

Line of Credit Disability Protection

Name of Insurance Product:

Line of Credit Disability Protection

Type of Insurance Product:

Creditor Group Protection

Disability* insurance coverage for your line of credit*.

Name and Address of Insurer:

Sun Life Assurance Company of Canada

Creditor Insurance Team
227 King St. S.
P.O. Box 638, STN Waterloo
Waterloo, Ontario N2J 4B8
Phone: 1-866-223-2959
E-mail: creditorteam@sunlife.com

Name of Bank:

The Bank of Nova Scotia

Table of Contents

DEFINITIONS	1
INTRODUCTION	2
DESCRIPTION OF THE PRODUCT OFFERED	3
Nature of the insurance coverage	3
When disability benefits begin	3
The benefit payment	3
When disability benefits end	4
Summary of specific features	4
Applying for insurance coverage	4
Persons who may apply for insurance coverage	5
Health question	5
Maximum amount of insurance coverage	5
Moving your insurance coverage from one line of credit* to another	6
Cost of insurance coverage	6
Start of insurance coverage	7
Confirmation from Sun Life	8
Collection, use and exchange of personal information	8
EXCLUSIONS AND LIMITATIONS IN INSURANCE COVERAGE	9
CANCELLATION AND END OF INSURANCE COVERAGE	11
How to cancel this insurance coverage	11
End of insurance coverage	11
OTHER INFORMATION	12
PROOF OF DISABILITY CLAIM	12
Submission of a claim	12
Insurer's reply	12
Appeal of insurer's decision and recourses	13
SIMILAR PRODUCTS	13
CONFIDENTIALITY	14

Definitions

Average daily balance	The sum of each day's balance during the billing period divided by the number of days in that particular billing period.
Borrower	Person who is named as borrower on a line of credit*.
Branch	A branch of the lender*.
Co-borrower	Person who is named as co-borrower on a line of credit*.
Disability or Disabled	You have a medical impairment due to injury, disease, sickness, mental illness or nervous disorder that prevents you from performing the regular duties of your own occupation in which you participated just before the disability started.
Doctor	A licensed physician or other health practitioner approved by Sun Life.
Lender	The member of the Scotiabank group of companies from which you receive a line of credit*, including The Bank of Nova Scotia (Scotiabank).
Line(s) of Credit	Any personal line of credit account included in the Scotiabank Line of Credit suite of products.
Pre-existing condition	Sun Life considers you to have a pre-existing condition if you: <ul style="list-style-type: none">• Consulted,• Had medical investigations,• Received advice, care and/or service, or• Received treatment, including taking any kind of medication or injection, from a licensed physician or other health practitioner, relating to a health condition, or for any symptoms of a health condition, whether diagnosed or not, at any time during the 12 months before the start date of your insurance coverage.
Sun Life	Sun Life Assurance Company of Canada.
You and your	The borrower* and/or the co-borrower*.

Introduction

What would happen if you suffered a disability* and couldn't pay your monthly line of credit* payments?

The Bank of Nova Scotia ("Scotiabank") and Sun Life Assurance Company of Canada ("Sun Life") have developed Line of Credit Disability Protection to assist with your financial needs in this situation.

The Guide explains Line of Credit Disability Protection. It will help you determine, without the presence of an insurance representative, if the insurance coverage described suits your needs. Contact Sun Life toll free at 1-866-223-2959 if you still have questions after reading it.

This is an important document. Please keep all related documents, including a copy of your Line of Credit Protection Application and any letters from Sun Life or the lender* confirming your Line of Credit Disability Protection, in the pocket of the Guide and put it in a safe place.

The Line of Credit Disability Protection product is provided by Sun Life under a group insurance policy having the number 57898 ("Policy") issued to Scotiabank.

The Line of Credit Disability Protection product has been specifically designed to cover your line of credit* debt. It is not intended to replace any other disability* protection you may already own.

The Guide and the completed Line of Credit Protection Application and any letters from Sun Life or the lender* confirming your Line of Credit Disability Protection, together describe the terms of your insurance coverage.

Scotiabank and Sun Life can change the terms of the insurance coverage described in the Guide. You will be informed in writing before any changes are made. You will be deemed to have received the notice on the fifth business day after it is mailed to your last address in the lender's* records.

In the event of a discrepancy between the terms of the Guide and those of the Policy, the terms of the Policy will prevail.

Description of the product offered

Nature of the insurance coverage

DISABILITY INSURANCE COVERAGE:

Line of Credit Disability Protection will pay a monthly benefit in the event that you become disabled* and your disability claim is approved. The monthly benefit to be applied to the line of credit* is the lesser of:

- 3% of the line of credit* balance on the date of disability* or
- 3% of the amount of insurance coverage for which you have been approved

plus an amount equivalent to your disability premium (including provincial sales tax) as calculated based on the outstanding balance on your date of disability.*

The maximum monthly benefit amount for any one of your insured lines of credit* is \$3,000 plus disability premium (including provincial sales tax), and will be paid for up to a maximum of 24 months per line of credit*, per disability*. The overall maximum is 48 months of disability benefit payments for your lifetime.

