

PROTECTING

Distribution Guide

Consumer Loan Insurance

Personal Loan



**NATIONAL
BANK**

INSURANCE

Copy of insurance contract

Customer Service at National Bank Life Insurance can provide copies of insurance contracts upon request.

You can call our Customer Service during normal business hours at the following numbers:

Montreal: 514-871-7500

Toll-free: 1-877-871-7500

The group insurance policy described in this guide is the following:

- ▣ Policy number 70003-17: Life, Critical Illness and Accidental Dismemberment and Disability Insurance plan for personal loans.

Distribution Guide Consumer Loan Insurance

Name of insurance product:
Consumer loan insurance

Type of insurance product:
Group credit insurance

Insurer:
National Bank Life Insurance Company licensed since July 12, 1995

Insurer	National Bank Life Insurance 1100 Robert-Bourassa Blvd, 5th Floor Montreal, Quebec H3B 2G7 Montreal: 514-871-7500 Toll-free: 1-877-871-7500 Fax: 514-394-6992 www.nbc-insurance.ca insurance@nbc.ca
Distributor	National Bank of Canada Montreal: 514-394-5555 Toll-free: 1-888-TELNAT1

Liability of *Autorité des marchés financiers*

The *Autorité des marchés financiers* has expressed no opinion on the quality of the products described in this guide. Your Insurer alone is responsible for discrepancies between the wording of the guide and the wording of the policy.

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Introduction

The purpose of the Distribution Guide is to describe the insurance coverage provided and help you understand it by giving you the information in plain language. It is designed to help you decide if this insurance product meets your needs without consulting a personal insurance advisor.

Keep it in a safe place with your insurance certificate and application for future reference.

Main definitions

The Distribution Guide defines only the most significant words and concepts for you to properly understand the insurance product.

These definitions and the concepts to which they refer do not in any way replace the definitions included in the certificate of insurance and the various clauses giving rise to its application.

Accident: Bodily injury, certified by a physician, resulting solely and directly from sudden, external, violent and involuntary causes, independently of any illness or other cause.

Accidental Dismemberment: Bodily injury due to an Accident that occurred while the insurance was in effect and resulting, directly and independently of any illness or other cause, in the loss or loss of use of a limb or an eye of the Insured.

Loss of an eye means the total and irreversible loss of vision in one eye, evidenced by the corrected visual acuity being 20/200 or less in that eye, or in the field of vision being less than 20 degrees in that eye; loss of a limb means the complete severance of one or more limbs at or above the wrist or ankle joint. The loss of use of a limb means the total and irreversible loss of muscle function of one or more limbs.

The loss or loss of use must occur within 365 days of the date of the Accident. The loss must persist for 12 months and subsequently be certified irreversible before any benefits can be paid. The insurance must still be in effect when the diagnosis of loss or loss of use is made.

The diagnosis of loss or loss of use must be made by a Specialist.

Application: The insurance application form from the Insurer, duly completed and signed by the applicant, regardless of the technical means used.

Bank: National Bank of Canada.

Cancer (Life Threatening): Definite diagnosis of a tumour, which must be characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. Types of cancer include carcinoma, melanoma, leukemia, lymphoma and sarcoma.

The diagnosis of cancer must be made by a Specialist.

Caution:

No benefit will be paid for any of the conditions listed in the “Coverage exclusions, limitations or reductions” section of this guide.

Critical Illness: Means exclusively the following Critical Illnesses: stroke, cancer (life-threatening) and heart attack, as set out in the “Definition” section.

Disability: A state of incapacity which prevents the Insured from carrying out the normal duties of his occupation. If an Insured is unemployed at the start of his Disability, the state of incapacity is defined as one which prevents him from carrying out activities considered normal for a person of the same age.

The Disability must be certified by a physician practicing in Canada or the United States, result from an illness or an Accident suffered while the insurance was in effect and require continuing medical care. During the disability, the Insured must not engage in any activity for which he receives monetary compensation.

Heart Attack: Definite diagnosis of a heart attack resulting from the death of part of the heart muscle due to obstruction of blood flow, that results in a rise and fall of biochemical cardiac markers to levels considered diagnostic of myocardial infarction, with at least one of the following:

- ▶ heart attack symptoms
- ▶ new electrocardiogram (ECG) changes consistent with a heart attack
- ▶ development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty.

The diagnosis of heart attack must be made by a Specialist.

Caution:

No benefit will be paid for any of the conditions listed in the “Coverage exclusions, limitations or reductions” section of this guide.

