

SPECIMEN POLICY DOCUMENT

INTERNATIONAL VARIABLE LIFE POLICY

Isle of Man Assurance Limited
IOMA House, Hope Street, Douglas
Isle of Man, IM1 1AP
British Isles

THIS POLICY OF ASSURANCE WITNESSETH that whereas the Policyholder has effected an assurance in the class specified in the Policy Schedule on the life of the Life Assured with Isle of Man Assurance Limited (hereinafter called "IOMA") whose Registered Office is as stated above and Whereas the Policyholder has delivered to IOMA as the basis of the contract of assurance herein contained a Proposal and Declaration and Whereas IOMA has received the first Premium mentioned in the Policy Schedule

NOW IOMA HEREBY COVENANTS with the Policyholder that if the subsequent Premiums (if any) to be paid as Provided in the Policy Schedule shall be duly paid to IOMA Then after satisfactory proof shall have been delivered to IOMA of the happening of the Event on which the Sum Assured is to become payable and of the title to receive payment under the Policy and on delivery of the Policy duly discharged IOMA will pay the Sum Assured to the person or persons to whom in the Policy Schedule the Sum Assured is expressed to be payable

PROVIDED ALWAYS and it is hereby declared that:-

- (1) In this Policy "the Policy Schedule" means the Policy Schedule attached; "the Policyholder" means the Policyholder named in the Policy Schedule; "the Life Assured" means the Life Assured named in the Policy Schedule; "the Sum Assured" means the Sum Assured specified in the Policy Schedule; "the Commencement Date" means the Commencement Date specified in the Policy Schedule; and any other person event amount date or item specified in the Policy Schedule is similarly referred to by the title given thereto in the Policy Schedule
- (2) This Policy shall be subject to the Provisions and Conditions contained in the Schedules attached and that unless otherwise stated this Policy is absolutely free from all restrictions as to travel residence and occupation
- (3) The Schedules attached (the page reference numbers whereof are specified in the Policy Schedule) and any endorsements signed by an officer of IOMA duly authorised for that purpose shall for all purposes form part of this Policy.
- (4) Unless specially provided herein to the contrary this Policy shall be governed by Isle of Man law and Isle of Man Courts alone shall have jurisdiction in any dispute arising hereunder.

IN WITNESS WHEREOF THIS POLICY IS SIGNED for and on behalf of Isle of Man Assurance Limited at Douglas, Isle of Man, British Isles on the date stated in the Schedule.

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This is a valuable document. Please ensure it is kept in a safe place as IOMA will require it to be produced on the making of any claim or surrender.

DEFINITIONS

PROPOSAL AND DECLARATION	The Proposal and Declaration is the Application Form completed by the Proposer and Life Assured
AGE	
ATTAINED AGE	Attained Age is the Issue Age plus the number of full years since Your Policy was issued.
ISSUE AGE	Issue Age is the Life Assured's age on the last birthday on or before the Commencement Date shown on the Policy Schedule.
BENEFICIARY	The Beneficiary is the person to whom the Death Benefit is paid when the Life Assured dies. The Beneficiary is as named in the application, unless changed.
COMMENCEMENT	The Commencement Date is the date the provisions of this Policy take effect. It is shown on the Policy Schedule.
DATE	Policy years and policy months are measured from the Commencement Date.
COMPANY	The Company is Isle of Man Assurance Limited. "We", "Our", and "Us" refer to the Company.

