

Summary

Life Insurance, Critical Illness and Accidental Dismemberment Insurance, Disability Insurance

LINE OF CREDIT

NOTICE TO READER

This document addresses the points deemed the most important to your understanding of the insurance product. It is not, under any circumstances, a substitute for reading the certificate of insurance in full and is not a comprehensive document. This document does not create or confer any contractual or any other rights. Only the certificate can be used to adjudicate questions of a legal nature.

Nature of coverage (depending on the coverage(s) selected)

The Insurer will pay National Bank all the insurance benefits to pay back your loan. Therefore, the Insurer will pay:

Life insurance (if non-accidental death) and Critical illness insurance

The lesser of:

The insured amount of the loan at the date of the insured event.	or	110% of the average daily balance of the loan used during the 12 months preceding the date of the insured event (or since the effective date of the life insurance if it has been in effect for less than 12 months).
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Life insurance (if accidental death)

The insured amount of the loan as at the date of death.

Accidental Dismemberment Insurance

An amount equal to a percentage of the loan balance on the date of the accidental dismemberment. The percentage depends on the loss.

Disability insurance

If the disability persists after 60 consecutive days, the lesser of:
(If non-accidental disability)

The amount chosen on the insurance application.	or	2% of the insured amount of the loan at the disability start date.	or	2% of 110% of the average daily balance of the loan used during the 12 months preceding the date of the disability (or since the effective date of the insurance if it has been in effect for less than 12 months).
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(If accidental disability)

The amount chosen on the insurance application.	or	2% of the insured amount of the loan as at the disability start date.
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The maximum benefit is 24 months of consecutive payments for the same disability. The Insurer will pay no more than 48 months of payments for all insureds on the loan.

These coverages are subject to the terms and conditions of the certificate of insurance. Please read the certificate of insurance carefully for details about each coverage and the amount of the maximum benefit payable for each coverage.

Exclusions, restrictions, limitations

All coverages include exclusions, restrictions and/or limitations.

THE INSURER MAY REFUSE TO PAY A CLAIM DUE TO EXCLUSIONS PROVIDED FOR IN THE CERTIFICATE OF INSURANCE, WHICH ARE SPECIFIED IN THE "RESTRICTIONS AND EXCLUSIONS" SECTION.

Effective date of insurance

If your insurance application is accepted automatically without you having to provide other evidence of insurability, your insurance coverage will take effect on the later of:

- the date on which the insurance application is signed;
- the date on which National Bank opens the loan.

If you must provide other evidence of insurability, your insurance coverage will only take effect once the Insurer sends you a letter confirming the insurance.

Calculation of monthly premium

The monthly premium is calculated every year on the anniversary date of the signing of the insurance application based on your calendar age. The premium payable, in consideration of the insurance coverage, is calculated every day based on the daily balance of your Line of credit.

Example: A woman, 39 years of age and a non-smoker, wants to take out life insurance on the total amount used of a Line of credit. The balance is \$12,000 on June 1 and after a payment is made, the balance is \$10,000 on June 16. The premium rate is \$0.23 per \$1,000 of balance used.
The premium is calculated as follows:
From June 1 to 15: 15 days ÷ 30 days x \$12,000 ÷ \$1,000 x \$0.23 = \$1.38
From June 16 to 30: 15 days ÷ 30 days x \$10,000 ÷ \$1,000 x \$0.23 = \$1.15
for a total monthly premium of \$2.53, plus any applicable taxes.

See the "Table of Monthly Premium Rates – Line of Credit" section found on the certificate of insurance.

Termination of insurance

This insurance terminates on the earliest of the following events:

- the date on which the insurance premium payment becomes three months overdue;
- the day after the Insurer receives a written notice of termination from you;
- the date on which the loan is taken over by another creditor or the date on which the loan (or a part of the loan) is assumed by another uninsured debtor on the loan;
- the last day of the month in which you reach age 70;
- the day upon which an insured dies;
- the date of the first diagnosis of critical illness;
- the date on which the life insurance policy ends.

Cancellation of product

You may cancel your insurance contract at any time by calling the Insurer at 1-877-871-7500, by visiting your branch or by submitting a written request to the Insurer at the following address:

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

Procedure for submitting a claim

Documents for submitting claims can be obtained from the Insurer by calling 1-877-871-7500. Subject to the terms and conditions stipulated in the "Claims" section of the certificate of insurance, you must submit the completed application, along with supporting documents, no later than one year after the date of the insured event. While your claim is being assessed, you are required to continue making your loan payments and premium payments.