Illness: A deterioration in health requiring regular, continuing and curative medical care actively provided by a physician or other practitioner belonging to a health profession corporation. Such care must be considered satisfactory by the Insurer.

Initial Amount Insured: The total amount of the Loan as of the effective date of the insurance, without exceeding the amount specified in the “Maximum Benefit”, at page 18 of this guide. Furthermore, in the case of coverage recognition of a previous loan, the amount may not exceed the Insured balance of the previous loan on the Refinancing date.

Insured: Anyone who has signed an Insurance Application, has applied for insurance and meets the criteria under the “Eligibility and Insurability” section of the certificate and has received a copy of the certificate.

Insured balance: The Insured Balance is determined according to the balance of your Loan at the date of the Insured Event. The amount may be subject to special rules if one of the following situations applies to you:

➤ At the time of the insurance application, the total amount of your Personal Loan exceeds the Initial Amount Insured. The Insured Balance will then be adjusted according to the same proportion.

➤ At the Refinancing date of your Loan, insurance is granted in coverage recognition of a previous loan. In that event, the Insured Balance will be adjusted according to the proportion between the insured balance of the previous loan on the Refinancing date and the total amount of the new loan.

In no event can the amount exceed the Initial Amount Insured of the Loan or the amount indicated in the “Maximum Benefit” section on page 18 of this document.

Insured Event: Death, Disability or diagnosis of Critical Illness or Accidental Dismemberment.

Insured Payment: The amount of the insured payment cannot exceed the amount indicated in the “Maximum Benefit” section on page 18 of this guide.

The insured payment due, including principal, interest and any applicable loan insurance premium payments at the time of Disability.

Capital, interest and unpaid premiums due at the time of Disability are under no circumstances included in the payment.

Insurer: National Bank Life Insurance Company.

Loan: The personal loan indicated in the insurance Application.

Policy: The group insurance Policy No. 70003-17.

Refinancing: Any change made to the Loan that results in a higher Loan balance.

Relapse: In the 90 days following the end of a Disability period covered by the Certificate of Insurance, any Disability which is due to the same cause and which persists at least 7 consecutive days is considered to be a continuation of the same Disability. Otherwise, any subsequent Disability is considered to be a new Disability and is subject to a Waiting Period.

Resident: Anyone who resides and is domiciled in Canada or the United States and who has lived there for 183 consecutive days during the 12 months prior to signing the Insurance Application.

Specialist: A valid licensed medical practitioner in Canada or the United States, who has been trained in the specific area of medicine relevant to the covered Critical Illness or Accidental Dismemberment condition for which benefit is being claimed, and who has been certified by a specialty examining board. In the absence or unavailability of a specialist, and as approved by the Insurer, a condition may be diagnosed by a qualified practitioner practicing in Canada or the United States. Specialist includes, but is not limited to, cardiologist, neurologist, oncologist, ophthalmologist, burn specialist and internist. The specialist must not be the Insured, the Spouse of the Insured or a relative or business associate of the Insured or of the Insured's Spouse.

Spouse: The person to whom the Insured is joined by marriage or civil union or the person publicly recognized as the Insured's Spouse and with whom he cohabitates permanently.

Stroke: Definite diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis or haemorrhage, or embolism from an extra-cranial source, with:

- ▶ acute onset of new neurological symptoms, and
- ▶ new objective neurological deficits on clinical examination,

persisting for more than 30 days following the Date of Diagnosis.

These new symptoms and deficits must be corroborated by diagnostic imaging testing. The diagnosis of stroke must be made by a Specialist.

Caution:

No benefit will be paid for any of the conditions listed in the "Coverage exclusions, limitations or reductions" section of this guide.

Waiting Period: The 60 consecutive days of Disability starting on the date the Disability occurs during which no benefit is payable.

1. Description of our product

a) Features of the coverage

National Bank Life Insurance Loan insurance product includes three types of coverage:

Life Insurance:

At death, the Insurer will repay the Insured balance of your Loan to the Bank.

Critical Illness and Accidental Dismemberment Insurance:

If you suffer Accidental Dismemberment, the Insurer will repay a percentage of your Loan Insured balance to the Bank, and if you receive a diagnosis of Cancer (life threatening) or suffer Heart attack or Stroke, the Insurer will repay the Loan's Insured balance.

Critical Illness and Accidental Dismemberment Insurance is not mandatory but you cannot sign up for it without life coverage.

