

SUMMARY

Consumer loan insurance— Personal Line of Credit

11 important facts you should know about the loan insurance

Do you have a personal line of credit with National Bank of Canada?
Have you considered insuring it?

Read this summary!

It presents key points about the loan insurance.

Understanding these points will help you determine if this insurance product meets your needs so you can make an informed decision about your application.

This summary is an explanatory document. It is not part of your insurance contract. Only the completed application and the insurance certificate attached constitute the insurance contract.



For all the details of the coverage, consult the insurance certificate, which is also available at nbc-insurance.ca > [Documentation](#).

- > Once you sign up, you are entitled to a 30-day review period. If you cancel the insurance before the end of that period, we reimburse any premiums paid.

INFORMATION ABOUT THE INSURER



> National Bank Life Insurance Company

1100 Robert-Bourassa Blvd., 5th Floor
Montreal, Quebec H3B 2G7

Telephone Montreal area: 514-871-7500

Toll-free: 1-877-871-7500

nbc-insurance.ca
insurance@nbc.ca

Client number delivered by the
Autorité des marchés financiers: 2000891377

To check the status of the insurer in the AMF
registry: lautorite.qc.ca

DISTRIBUTOR INFORMATION

> National Bank of Canada

600 De La Gauchetière St. West
Montreal, Quebec H3B 4L2

Telephone Montreal area: 514-394-5555

Toll-free: 1-888-483-5628

nbc.ca

Here are 11 important facts you need to know about the loan insurance

1 There are 3 types of loan insurance coverage

1 In the event of your death, **life insurance** will help pay down your personal line of credit and free your family from one of the many obligations that come with the death of a loved one.

2 Critical illness and accidental dismemberment insurance will cover all or part of your loan if you are diagnosed with one of these three critical illnesses:

- > Cancer
- > Heart attack
- > Stroke

or

- > If you suffer the permanent and irreversible loss of a limb or an eye as a result of an accident (accidental dismemberment).

This will allow you to focus on getting better during this difficult time.

3 If an injury or illness renders you unable to work or carry out the usual tasks of a person of your age, **disability insurance** can reduce the impact of lost income by helping you cover all or part of your monthly payments. Benefits start after 60 days of disability.

You can sign up for all three types of coverage or choose one or two. It's up to you!

However, you must sign up for life insurance to be eligible for critical illness or disability insurance.

2 Loan insurance covers the insured balance or insured payment of your loan, in whole or in part

We will cover the insured balance or insured payment* of your loan, as follows:

Insurance	Amount paid
Life insurance (non-accidental death) Critical illness insurance	The lower of: <ul style="list-style-type: none"> > The insured balance of the loan as at the date of the event; or > The average daily balance of the loan over the past 12 months (or since the insurance start date if it has been less than 12 months) multiplied by 110%.
Life insurance (accidental death)	An amount equivalent to the insured balance of the loan as at the date of the event.
Accidental dismemberment insurance	An amount equivalent to a percentage of the insured balance of the loan as at the date of the insured event. The percentage is determined by the loss.
Disability insurance (non-accidental disability)	The lower of: <ul style="list-style-type: none"> > The insured payment as at the start date of the disability; or > 2% of the average daily balance of the loan over the past 12 months (or since the insurance start date if it has been less than 12 months) multiplied by 110%.
Disability insurance (accidental disability)	An amount equivalent to the insured payment as at the start date of the disability.


*The certificate explains the insured balance for each coverage in articles 4.1, 5.4 and 6.2. You will find the definition of insured payment in article 7.3.

In the case of a refinancing where previous insurance coverage is being recognized, the insurance amount recognized will be the insured balance of the loan as at the date of refinancing.

Maximum amount payable for each type of coverage

The amount payable for a claim cannot exceed the maximum for each type of coverage.

Life insurance	Critical illness and accidental dismemberment insurance	Disability insurance
\$500,000	\$150,000	\$2,000/month

 See articles 3, 4.1, 5.4, 6.2 and 7.3 of the insurance certificate for more information on the amounts payable when an insured event occurs.

3 Loan insurance involves exclusions

We may refuse to pay your claim because of the exclusions described in the insurance certificate in articles 4.2, 5.1.1, 5.2.1, 5.3.1, 7.2 and 8.

Please review them immediately.



WARNING – Exclusions

We will not pay any benefits in the following situations:

Life insurance

- > Suicide within two years of the effective date of the insurance.