DEATH BENEFIT	The Death Benefit means the amount of money payable to the Beneficiary if the Life Assured dies while Your Policy is in force. Refer to the Death Benefit Provisions for details.
INVESTMENT FUND	The Investment Fund means the underlying investment fund in which Policy assets may be invested.
HOME OFFICE	The Home Office of the Company is at IOMA House, Hope Street, Douglas, Isle of Man, British Isles, IM1 1AP.
INITIAL PREMIUM	The Initial Premium is the premium required for coverage to become effective on the Commencement Date. It is shown on the Policy Schedule.
INITIAL SUM ASSURED	The Initial Sum Assured is the amount of Death Benefit shown as the Sum Assured on the Policy Schedule as the amount required for Your Policy to qualify as a Contract of Life Insurance in accordance with the requirements of Section 7702 of the United States Internal Revenue Code 1986, as amended. The Sum Assured shall be subject to any increase attributable to the payment of additional premiums.
LIFE ASSURED	The Life Assured is the person whose life is assured by this Policy and is named in the application and the Policy Schedule.
NET PREMIUMS	Net Premiums are equal to the actual premiums minus the percent of premium charge. The percent of premium charges are shown on page 6.
POLICYHOLDER	The Policyholder has all rights under this Policy and is named in the application. "You" or "Your" refer to the Policyholder.
POLICY ANNIVERSARY	The Policy Anniversary is the same day and month as the Commencement Date for each succeeding year.
BENEFITS	The Benefits mean the amount payable on the surrender of this Policy or on the death of the Life Assured while this Policy is in force, whichever shall be the earlier.
SURRENDER VALUE	The Surrender Value of Your Policy on any date is equal to (1), minus (2), minus (3), where: <ol style="list-style-type: none"> 1. is the Contract Value; 2. is any indebtedness attributable to accrued fees, 3. is any Surrender Charge.

GENERAL POLICY PROVISIONS

ENTIRE CONTRACT	The entire contract consists of this Policy, the Schedule and any attached riders or endorsements, and the attached copy of any written application, including any written supplemental applications. Any agreement to alter this Policy must be in writing, signed by a duly authorised officer of the Company and attached to or endorsed on Your Policy. We will not be bound by any promise or representations made by any agent or other persons nor may they change this Policy or waive any of its provisions.
APPLICATION	All statements made in an application are considered representations and not warranties. In issuing this Policy, we have relied on the statements made in any application to be true and complete. No such statement will be used to void the Policy or to deny a claim unless that statement is a material misrepresentation.
INCONTESTABILITY	We will not contest payment of the Death Benefit attributable to the Initial Sum Assured after this Policy has been in force during the Life Assured's lifetime for two years from the Commencement Date. For any increase in Sum Assured requiring evidence of insurability, we will not contest payment of the Death Benefit based on such an increase after it has been in force during the Life Assured's lifetime for two years from its effective date.
SUICIDE	If the Life Assured commits suicide, while sane or insane, within two years from the Commencement Date, we will not pay the Death Benefit normally payable on the Life Assured's death. Instead, we will pay the Beneficiary an amount equal to the current Surrender Value of the Policy, less any outstanding fees. For any increase in Sums Assured requiring evidence of insurability, if the Life Assured commits suicide, while sane or insane, within two years from the effective date of any such increase, we will not pay the Death Benefit associated with such an increase. Instead, our liability with respect to such an increase will be limited to its cost.

ERROR IN AGE OR SEX

If the age or sex of the Life Assured has been misstated, the Sum Assured shall be adjusted to effect the correct age and/or sex with the corresponding Sum Assured as would have been assured (in respect of the Premium actually paid) if the date of birth and/or sex had been correctly stated. On satisfactory evidence of the age of the Life Assured being produced to the Company the Policy will be endorsed to show that age has been admitted.

NON-SMOKER/ SMOKER CLASS

The cost of providing the Sum Assured under this Policy shall be calculated on each policy quarter based on non-smoker yearly renewable premium rates where the Life Assured is declared to be a non-smoker. Misrepresentation of the smoking habits of the Life Assured shall be considered a material misrepresentation and shall render this Policy void.

PAYMENT OF DEATH BENEFIT

Unless an optional mode of settlement is elected, the Death Benefit will be paid in one sum to the Beneficiary.

EFFECTIVE DATE OF COVERAGE

The effective date of coverage of any Life Assured under Your Policy is as follows:

1. the Policy date is the effective date for all coverage provided in the original application; and
2. for any increase or addition to coverage, the effective date will be the date we approve the supplemental application.

TERMINATION

All coverage under Your Policy will terminate when any one of the following events occurs:

1. You request in writing that the coverage terminate through a full surrender of the Policy;
2. the death of the Life Assured;
3. inadequacy of the underlying investments to continue to meet the Policy charges and cost of insurance.

VALUATIONS

Quarterly, based upon closing mid-market prices of the last business day of March, June, September and December.

