

PROTECTING

Distribution Guide

Commercial Loan Insurance

Commercial Line of Credit

Commercial Demand Note

Distribution Guide – Commercial Loan Insurance

Commercial Line of Credit Commercial Demand Note

Name of product: Commercial Loan Insurance

Type of product: Credit Group Insurance

Insurer: National Bank Life Insurance Company licensed since July 12, 1995

Insurer	National Bank Life Insurance Company 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
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Copy of insurance contract

Customer Service at National Bank Life Insurance Company can provide copies of insurance contracts on request.

You can contact our Customer Service during normal business hours at the following numbers:

Montreal: 514-871-7500

Toll-free: 1-877-871-7500

The group insurance policy described in this Guide is the following:

- › **Policy number 70009-17:** Life, Disability, Critical Illness and Accidental Dismemberment Insurance plan for Commercial Line of Credit and Commercial Demand Note.

Liability of the *Autorité des marchés financiers*

The *Autorité des marchés financiers* does not express an opinion on the quality of the products offered in this Guide. The Insurer alone is responsible for any discrepancies between the wording of the Guide and the Policy.

Words defined in the Guide are written with a capital letter in the text. You will find the definitions on page 06.

"You", "your" and "yours" designate the insured person for whom this Guide is intended.

"We", "our" and "ours" designate the Insurer (National Bank Life Insurance Company).

Table of contents

Introduction	05
Main definitions	06
1. Description of our product	10
› a) Features of the coverage	10
Life Insurance	10
Critical Illness and Accidental Dismemberment Insurance	10
Disability Insurance.....	10
› b) Summary of specific provisions.....	11
Am I eligible for commercial loan insurance?	11
What is the amount of my life insurance coverage?.....	11
What is the amount of my Disability insurance coverage?	12
What is the Waiting Period?.....	13
How long will I receive Disability benefits?	13
What is the amount of my Critical Illness Insurance coverage?.....	13
What is the amount of my Accidental Dismemberment insurance coverage?	14
What is the maximum amount payable for each coverage?	15
Who is the beneficiary of the insurance?.....	15
Do I have to answer questions about my health status?	15
Am I covered if an event occurs while my Application is being studied?	15
What happens if an Insured commits suicide?.....	15
In what situations am I entitled to a refund of premiums?	16
How is the insurance premium calculated?	16
How do I pay my premium?.....	16
What happens if I can't pay my insurance premium?.....	16
When does my insurance start?	16
Can more than one person be insured for the same Loan?.....	17
What are the policy exclusions?	17
Can I cancel my insurance?.....	19
› c) When your insurance ends	20
› d) Other Information	20
Misrepresentation of age or gender	20
Misrepresentation regarding tobacco use	21
Refinancing your Loan	21
Prior coverage recognition	21

2. Claims	22
› Life insurance claims	22
› Disability claims.....	22
› End of Disability insurance benefits.....	23
› Critical Illness or Accidental Dismemberment Claims.....	23
› Insurer's deadline for replying after receiving a claim.....	24
› Appealing a decision of the Insurer.....	24
3. Similar products	25
4. Referral to the <i>Autorité des marchés financiers</i>	25
5. Notice of cancellation of an insurance contract	26
› Notice given by the distributor.....	26
› An Act respecting the distribution of financial products and services.....	27
6. Accessing your personal information	28

Introduction

The purpose of the Distribution Guide is to describe the insurance coverage provided and help you understand it. It is designed to help you decide if this insurance product meets your needs without consulting a personal insurance advisor.

Please take the time to familiarize yourself with the Guide and keep it in a safe place, along with your certificate and your insurance Application; you may need to refer to these documents later.

And don't forget: our Customer Service representatives are there to answer all your questions!

Main definitions

The Distribution Guide defines only the most significant words and concepts for you to properly understand the insurance product.

These definitions do not in any way replace the definitions included in the certificate and the various clauses giving rise to its application.

Accident: An event resulting directly and exclusively from external, violent, sudden and involuntary causes, resulting in bodily injury certified by a physician, independent 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. The diagnosis of loss or loss of use must be made by a Specialist.

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 365 days of the date of the Accident. The loss must persist for 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.

Caution: No benefit will be paid for any of the conditions listed in the *Coverage exclusions, limitations or reductions* section of the certificate and of this Guide.

Applicant: The person who signs the Application.

Application: The insurance Application form from the Insurer, duly completed and signed by the Applicant, including verbal consent.

