

SEPTEMBER 2024

# Term Investments



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## CONTRACT AND CONTRACT APPLICATION

### Investment Options

- Daily Interest Investment
- Redeemable Term Investment
- Non-Redeemable Term Investment
- Guarantee Advantage



## Contract

### Information about this Contract

This Contract is an annuity contract. It is designed to help you accumulate savings so you can achieve your financial goals and start drawing income payments when you are ready.

**It is important that you read this document carefully prior to completing the Application.**

Your representative can answer any questions you may have about this Contract. You can also contact Desjardins Financial Security Life Assurance Company (hereinafter referred to as the “Company”) directly should you have any questions or concerns:

Desjardins Financial Security      1-877-647-5435  
Savings – Administration      [savings@dfs.ca](mailto:savings@dfs.ca)  
1150, rue de Claire-Fontaine      Fax: 1-888-647-5017  
Québec (Québec) G1R 5G4

In general, money paid to the Company will be invested in one or more Investment Options as selected by you and any increase in the value of your investment will be credited to your Contract on the dates specified in section 3 “Investment Options”.

This Contract provides you with the following Investment Options:

Investment Option	Brief Description	Eligible Contracts
A – GUARANTEED RETURN INVESTMENTS	<p><b>Daily Interest Investment</b></p> <p><b>Daily Interest Investment (page 9)</b></p> <p>A flexible investment used to hold money on a temporary basis until it is transferred to another Investment Option. The interest rate is set by the Company and credited to your Contract at least semi-annually.</p> <p><b>Fixed-interest Investments</b></p> <p><b>Redeemable Term Investment (page 9)</b></p> <p>Redeemable investments with level interest rates, available for specific terms. For compound or simple annual interest, the interest is credited by the Company on the Deposit Anniversary Date. For other frequencies, it is credited according to the interest payment frequency.</p> <p><b>Non-Redeemable Term Investment (page 10)</b></p> <p>Non-redeemable investments with level interest rates, available for specific terms. Interest is credited by the Company on the Deposit Anniversary Date and the Accumulated Value is available on the Deposit Maturity Date.</p>	<p>Registered and non-registered Contracts</p> <p>Registered and non-registered Contracts</p> <p>Registered Retirement Savings Plans (RRSPs), Locked-in Retirement Accounts (LIRAs) or non-registered Contracts</p>
B – VARIABLE INVESTMENTS	<p><b>Market-Linked Term Investments</b></p> <p><b>Guarantee Advantage (page 11)</b></p> <p>Term investments with a variable return based on the increase in the price of a basket of selected securities, subject to a minimum return guarantee, to a maximum potential return and to the Participation Rate, all of which are determined by the Company for each campaign.</p>	<p>Registered and non-registered Contracts</p>

- The Company may make new Investment Options available from time to time and may choose not to continue to offer any of the above options.
- If you have a Registered Contract, any increase in its value will be tax-deferred for as long as the money remains in your Contract. Surrenders from a Registered Contract will be taxable to you in the year that the money is withdrawn.
- Most of the Investment Options are also available on a non-registered basis and the current tax treatment of any increase in the Contract Value is described in section 2.12 “Taxation of the Contract”.

For more information about these products, talk to your representative or visit our website at [desjardinslifeinsurance.com](http://desjardinslifeinsurance.com).

## Compensation

Your representative will be paid by the Company. The compensation of your representative will include a sales commission for your Contract at the time of sale, and may include renewal (or service) commissions.

When you purchase this Contract, your representative may also qualify for additional compensation, such as bonuses or non-monetary benefits.

Your representative takes potential conflicts of interest very seriously. The services rendered by your representative will include an analysis of your needs.

## If You Change your Mind

This Contract does not include a rescission right (cancellation right). If you decide to surrender the Contract in whole or in part, the amount of the surrender will be subject to a market value adjustment, as described in section 2.8.1. If the Deposit is directed to a Variable Investment, the Company does not allow any surrenders from the Daily Interest Investment between the date you make the investment and the date the investment is transferred to a Variable Investment.

**The value of any Deposit in the Daily Interest Investment is guaranteed. However, for the other Investment Options, the value of any Deposit will vary and is not guaranteed other than on the Deposit Maturity Date, or where applicable, upon the death of the Annuitant. It is important that you discuss your long- and short-term financial needs with your representative before purchasing this Contract to ensure that you understand the risks and charges that may affect your investment.**

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## 1 – Glossary

Certain terms used in this Contract have the following meaning:

- **"Accumulated Value"** means, for a Guaranteed Return Investment, the value of a Deposit on the date such Deposit is received or renewed by the Company, plus any interest or other income credited and accrued but not paid to that Deposit.
- **"Administrative Rule"** means the internal rules that govern our operations, including policies, guidelines, rules and practices of the Company, which can be changed at the sole discretion of the Company.
- **"Annuitant"** means the person who is the measuring life of the Contract, that is, the person in the event of whose death the Death Benefit is payable and whose name appears as "Owner" on an Application accepted by the Company unless otherwise specified in the Annuitant section of the Application. For all Registered Contracts, the Annuitant will always be the Owner of this Contract.
- **"Application"** means the Company's standard written application form for the purchase of this Contract.
- **"Beneficiary"** means the person(s), or legal entity or entities, designated by the Owner, to whom the Death Benefit of this Contract is payable upon the death of the Annuitant.
- **"Business Day"** means, for a Variable Investment, any business day on which a reading takes place on a given security.
- **"Company"** means Desjardins Financial Security Life Assurance Company which has its head office at 200, rue des Commandeurs, Lévis (Québec) G6V 6R2 and an office to service this Contract at 1150, rue de Claire-Fontaine, Québec (Québec) G1R 5G4. "We", "our" and "us" refer to the Company.
- **"Contract"** means the Application, this document and any Endorsements as specified in section 2.1 "Contract".
- **"Contract Value"** means the Accumulated Value of the Guaranteed Return Investments and the Current Value of the Variable Investments.
- **"Current Value"** means, for a Variable Investment, the initial Deposit reduced by Proportional Reductions for Partial Surrenders and increased or decreased by Variable Interest Income.
- **"Death Benefit"** means the amount paid to the Beneficiary in the event of the Annuitant's death, as specified in section 2.9 "Guaranteed Benefits".
- **"Deposit"** means the premium, that is, the sum of money paid to the Company for the purpose of purchasing this Contract and includes any renewals or subsequent monies paid, and/or deductions made for any surrender.
- **"Deposit Anniversary Date"** means, for a Fixed-interest Investment, one year from the day that the Deposit was received or renewed by the Company or from its last Deposit Anniversary Date, up to the Deposit Maturity Date.
- **"Deposit Maturity Date"** means, for a Variable Investment or a Fixed-interest Investment, the last day of the selected term of the investment period.
- **"Endorsement"** means a document signed by an officer of the Company, which modifies, in whole or in part, certain provisions of the Contract.
- **"Fixed-interest Investments"** means the following Investment Options: the Redeemable Term Investment and the Non-Redeemable Term Investment, as well as any other similar Investment Option created and designated as such by the Company.
- **"Guaranteed Return Investments"** means the following Investment Options: the Daily Interest Investment, the Fixed-interest Investments, as well as any other similar Investment Option created and designated as such by the Company.
- **"Income Tax Act"** means the *Income Tax Act* (Canada), the Income Tax Regulations and also, where the context requires, the corresponding provincial income tax legislation.
- **"Initial Date"** means the date determined by the Company, when the Accumulated Value of the Deposit(s) directed to a Variable Investment in the Daily Interest Investment is transferred to the Variable Investment selected by the Owner.
- **"Initial Deposit"** means the Accumulated Value of the Deposit in the Daily Interest Investment to be transferred to the Variable Investment on the Initial Date.
- **"Investment Option"** means any Investment Option defined in section 3 "Investment Options" or any new Investment Option created by the Company.
- **"Market-linked Term Investments"** means the following Investment Options: Guarantee Advantage and any other similar Investment Option created and designated as such by the Company.
- **"Maturity Benefit"** means the amount available to the Owner on the Deposit Maturity Date as specified in section 2.9 "Guaranteed Benefits".
- **"Maturity Guarantee Percentage"** means, for a Variable Investment, the percentage of the Initial Deposit, reduced by Proportional Reductions for Partial Surrenders, that is guaranteed on the Deposit Maturity Date. The percentage selected must be indicated on the Application or any other document accepted by the Company and must correspond to an option being offered by the Company in the current campaign. If the Maturity Guarantee Percentage indicated does not correspond to an option in the current campaign, or if it is not indicated, the Maturity Guarantee Percentage will be determined by the Company according to its Administrative Rule.
- **"Minimum Amount"** means the minimum annual amount payable to the Owner of a Registered Retirement Income Fund (RRIF) or a Life Income Fund (LIF) that will be used to provide the Owner with an income, as required by subsection 146.3(1) of the *Income Tax Act*.
- **"Owner"** means the person or legal entity whose name appears as "Owner" or "Co-Owner" in the "Owner Information" section of an Application that has been accepted by the Company. Also, "you" and "your" refer to the Owner of this Contract. In the case of Registered Contracts, the Owner must be an individual and the Annuitant.

