

Contract Sample – SOLO Loan Insurance

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SAMPLE

GENERAL PROVISIONS

1. CONTRACT

This policy, including the Policy Schedule, the attached tables and riders, and the application, constitutes the entire contract between the parties.

2. DEFINITIONS

Certain terms used in the description of all the coverages under this contract are defined below. However, some coverages also include their own specific definitions. If there are 2 definitions for the same term, the definition in the specific coverage will prevail over the one in these GENERAL PROVISIONS.

Benefit: Amount payable under a coverage, in accordance with the provisions of this contract.

Company: Desjardins Financial Security Life Assurance Company, also referred to as "Desjardins Insurance."

Counter-offer: Change that the Company offers to make to the application that was submitted by the policyowner.

Coverage anniversary: Each coverage anniversary falls on the date that marks the start of a coverage year.

Coverage year: Each 1-year period that follows the initial date of a coverage. The coverage year is used to determine the termination date of a coverage and financial items such as the premium and guaranteed values, if applicable. It can also be used to establish the exercise of certain rights provided for in a coverage.

Current occupation: Paid occupation held by the insured person immediately before they become disabled, even if it is not the same occupation they held at the time the contract was issued.

Disability (disabled): State of total, partial or residual disability, as applicable, of the insured person, as defined in the provisions of each coverage to which these states apply.

Effective date of a coverage: See the **EFFECTIVE DATE OF A COVERAGE** provision.

Initial date: Indicated in the Policy Schedule, the initial date of a coverage determines the start of a coverage year and each coverage anniversary thereafter.

The initial date does not determine the effective date of a coverage.

Insurability: A person's insurability refers to information that may influence the Company's decision to issue a coverage, such as the person's health status, lifestyle habits (e.g., use of tobacco, travels, hazardous sports), and occupation.

Insured person: The person covered under this contract and for whom the Company may pay a benefit. The name of this person is indicated in the Policy Schedule.

Monthly benefit: Indicated in the Policy Schedule, the monthly benefit is used to determine the monthly benefit payment in the event of the insured person's disability.

Occupation: Any paid work performed by the insured person.

Physician: Any person, other than the insured person, who is legally authorized to practise medicine and who practises in the area of expertise specific to the illness or accident giving rise to a benefit. Also, the physician must not live with the insured person or be a family member or an associate of the insured person.

Policyowner: The owner of the insurance contract signed with the Company. The name of the policyowner is indicated in the Policy Schedule.

Regular occupation: Equivalent to "current occupation."

Replacement occupation: An occupation for which the insured person is reasonably qualified and that could provide a minimum of 60% of the annual income they were earning immediately prior to becoming disabled.

To determine the type of replacement occupation the insured person could hold, the Company will consider their training, experience and education. However, the Company will not consider the availability of such an occupation in the area where the insured person resides.

Waiting period: The period of time, whether continuous or cumulative, that determines when benefit payments will begin in the event of the insured person's disability. The waiting period is indicated in the Policy Schedule.

3. EFFECTIVE DATE OF A COVERAGE

a. If the premium payment information was provided to the Company when the insurance application was signed

1) When the Conditional disability insurance agreement does not apply and:

- a) **The Company approves the application submitted by the policyowner without making any changes**
The effective date of the coverage is **the date the application is approved** by the Company.
- b) **The Company denies the application and makes a counter-offer to the policyowner**
The effective date of the coverage is **the date the policyowner signs the counter-offer**.
- c) **The policyowner declines the Company's counter-offer and requests a change**
The effective date of the coverage is **the date the Company approves the requested change**.

Important: When deciding whether to approve or deny the insurance application, the Company may consider any illness that occurs between:

- the date on which the application is signed; and
- the date on which the insured person will have answered all the insurability questions and undergone all required examinations and/or tests.

2) When the Conditional disability insurance agreement applies and all the conditions stipulated therein are met:

The effective date of the coverage is the date indicated in the Conditional disability insurance agreement.

b. If the premium payment information was not provided to the Company when the insurance application was signed

1) When the Company approves the application submitted by the policyowner without making any changes

The effective date of the coverage is **the date the Company approves the application** or **the date the premium payment information is given to the Company**, whichever is later, provided the following condition is met:

- a) The insured person's insurability must not have changed between:
 - the date the application is signed; and
 - the date the Company approves the application.

This condition is met if the insured person has already informed the Company of the change and the Company has taken it into account.

2) When the Company denies the application and makes a counter-offer to the policyowner

The effective date of the coverage is **the date the policyowner signs the counter-offer**, provided the following condition is met:

- a) The insured person's insurability must not have changed between:
 - the date the application is signed; and
 - the date the policyowner signs the counter-offer.

This condition is met if the insured person has already informed the Company of the change and the Company has taken it into account.

3) When the policyowner declines the Company's counter-offer and requests a change

The effective date of the coverage is **the date the Company approves the requested change**, provided the following condition is met:

- a) The insured person's insurability must not have changed between:
 - the date the application is signed; and
 - the date the Company approves the requested change.

This condition is met if the insured person has already informed the Company of the change and the Company has taken it into account.

4. AGE

- a. The insured person's age is the age at their nearest birthday, determined on the initial date of a coverage. It is indicated in the Policy Schedule.
- b. The attained age of the insured person is equal to the age of the insured person plus the number of completed coverage years for a given coverage.
- c. **Incorrect age**
If the insured person's date of birth is incorrect, the Company will compare the premiums it has received with the premiums it should have normally received and will adjust the monthly benefit proportionally.

The Company makes the adjustments on the earlier of the following dates:

- 1) the date the Company is advised of the incorrect date of birth; or
- 2) the date the illness or accident giving rise to a benefit occurs.

5. INCONTESTABILITY (statements by the policyowner and insured person)

If the policyowner or insured person has omitted to provide information when applying for a coverage, or if the information they provided is inaccurate or incomplete, the Company may cancel this coverage or deny a claim.

a. In cases of fraud

The Company may, at any time, cancel a coverage or deny a claim if it proves that the policyowner or insured person fraudulently omitted to provide information when applying for a coverage or fraudulently provided inaccurate or incomplete information.

b. In cases not involving fraud

- 1) **If the Company learns of the omitted, inaccurate or incomplete information within 2 years of the effective date of a coverage (or its most recent reinstatement)**

The Company may cancel this coverage or deny a claim.

- 2) **If the Company learns of the omitted, inaccurate or incomplete information more than 2 years after the effective date of a coverage (or its most recent reinstatement)**

The Company may cancel this coverage or deny a claim if the covered disability occurred in the 2 years following the effective date of the coverage (or its most recent reinstatement).

Otherwise, the Company must prove that fraud has occurred to cancel a coverage or deny a claim.

Application of the 2-year incontestability period when a coverage is replaced or changed

- When a new coverage replaces part or all of a coverage previously issued by the Company and the insured person **does not have to answer** insurability questions or undergo tests or examinations when applying for the new coverage, the 2-year incontestability period for the new coverage applies as of the effective date of the previously issued coverage (or its most recent reinstatement).
- When a new coverage replaces part or all of a coverage previously issued by the Company and the insured person **has to answer** insurability questions or undergo tests or examinations when applying for the new coverage, the 2-year incontestability period applies to the new coverage as of its effective date (or its most recent reinstatement).
- When a change is made to an existing coverage and the insured person **has to answer** insurability questions or undergo tests or examinations (e.g., change in rate for non-smoker status), the 2-year incontestability period applies as of the date the change takes effect.

This provision does not apply if inaccurate information has been provided on the insured person's age. If this is the case, the Company applies paragraph "c." of the **AGE** provision.

6. PREMIUM PAYMENT AND GRACE PERIOD

The Company must receive the premium due by the due dates indicated below and according to the payment frequency chosen by the policyowner.

a. 30-day grace period

For any coverage that takes effect according to the **EFFECTIVE DATE OF A COVERAGE** provision, the Company grants a 30-day grace period for the payment of each premium due.

Example: If a premium payment is due August 1, the policyowner has until August 31 inclusive to make the payment.

1) First premium payment

The Company collects the first premium in the days after the application is processed.

If the transaction cannot be processed (e.g., due to insufficient funds, reaching a credit limit or inaccurate premium payment information), the Company informs the policyowner and applies the grace period as of the date on which the transaction could not be processed.

2) Payment of subsequent premiums

The Company collects subsequent premiums on the due date indicated in the Policy Schedule (or in a premium table, if applicable).

If the transaction cannot be processed (e.g., due to insufficient funds, reaching a credit limit or inaccurate premium payment information), the Company informs the policyowner and applies the grace period as of the date on which the transaction could not be processed.

b. Unpaid premium at the end of the grace period

If the premium due for a coverage is not paid at the end of the grace period and there is no automatic premium loan provision in the contract, the coverage lapses.

When a coverage lapses, it may be reinstated within a certain period, according to the conditions indicated in the **REINSTATEMENT** provision.

c. Coverage of the insured person during the grace period

The insured person is covered during the grace period. If a disability that gives rise to a benefit occurs during the grace period, the Company will deduct the premium due from the benefit payable.

d. Failure to provide payment information for the first premium

The Company may cancel a contract that never took effect and for which the payment information for the first premium was not provided. The cancellation will apply as of the date indicated on the letter sent to the policyowner informing them of the situation.

7. REINSTATEMENT

If the policyowner asks to end a coverage, reinstatement is not possible.

If the Company ends a coverage because the premium due has not been paid after the end of the grace period, reinstatement is possible.

a. Reinstatement of a coverage within 30 days after the end of the grace period

The Company agrees to reinstate a coverage if all of the following conditions are met within 30 days after the end of the grace period:

- 1) The policyowner must have made the request to the Company in writing.
- 2) The Company must have received the unpaid premium due.
- 3) No disability must have occurred during this period.

b. Reinstatement of a coverage between the 31st day and the 90th day after the end of the grace period

The Company agrees to reinstate a coverage if all of the following conditions are met within 90 days after the end of the grace period:

- 1) The policyowner must have made the request to the Company in writing.
- 2) The Company must have received the unpaid premiums due with interest.
- 3) The insured person must answer the required insurability questions, undergo all required tests and/or examinations and meet all the insurability and underwriting requirements applicable at the Company at that time.

8. CLAIMS

Claims must be submitted to the Company within 30 days of the date of the illness or accident that could give rise to the payment of a benefit.

The Company may require information, proof or documentation deemed necessary to review the claim. The person submitting the claim must provide this information, proof or documentation to the Company within 90 days of the claim date.

If the person does not submit the claim or the requested information, proof or documentation within the above time constraints, it does not mean that the claim will be denied. However, the person will have to prove that they were unable to act within these time constraints. The requested documents will then have to be submitted to the Company within 12 months of the date of the illness or accident that gave rise to the claim.

If the Company receives a claim more than 12 months after the onset of the insured person's disability, it will consider the insured person's disability to have started 12 months prior to the date it received the claim.

During the waiting period and the benefit period, the Company may, as often as it deems necessary, require satisfactory proof of the continuation of the insured person's disability and have them examined by a physician, at its expense. The Company will select the physician and only pay their professional fees. The Company also reserves the right to review the financial information of the insured person as often as it deems it reasonable to do so.

If a person does not submit the proof needed to justify the continuation of the insured person's disability within the specified time constraints, the Company will consider the insured person to no longer be disabled and will end the payment of benefits.

For the month during which the disability ends, if required, the Company will adjust the benefit according to the number of days of disability. The Company will divide the benefit by 30 and multiply the result by the number of days the insured person was disabled during that month (maximum of 30 days).

9. WAIVER OF PREMIUMS

This contract includes a waiver of premiums in the event of the insured person's disability. If the insured person remains disabled at the end of the waiting period, no premium is to be paid as long as monthly benefit payments are being made.

10. CURRENCY

All amounts indicated in the contract are in Canadian currency.

11. MODIFICATION

This contract may be modified upon written request from the policyowner only if the Company approves this request in writing. This approval must be signed by one of its officers.

12. ASSIGNMENT

The Company's approval is required to change the policyowner on this contract. The Company may approve or deny a request to change the policyowner or set conditions for its approval.

SOLO LOAN INSURANCE – T65

1. PURPOSE OF THIS COVERAGE

This coverage provides a monthly benefit payment to the policyowner if the insured person becomes totally disabled as a result of an accident or an illness.

Subject to the provisions of this coverage, the Company will make monthly benefit payments to the policyowner during the insured person's total disability if they remain totally disabled after the waiting period.

The amount of the monthly benefit payment is specified in the **BENEFITS** provision.

2. PREMIUMS

The premiums for this coverage are "level". For the duration of this coverage, no annual increase will be made to premiums due to an increase in the insured person's age.