Balance Used: The Loan balance on the date of the Insured Event or on the Refinancing date in case of prior coverage recognition, without exceeding the lesser of the following amounts:

- › the Insured Amount, **or**
- › the amount indicated under the *Maximum Benefit* section of the certificate.

Bank: National Bank of Canada.

Cancer (Life Threatening): Definite diagnosis of a tumour, which must be characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. Types of Cancer include carcinoma, melanoma, leukemia, lymphoma and sarcoma. The diagnosis of Cancer must be made by a Specialist.

EXCLUSIONS: No benefit will be payable if, within the first 90 days following the later of the effective date of your Insurance Contract, the Insured:

- › has presented signs, symptoms or investigations that lead to a diagnosis of Cancer (covered or excluded by your Insurance Certificate), regardless of the date of the diagnosis, or
- › has received a diagnosis of Cancer (covered or excluded by your Insurance Certificate).

Medical information about the diagnosis and any signs, symptoms or investigations leading to the diagnosis must be reported to the Insurer within six months of the date of the diagnosis. If this information is not provided within this period, the Insurer has the right to deny any claim for Cancer or any Critical Illness caused by any Cancer or its treatment.

No benefit will be payable in the following situations:

- › lesions described as benign, pre-malignant, uncertain, borderline, non-invasive, carcinoma in-situ (Tis), or tumours classified as Ta
- › malignant melanoma skin Cancer that is less than or equal to 1.0 mm in thickness, unless it is ulcerated or is accompanied by lymph node or distant metastasis
- › any non-melanoma skin Cancer, without lymph node or distant metastasis
- › prostate Cancer classified as T1a or T1b, without lymph node or distant metastasis
- › papillary thyroid Cancer or follicular thyroid Cancer, or both, that is less than or equal to 2.0 cm in greatest diameter and classified as T1, without lymph node or distant metastasis
- › chronic lymphocytic leukemia classified as less than Rai stage 1
- › malignant gastrointestinal stromal tumours (GIST) and malignant carcinoid tumours, classified as less than AJCC Stage 2

For purposes of the Policy, the terms “Tis, Ta, T1a, T1b, T1 and AJCC Stage 2” are to be applied as defined in the American Joint Committee on Cancer (AJCC) Cancer Staging Manual (7th edition, 2010).

For purposes of the Policy, the term “Rai staging” is to be applied as set out in KR Rai, A Sawitsky, EP Cronkite, AD Chanana, RN Levy and BS Pasternack: Clinical staging of chronic lymphocytic leukemia, Blood 46:219, 1975.

Caution: No benefit will be paid for any of the conditions listed in the *Coverage exclusions, limitations or reductions* section of the certificate and of this Guide.

Critical Illness: Means exclusively: Stroke, Cancer (life threatening) and Heart Attack, as set out in the *Main Definitions* 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 practising in Canada or the United States, 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: Definite diagnosis of a Heart Attack resulting from the death of part of the heart muscle due to obstruction of blood flow, that results in a rise and fall of biochemical cardiac markers to levels considered diagnostic of myocardial infarction, with at least one of the following:

- › Heart Attack symptoms
- › new electrocardiogram (ECG) changes consistent with a Heart Attack
- › 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.

EXCLUSIONS: No benefit will be payable in the following situations:

- › 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
- › ECG changes suggesting a prior myocardial infarction, which do not meet the Heart Attack definition as described in the certificate.

Caution: No benefit will be paid for any of the conditions listed in the *Coverage exclusions, limitations or reductions* section of the certificate and of this Guide.

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.

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

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

Insured Amount:

Life Insurance:

- › the amount indicated on the Application, without exceeding the authorized amount of the Loan or the amount indicated under the *Maximum Benefit* section of the certificate.

Critical Illness and Accidental Dismemberment Insurance:

- › the amount indicated on the Application, without exceeding the Insured Amount for life insurance or the amount indicated under the *Maximum Benefit* section of the certificate.

Disability Insurance:

- › the amount indicated on the Application, without exceeding 1% of the Insured Amount for life insurance or the amount indicated under the *Maximum Benefit* section of the certificate.

If prior coverage recognition applies, the amount may not exceed the Insured Amount of the previous Loan on the Refinancing date or the amount indicated under the *Maximum Benefit* section of the certificate.

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

Insured Payment:

If the Maximum Insurable Amount indicated on the Application is a fixed amount, the lesser of:

- › the Insured Amount for Disability insurance on the Application, without exceeding 1% of the Insured Amount for life insurance, or
- › the amount indicated under the *Maximum Benefit* section of the certificate.