Disability Insurance:

If you become disabled for more than 60 consecutive days, the Insurer will repay your Insured Payment to the Bank.

Disability insurance is not mandatory but you cannot sign up for it without life coverage.

b) Summary of specific provisions term

Eligibility

You can take out loan insurance if you have a consumer Loan from the Bank.

Two Insureds or more can have insurance coverage for the same Loan (maximum of 5 insureds). Each of you must fill out a separate Insurance Application.

You can ask for loan insurance at any time during the term of your Loan.

You are eligible for **life insurance** if, when you fill out the Insurance Application, you are:

- ▶ Between the ages of 18 and 64;
- ▶ A resident of Canada or the United States;
- ▶ A borrower, coborrower, guarantor, endorser, or the spouse of one of these.

If you are not eligible for life insurance, you are also not eligible for Disability, Critical Illness or Accidental Dismemberment insurance.

You are eligible for **Critical Illness and Accidental Dismemberment insurance** if, when you fill out the Insurance Application, you:

- ▶ Have signed up for life insurance.

You are eligible for **Disability insurance** if, when you fill out the Insurance Application, you:

- Have signed up for life insurance;
- You were paid for at least 60 hours of work in your usual job in the four weeks immediately before you signed the Application, or
- You had at least \$10,000 in gross income from your work during the last fiscal year before you signed the Insurance Application if you are a self-employed worker.

You are not eligible for Disability insurance if, when you fill out the Insurance Application, you are receiving income-replacement benefits or you are on a leave of absence or unemployed.

Amount of coverage in case of death

In case of death, the insurer will calculate the amount to repay on your loan according to the following rules:

- In addition to the Insured Balance, the Insurer will repay the interest accrued on the Insured Balance from the date of death. This amount shall in no case include the principal, interest or premiums that were already pending at the date of death.
- The amount paid out by the Insurer may not be more than the maximum insurance benefits payable.
- If, on the date of enrollment to the insurance, the Initial Amount Insured was less than the total amount of the Loan, the benefit is calculated in the same proportion.

Amount of coverage in the event of Critical Illness or Accidental Dismemberment

In the event of Critical Illness or Accidental Dismemberment, the Insurer will calculate the benefit payable on your Loan according to the following guidelines:

- In addition to the Insured Balance, the Insurer will pay the interest accrued on the Loan since the diagnosis date of the Critical Illness or Accidental Dismemberment. This amount does not include any amount of principal, interest or premiums that is overdue at the time the Critical Illness or Accidental Dismemberment is diagnosed.
- The amount paid by the Insurer may not exceed the maximum insurance benefit payable.
- The total benefits payable for losses resulting from one or more Accidents may not exceed the maximum insurance benefit payable.
- If payment of an Accidental Dismemberment benefit does not cover 100% of your Insured Balance for Critical Illness or Accidental Dismemberment, the insurance will remain in effect on the new Loan balance and in the same proportion as at enrollment.
- If the benefit paid is less than the Insured Balance for life insurance, life insurance will remain in effect on the new Loan balance and in the same proportion as at enrollment.

- ▶ If two or more Insureds suffer Accidental Dismemberment at the same time and it is not possible to determine who was injured first, the Insurer will pay out the highest of the benefits for the injuries, followed by lesser amounts, without going over the Insured Balance of your Loan at the time of the injuries.
- ▶ The percentages applicable to the Insured Balance in the event of Accidental Dismemberment are as follows:

Loss	Percentage of Insured Balance
Lost for each limb (including eye)	25% (maximum 100%)
For both eyes	100%
Hemiplegia, quadriplegia, paraplegia	100%

- ▶ In case of Critical Illness, the Insurer will pay the Insured Balance of your Loan calculated on the date of diagnosis of the Critical Illness.
- ▶ In case of Accidental Dismemberment, the Insurer will pay the Insured Balance of your Loan as at the date of diagnosis of the Accidental Dismemberment.
- ▶ If the Initial Amount Insured was less than the total amount of the Loan, the benefit will be calculated using the same percentage.

Amount of coverage in the event of Disability

In the event of Disability, the Insurer will calculate the amount of the Insured Payment to be paid out on your Loan according to the following guidelines:

- ▶ The Insured Payment includes principal, interest and insurance premiums. This amount under no circumstances includes principal, interest or premiums that are past due on the date of the Insured Event.
- ▶ The amount paid by the Insurer may not exceed the maximum insurance benefit payable.
- ▶ If your Disability ends between two expected payment dates, the amount of the last Disability insurance payment will be prorated for each day you were disabled.
- ▶ If 2 or more Insureds are disabled simultaneously on the same Loan, the Insurer cannot pay out an insurance benefit that is greater than the amount of the Insured Payment.
- ▶ If the Initial Amount Insured was less than the initial loan amount when the insured signed up for the insurance, the benefit will be calculated using the same proportion.

