

Scotia Loan Protection

Distribution Guide

Surprisingly Simple Insurance®

 **ScotiaLife Financial®**



Distribution Guide

Scotia® Loan Protection

Creditor Group Insurance
**Life, Terminal Illness, Disability,
Job Loss and Critical Illness Insurance
(Group Policy G/H [REDACTED])
for Your Scotiabank Loan**

Name and address of Insurer:

**The Canada Life Assurance Company
Creditor Insurance Department
330 University Avenue
Toronto, Ontario
M5G 1R8
Phone: 1-800-387-2671
Fax: 416-552-6557**

Name and address of Distributor:

***Responsibility of the Autorité des marchés
financiers***

*The Autorité des marchés financiers does not
express an opinion on the quality of the product
offered in this guide. The insurer alone is
responsible for any discrepancies between the
wording of the guide and the policy.*

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Underlined terms found in this Guide are specifically defined in the “Definitions” Section.

INTRODUCTION

The Bank of Nova Scotia ("Scotiabank") and The Canada Life Assurance Company ("Canada Life") have developed Scotia Loan Protection to assist You with Your insurance needs.

Five types of insurance are available:

- Life insurance covers Your Outstanding Loan Balance if You die;
- Terminal Illness insurance covers Your Outstanding Loan Balance in the event You are diagnosed with a Terminal Illness;
- Critical Illness insurance covers Your monthly Loan payment if You are diagnosed with a specified Critical Illness;
- Disability insurance covers Your monthly Loan payment if You become Disabled; **and**
- Job Loss insurance covers Your monthly Loan payment if You involuntarily lose Your job.

There are two levels of protection offered under the Scotia Loan Protection plan:

Comprehensive Protection

Comprehensive Protection coverage provides the following insurance coverages:

- Life insurance;
- Terminal Illness insurance;
- Critical Illness insurance;
- Disability insurance; **and**
- Job Loss insurance.

Basic Protection

Basic Protection coverage provides Life insurance coverage only.

This Distribution Guide was prepared to help You better understand the insurance coverage options that are available to You. It will help You determine if the insurance described fits Your needs.

You completed Scotia Loan Protection Application, the letter confirming Your coverage elections under Scotia Loan Protection, the distribution guide, the Certificate of Insurance and any letter from the Insurer confirming approval together form the proof that You are Insured. Please keep all documents in a safe place.

Scotiabank and Canada Life can change the terms of the insurance described in this Scotia Loan Protection distribution guide, including Your premium or the method used to calculate Your premium. We will tell You in writing before we make any changes. You will be deemed to have received such notice on the fifth business day after it is mailed or electronically delivered to Your address as it appears on file.

DESCRIPTION OF THE PRODUCT OFFERED

What is Scotia Loan Protection?

Scotia Loan Protection is an optional insurance product available to Scotiabank loan customers that helps to provide a financial safety net during times of financial hardship caused by certain life events.

SUMMARY OF SPECIFIC FEATURES

Who can apply for Scotia Loan Protection?

To be eligible to apply for Basic Protection under Scotia Loan Protection, You must meet all of the following criteria on the date of Your application to enrol for insurance:

- You must be at least 18 years old and less than 70 years old;
- You must be a resident of Canada; **and**
- You must be the principal Borrower, co-borrower or guarantor on a Scotiabank Loan that is in Good Standing and have agreed to the terms and conditions of the Loan.

To apply for Comprehensive Protection, You must also be:

- Employed and actively working at least 20 hours per week for wages or expectation of profit and be able to perform the regular

duties of Your occupation. If seasonally employed and on Your off season, You must be capable of performing Your regular job. To qualify as a Seasonal Employee, the work season must have a beginning and end, and You must have a proven work history as a Seasonal Employee with the expectation of returning to the same occupation the next season; **and**

- Not receiving Disability benefits from any source.

To be eligible for Job Loss coverage, You must be:

A Permanent Employee and You must NOT be a Seasonal Employee.

A maximum of two people per eligible Scotiabank Loan can have insurance coverage.

Applying for Basic or Comprehensive Coverage

Your insurance coverage is automatically approved up to a maximum of \$300,000 on the date that Scotiabank receives Your signed and dated Scotia Loan Protection application, or telemarketing enrolment record, or internet application.

Effective Date of Coverage

Your insurance coverage begins on the date Scotiabank receives and approves Your signed and dated Scotia Loan Protection application, or telemarketing enrolment record, or internet application.

The Effective Date of Your coverage will be indicated on the Schedule of Coverage. You will receive confirmation of Your coverage and the Certificate of Insurance in the format of Your choosing (paper or electronic) within 30 days after Your Scotia Loan Protection application has been received and approved. All periods of coverage begin and end at 12:01 a.m. local time at Your last address on file.

A debit of insurance premium from the designated account, or the collection of insurance premium in error, does not make insurance effective if the Insured Person's are otherwise not insurable or eligible for coverage. An example could include, but is not limited to, when an Insured Person's

date of birth is incorrectly recorded. This may change the Insured Person's eligibility due to their age.

How can You apply for Scotia Loan Protection?

You can apply for coverage by calling us at 1-855-853-4272 between 8:00 a.m. and 8:00 p.m. (ET), Monday to Friday.

Is medical underwriting required?

You are automatically approved for coverage and You will not have to answer the health questions.

LIFE INSURANCE

What is the Life Insurance Benefit?

Provided that You have applied and been approved for Comprehensive Protection coverage or Basic Protection coverage and You meet the terms and conditions of the Certificate of Insurance, when You die, the Insurer will pay Scotiabank the Outstanding Loan Balance owing on Your date of death, up to a maximum of \$300,000.