If the Maximum Insurable Amount indicated on the Application is a variable amount (based on the Loan Balance Used), the lesser of:

- › the Insured Amount for Disability insurance indicated on the Application, or
- › 1% of the Insured Amount for life insurance, or
- › the amount indicated under the *Maximum Benefit* section of the certificate.

Loan: Commercial line of credit or commercial demand note indicated on the Application.

Maximum Insurable Amount

Depending which option is ticked on the Application:

- › a fixed amount (based on the Insured Amount indicated), or
- › a variable amount (based on the Loan Balance Used, without exceeding the Insured Amount indicated).

Policy: The group insurance Policy No. 70009-17. The Insured can obtain a copy of the Policy from the Insurer by sending a written request.

Refinancing: Any change made to the Loan by the Bank that results in a higher Loan balance.

Relapse: In the 90 days following the end of a Disability period covered by the certificate, 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 Disability 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.

Specialist: A valid licensed medical practitioner in Canada or the United States, who has been trained in the specific area of medicine relevant to the covered Critical Illness or Accidental Dismemberment condition for which a 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 practitioner practising in Canada or the United States. The term Specialist includes, but is not limited to, cardiologists, neurologists, oncologists, ophthalmologists, burn specialists and internists. 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 the Insured's Spouse and with whom he cohabitates permanently.

Stroke: Definite diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis or hemorrhage, 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 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.

EXCLUSIONS: No benefit will be payable in the following situations:

- > Transient Ischemic Attacks
- > Intracerebral vascular events due to trauma
- > Lacunar infarcts which do not meet the definition of Stroke as described above.

Caution: No benefit will be paid for any of the conditions listed in the *Coverage exclusions, limitations or reductions* section of the certificate and of this Guide.

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 Company's Commercial Loan insurance includes 3 types of coverage:

Life Insurance

Upon the death of an Insured, this coverage provides for repayment of the Insured Amount of the Loan to the Bank.

Depending on the Insured Amount selected at enrolment, the company could also receive a benefit equivalent to the difference between the Insured Amount and the Balance Used.

See the *What is the amount of my life insurance coverage?* section (p. 11).

Critical Illness and Accidental Dismemberment Insurance

In case of Accidental Dismemberment or a diagnosis of Cancer (life threatening), Heart Attack or Stroke, the insurance provides for the repayment to the Bank by the Insurer of a percentage of the Insured Amount of the Loan in case of Accidental Dismemberment or repayment of the Insured Amount of the Loan in case of a diagnosis of a Critical Illness.

You must have enrolled for life insurance to be able to enroll for Critical Illness and Accidental Dismemberment insurance.

See the *What is the amount of my Critical Illness insurance coverage?* section (p. 13) and *What is the amount of my Accidental Dismemberment insurance coverage?* section (p. 14).

Disability Insurance

In case of a Disability that persists after a period of 60 consecutive days, the insurance provides for the repayment of the Insured Payment to the Bank by the Insurer.

You must have enrolled for life insurance to be able to enroll for Disability insurance.

See the *What is the amount of my Disability insurance coverage?* section (p. 12).

b) Summary of specific provisions

Am I eligible for commercial loan insurance?

You can take out commercial loan insurance if you have a commercial Loan from the National 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 life 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, co-borrower, guarantor, endorser, shareholder, officer or key employee of the borrowing company.

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 you have signed up for life insurance.

You are eligible for Disability insurance if:

- › you have signed up for life insurance, and
- › 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.

Important: You are not eligible for Disability insurance if you are receiving income replacement benefits or you are on leave of absence or unemployed.

What is the amount of my life insurance coverage?

In case of death, we will pay the death benefit based on the following rules:

If the Maximum Insurable Amount indicated on the Application is a fixed amount (based on the Insured Amount indicated)

The Bank will receive the death benefit corresponding to the lesser of:

- › the Insured Amount indicated on the Application; or
- › the maximum benefit amount provided on the certificate and indicated in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

In addition, we will pay the company the difference between the Insured Amount selected on the Application and the amount of the death benefit already paid to the Bank.

