

Certificate of Creditor Life, Disability and Disability Plus Job Loss Insurance

Each Applicant ("you") is insured under the Group Policy 21559 ("the Policy") subject to the terms and conditions in your Application and this Certificate, 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. **Sun Life Assurance Company of Canada is the insurer, and is a member of the Sun Life Financial group of companies.**

You can apply for creditor insurance coverage from Sun Life at the time you are first approved for your Loan 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 Creditor 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 Creditor 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 21559. (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 directed to BMO.

Who can apply (maximum of 2 insured persons):

- You are at least 18 years of age and you are a borrower on a Loan provided by the Bank,
- You are a Canadian resident, **and**

For Life insurance:

- You are not yet 65 years of age on the date of the Application.

For Disability insurance:

- You are not yet 65 years of age on the date of the Application, and
- You are actively at work, which means you are regularly working a minimum of 30 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.

For Disability Plus Job Loss insurance:

- You are not yet 55 years of age and otherwise eligible to apply for Disability insurance (see above),
- You have been continuously employed for 6 months with the same employer and are eligible to receive Employment Insurance benefits,
- You are not self-employed, an independent contractor or working for a family business or a business in which you have a controlling interest, and
- You have not been advised of your pending unemployment.

When your insurance begins:

- On Loans of \$50,000 or less, your insurance is automatically approved and effective the date you apply for insurance.
- On Loans more than \$50,000, and you answered "NO" to the health question(s), your insurance is effective the date you apply for insurance.
- On Loans more than \$50,000, and you answered "YES" to the health question(s), your insurance is effective the date shown on the Insurer's written approval.

When your insurance ends:

The insurance on your Loan 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 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 the Bank 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 Job Loss 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.

How your premiums are calculated (see premium rate table):

- Premiums are calculated daily, in arrears, for each month during which the insurance is effective on your Loan.
- Premium rates are based on your attained age plus any applicable provincial tax.
- Premiums are calculated per person, except for joint insurance which is based on the age of the older applicant.
- All premium calculations are subject to the respective Maximum Insurable Limit.

For Life Insurance:

- for a revolving Loan, your rate changes as you get older and your attained age is determined each January 1st. The monthly cost of insurance is determined by applying your premium rate to your average monthly Loan balance.
- for an instalment Loan, your attained age is determined based on your age at the start of your Loan and will not change. The premium quoted under your Loan Payment represents the average cost of insurance, per payment, over the remaining life of your Loan, and is automatically adjusted at each maturity date. The monthly cost of insurance is determined by applying your premium rate to your average monthly Loan balance. Your actual premium will automatically decline, unless premium rates change, as your outstanding balance reduces.

Example: Life Insurance (actual results will vary slightly, based on the number of days in the month):

Average monthly Loan balance = \$15,000, Age of Applicant 1 = 36, Age of Applicant 2 = 41, Coverage = Joint Life
 Monthly Life premium = \$15,000 / \$1,000 x \$0.60 = **\$9.00** (plus any applicable provincial tax)

For Disability or Disability Plus Job Loss Insurance:

- for a revolving Loan, the monthly cost of insurance is determined by applying your premium rate to your average monthly Loan balance.
- for an instalment Loan, your attained age is determined based on your age at the start of your Loan and will not change. The cost of insurance is determined by applying your premium rate to your Loan Payment.

Example: Disability/Disability Plus Job Loss insurance:

For a revolving Loan:

Average monthly Loan balance = \$10,000, Age of Applicant 1 = 36, Coverage = Single Disability Plus Job Loss
 Monthly Disability Plus Job Loss premium = \$10,000 / \$1,000 x \$0.80 = **\$8.00** (plus any applicable provincial tax)

For an instalment Loan:

Monthly Loan Payment = \$500, Age of Applicant 1 = 41, Age of Applicant 2 = 46, Coverage = Joint Disability
 Monthly Disability premium = \$500 / \$100 x \$4.50 = **\$22.50** (plus any applicable provincial tax)

