

Creditor's Group Life Insurance for BMO® Personal Loans and RRSP Readiline Accounts

Distribution Guide

- Group Policies:
- Personal Loans: 51007-G Part A
 - RRSP Readiline Accounts: 51007-G Part D

Name and Address of Insurer:

Sun Life Assurance Company of Canada (Sun Life)

Creditor Team

PO Box 638 STN Waterloo

227 King Street South

Waterloo ON N2J 4B8

Telephone: 1-877-271-8713

Fax: 1-866-923-8353

Email: creditorteam@sunlife.com



Name and Address of Distributor:

BMO Bank of Montreal® (BMO)

129 Saint-Jacques Street West,

2nd floor Montreal, QC H2Y 1L6

Telephone: 1-877-CALL BMO

Fax: 1-877-266-2269

Responsibility of the *Autorité des marchés financiers*

The Autorité des marchés financiers does not express an opinion on the quality of the product offered in this guide. The insurer alone is responsible for any discrepancies between the wording of the guide and the policy.

Distribution Guide

Name of Insurance Product: Creditor Insurance for Personal Loans
and RRSP ReadiLine Accounts

Type of Insurance Product: Life

Group Policy: 51007-G, Parts A and D

Name and Address of Insurer:

Sun Life Assurance Company of Canada, ("Sun Life")

Creditor Insurance

227 King Street South

P.O. Box 638, Station Waterloo

Waterloo, Ontario

Canada N2J 4B8

Telephone: 1-877-271-8713

Fax: 1-866-923-8353

Email: creditorteam@sunlife.com

Name and Address of Distributor: BMO Bank of Montreal "the Bank"

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Introduction

This Distribution Guide is an easy-to-understand explanation of the life insurance issued by Sun Life and made available to you only through BMO Bank of Montreal.

This insurance is designed to protect you against the unexpected.

This Distribution Guide can help you decide, without the services of an insurance advisor, if you should purchase life insurance for your BMO Bank of Montreal Personal Loan or RRSP ReadilLine account.

Words marked with an asterisk are defined at the bottom of the page on which they appear.

A. Description of the life insurance plan

Benefit

You can apply for life insurance from Sun Life when you apply to open a BMO Bank of Montreal Personal Loan or RRSP ReadilLine account or if you already have one.

Special conditions

- Joint coverage

On approval of your claim Sun Life will pay the Bank the *Balance*^{*} on your Personal Loan as at the date of your death to a maximum of \$150,000, plus any accruals or fees in the event that you (the insured) or the joint insured dies.

On approval of your claim Sun Life will pay the Bank the *Balance*^{*} on your RRSP ReadilLine account as at the date of your death, to a maximum of \$20,000, plus any accruals or fees, in the event that you (the insured) or the joint insured dies.

A single benefit is paid for each loan covered. *Joint coverage*^{**} ends for both people insured as soon as one dies.

- Pre-existing Condition

Sun Life does not pay the death benefit if you die from a *Pre-existing Condition*^{***} within the 12 months following the date your coverage begins.

Cost

For Personal Loans, your premium (the cost of your insurance) is based on the following:

- the monthly premium rate that applies to you (see table below);
- the *Balance*^{*} of your loan at time of payment;
- the number of days since your last payment.

* Balance: what remains to be repaid.

** Joint coverage means insurance that covers two borrowers.

*** A Pre-existing Condition is 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.

For RRSP ReadilLine accounts, your premium (the cost of your insurance) is based on the following:

- the monthly premium rate that applies to you (see table below);
- the average *Balance** of your RRSP ReadilLine account over the statement period;
- the number of days in the statement period.

Life Insurance Premium Rate Table			
Monthly rates are per \$1,000 of outstanding Personal Loan <i>Balance</i> * or average RRSP ReadilLine Account <i>Balance</i> *			
Personal Loans: Your age at the time insurance is applied for RRSP ReadilLine accounts: Your attained age in years as at January 1	18-44	45-54	55-64
Single coverage	\$0.45	\$0.75	\$1.45
<i>Joint coverage</i> ** (use age of older borrower)	\$0.68	\$1.13	\$2.18

Any provincial sales tax on insurance coverage premiums will be added. This rate is subject to change.

