



Commercial Loan Insurance Plan Distribution Guide



DISTRIBUTION GUIDE

Name of Insurance Product: Commercial Loan Insurance Plan

Type of Insurance Product: Creditor Group Life and Accidental Dismemberment & Specific Loss Insurance

Group Policy Number: 60210

Name and Address of Insurer: The Canada Life Assurance Company
Creditor Insurance
330 University Avenue
Toronto, ON M5G 1R8

Tel: 1-800-380-4572

Name and Address of Distributor: **BMO** Bank of Montreal
(Stamp or write branch address here)

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.

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INTRODUCTION

This Distribution Guide is intended to be an easy to understand explanation of the insurance issued by The Canada Life Assurance Company (“Canada Life”) to insure the Commercial Loan made available to you by BMO Bank of Montreal (the “Bank”).

Creditor insurance is designed to protect you should the unexpected occur. This insurance is optional. This Distribution Guide can help you decide if you need creditor insurance on your Commercial Loan with the Bank, without the presence of an insurance representative.

NATURE OF THE COVERAGE

This Commercial Loan insurance plan coverage includes:

- Life Insurance, and
- Accidental Dismemberment and Specific Loss Insurance.

SUMMARY OF SPECIFIC FEATURES

Who can apply?

You are eligible to apply if you are:

- a Canadian resident between the ages of 18 and 64; and
- a BMO individual business borrower or spouse of a borrower; or
- a guarantor of the *Loan*; or
- a director or officer of a borrowing corporation; or
- an individual whose role is essential to the ability of the borrower to meet their financial obligations; and
- the *Loan* must be obtained to operate a small business, ranch or farm, if your *Loan* is an Operating Loan or Line of Credit.

How to apply:

- You can apply for coverage under the Policy when you first apply for your *Loan* or anytime after.
- Depending on the *Total Amount for Insurance* and your age, you may have to complete the health status questions on the *Application*.

Confirmation of coverage

Canada Life will automatically approve your *Application* if the following conditions are met:

- You are between 18 to 64 years old and your Total Amount for Insurance under the Policy is \$50,000 or less; **or**
- You answered “NO” to all of the health status questions on the *Application* for insurance; and
 - The *Total Amount for Insurance* under the Policy is \$500,000 or less and you are between 18-54 years old; **or**
 - The *Total Amount for Insurance* under the Policy is \$300,000 or less and you are between 55-64 years old.

If you do not meet the conditions for automatic approval your *Application* will be sent to Canada Life for medical underwriting. In this case, Canada Life will contact you for medical underwriting. The information provided by you will form part of your *Application*.

After reviewing your *Application* Canada Life will advise you in writing if your insurance is approved or declined within **30 days** of receiving all the information required to make a decision. The approval letter is proof of your insurance.

Temporary Insurance while your Application is under review
Accidental Death Benefit:

If you die as a result of an accidental injury after the Bank approves and funds the *Loan*, but before the date your *Application* for insurance is approved or declined. Canada Life will pay to the Bank the amount of Life Insurance requested on the *Application*, subject to the *Maximum Insurable Limit*.

The Accidental Death benefit coverage will end on the earlier of the following dates:

- The date that you are either declined or approved for the insurance under this Certificate; or
- The 31st day after Canada Life receives your *Application*.

When your Insurance begins

Your insurance coverage begins on the later of the following dates:

- The date Canada Life approves your *Application*; or
- The date the funds are advanced or the Operating Loan or Line of Credit is authorized.