Critical illness insurance

Cancer

- > Certain types of cancer that are not life-threatening;
- > A diagnosis of cancer, or signs, symptoms or exams that resulted in such a diagnosis (regardless of the date of diagnosis), within 90 days of the start date of the insurance coverage, whether the cancer is covered or excluded.

Heart attack

- > 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 Q waves; or
- > The discovery of ECG changes suggesting a prior myocardial infarction, which do not meet the definition of a heart attack in the insurance certificate.

Stroke

- > Transient ischaemic attacks;
- > Intracerebral vascular events due to trauma;
- > Ischaemic disorders of the vestibular system;
- > Death of tissue of the optic nerve or retina without total loss of vision of that eye; or
- > Lacunar infarcts which do not meet the definition of stroke as described above.

Disability insurance

- > Pregnancy;
- > Cosmetic care;
- > Back pain (if its existence is based solely on pain felt without being able to establish the cause using tests or examinations that demonstrate the presence of an injury or medical condition);
- > Alcoholism or addiction.

All coverage

- > Pre-existing condition: if death, critical illness, accidental dismemberment or disability occur within **12 months of the start date** of the insurance and you showed signs or felt symptoms, consulted, received treatment, were examined by or referred for an examination by a health professional, took medication, received a prescription or were hospitalized in the **12 months preceding the start date** of the insurance for a condition related to death, critical illness, accidental dismemberment or disability;
- > Exclusions specific to the insured (if applicable);
- > Attempted suicide or self-inflicted injury;
- > Use of narcotics not prescribed by a physician;
- > Any direct activities on a flight in any type of craft that can climb and fly such as, but not limited to: an airplane, helicopter, glider or hot air balloon, whether as pilot, crew member, instructor or student;
- > Active participation in a riot;
- > A terrorist act that you commit or attempt to commit;
- > War.



For details, see the insurance certificate in sections 4.2, 5.1.1, 5.2.1, 5.3.1, 7.2 and 8.

4 You must meet certain criteria in order to be insured

For life insurance:

- > Be 18 to 64 years old;
- > Be living in Canada or the United States; and
- > Be a borrower, co-borrower, guarantor, surety or endorser of the loan covered by the insurance application.

For critical illness and accidental dismemberment insurance:

- > You must have signed up for life insurance.

For disability insurance:


- > You must have subscribed to life insurance, be employed and have worked 60 hours or more in the last 4 weeks for remuneration; or
- > If you are self-employed, you must have received a gross income of \$10,000 or more in the last financial year.

You may NOT apply for disability insurance if you are:

- > Unemployed;
- > On sick leave;
- > Jobless; or
- > If you receive benefits in place of your income (e.g., parental leave, worker's compensation).

You may, however, request to add this coverage once you return to work.

Depending on your age and the amount of insurance requested, we will also ask you questions regarding your health status and lifestyle choices.

 Review section 2 of the insurance certificate for complete details.

5 Your insurance premium is calculated each month based on the amount of the personal line of credit used

The personal line of credit is based on the "user pays" principle, as are your loan insurance premiums.

That means the higher your balance used, the higher your premium. Conversely, a lower balance means a lower premium.

Furthermore, we reserve the right to amend our premium rate scales at any time. If we do so, the premiums charged to all our insureds will change.


6 We use several factors to establish your rate and calculate your premium

Your premium rate is based on a number of factors, including:

- > Balance used;
- > Your age when you sign the insurance application and your age each year on the anniversary date of the insurance;
- > Your sex;
- > Your use of tobacco products.

For life insurance, critical illness and accidental dismemberment insurance, you are entitled to a 10% discount on your insurance premiums if there are more than one insured.

A tax on insurance applies to your premium amount, depending on which Canadian province you live in.

 Consult the insurance certificate for premium rates and nbc.ca for tax rates.

Here's how we calculate insurance premiums for the personal line of credit

The insurance premium for the personal line of credit is calculated every day based on the insured balance used. At the end of the billing period, the monthly premium we charge represents the average of these daily amounts.

Monthly premiums may vary based on the number of days in the billing period, the balance used and the applicable premium rate.

7 Duration of insurance

Start

The insurance comes into effect on the later of the following dates:


- > The date the insurance application is signed; or
- > The date the loan was opened.

When you need to provide proof of insurability, we will inform you of our decision by written notice no later than 30 days after receiving all necessary documentation to review your insurance application.