If the Maximum Insurable Amount indicated on the Application is a variable amount (based on the Loan Balance Used)

The Bank will receive the death benefit corresponding to the lesser of:

- › the Loan Balance Used calculated on the date of death, plus interest accrued since, or
- › the Insured Amount indicated on the Application, or
- › 110% of the average daily Loan Balance Used over the 12 months preceding the date of death, or
- › 110% of the average daily Loan Balance Used since the effective date of the Loan insurance if the insurance has been in effect for less than 12 months, or
- › the maximum benefit amount provided on the certificate and indicated in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

The death benefit under no circumstances includes principal, interest or premiums past due on the date of death.

Any insurance premium due on the date of death will be deducted from the death benefit.

If premiums are received by the insurer after the date of death, they will be reimbursed, without interest.

What is the amount of my Disability insurance coverage?

You may be entitled to Disability benefits if, for more than 60 consecutive days, you are unable to perform the normal duties of your occupation or the activities considered normal for a person of the same age (if you are unemployed at the beginning of your Disability).

If the Maximum Insurable Amount indicated on the Application is a fixed amount (based on the Insured Amount indicated)

The Bank will receive the Disability benefit corresponding to the lesser of:

- › the Insured Amount indicated on the Application, or
- › 1% of the Insured Amount for life insurance, or
- › the maximum benefit amount provided on the certificate and indicated in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

In addition, if the Insured Payment payable exceeds the Loan Balance Used, we will pay the difference to the company.

If the Maximum Insurable Amount indicated on the Application is a variable amount (based on the Loan Balance Used)

The Bank will receive the Disability benefit corresponding to the lesser of:

- › the Insured Amount of the Loan indicated on the Application, or
- › 1% of the Loan Balance Used on the date of the Disability, or
- › 1% of 110% of the average daily Loan Balance Used over the 12 months preceding the date of the Insured Event, or
- › 1% of 110% of the average daily Loan Balance Used since the effective date of the Loan insurance if the insurance has been in effect for less than 12 months, or
- › the maximum benefit amount provided on the certificate and indicated in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

You must continue to make Loan payments and pay insurance premiums during the Disability while we evaluate or re-evaluate the benefit claim.

For each day of Disability that falls outside a full payment period, the Insurer will pay 1/30th of the Disability benefit.

What is the Waiting Period?

The Waiting Period is 60 consecutive days and is calculated as of the first day following the start of the Disability (last day worked).

How long will I receive Disability benefits?

- › All Insureds for a Loan are collectively entitled to a total of 48 months of benefits during the term of the Loan.
- › When an Insured has filed a claim on account of a Disability, he may receive up to a maximum of 24 months of consecutive benefits. At the end of this period, the benefits cease, even if the Insured's Disability still exists.

What is the amount of my Critical Illness Insurance coverage?

If the Maximum Insurable Amount indicated on the Application is a fixed amount (based on the Insured Amount indicated)

The Bank will receive the Critical Illness benefit corresponding to the lesser of:

- › the Insured Amount indicated on the Application, or
- › the Insured Amount for life insurance, or
- › the maximum benefit amount provided on the certificate and indicated in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

In addition, we will pay the company the difference between Insured Amount selected on the Application and the amount of the Critical Illness benefit paid to the Bank.

If the Maximum Insurable Amount indicated on the Application is a variable amount (based on the Loan Balance Used)

The Bank will receive the Critical Illness benefit corresponding to the lesser of:

- › the Loan Balance Used calculated on the date of diagnosis of Critical Illness, plus interest accrued since, or
- › the Insured Amount indicated on the Application, or
- › 110% of the average daily Loan Balance Used over the 12 months preceding the date of diagnosis of Critical Illness, or
- › 110% of the average daily Loan Balance Used since the effective date of the Loan insurance if the insurance has been in effect for less than 12 months, or
- › the maximum benefit amount provided on the certificate and indicated in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

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

If, on the date of diagnosis, the Insured Amount for Critical Illness and Accidental Dismemberment insurance is less than the Insured Amount for life insurance, life insurance will remain in effect for all Insureds, covering the initial Insured Amount minus the amount of the Critical Illness benefit. Premiums will be adjusted accordingly.

The Critical Illness benefit under no circumstances includes principal, interest or premiums past due on the date of the Critical Illness diagnosis. Any insurance premium due to the Insurer on the date of Critical Illness diagnosis will be deducted from the Critical Illness benefit. If loan insurance premiums are received by the Insurer after the Insured's Critical Illness diagnosis, the excess premiums paid after the Insured's diagnosis will be reimbursed, without interest.

What is the amount of my Accidental Dismemberment insurance coverage?