However, premiums **are not guaranteed**. The Company reserves the right to modify premiums while the contract is in force, provided any such modification applies to a group of insured persons with similar features. In such a case, the Company will modify the premiums for this coverage based on the insured person's age on the initial date of this coverage.

The Company will send written notice to the policyowner to inform them of any premium change at least 30 days prior to the anniversary of this coverage.

Premiums are payable until the expiry date of this coverage, which is indicated in the Policy Schedule.

3. DEFINITIONS

The **GENERAL PROVISIONS** include definitions of certain terms that apply to this coverage. The definitions shown below apply specifically to this coverage.

Accident: any bodily injury certified by a physician that results directly from a sudden and unforeseen external cause, independently of any illness or other cause.

If the insured person becomes disabled after 90 days following the accident, the accident will be considered an illness.

The accident must occur while this coverage is in force.

Amortization period: see the **AMORTIZATION PERIOD** provision.

Average balance: the definition of "average balance" depends on the cause of the insured person's disability.

- a. If the insured person becomes disabled further to an **illness**, it means the average balance of an eligible loan during the 90-day period that immediately precedes the 120-day period prior to the date the insured person became disabled.

If the loan was taken out in the 120-day period that precedes the date the insured person became disabled and was not taken out to replace another loan, the average balance for the loan is zero. If it was taken out to replace another similar loan, the Company will consider the average balance of the initial loan, as defined in the paragraph above.

However, if the insured person becomes disabled in the 120-day period that follows the date this coverage is issued or reinstated or the date the amount of the selected monthly benefit is reinstated, it means the balance of an eligible loan on the date the insured person became disabled.

- b. If the insured person becomes disabled further to an **accident**, it means the balance of an eligible loan on the date the insured person became disabled.

Benefit period: see the **BENEFIT PERIOD** provision.

Business: any association, cooperative, company, partnership or corporation. This definition does not include sole proprietorships or self-employed workers.

Continuing medical care: treatment that is medically necessary for the insured person due to their disability. This treatment must be directly related to the cause of the disability and be applied in accordance with current medical standards.

The insured person must need this care on a continuous basis to recover. The care must also be given or recommended by a physician and be subject to regular follow-ups.

The Company reserves the right to waive the requirements relating to the care of a physician on receipt of a written statement deemed satisfactory that shows that additional care from the physician would not be of any benefit to the insured person.

Day surgery: surgery performed in a hospital for which the insured person is discharged on the same day as the surgery. Day surgery is surgery that does not require hospitalization.

Disability (disabled): state of total disability of the insured person.

Eligible lease:

If the policyowner is an individual: a lease agreement entered into by the insured person for a dwelling used as a principal residence or for a motorized vehicle.

If the policyowner is a business: a lease agreement entered into by the business for a motorized vehicle.

The lease agreement must meet the following requirements:

a. For a lease agreement for a dwelling used as a principal residence by the insured person:

The lease agreement must be entered into by the insured person and the owner of the rental dwelling. The lease agreement must be in the insured person's name, be signed by them and contain the following information:

- the name of the insured person as the sole tenant or one of multiple tenants, as the case may be;
- the scheduled payments to be made;
- the initial date of the lease; and
- the expiry date of the lease.

b. For a motor vehicle lease agreement:

The lease agreement must be entered into between the insured person or the business, as the case may be, and a financial institution. The lease agreement must include the following information:

- the name of the insured person or the business, as the case may be, as the lessee;
- the scheduled payments to be made;
- the initial date of the lease; and
- the expiry date of the lease.

Eligible leases under this coverage are indicated in the **ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS** provision.

Eligible loan:

If the policyowner is an individual: any loan of \$1,000 or more taken out by the insured person from a financial institution.

If the policyowner is a business: any loan of \$1,000 or more taken out by the business from a financial institution.

The loan must be subject to a credit agreement. "Credit agreement" means a document confirming the existence of the loan extended by the financial institution. The credit agreement must contain the following information:

- the name of the insured person or the business, as the case may be, as the sole borrower or one of multiple borrowers, as the case may be;
- the scheduled payments to be made, if applicable;
- the interest rate applicable to the loan;
- the initial date of the loan, if applicable; and
- the expiry date of the loan, if applicable.

Eligible loans under this coverage are indicated in the **ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS** provision.

Eligible monthly amount: see the **ELIGIBLE MONTHLY AMOUNT** provision.

Financial institution: any of the entities listed below that are legally authorized to conduct business in Canada or in the policyowner's province:

- a Canadian or foreign bank;
- a legal entity governed by the Trust and Loan Companies Act of Canada (or equivalent provincial legislation);
- a trust, loan or insurance company incorporated under federal or provincial legislation;
- a credit union incorporated under and governed by federal or provincial legislation;
- an entity incorporated or formed under federal or provincial legislation that is primarily engaged in financing new motor vehicles; or
- any other incorporated entity recognized by the Company in writing.

Full-time occupation: the regular performance of gainful employment:

- 30 hours or more a week for at least 35 weeks a year;
- 24 to 29 hours a week for at least 40 weeks a year; or
- 21 hours or more a week on a continuous basis.

Home equity line of credit with principal: eligible loan secured by a residential dwelling or commercial building whose scheduled payments include a principal portion.

Home equity line of credit without principal: eligible loan secured by a residential dwelling or commercial building whose scheduled payments do not include a principal portion.

Hospital: a facility recognized as a short-term care hospital in accordance with the laws of the insured person's province of residence, excluding that facility's long-term care unit, where people are seen for the purpose of:

- preventive care;
- medical diagnosis;
- medical treatment.

The following facilities, however, are not considered to be hospitals, even if they are part of a hospital or associated with one:

- a residential or extended care centre;
- a rehabilitation centre;
- a private practice or private clinic;
- an infirmary where a religious or teaching institution receives members of its staff or its students.

Hospitalization: a stay of at least 18 consecutive hours in a hospital as an in-patient assigned to a bed (ward or room). Hospitalization must result from an illness or an accident.

Illness: a deterioration in health or a bodily disorder certified by a physician. Organ donations and related complications are also considered to be illnesses, subject to the provisions of the **ORGAN DONATION** provision.

The illness must occur while this coverage is in force.

Insured person's share: the percentage of the insured person's ownership interest in the business at the onset of disability.

Interest rate: percentage applied to a borrowed sum to determine the interest payable on that sum for a unit of time.

In interpreting this coverage, the applicable interest rate must be converted to a monthly rate.

The interest rate used to calculate the eligible monthly amount is the one in effect at the onset of the insured person's disability.

Investment loan: loan taken out from a financial institution for the purposes of investing (e.g., RRSP loan, leveraged investment loan).

Monthly benefit payment: see the **BENEFITS** provision.

Mortgage loan: eligible loan secured by a residential dwelling or commercial building whose scheduled payments include a principal portion.

Multi-unit residential dwelling: dwelling that has more than one housing unit and could provide income to the insured person or the business (e.g., duplex, triplex, apartment building).

Occupation class: the occupation class is used to define the underwriting classes related to the insured person's occupation. It is indicated in the Policy Schedule.

The occupation class is guaranteed. Therefore, if the insured person changes occupations after the contract has been issued, resulting in a higher occupational risk, the premium will be calculated based on the occupation class determined when the contract was issued or reinstated.

Principal residential dwelling: the insured person's principal residence as defined in the Income Tax Act. The residence does not provide any income to the insured person and may be a house or a housing unit that is part of a building (e.g., condominium unit, single family home, semi-detached home).

Scheduled payment:

- **For an eligible loan or motor vehicle lease:** the minimum amount charged at a regular interval by a financial institution toward the full repayment of the loan or for the payment of the lease; or
- **For the lease of a dwelling used as a principal residence by the insured person:** the minimum amount charged at a regular interval by the owner of a dwelling for the payment of the lease.

The scheduled payment amount is determined at the onset of the insured person's disability.

Even if the insured person or the business, as the case may be, pays an amount higher than the minimum amount charged at a regular interval by the financial institution or the dwelling owner, the Company will only consider the minimum amount.

For the purposes of interpreting this coverage, the scheduled payment must be converted to a monthly amount. To do so, the Company will multiply the amount of the scheduled payment by:

- 2.17 for bi-weekly payments;
- 4.33 for weekly payments.

Secondary residential dwelling: a dwelling other than a principal residential dwelling (e.g., country house, cottage, housing unit that is part of a building, condominium unit).

Selected monthly benefit: corresponds to the monthly benefit indicated in the Policy Schedule. This amount is used to determine the monthly benefit payment in the event of the insured person's total disability. See the **BENEFITS** provision.

Total disability: see the **TOTAL DISABILITY** provision.

In interpreting the definition of total disability under this coverage, the Company will consider the occupation that the insured person held immediately prior to the onset of their total disability, even if that occupation is different from the one they held when the contract was issued.

Totally disabled: equivalent to "total disability."

Waiting period: see the **WAITING PERIOD** provision.

4. TOTAL DISABILITY

The insured person is considered totally disabled if their situation meets the criteria below, subject to the **PRESUMPTION OF TOTAL DISABILITY** provision.

- a. For an **insured person who held an occupation** immediately prior to the onset of their disability

During the waiting period and the first 24 months of the benefit period, the insured person is considered totally disabled further to an illness or accident if:

- they are totally unable to perform the main duties of their current occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

After the first 24 months of the benefit period, the insured person is considered totally disabled further to an illness or accident if:

- they are unable to hold a replacement occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

- b. For an **insured person who did not hold an occupation, who was on maternity or parental leave, or who was on a paid or unpaid leave of absence by agreement with their employer** immediately prior to the onset of their disability

The insured person is considered totally disabled further to an illness or accident if:

- they are unable to hold a replacement occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

5. BENEFITS

- a. The monthly benefit payment provided for under this coverage in the event of an insured person's disability corresponds to the following:
 - 1) If the policyowner is an **individual** at the onset of the disability, the monthly benefit payment corresponds to the lowest of the following amounts:
 - the selected monthly benefit indicated in the Policy Schedule; and
 - the total of the eligible monthly amounts on the date the insured person became disabled.
 - 2) If the policyowner is a **business** at the onset of the disability, the monthly benefit payment corresponds to the lowest of the following amounts:
 - the selected monthly benefit indicated in the Policy Schedule; and
 - the total of the eligible monthly amounts on the date the insured person became disabled, multiplied by the insured person's share in the business on that date.
- b. **If the total of the eligible monthly amounts exceeds the amount of the selected monthly benefit indicated in the Policy Schedule**
 - 1) To determine the order in which it selects the eligible monthly amounts for the monthly benefit payment, the Company first determines which eligible loan or lease has the longest remaining amortization period. It then selects the other eligible monthly amounts in decreasing order.
 - 2) In some cases, in order not to exceed the amount of the selected monthly benefit, the Company will consider only a portion of the eligible monthly amount of an eligible loan or lease.
 - 3) Eligible amounts not considered by the Company at the onset of disability cannot be considered after benefit payments have begun.
- c. **General limitations applicable to benefits**
 - 1) If total or partial disability benefits are payable further to the same cause, the Company will limit the duration of benefit payments to the benefit period in case of total disability.
 - 2) If the amount of the benefit payment calculated in paragraph "a" above is lower than the amount of the selected monthly benefit indicated in the Policy Schedule, the Company will not reimburse any excess premiums paid. It is the policyowner's responsibility to regularly review the amount of their selected monthly benefit based on their outstanding loans and leases and, if the policyowner is a business, the ownership interest held by the insured person at the time.
 - 3) If, at the onset of the insured person's disability, one or more co-borrowers or co-lessees or one or more shareholders in the business are also disabled, the Company will limit the eligible monthly amount of any loan or lease to ensure that the total of all benefit payments for that loan or lease under all applicable insurance coverages does not exceed the amount of the scheduled payment for that loan or lease.
 - 4) If, at the onset of disability, the policyowner is an individual, any loans or leases taken out on behalf of a business are not eligible, even if the individual has an ownership interest in the business in question.
 - 5) If, at the onset of disability, the policyowner is a business, any loans or leases taken out on behalf of an individual are not eligible, even if the individual has an ownership interest in the business in question.

d. **Limitations applicable in case of termination of employment**

1) If the insured person:

- **did not hold an occupation for 12 months or less** immediately prior to the onset of their disability;
- **was on maternity or parental leave for 70 weeks or less** immediately prior to the onset of their disability; or
- **was on a paid or unpaid leave of absence by agreement with their employer for 12 months or less** immediately prior to the onset of their disability:
 - a) The Company will adjust the waiting period to 90 days, if the one under this coverage is shorter. This limitation also applies in case of hospitalization and day surgery.
 - b) The Company will not pay any benefit if the disability results from one of the following disorders or from related treatment or complications:
 - stress;
 - anxiety;
 - depression;
 - neurosis;
 - psychosis;
 - adjustment disorder;
 - fibromyalgia or any chronic pain syndrome;
 - chronic fatigue syndrome;
 - personality disorder;
 - attention deficit disorder;
 - any other emotional or psychiatric disorder.