EXCLUSIONS AND LIMITATIONS IN COVERAGE

CAUTION

The life insurance benefit is not payable if death resulted from events directly or indirectly related to, arising from, following Your participation or attempted participation in, caused by or contributed to by, or associated with:

- **intentionally self-inflicted injury, suicide or attempted suicide (whether You are aware or not aware of the result of Your actions, regardless of Your state of mind), within the first 24 months following the Effective Date of Your coverage;**
- **war whether declared or undeclared unless You are on active military duty as a member of the Canadian Forces or Canadian Forces Reserve;**
- **Your use of any drug, poisonous substance, intoxicant or narcotic, unless**

taken according to the instructions of Your Doctor;

- Your operation of any motorized vehicle or watercraft while Your ability to do so is impaired by drugs or alcohol, or with blood alcohol concentration in excess of legal limits in the jurisdiction where the death occurred;
- Your commission or attempted commission of a criminal offence; or
- You die within 12 months of the Effective Date and the cause of Your death is from or is related to a pre-existing condition.

A pre-existing condition is a health condition, illness, disease or injury, whether diagnosed or undiagnosed, for which You have:

- consulted with a Doctor;
- had medical investigations;
- received advice, care and/or service, or
- received treatment, including taking any kind of medication or injection, with, by or from a Doctor or other health practitioner at any time during the 12 months before the Effective Date.

TERMINAL ILLNESS INSURANCE

What is the Terminal Illness Benefit?

Provided that You have applied and been approved for Comprehensive Protection and the terms and conditions of the Certificate of Insurance are met, if You are diagnosed with a Terminal Illness, the Insurer will pay Scotiabank the Outstanding Loan Balance on the date of Diagnosis, up to a maximum of \$300,000.

What is a Terminal Illness?

A Terminal Illness is an illness that has been determined by a Doctor in writing to likely result in death within one year of Diagnosis.

EXCLUSIONS AND LIMITATIONS IN COVERAGE

CAUTION

The Terminal Illness benefit is not payable if the Terminal Illness resulted from events directly or indirectly related to, arising from, following Your participation or attempted participation in, caused by or contributed to by, or associated with:

- intentionally self-inflicted injury or attempted suicide (whether You are aware or not aware of the result of Your actions, regardless of Your state of mind), within the first 24 months following the Effective Date of Your coverage;
- war whether declared or undeclared unless You are on active military duty as a member of the Canadian Forces or Canadian Forces Reserve;
- Your use of any drug, poisonous substance, intoxicant or narcotic, unless taken according to the instructions of Your Doctor;
- Your operation of any motorized vehicle or watercraft while Your ability to do so is impaired by drugs or alcohol, or with blood alcohol concentration in excess of legal limits in the jurisdiction where the diagnosis occurred;
- Your commission or attempted commission of a criminal offence; or
- drug or alcohol abuse.

The Terminal Illness benefit is not payable if death occurs within 30 days after Diagnosis.

The Terminal Illness benefit is not payable if the evaluation of the medical problem or of symptoms of a medical problem, or any medical consultation or tests related to or leading to the Diagnosis of a Terminal Illness, was initiated prior to the date You completed and signed Your Scotia Loan Protection application, or completed a telemarketing enrolment record or completed an internet application.

Only one Terminal Illness benefit may ever be payable per Insured Person.

CRITICAL ILLNESS INSURANCE

What is the Critical Illness Insurance Benefit?

Provided that You have applied and been approved for Comprehensive Protection and You meet the terms and conditions of the Certificate of Insurance, if You are diagnosed with a Critical Illness prior to Your 70th birthday, the Insurer will pay Scotiabank the Insured Loan payment, up to a maximum of \$3,500, plus Your insurance premium under Scotia Loan Protection coverage, every month, up to a maximum of 12 months per Insured Person per lifetime.

If You are being paid Critical Illness insurance benefits and You advise Scotiabank of Your intention to discharge Your Insured Loan prior to 12 months of benefits being paid, the lesser of the total amount of benefits remaining to be paid or the Outstanding Loan Balance will be paid as a lump sum to reduce the principal of Your Insured Loan upon discharge.

What is a Critical Illness?

Only specific Critical Illnesses are covered. Covered Critical Illnesses are as follows:

Heart attack means the death of a portion of the heart muscle (myocardial infarction) due to an inadequate blood supply to the relevant area due to a blockage of one or more coronary arteries. This Diagnosis must be based on:

- new (after the attack) electrocardiographic (ECG) changes consistent with a Heart attack; **and**
- elevation of cardiac (heart) bio-markers and/or enzymes.

Diagnosis must be made by a Doctor who is a specialist in internal medicine or a cardiologist.

Stroke means a cerebrovascular incident caused by a hemorrhage, or by infarction of brain tissue due to intracranial thrombosis or embolization (a lack of circulation of blood to the brain caused by a blood clot, air bubble or other object) from an

extra-cranial source. A Stroke does not include a transient ischemic attack (TIA), also referred to as a mini stroke. Lacunar infarcts alone that are not compatible with the current cerebrovascular signs and symptoms are not considered satisfactory evidence of a Stroke.

This Diagnosis must be made by a Doctor and supported by medical evidence of measureable, objective neurological deficit. This deficit must have continued for at least 30 consecutive days and must be considered to be permanent.

Cancer means a malignant tumour characterized by the uncontrolled growth and spread of malignant cells and invasion of tissue. This Diagnosis must be made in writing by a Doctor who is a certified oncologist. The following conditions or forms of cancer are excluded from the definition of cancer:

- Stage A prostate Cancer;
- Non-invasive Cancer in situ (i.e. not spreading);
- Pre-malignant lesion, benign tumours or polyps;
- Any tumours in the presence of any human immunodeficiency virus (HIV); and
- Any skin Cancer other than invasive malignant melanoma more than 1.0 mm in depth.

