

Scotia Mortgage Protection

Distribution Guide

SAMPLE

Surprisingly Simple Insurance™



ScotiaLife Financial®

Distribution Guide

Scotia® Mortgage Protection

Creditor Group Insurance

Life and Critical Illness Insurance (Group Policy G/H XXXXX) for Your Scotiabank Mortgage

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

Creditor Group Insurance

Disability Insurance (Group Policy XXXXX) for Your Scotiabank Mortgage

Name and address of Insurer:

Sun Life Assurance Company of Canada
Creditor Insurance Team
227 King Street South
Waterloo, Ontario
N2L 4B8

Phone: 1-866-223-2959
Fax: 1-866-923-8353

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.

TABLE OF CONTENTS

INTRODUCTION	5
DESCRIPTION OF THE PRODUCT OFFERED	6
What is Scotia Mortgage Protection?.....	6
Who can apply for Scotia Mortgage Protection? ...	6
What loans are eligible?	7
How can You apply for Scotia Mortgage Protection?	7
LIFE INSURANCE	7
What is the Life insurance benefit?	7
How much insurance can I buy?	8
Is medical underwriting required?.....	8
What happens when Refinancing a Mortgage?	9
What insurance coverage do I have during review of my application by the Insurer?.....	10
Prior Coverage Recognition	11
When will my Life insurance benefit not be paid?.....	12
How much does Life insurance cost?	12
Premium Rates	13
What happens when I replace a Mortgage?	14
CRITICAL ILLNESS INSURANCE.....	14
What is the Critical Illness insurance benefit?.....	14
What is a Critical Illness?	15
Is medical underwriting required?.....	16
What insurance coverage do I have while the Insurer is reviewing my application?.....	16
Prior Coverage Recognition	16
When will my Critical Illness benefit not be paid?.....	17
How much does Critical Illness insurance cost?...	18
Premium Rates	19
DISABILITY INSURANCE	20
What is the Disability insurance benefit?.....	20
What is a Disability?	20
When do Disability benefits begin and end?	20
What if my Disability recurs?	22
What happens when both Insureds become Disabled at the same time?	22
Is medical underwriting required?.....	22
When will my Disability benefit not be paid?	23

How much does Disability insurance cost?	23
Premium Rates	24
Multiple Coverage	25
Premium Reduction	25
Terminal Illness Benefit	26
Effective Date of Coverage	26
Termination of Coverage	27
REPLACING A MORTGAGE	28
PROOF OF LOSS OR CLAIM	28
Notice of Claim and Claim Forms	28
Proof of Claim	28
Rights of Examination	29
Insurer's Response	29
Payments until Decision is Made	30
How to appeal the Insurer's decision	30
HOW TO CANCEL COVERAGE	30
OTHER IMPORTANT INFORMATION	31
Premium Rate Changes	31
Payment of Benefits	31
Misstatement of Age	31
COVERAGE EXCLUSIONS AND LIMITATIONS	32
How to contact the Insurer	37
Privacy and Confidentiality	37
Similar Products	38
DEFINITIONS	39
Referral to the Autorité des marchés financiers	41
NOTICE OF RESCISSION OF AN INSURANCE CONTRACT	42

INTRODUCTION

What would happen if You died or suffered a Critical Illness or became Disabled before paying off Your Mortgage?

The Bank of Nova Scotia (“Scotiabank”), The Canada Life Assurance Company (“Canada Life”) and Sun Life Assurance Company of Canada (“Sun Life”) have developed Scotia Mortgage Protection to assist You with Your financial needs in this situation.

Three types of insurance are available:

- Life insurance covers Your outstanding Mortgage balance if You die before paying off Your Mortgage.
- Critical Illness insurance covers Your outstanding Mortgage balance if You are diagnosed with a specified Critical Illness before paying off Your Mortgage.
- Disability insurance covers Your Mortgage payment if You become Disabled before paying off Your Mortgage.

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 may apply for Life, Critical Illness and Disability insurance. The type of insurance You choose is identified on Your Scotia Mortgage Protection Application.

The Life and Critical Illness insurance offered under Scotia Mortgage Protection is provided by The Canada Life Assurance Company under group insurance policy number G/H 60350 issued to Scotiabank. The Disability insurance offered under Scotia Mortgage Protection is provided by Sun Life Assurance Company of Canada under group insurance policy number 57899 issued to Scotiabank.

Your completed Scotia Mortgage Protection Application, the letter confirming Your coverage elections under Scotia Mortgage Protection, this 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, Canada Life and Sun Life can change the terms of the insurance described in this Scotia Mortgage 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 to Your address as it appears on file.

DESCRIPTION OF THE PRODUCT OFFERED

What is Scotia Mortgage Protection?

Scotia Mortgage Protection is an optional insurance product available to Scotiabank Mortgage account customers to provide a financial safety net during times of financial hardship caused by certain health events.

Who can apply for Scotia Mortgage Protection?

To apply for Scotia Mortgage Protection You must meet all of the following criteria on the date of Your application to enrol for insurance:

- You must be a resident of Canada;
- You must be a minimum of 18 and under 65 years of age;
- You must be a Borrower, a co-borrower or a guarantor on a Scotiabank Mortgage account that is in Good Standing; **and**
- You have agreed to the terms and conditions of the Scotiabank Mortgage account.