2) Entitlement to benefits under this coverage will be suspended on the date the insured person:

- **has not held an occupation or has been on a paid or unpaid leave of absence by agreement with their employer for more than 12 months;** or
- **has been on maternity or parental leave for more than 70 weeks.**

No benefits will be payable for a total or partial disability that begins while the insured person is in any of these situations.

In such a case, entitlement to benefits under this coverage will be re-established once the policyowner can prove, to the satisfaction of the Company, that the insured person again holds a full-time occupation, on the condition that premium payments for this coverage were never interrupted.

6. ELIGIBILITY OF LOANS AND LEASES

To be eligible under this coverage, loans and leases must meet the following requirements:

- a. Copies of all loan and lease agreements must be submitted to the Company before benefit payments begin. The Company will consider a loan taken out after the onset of the insured person's disability to be eligible if it was taken out under the terms of a deferred payment agreement entered into prior to the disability. The deferred payment agreement must be provided to the Company before benefit payments begin.
- b. To be eligible, a loan or lease cannot already be covered, in whole or in part, under another loan or credit insurance product held in the insured person's name.
- c. Loans identified in paragraphs "a" and "f 1)" of the **ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS** provision and eligible leases identified in the **ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS** provision cannot be taken out or amended in the 120 days prior to the onset of the insured person's disability further to an illness.

This 120-day restriction does not apply in the following situations:

- 1) If the insured person becomes disabled in the 120-day period that follows the date this coverage is issued or reinstated or the date the amount of the selected monthly benefit is reinstated (see the **REINSTATEMENT OF THE SELECTED MONTHLY BENEFIT AMOUNT** provision).
- 2) If the interest rate of a loan is renewed, provided the balance and term of the loan remain the same.

- 3) If a lease or loan is taken out to replace another lease or loan, in which case the Company will consider:
 - a) the lowest of the following eligible monthly amounts:
 - the amount that was payable for the initial lease or loan; and
 - the amount that is payable for the new lease or loan;

AND

- b) the shortest remaining amortization period, in the case of a loan, or the nearest expiry date, in the case of a lease, between:
 - the amortization period or expiry date for the initial lease or loan; and
 - the amortization period or expiry date for the new lease or loan.

However, a longer remaining amortization period or a later expiry date may be considered if it does not increase the Company's total financial commitment.

7. ELIGIBLE MONTHLY AMOUNT

- a. The eligible monthly amount corresponds to the payment considered by the Company to determine the monthly benefit payment that will be used to repay an eligible loan or lease. This amount is calculated at the onset of the insured person's disability for each eligible loan or lease.

The calculation of the eligible monthly amount will depend on the type of eligible loan or lease. See the **ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS** and **ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS** provisions.

- b. The eligible monthly amount that is determined at the onset of disability will not change thereafter, even if, for example:
 - the amount of the scheduled payment varies (due to a change in interest rate or any other reason); or
 - the remaining amortization period of an eligible loan is changed.

8. AMORTIZATION PERIOD

- a. The amortization period is the period in which scheduled payments are to be made to a financial institution to repay an eligible loan in full. At the onset of the insured person's disability, the Company will calculate the remaining amortization period for each eligible loan.
- b. The remaining amortization period is determined at the onset of the insured person's disability based on:
 - the balance of the loan at the end of the waiting period;
 - the interest rate in effect at that time; and
 - the scheduled payment amount.
- c. The remaining amortization period determined in this manner for each eligible loan at the onset of disability will not change thereafter, even if one of the factors used to determine the remaining amortization period changes after benefit payments begin.

9. ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS

a. MORTGAGE LOAN AND HOME EQUITY LINE OF CREDIT WITH PRINCIPAL

- 1) If the mortgage loan or the home equity line of credit covers a principal residential dwelling, the eligible monthly amount corresponds to:
 - 125% of the scheduled payment, in principal and in interest.
- 2) If the mortgage loan or the home equity line of credit covers a secondary residential dwelling, a multi-unit residential dwelling or a commercial building, the eligible monthly amount corresponds to:
 - 100% of the scheduled payment, in principal and in interest.
- 3) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date the remaining amortization period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

b. HOME EQUITY LINE OF CREDIT WITHOUT PRINCIPAL

- 1) If the home equity line of credit covers a principal or secondary residential dwelling, a multi-unit residential dwelling or a commercial building, the eligible monthly amount corresponds to:
 - the interest rate applicable to the home equity line of credit **multiplied by** the average balance;
PLUS
 - 0.5% of the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date on which the Company will have paid benefits for a fixed period of 15 years; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

c. CREDIT CARD

- 1) The eligible monthly amount corresponds to 5% of the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date on which the Company will have paid benefits for a fixed period of 30 months; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

d. LINE OF CREDIT

- 1) The eligible monthly amount corresponds to 4% of the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date on which the Company will have paid benefits for a fixed period of 30 months; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

e. INVESTMENT LOAN

- 1) The eligible monthly amount corresponds to the interest applicable to the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date the remaining amortization period ends, where applicable;
 - the date on which the Company will have paid benefits for a fixed period of 15 years; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

f. OTHER LOANS

1) Loan whose scheduled payment includes a principal portion

- a) The eligible monthly amount corresponds to:
 - 100% of the scheduled payment, in principal and in interest.
- b) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date the remaining amortization period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

2) Loan whose scheduled payment does not include a principal portion

- a) The eligible monthly amount corresponds to the interest applicable to the average balance.
- b) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date on which the Company will have paid benefits for a fixed period of 15 years; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

10. ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS

a. LEASE AGREEMENT FOR A DWELLING USED AS A PRINCIPAL RESIDENCE BY THE INSURED PERSON

- 1) The eligible monthly amount corresponds to the amount of the scheduled payment set out in the lease agreement.
- 2) The Company will stop paying benefits for this lease on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date on which the Company will have paid benefits for a fixed period of 2 years; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

b. MOTOR VEHICLE LEASE AGREEMENT

- 1) The eligible monthly amount corresponds to the scheduled payment set out in the lease agreement.
- 2) The Company will stop paying benefits for this lease on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - 30 months after the lease expiry date; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

11. HOSPITALIZATION

If the insured person has to be hospitalized or undergo day surgery, the monthly benefit payment provided for under this coverage will be payable after the waiting period indicated in the Policy Schedule, subject to the **BENEFITS** provision.

12. WAITING PERIOD

The waiting period is the period during which the insured person must be disabled before the Company will begin making the monthly benefit payments provided for under this coverage. The waiting period applicable to a disability resulting from an illness or accident or the waiting period applicable following a hospitalization or day surgery is indicated in the Policy Schedule.

Multiple disability periods of 7 or more consecutive days attributable to the same cause may be added together to count toward any waiting period of 30 days or more. However, disability periods added together in this manner cannot be separated by more than:

- 6 months, if the insured person's occupation class is A, B or 2A; or
- 12 months, if the insured person's occupation class is 3A or 4A.

If a partial disability coverage is attached to this coverage and the insured person satisfies the conditions to receive partial disability benefits, the days counted toward the partial disability waiting period are considered in the calculation of the days needed to satisfy the total disability waiting period.

13. BENEFIT PERIOD

- a. The benefit period is the maximum period during which monthly benefit payments can be made further to a disability resulting from a single cause, subject to the **CONCURRENT DISABILITY** provision. The benefit period is indicated in the Policy Schedule.
- b. If benefit payments begin after the insured person has reached the attained age of 63, but before they have reached the attained age of 65, the Company may continue making benefit payments after the expiry date of this coverage. The Company will then stop making monthly benefit payments on the earliest of the following dates:
 - the date it has made a total of 24 total and/or partial disability benefit payments; or
 - the date the insured person ceases to be disabled.
- c. If the policyowner is a business at the onset of disability, the benefit period is either the period indicated in the Policy Schedule or 5 years, whichever is shortest.

14. RECURRENT DISABILITY

If, after a disability, the insured person becomes disabled again due to the same cause or a related cause, the Company will consider the new disability to be a recurrence if it occurs:

- within 6 months of the end of the first disability, if the insured person's occupation class is A, B or 2A; or
- within 12 months of the end of the first disability, if the insured person's occupation class is 3A or 4A.

In such a case, no new waiting period applies and the policyowner will receive benefits for a period not exceeding the number of months remaining in the benefit period applicable to the first disability.

15. CONCURRENT DISABILITY

If, in the course of a period during which benefit payments are being made, a second disability occurs further to a different cause unrelated to the first cause, the Company will not double the amount of the benefit payment.

If the first disability ends **before** the policyowner has received benefits for the number of months in the benefit period, the policyowner is entitled to benefits for the second disability after the insured person again satisfies the applicable waiting period. The policyowner will then receive benefits for the second disability for a period not exceeding the number of months remaining in the benefit period applicable to the first disability.

The waiting period for the second disability will begin as soon as the insured person becomes disabled as a result of the second cause.

16. PRESUMPTION OF TOTAL DISABILITY

If, further to an illness or accident, the insured person suffers from the loss of 2 limbs or 1 sense, as described below, they will be presumed to be totally disabled, whether or not they hold an occupation or are receiving continuing medical care, subject to the **BENEFITS** provision.

"Loss" means the total and irreversible loss of:

- a. the use of 1 hand;
- b. the use of 1 foot;
- c. 1 hand and the wrist joint further to an amputation;
- d. 1 foot and the ankle joint further to an amputation;
- e. vision in both eyes (visual acuity of 20/200 or less, or a field of vision of less than 20 degrees);
- f. speech, attributable to a bodily injury or a physical illness lasting for at least 6 consecutive months;
- g. hearing in both ears, with an auditory threshold of over 90 decibels.

17. ORGAN DONATION

If the insured person becomes totally disabled further to an organ donation performed more than 6 months after the effective date of this coverage, the insured person may be considered totally disabled further to an illness and benefits may be paid under this coverage.

18. REHABILITATION

During a period in which monthly benefit payments are being made under this coverage, the Company may cover the costs of the services related to a rehabilitation program if these services:

- enable the insured person to return to work sooner; and
- are not already covered under another program or service.

The rehabilitation program must be approved in writing by the Company before the insured person participates in it.

19. EXCHANGE PRIVILEGE

The exchange privilege described below is available only if the policyowner is an individual.

- a. Before the insured person reaches the attained age of 60 and until the end of the 7th coverage year, this coverage may be exchanged for an eligible disability coverage designated by the Company ("new coverage") without medical evidence of insurability. A written request must be submitted to the Company in the 60 days leading up to the anniversary of the coverage.

The Company will then issue a new contract for the new coverage. The exchange will take effect on the coverage anniversary that follows the date of the exchange request and will be made:

- based on the insured person's age as indicated in the Policy Schedule;
- based on the occupation class indicated in the Policy Schedule; and
- in accordance with the conditions, limitations and rates that apply to the new coverage at the time the exchange request is submitted to the Company.

- b. **The following conditions and limitations apply to the exchange privilege:**

- 1) This coverage must be in force on the coverage anniversary that follows the date of the exchange request.
- 2) The insured person must hold a full-time occupation on the coverage anniversary that follows the date of the exchange request.
- 3) The insured person must not be disabled on the coverage anniversary that follows the date of the exchange request.
- 4) Financial evidence of insurability deemed satisfactory by the Company must be provided.
- 5) The exchange can only be requested once. All or a portion of the coverage may be exchanged. If this coverage was issued further to an exchange of another coverage, this coverage is not eligible for this exchange privilege.
- 6) The Company reserves the right to exclude certain options or coverages offered under the new coverage if they were not offered under this coverage.
- 7) Any extra premiums and exclusions that apply to this coverage will also apply to the new coverage.
- 8) The waiting period for the new coverage must be equal to or longer than the one under this coverage.
- 9) The benefit period and the selected monthly benefit for the new coverage must be equal to or less than those under this coverage.
- 10) In the event of a partial exchange, the total of the selected monthly benefit for this coverage after the exchange and the selected monthly benefit for the new coverage cannot exceed the amount of the selected monthly benefit for this coverage prior to the exchange.

20. EXTENSION PRIVILEGE

- a. When the insured person reaches the attained age of 65, this coverage will terminate. However, if the policyowner submits a written request to the Company in the 60 days leading up to the expiry date of this coverage, indicated in the Policy Schedule, they can extend this coverage in the form of a 5-year term disability coverage whose premiums may increase annually ("extended coverage") without having to provide medical evidence of insurability. This extension will terminate when the insured person reaches the attained age of 70.

