

# Optional Creditor Life, Disability and Disability Plus Product Summary

## Semi Revolving Instalment Loans and Small Business Loans

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### NAME AND CONTACT INFORMATION FOR THE INSURER AND DISTRIBUTOR

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This product summary describes Creditor's Group Insurance underwritten by Sun Life Assurance Company of Canada (Sun Life). The Group Policyholder is the Bank of Montreal (BMO).

Life, Disability and Job Loss coverage is offered on semi-revolving instalment loans. Life and Disability insurance is offered on small business loans. All insurance coverage is provided under Group Policy 21559

Sun Life Assurance Company of Canada  
Creditor Insurance Team  
227 King Street South  
P.O. Box 638, STN Waterloo  
Waterloo ON N2J 4B8

Telephone: 1-877-271-8713  
Email: [credorteam@sunlife.com](mailto:credorteam@sunlife.com)  
Website: [www.sunlife.ca](http://www.sunlife.ca)  
AMF client number: 2000965369

The Distributor of this insurance is BMO Bank of Montreal

BMO Bank of Montreal  
129 Saint-Jacques Street West, 2<sup>nd</sup> floor  
Montreal, QC H2Y 1L6

Telephone: 1-877-CALL BMO (1-877-225-5266)  
website: [www.BMO.com](http://www.BMO.com)

BMO Bank of Montreal branch contact information

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### NAME AND TYPE OF THIS INSURANCE PRODUCT

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**INSURANCE PRODUCT NAME:** Creditor Life, Disability and Disability Plus for Semi Revolving Instalment Loans and Small Business Loans

**INSURANCE PRODUCT TYPE:** The Autorité des marchés financiers classifies this insurance product as Debtor Life, Health and Employment Insurance



Sun Life Assurance Company of Canada is the insurer of this product, and a member of the Sun Life Financial group of companies.

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## HOW TO READ THIS PRODUCT SUMMARY

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This product summary is an overview of creditor's group insurance underwritten by Sun Life Assurance Company of Canada (Sun Life) for eligible semi-revolving instalment loans and small business loans with BMO. For full details of coverage please read the Certificate of Optional Creditor Life, Disability and Disability Plus Job Loss Insurance (Certificate) together with the Application for Optional Life, Disability and Disability Plus Job Loss Creditor Insurance.

You can find copies of this product summary and the Certificate of Insurance online at [www.sunlife.ca](http://www.sunlife.ca). Type "product summary" into the search field and click on the hyperlink that appears in the results. You will be taken to the landing page for Creditor Insurance product summaries and certificates of insurance, where you can access the most recent versions of BMO's documents.

Words and terms that appear in bold italic throughout this product summary are defined below:

**Accident** means a bodily injury that occurs solely as a direct result of a violent, sudden and unexpected action from an outside source.

**Actively working** means you are carrying out the regular duties of your job for at least 30 hours per week.

**Attained Age** means your age on January 1<sup>st</sup>.

**Disability, Disabled** 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.

**Disability Insurance** is coverage that pays a benefit when the insured person is **Disabled** beyond the applicable **Qualifying Period**.

**Disability Plus Insurance** is coverage that pays a benefit when the insured person is **Disabled** or has a **Job Loss** beyond the applicable **Qualifying Period**.

**Eligible** means that you and your **Loan** meet all necessary criteria to apply for a given type of insurance available under this insurance.

**Job Loss** means you are collecting Employment Insurance benefits as a result of **involuntary** loss of employment; for example lay off or dismissal without cause.

**Life Insurance** is coverage that pays a benefit when the insured person dies.

**Loan** means the revolving or instalment lending agreement/small business loan and semi-revolving instalment line of credit issued to you by BMO.

**Pre-existing Condition** means a condition or health problem for which, in the 12 months before your insurance coverage began, you consulted with or received advice, treatment, care and/or service by or from a licensed physician or health care practitioner, or you took medications or injections.

**Premium** means the amount you must pay for insurance coverage for a specific period.

**Premium Rate** means the unit cost of insurance.

**Qualifying Period** means a period of **60** consecutive days during which you are **Disabled** or have a **Job Loss**, before you qualify for **Disability Insurance** benefits or **Disability Plus Insurance** benefits as applicable.

