

Summary
Life Insurance, Disability Insurance
PERSONAL LOAN WITH MORTGAGE SECURITY

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

An amount equal to the loan balance upon the date of death. If the insured loan amount was less than the initial loan amount when the insured signed up for the insurance, the benefit will be calculated using the same proportion.

Disability Insurance

If the disability persists after the waiting period of 60 consecutive days, an amount equal to the loan payment. If the insured payment was less than the loan payment when the insured signed up for the insurance, the benefit will be calculated using the same proportion.

The Insurer pays out a maximum of 24 consecutive months of disability benefits for a single period of disability. In addition, the insured(s) can have no more than the maximum overall number of 48 months of disability benefits for all periods of disability that may occur during the loan period.

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 makes the final loan disbursement.

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 the monthly premium

The monthly premium is calculated based on the insured's age, the initial amount insured of the loan for the life insurance and the insured payment for the disability insurance.

Example: A 39-year old woman with a \$15,000 personal loan with mortgage security with \$400 monthly payments wants to take out life insurance and disability insurance. The premium rate is \$0.20 per \$1,000 of the initial amount insured of the loan for the life insurance and \$0.27 per \$10 of the insured payment for the disability insurance.

The premium is calculated as follows: $(\$15,000 \div \$1,000 \times \$0.20) + (\$400 \div \$10 \times \$0.27) = \$13.80$ per month, plus any applicable taxes.

See the "Table of Monthly Premium Rates - Personal Loan with Mortgage Security" section found on the insurance certificate.

Termination of insurance

This insurance terminates on the earliest of the following events:

- the date on which a 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 repaid in full, the end of the scheduled repayment period or the date the loan is closed;
- the date on which the loan is taken over by another creditor, the date on which the insured assigns his rights to the building 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, if a life insurance benefit repaying the loan is payable;
- 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, Disability Insurance
PERSONAL LOAN WITH MORTGAGE SECURITY

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.

Bank: National Bank of Canada.

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.

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 or Disability in accordance with the applicable group insurance Policy.

Insured Payment: The amount payable, including principal, interest and any applicable loan insurance premium. The Insured Payment under no circumstances includes principal, interest or premiums past due at any given date.

Insurer: National Bank Life Insurance Company.

Loan: Personal Loan with Mortgage Security.

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.

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 3. EFFECTIVE DATE OF INSURANCE

The insurance will take effect on the later of the following dates: the date on which the Insurance Application is signed, or the date of the disbursement of the Loan.

When evidence of insurability must be submitted to the Insurer and before all the tests or medical forms required by the Insurer are received, benefits are payable only if death or Disability results from an Accident and occurs within 120 days of the date on which premium payments start. This time period is 90 days if any evidence of insurability was never submitted. However, if the death occurs during the application study period and the applicant's application would have been accepted, the benefit will be paid. If the evidence of insurability submitted by an applicant is deemed unsatisfactory by the Insurer, no insurance will be granted to him. If the Insurer refuses to grant insurance coverage, any premiums paid by the applicant shall be reimbursed.

SECTION 4. MISSTATEMENT OF AGE

Age is determined according to the age of the Insured on his last birthday. If the age of an Insured is incorrectly stated, the benefit payable will be adjusted to the amount that would have been paid for the Insured's actual age according to the premiums effectively paid, without exceeding the benefits payable. If the age of the Insured exceeds the maximum age covered by the insurance, no benefit will be payable under said insurance. In such cases, the amount of premiums paid in excess, if applicable, shall be reimbursed.

SECTION 5. REFINANCING OF A LOAN

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 balance of the former Loan. For the Refinancing while the Insured is on Disability, the Insurer will pay the Disability benefits provided for before the Refinancing without however exceeding the amount of the new payment further to the Refinancing or the expiry/amortization period when the Disability began.

SECTION 6. LIFE INSURANCE BENEFITS

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

Personal Loan with Mortgage Security: Balance of Loan calculated at time of death, plus all accrued interest since the date of death. The balance does not include any past due principal, interest or premiums as at the date of death. If, on the Insurance Application date, the insured initial balance was less than the Loan amount, the life insurance benefit shall be calculated according to the same ratio.