End


Insurance generally remains in effect for the entire loan duration, unless you decide to terminate your coverage.

Other circumstances can also lead to termination of insurance coverage, such as refinancing or failure to pay premiums.

 See section 9 of the insurance certificate for more information.

8 You'll have access to temporary accident coverage while we are studying your application


While we are studying your insurance application, you are covered in the event of accidental death, dismemberment or disability (depending on the coverage selected).

 See section 2.2.3 of the certificate for the definition of an accident and details of temporary coverage in the event of an accident.

9 If you make a false declaration, we may refuse your claim and cancel your insurance coverage

You must always provide accurate information on your health status, lifestyle and tobacco use, and any other information we deem necessary.

If, as part of a claim or at any other time during the duration of insurance, we obtain any information that differs from the information you provided, **we may refuse your claim and cancel your insurance** retroactively to its effective date.

 See sections 2.2, 2.2.1 and 2.2.2 of the insurance certificate for more information.

10 How to file a claim and applicable timeframes

Insurance can give you peace of mind should the unexpected occur. Here's how to file an insurance claim.

- 1 Contact our Customer Service Department at 1-877-871-7500.
We'll open a file for you and send you the forms to be completed;
or
Print the forms you need from our website at nbc.ca.
- 2 Complete the forms and send them, along with any documents needed to review your claim, to our offices at:

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

Timeframes for submitting claim forms and supporting documents

- > **Life insurance:**
As soon as reasonably possible.
- > **Critical illness, accidental dismemberment or disability insurance:**
Within a year of the event.

- 3 We will notify you of our decision and, if applicable, proceed with payment after we review your claim.

Payments

We process claim requests, carry out verifications and proceed with payment within 30 days of receiving all documents required to review the claim.

11 Loan insurance is optional and you are entitled to terminate it at any time

You can terminate your insurance at any time at no cost by calling us at 1-877-871-7500.

You can also send a written request to:

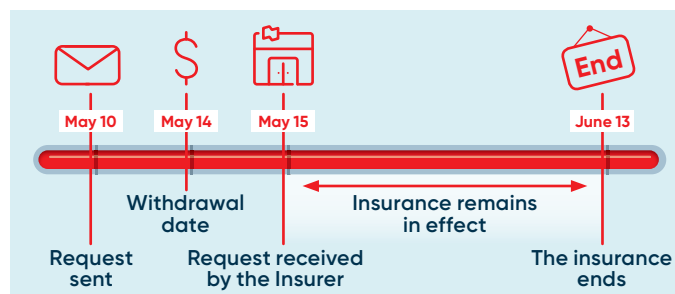
National Bank Life Insurance Company

1100 Robert Bourassa Blvd., 5th Floor
Montreal, Quebec H3B 2G7

Your insurance coverage will end on the next premium payment date after the later of the following dates:

- > The date on which you choose to terminate your insurance coverage; or
- > The date on which we receive your termination request.

For example, in the image below, the insurance would remain in effect until June 13, since the insurer received the request to terminate the insurance after the current month's premium payment date.



When you terminate your insurance contract, premiums are not refunded and no grace period is granted.

Notice given by a distributor

Section 440 of the *Act respecting the distribution of financial products and services* (chapter D-9.2)

The Act respecting the distribution of financial products and services gives you important rights.

The Act allows you to rescind an insurance contract, **without penalty**, within 10 days of the date on which it is signed. However, the insurer may grant you a longer period.

To rescind the contract, you must give the insurer notice, within that time, by registered mail or any other means that allows you to obtain an acknowledgement of receipt.

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

After the expiry of the applicable time, you may rescind the insurance contract at any time; however, penalties may apply.

For further information, contact the Autorité des marchés financiers at 1-877-525-0337 or visit www.lautorite.qc.ca.

Notice of rescission of an insurance contract

Send to:

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

Date: _____ (Date notice sent)

Pursuant to section 441 of the *Act respecting the distribution of financial products and services*,

I hereby rescind insurance contract no.: _____ (number of contract, if indicated)

Entered into on: _____ (date of signature of contract)

In: _____ (place of signature of contract)

(name of client)

(signature of client)



The client experience is our top priority

We're here to listen and help, no matter what you have to say.

Call our Customer Service Department at **1-877-871-7500** or consult the website at nbc-insurance.ca for our complaint settlement policy.

Insurer: National Bank Life Insurance Company.

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