If You are applying for Disability insurance coverage, You must also be 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 You are a seasonal worker You must have a proven work history and be capable of performing the regular duties of Your job.

You may still apply for Life insurance if You are between 65 and 69 years old if:

- You are Refinancing an existing Mortgage with Scotiabank or obtaining a new Mortgage within 90 days of paying off an existing Mortgage; and
- the existing Mortgage was insured.

Special rules apply in this case. Please see the section *Prior Coverage Recognition* for further details.

A maximum of 2 people can be insured on one Mortgage account.

What loans are eligible?

Scotia Mortgage Protection coverage is only available on a residential Mortgage that is on a property suitable for living in that is either owner-occupied or a non-owner occupied rental property of 4 units or less.

Commercial Mortgage loans and Mortgage investments in self-directed Registered Retirement Savings Plans or Registered Retirement Income Funds are not eligible for Scotia Mortgage Protection coverage.

How can You apply for Scotia Mortgage Protection?

Applying for coverage is simple. You can complete a Scotia Mortgage Protection Application indicating the type(s) of insurance You wish to apply for at Your Scotiabank branch or call us at 1-855-753-4272 between 8:00 a.m. and 8:00 p.m. (ET), Monday to Friday.

You may apply for coverage at the same time You obtain Your Scotiabank Mortgage account or at a later date. A separate Scotia Mortgage Protection Application is required for each Mortgage account that You want to insure.

Once Your application is approved, You will receive a confirmation of coverage and a Certificate of Insurance ("Certificate") that provides full details of Your coverage, including limitations and exclusions.

LIFE INSURANCE

What is the Life insurance benefit?

Provided that You have applied and been approved for Life insurance and You meet the terms and conditions of Your Certificate of Insurance, when You die, the Insurer will pay Scotiabank the insured Mortgage balance(s) owing at Your date of death, up to a maximum of \$750,000 for all of Your insured Mortgage accounts.

If, at the time of application, the total Mortgage exceeds the maximum insurable amount, premiums are only calculated on the insurable amount and the benefit paid is prorated.

If You are jointly insured and one of You is insured under the Prior Coverage Recognition feature and that person dies first, the Insurer will pay the Mortgage balance subject to the limits of the Prior Coverage Recognition feature.

In no case will more than Your insured outstanding balance be paid.

Any insurance coverage on a surviving Insured will stay in place for the remaining outstanding balance, and premiums will be adjusted to reflect the insurance for a single Insured, using the surviving Borrower's age and the amount of Mortgage balance remaining after the first Borrower's claim is paid unless the surviving Borrower's insurance was also limited by Prior Coverage Recognition.

How much insurance can I buy?

The most Life insurance coverage You can have is \$750,000 for all Your Scotiabank Mortgages.

Example:

You already have Life insurance coverage on Mortgages with total outstanding balance of \$400,000 and You apply for Life insurance on a new Mortgage. In this case, the most Life insurance that can be approved for is \$350,000, even if the amount of the new Mortgage is higher.

If Your Mortgage is insured for less than the full amount of Your Mortgage(s), Your Life insurance benefit will be a portion of Your Mortgage balance. This portion is equal to the percentage of Your Mortgage that was insured on the date You applied.

Example:

You are insured for \$500,000 of Your \$625,000 Mortgage, or 80% ($\$500,000 \div 625,000$). On the date of death, You have \$50,000 remaining on Your Mortgage. Your Life insurance benefit will be 80% of \$50,000, or \$40,000 paid to Scotiabank.

Is medical underwriting required?

Everyone applying for Life insurance coverage must answer the health questions in the Scotia Mortgage Protection application form.

You are approved for Life insurance coverage if You answer 'NO' to all the health questions **and** the total of all of Your insured Mortgages is \$500,000 or less; otherwise further review of the application and approval from the Insurer is required before coverage will begin.

If further review of the application is required, the Insurer will contact You for additional health related questions or to arrange for a free paramedical exam where You may be asked to provide a blood and urine sample.

Your medical information will be kept confidential, and will not be shared with Scotiabank.

What happens when Refinancing a Mortgage?

You are considered to have refinanced Your Mortgage if the balance of Your Mortgage increases. If You Refinance Your Mortgage, insurance coverage terminates and You need to reapply for coverage on the new Mortgage amount. However, You are **NOT** required to answer the health questions on the application for Scotia Mortgage Protection for Life insurance coverage when Refinancing, if:

- You increase Your insured Mortgage account by \$100,000 or less; **and**
- The total of Your insured Mortgage account after the increase does not exceed \$500,000.

In this case, Your answers to the health questions on Your previous Scotia Mortgage Protection Application, plus any evidence of insurability submitted with respect to that application, shall be deemed to be information relating to the application submitted under the Refinancing option detailed above.

The Insurer will not pay the Life insurance benefit on the additional amount if:

1. You die during the first 12 months from the date You reapplied for Life insurance coverage after Refinancing; **and**
2. You have received treatment, taken medication or consulted a Doctor or other health care provider, for any health condition, whether diagnosed or not, in the 12 months before You reapplied for Scotia Mortgage Protection Life Insurance; **and**

3. Your death is a result of, or is related to, any health condition referred to in item 2 above.

If the Life insurance benefit on the additional amount is excluded due to a pre-existing health condition, the benefit payment will be calculated as a percentage of Your outstanding balance.

