

PROTECTING

Distribution Guide

Consumer Loan Insurance

Mortgage Loan
and All-In-One
Expert Platform

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 policies described in this guide are the following:

- ▣ Policy number 70004B13: Life, Critical Illness and Accidental Dismemberment and Disability Insurance plan for mortgage loans
- ▣ Policy number 70008B13: Life, Critical Illness and Accidental Dismemberment and Disability Insurance plan for All-In-One

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 proposal 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 three hundred sixty-five (365) days of the date of the Accident. The loss must persist for twelve (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 Insurer's insurance application form duly completed and signed by the applicant.

Bank: National Bank of Canada

Cancer (Life-threatening) : A definite diagnosis of a tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue.

The diagnosis of cancer must be made by a Specialist.

Cancer diagnosis must be made by a Specialist.

Does not include the following:

- carcinoma in situ, or
- Stage 1A malignant melanoma (melanoma less than or equal to 1.0 mm in thickness, not ulcerated and without Clark level IV or level V invasion); or
- any non-melanoma skin cancer that has not metastasized; or
- Stage A (T1a or T1b) prostate cancer.

Critical Illness: Cancer, Heart Attack and Stroke, as these illnesses are defined in this 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, 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 (myocardial infarction): A definite diagnosis of the death of heart muscle due to obstruction of blood flow, that results in:

Rise and fall of biochemical cardiac markers to levels considered diagnostic of myocardial infarction, with at least one (1) of the following:

- heart attack symptoms; or
- new electrocardiogram (ECG) changes consistent with a heart attack; or
- 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 .

Does not include the following:

- 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; or
- ECG changes suggesting a prior myocardial infarction, which do not meet the heart attack definition as described above.

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 under the “Maximum Benefit” section on page 21 of this document. 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 Application, has applied for insurance and meets the criteria under the “Eligibility and Insurability” section in the certificate of which he has received a copy.

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 **Mortgage Loan** exceeds the Initial Insured Amount. The Insured Balance will then be adjusted according to the same proportion.
- At the Refinancing date of your **Mortgage 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.
- At the Refinancing date of your **All-In-One**, insurance is granted in coverage recognition of a previous loan. In that event, the Insured Balance cannot exceed the amount of the insurance coverage you had on your All-In-One before the Refinancing date.

In no event can the amount exceed the Initial Insured Amount of the Loan or the amount indicated in the “Maximum Benefit” section on page 21 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 21 of this document.

For Mortgage Loan: The payment due, including principal, interest and any applicable loan insurance premium payments at the time of Disability. Depending on the choice stated in the Application, provisions for property and school taxes may be included in your payment.

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

For the All-In-One: The amount chosen by the Insured on enrollment for insurance, without exceeding the lesser of the following amounts: the amount chosen by the Insured in the Insurance application or 2% of the balance of the Loan at the time of the Insured Event.

Insurer: National Bank Life Insurance Company.

Loan: Subject to the type of Loan specified in the Application :

- Mortgage Loan;
- All-In-One.

Policy: One of the 2 group insurance policies on the outside back cover of this Guide according to the type of Loan insured.

Refinancing: Any change made to the Loan which results in an increase in the loan balance for a Mortgage Loan or authorized amount for All-In-One.

Relapse: During the ninety (90) days following the end of a Disability period covered by this certificate, any Disability which is due to the same cause and which persists at least seven (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 the Waiting Period.

Resident: Anyone who resides and is domiciled in Canada or the United States and who has lived there for one hundred and eightythree (183) days during the twelve (12) months prior to the date the Application was signed.

Specialist: A licensed medical practitioner 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 medical practitioner practising in Canada or the United States of America. 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 his Spouse and with whom he cohabits permanently.

Stroke (Cerebrovascular Accident):

A 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 thirty (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.

Does not include the following:

- ▶ transient Ischemic Attacks; or
- ▶ intracerebral vascular events due to trauma; or
- ▶ lacunar infarcts which do not meet the definition of stroke as described above.

