiary. The custodial parent must provide consent to use the child's social insurance number (SIN) for application of an ESP. If consent is not provided, an ESP cannot be opened.

3.1.4. Primary Caregiver

The primary caregiver (PCG) is the person primarily responsible for the care and upbringing of a child. A PCG can be an individual or a public entity.

The PCG is required as the grant incentives are based upon the primary caregiver's adjusted income.

3.1.5. 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 there is a Joint Subscriber or a Successor Subscriber has been designated in your Will.

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

We shall be entitled to request proof of age before making any payment under the annuity options of the Policy. If you have misstated your age, the correct age will be used to determine the amount of the annuity payment. We shall also be entitled to proof of age of any other person to whom we are required to make payments. We reserve the right to set a minimum age for annuity commencement.

4. Contributions

4.1. Pre-Authorized Debit (PAD)

You can make automatic contributions to your policy 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.

4.2. 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.

The minimum lump sum contribution is \$250. We reserve the right to modify the lump sum minimum amounts. We will provide you with notice of the change.

Contributions are used to acquire Units which will be credited to your policy. The number of Units acquired is equal to the contribution amount divided by the Unit Value of the respective Segregated Fund determined on the Valuation Day.

On a Valuation Day, the Company will allow you to effect Segregated Fund contributions, switches, maturity and withdrawals.

Unless you indicate otherwise on your application for the Policy or by subsequent notice, all contributions will be allocated to the Co-operators Money Market Fund.

We reserve the right, following our 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. Currently there is no premium tax payable.

5. Investment Changes/Switches and Fees

At any time prior to the policy maturity date, 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 to 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 impacting your policy maturity benefit and death benefit.

A switch from a segregated fund is accomplished by redeeming units in the segregated fund; a switch to a segregated fund is accomplished by acquiring units in the segregated fund.

The value of units redeemed or acquired in a segregated fund to effect a transfer is not guaranteed but fluctuates with the market value of the assets of the particular segregated fund.

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 policyholders. During such a delay, we will administer the investment change in a manner that we consider fair.

5.1. Minimum and Maximum Amounts

The current minimum switch amount is \$250. The maximum switch amount is \$250,000. If you intend to switch funds in excess of this maximum amount, you must notify us of your intent in writing.

5.2. Investment Change Fees

Unlimited switches to and from segregated funds are permitted; however, we reserve the right to limit the number of free switches to 4 switches per calendar year. Each switch after the fourth one will be charged a service fee.

6. Withdrawals

You have the right to surrender your Policy for its Cash Value of the Policy at any time. 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.

A withdrawal from a Segregated Fund will affect your Death Benefit and Policy Maturity Benefit.

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.

6.1. Withdrawal Restrictions

At any time prior to the policy maturity date, you may withdraw part of the cash value of the policy subject to legislative restrictions.

6.1.1. Minimum Withdrawal

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

6.1.2. Maximum Withdrawal

The maximum cash withdrawal amount is \$250,000. If you intend to withdraw funds 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. If you request a partial withdrawal, we require that you leave \$250 as a minimum Account Value in your Policy. Upon receipt of your written request, all withdrawals will be processed in accordance with the *Transaction Timing* section of the Information Folder.

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 policyholders. During such a delay, we will administer the withdrawal in a manner that we consider fair.

A withdrawal from a segregated fund will affect your guarantees.

6.2. Withdrawal Service Fees

We will process 3 withdrawals per calendar year without charging you a withdrawal service fee; thereafter, we will charge you a withdrawal service fee of \$35 for each additional withdrawal.

7. Policy Values

7.1. Account value of the policy

The account value of the policy is the sum of the segregated fund account values.

7.2. Cash value of the policy

The cash value of the policy is equal to the account value of the policy minus the sum of:

- Any applicable withdrawal service fees;
- Any payments in progress;
- Any return of federal or provincial government grants or incentives due to legislative requirements; 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.

8. Termination

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 at any time following your 4th policy Anniversary Day if 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.

The cash value of the policy will be determined on the valuation day that the policy is to be terminated. A withdrawal service fee 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 value of Units in a Segregated Fund, is not guaranteed but fluctuates with the market value of the assets of the particular Segregated Fund.

9. Transaction Timing

For a transaction to occur on the current valuation day, all required information and contributions must be received at our administration office by 3:00 p.m. Eastern Standard Time ("E.S.T."). 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 contribution in a manner that we consider fair.

10. 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.

10.1. Tax Status of Subscriber

The policy will be registered as an education savings plan under the applicable section of the *Income Tax Act* (Canada). Contributions are not tax deductible and can be withdrawn with no tax implications. Income earned under the policy will be subject to income tax in the year the income is withdrawn from the policy, unless such amounts, if eligible, are transferred to another RESP pursuant to the *Income Tax Act* (Canada). There will be restrictions on surrender and assignment.

10.2. 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.

10.3. 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.

11. Guarantees

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

11.1. Maturity Dates

The Policy Maturity Date is the date you selected to have your Policy mature. The Policy Maturity Date must be at least 10 years from the Policy Date. You may request a change to your current Policy Maturity Date by giving us at least 60 days notice

before the new Policy Maturity Date. In no case can the Policy Maturity Date be later than the applicable dates described below that apply if no Policy Maturity Date is selected.