Maximum duration of Disability Insurance benefits

The Insurer pays out a maximum of **24 months of Disability benefits** for a single period of Disability. In addition, the Insured can have no more than the maximum overall number of **48 months of Disability benefits** for all periods of Disability that occur during the Loan period.

Maximum benefits

The Insured Amount can in no circumstance go over the expected maximum for all your insured Loans of the same type.

Life	Critical Illness and Accidental Dismemberment	Disability
\$500,000	\$150,000	\$2,000 / month

Insurance Beneficiary

The Insurer will pay the Bank all the insurance benefits to pay back the insured Loan. At no time may the amount of insurance paid out be more than the amount of the Loan still payable at the time of the Insured Event.

Confirmation and proof of insurance

When you take out insurance, you must answer all the questions that apply on the Insurer's "Consumer Loan insurance" Application form.

If your application does not require further proof that you are insurable, you are insured once you have signed your Insurance Application, subject to the accuracy of the information provided and under the terms and conditions of the Insurance certificate. The application is your **proof of coverage**. It is important to keep it in a safe place.

Insurance coverage is conditional on approval of the loan insurance Application by the Insurer.

If you have to provide more proof of insurability, the Insurer will send you an insurance letter of confirmation within **30 days** of receiving the necessary documents to study your file.

This letter is your proof of coverage and it is important that you keep it.

Note: If, after the study of your file, the Insurer establishes that you are not insurable, the Insurer must inform you in writing of its decision.

Contact the Insurer if you have not received a letter from them within 30 days after sending all the necessary documents for them to study your file.

National Bank Life Insurance Company:

Montreal: 514-871-7500
Toll-free: 1-877-871-7500

Temporary coverage while your file is being studied

If your insurance Application is not accepted immediately and you have to submit further proof of insurability, you will be covered by temporary insurance while the Insurer studies your file.

This temporary insurance policy covers you in the event of death, Accidental Dismemberment or Disability only as the **result of an Accident**. You are not covered by Accidental Dismemberment or temporary Disability insurance if you do not ask for these coverages on your insurance Application.

Premium calculation

The amount of the premium payable is calculated using the premium rates in effect when you signed the insurance Application. The amount varies based on the Initial Amount Insured or the Insured Payment, the number of insureds and the coverage selected, based on the oldest Insured's age.

The premium is calculated based on the rates indicated on your insurance certificate.

Premium payment

The premium amount is automatically withdrawn each month or based on the Loan payment frequency.

Note: The premium is withdrawn when you sign your insurance Application. If you have paid a premium but you are later not provided coverage, the premium shall be refunded immediately.

Non-payment of premiums

All insurance coverage ends automatically as soon as a payment becomes 3 months overdue.

When your insurance starts

If your Insurance Application is accepted automatically without you having to fill out further proofs of insurability for your file to be studied, your insurance will begin on the last of the following dates:

- The date you sign your insurance Application; or
- The date of the Loan disbursement by the Bank.

For all insurance coverage: If your insurance Application requires further proofs of insurability, your insurance cannot start before the Insurer sends you an insurance confirmation letter.

Caution

Coverage exclusions, limitations or reductions

FOR LIFE, CRITICAL ILLNESS AND ACCIDENTAL DISMEMBERMENT, AND DISABILITY INSURANCE:

NO BENEFITS ARE PAYABLE FOR DEATH, DISABILITY, CRITICAL ILLNESS OR ACCIDENTAL DISMEMBERMENT CAUSED DIRECTLY OR INDIRECTLY BY:

PRE-EXISTING CONDITIONS: Death, Disability, Critical Illness or Accidental Dismemberment that occurs in the 12 MONTHS AFTER the insurance policy began AND that is caused by an Illness, a symptom or an Accident for which the Insured:

- ❑ Consulted or received treatment from a physician or other health care professional; OR
- ❑ Has been examined; OR
- ❑ Has taken medication; OR
- ❑ Has been hospitalized

in the 12 MONTHS BEFORE the insurance policy began.