VALUATION REPORT

Valuation Reports are available to You following the end of each quarter which will show the current Contract Value, Initial Sum Assured, premiums paid and all charges since the last report.

VALUATION PERIOD

A Valuation Period is the interval of time between the last day of any calendar quarter on which financial institutions are open for business and the last such day of the subsequent calendar quarter.

NON-PARTICIPATION

This is a non-participating Policy on which no dividends are payable. Your Policy will not share in Our profits or surplus earnings.

OWNER, BENEFICIARY AND ASSIGNMENT PROVISIONS**HOLDERSHIP**

While the Life Assured is living, all rights in Your Policy belong to You. Your rights in Your Policy belong to Your estate if You die before the Life Assured dies.

BENEFICIARY

The Beneficiary on the Commencement Date is named in the application. More than one Beneficiary may be named. If more than one Beneficiary is alive when the Life Assured dies, We will pay them in equal shares, unless You have provided instructions otherwise.

If any Beneficiary dies before the Life Assured, the Beneficiary's interest will be paid to any surviving Beneficiaries according to their respective interests, unless You have provided instructions otherwise. If no Beneficiary is living at the Life Assured's death, We will consider You or Your estate to be the Beneficiary.

While the Life Assured is living, You may change any Beneficiary. Any change must be in a written form satisfactory to Us and recorded at our Home Office. Once recorded, the change will take effect as of the date You signed it. It will not affect any payment made or action taken by Us before it was recorded. We may require that You send us Your Policy for endorsement before making a change.

ASSIGNMENT

While the Life Assured is living, You may assign any or all rights under Your Policy. We will not be bound by any assignment unless it is in a written form acceptable to Us and is recorded at our Home Office. An assignment will not affect any payments made or actions taken by Us before we record it. We will not be responsible for the sufficiency or validity of any assignment.

The assignment will be subject to any indebtedness owed to Us before it was recorded. The interest of any Beneficiary will be subject to the rights of any assignee of record at Our Home Office.



PREMIUM PROVISIONS

PREMIUM PAYMENTS

The Initial Premium is due on the Commencement Date. Cover will not be effective until the Initial Premium is paid. The Initial Premium is shown on the Policy Schedule.

All premiums are payable at Our Home Office. Premium receipts will be furnished upon request.

CURRENCY CONVERSION

Premiums received will be held in the currency of receipt, until initial investment allocations are made. At that time any necessary currency conversion will be made at market rates of exchange.

LIMITS

Additional premium payments, subject to a minimum of US\$25,000, may be made at any time while Your Policy is in force. However, We reserve the right to require satisfactory evidence of insurability before accepting any additional premium payment which results in any increase in the net amount at risk. Also, We will refund any portion of any premium payment which is determined to be in excess of the premium limit established by law to qualify Your Policy as a contract for life insurance. We may also require that any existing indebtedness due under this Policy is repaid prior to accepting any additional premium payments.

DEATH BENEFIT PROVISIONS

DEATH BENEFIT

If the Life Assured dies while the Policy is in force, your Policy will provide a Death Benefit, which will be dependent on the value of the underlying Investment Account.

The Death Benefit payable under this Policy will be the greater of

1. the Sum Assured as shown in the Policy Schedule.
2. the applicable percentage of the Contract Value on the date of death.

The table below gives the “Applicable Percentage” for each Attained Age.

APPLICABLE PERCENTAGE OF CONTRACT VALUE TABLE

Attained Age	% of Contract Value	Attained Age	% of Contract Value
0-40	250%	60	130%
41	243%	61	128%
42	236%	62	126%
43	229%	63	124%
44	222%	64	122%
45	215%	65	120%
46	209%	66	119%
47	203%	67	118%
48	197%	68	117%
49	191 %	69	116%
50	185%	70	115%
51	178%	71	113%
52	171%	72	111%
53	164%	73	109%
54	157%	74	107%
55	150%	75 -90	105%
56	146%	91	104 %
57	142%	92	103%
58	138%	93	102%
59	134%	94	101%
		95	100%

We will pay the Death Benefit to the Beneficiary after we receive at our Home Office proof of death satisfactory to us and such other information as we may reasonably require. The Death Benefit will be adjusted under certain conditions. Refer to the Incontestability, Suicide, and Error in Age or Sex Provisions

For purposes of determining the Death Benefit on the date of death, the Contract Value will be based on closing prices as at the next month end business day following the date of the death of the Life Assured.