In case of the loss or loss of use of a limb due to an Accident, we will pay the Bank a benefit equivalent to the following percentages:

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

If the Maximum Insurable Amount indicated on the Application is a fixed amount (based on the Insured Amount indicated)

The Bank will receive the Accidental Dismemberment benefit corresponding to the lesser of:

- › the percentage (depending on the loss) of the Insured Amount indicated on the Application; or
- › the percentage (depending on the loss) of the Insured Amount for life insurance; or
- › the maximum benefit amount provided on the certificate and indicated in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

In addition, we will pay the company the difference between the Maximum Insurable Amount and the amount of the Accidental Dismemberment benefit paid to the Bank.

If the Maximum Insurable Amount indicated on the Application is a variable amount (based on the Loan Balance Used)

The Bank will receive the Accidental Dismemberment benefit corresponding to the lesser of:

- › the percentage (depending on the loss) of the Loan Balance Used calculated on the date of Accidental Dismemberment, plus interest accrued since that date, or
- › the percentage (depending on the loss) of the Insured Amount indicated on the Application, or
- › the maximum benefit amount provided on the certificate and indicated in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

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 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 the certificate.

Payment of the Accidental Dismemberment benefit of 100% of the Insured Amount 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 Insured Amount, less the Accidental Dismemberment benefit paid.

If, on the date of diagnosis, the Insured Amount for Critical Illness and Accidental Dismemberment insurance is less than the Insured Amount for life insurance, life insurance will remain in effect for all Insureds, covering the initial Insured Amount minus the amount of the Accidental Dismemberment benefit. Premiums will be adjusted accordingly.

The Accidental Dismemberment benefit under no circumstances includes principal, interest or premiums past due on the date of the Accidental Dismemberment diagnosis. Any insurance premium due to the Insurer on the date of the Accidental Dismemberment diagnosis will be deducted from the Accidental Dismemberment benefit. If loan insurance premiums are received by the Insurer after the Insured's Accidental Dismemberment diagnosis, the excess premiums paid after the Insured's diagnosis will be reimbursed, without interest.

What is the maximum amount payable for each coverage?

Coverage	Maximum benefit
Life	\$2,000,000
Critical Illness	\$150,000
Accidental Dismemberment	\$150,000
Disability	\$5,000/month

Who is the beneficiary of the insurance?

We pay all insurance benefits directly to the Bank. In certain situations, the company that owns the loan may also receive additional amounts.

Do I have to answer questions about my health status?

When you apply for insurance, you must answer the questions in the *Health Declaration* that apply to your situation.

If your Application does not require further proof that you are insurable, you are insured once you have signed your insurance Application, subject to the accuracy of the information provided.

If your Application requires further proof of your insurability, such as a detailed telephone questionnaire or a paramedical examination, we or one of our partners will contact you. In the 30 days following receipt of all the information required to study your file, we will send you a letter to confirm our decision. This letter is your proof of coverage and it is important that you keep it.

If we determine that you are not insurable according to our criteria, we will notify you in writing.

Please contact us if we have not contacted you or if you have not received a letter from us within 30 days following the sending of all the documents required to analyze your file.

Am I covered if an event occurs while my Application is being studied?

If your insurance Application is not accepted immediately and you have to submit further proof of insurability, such as answering a detailed insurance questionnaire, you will be covered by temporary insurance while we study your file.

This temporary insurance policy covers you in the event of death, Accidental Dismemberment or Disability only as the **result of an Accident**. You are not covered by Accidental Dismemberment or temporary Disability insurance if you do not ask for these coverages on your insurance Application.

In the case of a non-accidental event, we will complete the assessment of your file. If your request is accepted, we will pay the benefits provided for in the certificate based on the coverage chosen.

What happens if an Insured commits suicide?

In the event of suicide of the Insured within the first two years following the effective date of the insurance, regardless of the Insured's mental health, our 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.

In what situations am I entitled to a refund of premiums?

In addition to the specific situations mentioned in the certificate and in this Guide, we will refund to you any overpayment of premiums, without interest.

When the Application is cancelled retroactive to the date it took effect, all premiums paid are also refunded.

Any application for a refund of premiums must be made to us by telephone or in writing. We will analyze the application, and if it is for premiums that should not have been collected, these premiums will be refunded, without interest.

How is the insurance premium calculated?

The amount of your premium is calculated based on the premium rates in effect when you sign the insurance Application.