**Seasonal Worker** means you are normally actively at work for part of the calendar year and expect to return to the same source of employment when the next working season begins.

**SRIL** means semi-revolving instalment loan.

## HOW DOES THIS INSURANCE HELP PROTECT MY LOAN?

**Life Insurance** will reduce or pay off the balance of your **Loan** if you die. **Disability Insurance** will help cover payments owed under your **Loan** if you become **Disabled**. **Disability Plus Insurance** will help cover payments owed under your **Loan** if you become **Disabled** or have a **Job Loss**.

## HOW MUCH COVERAGE IS AVAILABLE FOR MY LOAN?

The following types of optional creditor’s group insurance coverage are available for **Eligible Loans** with BMO.

Insurance coverage type	Benefit	Maximum payable to BMO under your Loan
<b>Life</b>	Lump sum payment if you die	<b>SRILs: \$150,000</b> Small Business Loans: <b>\$250,000</b>
<b>Disability</b>	Regularly scheduled payments if you continue to be <b>Disabled</b> for longer than <b>60</b> consecutive days	Any type of <b>Loan</b> , per <b>Disability</b> claim, to a maximum payment period of <b>24</b> months, up to <b>\$1,500</b> per month
<b>Job Loss</b>	Regularly scheduled payments if you are unemployed due to <b>Job Loss</b> for longer than <b>60</b> consecutive days	<b>SRILs only</b> , per <b>Job Loss</b> claim, to a maximum payment period of <b>6</b> months, up to <b>\$1,500</b> per month

## WHICH BMO LENDING PRODUCTS ARE ELIGIBLE FOR THIS INSURANCE?

**SRILs** and revolving or instalment loans for small businesses with BMO are **Eligible** for **Life Insurance** and **Disability Insurance**.

Only **SRILs** are eligible for **Disability Plus** insurance. .

## AM I ELIGIBLE TO APPLY?

You are **Eligible** to apply if **on the date of application** you are borrower or co-borrower on an **Eligible Loan** with BMO, a Canadian resident and, for the applicable insurance coverage, meet all the required criteria in the chart below:

Criteria by Insurance Type	Life	Disability	Job Loss
Age <b>Eligibility</b> criteria At least <b>18</b> years old and <b>under</b> the age indicated under each insurance type	<b>65</b>	<b>65</b>	<b>55</b>
Primary <b>Eligibility</b> criteria	N/A	N/A	available to borrowers who must be either: <ul style="list-style-type: none"> <li>applying for <b>Disability Insurance</b>, or</li> <li>already insured under the Plan for <b>Disability Insurance</b> and still eligible for <b>Disability Insurance</b> on the date of application</li> </ul>
Additional <b>Eligibility</b> criteria	N/A	<ul style="list-style-type: none"> <li><b>Actively at work</b>, or</li> <li>if on maternity or parental leave or a <b>Seasonal worker</b> during the off-season and not <b>Actively at work</b>, capable of performing the regular duties of your occupation for at least <b>30</b> hours per week.</li> </ul>	must also be: <ul style="list-style-type: none"> <li>continuously employed for <b>6 months</b> with the same employer,</li> <li>eligible to receive Employment Insurance benefits</li> </ul> must <b>NOT</b> be <ul style="list-style-type: none"> <li>in receipt of notice of termination</li> <li>self-employed</li> <li>an independent contractor</li> </ul>

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## HOW DO I APPLY?

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As long as you and your **Loan** with BMO are **Eligible**, you can apply for this insurance when you apply for your **Loan** or any time after. You apply for this insurance by completing the Application for Optional Life, Disability and Disability Plus Job Loss Creditor Insurance.

If your credit limit is greater than **\$50,000**, you will be required to answer the related health status question(s).

If you answer YES to an applicable health status question Sun Life will contact you for medical underwriting.

## WHEN DOES MY INSURANCE START?

Coverage starts on the **latest** of the following dates:

- the date your **Loan** is set-up by BMO and a Loan Agreement is issued,
- the date Sun Life approves your application for insurance, if you require medical underwriting,
- the date you signed your application for insurance, if the coverage applied for does not require medical underwriting by Sun Life.

