

# Insurance application for consumer loan

Reassure your loved ones... Insure your loan.

Life, critical illness and accidental dismemberment, disability

New construction



Mortgage loans



The purpose of this fact sheet is to inform you of your rights.  
It does not relieve the insurer or the distributor of their obligations to you.

## LET'S TALK INSURANCE!

Name of distributor: National Bank of Canada

Name of insurer: National Bank Life Insurance Company

Name of insurance product: Consumer Loan Insurance



### IT'S YOUR CHOICE

You are never required to purchase insurance:

- that is offered by your distributor;
- from a person who is assigned to you; or
- to obtain a better interest rate or any other benefit.

Even if you are required to be insured, **you do not have to** purchase the insurance that is being offered. **You can choose** your insurance product and your insurer.



### HOW TO CHOOSE

To choose the insurance product that's right for you, we recommend that you read the summary that describes the insurance product and that must be provided to you.



### DISTRIBUTOR REMUNERATION

A portion of the amount you pay for the insurance will be paid to the distributor as remuneration. The distributor **must** tell you when the remuneration exceeds 30% of that amount.



### RIGHT TO CANCEL

The Act allows you to rescind an insurance contract, **at no cost**, within 10 days after the purchase of your insurance. However, the insurer may grant you a longer period of time. After that time, fees may apply if you cancel the insurance. **Ask** your distributor about the period of time granted to cancel it **at no cost**.

If the cost of the insurance is added to the financing amount and you cancel the insurance, your monthly financing payments might not change. Instead, the refund could be used **to shorten the financing period**. **Ask your distributor for details**.

The *Autorité des marchés financiers* can provide you with unbiased, objective information.  
Visit [www.lautorite.qc.ca](http://www.lautorite.qc.ca) or call the AMF at 1-877-525-0337.

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**Summary**

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

**MORTGAGE LOAN**

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**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.

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**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 balance of the loan was less than the initial loan amount when the insured signed up for the insurance, the benefit will be calculated using the same proportion.

**Critical illness insurance**

An amount equal to the loan balance on the date that the insured first receives a diagnosis of either cancer, heart attack or stroke. If the insured balance of the loan was less than the initial loan amount when the insured signed up for the insurance, the benefit will be calculated using the same proportion.

**Accidental dismemberment**

An amount equal to a percentage of the loan balance on the date of the accidental dismemberment. The percentage depends on the loss. If the insured balance of the loan 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 mortgage payment. If the insured payment was less than the mortgage 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 further evidence of insurability, your insurance coverage will take effect on the date of the final disbursement of the loan.

After the expected effective date of insurance, if you must provide further 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, gender and use of tobacco products and the initial amount insured of the loan.

Example: A woman, 39 years of age, non-smoker with a \$175,000 mortgage, wants to take out life insurance on the mortgage. The premium rate is \$0.17 per \$1,000 of the initial amount insured of the loan.

The premium is calculated as follows:  $\$175,000 \div \$1,000 \times \$0.17 = \$29.75$  per month, plus any applicable taxes.

See the "Table of Monthly Premium Rates – Mortgage Loan" 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 and the loan payment are more than 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 date on which the loan or a portion of the loan is endorsed by a co-insured or another debtor;
- 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 balance is payable;
- the date of the diagnosis of critical illness or accidental dismemberment, if a critical illness and accident dismemberment insurance benefit covering the entire loan balance for life insurance is payable;
- the date on which the life insurance policy ends.

**Cancellation of product**

You may cancel your insurance contract at any time by submitting a written request to the Insurer at the address appearing on page 2 of your certificate of insurance, by calling the Insurer at 1-877-871-7500 or visiting your branch.

**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

### MORTGAGE LOAN

This certificate attests that all applicants 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 the premiums;
- the Insurer's approval of the evidence of insurability, when required.

Any concealment or misrepresentation by the Insured results in the automatic 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 under the Policy.

Enrollment in the insurance is optional and can be terminated at any time. If the Insured cancels the insurance within thirty (30) days of the date the Application was signed, the Insurer will reimburse any premiums paid, if applicable, and the insurance will never have taken effect.

#### SECTION 1. DEFINITIONS

**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.

**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 certificate.

**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:**

- For loans of \$300,000 or less: Total amount of the Loan as of the effective date of the insurance
- For loans over \$300,000: percentage of the Loan balance that is insured, in accordance with the choice indicated by the client on the Insurance Application

The Initial Insured Amount cannot exceed the amount specified in the "Maximum Benefit" section of this certificate.

