

SINGLE PREMIUM IMMEDIATE ANNUITY CONTRACT

SAMPLE

AIG Life Insurance Company of Canada

**60 Yonge Street
Toronto, Ontario
M5E 1H5**

Toll free: 1-877-PICK-AIG
www.aiglife.ca

AIG LIFE INSURANCE COMPANY OF CANADA

HEAD OFFICE: 60 YONGE STREET
TORONTO, ONTARIO, CANADA M5E 1H5

The terms "you" and "your" refer to the Owner(s) of this policy. The terms "we", "our" and "us" refer to AIG Life Insurance Company of Canada.

We, AIG Life Insurance Company of Canada, agree to pay the annuity and any other benefits which are described in this contract.

This agreement to pay is subject to the provisions of this contract and is made in return for the Single Premium shown in the Annuity Details Schedule.

A handwritten signature in black ink, appearing to read "Peter McCarthy".

Signature of
Peter McCarthy
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read "J. Carl Copeland".

Signature of
J. Carl Copeland
Secretary



AIG Life of Canada

A Member of American International Group, Inc.

ANNUITY DETAILS SCHEDULE

Policy Details Policy Number: XXXXXXXXXXXX
Date of Issue: January 1, 2006
Owner: John Smith

Annuitant Name: John Smith
Sex: Male
Date of Birth: January 1, 1988

Single Premium Amount: \$10,000.00
Purchase Date: June 28, 2006
Source of Funds: Non-Registered

Annuity Details Annuity Type: Single Life
Income Amount: \$100.00
Income Frequency: Monthly
Guaranteed Period: 25 Years
First Payment Date: February 1, 2006

Income Payments If the Annuitant is living on February 1, 2006, we will pay an income to the Payee for the remaining lifetime of the Annuitant, but in no case less than 25 years. The amount of each income payment will be \$100.00. We will make the first payment on February 1, 2006, and subsequent payments will be made monthly.

POLICY TERMS AND CONDITIONS

The terms “*you*” and “*your*” refer to the Owner(s) of this policy. The terms “*we*”, “*our*” and “*us*” refer to AIG Life Insurance Company of Canada.

GENERAL PROVISIONS

The Contract

This policy, the Annuity Details Schedule, the copy of the Application and any amendments agreed to in writing after the policy is issued constitute the entire annuity contract between *you* and *us*.

Any amendments agreed upon between *you* and *us* must be in writing and signed by either *our* President, Secretary or one of *our* Vice-Presidents.

Owner

The Owner(s) is named in the Application. *You* may exercise every right and privilege as Owner of the policy, subject to the limitations provided by the Income Tax Act (Canada) or any other law.

Your rights may be restricted if a beneficiary has been appointed irrevocably.

Beneficiary

You may appoint one or more beneficiaries to receive any amounts which are payable on the death of the Annuitant (or on the death of the survivor of the Annuitant and Secondary Annuitant). *We* will pay any amount due under the beneficiary appointment in effect at the date of death of the Annuitant (or on the date of death of the survivor of the Annuitant and Secondary Annuitant).

If more than one beneficiary has been appointed, and one or more of them dies, the proceeds will be paid to the surviving beneficiary or, if there is more than one, to each of them equally. If no beneficiary is living when the Annuitant (or the survivor of the Annuitant and Secondary Annuitant) dies, or if none has been appointed, the proceeds will be paid to *you* or to *your* estate.

Place of Payment and Currency

All payments made to or by *us* must be made in Canada in Canadian currency.

Premiums

The Single Premium specified in the Annuity Details Schedule is the sum of all amounts *we* have received under this policy. No additional premiums will be accepted after the First Payment Date as shown in the Annuity Details Schedule.

This policy will take effect on its Date of Issue, and no additional premiums will be accepted after that date.

Purchase Date

The Purchase Date is the date *we* received the Single Premium at our Head Office or any of our offices in Canada. However, if not all of the Single Premium was received on the same day, the Purchase Date is the date *we* received the last portion.