What your coverage includes
Life Insurance Benefit:

If you die and all the terms and conditions are met, Canada Life will pay the Life Insurance Benefit in the amounts defined below:

- For a Commercial Term Loan:
 - If the *Amount of Insurance Requested* is equal to the *Loan Amount*, the Life Insurance Benefit is the unpaid balance of the *Loan* on the date of death (including *Accrued interest* up to a maximum of 60 days).
 - If the *Amount of Insurance Requested* is a percentage of the *Loan* identified as *Percentage Coverage* on the *Application* (due to your electing a *Percentage Coverage* or due to the *Amount of Insurance Requested* being subject to reduction because of the *Maximum Insurable Limit*):

The Life Insurance Benefit will be determined by applying the *Percentage Coverage* to the outstanding balance owing to the Bank on the date of death. *Accrued interest* for up to a maximum of 60 days will be payable in the same proportion as the *Percentage Coverage*.

Example:

If you have a \$400,000 commercial mortgage of which you have selected to insure 25% (based on a *Percentage Coverage* calculated as $\$100,000 \div \$400,000 \times 100$).

If at date of death your outstanding balance is \$200,000, the Life insurance Benefit that will be paid is 25% of \$200,000 = \$50,000

- For an Operating Loan or Line of Credit:
 - If the *Amount of Insurance Requested* is equal to the *Loan Amount*, the Life Insurance Benefit is the authorized limit of the Operating Loan or Line of Credit, regardless of the outstanding balance (including *Accrued interest* up to a maximum of 60 days).
 - If the *Amount of Insurance Requested* is a percentage of the *Loan* identified as *Percentage Coverage* on the *Application*, (due to your electing a *Percentage Coverage*

or due to the *Amount of Insurance Requested* being subject to reduction because of the *Maximum Insurable Limit*):

The Life Insurance Benefit is equal to the *Amount of Insurance Requested*.

Recognition of Prior Coverage (ROPC), when replacing or refinancing a Loan

If at the time of replacing or refinancing your *Loan*, your *Application* for insurance is declined due to a health condition or the fact that you are 65 but less than 70 years of age, Canada Life will grant insurance coverage based on the remaining amount of your prior insured *Loan*.

For a Commercial Term Loan, the ROPC *Amount of Insurance Requested*, *Percentage Coverage* and the Life Insurance Benefit under the new *Loan* will be calculated as follows:

- The ROPC *Amount of Insurance Requested* on the new *Loan* is the outstanding balance x *Percentage Coverage* on the original *Loan*
- Your *Percentage Coverage* on the new *Loan* is the ROPC *Amount of Insurance Requested* ÷ new *Loan* balance x 100.
- The Life Insurance Benefit on the new *Loan* is the outstanding balance at time of death x *Percentage Coverage*

Example:

You have a commercial mortgage insured under this plan with an outstanding balance of \$100,000 with a *Percentage Coverage* of 50%. You refinance, and the *Loan* is increased to \$200,000, but your *Application* for insurance is declined. The insurance coverage amount remaining on your original *Loan* becomes the ROPC *Amount of Insurance Requested*, which in this example is \$50,000.

To obtain your new *Percentage Coverage* the ROPC *Amount of Insurance Requested* is divided by the new *Loan Amount* ($\$50,000 \div \$200,000 \times 100 = 25\%$). Your Life Insurance Benefit at time of death will now be the outstanding balance on the *Loan* at date of death, multiplied by the new *Percentage Coverage*. In this example if at death the outstanding *Loan* balance is \$100,000, the Life Insurance Benefit that will be paid is ($25\% \times \$100,000 = \$25,000$).

For an Operating Loan or a Line of Credit, the ROPC *Amount of Insurance Requested* on the new *Loan* and the Life Insurance Benefit payable on the new *Loan* will be equal to the *Amount of Insurance Requested* on the original *Loan*.

ROPC Premium:

Premium for the replaced or refinanced *Loan* will be on the ROPC *Amount of Insurance Requested* and recalculated based on your age, gender and smoking status at the time the *Loan* is refinanced or replaced.

Accidental Dismemberment and Specific Loss Insurance

If you suffer a specific loss because of an accidental injury, Canada Life will pay the **lesser** of:

- (1) An amount that is calculated as described in the section Life Insurance Benefit; and
- (2) \$ 50,000.

In all cases the maximum amount payable is \$50,000 in the event you sustain more than one specific loss due to the same accidental injury.