- **"Participation Rate"** means, for a Variable Investment, the percentage by which you participate in the Investment Rate of Return, as defined in section 3.2 "Variable Investments".
- **"Periodic Payments"** means, for a Registered Retirement Income Fund (RRIF) or a Life Income Fund (LIF), the payment available to the Owner, as selected by the Owner in the payment options of the Contract or according to the Owner's latest instructions. Any payment other than a Periodic Payment will be treated as a partial surrender and will be subject to a market value adjustment, as indicated in section 2.8 "Surrender of Investment Options". If a payment option has not been selected, the Minimum Amount will automatically be paid to the Owner by the end of the year.
- **"Proportional Reductions for Partial Surrenders"** means, for a Variable Investment, the amount by which the Initial Deposit is reduced when a partial surrender is processed. This amount will reduce the benefits, the Variable Interest Income, and the Surrender Value. The reduction will be equal to:

$[i \times (ii \div iii)]$ , where

- (i) is the Initial Deposit reduced by the Proportional Reductions for Partial Surrenders made prior to this request;
  - (ii) is the dollar amount of the partial surrender; and;
  - (iii) is the Surrender Value of the Initial Deposit reduced by the Proportional Reductions for Partial Surrenders made prior to this request.
- **"Registered Contract"** means a Contract issued and registered as a Registered Retirement Income Fund (RRIF) (including a Life Income Fund [LIF] approved under the applicable pension legislation), a Registered Retirement Savings Plan (RRSP) (including a Locked-in Retirement Account [LIRA] approved under the applicable pension legislation), or any other plan, account or fund approved for registration under and governed by sections 146 and 146.3 of the *Income Tax Act* for the purposes of the Act and offered by the Company.
  - **"Spouse" or "Common-law Partner"** means any individual who is recognized as a spouse or common-law partner within the meaning of the *Income Tax Act*.
  - **"Surrender Value"** means the amount payable to the Owner in case of surrender, as described in section 2.8 "Surrender of Investment Options".
  - **"Variable Interest Income"** means the amount, expressed in dollars, equal to the Investment Rate of Return determined in section 3.2 "Variable Investments" multiplied by the Participation Rate and the Initial Deposit. This amount will be reduced by Proportional Reductions for Partial Surrenders.
  - **"Variable Investments"** means the following Investment Options: the Market-linked Term Investments and any other similar Investment Option created and designated as such by the Company.

## 2 – General provisions

### 2.1 Contract

This Contract is an annuity contract by which the Company undertakes, in consideration of the Deposits received and in accordance with the terms and conditions of this Contract, to provide you, your Beneficiary or your heirs, as the case may be, with:

- (i) a benefit in the form of an annuity or, if an Investment Option allows it, a payment from a Registered Retirement Income Fund (RRIF); or,
- (ii) a benefit in the event of death.

The Application, this document and any Endorsements that may be attached constitute our Contract with you.

The Company has the right to enforce or not, at its discretion, the terms and conditions of this Contract without giving up any of its rights of enforcement in the future.

Section headings appearing in this Contract are for convenience of reference only and are not to be considered as an aid to interpretation.

For certain transactions, the Company may require proof of the Annuitant's age and reserves the right to impose additional requirements at its discretion.

In the event of changes occurring in the applicable legislation or regulations, this Contract shall be deemed to have been amended to the extent necessary to comply with such changes in the applicable jurisdiction.

### 2.2 Amendments

No provisions of this Contract may be cancelled or amended except by an Endorsement duly signed by two authorized officers of the Company.

### 2.3 Payments

#### 2.3.1 To the Company

All Deposits made to the Company shall be in Canadian currency. **The Company reserves the right to refuse any Deposits or to impose additional requirements at its discretion.**

Deposits are made into the Daily Interest Investment. The terms and amounts required are determined by the Company and subject to change at the Company's discretion.

The Owner chooses how each Deposit will be allocated among the various Investment Options described in section 3 "Investment Options". The actual date on which the Deposit is invested in the selected option is subject to the terms and conditions outlined in section 3 "Investment Options".

Each Deposit will accumulate in the Daily Interest Investment until the minimum Deposit required by the Administrative Rule of the Company has been reached for the Investment Option selected by the Owner. Once the required minimum Deposit has been reached, the Deposit is transferred from the Daily Interest Investment to the Investment Option selected by the Owner. Regardless of the method of payment (pre-authorized debit, lump sum, or reinvestment after the Deposit Maturity Date), the applicable minimum Deposit required will apply to each term and Investment Option selected. If, by the time the required minimum Deposit has been reached, the Investment Option selected by the Owner is no longer available, the Deposit will be transferred according to the Company's Administrative Rule.

Currently, a minimum Deposit of \$500.00 is required to invest in the Redeemable Term Investment and Guarantee Advantage. The minimum Deposit required to invest in the Non-Redeemable Term Investment is \$500.00 and pre-authorized debits are not available with this Investment Option. These minimums are subject to change at the sole discretion of the Company.

### **2.3.2 To the Owner**

All payments made to the Owner shall be in Canadian currency. The Company reserves the right to defer the payment of any surrender in accordance with its Administrative Rule.

### **2.4 Owner's Rights**

Except as indicated in section 2.6 "Transfer of Ownership and Assignment as Collateral", the Owner is not entitled to assign or transfer the ownership of this Contract. The Owner has the right to select the investment period, the interest option and the frequency at which interest is credited, subject to the availability of the Investment Option at the time the choice is made. In addition, the Owner may choose to surrender all or part of the Investment Options subject to any limitations and charges specified in section 3 "Investment Options".

**An Owner subject to the jurisdiction of the province of Quebec may choose to surrender all or a part of this Contract or transfer the proceeds of this Contract to another policy, either with the Company or another financial institution, without obtaining the consent of the irrevocable Beneficiary.**

### **2.5 Beneficiary Changes**

Subject to legal restrictions, the Owner may substitute one Beneficiary for another by providing written notice to the Company. The Company assumes no responsibility with respect to the validity of a Beneficiary change.

### **2.6 Transfer of Ownership and Assignment as Collateral**

The Company must be advised in writing of any transfer of ownership or assignment of the Contract as collateral for loans and has the right to refuse any of these requests at its sole discretion. The Company assumes no responsibility with respect to the propriety, validity or legality of such a transfer or assignment.

Under the *Income Tax Act*, a Registered Contract may not be assigned as collateral or transferred.

### **2.7 Transfer Between Investment Options**

Subject to the paragraph below, the Owner has the right to transfer the value of any or all of the Investment Options in the Contract to another option offered by the Company subject to the terms and restrictions outlined for each Investment Option. Once the transfer instructions have been received by the Company, the request will be processed on the next date that a Surrender Value is available. If the transfer is completed prior to the Deposit Maturity Date of a Redeemable Term Investment or a Variable Investment, the amount transferred will be reduced by the market value adjustment calculated as provided in section 2.8 "Surrender of Investment Options".

The gross amount surrendered from the existing Investment Option will proportionately reduce the Death Benefit and Maturity Benefit amounts applicable to the existing Investment Option. The net amount transferred to the new Investment Option will be treated as a new Deposit for the purposes of calculating the Death Benefit and Maturity Benefit amounts.

### **2.8 Surrender of Investment Options**

The Owner has the right to surrender, in whole or in part, the value of the Contract, subject to the provisions of section 3 "Investment Options", which describes how the Surrender Value will be determined and what charges will be applied. Such surrender request must be made in writing and comply with the Company's current Administrative Rule.

Unless instructed otherwise, the surrenders will occur in the following order: from the Daily Interest Investment first, then the Redeemable Term Investments and finally Guarantee Advantage. Within an Investment Option, older deposits will be surrendered first.

**Deposits being held in the Daily Interest Investment and designated for a Variable Investment cannot be surrendered before the Initial Date.**

**Deposits in the Non-Redeemable Term Investment are not available for surrender prior to the Deposit Maturity Date.**

A partial surrender will reduce the Death Benefit and Maturity Benefit, which are described in section 2.9 “Guaranteed Benefits”. The total surrender of all the Investment Options terminates the Contract.

The Company may decide to suspend the surrender rights of the Owner at its sole discretion. Refer to section 3.2 “Variable Investments” for more details about extraordinary events.

If a bonus was granted at the time this Contract was issued, the Company may reduce the amount of the Surrender Value by an amount equal to such bonus, in accordance with its Administrative Rule.