Evidence of Survival

With respect to each annuity payment which is payable while the Annuitant (or any Secondary Annuitant) is living, *we* will have the right, before making the payment, to require evidence, satisfactory to *us* and at *your* expense, that the Annuitant (or any Secondary Annuitant) is living.

Incontestability

We do not have the right to contest the validity of this contract after it has been in force during *your* lifetime for two years from its Date of Issue, except that *we* may contest at any time with respect to fraud.

This provision will not apply to a misstatement of date of birth or sex.

Misstatement of Age or Sex

If for any reason the Annuitant's (or any Secondary Annuitant's) date of birth or sex has been misstated in the Application, the amounts payable will be those which the Single Premium shown in the Annuity Details Schedule would have bought if the correct date(s) of birth and sex(es) had been used.

Commuted Value of Income Payments

When applicable, the commuted value will be equal to the present value of the remaining guaranteed income payments as determined by the Guaranteed Period as shown in the Annuity Details Schedule. The commuted value will be on the basis of a rate of interest which will be set by *us* at the date of the commuted value.

Non-Participation

This annuity contract does not provide for participation in any distribution of surplus or profits that may be made by *us*.

Payee

The payee is the person(s), as stipulated in the Payee Information in the Application, entitled to receive any income payments falling due under this policy.

Assignment

An assignment of this policy or of an interest in it will not be binding on *us* until the assignment, or a copy of it, is filed with our Head Office.

Certain restrictions on assignment may apply depending on the Source of Funds of the annuity as stipulated in the Annuity Details Schedule. *We* are not responsible for the validity or effect of an assignment.

Death Benefit before First Payment Date

Under a Single Life annuity, in the event of death of the Annuitant before the First Payment Date as shown in the Annuity Details Schedule, the Single Premium will be paid to the beneficiary.

Under a Joint Life annuity, in the event of death of the survivor of the Annuitant and the Secondary Annuitant before the First Payment Date as shown on the Annuity Details Schedule, the Single Premium will be paid to the beneficiary.

Death Benefit after First Payment Date

Under a Single Life annuity, in the event of death of the Annuitant on or after the First Payment Date as shown in the Annuity Details Schedule, any remaining guaranteed annuity payments will be commuted and paid in one lump sum to the beneficiary.

Under a Joint Life annuity, in the event of death of the survivor of the Annuitant and the Secondary Annuitant on or after the First Payment Date as shown on the Annuity Details Schedule, the remaining guaranteed annuity

payments will be commuted and paid in one lump sum to the beneficiary.

Income Tax

Under the terms of the Income Tax Act (Canada) and any applicable provincial income tax legislation, a portion of all amounts paid out of this contract are deemed to be taxable income.

We will not withhold tax from any payment *we* make unless *we* are required to do so by law, or *we* receive a written request to do so from the person(s) entitled to make the request. There may be restrictions applicable to the amount of tax *we* will withhold, according to *our* then current administrative rules.

PROVISIONS APPLICABLE TO REGISTERED ANNUITIES

Restricted Options

You have requested that this policy be registered under the Income Tax Act (Canada) and any applicable provincial income tax legislation. Since every registered plan must conform to the provisions of the applicable tax and pension legislation, the options *you* were permitted to elect on the application for this policy were restricted. *You* do not have the right to change options after the Date of Issue of this policy.

Spouse

The word "spouse" as used in this policy is as defined under any applicable pension legislation.

Income Tax

Under the terms of the Income Tax Act (Canada) and any applicable provincial income tax legislation, all amounts paid out of this contract are deemed to be taxable income.

We will not withhold tax from any payment *we* make unless *we* are required to do so by law, or *we* receive a written request to do so from the person(s) entitled to make the request. There may be restrictions applicable to the amount of tax *we* will withhold, according to *our* then current administrative rules.

Assignment

No income payments under the policy may be assigned either in whole or in part. The Owner(s) does not have the right to assign this policy either absolutely or as collateral security.