Your Certificate of Insurance

Life Insurance, Critical Illness and Accidental Dismemberment Insurance, Disability Insurance

LINE OF CREDIT

This certificate attests that all persons who meet the eligibility conditions are insured in accordance with the terms, conditions and provisions of the applicable group insurance Policy, subject to:

- the accuracy of the information provided on the application form;
- the payment of premiums;
- the Insurer's approval of the evidence of insurability, when required.

Any concealment or false declaration on the part of the Insured could result in the cancellation of the insurance.

The Insurer reserves the right to amend the premium pricing schedule at any time. If applicable, the new schedule will apply to all Insureds of this group insurance Policy.

SECTION 1. DEFINITIONS

Accident: Bodily injury, certified by a physician, resulting solely and directly from sudden, external, violent and involuntary causes.

Accidental Dismemberment: Bodily injury due to an Accident that occurred while the Certificate of Insurance was in effect and resulting, directly and independently of any other cause, in the physical loss of a limb or an eye or the use thereof. The loss of an eye means the total and irremediable loss of sight; the loss of a limb means the loss of an arm or a portion thereof (but no less than a hand) or the loss of a leg or a portion thereof (but no less than a foot). Dismemberment also covers the loss of the use of a limb. The loss of a limb or an eye or the use thereof must occur within 365 days of the date of the Accident, persist for 12 months and subsequently be recognized as permanent before any benefits can be paid.

Bank: National Bank of Canada.

Cancer: A diagnosis by a physician authorized to practise and practising medicine in a Canadian province, of a malignant tumour characterized by the uncontrolled enlargement and spread of malignant cells and the invasion of tissue. This includes leukaemia and Hodgkin's disease.

Critical Illness: Cancer, Heart Attack and Stroke, as defined in this section.

Disability: A state of incapacity which prevents the Insured from carrying out the normal duties of his occupation. The Disability must be certified by a physician, result from a Sickness or an Accident suffered while the person was insured and require continuing medical care. During the Disability, the Insured must not engage in any activity for which he receives monetary compensation. For any Insured who 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.

Heart Attack (myocardial infarction): A diagnosis by a cardiologist or internist authorized to practise or practising medicine in a Canadian province, of the death of part of the heart muscle resulting from inadequate blood supply to the appropriate area. The diagnosis must be based on the simultaneous presence of the following two points: changes on the electrocardiogram (ECG) indicating a myocardial infarction and an elevated level of cardiac enzymes or any other marker above normal acceptable levels.

Hospitalization: Any period of confinement of at least 48 consecutive hours, following admission to an institution recognized as a hospital in Canada or the United States.

Insurance Application: The Insurance Application form of the Insurer duly completed and signed by the applicant.

Insured: Anyone who has signed an Insurance Application, has applied for insurance, is eligible and has received an insurance certificate.

Insured Amount: The amount chosen by the Insured on applying for coverage as indicated in the Insurance Application, or the Loan balance at the time of the Insured Event if it is lesser while still not exceeding the maximum insurable amount based on the insurance coverage requested in the Insurance Application.

Insured Event: Death, Disability or a diagnosis of Critical Illness or Accidental Dismemberment, in accordance with the applicable group insurance Policy.

Insured Payment: The Insured Payment chosen by the Insured on applying for loan insurance may at no time exceed the lesser of:
2% of the used balance at the time of the Insured Event

or

The amount, in multiples of \$250, chosen by the Insured in the Insurance Application

or

The maximum insurable benefit for the chosen coverage as indicated in the Certificate of Insurance.

Insurer: National Bank Life Insurance Company.

Loan: Line of credit.

Policy: The group insurance Policy applied for in the attached Insurance Application, depending on the type of Loan insured.

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 this 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 injury or illness 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.

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

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 at the time the Application was signed.

Stroke: A diagnosis by a neurologist or an internist authorized to practise and practising medicine in a Canadian province, of the death of cerebral tissue, caused by a thrombosis, haemorrhage or embolism, from an inter- or extra-cranial region. Measurable and objective signs of neurological incapacity must persist for at least 30 days after the Stroke.

Waiting Period: The period following an Insured Event during which no benefit is payable.

SECTION 2. ELIGIBILITY

The applicant must satisfy the conditions listed in the "Eligibility" section of the Application and satisfy the Insurer's requirement with respect to his health. The Insurer may request, if necessary, that a physical examination, electrocardiogram, X-rays, blood tests, urine tests or any other tests, including the test to detect HIV (AIDS) and certain drugs or medication be conducted to assess the risk related to this application. Any fees incurred for a medical examination not required by the Insurer are payable by the Insured.