This extended coverage will be established based on the attained age of the insured person and in accordance with the Company's rates and conditions in effect at that time, provided the following requirements are met:

- 1) This coverage must be in force when the insured person reaches the attained age of 65.
- 2) The insured person must hold a full-time occupation when they reach the attained age of 65.
- 3) The insured person must not be disabled when they reach the attained age of 65.

b. **The following conditions and limitations apply to the extension privilege:**

- 1) the minimum waiting period in the event of illness, accident, hospitalization and day surgery must be 30 days;
- 2) the maximum benefit period must be 24 months;
- 3) the selected monthly benefit must be the lowest of:
 - \$2,000;
 - or**
 - 50% of the selected monthly benefit for this coverage.
- 4) Any options or coverages attached to this coverage will not be attached to the extended coverage.
- 5) Any extra premiums or exclusions applicable to this coverage will also apply to the extended coverage.
- 6) The Company reserves the right to modify certain provisions of this coverage based on what is applicable at the time the extended coverage is issued.

21. REINSTATEMENT OF THE SELECTED MONTHLY BENEFIT AMOUNT

If a policyowner has partially reduced the initial amount of the selected monthly benefit, the Company will agree to reinstate it up to the amount in effect prior to the reduction. The reinstatement will take effect on the date the Company accepts the request in writing, provided it receives:

- a. the request to reinstate the initial amount of the selected monthly benefit within 24 months of the date it was reduced;
- b. the amount corresponding to the premiums that would have been payable if the policyowner had not reduced the initial amount of the selected monthly benefit; and
- c. satisfactory proof that the insured person meets the Company's insurability requirements.

22. EXCLUSIONS

No benefit will be paid under this coverage in the following situations.

- a. If disability results either directly or indirectly from self-inflicted injuries or a suicide attempt, whether the insured person is sane or not.
- b. If disability results either directly or indirectly from a war, whether war is declared or not, a riot or a revolution whether or not the insured person took part.
- c. During any period where the insured person is imprisoned or if disability results either directly or indirectly from the insured person's participation in any criminal act or related act.
- d. If disability results either directly or indirectly from the insured person driving a motor vehicle while under the influence of drugs or with a blood alcohol level equal to or greater than 80 mg of alcohol per 100 ml of blood.
- e. If disability results either directly or indirectly from the illegal or illicit use of any drug, or the abusive or repeated use of alcohol or marijuana.
- f. If disability results either directly or indirectly from the insured person's participation in a flight or attempted flight in any form of aircraft as a member of the crew or is performing a duty or taking part in any training whatsoever related to this flight or attempted flight.
- g. If disability results either directly or indirectly from the insured person's participation in a race, competition or speed contest in a motor vehicle as an amateur or professional on approved raceways or elsewhere.
- h. If disability results either directly or indirectly from treatments or care received for cosmetic purposes.
- i. If disability results from pregnancy, childbirth or natural or induced termination of pregnancy.
However, any disability that results from complications due to pregnancy, childbirth or natural or induced termination of pregnancy is covered.
- j. If disability results either directly or indirectly from the insured person's participation in a sporting activity for which they are paid.
- k. If the policyowner of this contract is an individual and the insured person declares bankruptcy after the effective date of this coverage.

If the bankruptcy occurs while the insured person is disabled, the Company will stop paying benefits on the date bankruptcy is declared and will terminate the contract.

- l. If the policyowner of this contract is a business and that business declares bankruptcy after the effective date of this coverage.

If the bankruptcy occurs while the insured person is disabled, the Company will stop paying benefits on the date bankruptcy is declared and will terminate the contract.

- m. If the policyowner of this contract is a business and the insured person relinquishes their ownership interest in the business while they are disabled, the Company will stop paying benefits on the date the insured person no longer has any ownership interest in the business.
- n. If the insured person leaves Canada to set up permanent residence in another country.

However, if the insured person leaves Canada while the policyowner is receiving benefit payments, the Company will continue paying benefits:

- as long as the insured person is disabled; and
 - in accordance with the provisions of this coverage.
- o. If disability results either directly or indirectly from an illness that occurs in the 6 months that follow the effective date of this coverage, if this coverage was issued as the result of a future insurability option.
- p. If disability results either directly or indirectly from one of the following disorders or from related treatment or complications, if the insured person does not hold an occupation, is on maternity or parental leave, or is on a paid or unpaid leave of absence by agreement with their employer:
- stress;
 - anxiety;
 - depression;
 - neurosis;
 - psychosis;
 - adjustment disorder;
 - fibromyalgia or any chronic pain syndrome;
 - chronic fatigue syndrome;
 - personality disorder;
 - attention deficit disorder; or
 - any other emotional or psychiatric disorder.

23. TERMINATION

This coverage will terminate on the earliest of the following dates:

- a. the expiry date of this coverage, as indicated in the Policy Schedule, subject to paragraph "b" of the **BENEFIT PERIOD** provision;
- b. the date the extension privilege under this coverage is exercised;
- c. the date the exchange privilege under this coverage is exercised for a full exchange;
- d. the date the insured person reaches the attained age of 65, subject to paragraph "b" of the **BENEFIT PERIOD** provision;
- e. the date of death of the insured person;
- f. the date the insured person declares bankruptcy after the effective date of this coverage, if the policyowner is an individual;
- g. the date the policyowner declares bankruptcy after the effective date of this coverage, if the policyowner is a business;
- h. the date the Company receives a written request from the policyowner to terminate the coverage; or
- i. the date the grace period expires and premiums remain unpaid.

SOLO LOAN INSURANCE – T10

1. PURPOSE OF THIS COVERAGE

This coverage provides a monthly benefit payment to the policyowner if the insured person becomes totally disabled as a result of an accident or an illness.

Subject to the provisions of this coverage, the Company will make monthly benefit payments to the policyowner during the insured person's total disability if they remain totally disabled after the waiting period.

The amount of the monthly benefit payment is specified in the **BENEFITS** provision.

2. PREMIUMS

The initial annual premium payable for this coverage is indicated in the Policy Schedule.

Subsequent premiums will vary based on the following:

- At the start of each 10-year period, the Company **will increase** premiums based on the attained age of the insured person at that time.
- At any time, the Company **may modify** premiums for a group of insured persons with similar features. In such a case, the Company will modify the premiums for this coverage based on the insured person's age on the initial date of this coverage. In all cases, the Company will send written notice to the policyowner to inform them of any premium change at least 30 days prior to the anniversary of this coverage.

Annual premiums are payable until the expiry date of this coverage, which is indicated in the Policy Schedule.

3. DEFINITIONS

The **GENERAL PROVISIONS** include definitions of certain terms that apply to this coverage. The definitions shown below apply specifically to this coverage.

Accident: any bodily injury certified by a physician that results directly from a sudden and unforeseen external cause, independently of any illness or other cause.

If the insured person becomes disabled after 90 days following the accident, the accident will be considered an illness.

The accident must occur while this coverage is in force.

Amortization period: see the **AMORTIZATION PERIOD** provision.

Average balance: the definition of "average balance" depends on the cause of the insured person's disability.

- a. If the insured person becomes disabled further to an **illness**, it means the average balance of an eligible loan during the 90-day period that immediately precedes the 120-day period prior to the date the insured person became disabled. If the loan was taken out in the 120-day period that precedes the date the insured person became disabled and was not taken out to replace another loan, the average balance for the loan is zero. If it was taken out to replace another similar loan, the Company will consider the average balance of the initial loan, as defined in the paragraph above. However, if the insured person becomes disabled in the 120-day period that follows the date this coverage is issued or reinstated or the date the amount of the selected monthly benefit is reinstated, it means the balance of an eligible loan on the date the insured person became disabled.
- b. If the insured person becomes disabled further to an **accident**, it means the balance of an eligible loan on the date the insured person became disabled.

Benefit period: see the **BENEFIT PERIOD** provision.

Business: any association, cooperative, company, partnership or corporation. This definition does not include sole proprietorships or self-employed workers.

Continuing medical care: treatment that is medically necessary for the insured person due to their disability. This treatment must be directly related to the cause of the disability and be applied in accordance with current medical standards.

The insured person must need this care on a continuous basis to recover. The care must also be given or recommended by a physician and be subject to regular follow-ups.

The Company reserves the right to waive the requirements relating to the care of a physician on receipt of a written statement deemed satisfactory that shows that additional care from the physician would not be of any benefit to the insured person.

Day surgery: surgery performed in a hospital for which the insured person is discharged on the same day as the surgery. Day surgery is surgery that does not require hospitalization.

Disability (disabled): state of total disability of the insured person.

Eligible lease:

If the policyowner is an individual: a lease agreement entered into by the insured person for a dwelling used as a principal residence or for a motorized vehicle.

If the policyowner is a business: a lease agreement entered into by the business for a motorized vehicle.

The lease agreement must meet the following requirements:

a. For a lease agreement for a dwelling used as a principal residence by the insured person:

The lease agreement must be entered into by the insured person and the owner of the rental dwelling. The lease agreement must be in the insured person's name, be signed by them and contain the following information:

- the name of the insured person as the sole tenant or one of multiple tenants, as the case may be;
- the scheduled payments to be made;
- the initial date of the lease; and
- the expiry date of the lease.

b. For a motor vehicle lease agreement:

The lease agreement must be entered into between the insured person or the business, as the case may be, and a financial institution. The lease agreement must include the following information:

- the name of the insured person or the business, as the case may be, as the lessee;
- the scheduled payments to be made;
- the initial date of the lease; and
- the expiry date of the lease.

Eligible leases under this coverage are indicated in the **ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS** provision.

Eligible loan:

If the policyowner is an individual: any loan of \$1,000 or more taken out by the insured person from a financial institution.

If the policyowner is a business: any loan of \$1,000 or more taken out by the business from a financial institution.

The loan must be subject to a credit agreement. "Credit agreement" means a document confirming the existence of the loan extended by the financial institution. The credit agreement must contain the following information:

- the name of the insured person or the business, as the case may be, as the sole borrower or one of multiple borrowers, as the case may be;
- the scheduled payments to be made, if applicable;
- the interest rate applicable to the loan;
- the initial date of the loan, if applicable; and
- the expiry date of the loan, if applicable.

Eligible loans under this coverage are indicated in the **ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS** provision.

Eligible monthly amount: see the **ELIGIBLE MONTHLY AMOUNT** provision.

Financial institution: any of the entities listed below that are legally authorized to conduct business in Canada or in the policyowner's province:

- a Canadian or foreign bank;
- a legal entity governed by the Trust and Loan Companies Act of Canada (or equivalent provincial legislation);
- a trust, loan or insurance company incorporated under federal or provincial legislation;
- a credit union incorporated under and governed by federal or provincial legislation;
- an entity incorporated or formed under federal or provincial legislation that is primarily engaged in financing new motor vehicles; or
- any other incorporated entity recognized by the Company in writing.

Full-time occupation: the regular performance of gainful employment:

- 30 hours or more a week for at least 35 weeks a year;
- 24 to 29 hours a week for at least 40 weeks a year; or
- 21 hours or more a week on a continuous basis.

Home equity line of credit with principal: eligible loan secured by a residential dwelling or commercial building whose scheduled payments include a principal portion.

Home equity line of credit without principal: eligible loan secured by a residential dwelling or commercial building whose scheduled payments do not include a principal portion.

Hospital: a facility recognized as a short-term care hospital in accordance with the laws of the insured person's province of residence, excluding that facility's long-term care unit, where people are seen for the purpose of:

- preventive care;
- medical diagnosis;
- medical treatment.

The following facilities, however, are not considered to be hospitals, even if they are part of a hospital or associated with one:

- a residential or extended care centre;
- a rehabilitation centre;
- a private practice or private clinic;
- an infirmary where a religious or teaching institution receives members of its staff or its students.

Hospitalization: a stay of at least 18 consecutive hours in a hospital as an in-patient assigned to a bed (ward or room). Hospitalization must result from an illness or an accident.

Illness: a deterioration in health or a bodily disorder certified by a physician. Organ donations and related complications are also considered to be illnesses, subject to the provisions of the **ORGAN DONATION** provision.

The illness must occur while this coverage is in force.

Insured person's share: the percentage of the insured person's ownership interest in the business at the onset of disability.

Interest rate: percentage applied to a borrowed sum to determine the interest payable on that sum for a unit of time.

In interpreting this coverage, the applicable interest rate must be converted to a monthly rate.

The interest rate used to calculate the eligible monthly amount is the one in effect at the onset of the insured person's disability.

Investment loan: loan taken out from a financial institution for the purposes of investing (e.g., RRSP loan, leveraged investment loan).

Monthly benefit payment: see the **BENEFITS** provision.

Mortgage loan: eligible loan secured by a residential dwelling or commercial building whose scheduled payments include a principal portion.

Multi-unit residential dwelling: dwelling that has more than one housing unit and could provide income to the insured person or the business (e.g., duplex, triplex, apartment building).

Occupation class: the occupation class is used to define the underwriting classes related to the insured person's occupation. It is indicated in the Policy Schedule.