CONTRACT VALUE The Contract Value of Your Policy is the sum of the assets minus the accrued expenses in accordance with the Provisions of this Policy.

DEDUCTIONS The quarterly deduction for each policy months shall be calculated as:

1. the quarterly cost of insurance; plus
2. the quarterly charges as specified under Policy and Surrender Changes.

The quarterly deduction will be charged proportionately to the Contract Value in each of the funds in which the Policy is invested.

COST OF INSURANCE A deduction will be made on the first quarter end following the Commencement Date and at each subsequent quarter end to cover the cost of insurance. This deduction will be made from the Contract Value. The cost of insurance for each policy quarter is determined by multiplying the cost of insurance rate by the net amount at risk and dividing the result by four. Net amount at risk is the difference between the Death Benefit and the Contract Value, each calculated at the beginning of the quarter. The cost of insurance rate is described under the Cost of Insurance Rates Provision

COST OF INSURANCE RATES The cost of insurance rate is used to obtain the cost of insurance for the Life Assured's initial Sum Assured and each increase in the Sum Assured. Each rate is based on the Life Assured's sex and Attained Age. Each rate is also based on the Life Assured's rate class at the time the initial Sum Assured increase took effect.

Cost of insurance rates will be determined by Us from time to time, based on Our expectations as to future experience. Any change in cost of insurance rates will be on a uniform basis for Lives Assured of the same sex, Attained Age, rate class and rate type whose policies have been in force for the same length of time.

SURRENDER CHARGE When this Policy is surrendered, a surrender charge is deducted from the Contract Value. The amount and duration of the surrender charges are shown in the Table of Surrender Charges in Appendix No. 2.

COMPLETE SURRENDER Your Policy may be surrendered for its Surrender Value at any time while it is in force. You must submit a written request in a form acceptable to us. We will also require the return of Your Policy. Unless an optional mode of settlement is elected, any Benefits payable upon surrender will be paid in one sum to You.

The date of surrender will be the date We receive Your written request at our Home office. The Surrender Value will be determined based on closing prices as at the next month end business day following receipt of Your request. In respect of a full surrender all coverage will end on the date of surrender. There is no guaranteed Surrender Value.

PARTIAL SURRENDER A partial surrender may be made at any time after the first Policy Year while this Policy is in force. You must submit a written request. We may also require that this Policy be sent to us. When a partial surrender is made, We will reduce the Contract Value by the partial surrender amount. Investments held under Your Policy will be realised based on closing prices at the next month end business day following receipt of Your request and shall be in proportion to Your written instructions for the purpose of providing the cash amount of the surrender instructed.

The amount of any partial surrender is subject to the following conditions:

1. the minimum amount of a partial surrender must be at least \$5,000;
2. a partial surrender may not reduce the total Contract Value to less than \$50,000.

INVESTMENT ACCOUNT

INVESTMENT ACCOUNT The Investment Account reflects the total assets attributable to the Policy within a separately identified account. All Life Policyholder assets are segregated from Our General Account within the Long Term Business Fund. We will determine the value of the assets in an Investment Account at the end of each Valuation Period.

The Investment Account may be made up of units of any one, all, or a combination of any of the Company's Unitised Investment Funds. The Policyholder may also request the Company to appoint an Independent Investment Manager to manage a percentage or all of the Policy Investment Account. IOMA maintains, and will provide upon request, a list of approved Independent Investment Managers, from which You may select.

The appointment of an Independent Investment Manager is at the absolute discretion of IOMA.

The Independent Investment Manager will be subject to such rules and procedures as Isle of Man Assurance Limited deems appropriate in its sole discretion.