When do Critical Illness Benefits Begin?

Once the Insurer has approved Your Critical Illness claim, the Insurer will pay the Critical Illness benefit beginning on Your first scheduled insured Scotiabank loan payment date after the end of the 60-day Qualifying Period. The Qualifying Period is the period starting on the date You are diagnosed with a Critical Illness and ending on the date You qualify for benefits. Critical Illness benefits will be payable retroactive to the date of Your Diagnosis.

The claim payment will be pro-rated if a Critical Illness benefit is payable for a portion of a loan payment billing cycle. You are responsible for making Your regular loan payments during the Qualifying Period and until the Insurer approves Your claim.

EXCLUSIONS AND LIMITATIONS IN COVERAGE

CAUTION

The Critical Illness insurance benefit is not payable if the Critical Illness resulted from events directly or indirectly related to, arising from, following Your participation or attempted participation in, caused by or contributed to by, or associated with:

- intentionally self-inflicted injury or attempted suicide (whether You are aware or not aware of the result of Your actions, regardless of Your state of mind), within the first 24 months following the Effective Date of Your coverage;
- war whether declared or undeclared unless You are on active military duty as a member of the Canadian Forces or Canadian Forces Reserve;
- Your use of any drug, poisonous substance, intoxicant or narcotic, unless taken according to the instructions of Your Doctor;
- Your operation of any motorized vehicle or watercraft while Your ability to do so is impaired by drugs or alcohol, or with blood alcohol concentration in excess of legal limits in the jurisdiction where the diagnosis occurred; or
- Your commission or attempted commission of a criminal offence.

The Critical Illness insurance benefit is not payable if death occurs within 30 days after Diagnosis of a Critical Illness or within 30 days after undergoing Surgery.

The Critical Illness insurance benefit is not payable if the evaluation of the medical problem or of symptoms of a medical problem, or any medical consultation or tests, related to or leading to the Diagnosis of a Critical Illness was initiated prior to the date You completed and signed Your Scotia Loan Protection application, or completed telemarketing enrolment or completed internet application.

The Insurer will not pay a claim for Critical Illness if, within the 30 days after the Effective Date of Your coverage:

- the Diagnosis of the Critical Illness was made;
- any evaluation of a medical problem or symptoms of a medical problem leading to the Diagnosis of the Critical Illness was initiated; or
- any medical consultation or tests leading to the Diagnosis of the Critical Illness was initiated.

DISABILITY INSURANCE

What is the Disability Benefit?

Provided that You have applied and been approved for Comprehensive Protection and You meet the terms and conditions of the Certificate of Insurance, when You become Disabled and Your Disability claim is approved by the Insurer, the Insurer will pay Scotiabank the Insured Loan payment, up to a maximum of \$3,500, plus Your insurance premium under Scotia Loan Protection coverage, for every month that You are Disabled following the 60-day Qualifying Period, up to a maximum of 12 months per Disability.

The maximum monthly benefit will be paid for up to a maximum of 12 months per Insured Person, per Scotiabank Loan, per Disability.

The overall maximum Disability benefit is 12 months of Disability benefit payments over Your lifetime, no matter how many separate instances of Disability are incurred.

What is a Disability?

A Disability is a medical impairment due to injury, disease, or sickness that completely prevents You from performing:

- the duties of the occupation You were engaged in immediately before the date You became Disabled;

- Your principal occupation, if You are a Seasonal Employee and became Disabled between seasons; **or**
- Your occupation prior to retirement.

To qualify for Disability benefits and to continue to receive these benefits, You must be Disabled and:

- be under the continuous care of and following the treatment prescribed by a Doctor; or, in the case of mental illness or nervous disorder including anxiety, depression and behavioural disorders, be under the continuous care of and following the treatment prescribed by a Doctor who specializes in psychiatry;
- not be engaged in any business, occupation, undertaking or activity for wages or expectation of profit; **and**
- provide proof of Your Disability claim satisfactory to the Insurer.

The Insurer may request, at its own expense, a medical examination by a Doctor appointed by them.

When do Disability Benefits Begin?

Once the Insurer has approved Your Disability claim, the Insurer will pay the Disability benefit beginning on Your first scheduled Scotiabank Loan payment after the end of the 60-day Qualifying Period. The Qualifying Period is the period of continuous Disability beginning on the date You become Disabled and ending on the date You qualify for benefits. Disability benefits will be payable retroactive to the date You became Disabled.

The claim payment will be pro-rated if a Disability benefit is payable for a portion of a Loan payment billing cycle. You are responsible for making Your regular loan payments on the loan during the Qualifying Period and until the Insurer approves Your claim.

When do Disability Benefits End?

Disability benefits will be paid until the earliest of the following events:

- Your Disability ends or You return to work;

- You are engaged in any business, occupation, undertaking or activities for wages or expectation of profit;
- You have received 12 months of Disability benefit payments per Insured Person, per Loan, per Disability or for Your lifetime;
- Your 70th birthday;
- Your Insured Loan is paid in full;
- The date Your Loan account is Refinanced for additional funds;
- The date Your Loan account is closed;
- You are no longer under the care of and following the treatment prescribed by a Doctor; or, in the case of mental illness or nervous disorder including anxiety, depression and behavioural disorders, be under the continuous care of and following the treatment prescribed by a Doctor who specializes in psychiatry;
- You refuse to submit to a medical exam by a Doctor selected by the Insurer;
- You fail to provide proof of continuing Disability satisfactory to the Insurer; **or**
- The termination of Your insurance coverage under the Scotia Loan Protection plan for reasons other than the termination of the Group Policy (see "Termination of Coverage").