The occupation class is guaranteed. Therefore, if the insured person changes occupations after the contract has been issued, resulting in a higher occupational risk, the premium will be calculated based on the occupation class determined when the contract was issued or reinstated.

Principal residential dwelling: the insured person's principal residence as defined in the Income Tax Act. The residence does not provide any income to the insured person and may be a house or a housing unit that is part of a building (e.g., condominium unit, single family home, semi-detached home).

Scheduled payment:

- **For an eligible loan or motor vehicle lease:** the minimum amount charged at a regular interval by a financial institution toward the full repayment of the loan or for the payment of the lease; or
- **For the lease of a dwelling used as a principal residence by the insured person:** the minimum amount charged at a regular interval by the owner of a dwelling for the payment of the lease.

The scheduled payment amount is determined at the onset of the insured person's disability.

Even if the insured person or the business, as the case may be, pays an amount higher than the minimum amount charged at a regular interval by the financial institution or the dwelling owner, the Company will only consider the minimum amount.

For the purposes of interpreting this coverage, the scheduled payment must be converted to a monthly amount. To do so, the Company will multiply the amount of the scheduled payment by:

- 2.17 for bi-weekly payments;
- 4.33 for weekly payments.

Secondary residential dwelling: a dwelling other than a principal residential dwelling (e.g., country house, cottage, housing unit that is part of a building, condominium unit).

Selected monthly benefit: corresponds to the monthly benefit indicated in the Policy Schedule. This amount is used to determine the monthly benefit payment in the event of the insured person's total disability. See the **BENEFITS** provision.

Total disability: see the **TOTAL DISABILITY** provision.

In interpreting the definition of total disability under this coverage, the Company will consider the occupation that the insured person held immediately prior to the onset of their total disability, even if that occupation is different from the one they held when the contract was issued.

Totally disabled: equivalent to "total disability".

Waiting period: see the **WAITING PERIOD** provision.

4. TOTAL DISABILITY

The insured person is considered totally disabled if their situation meets the criteria below, subject to the **PRESUMPTION OF TOTAL DISABILITY** provision.

- a. For an **insured person who held an occupation** immediately prior to the onset of their disability

During the waiting period and the first 24 months of the benefit period, the insured person is considered totally disabled further to an illness or accident if:

- they are totally unable to perform the main duties of their current occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

After the first 24 months of the benefit period, the insured person is considered totally disabled further to an illness or accident if:

- they are unable to hold a replacement occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

- b. For an **insured person who did not hold an occupation, who was on maternity or parental leave, or who was on a paid or unpaid leave of absence by agreement with their employer** immediately prior to the onset of their disability

The insured person is considered totally disabled further to an illness or accident if:

- they are unable to hold a replacement occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

5. BENEFITS

- a. The monthly benefit payment provided for under this coverage in the event of an insured person's disability corresponds to the following:

- 1) If the policyowner is an **individual** at the onset of the disability, the monthly benefit payment corresponds to the lowest of the following amounts:
 - the selected monthly benefit indicated in the Policy Schedule; and
 - the total of the eligible monthly amounts on the date the insured person became disabled.
- 2) If the policyowner is a **business** at the onset of the disability, the monthly benefit payment corresponds to the lowest of the following amounts:
 - the selected monthly benefit indicated in the Policy Schedule; and
 - the total of the eligible monthly amounts on the date the insured person became disabled, multiplied by the insured person's share in the business on that date.

- b. **If the total of the eligible monthly amounts exceeds the amount of the selected monthly benefit indicated in the Policy Schedule**

- 1) To determine the order in which it selects the eligible monthly amounts for the monthly benefit payment, the Company first determines which eligible loan or lease has the longest remaining amortization period. It then selects the other eligible monthly amounts in decreasing order.
- 2) In some cases, in order not to exceed the amount of the selected monthly benefit, the Company will consider only a portion of the eligible monthly amount of an eligible loan or lease.
- 3) Eligible amounts not considered by the Company at the onset of disability cannot be considered after benefit payments have begun.

- c. **General limitations applicable to benefits**

- 1) If total or partial disability benefits are payable further to the same cause, the Company will limit the duration of benefit payments to the benefit period in case of total disability.
- 2) If the amount of the benefit payment calculated in paragraph "a" above is lower than the amount of the selected monthly benefit indicated in the Policy Schedule, the Company will not reimburse any excess premiums paid. It is the policyowner's responsibility to regularly review the amount of their selected monthly benefit based on their outstanding loans and leases and, if the policyowner is a business, the ownership interest held by the insured person at the time.
- 3) If, at the onset of the insured person's disability, one or more co-borrowers or co-lessees or one or more shareholders in the business are also disabled, the Company will limit the eligible monthly amount of any loan or lease to ensure that the total of all benefit payments for that loan or lease under all applicable insurance coverages does not exceed the amount of the scheduled payment for that loan or lease.
- 4) If, at the onset of disability, the policyowner is an individual, any loans or leases taken out on behalf of a business are not eligible, even if the individual has an ownership interest in the business in question.
- 5) If, at the onset of disability, the policyowner is a business, any loans or leases taken out on behalf of an individual are not eligible, even if the individual has an ownership interest in the business in question.

d. Limitations applicable in case of termination of employment

1) If the insured person:

- **did not hold an occupation for 12 months or less** immediately prior to the onset of their disability;
- **was on maternity or parental leave for 70 weeks or less** immediately prior to the onset of their disability; or
- **was on a paid or unpaid leave of absence by agreement with their employer for 12 months or less** immediately prior to the onset of their disability:

a) The Company will adjust the waiting period to 90 days, if the one under this coverage is shorter. This limitation also applies in case of hospitalization and day surgery.

b) The Company will not pay any benefit if the disability results from one of the following disorders or from related treatment or complications:

- stress;
- anxiety;
- depression;
- neurosis;
- psychosis;
- adjustment disorder;
- fibromyalgia or any chronic pain syndrome;
- chronic fatigue syndrome;
- personality disorder;
- attention deficit disorder;
- any other emotional or psychiatric disorder.

2) Entitlement to benefits under this coverage will be suspended on the date the insured person:

- **has not held an occupation or has been on a paid or unpaid leave of absence by agreement with their employer for more than 12 months; or**
- **has been on maternity or parental leave for more than 70 weeks.**

No benefits will be payable for a total or partial disability that begins while the insured person is in any of these situations.

In such a case, entitlement to benefits under this coverage will be re-established once the policyowner can prove, to the satisfaction of the Company, that the insured person again holds a full-time occupation, on the condition that premium payments for this coverage were never interrupted.

6. ELIGIBILITY OF LOANS AND LEASES

To be eligible under this coverage, loans and leases must meet the following requirements:

a. Copies of all loan and lease agreements must be submitted to the Company before benefit payments begin.

The Company will consider a loan taken out after the onset of the insured person's disability to be eligible if it was taken out under the terms of a deferred payment agreement entered into prior to the disability. The deferred payment agreement must be provided to the Company before benefit payments begin.

b. To be eligible, a loan or lease cannot already be covered, in whole or in part, under another loan or credit insurance product held in the insured person's name.

c. Loans identified in paragraphs "a" and "f 1)" of the **ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS** provision and eligible leases identified in the **ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS** provision cannot be taken out or amended in the 120 days prior to the onset of the insured person's disability further to an illness.

This 120-day restriction does not apply in the following situations:

- 1) If the insured person becomes disabled in the 120-day period that follows the date this coverage is issued or reinstated or the date the amount of the selected monthly benefit is reinstated (see the **REINSTATEMENT OF THE SELECTED MONTHLY BENEFIT AMOUNT** provision).
- 2) If the interest rate of a loan is renewed, provided the balance and term of the loan remain the same.

- 3) If a lease or loan is taken out to replace another lease or loan, in which case the Company will consider:
- a) the lowest of the following eligible monthly amounts:
- the amount that was payable for the initial lease or loan; and
 - the amount that is payable for the new lease or loan;

AND

- b) the shortest remaining amortization period, in the case of a loan, or the nearest expiry date, in the case of a lease, between:
- the amortization period or expiry date for the initial lease or loan; and
 - the amortization period or expiry date for the new lease or loan.

However, a longer remaining amortization period or a later expiry date may be considered if it does not increase the Company's total financial commitment.

7. ELIGIBLE MONTHLY AMOUNT

- a. The eligible monthly amount corresponds to the payment considered by the Company to determine the monthly benefit payment that will be used to repay an eligible loan or lease. This amount is calculated at the onset of the insured person's disability for each eligible loan or lease.

The calculation of the eligible monthly amount will depend on the type of eligible loan or lease. See the **ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS** and **ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS** provisions.

- b. The eligible monthly amount that is determined at the onset of disability will not change thereafter, even if, for example:
- the amount of the scheduled payment varies (due to a change in interest rate or any other reason); or
 - the remaining amortization period of an eligible loan is changed.

8. AMORTIZATION PERIOD

- a. The amortization period is the period in which scheduled payments are to be made to a financial institution to repay an eligible loan in full. At the onset of the insured person's disability, the Company will calculate the remaining amortization period for each eligible loan.
- b. The remaining amortization period is determined at the onset of the insured person's disability based on:
- the balance of the loan at the end of the waiting period;
 - the interest rate in effect at that time; and
 - the scheduled payment amount.
- c. The remaining amortization period determined in this manner for each eligible loan at the onset of disability will not change thereafter, even if one of the factors used to determine the remaining amortization period changes after benefit payments begin.

9. ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS

a. MORTGAGE LOAN AND HOME EQUITY LINE OF CREDIT WITH PRINCIPAL

- 1) If the mortgage loan or the home equity line of credit covers a principal residential dwelling, the eligible monthly amount corresponds to:
- 125% of the scheduled payment, in principal and in interest.
- 2) If the mortgage loan or the home equity line of credit covers a secondary residential dwelling, a multi-unit residential dwelling or a commercial building, the eligible monthly amount corresponds to:
- 100% of the scheduled payment, in principal and in interest.
- 3) The Company will stop paying benefits for this loan on the earliest of the following dates:
- the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date the remaining amortization period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

b. HOME EQUITY LINE OF CREDIT WITHOUT PRINCIPAL

- 1) If the home equity line of credit covers a principal or secondary residential dwelling, a multi-unit residential dwelling or a commercial building, the eligible monthly amount corresponds to:
 - the interest rate applicable to the home equity line of credit **multiplied by** the average balance;

PLUS

 - 0.5% of the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date on which the Company will have paid benefits for a fixed period of 15 years; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

c. CREDIT CARD

- 1) The eligible monthly amount corresponds to 5% of the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date on which the Company will have paid benefits for a fixed period of 30 months; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

d. LINE OF CREDIT

- 1) The eligible monthly amount corresponds to 4% of the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date on which the Company will have paid benefits for a fixed period of 30 months; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

e. INVESTMENT LOAN

- 1) The eligible monthly amount corresponds to the interest applicable to the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date the remaining amortization period ends, where applicable;
 - the date on which the Company will have paid benefits for a fixed period of 15 years; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

f. OTHER LOANS

1) Loan whose scheduled payment includes a principal portion

- a) The eligible monthly amount corresponds to:
 - 100% of the scheduled payment, in principal and in interest.
- b) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date the remaining amortization period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

2) Loan whose scheduled payment does not include a principal portion

- a) The eligible monthly amount corresponds to the interest applicable to the average balance.
- b) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date on which the Company will have paid benefits for a fixed period of 15 years; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

10. ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS

a. LEASE AGREEMENT FOR A DWELLING USED AS A PRINCIPAL RESIDENCE BY THE INSURED PERSON

- 1) The eligible monthly amount corresponds to the amount of the scheduled payment set out in the lease agreement.
- 2) The Company will stop paying benefits for this lease on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date on which the Company will have paid benefits for a fixed period of 2 years; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

b. MOTOR VEHICLE LEASE AGREEMENT

- 1) The eligible monthly amount corresponds to the scheduled payment set out in the lease agreement.
- 2) The Company will stop paying benefits for this lease on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - 30 months after the lease expiry date; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

11. HOSPITALIZATION

If the insured person has to be hospitalized or undergo day surgery, the monthly benefit payment provided for under this coverage will be payable after the waiting period indicated in the Policy Schedule, subject to the **BENEFITS** provision.

12. WAITING PERIOD

The waiting period is the period during which the insured person must be disabled before the Company will begin making the monthly benefit payments provided for under this coverage. The waiting period applicable to a disability resulting from an illness or accident or the waiting period applicable following a hospitalization or day surgery is indicated in the Policy Schedule.

Multiple disability periods of 7 or more consecutive days attributable to the same cause may be added together to count toward any waiting period of 30 days or more. However, disability periods added together in this manner cannot be separated by more than:

- 6 months, if the insured person's occupation class is A, B or 2A; or
- 12 months, if the insured person's occupation class is 3A or 4A.