PREMIUM RATE TABLE

Age Yrs	Life		Disability Insurance				Disability Plus Job Loss Insurance*			
	Monthly rate per \$1,000 average Loan balance		Revolving Monthly rates are per \$1,000 of average Loan balance.		Instalment Rates are per \$100 of Loan Payment		Revolving Monthly rates are per \$1,000 of average Loan balance.		Instalment Rates are per \$100 of Loan Payment	
	Single	Joint (2 insured)	Single	Joint (2 insured)	Single	Joint (2 insured)	Single	Joint (2 insured)	Single	Joint (2 insured)
Under 40	\$0.27	\$0.41	\$0.50	\$0.90	\$2.50	\$4.50	\$0.80	\$1.40	\$4.00	\$7.00
40 – 44	0.40	0.60	0.50	0.90	2.50	4.50	0.80	1.40	4.00	7.00
45 – 49	0.48	0.72	0.50	0.90	2.50	4.50	0.80	1.40	4.00	7.00
50 – 54	0.65	0.98	0.50	0.90	2.50	4.50	0.80	1.40	4.00	7.00
55 – 59	0.95	1.43	0.50	0.90	2.50	4.50	0.50*	0.90*	2.50*	4.50*
60 – 64	1.35	2.03	0.50	0.90	2.50	4.50	0.50*	0.90*	2.50*	4.50*
65 – 69	2.35	3.53	0.50	0.90	2.50	4.50	0.50*	0.90*	2.50*	4.50*
70 – 74	4.25	6.38	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
75 +	6.25	9.38	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

*Job Loss coverage ends at age 55.

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 Loan.
- For all claims, regardless of the number of persons insured, the benefit amount cannot exceed the Maximum Insurable Limit.

For Life claims:

- **The Maximum Insurable Limits for Life insurance claims:**
 - for a SRIL, \$150,000.
 - for a Small Business Loan or Line of Credit, \$250,000.

- for an instalment Loan, the benefit amount is:
 - the total unpaid balance of your insured instalment arrangement on the date of death, and
 - all unpaid interest that has accrued to the date of benefit payment, and
 - any fees, penalties or interest rate charges required to discharge your instalment arrangement.
- for a revolving Loan, the benefit amount is:
 - the outstanding Loan balance at the date of death, when death occurs as a result of an Accident (a bodily injury that occurs solely as a direct result of a violent, sudden and unexpected action from an outside source), or
 - when death occurs from any other cause, the lesser of:
 - the outstanding Loan balance at the date of death, or
 - 110% of the average Loan balance for the 12 months immediately preceding the date of death.

For Disability and Job Loss claims:

- **The Maximum Insurable Limits for Disability or Job Loss insurance claims:**
 - for a SRIL, \$1,500 per month.
 - for a Small Business Loan or Line of Credit, \$1,500 per month (Disability only, Job Loss insurance not available).

For Disability claims:

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.

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

- For an instalment Loan, the benefit amount is the Loan Payment as at the date of Disability plus the Disability Insurance or Disability Plus Job Loss Insurance premium as applicable.
- For a revolving Loan, the benefit amount is:
 - 2% of the outstanding Loan balance at the date of disability, when Disability results from an Accident (a bodily injury that occurs solely as a direct result of a violent, sudden and unexpected action from an outside source), or
 - when Disability results from any other cause, 2% of the lesser of:
 - the outstanding Loan balance at the date of disability, or
 - 110% of the average Loan balance for the 12 months immediately preceding the date of Disability.

For Job Loss claims:

Job Loss means a complete involuntary separation from your employment; this includes a lay off, dismissal without cause, or as a consequence of a unionized labour dispute, legal strike or lockout.

There is a maximum of 6 months of benefits per Job Loss, corresponding with your approved Employment Insurance benefits.

- For an instalment Loan, the benefit amount is the Loan Payment as at the date of Job Loss plus the Disability Plus Job Loss Insurance premium.
- For a revolving Loan, the benefit amount is 2% of the lesser of:
 - the outstanding Loan balance at the date of Job Loss, or
 - 110% of the average Loan balance for the 12 months immediately preceding the date of Job Loss.

When the Insurer will start paying Disability or Job Loss benefits

In all cases, benefits are paid on the date a payment is due on your Loan. The monthly benefit amount will be pro-rated for any partial month in which a benefit payment is due. Benefit payments will begin, following approval of your claim, on the first scheduled payment due date after:

For Disability claims:

- a **60-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 60-day qualifying period will apply.