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

**Insured Balance:**

## Life insurance

- For loans of \$300,000 or less on the effective date of the insurance and loans over \$300,000 that are fully (100%) insured on the effective date of the insurance: the Loan balance on the date of the Insured Event, without exceeding the maximum benefit amount for each coverage.
- For loans over \$300,000 with 50% coverage on the effective date of the insurance: 50% of the Loan balance on the date of the Insured Event, without exceeding the maximum benefit amount for each coverage.

## Critical Illness and Accidental Dismemberment insurance

- The Loan balance or 50% of the Loan balance at the time of the Insured Event, multiplied by the proportion between the maximum amount of benefit payable and the total amount of the loan at the time of enrollment in the insurance.
- The percentage of insurance selected for life insurance applies to the Critical Illness insurance.

The Insured Balance decreases at the same rate as the Loan Balance.

The Insured Balance cannot exceed the amount specified in the “Maximum benefits” section of this certificate.

**Example 1**

Total Loan amount on the effective date of the Insurance: \$475,000

Loan payment: \$2,500 / month

	100% coverage	50% coverage
<b>Initial Amount Insured</b>	\$475,000	\$237,500 (\$475,000 X 50%)
<b>Loan Balance at the time of the Insured Event</b>	\$380,000	
<b>Insured Balance for life insurance on the date of the Insured Event</b>	\$380,000	\$190,000 (\$380,000 X 50%)
<b>Insured Balance for critical illness and accidental dismemberment insurance on the date of the Insured Event</b>	\$120,004 (\$150,000 / \$475,000) X \$380,000	\$60,002 (\$150,000 / \$475,000) X (\$190,000 X 50%)

**Example 2**

Total Loan amount on the effective date of the Insurance: \$475,000

Loan payment: \$2,500 / month

	100% coverage	50% coverage
<b>Initial Amount Insured</b>	\$475,000	\$237,500
<b>Loan Balance at the time of the Insured Event</b>	\$60,000	
<b>Insured Balance for life insurance on the date of the Insured Event</b>	\$60,000	\$30,000 (\$60,000 X 50%)
<b>Insured Balance for critical illness and accidental dismemberment insurance on the date of the Insured Event</b>	\$18,948 (\$150,000 / \$475,000) X \$60,000	\$9,474 (\$150,000 / \$475,000) X (\$60,000 X 50%)

When previous insurance coverage is recognized, if the Initial Loan Amount Insured was lower than the total Loan amount on the effective date of the insurance, the Insured Balance is adjusted proportionally.

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

**Insured Payment:** The mortgage payment of the Loan on the date of the Insured Event, without exceeding the amount specified under the “Maximum Benefit” section of this certificate, including principal, interest and any applicable Loan insurance premium and, based on the choice indicated on the Application, provisions for property and school taxes, if included in the mortgage payment at the time of the Disability. For loans over \$300,000, the insurance percentage selected for life insurance (100% or 50%) also applies to the Insured Loan Payment.

**Example**

Total Loan amount on the effective date of the Insurance: \$475,000

Loan payment: \$2,500 / month

	100% coverage	50% coverage
<b>Initial Amount Insured</b>	\$475,000	\$237,500
<b>Loan Balance at the time of the Insured Event</b>	\$380,000	
<b>Insured Balance for life insurance on the date of the Insured Event</b>	\$380,000	\$190,000
<b>Insured Balance for critical illness and accidental dismemberment insurance on the date of the Insured Event</b>	\$120,004	\$60,002
<b>Insured Disability Payment</b>	\$2,000 / month (maximum benefit amount)	\$1,250 / month (Loan payment X 50%)

The Insured Payment under no circumstances includes principal, interest, taxes or premiums past due at any given date.

**Insurer:** National Bank Life Insurance Company, whose head office is located at 1100 Robert-Bourassa Blvd, 5th Floor, Montreal, Quebec H3B 2G7.

**Loan:** Mortgage loan that is the subject of the attached Application.

**Policy:** Group insurance policy No. 70004B13. The Insured may request in writing a copy of the Policy from the Insurer for an administrative fee.

**Refinancing:** Any change made to the Loan which results in a higher loan balance.

**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 eighty-three (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.