Recurring Disabilities

If the same Disability recurs within 21 consecutive days of Your recovery or Your return to work and lasts a minimum of 7 consecutive days, Your Disability will be treated as a continuation of the same claim but no benefits will be payable for the period You worked or otherwise did not meet the definition of Disability. Your Disability benefit payments will begin again after You have provided proof to the Insurer of the recurrence of Your Disability.

EXCLUSIONS AND LIMITATIONS IN COVERAGE

CAUTION

The Disability insurance benefit is not payable if Your Disability resulted from events directly or indirectly related to, arising from, following Your participation or attempted participation in, caused by or contributed to by, or associated with:

- normal pregnancy;
- elective cosmetic Surgery or experimental Surgery or treatment;
- intentionally self-inflicted injury or attempted suicide (whether You are aware or not aware of the result of Your actions, regardless of Your state of mind), within the first 24 months following the Effective Date of Your coverage;
- war whether declared or undeclared unless You are on active military duty as a member of the Canadian Forces or Canadian Forces Reserve;
- Your use of any drug, poisonous substance, intoxicant or narcotic, unless taken according to the instructions of Your Doctor;
- Your operation of any motorized vehicle or watercraft while Your ability to do so is impaired by drugs or alcohol, or with blood alcohol concentration in excess of legal limits in the jurisdiction where the disability occurred;
- Your commission or attempted commission of a criminal offence; or
- drug or alcohol abuse.

The Disability insurance benefit is not payable if:

- You become Disabled within 12 months of the Effective Date and the cause of Your Disability results from or is related to a pre-existing condition.

A pre-existing condition is a health condition, illness, disease or injury whether diagnosed or undiagnosed, for which You have:

- **consulted with a Doctor,**
- **had medical investigations,**
- **received advice, care and/or service, or**
- **received treatment, including taking any kind of medication or injection, with, by or from a Doctor or other health practitioner at any time during the 12 months before the Effective Date.**

JOB LOSS INSURANCE

What is the Job Loss benefit?

Provided that You have applied and been approved for Comprehensive Protection and You meet the terms and conditions of the Certificate of Insurance, if You involuntarily lose Your job and Your Job Loss claim is approved by the Insurer, the Insurer will pay Scotiabank the Insured Loan payment, up to a maximum of \$3,500, plus Your insurance premium under Scotia Loan Protection coverage, for every month that You are unemployed following the 60-day Qualifying Period, up to a maximum of 6 months per occurrence of Job Loss.

The maximum Job Loss monthly benefit will be paid for up to a maximum of 6 months per Insured Person, per Scotiabank Loan, per incidence of Job Loss.

The overall maximum Job Loss benefit is 12 months of Job Loss benefit payments over Your lifetime, no matter how many separate instances of Job Loss are incurred.

What is a Job Loss?

A Job Loss occurs when Your employment is involuntarily terminated by Your employer (not for cause) or You are permanently laid off.

To qualify for Job Loss benefits and to continue to receive these benefits, You must:

- have been employed in Your own occupation for a minimum of 180 consecutive days for

a salary or other form of remuneration on a full-time basis for one or more employers, at least 20 hours each week immediately prior to the date of Your Job Loss. The 20 hour work requirement is continuous and must not be calculated through averaging; **and**

- if self-employed, have worked for income to be received from a trade or profession in which You were engaged, a partnership in which You were a partner, Your own business, or a private company or other entity in which You had an ownership interest; **and**
- provide proof that You are eligible and have registered to receive Government of Canada Employment Insurance Benefits.

When do Job Loss Benefits Begin?

Once the Insurer has approved Your Job Loss claim, the Insurer will pay the Job Loss benefit beginning on Your first scheduled Scotiabank Loan payment date after the end of the 60-day Qualifying Period. Qualifying Period means the period of continuous unemployment following the last date worked and ending on the date You qualify for benefits. Job Loss benefits will be payable retroactive to the date You became unemployed.

The claim payment will be pro-rated if a Job Loss benefit is payable for a portion of a Loan payment billing cycle. You are responsible for making Your regular Loan payments during the Qualifying Period and until the Insurer approves Your claim.

When do Job Loss Benefits End?

Job Loss benefits will be paid until the earliest of the following events:

- the date You return to work, or participate in any business or occupation for wages or profit;
- You have received 6 months of Job Loss benefit payments per Insured Person, per Loan, per incidence of Job Loss;
- You have received an overall maximum of 12 months of Job Loss benefit payments for Your lifetime;

- Your 70th birthday;
- Your Insured Loan is paid in full;
- The date Your Loan account is Refinanced for additional funds;
- The date Your Loan account is closed;
- You fail to provide satisfactory proof of Your continuing eligibility of Employment Insurance benefits;
- You fail to provide satisfactory proof of Your continuing Job Loss; **or**
- The termination of Your insurance coverage under the Scotia Loan Protection plan for reasons other than the termination of the Group Policy (see "Termination of Coverage").

Repeated Job Loss

If a monthly Job Loss benefit has been paid in respect of a Job Loss claim, You may only submit another Job Loss Claim after 180 days have passed since the termination of those benefits.

The total benefits for the prior and a repeated Job Loss claim combined shall not exceed the maximum lifetime benefit amount of 12 months.

