

- z) The term “**Cash Value**” means the greater of (i) the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan), and (ii) the amount the policyholder can borrow under or with regard to the contract. Notwithstanding the foregoing, the term “Cash Value” does not include an amount payable under an Insurance Contract as:
- (1) a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against;
 - (2) a refund to the policyholder of a previously paid premium under an Insurance Contract (other than under a life insurance contract) due to policy cancellation or termination, decrease in risk exposure during the effective period of the Insurance Contract, or arising from a redetermination of the premium due to correction of posting or other similar error; or
 - (3) a policyholder dividend based upon the underwriting experience of the contract or group involved.
- aa) The term “**Reportable Account**” means a U.S. Reportable Account or a Canadian Reportable Account, as the context requires.
- bb) The term “**Canadian Reportable Account**” means a Financial Account maintained by a Reporting U.S. Financial Institution if:
- (1) in the case of a Depository Account, the account is held by an individual resident in Canada and more than \$10 of interest is paid to such account in any given calendar year; or
 - (2) in the case of a Financial Account other than a Depository Account, the Account Holder is a resident of Canada, including an Entity that certifies that it is resident in Canada for tax purposes, with respect to which U.S. source income that is subject to reporting under chapter 3 of subtitle A or chapter 61 of subtitle F of the U.S. Internal Revenue Code is paid or credited.
- cc) The term “**U.S. Reportable Account**” means a Financial Account maintained by a Reporting Canadian Financial Institution and held by one or more Specified U.S. Persons or by a Non-U.S. Entity with one or more Controlling Persons that is a Specified U.S. Person. Notwithstanding the foregoing, an account shall not be treated as a U.S. Reportable Account if such account is not identified as a U.S. Reportable Account after application of the due diligence procedures in Annex I.