Example:

At the time of Your Mortgage Refinance, You increase Your Mortgage balance from \$75,000 to \$100,000. Your benefit will be 75% (\$75,000 ÷ \$100,000) of Your Mortgage balance on the date of death, if death results from a pre-existing condition. Other benefit limits described in this guide also apply.

The Insurer will limit the amount of the benefit if You increase the amount of Your insurance and commit suicide in the 24 months following the date of the increase. The Insurer will pay an amount equal to the percentage of Your Scotiabank Mortgage account on Refinancing that was original Scotiabank Mortgage account balance as opposed to the percentage that is newly borrowed funds.

What insurance coverage do I have during review of my application by the Insurer?

If Your Scotia Mortgage Protection Application for Life insurance has been submitted to the Insurer for approval and You have already signed Your loan agreement, You will be temporarily insured for death as a result of accidental injury resulting directly from an external, sudden, violent and unintentional cause independent of any illness.

The benefit payable under this provision is limited to the amount the Insurer would have paid had Your Scotia Mortgage Protection Application for Life insurance coverage been accepted.

No benefit is payable under this provision if death is caused directly or indirectly by suicide or self-inflicted injury.

Insurance under this provision will end on the earliest of the following date:

- The 45th day after Scotiabank received Your Scotia Mortgage Protection Application; **or**
- The date the Insurer makes a final decision on Your Scotia Mortgage Protection Application.

Prior Coverage Recognition

If You increase Your existing insured Mortgage balance and You reapply for Life insurance coverage within 90 days of the previous coverage ending, and:

- Your application is declined by the Insurer for health reasons,
- You are over age 65, but less than 70 years of age;

Then the Insurer will recognize Your prior Scotia Mortgage Protection Life insurance coverage by granting You coverage on the percentage of Your new Mortgage balance that equals the closing insured balance of Your previously insured Mortgage.

Your new insurance premium will be based on the current individual ages of the Insured(s); and Your current insured Mortgage account balance.

Note: Prior Coverage Recognition does not apply if You are transferring Your Mortgage from another financial institution or from another Scotiabank credit product.

If You are insured under Prior Coverage Recognition, Your benefit is limited. The amount of Your insurance depends on what percentage of Your refinanced Mortgage is original Mortgage balance as opposed to the percentage that is newly borrowed funds.

Example:

Suppose You have an outstanding balance of \$80,000 on Your Mortgage. If You Refinance and borrow an additional \$20,000, the original Mortgage outstanding balance is 80% of Your total new Mortgage amount. If the outstanding balance of Your Mortgage on the date of Your death is \$60,000, the Life insurance benefit would be limited to 80% of the outstanding balance or \$48,000.

If two Borrowers are Insured, it is possible for each Borrower to be Insured for a different amount.

When will my Life insurance benefit not be paid?

The Life insurance benefit is **not** payable if the death resulted directly or indirectly from:

- 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;
- declared or undeclared war unless You are on active military duty as a member of the Canadian Forces or Canadian Forces Reserve;
- any nuclear, chemical, or biological contamination due to any act of terrorism;
- the commission or attempted commission of a criminal offense or provocation of an assault;
- the intentional taking of drugs, except where prescribed by a Doctor and taken as directed;
or
- the operation or control of any motorized vehicle or watercraft with blood alcohol concentration in excess of legal limits in the jurisdiction where the death occurred.

How much does Life insurance cost?

Your monthly Life insurance premium is based on Your age and the amount of Your Mortgage, up to \$750,000, at the time You apply for insurance. If the total of all Your insured Mortgages exceeds \$750,000, You will only pay a premium on amounts up to \$750,000.

Your premium will not increase due to Your age, provided Your Mortgage balance does not increase during the lifetime of Your Mortgage. However, if You prepay 10% or more of the original amount of Your Mortgage during the year, You can request to reduce Your premiums accordingly. Your premium will be based on Your age and the amount of Your Mortgage on the date of Your request. You will receive a letter detailing Your new premium amount if it has been reduced due to a principal payment.

Premium Rates

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

Age	Premium Rate for Each Insured
18 – 30	\$0.11
31 – 35	\$0.15
36 – 40	\$0.22
41 – 45	\$0.33
46 – 50	\$0.44
51 – 55	\$0.55
56 – 60	\$0.74
61 – 65	\$1.09
66 – 69	\$1.54

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

Example:

Suppose You are 25 years old when You are approved for Life insurance coverage. Your Mortgage amount is \$100,000. Your Life Insurance premium would be \$11 ($\$0.11 \times \$100,000 \div 1,000$) plus any applicable provincial sales taxes.

Please see the section *Multiple Coverage* for eligible premium reductions.

What happens when I replace a Mortgage?

If You replace an existing insured Mortgage account with one or more new Mortgage account(s), Your existing Scotia Mortgage Protection coverage can be transferred without interruption to the new Mortgage account(s), provided that all of the following conditions are satisfied:

- The total amount approved for the new Mortgage accounts is equal to or less than the current Outstanding Account Balance of the existing insured Mortgage account;
- Your coverage has not been cancelled or terminated;

- No request is made to revise the existing Scotia Mortgage Protection coverage in any way whatsoever, including without limitation, a request to obtain a different type of coverage or a request to insure an additional or a different person; **and**
- You properly complete and sign a Transfer Scotia Mortgage Protection Form.