EXCLUSIONS AND LIMITATIONS IN COVERAGE

CAUTION

The Job Loss benefit is not payable if:

- **You became unemployed within 90 days of the Effective Date of coverage;**
- **You knew that You were about to become unemployed at the time of application for coverage;**
- **You fail to provide satisfactory proof of Your eligibility of Employment Insurance benefits;**
- **You are laid off from seasonal work, or are terminated from contract work;**
- **You are on maternity or parental leave or leave of absence; **or****
- **Your Job Loss is the direct or indirect result of:**

- Resignation or retirement from employment;
- Dismissal from employment for cause;
- A Disability for which benefits are payable through this insurance; or
- A strike or lockout.

ADDITIONAL INFORMATION ABOUT YOUR INSURANCE

APPLIES TO LIFE INSURANCE, TERMINAL ILLNESS INSURANCE, CRITICAL ILLNESS INSURANCE, DISABILITY INSURANCE AND JOB LOSS INSURANCE.

PREMIUMS

For Comprehensive Protection:

The table below sets out the monthly Comprehensive Protection premium for every \$1,000 of Insured Loan balance for Life and Terminal Illness coverage and \$100 of monthly equivalent insurable benefit for Critical Illness, Disability and Job Loss coverage on the date Your Scotia Loan Protection application is approved.

COMPREHENSIVE PROTECTION COVERAGE		
	Life and Terminal Illness	Critical Illness, Disability, Job Loss
Age	Premium Rate for Each Insured	Premium Rate for Each Insured
18 – 30	\$0.29	\$2.09
31 – 35	\$0.31	\$2.25
36 – 40	\$0.33	\$2.43
41 – 45	\$0.38	\$2.78
46 – 50	\$0.47	\$3.37
51 – 55	\$0.60	\$4.27
56 – 60	\$0.78	\$5.51
61 – 65	\$1.00	\$7.02
66 – 69	\$1.00	\$7.06

Provincial sales tax will be added to Your premium where applicable.

* If the loan amount is above the maximum amount of coverage of \$300,000, the premium will be calculated based on the maximum coverage amount of \$300,000. If the loan payment amount is above the maximum monthly payment amount of coverage of \$3,500, the premium will be calculated based on the maximum monthly payment coverage amount of \$3,500.

Example:

You are 41 years old and Your Loan balance at time of application is \$30,000 with a \$470 monthly Loan Payment. Your monthly insurance premiums would be \$24.47 $((\$0.38 \times \$30,000 \div \$1,000) + (\$2.78 \times \$470 \div \$100))$ plus any applicable sales taxes.

For Basic Protection:

The table below sets out the monthly Basic Protection premium for every \$1,000 of Loan balance on the date Your Scotia Loan Protection application is approved.

BASIC PROTECTION COVERAGE	
	Life
Age	Premium Rate for Each Insured
18 – 30	\$0.29
31 – 35	\$0.31
36 – 40	\$0.33
41 – 45	\$0.38
46 – 50	\$0.47
51 – 55	\$0.60
56 – 60	\$0.78
61 – 65	\$1.00
66 – 69	\$1.00

Provincial sales tax will be added to Your premium where applicable.

* If the loan amount is above the maximum amount of coverage of \$300,000, the premium will be calculated based on the maximum coverage amount of \$300,000.

Example:

You are 41 years old and Your Loan balance at the time of application is \$30,000. Your insurance premium would be \$11.40 ($\$0.38 \times \$30,000 \div \$1,000$) plus any applicable sales taxes.

Premium Reduction:

If You and another Borrower on the same loan account applied for and are approved for insurance coverage, then the monthly premium for each insured will have a discount factor applied.

Coverage Type	Discount Factor
Both <u>Borrowers</u> have Comprehensive Protection coverage	20%
Both <u>Borrowers</u> have Basic Protection coverage	15%
One <u>Borrower</u> has Basic Protection coverage and one <u>Borrower</u> has Comprehensive Protection coverage	18%

BILLING

We will debit Your insurance premiums, plus any applicable taxes from the same account from which Your Loan Payments are debited, or from a different bank account You designate.

Loan Principal and Interest Payment Changes

When there is a pre-payment on the Loan of at least 10% of the current principal amount in a 12 month period, You may request that the Insurance premiums be recalculated for each Insured Person based on current age and current loan balance. Only one such change may be made during any 12 month period (the loan anniversary period).

When there is a change in Your loan payment amount for any reason including variable rate change, the Insurance premiums for Critical Illness, Disability, and Job Loss (if applicable) will be recalculated for each insured based on

current age and current loan payment. Life and Terminal Illness insurance premiums will remain the same.

MULTIPLE CLAIMS

Any benefit payable under any one of the insured events shall not be payable under another insured event for the same cause. You are entitled to only one benefit at a time.

If You and Your co-borrower on the Insured Loan both die within 30 days of each other, and a death benefit would, except for this section, otherwise be payable, Scotia Loan Protection will only pay the benefit payable, if any, in respect of the first person to die, or the first person to be diagnosed with a Terminal Illness. If either You or Your co-borrower are receiving a monthly Critical Illness benefit, Disability benefit, or Job Loss benefit and the second person dies or is diagnosed with a Terminal Illness, the monthly benefits will cease if the death or Terminal Illness benefit is payable.

If either a monthly Critical Illness benefit, Disability benefit, or Job Loss benefit would be payable for both You and the co-borrower on the Insured Loan with respect to the same or overlapping periods of time, the benefit for the first person who incurs a claim will be determined in the usual manner under the applicable benefit provision. For the second person who incurs a claim, a claim for benefits will only be considered once the monthly benefits for the first person have ceased. However, for both claims, benefits will not exceed \$3,500 per month per Loan and will not exceed the lesser of the Outstanding Loan balance or \$300,000.