SECTION 7. REFINANCING OR TRANSFER BY SUBROGATION

For the Refinancing of a Loan by the Bank, a new Application must be completed and submitted to the Insurer. The terms and conditions of the new insurance application, including all restrictions and exclusions, apply, i.e., premium rates, client's age and amount of the loan as at the date the new application is signed. However, if the Application is refused, the Insurer may, on receipt of a written request from the client within 90 days of the notice of refusal, maintain the insurance under the terms and conditions of the new Application (further to an analysis of the file and subject to the veracity of the information provided). The insurance amount maintained will be equivalent to the Insured Amount chosen for the former Loan by the Insured for a Line of Credit. For the Refinancing while the Insured is on Disability, the Insurer will pay the Disability benefits provided for before the Refinancing.

Subrogation is not permitted for Line of Credit.

SECTION 8. LIFE INSURANCE BENEFITS

In case of death, the Insurer will pay the Bank the death benefit according to the following rules:

Accidental Death: Unpaid insured balance calculated at the date of death, plus any accrued interest since the date of death. The balance under no circumstances includes interest or premiums past due at the date of death.

Non-Accidental Death: The lesser of:

The Insured Amount of the Loan at the date of the Insured Event

or

110% of the average daily balance of the Loan used during the 12 months preceding the date of the Insured Event

or

In the event that coverage has been in effect for less than 12 months, 110% of the average daily balance of the Loan used since the effective date of insurance.

SECTION 9. DISABILITY BENEFITS

In case of Disability that persists after the applicable Waiting Period, the Insurer will pay the Bank the Disability Benefit corresponding to the Payment according to the following rules.

The benefit will be prorated for each day of Disability that is not a full period covered by one Payment.

The Insured must continue to make his Payments at all times during Disability, while the Insurer is evaluating or re-evaluating the application for benefits.

Line of Credit:

Accidental Disability: The lesser of:

2% of the unpaid Line of Credit balance as at the Disability benefit start date

or

The amount chosen by the applicant in multiples of \$250, maximum \$5,000.

Non-Accidental Disability: The lesser of:

2% of the unpaid Line of Credit balance as at the Insured Event start date

or

2% of 110% of the average daily balance of the Loan used during the 12 months preceding the date of the Insured Event

or

In the event that coverage has been in effect for less than 12 months, 2% of 110% of the average daily balance of the Loan used since the effective date of insurance

or

The amount chosen by the applicant in multiples of \$250, maximum \$5,000.

Maximum benefit period: Subject to the rules on Relapse contained in section 1 herein, a maximum of 24 months of consecutive payments for the same Disability even if the Insured's disability persists after this period. In addition, the Insured(s) may only benefit collectively from a maximum of 48 months of monthly payments for all the disabilities occurring throughout the entire duration of the Loan. The Insured must return to work between each separate disability period or, for an Insured who is unemployed, return to normal activity for a person of his age.

Waiting Period: 60 consecutive days.

Termination of benefits

Insurance benefits will terminate on the first of the following events:

- **End of Disability:** the date the Insured is no longer disabled according to the definition of Disability in this Certificate of Insurance;
- **Return to work:** the date the Insured returns to work part-time, full-time or progressively, or on a temporary assignment, whether to carry out his normal duties, or any other duties;
- **Evidence of insurability not provided:** the Insured fails to present satisfactory evidence to the Insurer or refuses to undergo a medical examination or assessment by a rehabilitation consultant required by the Insurer;
- **Loan expiry:** the Loan is repaid in full, the amortization period has ended or the closing date of the Loan;
- **Maximum age:** the last day of the month in which the Insured attains age 70;
- **Death:** the death of the Insured or co-insured, if a life insurance benefit is payable as repayment of the Loan;
- **Compensated or paid activities:** as soon as the Insured engages in a compensated or paid activity;
- **Critical Illness:** the Insured or Co-insured is diagnosed with a Critical Illness, if a Critical Illness insurance benefit reimbursing the Loan is payable to the Insured;
- **Maximum Benefit Period:** at the expiration of the Maximum benefit period.

SECTION 10. CRITICAL ILLNESS BENEFIT

In the case of Critical Illness, the Insurer will pay the Bank the Critical Illness benefit in accordance with the following rules:

The lesser of:

The Insured Amount of the Loan at the date of the Insured Event

or

110% of the average daily balance of the Loan used during the 12 months preceding the date of the Insured Event

or

In the event that the coverage has been in effect for less than 12 months, 110% of the average daily balance of the Loan used since the insurance effective date of insurance.