The premium rate varies based on:

- › the Insured Amount
- › your age and your gender
- › your tobacco use
- › the number of Insureds (life insurance and Critical Illness and Accidental Dismemberment insurance)

IMPORTANT: The insurance is automatically renewed each year for the Insured Amount indicated, based on your age on the Loan insurance enrolment anniversary date.

The premium pricing schedule can be found in section 9 of your **insurance certificate**.

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.

How do I pay my premium?

Unless you indicate otherwise, the amount of the premium is debited on the first day of each month from your line of credit or any bank account of your choice.

What happens if I can't pay my insurance premium?

We allow you a 30-day grace period to pay the unpaid premium.

Your insurance coverage will automatically end as soon as a premium payment is three months overdue.

When does my insurance start?

If you meet the eligibility and insurability criteria, the insurance will take effect on the later of the following two dates:

- › the date on which the insurance Application is signed, or
- › the date of the authorization of the Loan.

Premium collection begins when we receive your completed and signed insurance Application.

Can more than one person be insured for the same Loan?

- › Two or more Insured persons can be insured for the same Loan.
- › For life and Critical Illness insurance, the benefit is payable in the case of the first incident only.
- › For Disability insurance, the amount of the benefit can in no way exceed the Insured Amount of the Disability insurance nor the maximum benefit period provided for all Insured.

The Disability benefit cannot be paid to more than one Insured at a time.

- › In the event of simultaneous Accidental Dismemberment of more than one Insured, if it is not possible to determine who suffered the loss first, the higher benefit will be paid first and so forth on the reduced balance, without exceeding the amount established in the Maximum Benefit clause of the new certificate mentioned in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

What are the Policy exclusions?

CAUTION

Coverage exclusions, limitations or reductions

FOR LIFE, DISABILITY, CRITICAL ILLNESS AND ACCIDENTAL DISMEMBERMENT 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
- › Have taken medication, OR
- › Have been hospitalized

in the 12 MONTHS BEFORE the insurance Policy began.

- › If applicable, any EXCLUSION THAT IS SPECIFIC TO YOU as the Insured, that we have informed you about in writing as a condition for accepting to provide you with insurance coverage.
- › An act of SUICIDE that occurs within the two years after the start of you insurance coverage, regardless of your mental health.
- › ATTEMPTED SUICIDE or SELF-INFLICTED INJURY, regardless of your mental health.
- › Use of NARCOTICS not prescribed by a physician.
- › Any direct activity as an AIRCRAFT pilot, crew member, instructor or student.
- › WAR or act of war, whether or not you took part in it, unless you were acting as a member of the Canadian Forces or Canadian Forces Reserves.
- › Active participation in a RIOT, uprising or insurrection.

FOR CRITICAL ILLNESS INSURANCE:

NO BENEFIT FOR CRITICAL ILLNESS INSURANCE WILL BE PAYABLE IN THE FOLLOWING SITUATIONS:

CANCER

No benefit is payable for any Cancer that does not meet the definition described in the insurance certificate.

No benefit will be payable if, within the first 90 days following the effective date of insurance, you:

- › have presented signs, symptoms or investigations that lead to a diagnosis of Cancer (covered or excluded by your insurance certificate), regardless of when the diagnosis is made, or
- › have received a diagnosis of Cancer (covered or excluded by your insurance certificate).

Medical information about the diagnosis and any signs, symptoms or investigations leading to the diagnosis must be reported to the Insurer within 6 months of the date of the diagnosis. If this information is not provided within this period, we have the right to deny any claim for Cancer, or any Critical Illness caused by any Cancer or its treatment.

The following forms of Cancer are not covered:

- › Lesions described as benign, pre-malignant, uncertain, borderline, non-invasive, carcinoma in-situ (Tis), or tumours classified as Ta
- › Malignant melanoma skin Cancer that is less than or equal to 1.0 mm in thickness, unless it is ulcerated or is accompanied by lymph node or distant metastasis
- › Any non-melanoma skin Cancer, without lymph node or distant metastasis
- › Prostate Cancer classified as T1a or T1b, without lymph node or distant metastasis
- › Papillary thyroid Cancer or follicular thyroid Cancer, or both, that is less than or equal to 2.0 cm in greatest diameter and classified as T1, without lymph node or distant metastasis
- › Chronic lymphocytic leukemia classified as less than Rai stage 1
- › Malignant gastrointestinal stromal tumours (GIST) and malignant carcinoid tumours, classified as less than AJCC Stage 2

STROKE

No benefit is payable for any Stroke that does not meet the definition described in the insurance certificate.