Example:

You incur a Job Loss and Your claim is payable for a total of 6 months. In month 4 of Your claim, Your co-borrower becomes Disabled. Your co-borrower's Disability claim will be considered for payment only after Your Job Loss claim is terminated. If Your Job Loss claim terminated after month 6, Your co-borrower's Disability claim would be considered for payment for up to 12 months.

EFFECTIVE DATE OF COVERAGE

Your insurance coverage begins on the date Scotiabank receives and approves Your signed and dated Scotia Loan Protection application, or telemarketing enrolment record, or internet application

The Effective Date of Your coverage will be indicated on the Schedule of Coverage. You will receive a confirmation of Your coverage the Your Certificate of Insurance in the format of Your choosing (paper or electronic) within 30 days after Your Scotia Loan Protection Application has been received and approved. All periods of coverage begin and end at 12:01 a.m. local time at Your last address on file.

A debit of insurance premium from Your account, or the collection of insurance premium in error, does not make insurance effective if the Insured Persons are otherwise not insurable or eligible for coverage. An example could include, but is not limited to, when an Insured Person's date of birth is incorrectly recorded. This may change the Insured Person's eligibility due to their age.

TERMINATION OF COVERAGE

Your coverage under Scotia Loan Protection automatically terminates on the earliest of the following dates:

- the date of Your death;
- Your 75th birthday;
- the date of receipt of Your request to cancel Your coverage;
- the date when Your insurance premium is in arrears for 90 days;
- the date Your Loan account is Refinanced for additional funds;
- the date Your Loan account is closed; **or**
- the date the Group Policy terminates.

Note: If two Borrowers are insured and one Borrower's insurance terminates after they have reached the maximum age for insurance coverage or request to cancel, the insurance will automatically change to individual insurance coverage for the

other Borrower. Premium rates are based on original insured age and original insured balance for the other Borrower.

CAUTION

Reduction of Coverage:

Please note: If You have Comprehensive Protection coverage, Comprehensive Protection will cease and You will be automatically switched to Basic Protection coverage on the earliest of the following dates:

- Your 70th birthday; or
- the date You have reached the overall maximum benefit of 12 months of Disability benefits for Your lifetime, the overall maximum of 12 months of Job Loss benefits for Your lifetime, and the overall maximum of 12 months of Critical Illness benefits for Your lifetime.

PROOF OF LOSS OR CLAIM

Notice of Claim and Claim Forms

In the event of a claim, You or Your representative can request a claim form by calling us at 1-855-753-4272.

Any written notice must include the Group Policy number: Canada Life G/H [REDACTED].

You or Your representative will receive the claim forms and an attending physician statement with instructions for filing the claim.

You or Your representative must complete the claim form and mail it to the Insurer with any supporting documents specified on the claim form.

You or Your representative are responsible for any costs of having the claim form completed.

Insurer's Reply

When a claim is approved, You will be informed of the benefit amount in writing. A written explanation will be provided if the claim is denied.

The Insurer should make their decision known to You **within 30 days** of receipt of all requested information.

Proof of Claim

To make a Life insurance claim, You or Your representative must complete the claim form and submit it to the Insurer within one year following the date of death of the Insured Person. After this one year period, a life insurance claim will only be considered if You or Your representative can provide a written reasonable cause for delay.

To make a Terminal Illness, Critical Illness, Disability, or Job Loss claim, You or Your representative must complete the claim form **within 150 days** of the date of Diagnosis of a Terminal Illness, Diagnosis of a Critical Illness, date of Disability, or date of Job Loss, and forward it to the Insurer. The medical information must be completed by the Doctor who is actively caring for You. If the Insurer does not receive notice of claim within the specified time, they will only process the claim if You can provide them with a written reasonable cause for delay.

Rights of Examination

The Insurer may ask You to have a medical examination by a Doctor of the Insurer's choice. The Insurer will pay for this examination, but will not pay any benefits if You refuse to have the examination. In the event of a death claim, the Insurer has the right, where allowed by law, to ask for an autopsy.

Payments Until Decision Is Made

You are responsible for continuing to make the regular Loan payments until a decision is made by the Insurer on any claim submitted under the Certificate of Insurance.

How to appeal the Insurer's decision

You or Your representative may appeal the Insurer's decision if Your initial claim is declined. The appeal must be in writing and sent to the Insurer within six months following the date shown on the original decline letter. You or Your representative written request must include:

- The reason or reasons why the decision is being appealed; **and**
- Any additional information or documentation that was not previously submitted with the claim.

You or Your representative may also consult the Autorité des marchés financiers or Your own legal advisor.

HOW TO CANCEL COVERAGE

You may cancel the insurance coverage at any time by calling:

Scotiabank
1-855-753-4272
8:00 a.m to 8:00 p.m (ET)
Monday to Friday

or by sending a written notice by mail to:

Insurance Canada Processing Centre
P.O. Box 1045
Stratford, Ontario
N5A 6W4

You may also use the “Notice of Rescission of an Insurance Contract” included in this distribution guide.

Insurance coverage will end on the later of the following dates:

- The date stated in Your cancellation request; **or**
- The date Scotiabank receives and processes this request.

If Scotiabank receives the notice of cancellation within 30 days of the later of:

- the date the application form is completed, **or**
- the date of approval of insurance,

this insurance will be considered never to have been in force and all premiums paid will be refunded.

OTHER IMPORTANT INFORMATION

Premium Rate Changes

The Scotia Loan Protection premium rates are subject to change from time to time. Written notice will be sent to Your address as it appears on file, at least 60 days before the premium rate is changed. Except where the Group Policy is amended to change the benefits or Eligibility criteria, or a change in legislation or regulation directly affects the insurance coverage provided under the Group Policy, the Premium rate will not be changed more than once in any twelve (12) month period.

