

SCHEDULE “A”

**APPROVAL HEARING NOTICE
CLASS ACTION**

CANADA

**SUPERIOR COURT
(Class action)**

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N° : 500-06-000114-005

CHARLES KAYE VAUGHAN

Petitioner

vs

NEW YORK LIFE INSURANCE COMPANY

-and-

CANADA LIFE ASSURANCE COMPANY

Respondents

NOTICE TO MEMBERS

NOTICE CONCERNING PROPOSED OUT OF COURT SETTLEMENT

**Class action relating to auto financing of premiums (premium offset)
from paid up additions based on the dividend scale of
New York Life Insurance Company.**

This notice may concern you.

Please read carefully

A proposed agreement has been arrived at with Respondents, New York Life Insurance Company and Canada Life Assurance Company, in the context of a motion which instituted a class action suit on behalf of the following group :

“ All persons who have acquired or for whom was acquired in Quebec from the Respondent, New York Life Insurance Company, an individual life insurance contract whereby participation or dividends provided the option of premium offset and/or purchase of paid up insurance with their dividends which policy was assigned to Respondent, Canada Life Assurance Company on April 1st, 1994, the term of which Respondents have illegally modified essential terms and conditions

to the prejudice of those persons.”

This class action suit was authorized by judgment rendered by the Superior Court on September 18, 2002 and a Motion to institute proceedings was filed on November 17, 2004.

This agreement 1) modifies the definition of the group to limit it to persons who acquired their policies after January 1st, 1979 and to delete the last part of the definition which reads as follows: « the term of which the Respondents have illegally modified the essential terms and conditions to the prejudice of those persons. » and 2) grants to members of the group covered by the amended definition benefits which seek to reimburse in part those premiums paid beyond the date of auto-financing of premiums provided for in the original illustration provided to group members.

The Superior Court of Quebec will be called upon to approve the settlement agreement at a hearing which will take place at the Montreal Court House situated at 1 Notre-Dame St. East, Montreal, Quebec on September 8th, 2006, in room 12.61, at 11:30 a.m.

All group members wishing to advise the court and the parties' attorneys of their comments relating to the agreement are invited to do so at the time of the hearing.

The complete text of the agreement is available on the following websites :
www.lauzonbelanger.qc.ca and www.canadalife.com

Or by communicating with the attorneys representing the group at the following address:

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