CRITICAL ILLNESS INSURANCE

What is the Critical Illness insurance benefit?

Provided that You have applied and been approved for Critical Illness insurance and You meet the terms and conditions of the Your Certificate of Insurance, when You are diagnosed with a Critical Illness prior to Your 65th birthday, the Insurer will pay Scotiabank the insured Mortgage balance(s) owing at Your date of Diagnosis, up to a maximum of \$500,000 per insured Mortgage account, and up to a maximum of \$500,000 for all of Your insured Mortgage accounts.

If, at the time of application, the total Mortgage exceeds the maximum insurable amount, premiums are only calculated on the insurable amount and the benefit paid is prorated.

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.

Is medical underwriting required?

Everyone applying for Critical Illness insurance coverage must answer the health questions in the Scotia Mortgage Protection application form.

You are approved for Critical Illness insurance coverage if You answer 'NO' to all the health questions **and** the total of all of insured Mortgages is \$300,000 or less; otherwise further review of the application and approval from the Insurer is required before coverage will begin.

If further review of the application is required, the Insurer will contact You for additional health related questions or to arrange for a free paramedical exam where You may be asked to provide blood and urine samples.

Your medical information will be kept confidential, and will not be shared with Scotiabank.

What insurance coverage do I have while the Insurer is reviewing my application?

No Critical Illness insurance coverage is provided while the Insurer is reviewing Your Scotia Mortgage Protection Application.

Prior Coverage Recognition

If You increase Your existing insured Mortgage balance and You reapply for Critical Illness insurance coverage within 90 days of the previous coverage ending, and Your application is declined by the Insurer for health reasons, then the Insurer will recognize Your prior Scotia Mortgage Protection Critical Illness insurance coverage by granting You coverage on the percentage of Your new Mortgage balance that equals the closing insured balance of Your previously insured Mortgage.

Your new insurance premium will be based on the current individual ages of the Insured(s); and Your current insured Mortgage account balance.

Note: Prior Coverage Recognition does not apply if You are transferring Your Mortgage from another financial institution or from another Scotiabank credit product.

If You are insured under Prior Coverage Recognition, Your benefit is limited. The amount of Your insurance depends on what percentage of Your refinanced Mortgage is original Mortgage balance as opposed to the percentage that is newly borrowed funds.

Example:

Suppose You have an outstanding balance of \$80,000 on Your Mortgage. If You Refinance and borrow an additional \$20,000, the original Mortgage outstanding balance is 80% of Your total new Mortgage amount. If the outstanding balance of Your Mortgage on the date of Your Diagnosis is \$60,000, the Life insurance benefit would be limited to 80% of the outstanding balance or \$48,000.

If two Borrowers are Insured, it is possible for each Borrower to be Insured for a different amount.

When will my Critical Illness benefit not be paid?

The Critical Illness insurance benefit is **not** payable if the Critical Illness resulted directly or indirectly from:

- 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;
- declared or undeclared war unless You are on active military duty as a member of the Canadian Forces or Canadian Forces Reserve;
- any nuclear, chemical, or biological contamination due to any act of terrorism;
- the commission or attempted commission of a criminal offense or provocation of an assault;
- the intentional taking of drugs, except where prescribed by a Doctor and taken as directed;
- or**
- the operation or control of any motorized vehicle or watercraft with blood alcohol concentration in excess of legal limits in the applicable jurisdiction.

The Critical Illness insurance benefit is **not** payable if death results 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, leading to the Diagnosis of a Critical Illness was initiated prior to the date You completed and signed Your Scotia Mortgage Protection Application.

The Insurer will not pay a claim for Cancer if, within the 90 days after the Effective Date of Your coverage:

- The Diagnosis of Cancer was made;

- Any evaluation of a medical problem or symptoms of a medical problem leading to the Diagnosis of Cancer was initiated; **or**
- Any medical consultation or tests leading to the Diagnosis of Cancer was initiated.

How much does Critical Illness insurance cost?

Your monthly Critical Illness insurance premium is based on Your age and the amount of Your Mortgage up to \$500,000 at the time You are approved for insurance. If the total of all Your insured Scotiabank Mortgages exceeds \$500,000, You will only pay a premium on amounts up to \$500,000.

Your premium will not increase due to Your age provided Your Mortgage balance does not increase during the lifetime of Your Mortgage. However, if You prepay 10% or more of the original amount of Your Mortgage during the year, You can request to reduce Your premiums accordingly. Your premium will be based on Your age and the amount of Your Mortgage on the date of Your request. You will receive a letter detailing Your new premium amount if it has been reduced due to a principal payment.

Premium Rates

The table below sets out the monthly premium for every \$1,000 of Mortgage balance on the date of Your Mortgage Protection Application approval.

Age	Premium Rate for Each Insured
18 – 30	\$0.13
31 – 35	\$0.18
36 – 40	\$0.27
41 – 45	\$0.47
46 – 50	\$0.70
51 – 55	\$1.04
56 – 60	\$1.85
61 – 65	\$2.22

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

Example

Suppose You are 25 years old when You apply for Critical Illness insurance. You have a Mortgage of \$100,000. Your premium for the Critical Illness insurance would be \$13 a month ($$.013 \times \$100,000 \div 1,000$) Plus any applicable provincial sales taxes.

Please see the section *Multiple Coverage* for eligible premium reductions.