Misstatement of Age

If You have misstated Your age, and Your true age would have made You ineligible for this insurance, Canada Life's liability will be limited to a refund of premiums paid.

If Your age has been misstated and You would have been eligible for insurance based on Your correct age, Your correct age will be used to determine whether to pay any benefit.

Misrepresentation

Any concealment, misrepresentation, or false declaration on either the Scotia Loan Protection application or in any medical evidence submitted in connection with Your claim form will make the coverage null and void.

How to Contact the Insurer

If You have any questions about Scotia Loan Protection, to obtain a copy of the Group Policy, or for general information, please call Canada Life 1-855-753-4272 between 8:00 a.m. and 6:00 p.m. (ET), Monday to Friday.

Or You can write to:

The Canada Life Assurance Company
Creditor Insurance Department
330 University Avenue
Toronto, Ontario M5G 1R8

Administrative Error

If Scotiabank or the Insurer make any administrative errors in maintaining any records concerning the Group Policy, such errors will not alter or invalidate Your coverage or continue coverage that would otherwise not be insurable or eligible for coverage or terminated for valid reasons.

Examples of an “administrative error” include, but are not limited to:

- collecting an insurance premium in error,
- having an incomplete or incorrect address on file, **or**
- documenting an Insured Person’s date of birth incorrectly (which may result in an incorrect premium calculation or change an Insured Person’s eligibility).

Privacy and Confidentiality

The Insurer recognizes and respects the importance of privacy. When You apply for coverage, a confidential file that contains Your personal information is established. This file is kept in the offices of the Insurer or the offices of an organization authorized by the Insurer.

You may exercise certain rights of access and rectification with respect to the personal information in Your file by sending a request in writing to the Insurer. The Insurer may use service providers located within or outside Canada.

The Insurer limits access to personal information in Your file to the Insurer’s staff or persons authorized by the Insurer who require this information to perform their duties, to persons to whom You have granted access, and to persons authorized by law. In some instances, these persons may be located outside Canada and personal information may be subject to the laws of a foreign jurisdiction.

Personal information that the Insurer collects will be used for the purposes of determining eligibility for coverage and administering the Group Policy. This includes investigating and assessing claims, and creating and maintaining records concerning the relationship.

For a copy of the Insurer's Privacy Guidelines, or if You have questions about their personal information policies and practices (including with respect to service providers):

By website: www.canadalife.com

By e-mail: Chief_Compliance_Officer@canadalife.com

By mail: Chief Compliance Officer
The Canada Life Assurance Company
330 University Avenue,
Toronto, ON M5G 1R8

If the Insurer receives a request for access or correction the Insurer will reply to You within 30 days. The Insurer may require a reasonable charge, in advance, for reproduction and transmission of any information the Insurer provides.

Complaint Procedures

If You have a complaint or inquiry about any aspect of this insurance coverage on the Insured Loan, You may choose to submit a complaint by contacting Canada Life at 1-800-380-4572 or by email at creditorcomplaints@canadalife.com or visit www.canadalife.com/complaints.

If for some reason You are not satisfied with the resolution to Your complaint or inquiry, You may also communicate the complaint or inquiry in writing to:

OmbudService for Life & Health Insurance
401 Bay Street, PO Box 7
Toronto, Ontario M5H 2Y4

If You are still not satisfied with the response, You also have the following options:

- You can contact the Autorité des marchés financiers; **or**
- Your Legal Advisor.

REFERRAL TO THE AUTORITÉ DES MARCHÉS FINANCIERS

You can also obtain additional information on the obligations of Canada Life or Scotiabank, by contacting the Autorité des marchés financiers at the following address:

Autorité des marchés financiers
Place de la Cité, Tour Cominar
2640, boul. Laurier, 4th Floor
Québec, QC G1V 5C1

Toll-free number: 1-877-525-0337

Québec City: 418-525-0337

Montreal: 514-395-0337

Fax: 418-525-9512

Website: www.lautorite.qc.ca

SIMILAR PRODUCTS

This insurance has been designed specifically to cover Your Scotiabank Loan debt. It is not intended to replace any other personal insurance that You may already own. Other similar insurance products are available, with other companies but may have different benefits, restrictions and exclusions. Please review the details carefully.

DEFINITIONS

Borrower(s) means the principal Borrower, co-borrower, or guarantor on a Loan account.

Canada Life means The Canada Life Assurance Company.

Diagnosis or **Diagnose** means written Diagnosis confirmed by a Doctor of Your Terminal Illness or Critical Illness. The date of Your Diagnosis will be the date the Diagnosis is made by Your Doctor, as supported by Your medical records. The evaluation of a medical problem or of symptoms of a medical problem, or any medical consultation or test, leading to this Diagnosis must begin after the date You complete and sign Your Scotia Loan Protection Application or telemarketing enrolment record or internet application, for us to consider paying a benefit.

Disability or **Disabled** means medical impairment due to injury, disease, or sickness that completely prevents You from performing:

- the duties of the occupation You were engaged in immediately before the date You became Disabled;
- Your principal occupation, if You are a Seasonal Employee and became Disabled between seasons; **or**
- Your occupation prior to retirement.

Doctor means a physician or a surgeon, legally licensed and practicing medicine in Canada. The Doctor must be someone other than yourself or business associate or a member of Your immediate family. Immediate family includes any of Your spouse, parent or stepparent, child or stepchild, brother or sister, stepbrother or stepsister, brother-in-law or sister-in-law, father-in-law or mother-in-law, and son-in-law or daughter-in-law.

Effective Date means the date Your insurance coverage begins, as specified in the Schedule of Coverage as the Effective Date.