## **2.8.1 Market Value Adjustment**

There is no market value adjustment for a Deposit in the Daily Interest Investment.

For a Deposit in a Fixed-interest Investment, the market value adjustment is the amount by which the Accumulated Value of a Deposit in the Contract is reduced in the event of a surrender or transfer prior to the Deposit Maturity Date and is calculated as provided in section 2.8.1.1 below. For a Deposit in the Non-Redeemable Term Investment, a market value adjustment is only calculated when the Surrender Value is used to purchase an annuity, as described in section 2.11 “Annuity Options”.

For a Deposit in a Variable Investment, the market value adjustment is the amount by which the Current Value of a Deposit in the Contract is reduced in the event of a surrender or a transfer prior to the Deposit Maturity Date and is calculated as provided in section 2.8.1.2 below.

The market value adjustment will never be less than zero.

### **2.8.1.1 Fixed-interest Investment**

For a Deposit in a Fixed-interest Investment, the market value adjustment will be:

$$[\{(a) - (b)\} \times (c) \times (d)]$$

where:

- (a) is the current interest rate being offered (at the time the request is processed) by the Company for Deposits of the same type for a term equal to the term remaining until the Deposit Maturity Date\*, plus 1%;
- (b) is the guaranteed interest rate of the Deposit;
- (c) is the number of years remaining until the Deposit Maturity Date, including any fraction of a year; and;
- (d) is the Accumulated Value of the Deposit.

### **2.8.1.2 Guarantee Advantage**

For a Deposit in Guarantee Advantage, the market value adjustment will be:

$$[i \times ii \times iii]$$

where:

- (i) is the compound interest rate being offered (at the time the request is processed) by the Company for Deposits in the Redeemable Term Investment for a term equal to the term remaining until the Deposit Maturity Date\*, plus 1.5%;
- (ii) is the number of years remaining until the Deposit Maturity Date, including any fraction of a year; and;
- (iii) is the Current Value.

*\* If the Company does not currently have an investment term equal to the term remaining until the Deposit Maturity Date, the Company will use the interest rate applicable to the next highest term available at that time.*

## **2.8.2 Periodic Payments**

Periodic Payments are available for RRIF and LIF contracts. The Periodic Payments will be taken from the Daily Interest Investment first, and then the Redeemable Term Investments. Within an Investment Option, older Deposits will be surrendered first.

Periodic Payments from the Non-Redeemable Term Investment and the Variable Investments are not available.

The market value adjustment will be waived for total Periodic Payments made in a calendar year up to a maximum of:

- 20% of the value of the Deposits used to issue the Contract for the first year; or
- 20% of the Contract Value on January 1 for subsequent years.

When the Accumulated Value of the Daily Interest Investment and the Redeemable Term Investment is no longer sufficient to make the Periodic Payments, one or more of the remaining Variable Investments will be partially or totally surrendered, subject to the market value adjustment described in section 2.8.1.2, and the available Surrender Value will be invested in the Daily Interest Investment.

## 2.9 Guaranteed Benefits

### 2.9.1 Death Benefit

On the Annuitant's death, the Company will pay the Beneficiary an amount equal to:

$$(a) + (b) + (c) + (d)$$

where:

- (a) is the Accumulated Value of the Daily Interest Investment;
- (b) is the Accumulated Value of the Redeemable Term Investment;
- (c) is the Accumulated Value of the Non-Redeemable Term Investment; and
- (d) is the Initial Deposit, reduced by Proportional Reductions for Partial Surrenders, for investments in Guarantee Advantage.

### 2.9.2 Maturity Benefit

The Maturity Benefit will be available on the Deposit Maturity Date for any Deposits made to a Fixed-interest Investment or a Variable Investment.

Unless the Owner gives written instructions prior to the Deposit Maturity Date, all Deposits in the Fixed-interest Investments or in the Variable Investments, as applicable, will be transferred into the Daily Interest Investment on the Deposit Maturity Date. A Deposit in the Daily Interest Investment will be reinvested in compliance with the Owner's most recent written instructions for the Redeemable Term Investment if the value of the Daily Interest Investment is above the minimum Deposit required. If there are no such written instructions, the Deposit will be reinvested in compliance with the Administrative Rule of the Company. Currently, the Company's default Redeemable Term Investment is the one-year term, which is subject to change at the sole discretion of the Company.

## 2.10 Non-Guaranteed Benefits

The value of Deposits in the Daily Interest Investment is guaranteed. However, for the other Investment Options, other than the guarantees offered at death or on the Deposit Maturity Date, the value of Deposits made to this Contract will vary and the Surrender Value is not guaranteed.

### 2.11 Annuity Options

The Company will pay an annuity starting on the date set by the Owner. The Company will pay the Owner or, in the case of non-registered Contracts, a third party, if a third party has been designated by the Owner. The Company will determine the annuity amount based on the Surrender Value of each Deposit and the single premium annuity rates it offers at that time. The Surrender Value, as calculated in section 2.8 "Surrender of Investment Options", will be used to determine the annuity amount.

For Deposits invested in the Non-Redeemable Term Investment, the Surrender Value will be calculated, at the time of the request, using the market value adjustment described in section 2.8.1.1 and used only if the annuity requested is a life annuity or a term certain annuity with a term of at least ten years.

If the annuity payment is lower than the Company's required minimum for the frequency requested by the Owner, the Company has the right to change the frequency of the payments.

On the day the Annuitant attains age 105, the Surrender Value of each Deposit made in this Contract will automatically be used to provide a life annuity with a 10-year guarantee period, unless instructions are received from the Owner prior to that day. The annuity provided will be based on the rates offered at that time by the Company.

In addition to the annuities described above, the Owner may at any time after the Annuitant has reached the age of 65, elect to obtain a life annuity without a guarantee period, providing annual payments per \$1,000 of the Surrender Value at the time the surrender request is received by the Company, using the following formula:

Male	Female
1,000	1,000
(60 – (A × 0.5))	(60 – ((A – 5) × 0.5))

where: "A" is the age of the Annuitant. The age will be determined on the date that the request is received from the Owner(s).

When an annuity is issued, the Company will be released from its obligations under this Contract, except for those related to the payment of an annuity indicated in this section.

### 2.12 Taxation of the Contract

The following information is of a general nature only and does not constitute a legal opinion or a tax opinion. Please consult your legal or tax advisor for more details.

#### 2.12.1 Non-registered Contracts

If the Contract is not registered under sections 146 and 146.3 of the *Income Tax Act*, the income earned is taxable under section 12.2 and paragraph 56(1j) of the *Income Tax Act*, unless the Company has evidence that this Contract is held in a plan registered by a third party. Tax slips will be issued to the Owner as required by the *Income Tax Act*.



## 2.12.2 Registered Contracts

If the Contract is issued as a Registered Retirement Savings Plan (RRSP) under section 146 of the *Income Tax Act*, amounts surrendered will be subject to tax (unless the money is transferred directly to another eligible Registered Contract in accordance with the *Income Tax Act*), and a retirement income in accordance with the *Income Tax Act* will have to be selected no later than the end of the calendar year in which the Owner attains age 71. You may be able to deduct part or all of your Deposits for income tax purposes if you meet the requirements of the *Income Tax Act*. We will withhold tax on all amounts surrendered by the Owner.

If the Contract is issued as a Registered Retirement Income Fund (RRIF) under section 146.3 of the *Income Tax Act*, amounts surrendered will be subject to tax (unless the money is transferred directly to another eligible Registered Contract in accordance with the *Income Tax Act*). Any amounts surrendered in excess of the Minimum Amount referred to in the “**Retirement Income Fund Endorsement**” are subject to withholding tax.

For tax purposes, LIRA and LIF Contracts are considered to be RRSPs and RRIFs respectively, but are also subject to the applicable pension legislation which can limit the surrenders that can be made under these Contracts.

## 2.13 Ownership

### 2.13.1 Non-registered Contracts

A non-registered Contract can be owned by a single person or legal entity or jointly by several persons or legal entities.

#### 2.13.1.1 Joint Owners

Only one Annuitant can be designated under this Contract. Ownership of the Contract following the death of a joint Owner is as follows:

##### A) Joint Ownership with Right of Survivorship (except Quebec)

By designating a Co-Owner, the type of ownership is deemed to qualify as “joint ownership with rights of survivorship”. Upon the death of the Owner or Co-Owner, provided that he/she is not the Annuitant, all his/her rights and obligations under this Contract will be transferred to the other.

There could be tax consequences upon the death of one of the owners, even when the deceased Owner is not the Annuitant. If the deceased joint Owner is the Annuitant, the Contract will terminate and the Death Benefit will be paid.

##### B) Subrogated Owner (Quebec only)

By designating a Co-Owner, the Owner and the Co-Owner are deemed to designate each other as subrogated Owners of this Contract. Upon the death of the Owner or Co-Owner, provided that he/she is not the Annuitant, all his/her rights and obligations under this Contract will be transferred to the other.