EXCLUSIONS SPECIFIC TO THE INSURED:
If applicable, any exclusion that is specific to you as the Insured that you have been informed about in writing by the Insurer as a condition for accepting to provide you with insurance coverage.

SUICIDE: An act of suicide that occurs within the 2 years after the start of your insurance coverage, regardless of the Insured's mental health;

ATTEMPTED SUICIDE OR SELF-INFLICTED INJURY: Attempted suicide or self-inflicted injury, regardless of the Insured's mental health;

NARCOTIC DRUGS: Use of narcotics not prescribed by a physician;

AIRCRAFT: Any direct activity as a pilot, crew member, instructor or student in a flying device;

WAR: War or act of war, whether or not the Insured took part in it, unless the Insured was acting as a member of the Canadian Forces or Canadian Forces Reserves;

RIOT: Active participation in an uprising riot or insurrection.

FOR CRITICAL ILLNESS INSURANCE:

NO BENEFIT FOR CRITICAL ILLNESS INSURANCE WILL BE PAYABLE IN THE FOLLOWING SITUATIONS:

CANCER: No benefit is payable for any cancer that does not meet the definition described in the insurance certificate. The following forms of cancer are not covered:

- lesions described as benign, pre-malignant, uncertain, borderline, non-invasive, carcinoma in-situ (Tis), or tumours classified as Ta
- malignant melanoma skin cancer that is less than or equal to 1.0 mm in thickness, unless it is ulcerated or is accompanied by lymph node or distant metastasis
- any non-melanoma skin cancer, without lymph node or distant metastasis
- prostate cancer classified as T1a or T1b, without lymph node or distant metastasis
- papillary thyroid cancer or follicular thyroid cancer, or both, that is less than or equal to 2.0 cm in greatest diameter and classified as T1, without lymph node or distant metastasis
- chronic lymphocytic leukemia classified less than Rai stage 1
- malignant gastrointestinal stromal tumours (GIST) and malignant carcinoid tumours, classified less than AJCC Stage 2.

For purposes of this guide, the terms “Tis, Ta, T1a, T1b, T1 and AJCC Stage 2 are to be applied as defined in the American Joint Committee on Cancer (AJCC) Cancer Staging Manual (7th edition, 2010).

For purposes of this guide, the term “Rai staging” is to be applied as set out in KR Rai, A Sawitsky, EP Cronkite, AD Chanana, RN Levy and BS Pasternack: Clinical staging of chronic lymphocytic leukemia, Blood 46:219, 1975.

EXCLUSION FOR 90 DAYS AFTER THE START OF THE INSURANCE COVERAGE:

No benefit will be payable if, within the first 90 days following the effective date of insurance, the Insured:

- has presented signs, symptoms or investigations that lead to a diagnosis of cancer (covered or excluded by your insurance certificate), regardless of when the diagnosis is made, or
- has received a diagnosis of cancer (covered or excluded by your insurance certificate).

Medical information about the diagnosis and any signs, symptoms or investigations leading to the diagnosis must be reported to the Insurer within 6 months of the date of the diagnosis. If this information is not provided within this period, the Insurer has the right to deny any claim for cancer or, any critical illness caused by any cancer or its treatment.

STROKE: No benefit is payable for any stroke that does not meet the definition described in the insurance certificate. The following forms of stroke are not covered:

- Transient Ischaemic Attacks
- Intracerebral vascular events due to trauma
- Lacunar infarcts which do not meet the definition of stroke as described on page 5 of this guide.

HEART ATTACK: No benefit is payable for any heart attack that does not meet the definition described in the insurance certificate. The following forms of heart attack are not covered:

- elevated biochemical cardiac markers as a result of an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty, in the absence of new Q waves;
- ECG changes suggesting a prior myocardial infarction, which do not meet the heart attack definition as described on page 7 of this guide.

FOR DISABILITY INSURANCE:

NO DISABILITY INSURANCE BENEFIT IS PAYABLE FOR DISABILITY CAUSED DIRECTLY OR INDIRECTLY BY:

PREGNANCY: Normal pregnancy.

BACK PAIN:

- Cervical (neck or localized pain in the neck);
- Back pain (pain localized in the back);
- Low back pain (pain localized to the lower back);

for which the only manifestation being pain noticed by the Insured, without the possibility of identifying the cause, except for routine osteoarthritis depending on the age of the Insured.