If a partial disability coverage is attached to this coverage and the insured person satisfies the conditions to receive partial disability benefits, the days counted toward the partial disability waiting period are considered in the calculation of the days needed to satisfy the total disability waiting period.

13. BENEFIT PERIOD

- a. The benefit period is the maximum period during which monthly benefit payments can be made further to a disability resulting from a single cause, subject to the **CONCURRENT DISABILITY** provision. The benefit period is indicated in the Policy Schedule.
- b. If benefit payments begin after the insured person has reached the attained age of 63, but before they have reached the attained age of 65, the Company may continue making benefit payments after the expiry date of this coverage. The Company will then stop making monthly benefit payments on the earliest of the following dates:
 - the date it has made a total of 24 total and/or partial disability benefit payments; or
 - the date the insured person ceases to be disabled.
- c. If the policyowner is a business at the onset of disability, the benefit period is either the period indicated in the Policy Schedule or 5 years, whichever is shortest.

14. RECURRENT DISABILITY

If, after a disability, the insured person becomes disabled again due to the same cause or a related cause, the Company will consider the new disability to be a recurrence if it occurs:

- within 6 months of the end of the first disability, if the insured person's occupation class is A, B or 2A; or
- within 12 months of the end of the first disability, if the insured person's occupation class is 3A or 4A.

In such a case, no new waiting period applies and the policyowner will receive benefits for a period not exceeding the number of months remaining in the benefit period applicable to the first disability.

15. CONCURRENT DISABILITY

If, in the course of a period during which benefit payments are being made, a second disability occurs further to a different cause unrelated to the first cause, the Company will not double the amount of the benefit payment.

If the first disability ends **before** the policyowner has received benefits for the number of months in the benefit period, the policyowner is entitled to benefits for the second disability after the insured person again satisfies the applicable waiting period. The policyowner will then receive benefits for the second disability for a period not exceeding the number of months remaining in the benefit period applicable to the first disability.

The waiting period for the second disability will begin as soon as the insured person becomes disabled as a result of the second cause.

16. PRESUMPTION OF TOTAL DISABILITY

If, further to an illness or accident, the insured person suffers from the loss of 2 limbs or 1 sense, as described below, they will be presumed to be totally disabled, whether or not they hold an occupation or are receiving continuing medical care, subject to the **BENEFITS** provision.

"Loss" means the total and irreversible loss of:

- a. the use of 1 hand;
- b. the use of 1 foot;
- c. 1 hand and the wrist joint further to an amputation;
- d. 1 foot and the ankle joint further to an amputation;
- e. vision in both eyes (visual acuity of 20/200 or less, or a field of vision of less than 20 degrees);
- f. speech, attributable to a bodily injury or a physical illness lasting for at least 6 consecutive months;
- g. hearing in both ears, with an auditory threshold of over 90 decibels.

17. ORGAN DONATION

If the insured person becomes totally disabled further to an organ donation performed more than 6 months after the effective date of this coverage, the insured person may be considered totally disabled further to an illness and benefits may be paid under this coverage.

18. REHABILITATION

During a period in which monthly benefit payments are being made under this coverage, the Company may cover the costs of the services related to a rehabilitation program if these services:

- enable the insured person to return to work sooner; and
- are not already covered under another program or service.

The rehabilitation program must be approved in writing by the Company before the insured person participates in it.

19. EXCHANGE PRIVILEGE

The exchange privilege described below is available only if the policyowner is an individual.

- a. Before the insured person reaches the attained age of 60 and until the end of the 7th coverage year, this coverage may be exchanged for an eligible disability coverage designated by the Company ("new coverage") without medical evidence of insurability. A written request must be submitted to the Company in the 60 days leading up to the anniversary of the coverage.

The Company will then issue a new contract for the new coverage. The exchange will take effect on the coverage anniversary that follows the date of the exchange request and will be made:

- based on the insured person's age as indicated in the Policy Schedule;
- based on the occupation class indicated in the Policy Schedule; and
- in accordance with the conditions, limitations and rates that apply to the new coverage at the time the exchange request is submitted to the Company.

- b. **The following conditions and limitations apply to the exchange privilege:**

- 1) This coverage must be in force on the coverage anniversary that follows the date of the exchange request.
- 2) The insured person must hold a full-time occupation on the coverage anniversary that follows the date of the exchange request.
- 3) The insured person must not be disabled on the coverage anniversary that follows the date of the exchange request.
- 4) Financial evidence of insurability deemed satisfactory by the Company must be provided.
- 5) The exchange can only be requested once. All or a portion of the coverage may be exchanged. If this coverage was issued further to an exchange of another coverage, this coverage is not eligible for this exchange privilege.
- 6) The Company reserves the right to exclude certain options or coverages offered under the new coverage if they were not offered under this coverage.
- 7) Any extra premiums and exclusions that apply to this coverage will also apply to the new coverage.
- 8) The waiting period for the new coverage must be equal to or longer than the one under this coverage.
- 9) The benefit period and the selected monthly benefit for the new coverage must be equal to or less than those under this coverage.
- 10) In the event of a partial exchange, the total of the selected monthly benefit for this coverage after the exchange and the selected monthly benefit for the new coverage cannot exceed the amount of the selected monthly benefit for this coverage prior to the exchange.

20. EXTENSION PRIVILEGE

- a. When the insured person reaches the attained age of 65, this coverage will terminate. However, if the policyowner submits a written request to the Company in the 60 days leading up to the expiry date of this coverage, indicated in the Policy Schedule, they can extend this coverage in the form of a 5-year term disability coverage whose premiums may increase annually ("extended coverage") without having to provide medical evidence of insurability. This extension will terminate when the insured person reaches the attained age of 70.

This extended coverage will be established based on the attained age of the insured person and in accordance with the Company's rates and conditions in effect at that time, provided the following requirements are met:

- 1) This coverage must be in force when the insured person reaches the attained age of 65.
- 2) The insured person must hold a full-time occupation when they reach the attained age of 65.
- 3) The insured person must not be disabled when they reach the attained age of 65.

b. **The following conditions and limitations apply to the extension privilege:**

- 1) the minimum waiting period in the event of illness, accident, hospitalization and day surgery must be 30 days;
- 2) the maximum benefit period must be 24 months;
- 3) the selected monthly benefit must be the lowest of:
 - \$2,000;
 - or**
 - 50% of the selected monthly benefit for this coverage.
- 4) Any options or coverages attached to this coverage will not be attached to the extended coverage.
- 5) Any extra premiums or exclusions applicable to this coverage will also apply to the extended coverage.
- 6) The Company reserves the right to modify certain provisions of this coverage based on what is applicable at the time the extended coverage is issued.

21. REINSTATEMENT OF THE SELECTED MONTHLY BENEFIT AMOUNT

If a policyowner has partially reduced the initial amount of the selected monthly benefit, the Company will agree to reinstate it up to the amount in effect prior to the reduction. The reinstatement will take effect on the date the Company accepts the request in writing, provided it receives:

- a. the request to reinstate the initial amount of the selected monthly benefit within 24 months of the date it was reduced;
- b. the amount corresponding to the premiums that would have been payable if the policyowner had not reduced the initial amount of the selected monthly benefit; and
- c. satisfactory proof that the insured person meets the Company's insurability requirements.

22. EXCLUSIONS

No benefit will be paid under this coverage in the following situations.

- a. If disability results either directly or indirectly from self-inflicted injuries or a suicide attempt, whether the insured person is sane or not.
- b. If disability results either directly or indirectly from a war, whether war is declared or not, a riot or a revolution whether or not the insured person took part.
- c. During any period where the insured person is imprisoned or if disability results either directly or indirectly from the insured person's participation in any criminal act or related act.
- d. If disability results either directly or indirectly from the insured person driving a motor vehicle while under the influence of drugs or with a blood alcohol level equal to or greater than 80 mg of alcohol per 100 ml of blood.
- e. If disability results either directly or indirectly from the illegal or illicit use of any drug, or the abusive or repeated use of alcohol or marijuana.
- f. If disability results either directly or indirectly from the insured person's participation in a flight or attempted flight in any form of aircraft as a member of the crew or is performing a duty or taking part in any training whatsoever related to this flight or attempted flight.
- g. If disability results either directly or indirectly from the insured person's participation in a race, competition or speed contest in a motor vehicle as an amateur or professional on approved raceways or elsewhere.
- h. If disability results either directly or indirectly from treatments or care received for cosmetic purposes.
- i. If disability results from pregnancy, childbirth or natural or induced termination of pregnancy.
However, any disability that results from complications due to pregnancy, childbirth or natural or induced termination of pregnancy is covered.
- j. If disability results either directly or indirectly from the insured person's participation in a sporting activity for which they are paid.
- k. If the policyowner of this contract is an individual and the insured person declares bankruptcy after the effective date of this coverage.

If the bankruptcy occurs while the insured person is disabled, the Company will stop paying benefits on the date bankruptcy is declared and will terminate the contract.

- l. If the policyowner of this contract is a business and that business declares bankruptcy after the effective date of this coverage.

If the bankruptcy occurs while the insured person is disabled, the Company will stop paying benefits on the date bankruptcy is declared and will terminate the contract.

- m. If the policyowner of this contract is a business and the insured person relinquishes their ownership interest in the business while they are disabled, the Company will stop paying benefits on the date the insured person no longer has any ownership interest in the business.
- n. If the insured person leaves Canada to set up permanent residence in another country.
However, if the insured person leaves Canada while the policyowner is receiving benefit payments, the Company will continue paying benefits:
- as long as the insured person is disabled; and
 - in accordance with the provisions of this coverage.
- o. If disability results either directly or indirectly from an illness that occurs in the 6 months that follow the effective date of this coverage, if this coverage was issued as the result of a future insurability option.
- p. If disability results either directly or indirectly from one of the following disorders or from related treatment or complications, if the insured person does not hold an occupation, is on maternity or parental leave, or is on a paid or unpaid leave of absence by agreement with their employer:
- stress;
 - anxiety;
 - depression;
 - neurosis;
 - psychosis;
 - adjustment disorder;
 - fibromyalgia or any chronic pain syndrome;
 - chronic fatigue syndrome;
 - personality disorder;
 - attention deficit disorder; or
 - any other emotional or psychiatric disorder.

23. TERMINATION

This coverage will terminate on the earliest of the following dates:

- a. the expiry date of this coverage, as indicated in the Policy Schedule, subject to paragraph "b" of the **BENEFIT PERIOD** provision;
- b. the date the extension privilege under this coverage is exercised;
- c. the date the exchange privilege under this coverage is exercised for a full exchange;
- d. the date the insured person reaches the attained age of 65, subject to paragraph "b" of the **BENEFIT PERIOD** provision;
- e. the date of death of the insured person;
- f. the date the insured person declares bankruptcy after the effective date of this coverage, if the policyowner is an individual;
- g. the date the policyowner declares bankruptcy after the effective date of this coverage, if the policyowner is a business;
- h. the date the Company receives a written request from the policyowner to terminate the coverage; or
- i. the date the grace period expires and premiums remain unpaid.

PARTIAL DISABILITY

1. PURPOSE OF THIS COVERAGE

This coverage provides a monthly benefit payment to the policyowner if the insured person becomes partially disabled as a result of an accident or an illness.

Subject to the provisions of this coverage, the Company will make monthly benefit payments to the policyowner during the insured person's partial disability if they remain partially disabled after the waiting period.

The amount of the monthly benefit payment is specified in the **BENEFITS** provision.

2. PREMIUMS

The initial annual premium payable for this coverage is indicated in the Policy Schedule.

- **If this coverage is attached to a SOLO LOAN INSURANCE – T65 coverage:**
Subsequent premiums **will not be increased** due to an increase in the insured person's attained age for the duration of this coverage.
- **If this coverage is attached to a SOLO LOAN INSURANCE – T10 coverage:**
Subsequent premiums **will be increased** at the start of each 10-year period based on the attained age of the insured person at that time.

At any time, the Company **may modify** premiums for a group of insured persons with similar features. In such a case, the Company will modify the premiums for this coverage based on the insured person's age on the initial date of this coverage.

In all cases, the Company will send written notice to the policyowner to inform them of any premium change at least 30 days prior to the anniversary of this coverage.

Annual premiums are payable until the expiry date of this coverage, which is indicated in the Policy Schedule.

3. DEFINITIONS

Certain terms used in this coverage are defined in the GENERAL PROVISIONS or in the SOLO LOAN INSURANCE coverage to which it is attached. If there are 2 definitions for the same term, the definition in this specific coverage will prevail over the one in the GENERAL PROVISIONS or the SOLO LOAN INSURANCE coverage. The definition shown below applies specifically to this coverage.

Disability (disabled): state of partial disability of the insured person.