## **SECTION 2. ELIGIBILITY AND INSURABILITY**

The applicant must satisfy the eligibility and insurability conditions under the "Eligibility" and "Health Declaration" sections of the Application and satisfy the Insurer's requirements with respect to his state of health and his lifestyle. The Insurer may request, if necessary, that a physical examination, electrocardiogram, X-rays, blood tests, urine tests or any other tests, including screening for HIV (AIDS) and certain drugs or medication be conducted to assess the risk related to the Application. Any fees incurred for a medical examination not required by the Insurer are payable by the applicant.

## **SECTION 3. EFFECTIVE DATE OF INSURANCE**

The insurance will take effect on the date of the final disbursement of the mortgage loan.

The insurance benefits shall be payable between the final approval date of the mortgage loan and the date the final disbursement of the mortgage loan only if death, Disability or Accidental Dismemberment results from an Accident, as defined in section 1 of this insurance certificate.

If evidence of insurability submitted by the applicant is deemed unsatisfactory by the Insurer, no insurance will be granted. If the Insurer refuses to grant insurance coverage, any premiums paid by the applicant shall be reimbursed.

## **SECTION 4. MISSTATEMENT OF AGE OR SEX**

Age is determined according to the age of the Insured on his last birthday before the date the Insured signed the Application. If the age or sex 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 and/or sex according to the premiums effectively paid, without exceeding the Insured Balance of the Loan. If the actual age of the Insured exceeds the maximum age covered by the insurance, no benefit will be payable under the said insurance and any premiums paid in excess will be reimbursed without interest.

## **SECTION 5. MISREPRESENTATION WITH RESPECT TO TOBACCO USE**

In order to be declared a non-smoker, the Insured must not have used tobacco or marijuana or nicotine replacement products of any kind during the twelve (12) months preceding the date the Application was signed.

If insurance is issued based on "non-smoker" smoking status and there is found to be misrepresentation in the insured's declarations in the Application or in any other communication to the Insurer, the insurance is automatically cancelled retroactive to its effective date and any premiums paid will be refunded without interest.

## **SECTION 6. SUICIDE OF THE INSURED**

In the event of suicide of the Insured within the first two (2) years following the effective date of the insurance, whether or not he is of sound mind, the Insurer's obligation is limited to refunding, without interest, any premiums paid by the Insured, if applicable, and the insurance will be automatically cancelled retroactive to its effective date.

## **SECTION 7. REFINANCING OF A LOAN**

In the case of a Loan to be Refinanced by the Bank, a new Application must be submitted to the Insurer. The terms and conditions of the new insurance application, with all its restrictions and exclusions (including premium rates, applicant's age and the loan balance on the date the new application is signed), will apply.

### **Coverage recognition of a previous loan**

If, during the Refinancing of a Loan, the new insurance application is refused, the Insurer may, upon receipt of a written request from the Insured within ninety (90) days of notice of the refusal, recognize the coverage that was in effect immediately prior to the Refinancing, but under the terms and conditions of the new application.

Coverage recognition of a previous loan is subject to a review of the file and contingent on the accuracy of the information provided since the first effective date of the insurance. The insurance amount recognized will be the Insured Balance of the Loan prior to the Refinancing date. For Loans over \$300,000, the percentage of insurance selected on the new application will apply to this amount. The insurance amount recognized cannot exceed the amount specified under the "Maximum Benefit" section of the new certificate.

If an Insured had Disability insurance when Refinancing took place, the new Insured Payment will be calculated based on the Insured Balance of the previous loan as of the date of the Refinancing divided by the total amount of the new Loan. For Loans over \$300,000, the percentage of insurance selected on the new application will apply to the Insured Payment. The insurance amount recognized cannot exceed the amount specified under the "Maximum Benefit" section of the new certificate.

If Refinancing takes place while the Insured is on Disability, the Insurer will pay the Disability benefit provided for before the Refinancing, without exceeding the amount of the new mortgage payment after the Refinancing, or the amount specified under the "Maximum Benefit" section of the new certificate, and the maturity/amortization period provided for at the start of the Disability.

#### Adding one or more protections (Loan already covered with life insurance)

It is possible to add one or more protections at any time during the term of the Loan by completing a new Insurance Application for the new coverage. The conditions of the new Insurance Application will only apply for added protections.

For loans over \$ 300,000, the insured percentage for new coverage must be the same as the insured percentage selected for life insurance. To make a change to the percentage already insured, a new Application must be completed for all protections.