For Personal Loans, the premium is added to your loan payments. For RRSP ReadilLine accounts, the premium is charged to that account. In other words, when you make your loan repayments or pay down your account balance, you are also paying your insurance premium.

Eligibility

You are eligible for this protection if you meet the following criteria:

- You are under 65;
- A Canadian Resident;
- The Bank has granted you:
 - a Personal Loan in an amount not exceeding \$150,000; or
 - an RRSP ReadilLine account with a *Balance** in an amount not exceeding \$20,000.

The maximum number of borrowers is 2.

* Balance: what remains to be repaid.

** Joint coverage means insurance that covers two borrowers.

Enrolment

To enrol for this insurance complete the **Optional Creditor Insurance Application** when you apply for a Personal Loan or an RRSP Loan from BMO Bank of Montreal.

Effective date

If you meet the eligibility criteria, coverage goes into effect on the later of the following dates:

- The date of your enrolment in the insurance plan;
- The date on which the Personal Loan amount is paid to you or your RRSP Readiline account is opened.

Insurer's confirmation

Enrolment in the life insurance plan is automatic if you are eligible when you apply. Your **Optional Creditor Insurance Application** and **Certificate of Insurance** are your confirmation of insurance. No other confirmation will be sent to you.

End of coverage

Your coverage ends **on the first of the following events**:

- Complete repayment, *refinancing*^{*}, termination or maturity of your Personal Loan or RRSP Readiline account or its transfer to another person;
- A premium remains unpaid 90 days after the due date, except when loan payments are deferred, that is, postponed until later, with the Bank's authorization;
- The insurance policy ceases to be in effect;
- Your 70th birthday (in the case of *Joint coverage*^{**}, the younger borrower continues to be protected);
- The Bank or Sun Life receives your written request for cancellation;
- Your death.

^{*} Refinancing: an increase in the amount of the loan or a change in the amortization period. The amortization period is the period over which you pay back your loan.

^{**} Joint coverage means insurance that covers two borrowers.

CAUTION

B. Exclusions, limitations or reductions

What Sun Life does not pay:

Any concealment, misrepresentation or false declaration may result in insurance becoming void.

Sun Life does not pay the death benefit if you die from a *Pre-existing Condition** within the 12 months following the date your coverage begins.

Where coverage has been in force for less than 24 months, no benefit will be payable for a Loan or RRSP ReadilLine account 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.

Limitation:

Your Personal Loan must not exceed \$150,000. Coverage on your RRSP ReadilLine account must not exceed \$20,000

Joint Life Insurance

On being furnished with satisfactory proof of death, Sun Life will pay, to the Bank, the applicable death benefit comprising the total unpaid *Balance*** of your insured loan or account, as at the date of the first joint insured's death, plus any accruals or fees:

- Personal Loans: up to a maximum of \$150,000;
- RRSP ReadilLine accounts: up to a maximum of \$20,000, plus any accruals or fees.

Only one death benefit can be paid per loan or account.

* A Pre-existing Condition is 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.

** Balance: what remains to be repaid.

C. Cancellation of life insurance

Sun Life allows you to cancel your life insurance within 30 days of the date you signed your application. Any premium already paid will be refunded to you in this case.

Following this 30-day period, you can cancel your insurance at any time. In that event, you will not receive a premium refund except where premiums may have been debited in error.

To cancel your insurance, please contact the Bank, who will assist by completing the cancellation form with your signature and sending it to Sun Life on your behalf.

Note: Cancellation through the Bank will be effective on the day you sign the notice form. Cancellations sent by you directly to Sun Life will be effective when received by Sun Life.