The following forms of Stroke are not covered:

- › Transient Ischaemic Attacks
- › Intracerebral vascular events due to trauma
- › Lacunar infarcts which do not meet the definition of Stroke as described in the certificate

HEART ATTACK

No benefit is payable for any Heart Attack that does not meet the definition described in the insurance certificate.

The following forms of Heart Attack are not covered:

- › 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
- › ECG changes suggesting a prior myocardial infarction, which do not meet the Heart Attack definition as described in the certificate

FOR DISABILITY INSURANCE:**NO DISABILITY INSURANCE BENEFIT IS PAYABLE FOR DISABILITY CAUSED DIRECTLY OR INDIRECTLY BY:**

- › A 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, psychiatric problems, chronic fatigue, depression, anxiety or professional overwork if you are 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.

Can I cancel my insurance?

You can cancel your insurance at any time, by telephone or in writing.

If you do cancel your insurance within 30 days following the signing of the insurance Application, we will refund the premiums paid, if any, and the insurance will be deemed to have never been in effect.

To cancel your insurance, you can:

- › Use the “Notice of Cancellation of an Insurance Contract” found on page 26 of this Guide.
- › Write a request to cancel the insurance, making sure to enter the characteristics of the policy (Loan number, bank transit, coverage(s) to cancel, signature, date, etc.).
- › Contact our Customer Service during normal business hours at **514-871-7500** or toll-free at **1-877-871-7500**.

The insurance will be cancelled on the later of the following dates:

- › The date on which we receive your notice or your request, in writing or by telephone.
- › The cancellation date you have requested.

c) When your insurance ends

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

Non-payment of premiums: the date the payment becomes three months overdue.

Cancellation: the date you voluntarily cancel your insurance, provided the Insurer is advised of the cancellation in writing or by calling 1-877-871-7500 before that date, or the date the Insurer receives such written notice or the date the group insurance Policy is cancelled.

Loan Expiry: the end of the repayment period or the date the Loan account is closed.

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.

Maximum age: the last day of the month in which you reach the age of 70.

Bankruptcy: the date on which the company legally declares bankruptcy.

Death: the date of death of an Insured if a life insurance benefit becomes payable.

Diagnosis of Critical Illness or Accidental Dismemberment: the life insurance coverage terminates when a Critical Illness or Accidental Dismemberment benefit reimbursing the entire Insured Amount for life insurance has been paid by the Insurer.

End of Critical Illness or Accidental Dismemberment insurance: payment of the Critical Illness benefit terminates the Critical Illness and Accidental Dismemberment insurance for all Insureds.

End of Disability insurance: when you and the other Insureds have collectively benefited from the maximum of 48 months of Insured Payments for all Disability for the entire Loan term.

End of Disability insurance and Critical Illness or Accidental Dismemberment insurance: these coverages terminate when the life insurance coverage ends.

d) Other information

Misrepresentation of age or gender

Your age at enrolment is determined based on the age reached at your last birthday.

If you misrepresented your age or gender when you completed the insurance Application, and you file a claim application, the benefit payable will be the amount that would have been paid based on your actual age or gender, without exceeding the Insured Amount.

If we note that your age does not correspond to the eligibility criteria when the insurance Application is signed, the coverages will be cancelled and we will refund you the premiums paid.

Misrepresentation regarding tobacco use

To be declared a non-smoker according to the insurance, you must not have used tobacco or a nicotine replacement product, in any form, during the 12 months prior to the signing of your insurance Application.

If, following a misrepresentation, you are insured as a non-smoker when this is not the case, your coverages will be automatically cancelled retroactive to the date they took effect.

Refinancing your Loan

If you refinance your Loan with the Bank to increase the amount and you wish to insure it, you must complete a new insurance Application and submit it to us for study. The conditions of the new insurance Application apply, including the restrictions and exclusions.

Prior coverage recognition

If we decline to insure you for the new amount of your Loan, we will maintain the coverage of the previous one: the conditions of the new insurance certificate will apply for the Insured Amount of the previous Loan and the premium rates applicable will be established based on your age at the time the new Application is signed. The conditions and the restrictions and exclusions that apply will be those of the new Application.

Any prior coverage recognition is subject to a study of the file and is made subject to the accuracy of the information provided when the first insurance Application took effect (previous Loan).