In such a case, the rules of representation do not apply and there is only accretion to the surviving subrogated Owner. This means that the surviving Owner becomes the sole Owner of the Contract and that no ownership is transferred to the estate of the deceased Owner.

There could be tax consequences upon the death of one of the owners, even when the deceased Owner is not the Annuitant. If the deceased joint Owner is the Annuitant, the Contract will terminate and the Death Benefit will be paid.

#### 2.13.1.2 Contingent Owner (subrogated Owner in Quebec)

If you are the sole Owner of the Contract and you are not the Annuitant, you may name a contingent Owner (subrogated Owner in Quebec) only once during the life of this Contract but you may revoke the contingent Owner at any time.

In the event of your death, the contingent Owner (subrogated Owner in Quebec), if living, becomes the new Owner. If you have not named a contingent Owner, or if the contingent Owner is not living at the time of your death, your estate then becomes the Owner. There could be tax consequences upon death of the Owner, even when the Owner is not the Annuitant.

## 2.13.2 Registered Contracts

A Registered Contract can only be owned by one individual, who must also be the Annuitant. You cannot appoint a joint Owner or a contingent Owner (subrogated Owner in Quebec).

## 2.14 Rescission Rights (Cancellation)

Subject to any applicable regulatory requirements, there are no rescission rights available under this Contract.

## 2.15 Additional Information for Residents of Alberta and British Columbia

Every action or proceeding against an insurer for the recovery of insurance money payable under this Contract is absolutely barred unless commenced within the time set in the *Alberta Insurance Act* s.643(2)(g) or the *British Columbia Insurance Act* s.33(2)(g).

## 2.16 Charges and Fees

The Company reserves the right to set and collect administrative fees for services provided under this Contract. In terms of administering laws and regulations governing unclaimed property, the Company may collect fees of up to \$1,500 to cover certain costs. These costs can include, among other costs, administrative fees incurred for undeliverable mail if the Company has to search for you, the Owner, and update your file, as well as the fees paid to an investigator to perform the search. Also included are the costs incurred to close your Contract if the case is sent to Revenu Québec or any other provincial or territorial organization governing unclaimed property.

## 2.17 Assignment of Obligations by the Company

Subject to receipt of all applicable regulatory approvals, we may transfer and assign all of our obligations under this Contract to another life insurance company that carries on the business of life insurance in Canada and, provided such life insurance company agrees to assume all of our obligations under and be bound to the terms and conditions of this Contract, we shall be released and discharged from all obligations under this Contract to you or to your Beneficiary.

## 2.18 Closing of Investment Options

The Company reserves the right, at its sole discretion, to close any of the Investment Options, including any new option which may be added in the future.

The Company specifically reserves the right, at its sole discretion, to cease accepting additional Deposits into any Investment Option, whether such refusal is reasonable or not.

## 3 – Investment options

The following Investment Options are currently available under this Contract. The Company reserves the right, at its sole discretion, to offer new options or close existing options.

### 3.1 Guaranteed Return Investments

Deposits invested in these options are held in the general funds of the Company.

#### 3.1.1 Daily Interest Investment

The Company will calculate interest on the minimum daily balance at the rate in effect on that day, as determined by the Company. Accrued interest is credited to the Contract at least semi-annually.

**The Surrender Value of the Daily Interest Investment is equal to the Accumulated Value of all the Deposits in this Investment Option on the surrender date.**

**Deposits held in the Daily Interest Investment but directed to a Variable Investment are not available for surrender.**

#### 3.1.2 Fixed-interest Investments

##### 3.1.2.1 Redeemable Term Investment

The Company will set the interest rate applicable for the term of the Deposit according to its Administrative Rule or at the latest on the date that the Deposit is received by the Company.

The Owner may choose either a simple-interest or compound-interest investment, depending on the investment terms offered by the Company at the time the Deposit is received. If the interest selected is compound or if the simple interest is paid annually, interest will be credited to the Deposit on the Deposit Anniversary Date. If another frequency is selected for the simple interest, it will be credited according to the frequency selected.

The **Surrender Value** of the Redeemable Term Investment is the market value of each Redeemable Term Investment.

The **market value** of a Deposit in the Redeemable Term Investment is equal to the Accumulated Value of the Deposit, reduced by the market value adjustment, as described in section 2.8.1.1.

The **Maturity Benefit** of a Deposit in the Redeemable Term Investment is equal to the Accumulated Value of the Deposit on the Deposit Maturity Date.

##### 3.1.2.2 Non-Redeemable Term Investment

The Company will set the interest rate applicable for the term of the Deposit according to its Administrative Rule or at the latest on the date that the Deposit is received by the Company.

Compound interest is the only type of interest available for this investment. It will be credited to the Deposit on the Deposit Anniversary Date.

There is no **Surrender Value** available for a Deposit made to the Non-Redeemable Term Investment.

The **Maturity Benefit** of a Deposit in the Non-Redeemable Term Investment is equal to the Accumulated Value of the Deposit on the Deposit Maturity Date.

This Investment Option is not available for investment in a RRIF or LIF Contract.

If the Contract is issued as an RRSP or a LIRA and a Deposit has been made into the Non-Redeemable Term Investment, the term selected cannot be greater than the term remaining until the end of the year in which the Annuitant is required to convert the Contract into a RRIF or a LIF Contract. Currently, the conversion must happen before the end of the year in which the Annuitant attains age 71.

### **3.2 Variable Investments**

All Variable Investments are term investments with variable rates of return and are not segregated funds. Deposits invested in these options are held in the general funds of the Company. You do not acquire any rights to or have any ownership in the securities underlying these term investments. The Company does not invest directly in the securities that comprise the basket of securities for a given campaign. Such securities constitute instead the benchmark index on which the return of the selected Investment Option is based.

A Deposit received by the Company for investment in a Variable Investment is first placed in the Daily Interest Investment until the Initial Date. **You do not have the right to surrender your Deposit between the date we invest it in the Daily Interest Investment and the Initial Date.**

On the Initial Date, we will invest your Initial Deposit in the option specified in your written instructions at the time of the Deposit for the term you requested. If the term or the Investment Option originally requested is no longer offered by the Company, we will invest your Initial Deposit in the closest term and/or Investment Option available at our discretion.

On the Deposit Maturity Date in a Variable Investment, we will transfer the Maturity Benefit of the Deposit to the Daily Interest Investment.

#### **Risk and suitability**

Since the return of a Variable Investment is tied to changes in the market, this investment carries a higher level of risk than a traditional fixed-rate investment. Ultimately, the return of the portion based on the performance of the stock market may be null at maturity (subject to the guaranteed minimum return selected, as indicated in the table of features of a given campaign). A Variable Investment is different from traditional fixed-rate investments because it does not guarantee a return determined in advance (subject to the guaranteed minimum return selected, as indicated in the table of features of a given campaign). The return of the portion based on the performance of the stock market can only be known for certain at the Deposit Maturity Date (subject to the guaranteed minimum return selected and the maximum potential return, as indicated in the table of features of a given campaign) and is based on the appreciation of the securities, which could be subject to major fluctuations in the capital markets. Consequently, the Company cannot guarantee a return at the Deposit Maturity Date (subject to the guaranteed minimum return selected, as indicated in the table of features of a given campaign) on the portion of the return based on the performance of the stock market.

The Variable Investment is not a direct investment in the securities that comprise the basket of securities of a given campaign. Therefore, the Owner is not entitled to the rights or the benefits of a shareholder, such as the right to receive distributions or dividends, or the right to vote or attend shareholders' meetings.

Since the calculation method determines the closing level of the price of each security using an average of the returns at three predetermined dates, the return paid out at the Deposit Maturity Date may not reflect the performance of each security between the Initial Date and the Deposit Maturity Date.

Given the features of this kind of investment, potential Owners should check with their representative to make sure that this type of investment meets their investment objectives.

This guaranteed investment is a sound investment for those whose investment horizon is at least as long as the term of the Variable Investment and who also intend to keep it until Deposit Maturity Date. It is also a sound choice for those who wish to diversify their investments and gain exposure to the capital markets. However, it is not suitable for those who require an income during the term.

#### **Extraordinary events**

The Owner acknowledges that a disruption on capital markets (e.g. transactions halted due to a sharp drop in or a problem with the publication of security prices), a change in the publication of security prices (e.g., a merger, a stock split), securities facing some financial hardship (e.g. company bankruptcy) or any other extraordinary circumstance or event out of the control of Desjardins Group and having a significant impact on product management (an "Extraordinary Event") may occur and affect the Company's capacity to calculate or pay the return or to fulfill any other obligation on the date specified. If the Company believes, at its sole discretion, that such an event has occurred, the Owner agrees that the Company may depart from the terms and conditions of this agreement and take any action deemed appropriate and equitable in the circumstances, including, without limitation, substituting securities, adjusting, anticipating or deferring the calculation or the payment of the return, or determining the return in a different manner. The Company will determine which measures to take in the above-mentioned circumstances at its sole discretion and will take reasonable action, taking into account the interests of all stakeholders, in particular, without limiting the scope of the foregoing, those of owners with products, those of other clients, the interests of the Company and those of Desjardins Group.