A Loss is covered under the Policy if it meets the following conditions:

- Solely and directly caused by an accident; and

- Occurs within 365 days of the accident; and
- Is beyond remedy by surgical or other means; and
- Is one of the Specific Losses listed.

Specific Losses:

- Loss of both arms
- Loss of one arm and one leg
- Loss of one leg and sight in one eye
- Loss of one arm and sight in one eye
- Loss of both legs
- Loss of sight in both eyes
- Loss of use of both legs or all limbs due to paraplegia or quadriplegia
- Loss of use of an arm and leg on one side of the body due to hemiplegia

The Losses are defined as follows:

- Arm means the limb is severed at or above the elbow joint;
- Leg means the limb is severed at or above the knee joint;
- Sight means the total and irreversible loss of vision in the eye as confirmed by an ophthalmologist, with corrected visual acuity being 20/200 or less;
- Paraplegia means the complete and irrecoverable paralysis of the legs and lower part of the body;
- Quadriplegia means the complete and irrecoverable paralysis of the body from the neck down; and
- Hemiplegia means the complete and irrecoverable paralysis of one side of the body.

Maximum Insurable Limit

The *Maximum Insurable Limit* for the Policy is \$1,000,000. The amount of insurance coverage may be less than the indebtedness.

Who is the Beneficiary of the benefit amount

The Bank is the Beneficiary of the amount(s) payable to reduce or pay off your *Loan*. Any amount in excess on an insured operating loan, line of credit or feeder loan is payable to your estate.

In Quebec, the excess is payable to the Beneficiary you designate on the *Application*, or if you do not designate a Beneficiary (or if the designated Beneficiary predeceases you), the excess is payable to your estate.

In Quebec, benefits payable to a beneficiary who, at the time payment is to be made, is a minor or lacks legal capacity, will be paid to his/her tutor(s) or curator(s), unless a valid trust has been established for the benefit of the beneficiary to receive any such payment and The Canada Life Assurance Company has been provided notice of the trust. A trust can be established by Will or by a separate contract. If a trust has already been established, designate the trust as the beneficiary and name the trustee on a beneficiary designation form. Please call 1-800-380-4572 or visit your local BMO Branch to obtain a copy of the beneficiary designation form. If you have not already established a valid trust for the benefit of the beneficiary, you should obtain legal advice before establishing a trust.

How your premiums are calculated

Operating Loans and Lines of Credit

The monthly premium is collected in arrears and is based on the following factors:

- The premium rate is per \$1,000 of the *Amount of Insurance Requested*.
- The premium rate is based on your age, gender and smoking status.
- Your premium will automatically increase on the anniversary of the date coverage starts if on that date, you are in a different age band.
- Provincial sales tax (where applicable).

TABLE OF PREMIUM RATES on Operating Loans or Lines of Credit:

Monthly Rate per \$1,000 of the Amount of Insurance Requested				
Age	Male – Non-Smoker	Male - Smoker	Female – Non-Smoker	Female – Smoker
18 – 29	\$ 0.10	\$ 0.15	\$ 0.09	\$ 0.11
30 – 39	\$ 0.12	\$ 0.17	\$ 0.10	\$ 0.14
40 – 44	\$ 0.18	\$ 0.31	\$ 0.14	\$ 0.24
45 – 49	\$ 0.30	\$ 0.49	\$ 0.22	\$ 0.35
50 – 54	\$ 0.43	\$ 0.72	\$ 0.31	\$ 0.48
55 – 59	\$ 0.64	\$ 1.09	\$ 0.46	\$ 0.73
60 – 64	\$ 1.04	\$ 1.54	\$ 0.74	\$ 1.06
65 – 69	\$1.70	\$2.55	\$1.18	\$1.72

To calculate your premium, multiply your applicable rate by the *Amount of Insurance Requested* then divide by 1,000.