4. PARTIAL DISABILITY

For an **insured person who held a full-time occupation** immediately prior to the onset of their partial disability or before becoming totally disabled

The insured person is considered partially disabled further to an illness or accident if:

- they are not totally disabled;
- they are receiving continuing medical care; and
- they are unable to perform at least one of the main duties of their current occupation; or
- they are unable to work at least 50% of the time usually dedicated to their current occupation.

5. BENEFITS

- a. The monthly benefit payment for the partial disability of the insured person corresponds to 50% of the monthly benefit that the Company would pay if the insured person were totally disabled, unless they did not hold full-time employment prior to the onset of their partial disability. In such a case, the Company will not pay any benefit for the partial disability of the insured person.

The calculation of the monthly benefit payment in the event of total disability is specified in paragraph "a" of the **BENEFITS** provision of the SOLO LOAN INSURANCE coverage to which this coverage is attached.

b. **If the total of the eligible monthly amounts exceeds the amount of the selected monthly benefit indicated in the Policy Schedule**

- 1) To determine the order in which it selects the eligible monthly amounts for the monthly benefit payment, the Company first determines which eligible loan or lease has the longest remaining amortization period. It then selects the other eligible monthly amounts in decreasing order.
- 2) In some cases, in order not to exceed the amount of the selected monthly benefit, the Company will consider only a portion of the eligible monthly amount of an eligible loan or lease.
- 3) Eligible amounts not considered by the Company at the onset of disability cannot be considered after benefit payments have begun.

c. **General limitations applicable to benefits**

- 1) If total or partial disability benefits are payable further to the same cause, the Company will limit the duration of benefit payments to the benefit period in case of total disability.
- 2) If the amount of the benefit payment calculated in paragraph "a" above is lower than 50% of the selected monthly benefit indicated in the Policy Schedule, the Company will not reimburse any excess premiums paid. It is the policyowner's responsibility to regularly review the amount of their selected monthly benefit based on their outstanding loans and leases and, if the policyowner is a business, the ownership interest held by the insured person at the time.
- 3) If, at the onset of the insured person's disability, one or more co-borrowers or co-lessees or one or more shareholders in the business are also disabled, the Company will limit the eligible monthly amount of any loan or lease to ensure that the total of all benefit payments for that loan or lease under all applicable insurance coverages does not exceed the amount of the scheduled payment for that loan or lease.
- 4) If, at the onset of disability, the policyowner is an individual, any loans or leases taken out on behalf of a business are not eligible, even if the individual has an ownership interest in the business in question.
- 5) If, at the onset of disability, the policyowner is a business, any loans or leases taken out on behalf of an individual are not eligible, even if the individual has an ownership interest in the business in question.

d. **Limitation applicable to insured persons who do not hold full-time employment**

The Company will not pay benefits for an insured person who did not hold a full-time occupation immediately prior to the onset of their partial disability or before becoming totally disabled.

6. ELIGIBILITY OF LOANS AND LEASES

To be eligible under this coverage, loans and leases must meet the following requirements:

- a. Copies of all loan and lease agreements must be submitted to the Company before benefit payments begin.
The Company will consider a loan taken out after the onset of the insured person's disability to be eligible if it was taken out under the terms of a deferred payment agreement entered into prior to the disability. The deferred payment agreement must be provided to the Company before benefit payments begin.
- b. To be eligible, a loan or lease cannot already be covered, in whole or in part, under another loan or credit insurance product held in the insured person's name.
- c. Loans identified in paragraphs "a" and "f 1)" of the **ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS** provision and eligible leases identified in the **ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS** provision cannot be taken out or amended in the 120 days prior to the onset of the insured person's disability further to an illness.

This 120-day restriction does not apply in the following situations:

- 1) If the insured person becomes disabled in the 120-day period that follows the date this coverage is issued or reinstated or the date the amount of the selected monthly benefit is reinstated (see the **REINSTATEMENT OF THE SELECTED MONTHLY BENEFIT AMOUNT** provision of the SOLO LOAN INSURANCE coverage to which this coverage is attached).
- 2) If the interest rate of a loan is renewed, provided the balance and term of the loan remain the same.
- 3) If a lease or loan is taken out to replace another lease or loan, in which case the Company will consider:
 - a) the lowest of the following eligible monthly amounts:
 - the amount that was payable for the initial lease or loan; and
 - the amount that is payable for the new lease or loan;
 - AND**
 - b) the shortest remaining amortization period, in the case of a loan, or the nearest expiry date, in the case of a lease, between:
 - the amortization period or expiry date for the initial lease or loan; and
 - the amortization period or expiry date for the new lease or loan.

However, a longer remaining amortization period or a later expiry date may be considered if it does not increase the Company's total financial commitment.

7. ELIGIBLE MONTHLY AMOUNT

- a. The eligible monthly amount corresponds to the payment considered by the Company to determine the monthly benefit payment that will be used to repay an eligible loan or lease. This amount is calculated at the onset of the insured person's disability for each eligible loan or lease. If the partial disability is subsequent to a total disability, the eligible monthly amount calculated at the onset of total disability is the amount the Company will use to establish the amount of the monthly benefit payment under this coverage for any loan or lease.
The calculation of the eligible monthly amount will depend on the type of eligible loan or lease. See the **ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS** and **ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS** provisions.
- b. The eligible monthly amount that is determined at the onset of total or partial disability, as the case may be, will not change thereafter, even if, for example:
 - the amount of the scheduled payment varies (due to a change in interest rate or any other reason); or
 - the remaining amortization period of an eligible loan is changed.

8. AMORTIZATION PERIOD

- a. The amortization period is the period in which scheduled payments are to be made to a financial institution to repay an eligible loan in full. At the onset of the insured person's disability, the Company will calculate the remaining amortization period for each eligible loan. If the partial disability is further to a total disability, the remaining amortization period at the onset of total disability is the period the Company will use for the purposes of this coverage for each eligible loan.
- b. The remaining amortization period is determined at the onset of the insured person's total or partial disability, as the case may be, based on:
 - the balance of the loan at the end of the waiting period;
 - the interest rate in effect at that time; and
 - the scheduled payment amount.
- c. The remaining amortization period determined in this manner for each eligible loan at the onset of total or partial disability, as the case may be, will not change thereafter, even if one of the factors used to determine the remaining amortization period changes after benefit payments begin.

9. ELIGIBLE LOANS AND TERMINATION OF BENEFIT PAYMENTS

a. MORTGAGE LOAN AND HOME EQUITY LINE OF CREDIT WITH PRINCIPAL

- 1) If the mortgage loan or the home equity line of credit covers a principal residential dwelling, the eligible monthly amount corresponds to:
 - 125% of the scheduled payment, in principal and in interest.
- 2) If the mortgage loan or the home equity line of credit covers a secondary residential dwelling, a multi-unit residential dwelling or a commercial building, the eligible monthly amount corresponds to:
 - 100% of the scheduled payment, in principal and in interest.
- 3) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date the remaining amortization period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

b. HOME EQUITY LINE OF CREDIT WITHOUT PRINCIPAL

- 1) If the home equity line of credit covers a principal or secondary residential dwelling, a multi-unit residential dwelling or a commercial building, the eligible monthly amount corresponds to:
 - the interest rate applicable to the home equity line of credit **multiplied by** the average balance;
 - PLUS**
 - 0.5% of the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

c. CREDIT CARD

- 1) The eligible monthly amount corresponds to 5% of the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

d. LINE OF CREDIT

- 1) The eligible monthly amount corresponds to 4% of the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

e. INVESTMENT LOAN

- 1) The eligible monthly amount corresponds to the interest applicable to the average balance.
- 2) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date the remaining amortization period ends, where applicable; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

f. OTHER LOANS

1) Loan whose scheduled payment includes a principal portion

- a) The eligible monthly amount corresponds to:
 - 100% of the scheduled payment, in principal and in interest.
- b) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends;
 - the date the remaining amortization period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

2) Loan whose scheduled payment does not include a principal portion

- a) The eligible monthly amount corresponds to the interest applicable to the average balance.
- b) The Company will stop paying benefits for this loan on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

10. ELIGIBLE LEASES AND TERMINATION OF BENEFIT PAYMENTS

a. LEASE AGREEMENT FOR A DWELLING USED AS A PRINCIPAL RESIDENCE BY THE INSURED PERSON

- 1) The eligible monthly amount corresponds to the amount of the scheduled payment set out in the lease agreement.
- 2) The Company will stop paying benefits for this lease on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

b. MOTOR VEHICLE LEASE AGREEMENT

- 1) The eligible monthly amount corresponds to the scheduled payment set out in the lease agreement.
- 2) The Company will stop paying benefits for this lease on the earliest of the following dates:
 - the date the insured person ceases to be disabled;
 - the date the benefit period ends; or
 - the date this coverage terminates, as set out in the **TERMINATION** provision.

11. WAITING PERIOD

The waiting period is the period during which the insured person must be disabled before the Company will begin making the monthly benefit payments provided for under this coverage. The waiting period that applies to a disability resulting from an illness or an accident is indicated in the Policy Schedule.

Multiple disability periods of 7 or more consecutive days attributable to the same cause may be added together to count toward any waiting period of 30 days or more. However, disability periods added together in this manner cannot be separated by more than:

- 6 months, if the insured person's occupation class is A, B or 2A; or
- 12 months, if the insured person's occupation class is 3A or 4A.

For a single illness or accident, a total disability claim may be submitted to the Company before a partial disability claim is submitted. In such a case, the days counted toward the total disability waiting period and the days during which the policyowner received total disability benefits are used to calculate the days needed to satisfy the partial disability waiting period.

12. BENEFIT PERIOD

- a. The benefit period is the maximum period during which monthly benefit payments can be made further to a disability resulting from a single cause, subject to the **CONCURRENT DISABILITY** provision.
- b. **For a partial disability, the benefit period is limited to 6 or 12 months**, depending on the insured person's occupation class, and is indicated in the Policy Schedule.
- c. If the first total or partial disability benefit payment for a given cause is made after the insured person has reached the attained age of 63, but before they have reached the attained age of 65, the Company may continue making benefit payments after the expiry date of this coverage. The Company will then stop making monthly benefit payments on the earliest of the following dates:
 - 1) the date it has made all of the partial disability benefit payments in the benefit period indicated in the Policy Schedule;
 - 2) the date it has made a total of 24 total and/or partial disability benefit payments; or
 - 3) the date the insured person ceases to be disabled.

13. RECURRENT DISABILITY

If, after a disability, the insured person becomes disabled again for the same cause or a related cause, the Company will consider the new disability to be a recurrence if it occurs:

- within 6 months of the end of the first disability, if the insured person's occupation class is A, B or 2A; or
- within 12 months of the end of the first disability, if the insured person's occupation class is 3A or 4A.

In such a case, no new waiting period applies and the policyowner will receive benefits for a period not exceeding the number of months remaining in the benefit period applicable to the first disability.

14. CONCURRENT DISABILITY

If, in the course of a period during which benefit payments are being made, a second disability occurs further to a different cause unrelated to the first cause, the Company will not double the amount of the benefit payment.

If the first disability ends **before** the policyowner has received benefits for the number of months in the benefit period, the policyowner is entitled to benefits for the second disability after the insured person again satisfies the applicable waiting period. The policyowner will then receive benefits for the second disability for a period not exceeding the number of months remaining in the benefit period applicable to the first disability.

The waiting period for the second disability will begin as soon as the insured person becomes disabled as a result of the second cause.

15. REHABILITATION

During a period in which monthly benefit payments are being made under this coverage, the Company may cover the costs of the services related to a rehabilitation program if these services:

- enable the insured person to return to work sooner; and
- are not already covered under another program or service.

The rehabilitation program must be approved in writing by the Company before the insured person participates in it.

16. EXCLUSIONS

No benefit will be paid under this coverage in the following situations.