## HOW MUCH WILL MY INSURANCE COST?

Revolving Loans	Instalment Loans
<p><b>Premium Rates</b> are based on:</p> <ul style="list-style-type: none"> <li>• <b>Attained Age</b> on your account statement date; and</li> <li>• when both borrowers are insured for the same coverage, the older borrower's age will apply</li> </ul>	<p><b>Premium Rates</b> are based on:</p> <ul style="list-style-type: none"> <li>• <b>Attained Age</b> on the date you applied for your <b>Loan</b>; and</li> <li>• when both borrowers are insured for the same coverage, the older borrower's age will apply</li> </ul>
Your <b>Premium</b> may go up or down from month-to-month, depending on your average daily balance for the period covered by your <b>Loan</b> account statement.	The <b>Premium</b> quoted under your <b>Loan</b> payment represents the average cost of insurance, per payment, over the remaining life of your <b>Loan</b> .

Provincial sales tax is added to your **Premium** if applicable.

See the "HOW YOUR PREMIUMS ARE CALCULATED" section of the Certificate for **Premium Rates** and sample **Premium** calculations.

## WHAT DOES SUN LIFE PAY?

If your claim is approved, Sun Life will pay a benefit to BMO, on your behalf **up to the applicable coverage maximum**.

Benefit under Optional Life, Disability and Disability Plus Job Loss Insurance		
Insurance Type	Revolving	Instalment
<b>Life</b>	<ul style="list-style-type: none"> <li>• if you die by <b>Accident</b>, your <b>Loan</b> balance on the date of death, up to the maximum benefit; or</li> </ul>	<ul style="list-style-type: none"> <li>• the total unpaid balance of your insured instalment arrangement on the date of death, and</li> <li>• all unpaid interest that has accrued to the date of benefit payment, and</li> </ul>

Benefit under Optional Life, Disability and Disability Plus Job Loss Insurance		
Insurance Type	Revolving	Instalment
<b>Life continued</b>	<ul style="list-style-type: none"> <li>• for death by any other cause, the <b>lesser</b> of:               <ul style="list-style-type: none"> <li>○ your <b>Loan</b> balance on the date of death, up to the maximum benefit; or</li> <li>○ the average of your last 12 months' insured <b>Loan</b> balances prior to date of death multiplied by <b>110%</b>.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• any fees, penalties or interest rate charges required to discharge your instalment arrangement</li> </ul>
<b>Disability</b>  <b>Job Loss</b>	<ul style="list-style-type: none"> <li>• If your <b>Disability</b> is due to <b>Accident</b>, <b>3%</b> of your <b>Loan</b> balance on the date of <b>Disability</b>, up to the maximum benefit;</li> <li>• For <b>Disability</b> resulting from any other cause or for <b>Job Loss</b>, the <b>lesser</b> of:               <ul style="list-style-type: none"> <li>○ <b>2%</b> of your <b>Loan</b> balance on the date of <b>Disability</b> or <b>Job Loss</b> up to the maximum benefit; or</li> <li>○ <b>2%</b> of the average of your last 12 months' insured <b>Loan</b> balances prior to the date of insured loss multiplied by <b>110%</b>.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Your <b>Loan</b> payment as at the date of <b>Disability</b></li> <li>• <b>Disability Insurance</b> or <b>Disability Plus Insurance</b> premium as applicable</li> </ul>

**Disability** benefits start after a qualifying period of **60** consecutive days and will be paid for up to **24** months for each **Disability**.

**Job Loss** benefits start after a qualifying period of **60** consecutive days, and will be paid for up to **6** months for each **Job Loss**.

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## WHAT IF I HAVE AN INSURANCE CLAIM?

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You should always make an insurance claim as soon as possible, using Sun Life's form, which you can obtain from your BMO branch or by visiting [BMO.com/protectionplans](http://BMO.com/protectionplans).

### How long do I have to make a claim?

There is no time limit for making **Life Insurance** claims. Under the *Civil Code of Québec*, claimants have **three** years to file a legal action.

For the prompt resolution of **Disability** and **Job Loss** claims, you should submit the claim within the timeline of **120** days from the date of **Disability** or **Job Loss**, as applicable.