Because this Investment Option includes a capital guarantee, an Extraordinary Event will not affect this guarantee. It could however affect the return positively or negatively and, in this latter case, could reduce it to 0, subject to the guaranteed minimum return selected, as the case may be.

### 3.2.1 Market-linked Term Investments

#### 3.2.1.1 Guarantee Advantage

Guarantee Advantage is a term investment with a variable rate of return that allows the Owner to participate in the return of a selected basket of securities, which constitutes the benchmark index on which the return of the selected Investment Option is based. The opening basket of securities will be determined by the Company at the beginning of each campaign and will be made available prior to your investment in this Investment Option.

From one campaign to another, the Company may replace one or more of the securities in the basket for another security at its discretion.

The Maturity Benefit is the greater of:

- the Current Value of the Initial Deposit, which has been reduced by Proportional Reductions for Partial Surrenders and which has increased or decreased by the Variable Interest Income; and,
- the Maturity Guarantee Percentage multiplied by the Initial Deposit, which has been reduced by Proportional Reductions for Partial Surrenders.

#### Rate of Return

The Investment Rate of Return of Guarantee Advantage is the arithmetic mean (average) of the individual securities' rate of return based on their average price at three predetermined dates in the last three months of the investment, multiplied by the Participation Rate. The Investment Rate of Return will be calculated as shown below; however, the actual return you will receive shall not exceed the maximum potential return set by the Company at the beginning of the campaign.

Investment Rate of Return =

$$\left\{ \frac{1}{n} \times \left[ \frac{CP_2 \text{ for } S_1}{CP_1 \text{ for } S_1} + \frac{CP_2 \text{ for } S_2}{CP_1 \text{ for } S_2} + \dots + \frac{CP_2 \text{ for } S_n}{CP_1 \text{ for } S_n} \right] - 1 \right\} \times \text{Participation Rate}$$

n = Number of securities used in the basket of that investment.

CP<sub>1</sub> = Closing price of the security on the first Business Day.

CP<sub>2</sub> = The average closing price of each security on three specific dates within the last three months of the term (or the following Business Day if no reading takes place on the security on any of these dates). The specific dates used to determine the average price will be determined by the Company at the beginning of each campaign and will be made available prior to the commencement of each Guarantee Advantage campaign.

S<sub>1</sub>, S<sub>2</sub>, ..., S<sub>n</sub> = the security used in the investment.

Deposits designated for Guarantee Advantage being held in the Daily Interest Investment cannot be surrendered before the Initial Date. After the Initial Date, a Deposit in Guarantee Advantage can be surrendered or transferred in whole or in part. After receipt of the surrender request, the Surrender Value will be calculated on the next valuation date as determined by our Administrative Rule. The Surrender Value is equal to the Current Value reduced by a market value adjustment calculated in accordance with section 2.8.1.2. **The Surrender Value of Guarantee Advantage cannot exceed the Initial Deposit.**

**The Surrender Value prior to the Deposit Maturity Date is not guaranteed and may be less than the amount of the Initial Deposit, reduced by Proportional Reductions for Partial Surrenders.**

Signed in Lévis, Quebec

Desjardins Financial Security Life Assurance Company

by 

Denis Dubois  
President and Chief  
Operating Officer

by 

Sébastien Vallée  
Vice-President,  
Investment Solutions

# Endorsements

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## Retirement Savings Plan

This endorsement is effective if the Owner has requested that this Contract be registered in accordance with the *Income Tax Act* as a Registered Retirement Savings Plan (RRSP) and the Owner is the Annuitant named in the application for this Contract. The Owner is the annuitant of this RSP within the meaning of the *Income Tax Act*. The terms of this endorsement will govern if any of its provisions are inconsistent with other sections of this document.

Under this endorsement, this Contract is modified as follows:

1. The Owner must utilize the Surrender Value of the Contract to select an annuity option, in a form permitted under the definition of "retirement income" in subsection 146(1) of the *Income Tax Act*, or to purchase a RIF or to convert this Contract into a RIF, by the end of the year in which the Owner attains the age of 71 or as specified in the *Income Tax Act*.
2. The annuity selected must be paid either through equal annual or more frequent periodic payments, until it is paid in full. If the annuity is partly commuted, the Owner must receive the balance either through equal annual or more frequent periodic payments. The total amount of the annuity payments made periodically within one calendar year following the death of the Owner shall never be greater than the amount payable prior to death. The annuity will be commuted if, after the Owner's death, it must be paid to a person other than the Owner's Spouse or Common-law Partner.
3. If this Contract is registered as an RSP, the *Income Tax Act* requires that the RSP be terminated no later than the end of the calendar year in which the Owner attains the age of 71 or as specified by the *Income Tax Act*. For the Investment Options to continue when applicable, the Contract must be converted to a Term Investments Contract registered as a RIF with the same Investment Options. If the Company does not receive the Owner's selection in writing 60 days before December 31 of the year in which the Owner attains the age of 71 or the date set by the *Income Tax Act*, the Company will convert this Contract to a Term Investments Contract registered as a RIF with the same Investment Options or in accordance with its Administrative Rule. It is the Owner's sole responsibility to select the annuity option.
4. No Deposits can be made under this Contract once an annuity option has been selected.
5. If the Owner dies before selecting an annuity option, the Death Benefit will be paid to the Beneficiary in one lump sum payment.
6. This Contract and any annuity payable under the Contract to the Owner, the Owner's Spouse or Common-law Partner, may not be assigned in whole or in part.
7. Before an annuity option is selected, no payment may be made under this Contract except as a payment to the Owner or a refund of premiums as defined in subsection 146(1) of the *Income Tax Act*. The Contract does not provide for any payment to the Owner after an annuity option is selected except in the form of "retirement income" as defined in subsection 146(1) of the *Income Tax Act*, a full or partial commutation of annuity payments or in respect of a commutation provided for in the *Income Tax Act*, if permitted.
8. Notwithstanding the previous clauses, if the Company is given proof that there is a tax payable under Part X.1 of the *Income Tax Act*, the Company shall refund to the contributor the amount required to reduce the amount of tax otherwise payable. The payment will not exceed the Surrender Value of the Contract at the time the surrender is made. It is the contributor's sole responsibility to ensure that the Deposits made to an RRSP Contract do not exceed the contributor's RRSP contribution limits.
9. The Company is authorized, as the Owner's attorney, to amend, at its discretion, this RSP endorsement as necessary to comply with the conditions of an RSP, as set out in the *Income Tax Act*.

## Retirement Income Fund

This endorsement is effective if the Owner has requested that this Contract be registered in accordance with the *Income Tax Act* as a Registered Retirement Income Fund (RRIF) and the Owner is the Annuitant named in the application for this Contract. The Owner is the annuitant of this RIF within the meaning of the *Income Tax Act*. The terms of this endorsement will govern if any of its provisions are inconsistent with other sections of this Contract.

Under this endorsement, this Contract is modified as follows:

1. During the Owner's lifetime, the Company will make payments starting on the commencement date stipulated in the Application.
2. Total payments in any calendar year will not be less than:
  - a) Zero in the calendar year in which the RIF is entered into; and
  - b) The Minimum Amount in each subsequent calendar year.
3. The Company will make only those payments specified in paragraphs (2)d) and (2)e), the definition of "retirement income fund" in subsection (1), and subsections (14) and (14.1) of section 146.3 of the *Income Tax Act*.

