

Certificate of Creditor Insurance

Each applicant ("You") is insured under the Group Policy 21559 ("the Policy") subject to the terms and conditions in Your Application and this Certificate, which forms a part of the Policy. The Policy is issued and underwritten by Sun Life Assurance Company of Canada ("the Insurer"), 227 King Street S., P.O. Box 638, Stn Waterloo, Waterloo, ON N2J 4B8, to Bank of Montreal ("the Bank" or "BMO"). If You have any questions, You may call the Insurer at 1-877-271-8713.

Important Information

- You have 30 days from the date Your insurance begins to cancel at no cost to You, and all premiums paid will be refunded.
- Any concealment, misrepresentation or false declaration concerning this application or any claim may result in Your insurance being void.

Who can apply (maximum of 2 insured persons)

- You are at least 18 years of age and You are a borrower (includes co-borrower) on a Loan approved by the Bank,
- You are a Canadian resident, and

For Life insurance:

- You are not yet 65 years of age on the date of the application.

For Disability insurance:

- You are not yet 65 years of age on the date of the application,
- You are working at least 25 hours per week at the time of application or, for seasonal workers, there must be evidence of continuing employment, and
- You are not a borrower on a Small Business Loan/Line of Credit.

For Disability Plus (Disability and Job Loss) insurance:

- You are not yet 55 years of age and otherwise eligible to apply for Disability insurance (see above),
- You have been continuously employed for 6 months with the same employer and are eligible to receive Employment Insurance benefits,
- You are not self-employed, an independent contractor or working for a family business or a business in which You have a controlling interest, and
- You have not been advised of Your pending unemployment.

When Your insurance begins

Your insurance is effective the date You sign the application for insurance, provided You answered "No" to the health question(s) or the Loan is \$25,000 or less.

How Your premiums are calculated

- Premiums are calculated for each month during which the insurance is effective on Your Loan.
- Premiums are based on the rate table (see below) plus any applicable provincial tax.
- For a revolving Loan, Your current age is used to determine the premium rate.
- For an installment Loan, Your age is fixed for the term of the Loan or until there is a change to Your repayment schedule.
- **For Life insurance**, Your age (or the age of a joint Applicant, if older) determines which rate applies.

Example: (actual results will vary slightly, based on the number of days in the month):

Average Loan balance = \$15,000, Age of Applicant 1 = 36, Age of Applicant 2 = 41, Coverage = Joint Life

Monthly Life insurance premium = \$15,000 ÷ \$1,000 x \$0.60 = **\$9.00** (plus any applicable provincial tax)

- **For Disability or Disability Plus Insurance**, premiums are calculated using either the single or joint (if more than one insured) rate for Your age.

Example for a revolving Loan: (actual results will vary slightly, based on the number of days in the month):

Average Loan balance = \$15,000, Age of Applicant 1 = 36, Age of Applicant 2 = 41, Coverage = Single Disability Plus

Monthly Disability Plus insurance premium = \$15,000 x 2%* ÷ \$100 x \$4.00 = **\$12.00** (plus any applicable provincial tax)

Age	Life		Disability		Disability Plus	
	Monthly rate per \$1,000 average Loan balance (rates may change on 60 days notice)		Rate per \$100 of calculated monthly Loan payment * (rates may change on 60 days notice)			
	Single	Joint (2 insured)	Single	Joint (2 insured)	Single	Joint (2 insured)
Under Age 40	\$0.27	\$0.41	\$2.50	\$4.50	\$4.00	\$7.00
40 – 44	0.40	0.60	2.50	4.50	4.00	7.00
45 – 49	0.48	0.72	2.50	4.50	4.00	7.00
50 – 54	0.65	0.98	2.50	4.50	4.00	7.00
55 – 59	0.95	1.43	2.50	4.50		
60 – 64	1.35	2.03	2.50	4.50		
65 – 69	2.35	3.53	2.50	4.50		
70 – 74	4.25	6.38				
75 +	6.25	9.38				

* Your calculated monthly Loan payment is:

- For a revolving Loan, 2% of Your average Loan balance
- For an installment Loan, the fixed monthly (or equivalent) contractual payment for the term of the Loan

What Disability means

Disability means You are prevented by bodily injury, disease, mental infirmity, sickness or complications due to pregnancy and any related medical conditions, from performing all or substantially all of the essential duties of Your own job and You do not engage in any occupation or employment for wage or profit.

What Job Loss means

Job Loss means a complete involuntary separation from Your employment; this includes a lay off, dismissal without cause, a unionized labour dispute, a legal strike or a lockout.

What the Insurer pays

For all Loans, regardless of the number of persons insured, the benefit amount cannot exceed the Maximum Insurable Limit:

- for a Personal/Homeowner Line of Credit the maximum for a life claim is \$150,000 and \$1,500 per month for a Disability or Job Loss claim,
- for a Homeowner ReadiLine the maximum for a life claim is \$300,000 and \$1,500 per month for a Disability or Job Loss claim,
- for a Small Business Loan/Line of Credit the maximum for a life claim is \$250,000

For Life claims:

For an installment Loan, the benefit amount is the outstanding Loan balance at the date of death.

For a revolving Loan, the benefit amount is:

- the outstanding Loan balance at the date of death, when death occurs as a result of an Accident (a bodily injury that occurs solely as a direct result of a violent, sudden and unexpected action from an outside source), or
- when death occurs from any other cause, the lesser of:
 - the outstanding Loan balance at the date of death, and
 - 110% of the average Loan balance for the 12 months immediately preceding the date of death.

For Disability claims:

There is a maximum of 24 months of benefits per Disability, either paid consecutively or in aggregate.