#### SECTION 8. DEATH BENEFIT

In case of death, the Insurer will pay the Bank the death benefit equal to the Insured Balance of the Loan calculated on the date of death, plus any interest accrued since that date. The Insured Balance under no circumstances includes principal, interest, taxes or premiums past due on the date of death. Any insurance premium due to the Insurer on the date of death will be deducted from the death benefit.

#### Example

Total Loan amount on the effective date of the Insurance: \$475,000

Loan payment: \$2,500 / month

	100% coverage	50% coverage
<b>Initial Insured Amount for life insurance</b>	\$475,000	\$237,500 (\$475,000 X 50%)
<b>Loan Balance at the time of the Insured Event</b>	\$380,000	
<b>Insured Balance for life insurance on the date of the Insured Event</b>	\$380,000	\$190,000 (\$380,000 X 50%)
<b>Insured Balance for critical illness and accidental dismemberment insurance on the date of the Insured Event</b>	\$120,004	\$60,002
<b>Insured Payment for Disability</b>	\$2,000 / month (maximum benefit amount)	\$1,250 / month (Loan payment X 50%)
<b>Death benefit</b>	<b>\$380,000</b>	<b>\$190,000</b>

#### SECTION 9. TABLE OF MONTHLY PREMIUM RATES – MORTGAGE LOAN

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 <sup>(1)</sup>	LIFE					Critical Illness and Accidental Dismemberment	DISABILITY Per \$10 of Insured Payment
	Per \$1,000 of Initial Amount Insured of the Loan						
	\$0 to \$124,999	\$125,000 to \$1,000,000				\$0 to \$150,000	\$0 to \$2,000 per month
	All	Male		Female		All	All
	Non-smoker	Smoker	Non-smoker	Smoker			
18 to 25 years	\$0.12	\$0.12	\$0.19	\$0.09	\$0.14	\$0.15	\$0.17
26 to 30 years	\$0.12	\$0.12	\$0.20	\$0.09	\$0.16	\$0.18	\$0.17
31 to 35 years	\$0.13	\$0.13	\$0.20	\$0.11	\$0.18	\$0.23	\$0.24
36 to 40 years	\$0.20	\$0.19	\$0.26	\$0.17	\$0.23	\$0.30	\$0.29
41 to 45 years	\$0.29	\$0.27	\$0.40	\$0.24	\$0.33	\$0.40	\$0.38
46 to 50 years	\$0.44	\$0.41	\$0.64	\$0.36	\$0.49	\$0.62	\$0.46
51 to 55 years	\$0.55	\$0.50	\$0.87	\$0.43	\$0.62	\$0.96	\$0.58
56 to 60 years	\$0.70	\$0.63	\$1.15	\$0.52	\$0.78	\$1.28	\$0.74
61 to 64 years	\$0.90	\$0.81	\$1.45	\$0.69	\$1.00	\$1.56	\$0.93

<sup>(1)</sup> At the time of signing the Application.

#### Factor based on number of Insureds:

FOR LIFE INSURANCE AND CRITICAL ILLNESS AND ACCIDENTAL DISMEMBERMENT INSURANCE ONLY:

If more than one Insured, multiply the monthly premium of each Insured by 0.85.

**Add the applicable tax to the premiums:** The applicable tax rates are available on [www.nbc.ca](http://www.nbc.ca)

#### Factor based on mortgage payment frequency:

FOR LIFE INSURANCE AND CRITICAL ILLNESS AND ACCIDENTAL DISMEMBERMENT INSURANCE ONLY:

Multiply the monthly life insurance and Critical Illness and Accidental Dismemberment insurance premiums by the factor corresponding to the mortgage payment frequency.

weekly	0.2301
every two weeks	0.4603
monthly	1
quarterly	3
semi-annually	6
annually	12

**MORTGAGE LOAN – CALCULATION OF PREMIUM**

	<i>INSURED 1</i>			<i>INSURED 2</i>		
	Life	Critical Illness and Accidental Dismemberment	Disability	Life	Critical Illness and Accidental Dismemberment	Disability
Monthly premium rate	(1)	(3)	(5)	(1)	(3)	(5)
Initial Amount Insured: _____ /1,000	(2)	(4)		(2)	(4)	
Insured Payment: _____ /10			(6)			(6)
Premium amount (1) x (2) or (3) x (4) or (5) x (6)						
Factor based on mortgage payment frequency	X					
Discount factor (for two or more Insureds)	X					
Taxes, where applicable	X					
Life premium	(7)			(7)		
Critical Illness and Accidental Dismemberment premium		(8)			(8)	
Disability premium			(9)			(9)
Total premium (7) + (8) + (9)	(10)			(11)		
Total premium for the loan (10) + (11)						

**SECTION 10. DISABILITY BENEFIT**

In case of Disability that persists after the applicable Waiting Period, the Insurer will pay the Bank the Disability benefit corresponding to the Insured Payment.

