



Certificate of Optional Creditor Life, Disability and Disability Plus Job Loss 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 **Canadian Premier Life Insurance Company** ("the Insurer"), 25 Sheppard Ave West, Suite 1400, Toronto, ON M2N 6S6, to Bank of Montreal ("the Bank" or "BMO"). If you have any questions, you may call the Insurer at 1-877-271-8713. This insurance is optional.

Canadian Premier Life Insurance Company, operating under the brand name Securian Canada, is the insurer of this product. www.canadianpremier.ca

You can apply for creditor insurance coverage from Canadian Premier at the time you are first approved for your Loan or anytime after.

You may cancel your insurance at any time. If you cancel within 30 days of the date your insurance begins, or, in the case of telephone offers, within 30 days of the date the Certificate of Creditor Insurance is mailed to you, you will receive a full refund of any premiums paid, and the insurance coverage will never have been in force. Cancellations requested after the 30-day period will not receive a premium refund except where premiums may have been debited in error.

Your Application, the Certificate of Creditor Insurance, along with any statements furnished by you as evidence of insurability and any letter of approval from the Insurer form all terms and conditions of coverage under Policy 21559. (If a telephone interview is required, a copy will be provided on request).

You may, at any time obtain copies of the above mentioned documents. The first copy will be provided at no cost to you but a fee will be charged for subsequent copies. All requests for copies of documents should be directed to BMO.

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, and
 - You are *Actively at Work* (employed or self-employed); or
 - if not Actively at work because you are a Seasonal Worker applying during your off-season, or you are on maternity or parental leave, and in either case you are able to perform the regular duties of your job for at least 30 hours per week.

"**Actively at Work**" means you are carrying out the regular duties of your job for at least 30 hours per week.

"**Seasonal Worker**" means you are normally actively at work for part of the calendar year and expect to return to the same source of employment when the next working season begins.

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 Government of Canada Employment Insurance benefits,
- You have not received a notice of termination from your current employer, and
- You are not self-employed or an independent contractor.

When your insurance begins:

Your insurance begins on the **latest** of:

- the date you signed your Application, if the coverage applied for does not require medical underwriting by Canadian Premier,
- the date Canadian Premier approves your Application, if you require medical underwriting,
- the date your Loan is set-up by BMO and a Loan Agreement is issued.

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, the date one of the insured persons dies;
- the date the Policy is terminated;
- the date your Loan is paid in full, discharged, 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;
- 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.

How your premiums are calculated (see premium rate table):

- Premiums are calculated daily, in arrears, for each month during which the insurance is effective on your Loan.
- Premium rates are based on your attained age plus any applicable provincial tax.
- Premiums are calculated per person, except for joint insurance which is based on the age of the older applicant.
- All premium calculations are subject to the respective Maximum Insurable Limit.

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 instalment Loan, your attained age is determined based on your age at the start of your Loan and will not change. The premium quoted under your Loan Payment represents the average cost of insurance, per payment, over the 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 automatically decline as your outstanding balance reduces.

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

Average Daily 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)

For Disability or Disability Plus Job Loss Insurance:

- for a revolving Loan, the monthly cost of insurance is determined by applying your premium rate to your average monthly Loan balance.
- for an instalment Loan, your attained age is determined based on your age at the start of your Loan and will not change. The cost of insurance is determined by applying your premium rate to your Loan Payment.

Example: Disability/Disability Plus Job Loss insurance:

For a revolving Loan:

Average Daily Loan balance = \$10,000, Age of Applicant 1 = 36, Coverage = Single Disability Plus Job Loss
Monthly Disability Plus Job Loss premium = \$10,000 / \$1,000 x \$0.80 = **\$8.00** (plus any applicable provincial tax)

For an instalment 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)

PREMIUM RATE TABLE

Age Years	Life		Disability Insurance				Disability Plus Job Loss Insurance*			
	Monthly rate per \$1,000 average Loan balance		Revolving Monthly rates are per \$1,000 of average Loan balance.		Instalment Rates are per \$100 of Loan Payment		Revolving Monthly rates are per \$1,000 of average Loan balance.		Instalment Rates are per \$100 of Loan Payment	
	Single	Joint (2 insured)	Single	Joint (2 insured)	Single	Joint (2 insured)	Single	Joint (2 insured)	Single	Joint (2 insured)
Under 40	\$0.27	\$0.41	\$0.50	\$0.90	\$2.50	\$4.50	\$0.80	\$1.40	\$4.00	\$7.00
40 – 44	0.40	0.60	0.50	0.90	2.50	4.50	0.80	1.40	4.00	7.00
45 – 49	0.48	0.72	0.50	0.90	2.50	4.50	0.80	1.40	4.00	7.00
50 – 54	0.65	0.98	0.50	0.90	2.50	4.50	0.80	1.40	4.00	7.00
55 – 59	0.95	1.43	0.50	0.90	2.50	4.50	0.50*	0.90*	2.50*	4.50*
60 – 64	1.35	2.03	0.50	0.90	2.50	4.50	0.50*	0.90*	2.50*	4.50*
65 – 69	2.35	3.53	0.50	0.90	2.50	4.50	0.50*	0.90*	2.50*	4.50*
70 – 74	4.25	6.38	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
75 +	6.25	9.38	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