Example:

A female, non-smoker, age 31, who is insured for \$25,000 on her authorized credit limit, the premium is $\$0.10 \times \$25,000 \div 1,000 = \$2.50$, plus provincial tax, if any.

Commercial Term Loans

The monthly premium is collected in arrears and is based on the following factors:

- The premium rate per \$1,000 of the Amount of Insurance Requested.
- The premium rate is based on your age, gender, smoking status on the date the Application is signed, and the amortization period of the Loan.
- Your premium does not increase with age but continues until the Loan is fully repaid or refinanced.
- Provincial sales tax (where applicable).

TABLE OF PREMIUM RATES on Commercial Term Loans

Male:

Monthly Rate per \$1,000 of the Amount of Insurance Requested							
Non-Smoker	Amortization Period (number of months)			Smoker	Amortization Period (number of months)		
Age	0- 60	61-120	121-300	Age	0 - 60	61 - 120	121 - 300
18 – 29	\$0.06	\$0.07	\$0.09	18-29	\$0.11	\$0.15	\$ 0.20
30 – 39	\$0.08	\$0.10	\$0.13	30-39	\$0.13	\$0.18	\$0.28
40 – 44	\$0.13	\$0.17	\$0.22	40-44	\$0.23	\$0.31	\$0.42
45 – 49	\$0.18	\$0.23	\$0.33	45-49	\$0.32	\$0.44	\$0.64
50 – 54	\$0.27	\$0.36	\$0.48	50-54	\$0.51	\$0.70	\$0.95
55 – 59	\$0.42	\$0.55	\$0.70	55-59	\$0.82	\$1.08	\$1.37
60 – 64	\$0.58	\$0.70	\$0.83	60-64	\$1.20	\$1.50	\$1.66

Female:

Monthly Rate per \$1,000 of the Amount of Insurance Requested							
Non-Smoker	Amortization Period (number of months)			Smoker	Amortization Period (number of months)		
Age	0 – 60	61 – 120	121 – 300	Age	0 – 60	61 – 120	121 – 300
18 – 29	\$0.05	\$0.06	\$0.08	18-29	\$0.09	\$0.11	\$0.14
30 – 39	\$ 0.07	\$ 0.08	\$ 0.11	30-39	\$0.11	\$0.14	\$0.20
40 – 44	\$ 0.11	\$ 0.13	\$0.17	40-44	\$0.19	\$0.24	\$0.29
45 – 49	\$ 0.15	\$0.19	\$ 0.25	45-49	\$0.27	\$0.33	\$0.43
50 – 54	\$ 0.22	\$0.27	\$ 0.35	50-54	\$0.42	\$0.52	\$0.66
55 – 59	\$ 0.35	\$0.42	\$0.52	55-59	\$0.68	\$0.81	\$0.95
60 – 64	\$ 0.49	\$0.55	\$0.62	60-64	\$0.90	\$1.02	\$1.14

To calculate your premium, multiply your applicable rate by the *Amount of Insurance Requested*, then divide by 1,000.

Example:

A female non-smoker, age 31, who is insured for \$25,000 on her *Loan* which is amortized over a period of 36 months, the premium is $\$0.07 \times \$25,000 \div 1,000 = \$1.75$, plus provincial tax, if any.

Non-smoker Premium

You are eligible for the non-smoker premium rates if you have abstained from the use of tobacco in any form whatsoever during the 12 months preceding the date the *Application* is signed.

How to make a change to your smoking status

If you originally applied for coverage on the basis that you were a smoker and it has been twelve (12) months or more since you last smoked or used a product containing tobacco, you can apply for non-smoker rates by completing and sending the Commercial Loan Insurance Plan Smoking Status Change form available at your local BMO Bank of Montreal branch.

In the case of ROPC, the premium will be calculated according to your age and smoking status at the time of the *Loan* refinancing or replacement.

EXCLUSIONS, RESTRICTIONS OR REDUCTIONS IN INSURANCE

CAUTION

Misstatement:

Any concealment, misrepresentation, or false declaration provided by you may result in your coverage being void and your claim not being paid.