PSYCHOLOGICAL OR PSYCHIATRIC PROBLEMS, CHRONIC FATIGUE, DEPRESSION, ANXIETY, PROFESSIONAL OVERWORK OR BURNOUT: If the insured is not receiving therapy supervised by a physician specializing in the treatment of the specific problem.

ALCOHOLISM OR ADDICTION: If the problem is not treated on an inpatient basis.

COSMETIC CARE: Surgery or procedures that are aesthetic in nature.

Terminating your insurance contract

You may terminate your insurance contract at any time. If you terminate your insurance contract within 30 days of signing your insurance Application, any premiums paid will be reimbursed and the insurance will be considered as having never been in force.

To terminate your insurance, call the Insurer or send a notice to the Insurer by registered mail. The notice may be the “Notice of rescission of an Insurance Contract” on page 39, or any other document that identifies the contract (Loan number, bank transit number, policy number, signature, date, etc.).

The insurance policy will be terminated on the last of the following dates:

- The date the notice is received by the Insurer; or
- The date indicated by the Insured.

c) When your insurance ends

For all insurance policies, your insurance coverage will end when one of the following occurs:

- **Loan expiry:** The date that the Loan is fully repaid, the end of the repayment period, the expiry date of the Loan or the date the Loan account is closed;
- **Maximum age:** The last day of the month in which the Insured reaches the age of 70;
- **Cancellation:** The date the Insured indicates that he wishes to terminate the insurance coverage (if the notice is given in advance) or the date the Insurer receives the notice;

- **Non-payment of premiums:** The date the payment becomes 3 months overdue;
- **Assumption:** The date the Loan is transferred to another financial institution or is taken over by another person who is not covered by this insurance;
- **Death:** The date of death of an Insured if a life insurance benefit becomes payable;
- **Diagnosis of Critical Illness or Accidental Dismemberment:** When a Critical Illness or Accidental Dismemberment benefit reimbursing the entire Insured balance for life insurance has been paid by the Insurer.

For Critical Illness and Accidental Dismemberment insurance only:

- End of life insurance: The date on which the life insurance coverage ends;
- Diagnosis of critical illness: When the entire Insured balance has been paid by the Insurer to repay the Loan for Critical Illness and Accidental Dismemberment. Payment of the Critical Illness benefit terminates the Critical Illness and Accidental Dismemberment insurance for all Insureds.

For Disability insurance only:

- End of life insurance: The date on which the life insurance ends;
- Maximum number of payments reached: The day the Insurer makes the 48th monthly Disability insurance payment on the insured Loan. The maximum of 48 monthly Disability benefits applies to all Disabilities that might occur during the time the Loan is being paid and does not start over with each new Disability.

d) Premiums reimbursement

This is a list of situations where you can be reimbursed for your premiums:

Termination by the Insured

You can terminate your insurance as long as you send written notice to or call the Insurer. The insurance will end at the latest of the following dates:

- The date the Insurer receives the notice; or
- The date indicated by the Insured on the notice.

Each premium paid after the termination date will be refunded, if applicable.

Termination by the Insurer

If the Insurer terminates the group loan insurance policy, the loan insurance will automatically be terminated and the premiums paid after the termination date will be reimbursed.

Any omission or false declaration in the Loan Insurance Application will automatically cancel your insurance contract retroactively to the date that it came into effect, and all premiums paid will be reimbursed, if applicable.

Misrepresenting the age

If the Insured's age is misrepresented and the premium calculation for the Insured's actual age is less than the premium collected, the difference between the premiums paid for the age stated, compared to the actual age of the Insured, will be reimbursed.

If the Insured's actual age exceeds the maximum age covered by the loan insurance, the insurance will automatically be terminated and the excess premiums collected since the end of the loan insurance coverage will be reimbursed.

If within three years from the end of the contract, the Insurer discovers that the age stated was outside the allowed limits when the Insured signed the Insurance Application, the loan insurance policy may be cancelled and the premiums paid will be reimbursed.

Refusal

If the Insurance Application is refused by the Insurer, all the premiums you have paid will be reimbursed.

Premiums collected after death

If insurance premiums are collected by the Insurer following the death of the Insured, all excess premiums collected after the Insured's death will be reimbursed.

REQUEST FOR REIMBURSEMENT

Except in cases of termination of insurance by the Insurer, all requests for premium reimbursements must be made by telephone or in writing. The Insurer will analyze the request and if the premiums should not have been paid they will be reimbursed, without interest.

e) Other information

Refinancing your Loan

If you refinance your Loan with the Bank and you wish to insure the new amount, you must fill out and submit a new insurance Application to the Insurer. The terms and conditions of the new insurance application, with all its restrictions and exclusions (including premium rates, applicant's age and the Insured Balance of the Loan on the date the new application is signed), will apply.