DISABILITY INSURANCE

What is the Disability insurance benefit?

Provided that You have applied and been approved for Disability insurance and You meet the terms and conditions of the Your Certificate of Insurance, when You become Disabled and Your Disability claim is approved by the Insurer, the Insurer will pay Scotiabank the insured Mortgage payment, up to a maximum of \$3,500* per insured Mortgage account, plus Your insurance premium under Scotia Mortgage Protection.

*Based on Your Outstanding Account Balance on the date of Disability.

What is a Disability?

A Disability is a medical impairment due to injury, disease, or sickness that prevents You from performing the regular duties of Your own occupation in which You participated just before the Disability started.

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

- be under the active care of a Doctor;
- not be engaged in any 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 and end?

Once the Insurer has approved Your claim, the Insurer will pay the Disability benefit in arrears beginning on Your first scheduled Scotiabank

Mortgage account payment date after the end of the 60-day Qualifying Period. Qualifying Period means the period of continuous Disability beginning on the date You become Disabled and ending on the date You qualify for benefits. No Disability benefits are payable for the Qualifying Period.

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

Payments will continue until the earliest of the following events:

- Your Disability ends or You return to work;
- You participate in any business or occupation for wages or profit;
- You have received 24 months of Disability benefit payments per insured person, per Mortgage account, per Disability;
- You have received an overall maximum of 48 months of Disability benefit payments for Your lifetime;
- You are no longer under the active care of a Doctor;
- 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;
- Your Disability results from drug or alcohol abuse unless;
 - o You are enrolled in a rehabilitation program,
 - o You are hospitalized and receiving continuous treatment, **or**,
 - o You are suffering from an organic disease that, if the use of the drug or alcohol stopped, would cause Disability.
- Your Mortgage account is paid in full; **or**
- Your death.

If You are receiving Disability benefits on multiple Mortgage accounts in any given month, each month You are Disabled represents one month of benefit for the purposes of the 24-month maximum per Mortgage account per Disability and 48-month overall maximum benefit.

Exclusions and limitations apply to this coverage. For detailed information please see the Coverage Exclusions and Limitations section.

What if my Disability recurs?

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. Your Disability benefit payments will begin again after You have provided proof to the Insurer of the recurrence of Your Disability.

Example:

Suppose Your Disability claim has been approved. You receive a Disability benefit between May 1st and July 1st. On July 2nd, You recover and return to work. Beginning July 15, You suffer the same Disability through August 15th, and You recover or return to work August 16th. The Insurer will treat Your Disability dated July 15th through August 15th as a continuation of Your Disability dated May 1st through July 1st if Your claim is approved. No benefit will be payable for the period July 2nd through July 14th.

What happens when both Insureds become Disabled at the same time?

Only one Disability claim will be paid at a time, on any one Mortgage account regardless of the number of people insured on the Mortgage account.

Is medical underwriting required?

Everyone applying for Disability insurance coverage must answer the health questions on the Scotia Mortgage Protection Application form.

You are approved for Disability insurance coverage if You answer 'NO' to all the health questions **and** the total of all of insured Mortgages is \$300,000 or less; otherwise further review of

the application and approval from the Insurer is required before coverage will begin.

If further review of the application is required, the Insurer will contact You for additional health related questions or to arrange for a free paramedical exam where You may be asked to provide blood and urine samples.

Your medical information will be kept confidential, and will not be shared with Scotiabank.

When will my **Disability** benefit not be paid?

The Disability insurance benefit is **not** payable if the Disability resulted directly or indirectly from:

- normal pregnancy;
- intentionally self-inflicted injury;
- events directly or indirectly relating to, arising from or following Your participation or attempted participation in a criminal offence, or Your impairment by illegal drugs or alcohol while Your blood alcohol concentration is higher than the legal limit, regardless of whether Your Disability arises or results from Your impairment;
- war or civil disorder, whether declared or undeclared, unless You are on active military duty as a member of the Canadian Forces or Canadian Forces Reserve;
- elective cosmetic Surgery or experimental Surgery or treatment; **or**
- drug or alcohol abuse unless:
 - o You are enrolled in a rehabilitation program; **or**
 - o You are hospitalized and receiving continuous treatment; **or**
 - o You are suffering from an organic disease that, if the use of the drug or alcohol stopped, would cause Disability.

How much does **Disability** insurance cost?

Your monthly Disability insurance premium is based on the rate for Your age and the monthly equivalent payment amount of Your Mortgage,

including Scotia Mortgage Protection Plan premium for Life insurance and Critical Illness insurance coverage and any applicable sales taxes, up to \$3,500.

If You pay Your Mortgage payment with a frequency other than monthly, Your monthly equivalent payment amount is calculated as follows:

- weekly – principal, interest and municipal property taxes are multiplied by 52 and divided by 12
- bi-weekly – principal, interest and municipal property taxes are multiplied by 26 and divided by 12
- semi-monthly – principal, interest and municipal property taxes are multiplied by 24 and divided by 12.

Your monthly premium will change any time there is a change in Your insured Mortgage payment.

You must continue to pay Your premium during the period You are receiving Disability benefits. The Insurer will add the premium amount as of the approved date of Disability to each Disability benefit during the period You are receiving Disability benefits. Any changes in the amount of premium occurring after the approved date of Disability will not be included in the premium amount the Insurer adds to each Disability benefit.