4. This Contract and any payments made under the Contract may not be assigned in whole or in part.
5. When the Owner dies, the Company will pay the applicable Death Benefit to the Beneficiary in one lump sum payment.
6. The Owner may transfer part or all of the Surrender Value of the Contract to another RRIF by sending written instructions to that effect and all the required forms to the Company. Upon receipt, the Company will, in prescribed form and manner, transfer all necessary information to any carrier that has agreed to enter into a RRIF Contract with the Owner, together with part or all of the Surrender Value of the Contract less an amount equal to the lesser of:
  - a) such portion of the Surrender Value of the Contract sufficient to ensure that the Minimum Amount will be paid to the Owner in the calendar year in which the transfer is made; and
  - b) the Surrender Value of the Contract.
7. The Company will not accept any Deposit under this Contract, except funds transferred from:
  - a) an RRSP under which the Owner is the Annuitant;
  - b) another RRIF under which the Owner is the Annuitant;
  - c) the Owner, to the extent only that the funds are an amount described in subparagraph 60(l)(v) of the *Income Tax Act*;
  - d) an RRSP or a RRIF of the Owner's Spouse, Common-law Partner, former Spouse or Common-law Partner under a decree, order or judgment of a competent tribunal, or under a written separation agreement, relating to a division of property between the Owner and the Owner's Spouse, Common-law Partner, former Spouse or Common-law Partner in settlement of rights arising out of, or on the breakdown of, their marriage or common-law partnership;
  - e) a Deferred Profit Sharing Plan (DPSP) in accordance with subsection 147(19) of the *Income Tax Act*;
  - f) a Registered Pension Plan (RPP) under which the Owner is a member within the meaning of subsection 147.1(1) of the *Income Tax Act*;
  - g) a RPP in accordance with subsection 146.3(5) or (7) of the *Income Tax Act*;
  - h) a specified pension plan in circumstances to which subsection 146(21) of the *Income Tax Act* applies;
  - i) a Pooled Registered Pension Plan (PRPP) in accordance with subsection 147.5(21) of the *Income Tax Act*;
  - j) an advanced life deferred annuity, if the transfer is a refund described under paragraph (g) of the definition "advanced life deferred annuity" in subsection 146.5(1) of the *Income Tax Act*;
  - k) a Tax-Free First Home Savings Account (FHSA) in accordance with subsection 146.6(7) of the *Income Tax Act*.
8. The Company is authorized, as the Owner's attorney, to amend, at its discretion, this RIF endorsement as necessary to comply with the conditions of a RIF, as set out in the *Income Tax Act*.

Signed in Lévis, Quebec

Desjardins Financial Security Life Assurance Company

by 

Denis Dubois  
President and Chief  
Operating Officer

by 

Sébastien Vallée  
Vice-President,  
Investment Solutions

# Contract Application

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## Agreement and Direction

I/We hereby apply to purchase a Contract on the terms and conditions contained in the current Contract.

This Application is subject to acceptance by Desjardins Financial Security Life Assurance Company (DFS). Each additional Deposit amount shall be subject to such acceptance.

I/We declare that all statements and answers made by me/us in connection with this Application are fully complete and true.

I/We agree that the Contract and all related documents shall be drafted in English. Je consens (Nous consentons) à ce que le contrat et tous les documents y afférents soient rédigés en anglais.

## Registered Contracts

When a Registered Contract is selected, Desjardins Financial Security Life Assurance Company (DFS) is requested to apply for registration of this Contract as a Registered Retirement Savings Plan or a Registered Retirement Income Fund under the *Income Tax Act*.

Registered Contracts are subject to restrictions pursuant to section 146 or 146.3 of the *Income Tax Act*. I understand that, as a consequence of registering this Contract, all payments made by DFS will be subject to tax as provided in such Act.

## Personal Information Management

To serve you effectively every day and fulfill our legal obligations, we need to collect, use and disclose information about you. You can read Desjardins Group's Privacy Policy at [www.desjardins.com/privacy-policy](http://www.desjardins.com/privacy-policy) for full details on how your personal information is processed.

Desjardins Financial Security Life Assurance Company (DFS) handles your personal information in a confidential manner. DFS keeps this information on file so that you may benefit from the Company's various financial services such as insurance, annuities, pension plans and credit. Some of your personal information will be disclosed to other Desjardins Group components for specific purposes, for example, to identify you, to help you take advantage of the benefits of being a Desjardins member or client, or to comply with our legal obligations. Access to your file is limited to authorized personnel who need it to access it to perform their duties.

You have the right to review your personal information in our files and correct anything that is incomplete, ambiguous or not relevant. To do so, please consult our Privacy Policy.

For Head Office Use Only

Contract number

**Contract Application**

INSTRUCTIONS: This Contract Application cannot be used for a TFSA Contract.

**1. Contract Type**

Choose one Contract Type  
For a locked-in Contract,  
appropriate endorsements are  
available at [webi.ca](http://webi.ca).

- Registered Contracts**
- Retirement Savings Plan (RSP)
- Spousal RSP – complete section 2b
- Locked-In Retirement Account (LIRA) – attach endorsement (form 09018)
- Locked-In RSP – attach endorsement (form 09018)
- Retirement Income Fund (RIF)
- Spousal RIF – complete section 2b
- Life Income Fund (LIF) under Quebec legislation only – attach endorsement (form 04123)

Legislation (province) – for Locked-in Retirement Account (LIRA) and Locked-In RSP: \_\_\_\_\_

**Non-Registered Contracts**

**Complete for a non-registered Contract only.**

What is the purpose and intended use of this Contract or product? \_\_\_\_\_  
(required by federal law)  
Some examples of purpose and intended use are retirement savings, savings for education, estate planning, personal asset protection or retirement income protection.

**2. Owner Information**

If the Owner is a Corporation, an Organization or a Trust, complete the Annuitant section.

If the Owner is a Corporation, an Organization or a Trust, complete the "Power of Attorney/Authorized Signatory Information" section and form 08295E "Identity Verification Supplementary Form", available at [webi.ca](http://webi.ca).

If the Owner has appointed an individual to give instructions for the Owner (such as a power of attorney), please complete the "Power of Attorney/Authorized Signatory Information" section and provide a copy of the power of attorney document.

**\*Important:** These fields must be completed.

Sex <input type="checkbox"/> M <input type="checkbox"/> F	Language Preference <input type="checkbox"/> English <input type="checkbox"/> French	Client Number	
Owner Surname	First Name	Initial	Date of Birth (DD-MM-YYYY)
Organization Name			Social Insurance Number
Address			Residence Telephone Number
City	Province	Postal Code	Business Telephone Number
Occupation* (required by federal law) – please be specific, one word generic terms like "manager", "consultant" or "president" are not sufficient. <b>Important</b>			Federal Business/Trust Number
Marital Status	Citizenship		Provincial Business/Trust Number (Quebec only)
E-mail Address			

**Owner – Verification of Identity:**

The undersigned agent or representative certifies that he/she has verified the identity of the Owner, as required by federal law, by examining one of the following forms of identification.

**Provide document number. An expired document is not acceptable.**

Driver's Licence     Passport     Provincial Health Card (Cards issued in Manitoba, Ontario, Nova Scotia and Prince Edward Island are not valid for identification purposes)

Other photo card issued by a government (please specify): \_\_\_\_\_

Place of issue or jurisdiction*	Document number*	Expiration date*	Verification date*
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**Verification completed:**

- In person     Remotely – Complete the Identification by Dual Process form (20-0256\_200E)

**Are you a tax resident of any country other than Canada (including a U.S. citizen or a U.S. tax resident)?**

- Yes     No    If you answered "yes", please complete the following table.

If you don't have a taxpayer identification number (TIN) for any particular jurisdiction, please indicate the reason by choosing one of the following options:

- Reason A: I will apply for a TIN or I have already applied for one but haven't received it yet.  
Reason B: My jurisdiction of tax residence doesn't issue a TIN to its residents.  
Reason C: Other reason.

Country of residence	TIN	If you don't have a TIN, indicate reason A, B or C (if reason C, please specify)

**Individuals only:** Are you currently, or have you previously been, a *politically exposed domestic person* (in the past 5 years), a *politically exposed foreign person* or a *head of an international organization* (in the past 5 years)? Do you have direct ties to someone in one of these categories (i.e., a family member or close associate)?

- No     Yes – Complete the self-identification of a politically exposed person (PEP) form (22042E)

Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.



## 2a. Co-Owner Information (non-registered Contract only)

If there is a Co-Owner, complete the Annuitant section.

If the Co-Owner is a Corporation, an Organization or a Trust, complete the "Power of Attorney/Authorized Signatory Information" section and form 08295E "Identity Verification Supplementary Form", available at [webi.ca](http://webi.ca).

If the Co-Owner has appointed an individual to give instructions for the Co-Owner (such as a power of attorney), please complete the "Power of Attorney/Authorized Signatory Information" section and provide a copy of the power of attorney document.

**\*Important:** These fields must be completed.

Sex <input type="checkbox"/> M <input type="checkbox"/> F	Language Preference <input type="checkbox"/> English <input type="checkbox"/> French	Client Number
Co-Owner Surname	First Name	Initial
Organization Name	Date of Birth (DD-MM-YYYY)	
Address	Social Insurance Number	
City	Province	Postal Code
Occupation* (required by federal law) – please be specific, one word generic terms like "manager", "consultant" or "president" are not sufficient. <b>Important</b>	Residence Telephone Number	
Marital Status	Citizenship	Business Telephone Number
E-mail Address	Federal Business/Trust Number	
Provincial Business/Trust Number (Quebec only)		

### Co-Owner - Verification of Identity:

The undersigned agent or representative certifies that he/she has verified the identity of the Co-Owner, as required by federal law, by examining one of the following forms of identification.