Waiting period: The 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 Amount 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 Amount to the Bank, and if you receive a first diagnosis of Cancer or suffer Heart attack or Stroke, the Insurer will repay the Insured Balance of your Loan.

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, 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. 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 persons.

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 or expect to receive income-replacement benefits.

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.

For Mortgage Loan

The Insurer will repay the Insured Balance of your loan on the date of death.

If, on the date of enrollment to the insurance, Initial Amount Insured was less than the total amount of the Loan, the benefit is calculated in the same proportion.

Scenario

You have chosen life insurance to cover the amount of your mortgage loan of \$625,000 in case of death. However, the maximum benefit of life insurance you can get for this coverage is \$500,000.

- Initial Insured Amount = \$500,000
- Total amount of your loan on the enrollment date = \$625,000
- **Calculation of the proportion**
 $\$500,000 \div \$625,000 = 80\%$

In case of death, 80% of the balance will be covered by loan insurance.

For All-In-One

If the death is caused by an Accident, the Insurer will pay the Insured Balance at date of death.

If death is not caused by an accident, the Insurer will pay the lesser of:

- The Insured Balance of the Loan at the date of death, or
- 110% of the average daily balance of the Loan during the twelve (12) months preceding the date of death (or since the insurance effective date if the insurance has been in effect for less than twelve (12) months).

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 taxes 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.
- 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 Initial Amount Insured reduced by the amount of the Accidental Dismemberment benefit paid.
- 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 % (max. 100 %)
For both eyes	100 %
Hemiplegia, quadriplegia, paraplegia	100 %

For Mortgage Loan

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 (based on the percentage applicable to the loss).

If the initial Insured Amount was less than the total amount of the Loan, the benefit will be calculated using the same percentage.

Scenario

In addition to life insurance, you took out Critical Illness and Accidental Dismemberment insurance to cover your \$300,000 Mortgage Loan. Therefore, the maximum amount of Critical Illness and Accidental Dismemberment insurance you are eligible for is \$150,000.

- Initial Insured Amount \$ 150,000
- Total amount of the Loan \$ 300,000
as of the insurance enrolment date:
- **Calculating the proportion**
\$ 150,000 / 300,000 = 50%

The Insured Balance is therefore 50% of the Balance of your Loan as at the date of diagnosis of the Insured Event. In the event of Accidental Dismemberment, the percentage corresponding to the nature of the loss is applied to the Insured Balance (see the table on p. 16).

For Critical Illness Insurance, the benefit amount may be paid in one lumpsum directly on your Loan or, if you do not have Disability insurance, the Insurer may, at your request, pay it as instalments on your Loan for up to 24 months.

When the maximum period of 24 months ends or before, should you request that instalments cease, the Insurer will pay the Bank the balance of the benefit amount.

For All-In-One

For a Critical Illness, the Insurer will pay the lesser of:

- ▶ The Insured Balance of your Loan on the date of diagnosis of the Critical Illness; or
- ▶ 110% of the average daily balance of your Loan during the twelve (12) months preceding the date of diagnosis of the Critical Illness (or since the insurance effective date if the insurance has been in effect for less than twelve (12) months).

If you suffer Accidental Dismemberment, the Insurer will pay an amount equal to a percentage of the Insured Balance of your Loan calculated on the date of the Accidental Dismemberment (percentage for type of loss, see table on page 16).

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 two 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.

For Mortgage Loan

The amounts for municipal and school taxes are covered if you checked off this option when you signed the Insurance Application and they were still included in your mortgage payments when you became disabled.

If the Insurer is paying out Disability insurance benefits when the Loan is renewed, or there is an increase in property taxes, the amount of the Insured Payment will be adjusted, without going over 120% of the Insured Payment set at the start of the Disability. The expected end of the Disability period remains unchanged.

For All-In-One

If the Disability is the result of an Accident, the payment will correspond to the lesser of the following:

- The amount chosen in the Insurance Application; or
- 2% of the Insured Balance of the Loan at the start of the Disability.