- a. If disability results either directly or indirectly from self-inflicted injuries or a suicide attempt, whether the insured person is sane or not.
- b. If disability results either directly or indirectly from a war, whether war is declared or not, a riot or a revolution whether or not the insured person took part.
- c. During any period where the insured person is imprisoned or if disability results either directly or indirectly from the insured person's participation in any criminal act or related act.
- d. If disability results either directly or indirectly from the insured person driving a motor vehicle while under the influence of drugs or with a blood alcohol level equal to or greater than 80 mg of alcohol per 100 ml of blood.
- e. If disability results either directly or indirectly from the illegal or illicit use of any drug, or the abusive or repeated use of alcohol or marijuana.
- f. If disability results either directly or indirectly from the insured person's participation in a flight or attempted flight in any form of aircraft as a member of the crew or is performing a duty or taking part in any training whatsoever related to this flight or attempted flight.
- g. If disability results either directly or indirectly from the insured person's participation in a race, competition or speed contest in a motor vehicle as an amateur or professional on approved raceways or elsewhere.
- h. If disability results either directly or indirectly from treatments or care received for cosmetic purposes.
- i. If disability results from pregnancy, childbirth or natural or induced termination of pregnancy.
However, any disability that results from complications due to pregnancy, childbirth or natural or induced termination of pregnancy is covered.
- j. If disability results either directly or indirectly from the insured person's participation in a sporting activity for which they are paid.
- k. If the policyowner of this contract is an individual and the insured person declares bankruptcy after the effective date of this coverage.
If the bankruptcy occurs while the insured person is disabled, the Company will stop paying benefits on the date bankruptcy is declared and will terminate the contract.
- l. If the policyowner of this contract is a business and that business declares bankruptcy after the effective date of this coverage.
If the bankruptcy occurs while the insured person is disabled, the Company will stop paying benefits on the date bankruptcy is declared and will terminate the contract.
- m. If the policyowner of this contract is a business and the insured person relinquishes their ownership interest in the business while they are disabled, the Company will stop paying benefits on the date the insured person no longer has any ownership interest in the business.
- n. If the insured person leaves Canada to set up permanent residence in another country.
However, if the insured person leaves Canada while the policyowner is receiving benefit payments, the Company will continue paying benefits:
 - as long as the insured person is disabled; and
 - in accordance with the provisions of this coverage.
- o. If disability results either directly or indirectly from an illness that occurs in the 6 months that follow the effective date of this coverage, if this coverage was issued as the result of a future insurability option.

17. TERMINATION

This coverage will terminate on the earliest of the following dates:

- a. the expiry date of this coverage, as indicated in the Policy Schedule, subject to paragraph "c" of the **BENEFIT PERIOD** provision;
- b. the date the insured person reaches the attained age of 65, subject to paragraph "c" of the **BENEFIT PERIOD** provision;
- c. the date the Company receives a written request from the policyowner to terminate the coverage; or
- d. the expiry date of the SOLO LOAN INSURANCE coverage to which this coverage is attached.

FUTURE INSURABILITY OPTION

1. PURPOSE OF THIS COVERAGE

This coverage allows for the addition of a selected monthly benefit whose waiting period and benefit period are indicated in the Policy Schedule under this coverage. This addition may be made without medical evidence of insurability, provided the following conditions are satisfied.

- a. The request to add a selected monthly benefit must be submitted in writing by the policyowner to the Company during an option period.
- b. This coverage must be in force when the request is submitted.
- c. The insured person must not be disabled when the added selected monthly benefit takes effect.

2. PREMIUMS

The initial annual premium payable for this coverage is indicated in the Policy Schedule.

- **If this coverage is attached to a SOLO LOAN INSURANCE – T65 coverage:**
Subsequent premiums **will not be increased** due to an increase in the insured person's attained age for the duration of this coverage.
- **If this coverage is attached to a SOLO LOAN INSURANCE – T10 coverage:**
Subsequent premiums **will be increased** at the start of each 10-year period based on the attained age of the insured person at that time.

At any time, the Company **may modify** premiums for a group of insured persons with similar features. In such a case, the Company will modify the premiums for this coverage based on the insured person's age on the initial date of this coverage.

In all cases, the Company will send written notice to the policyowner to inform them of any premium change at least 30 days prior to the anniversary of this coverage.

Annual premiums are payable until the expiry date of this coverage, which is indicated in the Policy Schedule.

3. DEFINITIONS

Certain terms used in this coverage are defined in the **GENERAL PROVISIONS** or in the **SOLO LOAN INSURANCE coverage to which it is attached**. If there are 2 definitions for the same term, the definition in this specific coverage will prevail over the one in the **GENERAL PROVISIONS** and the **SOLO LOAN INSURANCE coverage**. The definition shown below applies specifically to this coverage.

Option period: period that starts 60 days prior to a coverage anniversary and ends on the coverage anniversary.

4. FUTURE INSURABILITY OPTION

a. The following conditions apply to future insurability options:

- 1) While this coverage is in force, the policyowner can exercise the future insurability option 5 times.
However, if the SOLO LOAN INSURANCE coverage to which this coverage is attached was issued as a result of an exchange, that number will be reduced by the number of options that were exercised prior to the exchange, if applicable.
- 2) The selected monthly benefit amount that is added:
 - must be at least \$100; and
 - must not represent more than 20% of the initial amount of insurance shown in the Policy Schedule for this coverage. Even if the amount of the newly added selected monthly benefit represents less than 20% of the initial amount, no portion of the selected monthly benefit can be deferred to a subsequent option period.
- 3) When a future insurability option is exercised, it automatically results in the addition of a new SOLO LOAN INSURANCE coverage that includes all the coverages and riders of this contract.
- 4) A future insurability option cannot be deferred, even if the insured person is disabled.
- 5) The last option period occurs prior to the coverage anniversary on which the insured person's attained age is 55.

b. Once a future insurability option is exercised, the following conditions apply:

- 1) The new SOLO LOAN INSURANCE coverage takes effect on the anniversary of this coverage on which the option period ends.
However, if the insured person becomes disabled further to an illness in the 6 months that follow the effective date of a SOLO LOAN INSURANCE coverage that is issued as the result of a future insurability option, no monthly benefit payments will be made for that disability.
- 2) The premium for the new SOLO LOAN INSURANCE coverage is calculated based on the attained age and initial risk class of the insured person and the rates in effect at the Company when the option is exercised.
- 3) The incontestability provision applies to the new SOLO LOAN INSURANCE coverage as of the date this coverage takes effect or is reinstated, if applicable.

5. TERMINATION

This coverage will terminate on the earliest of the following dates:

- a. the expiry date of this coverage, as indicated in the Policy Schedule;
- b. the date the 5th future insurability option is exercised under this coverage;
- c. the date the Company receives a written request from the policyowner to terminate this coverage; or
- d. the date the last SOLO LOAN INSURANCE coverage in this contract terminates.

REGULAR OCCUPATION PERIOD EXTENDER

1. PURPOSE OF THIS COVERAGE

The **TOTAL DISABILITY** provision of this coverage amends the **TOTAL DISABILITY** provision of the SOLO LOAN INSURANCE coverage to which this coverage is attached.

2. PREMIUMS

The initial annual premium for this coverage is indicated in the Policy Schedule.

- **If this coverage is attached to a SOLO LOAN INSURANCE – T65 coverage:**

Subsequent premiums **will not be increased** due to the insured person's attained age for the full duration of this coverage.

- **If this coverage is attached to a SOLO LOAN INSURANCE – T10 coverage:**

Subsequent premiums **will be increased** at the beginning of each 10-year period based on the insured person's attained age at that time.

At any time, the Company **may modify** premiums for a group of insured persons with similar features. In such a case, the Company will modify the premiums for this coverage based on the insured person's age on the initial date of this coverage.

In all cases, the Company will send written notice to the policyowner to inform them of any premium change at least 30 days prior to the anniversary of this coverage.

Annual premiums are payable until the expiry date of this coverage, which is indicated in the Policy Schedule.

3. DEFINITIONS

Certain terms used in this coverage are defined in the GENERAL PROVISIONS or in the SOLO LOAN INSURANCE coverage to which it is attached.

4. TOTAL DISABILITY

The insured person is considered totally disabled if their situation meets the criteria below.

a. If the REGULAR OCCUPATION PERIOD EXTENDER indicated in the Policy Schedule is "5 years"

1) For an **insured person who held an occupation** immediately prior to the onset of their disability

During the waiting period and the first 5 years of the benefit period, the insured person is considered totally disabled further to an illness or accident if:

- they are totally unable to perform the main duties of their current occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

After the first 5 years of the benefit period, the insured person is considered totally disabled further to an illness or accident if:

- they are unable to hold a replacement occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

2) For an **insured person who did not hold an occupation, who was on maternity or parental leave, or who was on a paid or unpaid leave of absence by agreement with their employer** immediately prior to the onset of their disability

The insured person is considered totally disabled further to an illness or accident if:

- they are unable to hold a replacement occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

b. If the REGULAR OCCUPATION PERIOD EXTENDER indicated in the Policy Schedule is "To age 65"

- 1) For an **insured person who held an occupation** immediately prior to the onset of their disability

During the waiting period and until the insured person reaches the attained age of 65, the insured person is considered totally disabled further to an illness or accident if:

- they are totally unable to perform the main duties of their current occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

- 2) For an **insured person who did not hold an occupation, who was on maternity or parental leave, or who was on a paid or unpaid leave of absence by agreement with their employer** immediately prior to the onset of their disability

The insured person is considered totally disabled further to an illness or accident if:

- they are unable to hold a replacement occupation;
- they are not engaged in any other gainful activity; and
- they are receiving continuing medical care.

5. TERMINATION

This coverage will terminate on the earliest of the following dates:

- a. the expiry date of this coverage, as indicated in the Policy Schedule;
- b. the date the Company receives a written request from the policyowner to terminate this coverage; or
- c. the expiry date of the SOLO LOAN INSURANCE coverage to which this coverage is attached.

STATUTORY CONDITIONS

The following statutory conditions are provided in accordance with the laws governing the contract's "health" and "accident" coverages.

1. THE CONTRACT

The application, this policy, any document attached to this policy when issued, and any amendment to the contract agreed upon in writing after the policy is issued, constitute the entire contract, and no agent has authority to change the contract or waive any of its provisions.

Waiver

The insurer shall be deemed not to have waived any condition of this contract, either in whole or in part, unless the waiver is clearly expressed in writing signed by the insurer.

Copy of application

The insurer shall, upon request, furnish to the insured or to a claimant under the contract a copy of the application.

2. MATERIAL FACTS

No statement made by the insured or person insured at the time of application for this contract shall be used in defence of a claim under or to avoid this contract unless it is contained in the application or any other written statements or answers furnished as evidence of insurability.

3. NOTICE AND PROOF OF CLAIM

a. The insured or a person insured, or a beneficiary entitled to make a claim, or the agent of any of them, shall:

1) give written notice of claim to the insurer:

- a) by delivery thereof, or by sending it by registered mail to the head office or chief agency of the insurer in the Province; or
- b) by delivery thereof to an authorized agent of the insurer in the Province;

not later than 30 days from the date a claim arises under the contract on account of an accident, sickness or disability;

- 2) within 90 days from the date a claim arises under the contract on account of an accident, sickness or disability, furnish to the insurer such proof as is reasonably possible in the circumstances of the happening of the accident or the commencement of the sickness or disability, and the loss occasioned thereby, the right of the claimant to receive payment, his or her age, and the age of the beneficiary if relevant; and
- 3) if so required by the insurer, furnish a satisfactory certificate as to the cause or nature of the accident, sickness or disability for which claim may be made under the contract and as to the duration of such sickness or disability.

b. **Failure to give notice or proof**

Failure to give notice of claim or furnish proof of claim within the time prescribed by this statutory condition does not invalidate the claim if:

- 1) the notice or proof is given or furnished as soon as reasonably possible, and in no event later than one year from the date of the accident or the date a claim arises under the contract on account of sickness or disability if it is shown that it was not reasonably possible to give notice or furnish proof within the time so prescribed; or
- 2) in the case of the death of the person insured, if a declaration of presumption of death is necessary, the notice or proof is given or furnished no later than one year after the date a court makes the declaration.

4. INSURER TO FURNISH FORMS FOR PROOF OF CLAIM

The insurer shall furnish forms for proof of claim within 15 days after receiving notice of claim, but where the claimant has not received the forms within that time the claimant may submit his or her proof of claim in the form of a written statement of the cause or nature of the accident, sickness or disability giving rise to the claim and of the extent of the loss.

5. RIGHTS OF EXAMINATION

As a condition precedent to recovery of insurance money under this contract:

- a. the claimant shall afford to the insurer an opportunity to examine the person of the person insured when and so often as it reasonably requires while the claim hereunder is pending; and
- b. in the case of death of the person insured, the insurer may require an autopsy subject to any law of the applicable jurisdiction relating to autopsies.

6. WHEN MONEY PAYABLE OTHER THAN FOR LOSS OF TIME

All money payable under this contract shall be paid by the insurer within 60 days after it has received proof of claim.

7. WHEN LOSS OF TIME BENEFITS PAYABLE

The initial benefits for loss of time shall be paid by the insurer within 30 days after it has received proof of claim, and payment shall be made thereafter in accordance with the terms of the contract but not less frequently than once in each succeeding 60 days while the insurer remains liable for the payments if the person insured when required to do so furnishes before payment proof of continuing disability.

8. LIMITATIONS OF ACTIONS

An action or proceeding against the insurer for the recovery of a claim under this contract shall not be commenced more than one year or two, depending on the period in effect in the province in which the contract was concluded, after the date the insurance money became payable or would have become payable if it had been a valid claim.

SAMPLE