The coverage recognized will be the Insured Amount of the previous Loan on the Refinancing date, without exceeding the amount provided in the *Maximum Benefit* section on the certificate and mentioned in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

If you own Disability insurance at the time of the Refinancing, your new Insured Payment will be determined based on the Insured Amount of the previous Loan on the Refinancing date compared to the total amount of the new Loan, without, however, exceeding the amount provided in the *Maximum Benefit* section on the new certificate and mentioned in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

If you refinance your Loan while you are receiving Disability benefits, the amount of the benefits and the period will remain the same as before the Refinancing, without, however, exceeding the amount provided in the *Maximum Benefit* section on the new certificate and mentioned in the *What is the maximum amount payable for each coverage?* section (p. 15) of this Guide.

The Disability benefits received before the Refinancing will be recognized in the maximum period for Disability benefits of the new Application.

2. Claims

Here is the procedure for you, or the representative of your estate/succession, as applicable, to file a claim for insurance.

Life insurance claims

In event of your death, the person in charge of your estate/succession must contact our Customer Service to obtain the forms to be completed to initiate the claim application:

- › Declaration of estate/succession
- › Declaration of attending physician
- › Authorization to obtain medical information on the deceased

These forms must be returned to us with the following documents:

- › Death certificate or attestation
- › Coroner's report (if accidental death)
- › Copy of will
- › Copy of will searches from the Chambre des notaires AND the Barreau du Québec

For all life insurance claim applications, the application must be submitted to us as soon as reasonably possible.

Disability claims

If an Accident, an Illness or a medical condition prevents you from working, or from performing your daily tasks if you are unemployed, you could be entitled to Disability benefits.

Please contact our Customer Service to obtain the forms to be completed to initiate the settlement application:

- › Declaration of the insured
- › Declaration of the attending physician
- › Employer's declaration
- › Authorization to obtain information from various sources: doctors, hospitals, government organizations and other

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 and when the Insurer is evaluating your claim.

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.

End of Disability insurance benefits

We will cease to pay you Disability benefits when the first of the following events occurs:

End of the Disability: the date you are no longer disabled according to the definition of “Disability” on page 07 of this Guide.

Return to work: the date you return, or start a gradual return to work, or receive 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 you undertake an activity for profit or pay.

Failure to submit proofs: if you fail to provide the proofs of Disability that we request, or you fail to submit to a medical examination or rehabilitation program required by the Insurer, we will terminate payment of the benefits.

End of the Loan: the Loan is closed or the expected repayment period has ended.

Maximum repayment period reached: when we have made 24 consecutive monthly payments for the same Disability, or 48 months in total, for all Insureds and the entire Loan term.

Maximum age: the last day of the month in which you reach the age of 70.

Death: the date of the Insured’s death, if a life insurance benefit repaying the Insured Amount of the Loan is payable in his regard.

Critical Illness or Accidental Dismemberment: when the Insured receives a diagnosis of Critical Illness or Accidental Dismemberment and a benefit repaying the Insured Amount of the Loan for life insurance is payable in his regard.

Critical Illness or Accidental Dismemberment Claims

If you receive a diagnosis of one of the Critical Illnesses covered, namely:

- › Cancer (life threatening)
- › Heart Attack
- › Stroke

you could be entitled to total or partial repayment of your Loan. Please contact our Customer Service to obtain the forms to be completed to initiate your claim application:

- › Declaration of the insured
- › Declaration of the attending physician
- › Authorization to obtain information from various sources: doctors, hospitals, government organizations and other

As the case may be, you will be asked to attach other documents, such as a pathology report, an electrocardiogram, or other. Your file analyst will inform you.

You must send us all the documents no later than one year as of the date of the Insured Event. After this date, you lose your right to receive benefits for this coverage.

Insurer's deadline for replying after receiving a claim

We will process your request within 30 days following receipt of all required supporting documentation.

When all the conditions of the contract are respected and your request is accepted, we pay the corresponding benefit within the same 30 days.

For any question about your claim application, feel free to contact our Customer Service at **1-877-871-7500**. We're there to help you!

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 25) 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 information 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

Section 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 rescind 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 give the Insurer notice by registered mail within that period. You can use the attached model for this purpose.

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

After expiry of the 30-day period, you may rescind the insurance at any time; however penalties may apply.

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

Notice of rescission of an insurance contract

Section 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 section 441 of the Act respecting the distribution of financial products and services, I hereby rescind the insurance contract 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 rescind an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered mail.

Where such an insurance contract is rescinded, 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

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



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

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