If the Disability is not the result of an Accident, the payment will correspond to the lesser of the following:

- The amount chosen in the Insurance Application; or
- 2% of the Insured Balance of the Loan at the start of the disability; or
- 2% of 110% of the average daily Loan balance for the twelve (12) months preceding the start date of the Disability (or since the effective date of the insurance if the insurance has been in effect for less than twelve (12) months).

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
Mortgage Loan	\$500,000	\$150,000	\$2,000 / month
All-In-One			

For Mortgage Loan

If your Mortgage Loan is broken down into several portions and the total amount of the loan exceeds the maximum insurance benefit payable, your loan insurance will first be applied to the portion with the longest term, then to the portions with shorter terms until the benefit maximum is reached.

Scenario

You have a \$625,000 Mortgage Loan that is broken down into 3 portions. You took out life insurance to cover your \$625,000 Mortgage Loan in the event of death. Therefore, the maximum amount of life insurance you can take out for this type of loan is \$500,000.

	Loan amount	Term	Initial Amount Insured	% insured	Loan balance on date of death	Benefit paid by Insurer in the event of death
Portion 1	\$400,000	5 years	\$400,000	100 %	\$300,000	\$300,000
Portion 2	\$125,000	3 years	\$100,000	80 %	\$75,000	\$60,000
Portion 3	\$100,000	1 year	\$0	0 %	\$50,000	\$0

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 **automatically insured** once you have signed your Insurance Application, subject to the accuracy of the information provided. 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 insurance coverage

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 if death, Accidental Dismemberment or Disability resulting from an Accident occurs after the effective date of insurance.

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 type of Loan, the Insured Loan amount, the Insured's age, sex and smoking status.

Mortgage Loan: The premium is calculated based on the rates indicated on your Insurance certificate. The amount of the premium is calculated for the entire term of the Loan and does not change if the conditions of the Loan stay the same.

All-In-One: The premium is calculated based on the rates indicated on your insurance certificate and on the daily balance of the Line of credit. The initial premium is calculated based on the Insured's age, and is then adjusted after each anniversary of the date the Insurance Application was signed.

Premium payment

Mortgage Loan: The premium amount is automatically withdrawn with the periodic Loan payment.

All-In-One: The premium is withdrawn each month.

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 three (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:

Mortgage Loan:

- ▶ The date of disbursement of the Loan.

All-In-One (at the last of the following dates):

- ▶ The date you sign your Insurance Application;

or

- ▶ The date the Bank opens the Loan.

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 you:

- ▶ Consulted or received treatment from a physician or other health care professional; OR
- ▶ Have been examined; OR
- ▶ Are taking medication; OR
- ▶ Have been hospitalized

in the 12 MONTHS BEFORE the insurance policy began.

EXCLUSIONS SPECIFIC TO YOU AS 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 two (2) years after the start of your insurance coverage, whether or not the Insured was of sound state of mind;

ATTEMPTED SUICIDE OR SELF-INFLICTED INJURY: Attempted suicide or self-inflicted injury, whether or not the Insured was of sound state of mind;

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 is an employee of the Canadian Armed Forces;

RIOT: Active participation in an uprising riot or insurrection.

FOR CRITICAL ILLNESS INSURANCE:

NO CRITICAL ILLNESS INSURANCE BENEFIT PAYMENT IS PAYABLE FOR CRITICAL ILLNESSES CAUSE DIRECTLY OR INDIRECTLY BY:

CANCER:

- carcinoma in situ, or
- Stage 1A malignant melanoma (melanoma less than or equal to 1.0 mm thickness, not ulcerated and without Clark level of invasion IV or V), or
- all skin cancer, melanoma, other than in the absence of metastasis, or
- prostate cancer stage A (T1a or T1b).

EXCLUSION FOR 90 DAYS AFTER THE START OF THE INSURANCE COVERAGE: Any sign, symptom or health problem that started within 90 days after the start of the insurance coverage and that lead to the diagnosis of Cancer.

The Insured must report this information to the Insurer within 6 months after the date of diagnosis. Otherwise, the Insurer has the right to deny any claim for Critical Illness caused by cancer or its treatment.