If you did not select a Policy Maturity Date, the Policy Maturity Date will be 35 years from December 31 of the date the Policy was opened.

11.2. Maturity Benefit Guarantee

On the next Valuation Day immediately following your Policy Maturity Date, you will receive the greater of one of the following:

- The sum of the Segregated Fund Cash Values; or
- 75% of the sum of Contributions invested in the Segregated Funds proportionately reduced to account for any withdrawals and any withdrawal service fees.

In no event will the amount calculated be less than 75% of the gross contributions, proportionately reduced for withdrawals. See *Proportional Reduction Calculation* section for details.

11.3. Options Upon Maturity

At the Policy Maturity Date, the Policy Maturity Benefit will be provided as a lump sum payment to the Annuitant. The existing ESP Policy will close and you will need to either withdraw the funds, subject to legislative restrictions, or transfer the Policy Maturity Benefit to a new ESP Policy if allowed.

If you have not selected one of the above options a life annuity with a guarantee period of 10 years will automatically apply.

11.4. Death Benefit Guarantee

If the Annuitant dies before the Policy Maturity Date and upon our receipt of sufficient proof of the Annuitant's death, the Beneficiary will receive the Death Benefit of the Policy. The Death Benefit will be calculated as the greater of:

- the sum of the Segregated Fund Account Values on Valuation Day; and
- 75% of the sum of Contributions invested in the Segregated Funds proportionately reduced to account for any withdrawals.

In no event will the amount calculated be less than 75% of the gross contributions, proportionally reduced for withdrawals.

We will calculate the Death Benefit when we receive sufficient proof of the Annuitant's death. The Death Benefit will be processed in accordance with the *Transaction Timing* section. The Segregated Fund Account Values of your Policy will be based on the Unit Values of the applicable Segregated Funds on such Valuation Day.

The Policy will terminate upon payment of the Death Benefit.

11.5. Proportional Reduction Calculation

If you withdraw Units from the Segregated Fund Account Value, it will reduce the Death Benefit and the Policy Maturity Benefit amounts. The reduction will be equal to the proportional amount withdrawn. There is no proportional reduction for switches.

Example: The sum of the Segregated Fund Account Values is \$12,000.

A partial withdrawal for \$4,000 is equal to 33.3% of the sum of the current Segregated Fund Account Values. The total Segregated Fund Account Value reduces to \$8,000 after the withdrawal.

If the current Death Benefit and Policy Maturity Benefits were \$10,000 each, they would be reduced by 33.3% and would become \$6,667. ($\$10,000 \times 33.3\% = \$3,333$; $\$10,000 - \$3,333 = \$6,667$).

12. Investment Options

12.1. Segregated Fund Investments

To offer you a complete investment spectrum, we provide Segregated Funds which are detailed in the Individual Fund Information Section in the Fund Facts booklet. Each Segregated Fund has its own specific investment objectives, which vary by many factors including asset class, country or region, credit quality, capitalization and diversification. As such, the performance of the funds will differ according to market conditions. A complete investment Policy for each Segregated Fund including any Underlying Fund in which a Segregated Fund invests is available upon request from our Head Office by calling 1-800-454-8061.

Underlying Funds are funds in which certain Segregated Funds offered through the Versatile Portfolios™ ESP invest all or part of their assets through the purchase of Units. Underlying Funds may be Segregated Funds or mutual funds.

By investing in a Versatile Portfolios™ ESP Policy, you are purchasing an insurance Policy and are not a unitholder of the Underlying Fund(s). The Company provides all guaranteed benefits under the Versatile Portfolios™ ESP Policy.

For information regarding the fund(s) or Underlying Funds, please see the "Fund Facts" or contact your Agent. Copies of the simplified prospectus, annual information form, financial highlights and audited financial statements, and any other disclosure documents required for the underlying mutual funds are available upon request.

The information contained in the Fund Facts booklet is accurate and complies with the requirements of the Guidelines as of the date the information was prepared. If there is an error in the Fund Facts information outlined above, we will use reasonable measures to correct the error but you will not be entitled to specific performance under the Policy.

We have the right to discontinue or merge any of the available funds. We will provide you with 60 days notice. You will have the right to redeem the Units of the Segregated Fund without incurring fees.

We have the right to change a fund manager of the fund(s) at any time and will provide you with 60 days notice.

Fundamental changes in respect of a Segregated Fund or Underlying Fund under the Policy include:

- 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 to be regularly valued,
- A fundamental change may also occur in the event that a fund is closed or if two or more funds are merged.

For more information, refer to *Fundamental Changes*.

13. Operation of the Segregated Funds

Co-operators Life Insurance Company 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 an insolvency. Each Segregated Fund is 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.

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.

By investing in a Versatile Portfolios™ ESP Policy, the Policyholder is purchasing an insurance Policy and is not a unit holder of the Underlying Fund(s). Co-operators Life Insurance Company 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 an insolvency.

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 the individual 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 Life Insurance Company 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; or

- any act or omission of the Policyholder with regard to the investments in the Segregated Funds.