D. Other information

For more information about this life insurance plan, or to obtain a copy of the insurance policy, send your written request to the following address:

Sun Life Assurance Company of Canada

Creditor Insurance

227 King Street South

P.O. Box 638, STN Waterloo

Waterloo ON N2J 4B8

Telephone: 1-877-271-8713

Fax: 1-866-923-8353

Email: creditorteam@sunlife.com

Please indicate your group policy number:

Personal Loans: 51007-G Part A

RRSP Readiline accounts: 51007-G Part D.

E. Claims

Sun Life will make every effort to process your claim quickly and efficiently. Claims must be submitted in writing using the forms approved by Sun Life.

Obtaining a claim form

Your representative (the person who will be handling your affairs) may obtain a claim form in the event of death from any BMO Bank of Montreal branch.

Deadline for submitting a claim

Claims for life insurance benefits must be submitted within **1 year** of the date of death.

Submitting a claim

Your representative must notify the Bank branch responsible for administering your loan of your death and provide the branch with an original death certificate or a certified copy of the certificate.

If requested, your representative must give Sun Life a signed authorization to disclose information and obtain reports from your family doctor or your attending physician, if death occurred within two years of the effective date of coverage.

Insurer's response

Sun Life generally acknowledges receipt of a claim within **3 weeks** of receiving and verifying the claim form and death certificate. Sun Life will then send the following to your BMO Bank of Montreal branch:

- A letter requesting additional information, or
- The death benefit required to repay the *Balance*^{*} of the loan, if the claim is approved.

Sun Life will inform your branch of its decision in writing within **5 business days** of receiving the additional information requested.

If the claim is declined, Sun Life will explain the reasons why in writing.

Appealing the insurer's decision

If Sun Life declines the claim, your representative may appeal the decision within **90 days** of the date of the decline letter from Sun Life.

Your representative must explain in writing the reasons for the appeal and provide any additional information not previously submitted to Sun Life. Your representative may consult the Autorité des marchés financiers or an independent legal advisor about the appeal.

^{*} Balance: what remains to be repaid.

F. Similar products

Sun Life provides these Group Creditor life insurance policies exclusively to BMO Bank of Montreal. Other types of insurance to cover your outstanding Personal Loan or RRSP Readiline account payments may be available on the market.

G. Referral to the Autorité des marchés financiers

For more information about the obligations of insurers and distributors to consumers, you can contact the Autorité des marchés financiers at the following address and telephone number:

Autorité des marchés financiers

Place de la Cité, Tour Cominar
2640, boul. Laurier, 4^e étage
Québec (QC) G1R 5M8

Toll free line: 1-877-525-0337 **Québec:** 418-525-0337 **Montréal:** 514-395-0337

Website: www.lautorite.qc.ca

H. Miscellaneous items

This insurance is optional.

How to make a complaint

For complaints regarding insurance claims please call the Sun Life Creditor Team at 1-877-271-8713. For personal loans please reference Group Policy 51007-G Part A. For RRSP Readiline accounts please reference Group Policy 51007-G Part D.

Message from your insurer — Respecting your privacy

Respecting your privacy is a priority for the Sun Life Financial group of companies. We keep in confidence personal information about you and the products and services you have with us to provide you with investment, retirement and insurance products and services to help you meet your lifetime financial objectives. To meet these objectives, we collect, use and disclose your personal information for purposes that include: underwriting; administration; claims adjudication; protecting against fraud, errors or misrepresentations; meeting legal, regulatory or contractual requirements; and we may tell you about other related products and services that we believe meet your changing needs. The only people who have access to your personal information are our employees, distribution partners such as advisors, and third-party service providers, along with our reinsurers. We will also provide access to anyone else you authorize. Sometimes, unless we are otherwise prohibited, these people may be in countries outside Canada, so your personal information may be subject to the laws of those countries. You can ask for the information in our files about you and, if necessary, ask us in writing to correct it. To find out more about our privacy practices, visit www.sunlife.ca/privacy.