† Any provincial sales tax on insurance coverage premiums will be added.

*Job Loss coverage ends at age 55.

What the Insurer pays:

- Any insurance benefit will be paid to the Bank by the Insurer and will be applied towards the outstanding balance of the Loan.

For Life claims:

- **The Maximum Insurable Limits for Life insurance claims:**
 - for a SRIL, \$150,000.
 - for a Small Business Loan or Line of Credit, \$250,000.

- for an instalment Loan, the benefit amount is:
 - the total unpaid balance of your insured instalment arrangement on the date of death, and
 - all unpaid interest that has accrued to the date of benefit payment, and
 - any fees, penalties or interest rate charges required to discharge your instalment arrangement.
- 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, or
 - 110% of the average Loan balance for the 12 months immediately preceding the date of death.

For Disability and Job Loss claims:

- **The Maximum Insurable Limits for Disability or Job Loss insurance claims:**
 - for a SRIL, \$1,500 per month.
 - for a Small Business Loan or Line of Credit, \$1,500 per month (Disability only, Job Loss insurance not available).

For Disability claims:

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.

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

- For an instalment Loan, the benefit amount is the Loan Payment as at the date of Disability plus the Disability Insurance or Disability Plus Job Loss Insurance premium as applicable.
- For a revolving Loan, the benefit amount is:
 - 3% 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, 3% of the lesser of:
 - the outstanding Loan balance at the date of disability, or
 - 110% of the average Loan balance for the 12 months immediately preceding the date of Disability.

For Job Loss claims:

Job Loss means you are collecting Government of Canada Employment Insurance benefits as a result of involuntary loss of employment; for example lay off or dismissal without cause. For *Seasonal Workers*, unemployment during the normal off-season is **not** considered involuntary loss of employment.

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

- For an instalment Loan, the benefit amount is the Loan Payment as at the date of Job Loss plus the Disability Plus Job Loss Insurance premium.
- For a revolving Loan, the benefit amount is 3% of the lesser of:
 - the outstanding Loan balance at the date of Job Loss, or
 - 110% of the average Loan 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, following approval of your claim, on the first scheduled payment due date after:

For Disability claims:

- 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 claims:

- a **60-day qualifying period** following the date of your Job Loss, provided you are receiving Government of Canada Employment Insurance benefits.

When the Insurer will stop paying Disability or Job Loss benefits

For Disability claims:

- You are not under the active and continuous care of a physician or other health care practitioner approved by Canadian Premier,
- You refuse to undergo a medical examination by a physician or other health care practitioner selected by Canadian Premier,
- You do not provide satisfactory proof of your continuing Disability to Canadian Premier,
- The Loan's last scheduled payment is due,
- The date 24 months of Disability Insurance benefit payments have been paid,
- You return to work in a business, occupation or undertaking for wages or expectation of profit,
- Your Loan is paid out,
- In the event of your death,
- The date your Disability ends or you are able to return to work, and
- You work in a business, occupation or undertaking for wages or expectation of profit.

For Job Loss claims:

- Your Government of Canada Employment Insurance benefit claim is not paid for any reason,
- 6 months of Job Loss benefit payments have been paid,
- You return to work, or engage in any business or occupation for wages or profit,
- Your Loan is paid out,
- In the event of your death, or
- You do not provide satisfactory proof of your continuing receipt of Government of Canada Employment Insurance benefit to Canadian Premier.

