

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. All premiums paid within the initial 30 days will be fully 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 on a Loan provided 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 actively at work, which means You are regularly working a minimum of 25 hours per week and able to perform the normal tasks of Your job. For seasonal workers, you must also provide evidence of continuing employment.

For Disability Plus 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

On Loans of \$50,000 or less, Your insurance is automatically approved and effective the date You apply for insurance. On Loans more than \$50,000, Your insurance is effective the date You apply for insurance, provided You answer "NO" to the health question(s) or, when You answer "YES", the date the Insurer approves You, in writing.

How Your premiums are calculated

- Premiums are calculated for each month during which the insurance is effective on Your Loan.
- Premium rates are based on Your attained age (see rate table below) using either the single or joint (if more than one insured) rate, plus any applicable provincial tax.
- For Life Insurance:
 - for a revolving Loan, Your rate changes as you get older and your attained age is determined each January 1st. The monthly cost of insurance is determined by applying Your premium rate to Your average monthly Loan balance.
 - for an installment Loan, Your attained age is determined based on Your age at the start of Your Loan and will only change, based on your age at that time, when there is a change to Your repayment schedule. The premium quoted under Your contractual Loan Payment represents the average cost of insurance, per payment, over the remaining life of Your Loan, and is automatically adjusted at each maturity date. The monthly cost of insurance is determined by applying Your premium rate to Your average monthly Loan balance. Your actual premium will therefore automatically decline, unless your rate changes, as Your outstanding balance reduces.
- For Disability or Disability Plus Job Loss Insurance:
 - for a revolving Loan, Your attained age is determined each month. The monthly cost of insurance is determined by applying Your premium rate to 2% of Your average monthly Loan balance.
 - for an installment Loan, Your attained age is determined based on Your age at the start of Your Loan and will not change until there is a change to Your regular payment. The monthly cost of insurance is determined by applying Your premium rate to Your monthly Loan payment.
- All premium calculations are subject to the respective Maximum Insurable Limit.

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

Average monthly Loan balance = \$15,000, Age of Applicant 1 = 36, Age of Applicant 2 = 41, Coverage = Joint Life
 Monthly Life premium = \$15,000 / \$1,000 x \$0.60 = **\$9.00** (plus any applicable provincial tax)

Example: Disability/Disability Plus Job Loss insurance: (actual results will vary slightly, based on the number of days in the month):

For a revolving Loan:

Average monthly Loan balance = \$10,000, Age of Applicant 1 = 36, Coverage = Single Disability Plus Job Loss
 Monthly Disability Plus Job Loss premium = \$10,000 x 2% / \$100 x \$4.00 = **\$8.00** (plus any applicable provincial tax)

For an installment Loan:

Monthly Loan payment = \$500, Age of Applicant 1 = 41, Age of Applicant 2 = 46, Coverage = Joint Disability
 Monthly Disability premium = \$500 / \$100 x \$4.50 = **\$22.50** (plus any applicable provincial tax)

Age	Life		Disability		Disability Plus Job Loss	
	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 Line of Credit (except Homeowner Readiline) the maximum for a life claim is \$150,000 and \$1,500 per month for a Disability or Job Loss claim.
- for an installment Homeowner Readiline the maximum for a life claim is \$600,000 and \$3,000 per month for a Disability or Job Loss claim.
- for a revolving Homeowner Readiline the maximum for a life claim is \$300,000 and \$1,500 per month for a Disability or Job Loss claim.
- for both a Small Business Loan or Line of Credit the maximum for a life claim is \$250,000 and \$1,500 per month for a Disability claim.

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.
- If there is joint disability coverage, in no case will the Insurer pay more than one disability claim on an insured Loan at a time.

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 do not provide proof of continuing Employment Insurance benefits to the Insurer,
- You no longer qualify for Employment Insurance benefits,
- You reach age 55.

When the Insurer will not pay

No benefit will be paid if:

- You are not under the active and continuous care of a licensed physician or health care practitioner approved by the Insurer.
- You refuse to submit to a medical exam by a licensed physician selected by the Insurer.
- For a Disability claim, You fail to provide proof of continuing Disability satisfactory to the Insurer.
- For a Disability claim, You are receiving Job Loss benefits at the time of Your Disability.
- 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.
- events directly or indirectly relating to, arising from or following Your participation or attempted participation in a criminal offence.
- civil disorder or war, whether or not war was declared, unless You are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve
- events directly or indirectly relating to, arising from, or following Your impairment by alcohol while Your blood alcohol concentration is higher than the legal limit or by illegal or illicit drugs, regardless of whether Your death arises or results from Your impairment.

For a Disability claim, Your Disability results from:

- self-inflicted injuries or attempted suicide, while sane or insane,
- events directly or indirectly relating to, arising from or following Your participation or attempted participation in a criminal offence.
- civil disorder or war, whether or not war was declared, unless You are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve.
- events directly or indirectly relating to, arising from, or following your impairment by alcohol while Your blood alcohol concentration is higher than the legal limit or by illegal or illicit drugs, regardless of whether Your Disability arises or results from Your impairment.
- elective cosmetic or experimental surgery or treatment,
- normal pregnancy,
- 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.

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 parental leave allowed by law or agreed to with the employer,
- Your loss of employment does not meet the definition of Job Loss, 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, in the 12 months before your insurance coverage began, you consulted with or received advice, treatment, care and/or service by or from a licensed physician or health care practitioner, or you took medications or injections.

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 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 Job Loss 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.

PLEASE KEEP THESE DOCUMENTS IN A SAFE PLACE