- For an installment Loan, the benefit amount is the monthly contractual payment as at the date of Disability.
- For a revolving Loan, the benefit amount is :
 - 2% of the outstanding Loan balance at the date of disability, when Disability results from an Accident (a bodily injury that occurs solely as a direct result of a violent, sudden and unexpected action from an outside source), or
 - when Disability results from any other cause, 2% of the lesser of:
 - the outstanding Loan balance at the date of disability, and
 - 110% of the average Loan balance for the 12 months immediately preceding the date of Disability.

For Job Loss claims:

There is a maximum of 6 months of benefits per Job Loss, corresponding with Your approved Employment Insurance benefits.

- For an installment Loan, the benefit amount is the monthly contractual payment as at the date of Job Loss.
- For a revolving Loan, the benefit amount is 2% of the lesser of:
 - the outstanding Loan balance at the date of Job Loss, and
 - 110% of the average balance for the 12 months immediately preceding the date of Job Loss.

When the Insurer will start paying Disability or Job Loss benefits

In all cases, benefits are paid on the date a payment is due on Your Loan. The monthly benefit amount will be pro-rated for any partial month in which a benefit payment is due. Benefit payments will begin on the first scheduled payment due date after:

For Disability benefits:

- a **60-day qualifying period** following the date of Your Disability,
- the date of Your Disability if it is a continuation of a previous Disability. Your claim is a continuation if the Disability is from the same or a related cause within 6 consecutive months of the end of Your previous claim; if it is not a continuation, it will be treated as a new Disability claim and a new 60-day qualifying period will apply.

For Job Loss benefits:

- a **60-day qualifying period** following the date of Your Job Loss, provided You are in receipt of Employment Insurance benefits.

When the Insurer will stop paying Disability or Job Loss benefits

For Disability benefits:

- You have received 24 months of benefits per Disability,
- You no longer meet the definition of Disability,
- You reach age 70,
- You refuse to submit to a medical examination by an appointed physician or other health care practitioner at the Insurer's request,
- You die.

For Job Loss benefits:

- You have received 6 months of benefits per Job Loss,
- You no longer qualify for Employment Insurance benefits,
- You do not provide proof of continuing Employment Insurance benefits to the Insurer,
- You reach age 55.

When the Insurer will not pay

No benefit will be paid if:

- You were not eligible for insurance when You applied, or

For a Life claim:

- Your death results from suicide or self-inflicted injury, where coverage has been in force for less than 24 months, whether You are sane or insane,
- Your death results from civil disorder or war, whether or not war was declared,
- Your death results from committing or attempting to commit a criminal offence, including illegal use of alcohol or drugs, or

For a Disability claim:

- Your Disability results from self-inflicted injuries or attempted suicide, while sane or insane,
- Your Disability results from civil disorder or war, whether or not war was declared,
- Your Disability results from elective cosmetic or experimental surgery or treatment,
- Your Disability results from normal pregnancy,
- Your Disability results from a mental or nervous disorder unless You are under the regular care of a physician and receiving continuous treatment,
- Your Disability results from drug or alcohol abuse, unless You are:
 - enrolled in a rehabilitation program,
 - hospitalized and receiving continuous treatment, or
 - suffering from an organic disease that, if the use of the drug or alcohol stopped, would cause Disability,
- You are not under the regular care of a physician or health care practitioner approved by the Insurer,
- Your Disability results from committing or attempting to commit a criminal offence,
- You are receiving Job Loss benefits at the time of Your Disability, or

For a Job Loss claim:

- Your Employment Insurance claim is not paid for any reason,
- You fail to provide proof of Employment Insurance benefits to the Insurer,
- Your Job Loss is a result of a maternity or paternity leave allowed by law or agreed to with the employer,
- Your Job Loss results from illegal strike, dismissal with cause, end or legal termination of a fixed contract, end of a work season if seasonally employed, or resignation, or
- You are receiving Disability benefits at the time of Your Job Loss.

Important Note:

For Life and Disability claims: If Your application for insurance did not require You to answer a Health Question and You die or become Disabled within 12 months of the date Your insurance began, then no benefit will be paid if Your claim is due to a **Pre-existing Condition**. A **Pre-existing Condition** is defined as a condition or health problem for which You consulted with or received treatment from (including taking medication or injections) a physician or health care practitioner in the 12 months before Your insurance coverage began.

When Your insurance ends

The insurance on Your Loan ends on the earliest of:

- the date the Bank receives Your written request to cancel the insurance,
- the date You are no longer a borrower (or co-borrower) on the Loan,
- the date of Your death, or when more than one person is insured, coverage ends as soon as one dies,
- the date the Policy is terminated,
- the date the Loan is closed, or the Bank notifies You that the Loan is cancelled, written off or transferred to another financial institution,
- the date You refinance or renegotiate the Loan, including Your request for an increase in credit limit.
- in respect of Disability insurance, the date You reach age 70, or
- in respect of Disability Plus insurance, Your Job Loss insurance ends on the date You reach age 55, but your Disability insurance continues to the date you reach age 70.

What You should know about making a claim

- An insurance claim form is available from any branch of the Bank.
- A claim should be made as soon as possible. Life insurance claims must be made in any event within one year from the date of death. Disability and Job Loss claims must be made in any event within 120 days from the date of Disability or Job Loss.
- Any payments required on Your Loan must continue to be made until such time as a claim is approved.
- Any required proof relating to a claim is at the expense of the claimant.

**THIS CERTIFICATE MUST BE ACCOMPANIED BY AN APPROVED APPLICATION FOR OPTIONAL CREDITOR INSURANCE
PLEASE KEEP THESE DOCUMENTS IN A SAFE PLACE**