## How long for Sun Life's claim decision and payment?

Sun Life will send you the claim decision in writing within **30** days of receiving all the information required to make their decision.

If Sun Life approves a claim it will pay the benefit to BMO within **30** days of receiving all information required upon which to make a decision.

Whenever a claim is not approved, Sun Life's written decision will include the reasons for that decision.

## What if I want to appeal Sun life's claim decision?

If Sun Life does not approve your claim, you have **90** days from the date of Sun Life's original claim decision to file an appeal. Your appeal must be in writing and you must include new information that is pertinent to your claim.

Quebec residents may consult the Autorité des marchés financiers or an independent legal advisor for assistance with your appeal.

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## WHAT EXCLUSIONS AND LIMITATIONS APPLY TO THIS INSURANCE?

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**As long as premiums are paid, Sun Life will only cancel coverage if Sun Life discovers that you made a misrepresentation or false declaration on your application for insurance, medical underwriting interview (if applicable) or in connection with an insurance claim.**

For a full list of exclusions and limitations, please see the " Important Information – Coverage Limitations and Exclusions" section of the Certificate. **The following are the most common reasons for Sun Life to deny a claim:**

### Life benefit exclusions

- Where coverage has been in force for less than **24** months, no benefit will be payable if your death results directly or indirectly from suicide, whether you are aware or not aware of the results of your action, regardless of your state of mind.
- Your death results directly or indirectly from your operation of a motorized vehicle or vessel while you are under the influence of, or impaired by drugs or substances, or while your blood alcohol concentration is at least **80** milligrams of alcohol in **100** millilitres of blood **(0.08)**.

### Disability benefit exclusions

- Your **Disability** results directly or indirectly from your operation of a motorized vehicle or vessel while you are under the influence of, or impaired by drugs or substances, or while your blood alcohol concentration is at least **80** milligrams of alcohol in **100** millilitres of blood **(0.08)**.
- You are not under the active and continuous care of a licensed physician.

### Job Loss benefit exclusions

- You are a **Seasonal worker** who is receiving Employment Insurance for unemployment during your normal off-season.
- You left your job by choice.

## Is there a pre-existing condition and when does it apply?

The limitation for **Pre-existing conditions** will only be applied by Sun Life when:

- you are approved for **Life Insurance** or **Disability Insurance** without answering the related health status question(s), and
- your claim occurs within **12** months of the date you applied for the insurance, and
- your claim is due to a **Pre-existing condition**.

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## WHEN DOES INSURANCE END?

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Insurance coverage will end on the **earliest** of the following dates.

- the date BMO receives your written request to cancel the insurance;
- the date you are no longer a borrower on the **Loan**;
- the date of your death, or when more than one person is insured, the date one of the insured persons dies;
- the date the Policy is terminated;
- the date the **Loan** is closed, or BMO notifies you that the **Loan** is cancelled, written off or transferred to another financial institution;
- the date you refinance or renegotiate the **Loan**, including your request for an increase in credit limit;
- in respect of **Disability** insurance, the date you reach age **70**;
- in respect of **Disability Plus Insurance**, your **Job Loss Insurance** ends on the date you reach age **55**, but your **Disability Insurance** continues to the date you reach age **70**.

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## WHEN AND HOW CAN I CANCEL INSURANCE?

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Coverage is optional and you can cancel at any time. To cancel this insurance:

- contact BMO at 1-877-CALL BMO (1-877-225-5266) or talk to your branch representative, or
- Quebec residents can use the notice of rescission, which you were given by the Distributor when you applied for this insurance.

Although the *Insurers Act* and the *Act respecting the distribution of financial products and services* allow for a **10** day period from the date you sign the application to cancel insurance without penalty, Sun Life allows you **30** days from the effective date of insurance to cancel without penalty.

After the **30**-day period allowed by Sun Life, there will be no refund of **Premiums**, except where **Premiums** may have been collected in error.

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## WHO CAN ANSWER MY QUESTIONS ABOUT THIS INSURANCE?

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For questions on existing coverage and premiums, you may contact BMO at 1-877-CALL BMO (1-877-225-5266).

For questions on claims or underwriting, call Sun Life Creditor Team at 1-877-271-8713.