Good Standing Your Scotiabank Loan is considered to be in Good Standing as long as the payments are not past due, the account is not charged-off or closed.

Group Policy means Group Policy number G/H [REDACTED] for coverage provided by The Canada Life Assurance Company issued to The Bank of Nova Scotia.

Insured Loan means a loan insured under Scotia Loan Protection and named as the "Insured Loan" on the Schedule of Coverage.

Insured Person means the customer noted as the Borrower whose application for insurance has been accepted and who is named as the "Insured" on the Schedule of Coverage.

Insurer means The Canada Life Assurance Company.

Job Loss means that Your employment was terminated involuntarily by Your employer (not for cause), including permanent layoff, and You are eligible to receive Government of Canada Employment Insurance Benefits.

Outstanding Loan Balance means the unpaid balance of the Insured Loan on the date of Your death, Diagnosis of a Terminal Illness, Critical Illness, Disability, or date of Job Loss, as applicable.

Permanent Employee means being hired by an employer for a position / employment that has no pre-determined time limit or end date and is not seasonal.

Qualifying Period means the 60-day period of continuous Disability beginning on the date You became Disabled and ending on the date You qualify for Disability benefits, or the 60-day period of continuous unemployment beginning on the date You became unemployed and ending on the date You qualify for Job Loss benefits, or the 60-day period beginning on the date You are diagnosed with a Critical Illness and ending on the date You qualify for Critical Illness benefits.

Refinanced means renegotiating the amount of Your Loan to add new funds.

Schedule of Coverage means the schedule included with the Certificate of Insurance which indicates the name of the Insured, and the Effective Date of Coverage.

Scotiabank means The Bank of Nova Scotia.

Seasonal Employee means a person who is employed only in certain seasons or whose employment is dependent on seasonal weather or seasonal activities. Examples of seasonal workers may include, **but are not limited to** construction workers, landscapers, and roofers.

Surgery means You undergo Surgery performed by a Doctor in Canada, or in another country that the Insurer approves. The evaluation of the medical problem or symptom of the medical problem leading to the Surgery must begin after the date You complete and sign Your Scotia Loan Protection Application in order that a benefit be paid. In addition, the Surgery must be performed while Your coverage is in effect.

Terminal Illness means an illness that has been determined by a Doctor in writing to likely result in Your death within one year of Diagnosis.

You or **Your** means the Insured, as named in the Schedule of Coverage.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

NOTICE GIVEN BY A DISTRIBUTOR

Section 440 of the Act respecting the distribution of financial products and services (chapter D-9.2)

THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS.

- The Act allows you to rescind an insurance contract you have just signed when signing another contract, without penalty, within 10 days of its signature. However, the Insurer allows you to rescind an insurance coverage, **without penalty, within 30 days of the Effective Date**. To do so, you must give the Insurer notice by registered mail within that delay. You may use the attached model for this purpose.
- Despite the rescission of the insurance contract, the first contract entered into will remain in force. Caution, it is possible that you may lose advantageous conditions as a result of this insurance contract; contact your distributor or consult your contract.
- After the expiry of the 30-day delay, you may rescind the insurance at any time, however, penalties may apply.

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

**NOTICE OF RESCISSION OF AN INSURANCE
CONTRACT**

To: The Canada Life Assurance Company
**c/o Scotiabank Insurance Canada
Processing Centre
P.O. Box 1045
Stratford, Ontario N5A 6W4**

Date: _____
(Date of sending of notice)

Pursuant to Section 441 of the Act respecting the distribution of financial products and services, I hereby rescind insurance contract No.

(Insurance Certificate number)

(Insurance Policy No: G/H [REDACTED])

Signed on:

(Date of signature of contract)

(Place of signature of contract)

(Client's name)

(Client's signature)

This document must be sent by registered mail.

Sections 439 to 443 of the Act respecting the distribution of financial products and services.

439. A distributor may not subordinate the making of a contract to the making of an insurance contract with the insurer specified by the distributor.

The distributor may not exercise undue pressure on the client or use fraudulent tactics to induce the client to purchase a financial product or service.

440. A distributor that, at the time a contract is made, causes the client to make an insurance contract must give the client a notice, drafted in the manner prescribed by regulation of the Authority, stating that the client may rescind the insurance contract within 10 days of signing it.

441. A client may rescind an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered mail.

Where such an insurance contract is rescinded, the first contract retains all its effects.

442. No contract may contain provisions allowing its amendment in the event of rescission or cancellation by the client of an insurance contract made at the same time.

However, a contract may provide that the rescission or cancellation of the insurance contract will entail, for the remainder of the term, the loss of the favourable conditions extended because more than one contract was made at the same time.

443. A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the debtor may

subscribe for insurance with the insurer and representative of the debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds. The distributor may not subordinate the making of the contract of credit to the making of an insurance contract with the insurer specified by the distributor.

No contract of credit may stipulate that it is made subject to the condition that the insurance contract subscribed with such an insurer remain in force until the expiry of the term, or subject to the condition that the expiry of such an insurance contract will entail forfeiture of term or the reduction of the debtor's rights.

The rights of the debtor under the contract of credit shall not be forfeited when the debtor rescinds, cancels or withdraws from the insurance contract, provided that the debtor has subscribed for insurance with another insurer that is considered satisfactory by the creditor, who may not refuse it without reasonable grounds.

**To simplify your insurance, visit
scotialifefinancial.com**

For questions about your Scotia Loan Protection, contact us at your nearest Scotiabank branch.

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ScotiaLife Financial is the brand name for the Canadian insurance business of The Bank of Nova Scotia and certain of its Canadian subsidiaries.

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