IOMA INVESTMENT FUND PARTICULARS

- STRUCTURE** A range of Investment Funds restricted to Isle of Man Assurance Limited Life and Annuity Policyholders.
- BASE CURRENCY** United States Dollars. (Excepting Cash Reserve Currency Classes).
- DISTRIBUTION POLICY** The Funds re-invest all dividends/income. No distributions are made.
- PRICING** The Funds are valued monthly based on the closing mid market prices of the underlying assets on the last business day of each month. A single trading price is calculated for each Fund. This is used for buying or selling units. There is no bid/offer spread. (Under certain market conditions We retain the right to value the Funds on a bid price basis). The prices are calculated by dividing the total asset value of the individual funds, less accrued expenses, by the number of units outstanding. Fund prices and performance statistics are available from the offices of Isle of Man Assurance Limited upon request.
- DEALING** The Funds are valued on a monthly basis. Subscriptions, Redemptions and switches will be made based on the next monthly dealing price calculated after the receipt of trading instructions and, for new premiums, the clearance of funds. Cleared funds will attract interest, at a rate decided by IOMA from time to time, until the next allocation day of units. Policyholders may switch between Funds at their discretion without cost. Trading instructions must be received by Isle of Man Assurance Limited in writing either by letter or fax, and must bear the signature of the Policyholder or Independent Investment Manager, if appointed.
- INVESTMENT RISK** The Company shall be responsible for the management of each Fund as well as for the administration and operation of the Policy within the definitions contained herein. At its sole discretion the Company may appoint an Investment Advisor to advise on investments and handle the day to day operation of the Funds subject to the approval and guidelines then currently adopted by The Company.

Notwithstanding the foregoing The Company shall undertake no responsibility for the performance of the Investment Funds underlying this Policy. The value of investments can go down as well as up and past performances shall not be construed as any form of guarantee for the future.

POLICY AND SURRENDER CHARGES

1. **Policy Establishment Charge**
An establishment charge based on the Contract Value or the premium paid, whichever shall be the greater, will be deducted quarterly in arrears at the end of each valuation period in accordance with the scale below.
2. **Annual Management Charge**
An annual management charge of 1.50% will be deducted quarterly in arrears at the end of each valuation period. For policy assets managed by an Independent Investment Manager this charge shall be reduced to 1% per annum.
3. **Surrender Charge**
For Policies which are surrendered during the first five Policy years, whether in full or in part, a Surrender Charge in accordance with the scale below shall be deducted from such surrender payments.

POLICY YEAR	ESTABLISHMENT CHARGE	SURRENDER CHARGE
1	1.5%	6.0%
2	0.5%	4.8%
3	0.5%	3.6%
4	0.5%	2.4%
5	0.5%	1.2%
6	Nil	Nil

These charges shall be calculated as a percentage of the Surrender Value or the premium paid, whichever shall be the greater.

The Company may at its sole discretion apply a lower percent of Establishment charge or Surrender charge.

4. Other Fees and Expenses

There shall be deducted from each of the Funds from time to time and at any time such amounts as We consider appropriate in respect of routine charges, expenses, professional fees and/or taxes as appropriate incurred in the day to day operation and maintenance of the Funds.

Further, if any demand or levy is made by the Isle of Man Government and/or its delegate, as appropriate, upon Us under the terms of the Life Assurance (Compensation of Policyholders) Regulations 1991, as amended, a pro-rata amount of such demand or levy, determined as the ratio which the value of each Fund shall bear to the total value of Isle of Man Assurance Limited's Life Fund, shall be deducted from the Policy.

TAXATION

This Policy is intended as a life insurance contract for U.S. federal income tax purposes. We retain the right to amend the Policy, refuse to accept new premiums, return premiums received by us, make distributions from the Policy or take any other actions reasonably necessary or advisable in order to comply with provisions of the U.S. Internal Revenue Code of 1986, as amended, relating to the status of the Policy as a life insurance contract. IOMA does not represent or warrant that the Policy will be treated as a life insurance contract under U.S. law, or that IOMA, rather than the Policyholder, will be treated as the owner of the assets held in the Investment Account for U.S. federal income tax purposes.

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A member of the IOMA Group

Authorised by the Isle of Man Government Insurance & Pensions Authority and authorised and regulated by the Financial Services Authority
Registered No. 3792 Isle of Man

IOMA is a member of the Association of International Life Offices