**Provide document number. An expired document is not acceptable.**

Driver's Licence  Passport  Provincial Health Card (Cards issued in Manitoba, Ontario, Nova Scotia and Prince Edward Island are not valid for identification purposes)

Other photo card issued by a government (please specify): \_\_\_\_\_

Place of issue or jurisdiction*	Document number*	Expiration date*	Verification date*
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### Verification completed:

In person  Remotely – Complete the Identification by Dual Process form (20-0256\_200E)

### Co-Owner – Mandatory – Declaration of Tax Residence:

As required by federal law, please complete all the options that apply. By completing this section and signing the Application, the Co-Owner certifies his/her tax residency.

### Are you a tax resident of any country other than Canada (including a U.S. citizen or a U.S. tax resident)?

Yes  No If you answered "yes", please complete the following table.

If you don't have a taxpayer identification number (TIN) for any particular jurisdiction, please indicate the reason by choosing one of the following options:

Reason A: I will apply for a TIN or I have already applied for one but haven't received it yet.

Reason B: My jurisdiction of tax residence doesn't issue a TIN to its residents.

Reason C: Other reason.

Country of residence	TIN	If you don't have a TIN, indicate reason A, B or C (if reason C, please specify)

**Individuals only:** Are you currently, or have you previously been, a *politically exposed domestic person* (in the past 5 years), a *politically exposed foreign person* or a *head of an international organization* (in the past 5 years)? Do you have direct ties to someone in one of these categories (i.e., a family member or close associate)?

No  Yes – Complete the self-identification of a politically exposed person (PEP) form (22042E)

## 2b. Spousal Information

The Spousal Contributor is the Spouse or Common-law Partner who makes contributions to the Owner's RSP Contract (Spousal RSP) or has contributed to another RSP or RIF of the Owner from which the funds are transferred to this RSP or RIF Contract (Spousal RSP or RIF).

**RSP or RIF Spousal Contributor**  RIF/LIF Minimum Amount – For purpose of this calculation I opt to elect my Spouse or Common-law Partner's age to compute the Minimum Amount to be paid out. Once payment has started, the age used in calculating the amount cannot be changed.

Spouse or Common-law Partner Surname	First Name	Initial	Date of Birth (DD-MM-YYYY)
Social Insurance Number			

## 3. Annuitant (non-registered Contract only)

The Annuitant is the measuring life meaning the person in the event of whose death the Death Benefit is payable.

Complete if the Annuitant is other than the Owner, if the Owner is a Corporation, an Organization or a Trust, or if there is a Co-Owner.

Sex <input type="checkbox"/> M <input type="checkbox"/> F	Client Number
Annuitant Surname	First Name
Relationship to Owner	Initial
Date of Birth (DD-MM-YYYY)	
Social Insurance Number	

## 4. Contingent Owner or for Quebec subrogated Owner (non-registered Contract only)

If you are the sole Owner of the Contract and you are not the Annuitant, you may name a contingent Owner (subrogated Owner in Quebec).

I appoint the person named below as the contingent Owner (subrogated Owner in Quebec). Upon my death I understand that all rights provided under the Contract will be transferred to the named contingent Owner (subrogated Owner in Quebec).

Contingent Owner or subrogated Owner (Quebec) Surname	First Name	Relationship to Owner
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## 5. Beneficiary upon Death of Annuitant

The person(s) you name here will receive the Death Benefit on the death of the Annuitant.

All Beneficiaries are revocable unless otherwise specified.

**In Quebec:** Where your married or civil union spouse is appointed as the Beneficiary, indicate that the Beneficiary is REVOCABLE, failing which, the appointment as Beneficiary is irrevocable.

<input type="checkbox"/> Revocable	_____	_____	_____	_____
<input type="checkbox"/> Irrevocable	Beneficiary Surname	First Name	Share (%)	Relationship*
<input type="checkbox"/> Revocable	_____	_____	_____	_____
<input type="checkbox"/> Irrevocable	Beneficiary Surname	First Name	Share (%)	Relationship*
<input type="checkbox"/> Revocable	_____	_____	_____	_____
<input type="checkbox"/> Irrevocable	Beneficiary Surname	First Name	Share (%)	Relationship*

\*to the Owner/Co-owner (Quebec residents) or Annuitant (residing outside Quebec), for instance, parent, children, spouse, etc.

If a separate Beneficiary designation list is attached, it has to include Surname, First Name, % share and relationship to the Owner. This list must be dated and signed by the Owner.

## 6. Source of Funds

The representative is responsible for forwarding the transfer request to the relinquishing institution, even if it is to another Desjardins Group entity.

<input type="checkbox"/> Enclosed cheque: \$ _____	Contract number(s)	Amount
<input type="checkbox"/> Unique withdrawal of \$ _____ (complete PAD section)		\$
<input type="checkbox"/> Transfer from a product of Desjardins Financial Security Life Assurance Company (please provide a copy of transfer document)	Name of Institution	Amount
<input type="checkbox"/> Transfer from another financial institution (please provide a copy of transfer document)	Name of Institution	Amount
		\$

If the source of funds is from a transfer, the interest rate applied is the rate in effect on the date of:

- Receipt of Deposit at the Company (external)     Receipt of Application (internal)  
 Signature of the Owner – complete and attach form 1440A "Form to guarantee the interest rate for transfer and renewal" available at [webi.ca](http://webi.ca).

## 7. Investment Options

To start a Pre-Authorized Debit, complete the section Pre-Authorized Debit (PAD) agreement – Payor's PAD authorization.

For a non-registered Contract only: simple interest will be automatically transferred to the Daily Interest Investment unless otherwise specified in the Simple Interest Payment Instruction section

### 7.01 Daily Interest Investment

Investment Option	Deposit Amount
Daily Interest Investment	\$

### 7.02 Fixed-interest Investments

Investment Option	Term	Interest Rate	Interest	Deposit Amount
Redeemable Term Investment \$500 Minimum Deposit		%	<input type="checkbox"/> Compound <input type="checkbox"/> Simple annual <input type="checkbox"/> Simple monthly	\$
		%	<input type="checkbox"/> Compound <input type="checkbox"/> Simple annual <input type="checkbox"/> Simple monthly	\$
Non-redeemable Term Investment \$500 Minimum Deposit		%	Compound	\$
		%	Compound	\$

### 7.03 Variable Investments

Investment Option – Market-linked Term Investment	Basket of Securities <i>Ex. Healthcare or Financials</i>	Guaranteed Minimum	Potential Maximum	Term	Initial Date (campaign)	Deposit Amount
Guarantee Advantage \$500 Minimum Deposit		%	%		DD-MM-YYYY	\$
		%	%		DD-MM-YYYY	\$
		%	%		DD-MM-YYYY	\$
		%	%		DD-MM-YYYY	\$

Special instructions

## 8. Simple Interest Payment Instruction (non-registered Contract only)

Do you wish to withdraw the simple interest of your deposits?  Yes  No

These payments will be deposited directly into your bank account. **Provide a personalized cheque marked "Void."**

## 9. Periodic Payments RIF or LIF Contract

For a RIF or LIF Contract, you must withdraw an amount which equals or exceeds the RIF or LIF Minimum Amount. For a LIF Contract, this amount cannot exceed the LIF Maximum Amount. The Administrative Maximum refers to the maximum amount that can be surrendered without Market Value Adjustment, as indicated in the section of the Contract titled Periodic Payments. The gross amount is the net amount plus taxes withheld and market adjustment if applicable.

Frequency:  Annually  Semi-annually  Quarterly  Monthly

Commencement date (select a day between 1 and 28): \_\_\_\_\_  
(DD-MM-YYYY)

I choose:  RIF/LIF Minimum Amount  LIF Maximum Amount

Temporary Income – attach schedules \$ \_\_\_\_\_

Fixed \$ \_\_\_\_\_ – Indicate if  Gross (default is Gross if no selection is made)  
OR  Net

These payments will be deposited directly into your bank account. **Provide a personalized cheque marked "Void."**

## 10. Representative Information

Please write the Name(s) in block letters.

Name – Representative or Trainee (Trainee applies to Quebec only)	Code	(%)	Name – Training Supervisor (Quebec only)
		%	
		%	

By signing here, the Representative confirms that he/she is appropriately licensed, has disclosed any current, potential or apparent conflict of interests and has thoroughly examined the Owner's needs for product suitability. The Representative also confirms that he/she will receive compensation, if this Application is accepted by Desjardins Financial Security Life Assurance Company and may receive additional compensation in the future in the form of bonuses, trailers and conferences. The Representative also confirms that he/she has examined the valid identity verification documentation.

**Third Party Determination (non-registered contracts only):** The undersigned agent or representative indicates, in accordance with federal legislation, if he has reasonable grounds to suspect the Owner/Co-Owner is acting on behalf of a third party.