STROKE:

- transient cerebral ischemic attacks, or
- intracerebral vascular accident caused by a trauma, or
- lacunar infarction, which do not meet the definition of stroke as described on page 11 of this guide.

HEART ATTACK:

- Elevation of cardiac biochemical markers as a result of an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty and in the absence of new Q waves, or
- fortuitous discovery ECG changes suggesting a prior myocardial infarction, which do not meet the definition of heart attack (myocardial infarction) 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 policy

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

To terminate your insurance, send notice to the Insurer by registered mail. The notice may be the “Notice of Cancellation of an Insurance Contract” on Page 46, 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 you signed the cancellation notice.

c) When your insurance ends

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

- **End of the loan:** 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 seventy (70);
- **Cancellation:** The date the Insured indicates that he wishes to terminate the insurance coverage (if the written notice is sent in advance) or the date the Insurer receives the notice;
- **Non-payment of premiums:** The date the payment becomes three 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;
- **Endorsment:** The date the Loan or a portion of the Loan is taken over by a co-insured or another debtor;
- **Transfer:** For a mortgage Loan, the day the creditor (the Bank) takes possession of the property you gave as a security (the mortgaged property) in payment of the Loan;
- **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 Amount 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 Amount has been paid by the Insurer to repay the Loan for Critical Illness and Accidental Dismemberment.

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 the list of all situations where you can be reimbursed for your premiums:

Termination

- ▶ You can terminate your insurance as long as you send written notice to the Insurer.

The insurance will end as soon as one of the following occurs:

- ▶ 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.

- ▶ If the Insurer terminates the group loan insurance policy, the loan insurance contract 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 or sex

- ▶ If the Insured's age or sex is misrepresented and the premium calculation for the Insured's actual age or sex is less than the premium collected, the difference between the premiums paid for the age or sex stated, compared to the actual age and sex 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.

False declaration about smoking status

If you make a false declaration in order to be insured as a non-smoker when you actually are a smoker, your loan insurance policy will automatically be cancelled retroactively to the date that it came into force and the premiums you have 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 at 1-877-871-7500 or 514-871-7500, or in writing to the head office of the Insurer at 1100 Robert-Bourassa Blvd, 5th Floor Montreal, Quebec H3B 2G7.

e) Other information

Declaration on smoking status

To be declared a non-smoker for insurance purposes, you must not have used tobacco products, marijuana or tobacco replacement products in any form during the **12 months** before you sign your Insurance Application.

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.

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 (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 maximum amount of benefits payable. The expiry period will be the same as it was before the Refinancing.

For Mortgage Loan: The insurance in effect will cover the amount of the Loan that remained to be paid before the Loan was refinanced.

For All-In-One: The insurance in effect will cover the Insured Amount of All-In-One before it was refinanced.

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, 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.

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 two (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.

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 6 of the document;
- **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 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 month 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 seven 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 45) 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:

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 cancellation 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 cancel 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 notify the Insurer by registered mail within that delay. You can use the model enclosed for this purpose.

Despite the cancellation of the insurance contract, the first contract you signed (the loan) will remain in force. Warning: you may lose favourable conditions as a result of this insurance contract; ask your distributor about this or read your contract.

After expiry of the 30-day delay, you may still terminate your insurance policy at any time, but there might be penalties for doing so.

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

Notice of cancellation 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 cancel the insurance 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 cancel an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered or certified mail. Where such an insurance contract is cancelled, 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

In order to maintain the confidential nature of the personal information kept concerning you, the Insurer will create an insurance file where all the information concerning your application for insurance along with information concerning any request for an insurance settlement shall be placed.

Only those employees or agents responsible for underwriting, administration, investigations and requests for settlement, or any other person you authorize, will have access to this file.

Your file will be kept in the Insurer's offices. You have the right to see the personal information kept in your file and, as the case may be, to have it corrected by making a written request to: National Bank Life Insurance, Privacy 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.

❖❖❖ Should you have any questions, do not hesitate to contact us.

514-871-7500 (Montreal)
1-877-871-7500 (elsewhere in Canada)

[**insurance@nbc.ca**](mailto:insurance@nbc.ca)



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