

THE SECURITIES ACT) Order No. 2839
)
Section 20(1)) March 16, 2000

CLARICA LIFE INSURANCE COMPANY

WHEREAS application (the "Application") has been made on behalf of Clarica Life Insurance Company (the "Company") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of the *Securities Act*, R.S.M. 1988, c. S50 (the "Act") that the issuance and distribution by the Company of (i) Non-cumulative Redeemable Class A Preferred Shares, Series 2 (the "Preferred Shares Series 2") of the Company pursuant to the operation of the automatic conversion feature attaching to the Non-cumulative Redeemable Class A Preferred Shares, Series 1 (the "Preferred Shares Series 1") of the Company and (ii) Preferred Shares Series 1 pursuant to the operation of the automatic conversion feature attaching to the Preferred Shares Series 1, be exempt from sections 6 and 37 of the Act;

AND WHEREAS it has been represented to the Commission by the Company that:

1. the Company is an insurance company regulated by the *Insurance Companies Act* (Canada) which is subject to the continuous disclosure requirements of the Act and is not in default of any such requirements;
2. the Company will offer the Preferred Shares Series 1 pursuant to a prospectus (the "Prospectus") filed with each province and territory in Canada;
3. the Prospectus will include full disclosure concerning the rights of the Preferred Shares Series 1 and the Preferred Shares Series 2, including the conversion features whereby:
 - (a) on June 30, 2005, and at the end of every successive period of five years plus one day thereafter (a "Conversion Date"), holders of the Preferred Shares Series 1 will have the right to convert the Preferred Shares Series 1 into Preferred Shares Series 2 under certain prescribed circumstances;
 - (b) if the Company determines that there would remain outstanding less than 400,000 Preferred Shares Series 1 having taken into account all Preferred Shares Series 1 tendered for conversion into Preferred Shares Series 2 on a Conversion Date, then all, but not less than all, of the remaining outstanding Preferred Shares Series 1 shall be automatically converted into Preferred Shares Series 2;
 - (c) on July 1, 2010, and at the end of every successive period of five years plus one day thereafter (a "Series 2 Conversion Date"), holders of Preferred Shares Series 2 will have the right to convert Preferred Shares Series 2 into Preferred Shares Series 1 under certain prescribed circumstances;

(d) if the Company determines that there would remain outstanding less than 400,000 Preferred Shares Series 2 having taken into account all Preferred Shares Series 2 tendered for conversion into Preferred Shares Series 1 on a Series 2 Conversion Date, then all, but not less than all, of the remaining outstanding Preferred Shares Series 2 shall be automatically converted into Preferred Shares Series 1;

4. the registration and prospectus exemptions contained in subparagraph 19(1)(h)(iii) and paragraph 58(1)(b) of the Act are not available in respect of the issuance by the Company of Preferred Shares Series 1 or Preferred Share Series 2 pursuant to a conversion which occurs automatically as opposed occurring at to the option of the security holder.

AND WHEREAS the Commission is of the opinion that it would not be prejudicial to the public interest to grant this Order.

IT IS ORDERED pursuant to subsection 20 of the Act that the issuance by the Company of (i) Preferred Shares Series 2 following a Conversion Date pursuant to the operation of the automatic conversion feature attaching to the Preferred Shares Series 1 and (ii) the Preferred Shares Series 1 on a Series 2 Conversion Date pursuant to the operation of the automatic conversion feature attaching to the Preferred Shares Series 2, as described in the Prospectus, shall be exempt from sections 6 and 37 of the Act provided that no commission or other remuneration is paid or given to others in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

BY ORDER OF THE COMMISSION

Director – Legal