Premium Rates

The table below sets out the monthly premium for every \$100 of monthly equivalent insurable benefit.

Age on Date of Application Approval	Premium Rate for Each Insured
18 – 29	\$1.45
30 – 35	\$1.95
36 – 40	\$2.45
41 – 45	\$2.60
46 – 50	\$2.95
51 – 55	\$3.50
56 – 60	\$4.95
61 – 64	\$5.95
65 – 69	\$6.90

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

Example:

Suppose You are 25 years old at the time of application and Your weekly Mortgage payment that immediately precedes Your next monthly premium billing date is \$626.15, then Your monthly premium would be \$39.34 ($\$626.15 \times 52 \div 12 \div 100 \times \1.45), plus any applicable provincial sales taxes. Please see the section Multiple Coverage for eligible premium reductions.

Multiple Coverage

If You and/or another Borrower on the same Mortgage account apply for and are approved for more than one coverage, premiums may be further reduced, and You may be eligible for Terminal Illness benefits.

Premium Reduction

If You and/or one other Borrower on the Mortgage account are insured for two insurance coverages on the same Mortgage account, You will receive a 10% discount on your premium. For each additional insurance coverage that You and/or one other Borrower add on the same Mortgage account, You will receive an additional 5% discount, up to a total maximum discount of 20% on your premium.

Terminal Illness Benefit

If You apply for and are approved for both Life and Critical Illness insurance coverage, then You are eligible for Terminal Illness benefit.

The Terminal Illness benefit is equal to the amount that would have been paid if You had died on the date of Your Diagnosis, and will be paid if a Doctor Diagnoses You with an illness that is not a covered Critical Illness under this Certificate, and will likely result in Your death within one year of Diagnosis.

Effective Date of Coverage

Your insurance coverage begins on latest of the following dates:

- the date Scotiabank receives Your signed and dated Scotia Mortgage Protection Application;
- the date specified in the Insurer's approval letter, when approval is required; **or**
- the date You sign Your loan agreement.

The Effective Date of Your coverage will be indicated on the Schedule of Coverage. You will receive a confirmation of Your coverage and Your Certificate of Insurance in the mail within 30 days after Your Scotia Mortgage Protection Application has been received and approved. All periods of coverage begin and end at 12:01 a.m. in the time zone that corresponds to Your last address on file.

If a claim is approved prior to the date Scotiabank advances the Mortgage funds, the benefit payment will only be paid when the Mortgage payments become due.

A debit of insurance premium from Your account, or the collection of insurance premium in error, does not make insurance effective if You are otherwise not eligible or insurable for coverage.

Termination of Coverage

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

- Date of Your death;
- Date when Your Life, Critical Illness or Terminal Illness claim is approved for Life, Critical Illness and Terminal Illness insurance coverage;
- Date You have reached the overall maximum benefit of 48 months of Disability benefits for Your lifetime, for Disability insurance coverage;
- Your 70th birthday for Life and Disability insurance coverage;
- Your 65th birthday for Critical Illness insurance coverage;

- Date of receipt of Your request to cancel Your coverage;
- Date when Your Mortgage payment or premium payment is 60 days in arrears;
- Date Scotiabank writes off Your outstanding Mortgage account balance as uncollectable;
- Date someone other than You becomes responsible for repaying the Mortgage account;
- Date the Mortgage account is refinanced for additional funds or is paid in full; **or**
- Date the Group Policy terminates.

Note: If two Borrowers are Insured and the older Borrower reaches the maximum age for insurance coverage, the insurance will automatically change to individual insurance coverage for the other Borrower and their insurance premium may be recalculated.

REPLACING A MORTGAGE

If You replace an existing insured Mortgage with one or more new Mortgage accounts, Your existing Scotia Mortgage Protection plan coverage can be transferred without interruption to the new Mortgage accounts, provided that all of the following conditions are satisfied:

- The total amount approved for the new Mortgages is equal to or less than the current Outstanding Account Balance of the existing insured Mortgage;
- Your coverage has not been cancelled or terminated;
- No request is made to revise the existing Scotia Mortgage Protection coverage in any way whatsoever, including without limitation, a request to obtain a different type of coverage or a request to insure an additional or a different person; **and**
- You properly complete and sign Scotia Mortgage Protection Transfer Form.

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 1-855-753-4272.

Any written notice must include the Group Policy number: Canada Life G/H 60350 for Life, Critical Illness or Terminal Illness claims, or Group Policy number: Sun Life 57899 for Disability claims.

You or Your representative will receive the claim forms and an attending physician statement with instructions for filling 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 is responsible for any costs of having the claim form completed.

Proof of Claim

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

To make a claim for Critical Illness or Terminal Illness, You or Your representative must notify the Insurer of the claim within 90 days of the date You are diagnosed with a covered Critical Illness or Terminal Illness. If the Insurer is not notified within that time, the Insurer will only consider a Critical Illness or Terminal Illness claim if You or Your representative can provide a written reasonable cause for delay. Once Your notice of claim is received, You or Your representative will be sent a claim form. The Doctor who made the Diagnosis or performed the Surgery must complete this claim form.

To make a Disability claim, You or Your representative must complete the claim form within 150 days of the date of Disability and mail 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 a Disability claim within the specified time, they

will only process the Disability claim if You can provide 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.