**Example**

Total Loan amount on the effective date of the Insurance: \$475,000

Loan payment: \$2,500 / month

	100% coverage	50% coverage
<b>Initial Insured Amount for life insurance</b>	\$475,000	\$237,500
<b>Loan Balance at the time of the Insured Event</b>	\$380,000	
<b>Insured Balance for life insurance on the date of the Insured Event</b>	\$380,000	\$190,000
<b>Insured Balance for critical illness and accidental dismemberment insurance on the date of the Insured Event</b>	\$120,004	\$60,002
<b>Insured Payment for Disability</b>	\$2,000 / month (maximum benefit amount)	\$1,250 / month (Loan payment X 50%)
<b>Disability benefit</b>	<b>\$2,000 / month</b>	<b>\$1,250 / month</b>

The Insured must continue to make his mortgage payments, including all insurance premiums, at all times during Disability, while the Insurer is evaluating or re-evaluating the benefit claim.

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

**Waiting Period:** Sixty (60) consecutive days.

**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.

**Loan renewal**

If the Insured is on Disability during renewal of the Loan or when a change is made with respect to property taxes (excluding late payments), the Disability benefit is adjusted to cover the new mortgage payment calculated on the renewal date, keeping the original Loan expiry date, without exceeding 120% of the Insured Payment payable when the Disability began. The new Insured Payment may under no circumstances be greater than the amount provided for under the “Maximum Benefit” section of this certificate.

The expiry period of the Disability benefit may under no circumstances exceed the period initially provided for.

**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;
- **Return to work:** the date the Insured returns to work part-time, full-time or progressively, or on temporary assignment, whether to carry out his normal duties related to his job or any other job, including light duties;
- **Compensated or paid activities:** as soon as the Insured engages in a compensated or paid activity;
- **Medical Evidence not provided:** the Insured fails to present satisfactory evidence to the Insurer or refuses to undergo a medical examination or assessment by a consultant required by the Insurer;
- **Loan expiry:** the Loan is repaid in full, the Loan has been closed or the amortization period of the Loan has ended;
- **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 seventy (70);
- **Death:** the death of an Insured, if a life insurance benefit covering the Insured Balance is payable;
- **Critical Illness or Accidental Dismemberment:** an Insured is diagnosed with a Critical Illness or Accidental Dismemberment, if a Critical Illness and Accidental Dismemberment insurance benefit covering the entire Insured Balance for life insurance is payable.

### SECTION 11. CRITICAL ILLNESS BENEFIT

In case of Critical Illness, the Insurer will pay the Bank the Critical Illness benefit equal to the Insured Balance of the Loan calculated on the date of diagnosis of the Critical Illness, plus all interest accrued since the date of diagnosis of the Critical Illness. The Insured Balance does not include principal, interest, taxes or premiums past due on the date of diagnosis of the Critical Illness.

#### Example

Total Loan amount on the effective date of the Insurance: \$475,000

Loan payment: \$2,500 / month

	100% coverage	50% coverage
<b>Initial insured Amount for life insurance</b>	\$475,000	\$237,500
<b>Initial Amount Insured for Critical Illness</b>	\$150,000	\$75,000 (\$150,000 X 50%)
<b>Loan Balance at the time of the Insured Event</b>	\$60,000	
<b>Insured Balance for life insurance on the date of the Insured Event</b>	\$60,000	\$30,000 (\$60,000 X 50%)
<b>Insured Balance for critical illness and accidental dismemberment insurance on the date of the Insured Event</b>	\$18,948 (\$150,000 / \$475,000) X \$60,000	\$9,474 (\$150,000 / \$475,000) X (\$60,000 X 50%)
<b>Insured Payment for Disability</b>	\$2,000 / month	\$1,250 / month
<b>Critical Illness Benefit</b>	<b>18 948 \$</b>	<b>9 474 \$</b>

Payment of the Critical Illness benefit terminates the Critical Illness and Accidental Dismemberment insurance for all Insureds.