If it is refused, you may ask the Insurer in writing within **90 days** after the date of its refusal to keep in effect the insurance policy that covered the Loan before you refinanced it. The Insurer will then keep the insurance you had in effect

but will adjust the conditions (age, premiums, amount payable, exclusions) according to the conditions of the new Insurance Application.

If the Loan is refinanced while the Insured is receiving Disability benefits, the amount of the benefits will remain the same as it was before the Refinancing without exceeding the amount of the new mortgage payment or the insurance maximum amount of benefits payable. The expiry period will be the same as it was before the Refinancing. The Disability benefits paid before the Refinancing date will be recognized in the maximum Disability benefit period for the new application.

Amendment to premium pricing schedule

The Insurer reserves the right to amend the premium pricing schedule at any time. You will be informed by mail at the address in your file.

2. Making claims

If you have to make an insurance claim, you must provide the Insurer with the following documents:

Making a Life Insurance claim

The people who are responsible for the Insured's estate must contact the Insurer to obtain a claim form. After that, the claim must be returned to the Insurer.

The Insurer must also receive a written document that gives it authorization to obtain medical information on the deceased.

The Insurer must receive the original death certificate or a certified copy of it.

If the death was deemed accidental, the Insurer must receive a copy of the coroner's report, if available.

All documents must be sent to the Insurer as soon as reasonably possible.

Making a Critical Illness or Accidental Dismemberment Insurance claim

If an Insured is diagnosed with a Critical Illness covered by the insurance policy (Cancer (life threatening), Stroke or Heart Attack) or in the event of Accidental Dismemberment, the Insured must contact the Insurer to obtain a claim form. After that, the form must be returned to the Insurer.

The Insurer must also receive a written document that gives it authorization to obtain your medical records.

You must have your physician fill out the "Declaration of Attending Physician" form that the Insurer will have sent to you and return the completed form to the Insurer.

You must send all the documents to the Insurer at the latest one year after the date of the Insured Event. If the Insurer does not receive the documents within this one-year period, you will lose your right to any Critical Illness or Accidental Dismemberment benefits.

Making a Disability Insurance claim

You must contact the Insurer to obtain a claim form. Afterwards, the form must be returned to the Insurer.

The Insurer must also receive a written document that gives it authorization to obtain your medical records.

You must have your physician fill out the “Declaration of Attending Physician” form that the Insurer will have sent to you and return the completed form to the Insurer.

You must go through the 60-day Waiting Period before you can receive benefits, but you may submit your claim before the end of this period. You are responsible for any payments that are due during the Waiting Period and when the Insurer is evaluating your claim.

You must send all the documents to the Insurer at the latest one year after the date of the Insured Event. If the Insurer does not receive the documents within this one-year period, you will lose your right to any Disability Insurance benefits.

Relapse: To be considered a Relapse of the first, the second period of Disability must have the same cause and last at least 7 days.

If 2 periods of Disability are separated by less than 91 days, the new Disability will be considered as a continuation (Relapse) of the first and the Insured will not have to go through a Waiting Period before receiving Disability insurance benefits.

If the Insured is on Disability during renewal of the Loan, the Disability benefit is adjusted to cover the new Loan payment calculated on the renewal date, keeping the original Loan expiry date, without exceeding 120% of the Insured Payment (principal and interest) payable when the Disability began. The new Insured Payment may under no circumstances be greater than the amount provided for under the “Maximum Benefit” section of this certificate. The expiry period of the Disability benefit may under no circumstances exceed the period initially provided for.

End of Disability Insurance benefits

Payment of Disability benefits will end at the **first** of the following events:

- **End of the Disability:** The date the Insured is no longer disabled according to the definition of “Disability” on page 7 of this guide;
- **Return to work:** The date the Insured returns, or starts a gradual return, to work or receives a temporary assignment. A return to work may be to carry out normal job duties, or any other duties, including light duties;
- **Paid activity:** The day the Insured undertakes an activity for profit or pay;
- **Failure to submit proofs:** The Insured fails to present satisfactory evidence to the Insurer or refuses to have a medical examination or assessment by a rehabilitation consultant required by the Insurer;