SECTION 11. ACCIDENTAL DISMEMBERMENT BENEFIT

In the event that the Insured is accidentally dismembered as a result of an Accident that occurred while the certificate of insurance was in effect, the Insurer shall pay the Bank an Accidental Dismemberment benefit equal to:

Loss	Percentage of Insured amount or \$1,000,000 whichever is less
For each limb lost (including an eye)	25% (maximum 100%)
For both eyes	100%
Hemiplegia, quadriplegia, paraplegia	100%

This benefit shall be applied towards repayment of the balance of the Loan plus any interest accrued since the Insured Event. Following the payment of an Accidental Dismemberment benefit, the sum insured will be adjusted on the basis of the new balance of the Loan according to the same ratio as at the application date, if applicable. If the Accidental Dismemberment leads to Disability, Accidental Dismemberment benefits and Disability benefits, if applicable, shall both be paid. The total benefits payable for losses resulting from one or more Accidents cannot exceed the maximum amount payable for Accidental Dismemberment.

SECTION 12. MAXIMUM BENEFITS

The benefits payable cannot, under any circumstances, exceed the maximum amount provided for all Insured loans of the same type.

Life: \$1,000,000 Critical Illness and Accidental Dismemberment: \$1,000,000 Disability: \$5,000 per month

If the premiums have been paid for benefits exceeding the maximum amount of benefits payable, the difference in premiums shall be reimbursed.

SECTION 13. TWO OR MORE INSURED

Two or more Insureds can be covered under the same Loan. For life and Critical Illness insurance, the benefit is payable for the first Event only. For Disability Insurance, the benefit payable may not, under any circumstances, exceed the amount of the Payment of the Loan and the maximum benefit period for all Insureds. **In the event of simultaneous Accidental Dismemberment affecting more than one Insured, if it is impossible to determine which Insured suffered a loss first**, the highest benefit shall be paid first and so forth on the Loan balance thus reduced, without however exceeding the maximum benefit.

SECTION 14. CLAIMS

All claims for benefits for an Insured Event that persists after the Waiting Period, if applicable, has expired must be brought to the attention of the Insurer. The documents needed to evaluate the application for benefits shall then be sent to the Insured. These documents, accompanied by proof of claim and all other relevant information, must be submitted to the Insurer no later than 1 year from the date of the Insured Event. If the Insurer does not receive the documents and all relevant information within 1 year, the Insured shall lose the right to any disability, critical illness and accidental dismemberment insurance benefits.

For life insurance benefits, the documents must be sent to the Insurer as soon as it is reasonably possible.

SECTION 15. RESTRICTIONS AND EXCLUSIONS

Concerning life insurance, Critical Illness and Accidental Dismemberment insurance, Disability insurance:

No benefits shall be paid for death, Critical Illness, Accidental Dismemberment or Disability resulting directly or indirectly from any of the following causes:

- **War:** war or act of war, whether or not the Insured was involved therein;
- **Riot:** active participation in an uprising, riot or insurrection;
- **Drugs:** use of drugs without a medical prescription;
- **Aircraft:** active participation in a flight in an aircraft, be it as a pilot, a member of the crew, an instructor or student;
- **Military duty:** military acts or manoeuvres carried out by the Insured in defending or protecting any country while a full-time or part-time employee of the Armed Forces;
- **Suicide:** suicide within a period of two years of uninterrupted coverage following the effective date of the insurance, whether or not the Insured was of sound mind;
- **Attempted suicide or self-inflicted injury:** attempted suicide or self-inflicted injury whether or not the Insured was of sound mind;
- **Pre-existing conditions:** the effects of a Sickness and/or symptoms or Accident when Death, Disability, Critical Illness or Accidental Dismemberment occurs during the 12 months following the effective date of the insurance and for which Sickness and/or symptoms, injury or any related cause, resulting directly or indirectly from the Accident or Sickness, the Insured, during the 12 months that preceded the effective date of the insurance, had consulted or received treatment from a physician or other health care professional, underwent tests, took medication or was hospitalized;
- **Exclusions specific to the Insured:** any and all exclusions specific to the Insured as stipulated in the Insurer's exclusion rider as conditions for accepting the file (if applicable).