For more information about the obligations of insurers and distributors, Quebec residents can contact the Autorité des marchés financiers as follows:

Autorité des marchés financiers  
Place de la Cité  
2640, boul Laurier, 4 étage  
Québec QC G1V 5C1

Tel: Québec 418-525-0337  
Montreal: 514-395-0337  
Toll Free: 1-877-525-0337  
Website: [www.lautorite.qc.ca](http://www.lautorite.qc.ca)

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## WHERE CAN I FIND OUT ABOUT SUN LIFE'S COMPLAINTS RESOLUTION PROCESS?

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You can find Sun Life's complaints resolution process, a summary of Sun Life's complaints resolution processing policy and where complaints may be filed by going to [www.sunlife.ca](http://www.sunlife.ca) and typing "complaints" into the search field.

The purpose of this fact sheet is to inform you of your rights.  
It does not relieve the insurer or the distributor of their obligations to you.

## LET'S TALK INSURANCE!

Name of distributor: BMO Bank of Montreal

Name of insurer: Sun Life Assurance Company of Canada

Name of insurance product: Creditor Life, Disability and Disability Plus for Semi Revolving Instalment Loans and Small Business Loans



### IT'S YOUR CHOICE

You are **never required** to purchase insurance:

- that is offered by your distributor;
- from a person who is assigned to you; or
- to obtain a better interest rate or any other benefit.

Even if you are required to be insured, **you do not have to** purchase the insurance that is being offered. **You can choose** your insurance product and your insurer.



### HOW TO CHOOSE

To choose the insurance product that's right for you, we recommend that you read the summary that describes the insurance product and that must be provided to you.



### DISTRIBUTOR REMUNERATION

A portion of the amount you pay for the insurance will be paid to the distributor as remuneration.

The distributor **must** tell you when the remuneration exceeds 30% of that amount.



### RIGHT TO CANCEL

The Act allows you to rescind an insurance contract, **at no cost**, within 10 days after the purchase of your insurance. However, the insurer may grant you a longer period of time. After that time, fees may apply if you cancel the insurance. **Ask** your distributor about the period of time granted to cancel it **at no cost**.

If the cost of the insurance is added to the financing amount and you cancel the insurance, your monthly financing payments might not change. Instead, the refund could be used **to shorten the financing period**. **Ask your distributor for details**.

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The *Autorité des marchés financiers* can provide you with unbiased, objective information.  
Visit [www.lautorite.qc.ca](http://www.lautorite.qc.ca) or call the AMF at 1-877-525-0337.

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Reserved for use by the insurer:

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

NOTICE GIVEN BY A DISTRIBUTOR

Section 440 of the *Act respecting the distribution of financial products and services* (chapter D-9.2)

**THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS.**

The *Act* allows you to rescind an insurance contract, **without penalty**, within 10 days of the date on which it is signed. However, the insurer may grant you a longer period.

To rescind the contract, you must give the insurer notice, within that time, by registered mail or any other means that allows you to obtain an acknowledgement of receipt.

Despite the rescission of the insurance contract, the first contract entered into will remain in force. Caution, it is possible that you may lose advantageous conditions as a result of this insurance contract; contact your distributor or consult your contract.

After the expiry of the applicable time, you may rescind the insurance contract at any time; however, penalties may apply.

For further information, contact the Autorité des marchés financiers at 1-877-525-0337 or visit [www.lautorite.qc.ca](http://www.lautorite.qc.ca).

**NOTICE OF RESCISSION OF AN INSURANCE CONTRACT**

To: Sun Life Assurance Company of Canada  
Creditor Team, 227 King Street South, P.O. Box 638, STN Waterloo, Waterloo ON N2J 4B8

Date: \_\_\_\_\_  
(date of sending of notice)

Pursuant to section 441 of the *Act respecting the distribution of financial products and services*, I hereby rescind insurance contract no.: 21559

- Life insurance
- Disability insurance
- Job Loss insurance

Note: Job Loss insurance cancels automatically if Disability insurance is cancelled.

Entered into on: \_\_\_\_\_  
(date of signature of contract)

In: \_\_\_\_\_  
(place of signature of contract)

\_\_\_\_\_  
(name of client)

\_\_\_\_\_  
(signature of client)