Only one disability claim will be paid at the same time, on any one line of credit* regardless of the number of people insured on the line of credit*.

When disability benefits begin

Sun Life will pay the benefit monthly in arrears beginning on the first scheduled account cycle 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 benefits are payable for the qualifying period.

The claim payment will be pro-rated if a benefit is payable for a portion of the monthly account cycle.

The benefit payment

The disability benefit payments are made to the lender*.

There are some exclusions and limitations in this plan. Please refer to the section “Exclusions and Limitations in Insurance coverage” on pages 9 and 10 of the Guide for detailed information.

When disability benefits end

Sun Life will pay the benefit 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 line of credit*, 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 Sun Life,
- You fail to provide proof of continuing disability* satisfactory to Sun Life,
- Your disability* results from 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*,
- Your line of credit* is closed,
- Sun Life is notified that you are approved for a claim for Health Crisis Protection under policy H30680 (or its successor) on your line of credit*, or
- Your death.

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 benefit payments will begin again after you have provided proof to Sun Life of the recurrence of your disability*.

Summary of specific features

Applying for insurance coverage

You can apply if you obtain a line of credit*. Just complete a Line of Credit Protection Application at your branch* or by any other method of applying for Line of Credit Disability Protection.

Please carefully review your Line of Credit Protection Application and the letter from the lender* which confirms the Line of Credit Disability Protection to make sure you are applying for the insurance coverage that you intended.

Note that you do not have to buy Line of Credit Disability Protection to obtain a line of credit*. Line of Credit Disability Protection is optional.

You may apply for Line of Credit Disability Protection at the same time you obtain your line of credit* or if you already have a line of credit*.

Persons who may apply for insurance coverage

To be eligible for your Line of Credit Disability Protection, you must meet all of the following conditions:

- Have a line of credit* that is in good standing with the lender*,
- Be living in Canada,
- Be **at least 18 years old** and **have not** reached your **65th birthday**, at the time you are applying,
- 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).

A maximum of 2 people can be insured on one line of credit*.

Health question

For line of credit* limits less than or equal to \$50,000, you will not be required to answer a health question and your application for insurance coverage is automatically approved. Any insurance coverage for subsequent approved increases of the credit limit up to \$50,000 is also automatically approved.

For line of credit* limits greater than \$50,000, you will be required to answer a health question. If you are approved for insurance coverage over \$50,000, any insurance coverage for subsequent approved increases of the credit limit up to \$100,000 is also automatically approved.

Maximum amount of insurance coverage

The maximum insurance coverage for any one of your insured lines of credit* is 3% of your line of credit* balance, up to a maximum of \$3,000 per month, plus disability premium (including provincial sales tax) as calculated based on the outstanding balance on your date of disability*.

There is a maximum of 24 months of benefit payments per line of credit*, per insured person, per disability*, up to an overall maximum of 48 months of benefit payments for your lifetime.

If you have been approved for the maximum of \$50,000 only, the maximum insurance coverage is \$1,500 per month plus disability* premium (including provincial sales tax) as calculated based on the outstanding balance on your date of disability* payable for up to 24 months, per line of credit*, per insured person, per disability*.

Moving your insurance coverage from one line of credit* to another

If you are transferring your insured credit limit from one line of credit* to a new line of credit*, your insurance coverage remains in effect on the new line of credit*, provided your account credit limit stays the same.

Cost of insurance coverage

Your premiums are based on:

- Your age at the end of each line of credit* account billing period; **and**
- The average daily balance* on your line of credit* during the billing period.

Your average daily line of credit* balance during the billing period is multiplied by 3% to determine the monthly benefit. The monthly benefit is then divided by 100 and multiplied by the applicable premium rate (please refer to the *Premium Rates Table* below).

Your premium is added to your line of credit* balance and will be included on your monthly line of credit* statement.

Premium Rate Table

Your age at the end of each billing period	Rates per \$100 of monthly benefit
18 - 29	1.60
30 - 35	1.80
36 - 40	2.25
41 - 45	2.75
46 - 50	3.25
51 - 55	4.15
56 - 60	5.20
61 - 64	6.05
65 - 69	7.00

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

This *Premium Rate Table* is subject to change.

Examples:

When one borrower* applies for insurance coverage:

Suppose you have been approved for Line of Credit Disability Protection. If you are 25 years old at the end of a billing period and your average daily line of credit* balance for the billing period was \$5,000, then your premium would be **\$2.40** ($\$5,000 \times 3\% \div 100 \times 1.60$) for that billing period, plus provincial tax.