Important Information – Coverage Limitations and Exclusions

When the insurer will not pay:

No Life Insurance benefit will be paid if:

- You were not eligible for insurance when you applied.
- You were not required to answer any health questions if your claim is due to a **Pre-existing Condition** and the claim occurs in the 12 months after the date you signed the insurance application for this coverage. A **Pre-existing Condition** is any health condition for which you consulted with or received medical advice or treatment from a licensed physician or health care practitioner in the 12 months before the date you signed the insurance application for this coverage..
- Your death results directly and indirectly:
 - from your participation or attempted participation in a criminal offence;
 - from 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;
 - from your operation of a motorized vehicle or vessel while you are under the influence of, or impaired by drugs or substances, or while your blood alcohol concentration is at least 80 milligrams of alcohol in 100 millilitres of blood (0.08)
- Your death occurs while you are under the influence of or impaired by any drug or substance, unless taken as prescribed by a physician, or
- The cause of your death was alcohol intoxication.
Where coverage has been in force for less than 24 months, no benefit will be payable for a Loan if your death results directly or indirectly from suicide, whether you are aware or not aware of the results of your action, regardless of your state of mind.

No Disability benefit will be paid if:

- You were not eligible for insurance when you applied.
- You were not required to answer any health questions if your claim is due to a **Pre-existing Condition** and the claim occurs in the 12 months after the date you signed the insurance application for this coverage. A **Pre-existing Condition** is any health condition for which you consulted with or received medical advice or treatment from a licensed physician or health care practitioner in the 12 months before the date you signed the insurance application for this coverage..
- You are not under the active and continuous care of a licensed physician.
- You are receiving Job Loss benefits at the time of your Disability
- The cause of your Disability was alcohol intoxication.
- Your Disability results directly or indirectly:
 - from intentional self-inflicted injuries unless you have a mental illness;
 - from your participation or attempted participation in a criminal offence;
 - from 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;
 - from your participation in events which occur while you are under the influence of or impaired by any drug or substance, unless prescribed by a physician;
 - while you are under the influence of or impaired by any drug or substance, unless taken as prescribed by a physician, or while your blood alcohol concentration is at least 80 milligrams of alcohol in 100 millilitres of blood (0.08);
 - from your operation of a motorized vehicle or vessel while you are under the influence of, or impaired by drugs or substances, or while your blood alcohol concentration is at least 80 milligrams of alcohol in 100 millilitres of blood (0.08);
 - from elective cosmetic or experimental surgery or treatment;
 - from normal pregnancy.

No Job Loss benefit will be paid if:

- You are not eligible to receive Government of Canada Employment Insurance benefits
- You were not eligible for Disability coverage when you applied for Job Loss coverage
- You are receiving Disability benefits at the time of your Job Loss,
- You are receiving Government of Canada Employment Insurance benefits because you are:
 - on maternity or parental leave allowed by law or agreed to with your employer,
 - on a leave of absence,
 - laid-off from seasonal work during your normal period of seasonal layoff,
 - a contract worker and you have reached the end of your contract term,
- Your loss of employment does not otherwise meet the definition of Job Loss,
- During your application for Job loss insurance, you were aware of your pending unemployment
- You are receiving wages for any employment,
- You return to work for wages or profit during the Qualifying Period,
- You do not provide satisfactory proof of your continuing receipt of Government of Canada Employment Insurance benefit to Canadian Premier,
- You are terminated by your employer for cause,
- You quit, resign or voluntarily terminate your employment,
- You retire, whether mandatorily or voluntarily,
- Your job loss occurred within 90 days after your Coverage Start Date,
- You or another Insured Person begin receiving Disability Insurance benefits under the loan.

Disability and Disability Plus Limitation: When more than one insured person is Disabled or has a Job Loss at the same time as the other insured person, the Insurer will pay only one such claim at a time.

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

Any concealment, misrepresentation or false declaration concerning your Application or any claim may result in your insurance being void.

What you should know about making a claim:

- Claims should be made as soon as possible. Claim forms and detailed instructions on how to submit a claim are available from any branch of the Bank.
- Life insurance claims: all provinces and territories outside of Quebec, as soon as possible, but within one year from the date of death. For Quebec residents, as soon as possible but within three years of the date of death.
- Disability and Job Loss claims must be made 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 your claim is approved.
- Any required proof relating to a claim is at the expense of the claimant.

Legal Actions:

Limitation Period for Ontario:

- Every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the *Limitations Act, 2002*.

Limitation Period for All Other Provinces and Territories:

- Every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the *Insurance Act* or other applicable legislation in your province or territory of residence.

How to make a complaint

- For complaints regarding underwriting decisions or insurance claims under your insured loan please call the Canadian Premier Creditor Team at 1-877-271-8713. Please reference Policy 21559.

Note: The Bank and the Insurer can together agree to change the details of coverage that are explained in this Certificate including the premium rates and can terminate the Policy with 30 days written notice to you.

IMPORTANT DOCUMENT – PLEASE KEEP IN A SAFE PLACE