- ▶ **End of the loan:** The Loan is fully repaid, the expected repayment period has ended or the Loan is closed;
- ▶ **Maximum repayment period reached:** The date when the Insurer has paid out 24 months of Disability benefits for the same Disability or the date at which 48 months of Disability benefits have been paid throughout the term of the Loan;
- ▶ **Maximum age:** The last day of the month the Insured turns 70 years of age;
- ▶ **Death:** The death of the Insured or the death of a Co-insured, if a life insurance benefit becomes payable;
- ▶ **Critical Illness or Accidental Dismemberment:** The date the Insured or a Co-insured is diagnosed with a Critical Illness or Accidental Dismemberment, if a Critical Illness or Accidental Dismemberment insurance benefit covering the entire Insured Balance for life insurance becomes payable.

Insurer's deadline for replying after receiving a claim

Usually, the Insurer communicates its decision to pay benefits or not within 60 days after it receives all documents requested.

This period might be extended because a physician or hospital took longer to provide the required documents or due to forms that were incomplete or not signed.

Generally, benefits are paid within 7 days following the date of the Insurer's decision.

Appealing a decision of the Insurer

If you wish to dispute a decision of the Insurer, you must send a notice to the analyst who studied your claim and any documents that justify reviewing the decision.

If the situation is not settled to your satisfaction, you may refer it to the *Autorité des marchés financiers* (see contact information on page 37) or to your own lawyer.

3. Similar products

Similar insurance products exist on the market that have similar guarantees to those detailed in this Guide. Check whether or not you already have such an insurance coverage.

4. Referral to the *Autorité des marchés financiers*

If you have any questions concerning insurance products, first contact National Bank Insurance by using the contact info provided at the beginning of this Guide.

For any additional information about the duties and responsibilities of insurers and distributors with regard to clients, please contact:

L'Autorité des marchés financiers
2640 Laurier Boulevard, Suite 400
Quebec City (Quebec) G1V 5C1

Telephone:

Quebec City: 418-525-0337
Montreal: 514 395-0337
Toll-free in Quebec: 1-877-525-0337
Fax: 418-525-9512
Website: www.lautorite.qc.ca

Your personal notes:

Amount
of coverage: _____
Premium: _____
Other: _____

**5. Notice of rescission of
an insurance contract**

Notice given by the distributor

Article 440 of the Act respecting the distribution of financial products and services.

The Act respecting the distribution of financial products and services gives you valuable 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. The Insurer grants you 30 days to do this. To do so, you must give the Insurer notice by registered mail within that delay. You can use the attached model for this purpose.

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

After expiry of the 30-day delay, you may rescind the insurance at any time; however penalties may apply.

For further information, contact the Autorité des marchés financiers at 418-525-0337 or toll-free at 1-877-525-0337.

Notice of rescission of an insurance contract

Article 440 of the Act respecting the distribution of financial products and services.

Send by registered mail to:

National Bank Life Insurance Company
1100 Robert-Bourassa Blvd, 5th Floor
Montreal, Quebec, H3B 2G7

Date of notice: _____

Pursuant to Article 441 of the *Act respecting the distribution of financial products and services*, I hereby rescind the insurance contract on my loan.

Contract number:

Signed on:

Loan No:

Place of signature:

Client name:

Client signature:

An 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.

6. Accessing your personal information

The Insurer has implemented a series of measures to preserve the confidentiality of personal information.

The Insurer will establish an insurance file in which all personal information obtained in connection with the subscription to the insurance policy will be placed, as well as information concerning any insurance claim under the policy. Only employees or agents responsible for underwriting, administration, investigations and claims or the reinsurer, where applicable, will have access to this file.

All files will be kept at the offices of the Insurer or one of its agents. All entitled persons, such as yourself or any person you authorize, may consult the personal information contained in the file and, if need be, request corrections by writing to: National Bank Life Insurance Company, Personal Information Access Officer, 1100 Robert-Bourassa Blvd., 5th Floor, Montreal, Quebec H3B 2G7.



BANKING

Simplifying your day-to-day banking transactions.



FINANCING

Helping you carry out the projects that are important to you.



INVESTING

Customizing solutions and advice for your short-term projects and retirement plans.



PROTECTING

Insuring you and your assets for your peace of mind.



TRANSFERRING

Making sure your estate is transferred to your loved ones.



DOING BUSINESS

Helping decision-makers grow their business.

❖ Don't hesitate to contact us.
We are always here for you.

514-871-7500
1-877-871-7500

insurance@nbc.ca

Insurer: National Bank Life Insurance Company.
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