When two borrowers* apply for insurance coverage:

Suppose you and a co-borrower* have been approved for Line of Credit Disability Protection. If you are 25 years old and the other borrower* is 40 years old at the end of the billing period, and your average daily line of credit* balance for the billing period was \$10,000, then your premium would be **\$4.80** ($\$10,000 \times 3\% \div 100 \times 1.60$) plus **\$6.75** ($\$10,000 \times 3\% \div 100 \times 2.25$) for that billing period, plus provincial tax.

Sun Life, together with the lender*, can change the premium table and/or the premium calculation method. You will be informed in writing before any changes are made, and you will be provided with the new premium table, if applicable. It will be assumed you received the notice in writing on the fifth business day after mailing it to your last address in the lender's* records.

Start of insurance coverage

If you meet the eligibility requirements, and your line of credit* limit is \$50,000 or less, your insurance coverage starts on the date you apply for the Line of Credit Disability Protection.

If you meet the eligibility requirements, and your line of credit* limit is greater than \$50,000, your insurance coverage for the first \$50,000 portion starts on the date you apply for the Line of Credit Disability Protection. Any insurance coverage over \$50,000 and up to \$100,000 starts on the date Sun Life approves your insurance coverage. If your application is declined for health reasons, you will retain a maximum of \$50,000 insurance coverage.

Note: A debit of the insurance premium from your account, or the collection of any insurance premium in error, does not make insurance effective if you are otherwise not eligible under the Policy.

Confirmation from Sun Life

Your completed Line of Credit Protection Application, the letter from the lender* confirming Line of Credit Disability Protection, the Guide, and any letter from Sun Life confirming approval, together is the proof that you are insured.

Collection, use and exchange of personal information

The personal information which you give when you apply for insurance allows Sun Life Assurance Company of Canada to process your application for insurance coverage. Sun Life, its reinsurers or third party service providers contracted by Sun Life can obtain from, and exchange with any licensed physician, medical practitioner, hospital, clinic or other medical or medically related facility, investigative agencies and other insurers or reinsurers, any relevant information they may have about you. Sun Life can exchange and use such information to administer this insurance and to pay insurance benefits.

Exclusions and Limitations in Insurance Coverage

Exclusions/CAUTION

Any concealment, misrepresentation or false declaration concerning your Line of Credit Protection Application or your claim(s) may result in your insurance coverage being void.

1. Sun Life will not pay a claim if you become disabled* as a result of:

- Normal pregnancy,
- Intentionally self inflicted injuries or attempted suicide while sane or insane,
- Events directly or indirectly relating to, arising from or following your participation or attempted participation in a criminal offence, 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*.

2. Sun Life also will not pay a claim if:

- The line of credit* 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 Sun Life,
- You fail to provide proof of continuing disability* satisfactory to Sun Life,
- You are confined in a prison or similar institution, or
- Your line of credit* limit is \$50,000 or less and you were automatically approved for insurance coverage, you become disabled* within 12 months of the start date of your insurance coverage and your disability* results from a pre-existing condition*.

Limitations/CAUTION

General

1. The maximum benefit payable for any one of your insured lines of credit* is \$3,000 per month, plus disability premium (including provincial sales tax) as calculated based on the outstanding balance on your date of disability* payable for up to 24 months, per line of credit*, per insured person, per disability*.
2. If you have been approved for the maximum of \$50,000 only, the maximum insurance coverage is \$1,500 per month plus disability* premium (including provincial sales tax) as calculated based on the outstanding balance on your date of disability* payable for up to 24 months, per line of credit*, per insured person, per disability*.
3. There is an overall maximum of 48 months of disability benefit payments for your lifetime.
4. If the outstanding balance on your date of disability* is more than \$10,000 and the difference between your outstanding balance on your date of disability* and the average line of credit* balance during the 12 months before the date of disability* is more than \$5,000 the following benefit limitation applies:

Your monthly benefit will be limited to 3% of the lesser of:

- the *average monthly line of credit balance* for the 12 months prior to the date of disability*.
- the outstanding balance of your line of credit* on the date of disability*
- your approved Line of Credit Disability Protection insurance coverage amount, or
- \$100,000.

Your *average monthly line of credit balance* is calculated by adding the average monthly line of credit balance on your monthly line of credit* statement for the 12-month period, then dividing the total by 12.

Note: Sun Life will not pay more than the insured outstanding balance of your line of credit* on the date of disability*, regardless of your average monthly line of credit* balance.

For example:

If the outstanding balance is \$15,000 and the average balance in the 12 months prior to the date of disability* is \$8,000, the difference is greater than \$5,000, therefore the benefit will be limited to \$240 per month (3% of \$8,000).