If the insurance is issued in the non-smoker rating class and it is subsequently determined that the insured's smoking status has been misrepresented, Canada Life may at its discretion, void the insured's coverage.

General Exclusions:

No benefits will be paid if your claim is due to:

- **Events directly or indirectly relating to, arising from or following your participation or attempted participation in a criminal offence, whether indictable, summary conviction or hybrid;**
- **Events directly or indirectly relating to, arising from, or following your impairment by alcohol while your blood alcohol concentration is higher than the legal limit or by illegal or illicit drugs, regardless of whether your death or loss arises or results from your impairment;**
- **Civil disorder or war, whether or not war was declared, unless you were on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve.**

Exclusions and Limitations for Life insurance:

No benefits will be paid if you die and your death is due to:

- **A *Pre-existing Condition* and your *Application* did not require you to answer Health Status Questions and you die within 12 months of the date your insurance began. A *Pre-existing Condition* means any illness, disease, injury or physical condition for which medical advice, consultation, diagnosis or treatment was required or recommended by a physician during the twelve (12) months prior to the date your insurance begins.**
- **Intentional self-inflicted injury, suicide or attempted suicide (whether You are aware or not aware of the result of Your actions, regardless of Your state of mind), within the first 24 months following the Effective Date.**
- **The Life Insurance Benefit will be reduced by any amount paid under the Accidental Dismemberment and Specific Loss insurance benefit,**
- **If more than one person is insured for the same Loan and simultaneous deaths occur, only one death benefit will be paid.**

Exclusions and Limitations for Accidental Dismemberment and Specific Loss:

No benefits will be paid for an accidental loss due to:

- **intentional self-inflicted injury (whether You are aware or not aware of the result of Your actions, regardless of Your state of mind), within the first 24 months following the Effective Date;**
- **any illness or physical or mental infirmity;**
- **medical or surgical treatment.**

In all cases the maximum amount payable is \$50, 000 in the event you sustain more than one specific loss due to the same accidental injury.

Payment of benefits will completely release Canada Life from any further liability.

END OF INSURANCE COVERAGE

When your insurance terminates

Your insurance terminates on the earliest of these dates:

- the first premium due date after your 70th birthday;
- for an Operating Loan and Line of Credit the date the *Loan* is cancelled, assigned to another creditor, refinanced or replaced;
- for a Commercial Term Loan the date the *Loan* is fully repaid, assigned to another creditor or assumed by another debtor, refinanced or replaced;
- the date you die;
- the date the monthly premium is thirty (30) days overdue;
- the date the Group Policy terminates;
- the date Canada Life receives your written request to cancel the insurance on the *Loan*.

Grace Period

Canada Life grants a 30-day grace period for the payment of your premium. If the premium has not been paid within 30 days of the expected payment date, the insurance will be cancelled automatically.

Early Repayment of a Loan and Refunds

Premiums are collected monthly. In order to avoid collection of excess premiums, you must notify Canada Life of any early repayment of your insured *Loan* by obtaining the Termination of Premium Payment form from your local BMO Bank of Montreal branch, completing it and sending it to Canada Life.

If excess premium is collected, a full refund will be processed for the premium debited for that months billing period.

Example:

A Loan is paid off on January 10th. Premium is collected on January 31st. The premium collected will be fully refunded.

If the termination is processed before cut-off, no premium will be debited.

Cancellation of Insurance

You may cancel your insurance at any time. If you cancel within 30 days of the date your insurance begins you will receive a full refund of any premiums paid, and the insurance coverage will be deemed never to have been in force. Cancellations requested after the 30-day period will not receive a premium refund.

To cancel your insurance you must send a written notice to:

The Canada Life Assurance Company,
Creditor Insurance,
330 University Avenue,
Toronto, ON, M5G 1R8.

You may also use the NOTICE OF RESCISSION OF AN INSURANCE CONTRACT that has been included in this guide.