SECTION 7. TABLE OF MONTHLY PREMIUM RATES - PERSONAL LOAN WITH MORTGAGE SECURITY

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

Age ⁽¹⁾	LIFE	DISABILITY
	Per \$1,000 of Initial Amount Insured of the Loan \$0 to \$1,000,000	Per \$10 of Insured Payment \$0 to \$5,000 per month
	All	All
18 to 25 years	\$0.12	\$0.16
26 to 30 years	\$0.12	\$0.16
31 to 35 years	\$0.13	\$0.22
36 to 40 years	\$0.20	\$0.27
41 to 45 years	\$0.29	\$0.35
46 to 50 years	\$0.44	\$0.43
51 to 55 years	\$0.55	\$0.54
56 to 60 years	\$0.70	\$0.69
61 to 64 years	\$0.90	\$0.87

⁽¹⁾ At the time of signing the Application.

Factor based on number of insureds: Multiply the premium of the oldest Insured by protection by a variable corresponding to the number of Insureds:	Life		Disability	
		1 Insured	100%	1 Insured
	2 Insureds	180%	2 Insureds	190%
	3 Insureds	270%	3 Insureds	280%
	4 Insureds	360%	4 Insureds	370%
	5 Insureds	450%	5 Insureds	460%

Add the applicable tax to the premiums: Quebec: 9% Ontario and Manitoba: 8% Other provinces: 0%

Factor based on payment frequency: FOR LIFE INSURANCE ONLY: Multiply the monthly life insurance premium by the factor corresponding to the payment frequency.		
	weekly	0.2301
	every two weeks	0.4603
	monthly	1
	quarterly	3
	semi-annually	6
	annually	12

PERSONAL LOAN WITH MORTGAGE SECURITY – CALCULATION OF PREMIUM

Age of the oldest insured	Years	Years
	Life	Disability
Monthly premium rate	(1) <input type="text"/>	(3) <input type="text"/>
Initial Amount Insured _____ / 1,000	(2) <input type="text"/>	
Insured payment _____ / 10		(4) <input type="text"/>
Premium amount (1) x (2) or (3) x (4)	<input type="text"/>	<input type="text"/>
Discount factor (for multiple insureds)	X <input type="text"/> %	<input type="text"/> %
Factor based on payment frequency	X <input type="text"/>	
Tax (Quebec 1.09 – Ontario and Manitoba 1.08)	X <input type="text"/>	<input type="text"/>
Life premium	(5) <input type="text"/>	
Disability premium		(6) <input type="text"/>
Total premium (5) + (6)	<input type="text"/>	

SECTION 8. 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.

Maximum benefit period: Subject to the rules related to Relapse contained in the "Definitions" section of this certificate, a maximum of twenty-four (24) months of consecutive Insured Payments is payable for a same Disability even if the Insured's Disability persists beyond this period.

In addition, the Insured(s) may only benefit collectively from a maximum of forty-eight (48) months of Insured 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, if the Insured is unemployed, return to normal activity for a person of his age.

Waiting Period: 60 consecutive days.

Loan renewal

If the Insured is disabled when the Loan is to be renewed, the Disability insurance benefits are adjusted to cover the new Payment calculated on the renewal date, keeping the original Loan expiry date, and must not exceed 120% of the Payment payable when the Disability began.

The expiry period of the Disability insurance benefits cannot, under any circumstances, exceed the period initially provided for.

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 Benefit Period:** at the expiration of the Maximum benefit period;
- **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 repaying the Loan is payable;
- **Compensated or paid activities:** as soon as the Insured engages in a compensated or paid activity.

SECTION 9. 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 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 10. TWO OR MORE INSURED

Two or more Insureds can be covered under the same Loan. For life 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.

SECTION 11. 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 benefits.

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

SECTION 12. RESTRICTIONS AND EXCLUSIONS

Concerning life insurance and Disability insurance:

No benefits shall be paid for death 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 or Disability 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.

SECTION 13. 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 transfer by the Insured of all his rights in the property securing the Loan;
- **Maximum age:** the last day of the month in which the Insured reaches age 70;
- **Death:** the death of an Insured, if a life insurance benefit repaying the Loan is payable;
- **For Disability 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.