Concerning disability insurance only:

No benefits shall be paid for Disability resulting directly or indirectly from any of the following causes:

- **Cosmetic care:** cosmetic treatment or surgery;
- **Nervous disorders, psychological, mental or emotional disorders including anxiety, depression, overwork or professional burnout:** if the Insured is not receiving therapy supervised by a physician specializing in this field;
- **Back problems:** back pain, neck pain, dorsalgia or lumbago which is only evidenced by the pain felt by the Insured and where no diagnosis is possible, other than of normal osteoarthritis due to the Insured's age;
- **Pregnancy:** normal pregnancy;
- **Alcohol or drug dependency:** dependency on alcohol or drugs, other than the period during which these conditions are treated on an inpatient basis.

Concerning Critical Illness insurance only:

No benefits shall be paid for a Critical Illness:

- **Stroke:** resulting directly or indirectly from a Stroke for which the symptoms last less than 24 hours and ischemic Strokes;
- **Cancer:** resulting directly or indirectly from the following conditions or forms of Cancer: Cancer in situ; skin Cancer except malignant melanoma affecting the skin more than 0.7 mm deep; stage A prostate Cancer (T1NOMO); any tumour if Human Immunodeficiency Virus (HIV) is present; any other benign, pre-cancerous or non-invasive tumour; all Cancer relapses; all metastatic tumours that appeared during the 90-day exclusion period.
90-day exclusion after the certificate comes into effect: resulting from any health problem, sign or symptom beginning before the ninety-first (91st) day after the certificate came into effect and which prompted an examination that led to a diagnosis of Cancer. The coverage will be cancelled and the premiums paid will be refunded to the Insured;
- **Heart Attack:** resulting from the findings on an electrocardiogram (ECG) indicating a previous infarction.

SECTION 16. TERMINATION OF INSURANCE

The insurance automatically terminates on the first of the following events:

- **Non-payment of premiums:** when more than three monthly Payments of the Loan and insurance premiums are past due;
- **Cancellation:** the date the Insured voluntarily cancels his insurance provided the Insurer receives notice thereof in writing before that date, or the date the Insurer receives such written notice or the date the group insurance Policy is cancelled;
- **Loan expiry:** the date the Loan is repaid in full, whatever the reason, the end of the Loan amortization period, the Loan expiry date or the closing date of the Loan;
- **Assumption:** the date the Loan is taken over by another creditor or all or part of this Loan is assumed by another debtor who is not insured under a Certificate of Insurance in connection with said Loan;
- **Transfer:** the total transfer by the Insured of his rights in the property securing the Loan;
- **Maximum age:** the last day of the month in which the Insured attains age 70;
- **Death:** the death of an Insured, if a life insurance benefit repaying the Loan is payable;
- **Diagnosis of Critical Illness:** the diagnosis of Critical Illness, if a Critical Illness insurance benefit repaying the Loan is payable;
- **For Disability, Critical Illness or Accidental Dismemberment insurance:** the date on which the life insurance coverage terminates.

NOTICE CONCERNING THE MEDICAL INFORMATION BUREAU (MIB INC.)

Information regarding your insurability will be treated as confidential. The Insurer or its reinsurer may, however, make a brief report thereon to the Medical Information Bureau (MIB Inc.), a non-profit membership organization of the life insurance companies which operates an information exchange on behalf of its members. Upon request by a member insurance company to which you have applied for life or health insurance coverage, or to which a claim is submitted, the Bureau will supply such company with the information on its file.

Upon receipt of a request from you, the Bureau will arrange disclosure of any information it may have on file. If you question the accuracy of the information in the Bureau's file, you may contact the Bureau and seek correction. Address: MIB Inc., 330 University Avenue, Suite 501, Toronto, Ontario M5G 1R7. Telephone: 416-597-0590.

The Insurer may also release information from its files to other life insurance companies to which you may apply for life or health insurance or to which a claim for benefits may be submitted.

PERSONAL INFORMATION

In order to ensure the confidentiality of the personal information held concerning the Insured, the Insurer will establish a group creditor file in which the information concerning its application for insurance will be placed, as well as the information concerning any insurance claim.

Only the employees or mandataries who will be responsible for underwriting, administration, investigations and evaluation of claims, will have access to this file.

The file will be kept in the Insurer's offices. You are entitled to consult the personal information contained in this file and may rectify your file by submitting a written request to the following address: National Bank Life Insurance Company, Access Officer, 1100 Robert-Bourassa Blvd, 5th Floor, Montreal, Quebec H3B 2G7.

For more information contact us at:

Montreal
Toll free

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

The masculine gender designates individuals of both sexes with no discrimination intended and is used only to facilitate reading.

No one may amend this Certificate of Insurance. All amended forms will be considered null and void. National Bank of Canada employees may at no time act as authorized agents of the Insurer for the administration of these group insurance policies.