13.1. 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.

13.2. 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 to which the Fundamental Change provisions apply.

Where possible, the market value of an asset of a Segregated Fund on a Valuation Day will be the closing sale price on a nationally recognized stock exchange on that business day; and in all other cases the fair market value as determined by us.

13.3. Unit Values

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 allocated to all Policies 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 in a Segregated Fund acquired by your Policy 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.

13.4. 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 the Company. The management fees currently applicable to

each Segregated Fund are detailed in the Versatile Portfolios™ ESP Information Folder, the Fund Facts booklet and our financial statements.

Underlying Funds may increase the management fee subject to approval by the unitholders of the fund but such an increase will only be a fundamental change if the Segregated Fund increases its management fee.

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

13.5. Insurance Fees

We reserve the right to charge an insurance fee to each Segregated Fund. 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 found in Schedule 'A' of the Fund Facts.

13.6. 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; and
- Segregated Fund accounting and valuation costs.

The Fund of Funds consists of an allocation of Units from other Underlying Funds. The other fees and expenses include the corresponding amounts of the Underlying Funds and there is no duplication of fees.

13.7. 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, other fees and expenses which the fund 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 fund, the MER includes fees and expenses paid by the underlying 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 fund that invests in underlying Segregated Funds is calculated as the weighted average of the Management Expense Ratios of each of the underlying Segregated Funds in proportion to their holdings.

The Management Expense Ratio of each Segregated Fund is detailed in the Versatile Portfolios™ ESP 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.

13.8. Compensation

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

The current trailer fee is .0315% monthly.

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

13.9. Changes, Additions or Withdrawals of a Segregated Fund

We reserve the right to 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 to which the fundamental change provisions applies.

Any amount that is allocated to a segregated fund is invested at the risk of the policyholder and may increase or decrease in value.

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.

14. Fundamental Changes

We will notify the policyholder in writing at least 60 days ("notice period") before making any of the following fundamental changes in respect of a segregated fund under the policy ("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 to be regularly valued; or
- a fundamental change may also occur in the event that a fund is closed or if two or more funds are merged.

You will receive our notice of any Fundamental Change by mail at the address we currently have on our records.

14.1. 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

14.1.1. Right to Switch

You may switch within the Policy, and 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. E.S.T. on the date indicated in our notice letter. The similar Segregated Fund must have comparable fundamental investment objectives, be in the same investment fund category, and have the same management fee as or lower than that of the Segregated Fund subject to the Fundamental Change.

14.1.2. Right to Redeem

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

If any Segregated Fund is subject to a Fundamental Change, we reserve the right to discontinue switches to that Segregated Fund during the notice period in the event it is closing. 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.

14.2. Fundamental Changes to Funds that Invest in Underlying Mutual Funds

Versatile Portfolios™ ESP allows you to invest in certain Segregated Funds that are invested entirely in Units of the corresponding underlying mutual funds. A listing of those funds is provided in the *Funds that invest in underlying mutual funds* in the Fund Facts you are purchasing an insurance Policy and if you invest in a Segregated Fund that invests in an underlying mutual fund you are not a unitholder of the underlying mutual fund. The investment objectives of a Segregated Fund correspond with the investment objectives of the underlying mutual fund in which it 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 holder's 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 change.

We reserve the right to make fundamental changes to these Segregated Funds, and also reserve 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 above.

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 immediately after the change is the same as, or lower than, the total amount of the management fee immediately prior to 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 fund category as the changing Underlying Fund; and
- it has the same or lower management fee as the changing Underlying Fund.

We will notify you, our regulators and the CLHIA in writing at least 60 days before effecting any change. If such notice is not practicable under any circumstance, we will provide notice as soon as reasonably practicable. We will also amend or re-file the Information Folder to reflect the change. The foregoing may be superseded by any legislative or regulatory developments governing changes to segregated funds.

15. 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.

15.1. 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.

15.2. 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.

15.3. Effective Date

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

15.4. Confirmations

We may send you notice confirming any PAD contributions you make to your Policy.

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

We may 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.

15.5. 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 Change* section of the Policy.

16. 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; and
- you will be deemed to have received the confirmation five (5) business days after we have mailed it to you.

17. 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
Att: Individual Wealth Client Service Centre
1900 Albert St
Regina, SK S4P 4K8

Facsimile: 1-888-877-8453

e-Mail: phs_wealth_mgmt@cooperators.ca

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 any notice or other communication from us in person; or
- notice by electronic transmission: where notice was made between 5 p.m. and midnight E.S.T., it shall

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

Any transaction or contribution request from the Policyholder must be in accordance with the *Transaction Timing* section.

18. Creditor Protection

Your Policy may offer some creditor protection under insurance and/or bankruptcy legislation. This means that, in some circumstances, the amount in your Policy may be exempt from seizure by your creditors if any enforcement action is taken against your assets. Creditor protection is subject to exceptions and individual circumstances. Speak to your lawyer if you would like advice on whether and how creditor protection may apply to your Policy.

19. 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.

20. 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.

Versatile Portfolios™



[For more information, please visit cooperators.ca.](http://cooperators.ca)

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