Cancellation and End of Insurance Coverage

How to cancel this insurance coverage

You may cancel your insurance coverage within 10 days of its signature. To do so you must send a signed and dated letter to your lender*. Any premiums you have paid will be credited to your line of credit*.

You may also cancel your insurance coverage at any time thereafter. In this event you will not receive a premium refund. All you have to do is send a signed and dated cancellation request to your lender*.

Your insurance coverage will be cancelled on the **latest of the following**:

- The date stated in your signed and dated cancellation request; or
- The date the lender* receives your signed and dated cancellation request.

In the case of a line of credit* with two borrowers*, both borrowers* must sign the request to cancel even if the request is to cancel the insurance coverage for only one of the borrowers*.

End of insurance coverage

Your insurance coverage ends on one of the following dates, whichever comes first:

- The last day of your account billing period following your 70th birthday. In the case of two insured borrowers*, when the older borrower* reaches age 70, the premium will be automatically changed to reflect the remaining borrower's* insurance coverage,
- The date the lender* receives a signed and dated cancellation request from you to cancel your insurance coverage. In the case of two insured borrowers*, it must be signed by both borrowers* even if only one borrower* wishes to cancel insurance coverage,
- The date your line of credit* becomes **120 days past due** or is terminated by the lender*,
- The date the group policy ends,
- The date you no longer have a line of credit* that is in good standing with the lender*,
- The date you have reached the overall maximum benefit of 48 months of disability benefits for your lifetime,
- The date the lender* makes a demand or withdraws the line of credit account,
- The date the line of credit* is closed, or
- The date you die. In the case of two insured borrowers*:
 - o if the borrower* dies, insurance coverage terminates for the borrower* and the co-borrower*;
 - o if the co-borrower* dies, insurance coverage terminates for the co-borrower*, however insurance coverage will remain in effect for the borrower*. The premiums will be automatically changed to reflect the surviving borrower's coverage.

Other Information

The lender* receives a fee from Sun Life to promote and administer the Policy.

For more information about this insurance coverage, or to obtain a copy of the insurance policy, send your written request to the following address:

Sun Life Assurance Company of Canada Telephone 1-866-223-2959
Creditor Insurance Team
227 King Street South Please indicate your group
P.O. Box 638, Station Waterloo policy number: 57898
Waterloo, Ontario
Canada N2J 4B8

Proof of Disability Claim

Submission of a claim

You can contact Sun Life at 1-866-223-2959. Sun Life will send you a disability claim form package to be completed.

You are responsible for any fee that has to be paid to have the form completed.

Your completed disability claim form package must be sent to Sun Life within **150 days** of the date of disability*. The medical information must be completed by the doctor* who is actively caring for you. Sun Life may also ask you to have a medical examination by a doctor* of Sun Life's choice. Benefits **will not** be paid if examination is refused.

If Sun Life does not receive notice of a claim within the specified time, Sun Life will only process the claim if you can show reasonable cause for delay.

Insurer's reply

Sun Life can deny a claim or reduce the benefit for disability* insurance coverage because of an exclusion or limitation described in the Guide. Sun Life's notice to you will explain the reason why the claim was denied or the benefit was reduced.

Sun Life will notify you in writing of the decision to approve or deny your claim within **30 days** after Sun Life receives all of the information needed to make a decision.

Appeal of an insurer’s decision and recourses

You may appeal Sun Life’s decision if your initial claim is denied. The appeal must be in writing and sent to Sun Life at the address on the back cover of the Guide within **6 months** of the date of Sun Life’s decision letter. It must include:

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

No one may take legal action against Sun Life less than **60 days** after Sun Life has received initial proof of the claim. The maximum period to take legal action is **3 years** after the deadline for providing the initial proof of claim or such longer period as may be allowed by applicable law.

Similar Products

This insurance coverage had been designed specifically to cover your line of credit* debt. It is not intended to replace any other personal disability insurance coverage that you may already own. Other insurance products are available with other companies but may have different benefits, limitations and exclusions.

Confidentiality

Your privacy is protected

At Sun Life Assurance Company of Canada, protecting your privacy is a priority. Sun Life maintains a confidential file in their offices containing personal information about you and your contract(s) with Sun Life. The files are kept for the purpose of providing you with insurance coverage that will help you meet your lifetime financial objectives. Access to your personal information is restricted to those employees and representatives who are responsible for the administration and servicing of your contract(s) with Sun Life, or any other person whom you authorize. You are entitled to consult the information contained in the file and, if applicable, to have it corrected by sending a written request to Sun Life. To find out about Sun Life's Privacy Policy, visit their Web site at www.sunlife.ca or call 1-800-SUN-LIFE (1-800-786-5433) and request that a copy of the Privacy Brochure be sent to you.