Your insurance will be cancelled as of the date of receipt of your written request.

OTHER INFORMATION

Consult Canada Life's Creditor Insurance Department directly should you require further explanation of this insurance coverage, claims or complaints process, or to obtain a copy of the insurance Policy by writing or calling the appropriate toll-free number provided below:

The Canada Life Assurance Company
Creditor Insurance Department
330 University Avenue
Toronto, ON M5G 1R8

Toll Free: 1-800-380-4572

PROOF OF LOSS OF CLAIM

Submitting a Claim

You or your *Representative* must notify Canada Life of your death, accidental dismemberment or specific loss as soon as reasonably possible after the occurrence. To do so, you or your *Representative* can request a claim form by calling Canada Life at 1-800-380-4572 or by obtaining a form at your local BMO Bank of Montreal branch.

Delay for Submitting your Proof of Claim

- **Life insurance or accidental death**, your claim must be submitted within **12 months** of the date of death.
- **Accidental Dismemberment and Specific Loss insurance**, your claim must be submitted within **6 months** of the date of loss.

Canada Life may request additional information or authorizations, which must be submitted within **6 months**, otherwise Canada Life will not be liable for further benefits.

Insurer's Response

Canada Life will notify you or your *Representative* in writing of their decision to approve or deny your claim within 30 days after they receive the information needed to make a decision.

Appealing the Insurer's Decision

You or your *Representative* may appeal the decision within **90 days** of the date of the decline letter from Canada Life.

You or your *Representative* must explain in writing the reasons for the appeal and provide any additional information not previously submitted to Canada Life.

You or your *Representative* may also consult the Autorité des marchés financiers or an independent legal advisor.

SIMILAR PRODUCTS

This group creditor insurance Policy is offered exclusively to the Bank by Canada Life. It has been designed specifically to cover Commercial Loans. There are other types of insurance products on the market that provide similar coverage to cover your *Loan* payments.

Note: If life insurance is a condition of credit, you have the option to:

- purchase the Commercial Loan Insurance Plan being offered to you via the Bank, **or**
- assign an existing or new life insurance Policy purchased from an independent insurance company that is equivalent to the amount agreed to in the credit.

REFERRAL TO THE AUTORITÉ DES MARCHÉS FINANCIERS

For additional information regarding the insurer's and distributor's obligations towards you, please contact the Autorité des marchés financiers at:

L'Autorité des marchés financiers
Place de la Cité, Tour Cominar
2640, boul. Laurier, 4th floor
Quebec (Québec) G1V 5C1

Toll-free : 1 877-525-0337
Quebec City : 418-525-0337
Montreal : 514-395-0337
Web Site : www.lautorite.qc.ca

DEFINITIONS

“*Accident*” refers to a sudden, unexpected and external action, independently of any conditions that directly causes bodily injury or death.

“*Accrued Interest*” means the sum of:

- (i) interest accrued, if any, on the insured portion of the *Loan(s)* up to the date of death or dismemberment, and
- (ii) interest accrued on the insured portion of such *Loan* or *Loans* from the date of death or dismemberment to the earlier of:
 - (a) the date of payment of a claim, and
 - (b) 60 days after the date of death.

“*Applicant*” refers to a person applying for coverage under the Policy and is also referred to as “you” or “your”.

“*Application*” means the completed printed *Application* for BMO Bank of Montreal Commercial Loan Insurance Plan and any evidence of insurability provided in writing, by telephone or electronically.

“*Amount of Insurance Requested*” refers to the total amount of insurance you requested under your *Application*, if no further approval from Canada Life is required for coverage to come into force. Where Canada Life’s approval is required, “*Amount of Insurance Requested*” means the amount of coverage Canada Life approves you for. The *Amount of Insurance Requested* will never exceed the *Maximum Insurable Limit*.