If, on the date of diagnosis, the Insured Balance for Critical Illness and Accidental Dismemberment insurance is less than the Insured Balance for life insurance, life insurance will remain in effect for all Insureds on the new Loan balance.

### SECTION 12. ACCIDENTAL DISMEMBERMENT BENEFIT

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

Loss	Percentage of Insured Balance
For each limb lost (including an eye):	25% (maximum 100%)
For both eyes:	100%
Hemiplegia, quadriplegia or paraplegia:	100%

This benefit will be applied toward repayment of the Loan plus any interest accrued since the date of diagnosis of Accidental Dismemberment. If the Accidental Dismemberment leads to Disability, the Accidental Dismemberment and Disability benefits, if applicable, will both be paid.

The total benefits payable for losses resulting from one or more Accidents may not exceed the amount provided for under the "Maximum Benefit" section of this certificate.

Payment of the Accidental Dismemberment benefit of 100% of the Insured Balance terminates the Critical Illness and Accidental Dismemberment insurance for all Insureds. If the benefit is less than 100%, the insurance will remain in effect on the new Loan balance and in the same percentage as at enrollment.

If, on the date of diagnosis, the Insured Balance for Critical Illness and Accidental Dismemberment insurance is less than the Insured Balance for life insurance, life insurance will remain in effect for all Insureds on the new Loan balance and in the same percentage as at enrollment.

#### Example

Total Loan amount on the effective date of the Insurance: \$475,000

Loan payment: \$2,500 / month

	100% coverage	50% coverage
<b>Initial Amount Insured for life insurance</b>	\$475,000	\$237,500
<b>Initial Amount Insured for critical illness and accidental dismemberment</b>	\$150,000	\$75,000
<b>Loan balance at the time of the Insured Event (loss of a limb)</b>	\$380,000	
<b>Insured Balance for life insurance on the date of the Insured Event</b>	\$380,000	\$190,000
<b>Insured Balance for critical illness and accidental dismemberment insurance on the date of the Insured Event</b>	\$120,004 (\$150,000 / \$475,000) X \$380,000	\$60,002 (\$150,000 / \$475,000) X (\$190,000 X 50%)
<b>Insured Payment for Disability</b>	\$2,000 / month	\$1,250 / month
<b>Accidental Dismemberment Benefit</b>	<b>\$30,001</b> <b>Insured Balance for Critical Illness and Accidental Dismemberment X 25%</b>	<b>\$15,001</b> <b>Insured Balance for Critical Illness and Accidental Dismemberment X 25%</b>

### SECTION 13. MAXIMUM BENEFIT

Benefits payable may under no circumstances exceed the set maximum amount for all insured loans of the same type:

Life: \$1,000,000      Critical Illness and Accidental Dismemberment: \$150,000      Disability: \$2,000 per month

If premiums have been paid for a benefit exceeding the maximum benefit, the difference in premiums will be reimbursed. The Disability maximum benefit excludes reimbursement of the insurance premium. In the event of multiple portions, the insurance amount will be attributed first to the portion with the longest term and so on and so forth until the maximum amount is reached.

The maximum amount of insurance that can be held at National Bank Life Insurance Company (all insurance products combined) is \$5,000,000.



## **SECTION 14. TWO OR MORE INSURED**

Two (2) 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 amount of the Disability benefit may under no circumstances exceed the amount of the mortgage payment of the Loan and the maximum benefit period for all Insureds.

In the event of simultaneous Accidental Dismemberment affecting more than one Insured where it is impossible to determine which Insured suffered the first loss, the highest benefit will be paid first and so on and so forth on the balance thus reduced, without however exceeding the amount provided for under the "Maximum Benefit" section of this certificate.

## **SECTION 15. CLAIMS**

The Insurer must be notified of any claim for benefits for an Insured Event that persists after expiration of the Waiting Period, if applicable. All required documents, accompanied by proof of claim and any other relevant information, must be forwarded to the Insurer no later than one (1) year from the date of the Insured Event. If the Insurer does not receive the documents and all relevant information within the one-year (1) period, the Insured loses his 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 reasonably possible.