**Does the Representative have reasonable grounds to suspect the Owner/Co-Owner is acting for a third party?**

Yes  No

**X** \_\_\_\_\_ **X** \_\_\_\_\_ Date (DD-MM-YYYY)  
Signature of Training Supervisor (Quebec only) Signature of Representative or Trainee

**X** \_\_\_\_\_ **X** \_\_\_\_\_ Date (DD-MM-YYYY)  
Signature of Training Supervisor (Quebec only) Signature of Representative or Trainee

## 11. Power of Attorney/Authorized Signatory Information

This section must be completed when a person is entitled to give instructions for a Desjardins Financial Security Life Assurance Company Contract held by another physical person, a corporation, a trust or other entity.

**Mandatory: Attach the document giving the power to act (power of attorney, resolution, etc.)**

**\*Important:** These fields must be completed.

**Authorized Signatory – Verification of Identity:**

The agent or representative certifies that he/she has verified the identity of the authorized signatory by examining one of the following forms of identification.

**Provide a document number. An expired document is not acceptable.**

**Signature of the individual acting on behalf of the Owner or Co-Owner.**

Type of Authorized Signatory  Attorney  Attorney in case of incapacity  Guardian of property  Guardian of minor  
 Committee (outside Quebec)  Other \_\_\_\_\_

Authorized Signatory Surname \_\_\_\_\_ First Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ Province/State \_\_\_\_\_ Postal Code \_\_\_\_\_

Country \_\_\_\_\_ Occupation\* (required by federal law) – please be specific, one word generic terms like "manager", "consultant" or "president" are not sufficient.  
**Important**

Driver's Licence  Passport  Provincial Health Card (Cards issued in Manitoba, Ontario, Nova Scotia and Prince Edward Island are not valid for identification purposes)

Other photo card issued by a government (please specify): \_\_\_\_\_

Place of issue or jurisdiction\* \_\_\_\_\_ Document number\* \_\_\_\_\_ Expiration date\* \_\_\_\_\_ Verification date\* \_\_\_\_\_

**Verification completed:**

In person  Remotely – Complete the Identification by Dual Process form (20-0256\_200E)

\_\_\_\_\_ **X** \_\_\_\_\_ Date (DD-MM-YYYY)  
Authorized Signatory Name (block letters) Authorized Signatory Signature

If there is an Authorized Cosignatory, please use an additional Application Form to complete the entire Authorized Signatory section for the Cosignatory and submit the additional form with the Contract Application.

## 12. Acknowledgement

The Contract contains important information and should be read before investing.

**Unless the Annuitant is a minor, he/she is required to consent to being the measuring life and to sign in this section.**

If this section is signed by someone acting on behalf of the Owner, please also complete and sign the "Power of Attorney/Authorized Signatory Information" section.

I/We acknowledge having read the Contract. We acknowledge having received a proper description of the product, and a clear explanation of what is and is not guaranteed under this Contract.

I/We declare that any amounts deposited under the terms of this Contract have not been and will not be deposited on behalf of a third party. I/We undertake to inform Desjardins Financial Security Life Assurance Company (DFS) if any amounts are ever deposited under the terms of this Contract on behalf of a third party.

I/We certify that the information provided in the "Declaration of Tax Residence" section of this form is correct and complete. I/We will provide a new form to DFS within 30 days of any change in circumstances that causes the information in this form to become incomplete or inaccurate.

By signing this form, I authorize DFS to collect, use and disclose my personal information in accordance with privacy regulations and Desjardins Group's Privacy Policy that was presented to me before signing this consent. I acknowledge and accept that this consent takes precedence over any other consent I have previously signed. This consent remains in effect for as long as I maintain a business relationship with Desjardins Group.

### Language of choice / *Choix de langue* (for residents of Quebec only)

I acknowledge that I was provided with the French version of this contract and I expressly request to enter into this contract in the English language.

I also expressly request that the documents relating to this contract be drawn up exclusively in English.

*Je reconnais que la version française de ce contrat m'a été remise et je demande expressément à conclure ce contrat dans la langue anglaise.*

*Je demande aussi expressément à ce que les documents se rattachant à ce contrat soient rédigés exclusivement en anglais.*

**For all provinces and territories except Quebec:** by designating a Co-Owner, the Owner and the Co-Owner acknowledge that the type of ownership is qualified as "joint ownership with rights of survivorship." Upon the death of the Owner or the Co-Owner, provided that he/she is not the Annuitant, all his/her rights and obligations pursuant to the Contract will be transferred to the other.

**For the province of Quebec only:** by designating a Co-Owner, the Owner and the Co-Owner acknowledge and agree that they respectively designate each other as subrogated Owner of the Contract. Upon the death of the Owner or the Co-Owner, provided that he/she is not the Annuitant, all his/her rights and obligations pursuant to the Contract will be transferred to the other.

**For an Annuitant who is not the Owner:** by signing below, I the Annuitant, consent to be the measuring life for the purposes of the Death Benefit.

By signing below, you acknowledge that you have read and understood the "Agreement and Direction" and "Registered Contracts" sections.

Signed at \_\_\_\_\_

\_\_\_\_\_  
Date (DD-MM-YYYY)

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Co-Owner Signature (if applicable)

\_\_\_\_\_  
Annuitant Signature (if other than Owner)

For Head Office Use Only

Contract number

**Pre-Authorized Debit (PAD) Agreement – Payor’s PAD authorization**

**1. Account Holder Name and Account Number**

Account Holder(s) Surname		First Name		Telephone Number
Address		City	Province	Postal Code
Name of the financial institution where the Account is located				
Institution Number	Transit Number	Account Number (with check digit)		

**IMPORTANT: Provide a personalized cheque marked “Void.”**

**2. Authorization of Withdrawal**

I authorize Desjardins Financial Security Life Assurance Company (DFS) and my financial institution where I have my account or any other financial institution which I may appoint, to debit from my account the amount(s) indicated below according to my instructions:

Commencement date (select a day between 1 and 28): \_\_\_\_\_  
(DD-MM-YYYY)

- A fixed monthly amount of \$ \_\_\_\_\_ (minimum \$25/month).
- A lump sum of \$ \_\_\_\_\_. A PAD Agreement that authorizes a One-Time PAD (which only occurs once on a fixed date) will no longer be valid once the said payment has been fulfilled. Any subsequent PAD will therefore require a newly Authorized Payor’s PAD Agreement.

Type of PAD Agreement  Personal  Business

**Confirmation:**

**I understand that this PAD Agreement constitutes the confirmation required by section 16 of Payments Canada’s Rule H1 and authorize DFS to reduce the 10-day confirmation period set out in that rule. In consequence, this agreement is provided or made available to me less than 10 days before the due date of the first pre-authorized debit. I also waive any other notice confirming the debits authorization or changes to the above debits.**

**Change or cancellation:**

I will advise DFS, of any changes to this agreement at least 10 business days prior to the next withdrawal.

I may revoke my authorization at any time, with a prior notice of at least 10 business days prior to the next withdrawal. To obtain a copy of my cancellation form or for more information on my right to cancel a PAD Agreement, I may consult with my financial institution or visit the Payments Canada Web site at [payments.ca](http://payments.ca). I agree to release the financial institution of all liability if the revocation is not respected, except in the case of gross negligence by the financial institution. DFS can cancel the PAD Agreement by providing a 30-day prior notice to the Contract Owner and the Account Holder. The agreement can also be cancelled if the financial institution refuses the pre-authorized debits for any reason.

**3. Reimbursement**

I have certain recourse rights if any debit does not comply with this agreement. For example, I have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on my recourse rights, I may contact my financial institution or visit [payments.ca](http://payments.ca).

I understand that these types of requests are to be made to my financial institution following the procedure it will provide me.

**4. Consent for Disclosure of Information**

I agree that the information in my application for pre-authorized debit authorization will be shared with the financial institution, insofar as the disclosure of this information is directly related to and necessary for the proper application of the rules applicable for pre-authorized debits.

**5. Signature of Account Holder(s)**

By signing below, you acknowledge that you have read and authorize the Pre-Authorized Debit (PAD) as described above.

**X** \_\_\_\_\_ Date (DD-MM-YYYY)  
Signature of Account Holder

**X** \_\_\_\_\_ Date (DD-MM-YYYY)  
Signature of a Second Account Holder  
(only if two signatures are required)

## Desjardins: A name you can count on!

Desjardins Group is the leading cooperative financial group in Canada and one of the country's best capitalized financial institutions. Desjardins Group enjoys credit ratings comparable to those of several major Canadian and international banks and is recognized as one of the most stable financial institutions in the world according to *The Banker*.

**[desjardinslifeinsurance.com](http://desjardinslifeinsurance.com)**