Insurer's Response

The Insurer will notify You or Your representatives in writing of the decision to approve or deny Your claim. The letter will be sent within 30 days after the Insurer receives all of the information needed to make a decision.

If a claim is approved prior to the date Scotiabank advances the Mortgage funds, the benefit payment will only be paid after the Scotiabank Mortgage account has been fully funded by Scotiabank.

All benefits for approved Life, Terminal Illness and Critical Illness claims are paid directly to Your Scotiabank Mortgage account. All benefits approved for Disability claims are paid to the deposit account from which Your Scotiabank Mortgage account payment is charged.

Payments until Decision is Made

You are responsible for continuing to make Your regular Mortgage account payments until a decision is made by the Insurer on any claim submitted under this Certificate.

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 representatives 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 L'Autorité des arches financiers or Your own legal advisor.

HOW TO CANCEL COVERAGE

You may cancel Your coverage at any time by calling:

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.

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

- The date stated in Your cancellation request; **or**
- The date Your cancellation request is received.

If Your notice of cancellation is received within 30 days of the Effective Date of Your coverage, this insurance will be considered never to have been in force and all premiums paid will be refunded.

OTHER IMPORTANT INFORMATION

Premium Rate Changes

Scotia Mortgage Protection premium rates are subject to change from time to time. Written notice will be sent by regular mail 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.

Payment of Benefits

Any Life insurance, Critical Illness and Terminal Illness benefits for approved claims payable under the Group Policy will be paid to Scotiabank to reduce or pay off Your insured Mortgage Outstanding Account Balance.

Any Disability benefit for approved claims payable under the Group Policy will be paid to Scotiabank by depositing benefit payments to the account from which Your Mortgage payment is charged on the same frequency that Your Mortgage payment is made.

Misstatement of Age

If You misstated Your age and Your correct age would have rendered You ineligible for Scotia Mortgage Protection, the Insurer's liability is limited to a refund of premiums paid and Your insurance will be void as if it never existed.

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.

COVERAGE EXCLUSIONS AND LIMITATIONS

CAUTION

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

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

COVERAGE EXCLUSIONS

General:

No benefits will be paid if death, a Critical Illness or Terminal Illness is caused directly or indirectly by any of the following:

- **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;**
- **declared or undeclared war unless You are on active military duty as a member of the Canadian Forces or Canadian Forces reserve;**
- **any nuclear, chemical, or biological contamination due to any act of terrorism;**
- **the commission or attempted commission of a criminal offense or provocation of an assault;**
- **the intentional taking of drugs, except where prescribed by a Doctor and taken as directed;**

- the operation or control of any motorized vehicle or watercraft with blood alcohol concentration in excess of legal limits in the jurisdiction where the death or Critical Illness occurred.

Refinancing:

The Insurer will not pay a Life insurance claim on the additional amount insured when Refinancing if You are considered to have a pre-existing condition.

You are considered to have a pre-existing condition if You:

- You have received treatment, taken medication or consulted a Doctor or other health care provider, for any health condition, whether diagnosed or not, in the 12 months before You reapplied for Scotia Mortgage Protection Life insurance;

Critical Illness:

The Insurer will not pay a claim if You die within 30 days after the date You are diagnosed with a Critical Illness or have Surgery.

The Insurer will not pay a Critical Illness or Terminal Illness benefit if the evaluation of the medical problem or of symptoms of a medical problem, or any medical consultation or tests, leading to the Diagnosis of a Critical Illness or Terminal Illness was initiated prior to the date You completed and signed Your Scotia Mortgage Protection Application.

Critical Illness specific exclusions:

- a) Stroke: the Insurer will not cover a transient ischemic attack (TIA), also referred to as a mini stroke;
- b) Cancer: the Insurer will not cover the following conditions or forms of Cancer:
 - Stage A prostate Cancer;
 - Non-invasive Cancer in situ;
 - 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.

The Insurer will not pay a claim for Cancer if, within the 90 days after the Effective Date of Your coverage:

- The Diagnosis of Cancer was made;
- Any evaluation of a medical problem or symptoms of a medical problem leading to the Diagnosis of Cancer was initiated; or
- Any medical consultation or tests leading to the Diagnosis of Cancer was initiated.

Disability:

The Insurer will not pay a Disability insurance claim if You become Disabled as a result of:

- Normal pregnancy;
- Intentionally self inflicted injuries;
- Events directly or indirectly relating to, arising from or following Your participation or attempted participation in a criminal offence, or Your impairment by illegal drugs or alcohol while Your blood alcohol concentration is higher than the legal limit, regardless of whether Your Disability arises or results from Your impairment;
- War or civil disorder, whether declared or undeclared, unless You are on active military duty as a member of the Canadian Forces or Canadian Forces Reserve;
- Elective cosmetic Surgery or experimental Surgery or treatment;

- Drug or alcohol abuse unless:
 - o You are enrolled in a rehabilitation program,
 - o You are hospitalized and receiving continuous treatment, or
 - o You are suffering from an organic disease that, if the use of the drug or alcohol stopped, would cause Disability.

The Insurer will also not pay a claim if:

- The Outstanding Account Balance on the date You become disabled is \$0.00;
- You are not under the active care of a Doctor;
- You were not eligible for insurance coverage when You applied;
- 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;
- You are confined in a prison or similar institutions; or
- You die.