## **SECTION 16. RESTRICTIONS AND EXCLUSIONS**

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

No benefits will be paid for death, Disability, Critical Illness or Accidental Dismemberment resulting directly or indirectly from:

- **War:** war or any act of war, whether or not the Insured was involved in it, unless the Insured was acting as a member of the Canadian Forces or Canadian Forces Reserve;
- **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, whether as a pilot, a member of the crew, an instructor or student;
- **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 an Illness and/or symptoms or Accident when death, Disability, Critical Illness or Accidental Dismemberment occurs during the twelve (12) months following the effective date of the insurance and for which Illness and/or symptoms, injury or any related cause, resulting directly or indirectly from the Accident or Illness, the Insured, during the twelve (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 will be paid for Disability resulting directly or indirectly from:

- **Cosmetic care:** cosmetic treatment or surgery;
- **Psychological and psychiatric disorders including chronic fatigue, depression, anxiety, 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 a diagnosis of normal arthrosis due to the Insured's age;
- **Pregnancy:** normal pregnancy;
- **Alcoholism or drug addiction:** alcoholism or drug addiction. However, benefits may be paid provided the Insured is following a closed treatment program.

### **Concerning Critical Illness insurance only:**

No benefits will be paid for Critical Illness resulting directly or indirectly from:

- **Cancer : Moratorium Period Exclusion:** *No benefit will be payable under this condition if: Within the first ninety (90) days following the effective date of the insurance, the Insured has any of the following:*
  - *signs, symptoms or investigations, that lead to a diagnosis of cancer (covered or not under the Policy), regardless of when the diagnosis is made; or*
  - *a diagnosis of cancer (covered or not under the Policy).*

*The medical information as described above must be reported to the Insurer within six (6) months of the date of the diagnosis. If this information is not provided, the Insurer has the right to deny any claim for Cancer or any Critical Illness caused by any Cancer or its treatment.*

**No benefit is payable if the Critical Illness does not meet all the detailed criteria under this certificate.**

## **SECTION 17. TERMINATION OF INSURANCE**

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

- **Non-payment of premiums:** more than three (3) monthly Loan and insurance premium payments are past due;
- **Cancellation:** the date the Insured voluntarily cancels his insurance provided the Insurer is advised of the cancellation 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, for whatever 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 the date the Loan or a portion of the Loan is assumed by another debtor who is not insured under a certificate of insurance in connection with the said Loan;
- **Endorsement:** the date the Loan or a portion of the Loan is endorsed by a co-Insured or another debtor;
- **Transfer:** for a mortgage Loan, 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 seventy (70);
- **Death:** the death of an Insured, if a life insurance benefit repaying the Insured Balance is payable;
- **Critical Illness or Accidental Dismemberment:** the diagnosis of a Critical Illness or Accidental Dismemberment to an Insured, if a Critical Illness and Accidental Dismemberment insurance benefit covering the entire Insured Balance for life insurance is payable;
- **For Disability insurance and Critical Illness and Accidental Dismemberment insurance:** the date the life insurance coverage terminates.

## ADDITIONAL INFORMATION

**GENERAL PROVISION:** On request, any Insured or the Bank has the right to obtain, if applicable, a copy of the insurance Application, any statement or document submitted as evidence of insurability and the Policy.

**NON-PARTICIPATING POLICY:** This is a non-participating policy and awards no rights to a share in any profits and earnings surplus that may be declared or distributed by the Insurer.

### **LIMITATION OF ACTIONS (LIMITATION PERIOD)**

*Residents of Alberta, British Columbia and Manitoba*

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in *The Insurance Act*.

*Residents of Ontario*

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract must be commenced within the time set out in the *Limitations Act, 2002*.

## NOTICE CONCERNING THE MIB INC. (MEDICAL INFORMATION BUREAU)

Information regarding your insurability will be treated as confidential. The Insurer or its reinsurer may, however, make a brief report thereon to the MIB INC. (Medical Information Bureau), 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 MIB will supply such company with the information on its file.

Upon receipt of a request from you, the MIB will arrange disclosure of any information it may have on file. If you question the accuracy of the information in the MIB'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.

## ACCESS TO PERSONAL INFORMATION

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

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

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

## COMPLAINT MANAGEMENT

The client experience is our top priority. No matter what you have to say, we're here to listen and provide assistance. If the service you received didn't live up to your expectations, refer to our complaint management procedure available at [www.nbc-insurance.ca](http://www.nbc-insurance.ca) or call our customer service at 1-877-871-7500.

For more information contact us at:

**Montreal**

514-871-7500

**Toll free**

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.**