“*Loan*” is a loan that can be insured under the Policy. They are Commercial Mortgages, Term Loans, Reducing Non-Revolver Demand Loans and Breeder Loans; OR loans without a specific repayment schedule as determined by the Bank which include Feeder Loans (collectively, called Operating Loans and Lines of Credit).

“*Loan Amount*” means the amount of the *Loan* indicated on the *Application*.

“*Maximum Insurable Limit*” refers to the maximum amount of coverage in respect of any one *Loan* or any number of *Loans* for which you can be insured under the Policy.

“*Percentage Coverage*” means the percentage of the *Loan* insured under the *Application*; determined as a proportion of the Amount of Insurance Requested in relation to the *Loan Amount*. For example, the *Loan Amount* = \$100,000. The *Amount of Insurance Requested* is \$25,000. The *Percentage Coverage* = $25,000 \div 100,000 = 25\%$

“*Pre-existing Condition*” means any illness, disease, injury or physical condition for which medical advice, consultation, diagnosis or treatment was required or recommended by a physician during the twelve (12) months prior to the date your insurance begins. This limitation does not apply if you have been continuously insured for twelve (12) months.

“*Representative*” means the Executor or administrator of your estate.

“*Total Amount for Insurance*” means the sum of the amount set out in section 2(c) in the *Application*, plus the *Amount of Insurance Requested* under the *Application*.

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*

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

- The Act allows you to rescind an insurance contract you have just signed when signing another contract, without penalty, within 10 days of its signature. However, Canada Life allows you to rescind the insurance contract you have just signed, **without penalties within 30 days of its signature**. To do so, you must give Canada Life notice by registered mail within that delay. You may use the attached model for this purpose.
- 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 representative or consult your contract.
- After the expiry of the 30-day delay, you may rescind the insurance at any time; however, penalties may apply.

For further information, contact the L'Autorité des marchés financiers – Quebec City region: 418-525-0337 / Montreal region: 514-395-0337 / Elsewhere in Quebec: 1-877-525-0337.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

Policy: 60210

To: The Canada Life Assurance Company
Creditor Insurance
330 University Avenue
Toronto, ON M5G 1R8

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.: _____
(Number of contract, if indicated)

Entered into on: _____
(Date of signature of contract)

In: _____
(Place of signature of contract)

(Name of client) (Signature of client)

This document must be sent by registered mail or by fax at 1-866-891-7894

Sections 439 to 443 of the Act respecting the Distribution of Financial Products and Services.

- 439.** A distributor may not subordinate the making of a contract to the making of an insurance contract with the insurer specified by the distributor.

The distributor may not exercise undue pressure on the client or use fraudulent tactics to induce the client to purchase a financial product or service.

- 440.** A distributor that, at the time a contract is made, causes the client to make an insurance contract must give the client a notice, drafted in the manner prescribed by regulation of the Authority, stating that the client may rescind the insurance contract within 10 days of signing it.

- 441.** A client may rescind an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered mail. Where such an insurance contract is rescinded, the first contract retains all its effects.

- 442.** No contract may contain provisions allowing its amendment in the event of rescission or cancellation by the client of an insurance contract made at the same time.

However, a contract may provide that the rescission or cancellation of the insurance contract will entail, for the remainder of the term, the loss of the favourable conditions extended because more than one contract was made at the same time.

- 443.** A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the debtor may subscribe for insurance with the insurer and representative of the debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds. The distributor may not subordinate the making of the contract of credit to the making of an insurance contract with the insurer specified by the distributor.

No contract of credit may stipulate that it is made subject to the condition that the insurance contract subscribed with such an insurer remain in force until the expiry of the term, or subject to the condition that the expiry of such an insurance contract will entail forfeiture of term or the reduction of the debtor's rights.

The rights of the debtor under the contract of credit shall not be forfeited when the debtor rescinds, cancels or withdraws from the insurance contract, provided that the debtor has subscribed for insurance with another insurer that is considered satisfactory by the creditor, who may not refuse it without reasonable grounds.