For Job Loss claims:

- a **60-day qualifying period** following the date of your Job Loss, provided you are receiving Employment Insurance benefits.

1 - Branch 2 - Customer

When the Insurer will stop paying Disability or Job Loss benefits

For Disability claims:

- You have received 24 months of benefits per Disability;
- You no longer meet the definition of Disability;
- You reach age 70;
- You refuse to submit to a medical examination by an appointed physician or other health care practitioner at the Insurer's request;
- You fail to provide proof of continuing Disability satisfactory to Sun Life;
- You die.

For Job Loss claims:

- You have received 6 months of benefits per Job Loss;
- You do not provide proof of continuing Employment Insurance benefits to the Insurer;
- You no longer qualify for Employment Insurance benefits;
- You reach age 55;
- You die.

Important Information – Coverage Limitations and Exclusions**When the insurer will not pay:****No Life Insurance benefit will be paid if:**

- You were not eligible for insurance when you applied.
- Your claim is due to a **Pre-existing Condition** and your Application for optional creditor insurance did **not** require you to answer a Health Question and you die within 12 months of the date your insurance began. A **Pre-existing Condition** is defined as 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.
- Your death results from:
 - events directly or indirectly relating to, arising from or following your participation or attempted participation in a criminal offence;
 - civil disorder or war, whether or not war was declared, unless you are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve;
 - 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 arises or results from your impairment.

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

No Disability benefit will be paid if:

- You were not eligible for insurance when you applied.
- Your claim is due to a **Pre-existing Condition** and your Application for optional creditor insurance did **not** require you to answer a Health Question and you become disabled within 12 months of the date your insurance began. A **Pre-existing Condition** is defined as 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.
- You are not under the active and continuous care of a licensed physician or health care practitioner approved by Sun Life.
- You refuse to submit to a medical exam by a licensed physician selected by Sun Life.
- You fail to provide proof of continuing Disability satisfactory to Sun Life.
- You are receiving Job Loss benefits at the time of your Disability.
- Your Disability results from:
 - Intentional self-inflicted injuries unless you have a mental illness;
 - events directly or indirectly relating to, arising from or following your participation or attempted participation in a criminal offence;
 - civil disorder or war, whether or not war was declared, unless you are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve;
 - 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 Disability arises or results from your impairment;
 - elective cosmetic or experimental surgery or treatment;
 - normal pregnancy;
 - drug or alcohol abuse, unless you are:
 - enrolled in a rehabilitation program, or
 - hospitalized and receiving continuous treatment, or
 - suffering from an organic disease that, if the use of the drug or alcohol stopped, would cause Disability.

No Job Loss benefit will be paid if:

- Your Job Loss results from an illegal strike, dismissal with cause, end or legal termination of a fixed contract, end of a work season if seasonally employed, resignation.
- Your Job Loss is the result of a maternity or paternity leave allowed by law or agreed to with your employer.
- Your Employment Insurance claim is not paid for any reason.
- You fail to provide proof of Employment Insurance benefits to Sun Life.
- You are receiving Disability benefits at the time of your Job Loss.

Any concealment, misrepresentation or false declaration concerning this Application or any claim may result in your insurance being void.

What you should know about making a claim:

- Claim forms and detailed instructions on how to submit a claim are available from any branch of the Bank.
- A claim should be made as soon as possible. Life insurance claims must be made in any event within one year from the date of death. Disability and Job Loss claims must be made in any event within 120 days from the date of Disability or Job Loss.
- Any payments required on your Loan must continue to be made until such time as your claim is approved.
- Any required proof relating to a claim is at the expense of the claimant.

Legal Actions:**Limitation Period for Ontario:**

- Every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the *Limitations Act, 2002*.

Limitation Period for All Other Provinces and Territories:

- Every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the *Insurance Act* or other applicable legislation in your province or territory of residence.

How to make a complaint

- For complaints regarding underwriting decisions or insurance claims under your insured loan please call the Sun Life Creditor Team at 1-877-271-8713. Please reference Policy 21559.

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

IMPORTANT DOCUMENT – PLEASE KEEP IN A SAFE PLACE

1 - Branch 2 - Customer