LIMITATIONS

1. If Your Life, Critical Illness or Terminal Illness insurance is for less than the full amount of Your Scotiabank Mortgage account or Scotiabank Mortgage accounts, the Insurer will pay off a portion of Your Scotiabank Mortgage account. This portion is equal to the percentage of Your Scotiabank Mortgage account that was insured on the date You applied.
2. The Insurer will limit Your Life insurance, Critical Illness insurance or Terminal Illness insurance benefit if You are declined for insurance on a new Scotiabank Mortgage account due to health or age reasons, but were approved for Prior Coverage Recognition. The Insurer will pay an amount equal to the percentage

of Your Scotiabank Mortgage account on Refinancing that was original Mortgage money as opposed to what percentage is newly borrowed funds.

3. The Insurer will limit the amount of Life insurance benefit if You increase the amount of Your insurance and commit suicide in the 24 months following the date of the increase. The Insurer will pay an amount equal to the percentage of Your Scotiabank Mortgage account on Refinancing that was original Mortgage account balance as opposed to what percentage is newly borrowed funds.
4. The maximum monthly Disability insurance benefit for You on any one of Your insured Scotiabank Mortgage accounts is \$3,500 which includes principal, interest, bank administered property taxes, Life premium and/or Critical Illness premium (including provincial sales tax payable on the total amount of premium)
5. The Disability insurance benefit will be paid for up to a maximum of 24 months per insured person, per Scotiabank Mortgage account, per Disability.
6. The overall maximum is 48 months of Disability benefit payments for Your lifetime.
7. If You are receiving Disability benefits on multiple Scotiabank Mortgage accounts in any given month, each month You are Disabled represents one month of benefit for the purposes of the 24-month maximum per Scotiabank Mortgage account, per Disability and 48-month overall maximum benefit.

How to contact the Insurer

If You have any questions about Scotia Mortgage Protection or for general information, please call 1-855-753-4272 between 8:00 a.m. and 8:00 p.m. (ET), Monday to Friday.

Or You can write to:

For Life and Critical Illness insurance coverage

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

For Disability insurance coverage

Sun Life Assurance Company of Canada
Creditor Insurance Team
227 King Street South
Waterloo, Ontario
N2L 4B8

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 applicable 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 Your 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 Your eligibility for coverage and administering the group benefits plan. This includes investigating and assessing claims, and creating and maintaining records concerning the relationship.

For a copy of the applicable Insurers' Privacy Guidelines, or if You have questions about their

personal information policies and practices (including with respect to service providers):

Canada Life:

Website: www.canadalife.com

E-mail: Chief_Compliance_Officer@canadalife.com

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

Sun Life:

Website: www.sunlife.ca

E-mail: privacyofficer@sunlife.com

Mail: Privacy Officer
Sun Life Financial
1 York Street, Toronto,
ON M5J 0B6

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.

Similar Products

This insurance has been designed specifically to cover Your Mortgage 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 means the principal Borrower, co-borrower, or guarantor on a Scotiabank Mortgage account.

Diagnosis or Diagnose means written Diagnosis confirmed by a Doctor of Your 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 Mortgage Protection Application for us to consider paying a benefit.

Disability or Disabled means You have a medical impairment due to injury, disease, or sickness that prevents You from performing the regular duties of Your own occupation in which You participated just before the Disability started.

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, specified in the Schedule of Coverage as the Effective Date.

Good Standing Your Scotiabank Mortgage account 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 60350 for coverage provided by The Canada Life Assurance Company issued to the Bank of Nova Scotia, or Group Policy number 57899 for coverage provided by Sun Life Assurance Company of Canada issued to the Bank of Nova Scotia.

Insured means a Scotiabank Group 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 ("Canada Life") for Life, Critical Illness and Terminal Illness insurance coverage and / or Sun Life Assurance Company of Canada ("Sun Life") for Disability insurance coverage.

Mortgage means a legal contract registered against the Borrower's property and any improvements, given by the Borrower to Scotiabank to secure repayment for a loan.

Outstanding Account Balance means the unpaid balance of Your Scotiabank Mortgage Account on the date of Your death, Diagnosis of a Critical Illness, Terminal Illness, or Disability, as applicable.

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. No Disability benefits are payable for the Qualifying Period.

Refinancing or Refinance means renegotiating the amount of Your Scotiabank Mortgage account to add new funds.

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

Scotiabank means The Bank of Nova Scotia.

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 Mortgage 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 Diagnosed by a Doctor that will likely result in death within one year of Diagnosis, and which is not covered under Your Critical Illness insurance.

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

Referral to the Autorité des marchés financiers

You can also obtain additional information on the obligations of Canada Life, Sun 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

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 of **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 your coverage 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 (Quebec City Region), (514) 395-0337 (Montreal Region) or 1 877 525-0337 (everywhere else in the province of Quebec).

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

Sections 439 to 443 of the Act respecting the Distribution of Financial Products and Services.

To: **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:)

Signed on:

(Date of signature of contract)

(Place of signature of contract)

(Client's name)

(Client's signature)

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 rescind, 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.

SAMPLE

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

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



© Registered trademark of The Bank of Nova Scotia, used under license.
ScotiLife Financial is the brand name for the Canadian insurance business
of The Bank of Nova Scotia and certain of its Canadian subsidiaries.

™ Trademark of The Bank of Nova Scotia, used under license.