

IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
NOVA SCOTIA AND NEWFOUNDLAND

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF
APPLICATIONS

AND

IN THE MATTER OF
CLARICA LIFE INSURANCE COMPANY

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authorities or regulators (the "Decision Makers") in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") have received an application from Clarica Life Insurance Company, formerly named The Mutual Life Assurance Company of Canada, (the "Applicant") for a decision pursuant to the securities legislation and securities directions of the Jurisdictions (the "Legislation") that the requirement to file insider reports contained in the Legislation (the "Insider Reporting Requirement") shall not apply to insiders of the Applicant with respect to the acquisition of common shares of the Applicant pursuant to an automatic purchase feature (the "Automatic Purchase Feature") of the Applicant's employee share purchase plan and pension plan share purchase option (collectively, the "Plans"), subject to certain conditions;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS in this decision document (the "Decision Document") reference to:

1. "automatic investment plan" means a plan of a reporting issuer or equivalent designed to facilitate the acquisition of its securities where:

(a) the timing of acquisitions of securities, the number of securities acquired by each participant and the price paid for the securities are established by a formula or criteria set out in the plan; and

(b) the acquisitions of securities pursuant to the plan are made by a trustee or agent on the open market.

2. "trustee" means a person appointed under an automatic investment plan to administer the acquisition of securities under the Plan;

AND WHEREAS it has been represented by the Applicant to the Decision Makers that:

1. The Applicant is a reporting issuer or equivalent under the Legislation and is not in default of any requirements of the Legislation.

2. The Applicant's head office is located in the Province of Ontario;

3. Participants in the Plans (Plan Participants) may acquire common shares of the Applicant through the Plans in two ways:

(a) pursuant to the Automatic Purchase Feature, Plan Participants may elect to have a percentage of their salary or pension automatically deducted and deposited with the trustee to be used to purchase common shares of the Applicant; and

(b) pursuant to a lump sum payment option (the "Lump Sum Feature") Plan Participants are permitted to make lump sum cash payments to the trustee to be used to purchase common shares of the Applicant. The timing of an investment through the Lump Sum Feature will be at the discretion of the Plan Participant, subject to restrictions contained in the Plans.

4. Other than the Lump Sum Feature, the Plans qualify as automatic investment plans.

5. The common shares of the Applicant to be acquired under the Plans are expected to be *de minimus* in relation to the number of common shares of the Applicant issued and outstanding.

AND WHEREAS, pursuant to the System, this Decision Document evidences the decision of each Decision Maker (collectively, the Decision);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

IT IS HEREBY DECIDED by the Decision Makers pursuant to the Legislation that the Insider Reporting Requirements shall not apply to insiders of the Applicant with respect to the acquisition of common shares in the capital of the Applicant pursuant to the Automatic Purchase Feature of the Plans, provided that:

1. each such insider files with the securities regulatory authority in each Jurisdiction by the last day of March of each year a report (a "Yearly Report"), in the form contemplated by applicable insider reporting requirements under the Legislation, disclosing any change or changes in his or her direct or indirect beneficial ownership of or control or direction over securities of the Applicant resulting from his or her participation in the Plans during the 12-month period ending

the preceding December 31, (the "Reporting Period") which were not previously reported in the holdings of the insider;

2. if in any month during a Reporting Period there are one or more changes, including any acquisition pursuant to the Lump Sum Feature but excluding an acquisition of beneficial ownership that arises solely as a result of the Automatic Purchase Feature (a "Change" or "Changes") in the insider's direct or indirect beneficial ownership of or control or direction over securities of the Applicant, a report shall be filed by the insider pursuant to the Legislation as if the Decision had not been granted which shall include disclosure of any changes resulting from the operation of the Plans which were not previously reported in the holdings of the insider;

3. if a Plan Participant becomes an insider during a Reporting Period, then for the purposes of the first Yearly Report contemplated by paragraph 1 above the "Reporting Period" for that insider shall be calculated as the period of time commencing on the date the Plan Participant became an insider through to December 31 of that year;

4. if, at any time during a Reporting Period other than at the commencement of such period, an insider determines to adopt the use of a Yearly Report to report changes in direct or indirect beneficial ownership of or control or direction over securities of the Applicant acquired pursuant to the Automatic Purchase Feature of the Plans, then for the purposes of the first Yearly Report contemplated by paragraph 1 above the "Reporting Period" shall be calculated as the period of time commencing on the date on which such determination is made through to December 31 of that year; and

5. the insider does not beneficially own, directly or indirectly, voting securities of the Applicant, or exercise control or direction over voting securities of the Applicant, or a combination of both, that carry more than 10 per cent of the voting rights attaching to all outstanding voting securities of the Applicant.

DATED at Toronto this 15th day of October, 1999.

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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - insiders exempt from the insider reporting requirements with respect to the acquisition of securities pursuant to automatic purchase features of employee share purchase plan and pension plan - lump sum purchases pursuant to the plans not included in the relief and must be reported in the usual manner.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as amended, ss. 121(2)(a)(ii)