

CONDITIONS.

**1. Consider-
ation.**

This policy is issued for the amount, and is payable in the manner, and to the beneficiary or beneficiaries, stated on the first page hereof, and in consideration of the premiums thereon specified and of the insured's application for the policy.

2. Policy.

The policy includes the endorsements hereon and the application herefor and is subject to the provisions of the Returned Soldiers' Insurance Act, any amendments thereto, and regulations made thereunder. All statements made by the insured in his application for the policy shall in the absence of fraud be deemed representations and not warranties.

**3. Days of
grace.**

A grace of one month will be allowed for the payment of any premium, other than the first, due under the policy, without interest, during which time the policy shall continue to be in force, but if a claim occurs during the days of grace and before the payment of the premium due, the amount of the said premium will be deducted on the payment of the claim.

**4. Change of
beneficiary.**

The beneficiary or beneficiaries named in this policy and the apportionment of the insurance money thereto if more than one, may be changed by the insured to the extent, and in the manner, provided in the Returned Soldiers' Insurance Act.

5. Death benefit.

The death benefit mentioned on the first page hereof will be payable in the manner thereon provided on receipt of proof of death of the insured to the satisfaction of the Board of Pension Commissioners for Canada (hereinafter called "the Board").

**6. Deduction
on account
of pensions.**

If, on the death of the insured, a pension becomes payable under the Pension Act to any person or persons within the classes mentioned in section four of the Returned Soldiers' Insurance Act there will be deducted from the death benefit payable under this policy the aggregate present value of the pension or pensions so payable and in such case there will be returned to the beneficiary or beneficiaries in proportion to their respective interests under this policy the proportion of the premiums paid with interest at four per cent per annum compounded annually which the amount of the said deduction is of the original amount of insurance. The present value of the pensions payable shall be computed on the bases of the British Offices Life Annuity Tables, 1893 (ultimate), male or female, according to the sex of the pensioner, supplemented at the earlier ages by such tables of mortality as the Board deems appropriate and a rate of interest of four per cent per annum, and in the case of a pension to a spinster or widow such table showing the probabilities of marriage or remarriage as the Board deems fit.

**7. Change of
mode of
payment.**

The mode of payment of the death benefit stated on the first page hereof is that elected by the insured in his application, but may be varied by declaration of the insured endorsed upon or attached to the policy. Alternative