

Certificate of Mortgage Disability Insurance

Each Applicant ("you") is insured under the Group Policy 51007-G Part C ("the Policy") subject to the terms and conditions in your application and this Certificate of Mortgage Disability Insurance, which forms a part of the Policy. The Policy is issued and underwritten by Sun Life Assurance Company of Canada ("the Insurer"), 227 King Street S., P.O. Box 638, Stn Waterloo, Waterloo, ON N2J 4B8, to Bank of Montreal ("the Bank" or "BMO"). If you have any questions, you may call the Insurer at 1-877-271-8713. This insurance is optional.

Important Information

You can apply for creditor insurance coverage from Sun Life at the time you are first approved for your Mortgage or anytime after.

You may cancel your insurance at any time. If you cancel within 30 days of the date your insurance begins, or, in the case of telephone offers, within 30 days of the date the Certificate of Mortgage Disability Insurance is mailed to you, you will receive a full refund of any premiums paid, and the insurance coverage will never have been in force. Cancellations requested after the 30 day period will not receive a premium refund except where premiums may have been debited in error.

Your Application, the Certificate of Mortgage Disability Insurance, along with any statements furnished by you as evidence of insurability and any letter of approval from the Insurer form all terms and conditions of coverage under Policy 51007-G Part C. (If a telephone interview is required, a copy will be provided on request.)

You may, at any time obtain copies of the above mentioned documents. The first copy will be provided at no cost to you but a fee will be charged for subsequent copies. All requests for copies of documents should be direct to BMO.

What Disability means

Disability means you are prevented by bodily injury, disease, mental infirmity, sickness or complications due to pregnancy and any related medical conditions, from performing all or substantially all of the essential duties of your own job and you do not engage in any occupation or employment for wage or profit.

Who can apply (A maximum of 2 people can be insured on any one Mortgage.)

You are eligible to apply for insurance coverage if, on the date of Application:

- You are a borrower, spouse of a borrower or a guarantor on a BMO Homeowner Mortgage,
- You are at least 18 years of age and not yet 65 years of age,
- You are a Canadian resident, and
- You are actively at work, which means you are regularly working a minimum of 25 hours per week and able to perform the normal tasks of your job. For seasonal workers, you must be capable of performing your regular duties.

When your insurance begins

The insurance on your Mortgage will begin on the latest of the following dates:

- The date you sign the Application,
- The date you accept a formal Mortgage commitment provided by the Bank, or
- The date shown on the Insurer's written approval.

Note: Premiums will commence with the first month in which your Mortgage Payment is due, following the date your insurance begins.

When your insurance ends

The insurance on your Mortgage ends on the earliest of:

- the date the Bank receives your written request to cancel the insurance;
- the date you are no longer a borrower on the Mortgage;
- the date of your death;
- the date the Policy is terminated;
- the date the Mortgage is closed, or the Bank notifies you that the Mortgage is cancelled, written off or transferred to another financial institution;
- the date you refinance or renegotiate the Mortgage;
- December 31st of the year in which you reach age 70.

Note: Insurance is terminated when an existing Mortgage insured under this plan is refinanced or replaced. A new Application for insurance on the new Mortgage is required and will be subject to your health conditions and the insurance terms and conditions in effect at that time.

How your premiums are calculated (see Table of Rates below)

- Premiums are calculated daily, in arrears, for each month during which the insurance is effective on your Mortgage.
- Your premium rate is based on your attained age plus any applicable provincial tax.
- Your attained age is your age at the date of Application and will not change for the duration of the Mortgage.
- Your monthly premium is determined by applying your premium rate to the insured amount. Your insured amount is your monthly Mortgage Payment multiplied by the percentage of coverage selected (50% or 100%), subject to the Maximum Insurable Limit.

Example:

Bi-weekly Mortgage Payment = \$600 (26 payments per year), Age of Applicant 1 = 41, Age of Applicant 2 = 46, Coverage = 50% (both)

Premium rate, Applicant 1 = \$3.00, Premium rate, Applicant 2 = \$3.62

Insured amount (monthly) = (\$600 * 26 / 12) x 50% = \$650

Monthly Disability premium = \$650 / \$100 x (\$3.00 + \$3.62) = **\$43.03** (plus any applicable provincial tax)

TABLE OF RATES

Age of Applicant	18 - 29	30-35	36-40	41-45	46-50	51 - 55	56 - 60	61 - 69
Rate per \$100 of monthly Mortgage Payment*	\$1.47	\$1.87	\$2.40	\$3.00	\$3.62	\$4.46	\$5.67	\$7.17

*Subject to the percentage of coverage selected and the Maximum Insurable Limit (see "What the Insurer pays").

Any provincial sales tax on insurance coverage premiums will be added.

What the Insurer pays

- Any insurance benefit will be paid to the Bank by the Insurer and will be applied towards the outstanding balance of the Mortgage.
- For all claims, regardless of the number of persons insured, the benefit amount cannot exceed the Maximum Insurable Limit.

• The Maximum Insurable Limit for Mortgage Disability insurance claims is \$3,000 per month, per person insured.

- The benefit will be the amount that is based on your Mortgage Payment and the percentage of coverage you selected on the Application, subject to the Maximum Insurable Limit.
- The benefit payable on any one Mortgage, regardless of the number of persons insured, cannot exceed the Mortgage Payment.
- If your Mortgage Payment changes while you are receiving benefits, your benefit amount will be adjusted accordingly. If the Mortgage Payment increases, the benefit amount will only increase due to changes in interest rate or property taxes.

• There is a maximum of 24 months of benefits per Disability, either paid consecutively or in aggregate.

When the Insurer will start paying Disability benefits

Benefits are paid on the date a payment is due on your Mortgage. The benefit amount will be pro-rated for any partial period in which a benefit is due. Benefits will begin, following approval of your claim, on the first scheduled payment due date after:

- **a 30-day qualifying period following the date of your Disability;**
- The date of your Disability if it is a continuation of a previous Disability. Your claim is a continuation if the Disability is from the same or a related cause within 6 consecutive months of the end of your previous claim. If it is not a continuation, it will be treated as a new Disability claim and a new 30-day qualifying period will apply.

When the Insurer will stop paying Disability benefits:

- You have received 24 months of benefits per Disability;
- You no longer meet the definition of Disability;
- You refuse to submit to a medical exam by a licensed physician selected by the Insurer;
- You fail to provide proof of continuing Disability satisfactory to the Insurer;
- You reach age 70;
- Your Mortgage is paid in full, closed, or the Bank notifies you that the Mortgage is cancelled, written off or transferred to another financial institution; or
- You die.

What you should know about making a claim

- An insurance claim form is available from any branch of the Bank.
- A claim should be made as soon as possible and in any event within 120 days from the date of Disability.
- Any contractual payments on your Mortgage are still due and payable until such time as a claim is approved.
- If your benefit amount is less than your Mortgage Payment, the remainder of your Mortgage Payment is still due and payable.
- Any required proof relating to a claim is at the expense of the claimant.
- **Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or such other applicable legislation in your province of residence.**

Note:

The Bank and the Insurer together reserve the right to change the terms of this Certificate of Mortgage Disability Insurance at any time with 60 days advance written notice to you.

PLEASE KEEP THESE IMPORTANT DOCUMENTS IN A SAFE PLACE.