Scotia Business Loan Protection

Distribution Guide

Surprisingly Simple Insurance®

ScotiaLife Financial®

Distribution Guide

Scotia Business Loan Protection

Creditor Group Insurance
Life, Disability, Hospitalization and Terminal Illness Protection for Your Scotiabank business loans, lines of credit and credit cards.

Name and address of Insurer:

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

Name and address of Distributor:

The Bank of Nova Scotia
Phone: 1-855-753-4272

Stamp or write branch address here

Responsibility of the Autorité des marchés financiers

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

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INTRODUCTION

The Bank of Nova Scotia ("Scotiabank") and The Canada Life Assurance Company (the "Insurer") have developed Scotia Business Loan Protection to assist with Your business' insurance needs related to its debt obligations.

Scotia Business Loan Protection protects Your business if an Insured Person Dies, becomes Terminally ill, becomes Disabled, or is Hospitalized. In addition to key employees of the business, it can cover individuals who guarantee business loans and Your business' major investors.

Two insurance coverage options are available:

- Comprehensive Protection provides Life insurance, Disability, Hospitalization and Terminal Illness benefits.
- Basic Protection provides life insurance benefits.

This Distribution Guide was prepared to help You better understand the insurance coverage options that are available to You. It will help You determine, even without the presence of an insurance representative, if the insurance described fits Your needs.

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

Your completed Scotia Business Loan Protection application, the letter confirming Your coverage elections under Scotia Business Loan Protection, the Certificate of Insurance ("Certificate") and any letter from the Insurer confirming approval together form the proof of insurance coverage. Please keep all documents in a safe place.

Scotiabank and the Insurer can change the terms of the insurance described in this Scotia Business Loan Protection Distribution Guide, including insurance premiums or the method used to calculate insurance premiums. 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 Business Loan Protection?

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

What businesses are eligible for coverage?

To qualify under Scotia Business Loan Protection, a business entity must:

- be resident and operate in Canada; **and**
- be indebted to Scotiabank under a fixed or variable rate term loan or demand loan, or a revolving credit facility; **and**
- be a sole proprietorship, partnership, corporation, holding company or other entity operating a business;
- if not a farm, fishery or ranch, be a business that is, or if it were incorporated, would be, a small business corporation within the meaning of subsection 248(1) of the Income Tax Act.

Eligible business entities do not include:

- Non-profit organizations (such as churches, governments, service clubs and charities);
- Students under the Canada Student Loan program.

What loans are eligible for coverage?

The following loan types, denominated in Canadian Dollars, qualify for coverage:

All commercial, small business or farm loans, lines of credit, mortgage loans, credit cards, personal demand loans for business purposes, or other related business loan credit agreements with Scotiabank.

Eligible loans **do not** include:

- Letters of credit;
- Letters of guarantee;
- Personal credit cards or lines of credit;
- Personal loans (unless used for business investment purposes) or mortgages;
- Banker's acceptances;
- Tender loans; **or**
- Any loans denominated in non-Canadian funds.

Who is eligible for coverage?

A person is eligible for coverage under Scotia Business Loan Protection if that person is related to an eligible business entity as:

- a sole proprietor or partner of an eligible business entity;
- an individual who has guaranteed the repayment of an eligible loan;
- a shareholder who owns at least 10% of the voting rights of a corporation that is an eligible business entity; **or**
- a key employee whose contributions are essential to an eligible business entity and without whom the eligible business entity would have difficulty operating.

Up to 10 persons may be insured with respect to any one eligible business entity.

At the date of application, the person must be:

- at least eighteen (18) years old and less than sixty-five (65) years old; **and**
- a resident of Canada.

In addition, to be eligible for Comprehensive Protection the person must also be:

- actively working at least 20 hours per week. If the person is a key employee, he or she must be actively working at least 20 hours per week for the business entity named on the application. If the person is a seasonal worker, he or she must be capable of performing their regular duties for at least 20 hours per week; **and**
- not receiving Disability benefits from any source.

How can You apply for Scotia Business Loan Protection?

Applying for coverage is simple. You can complete a Scotia Business Loan Protection application indicating the Insured Persons and the type of insurance coverage 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 open Your Scotiabank business accounts or at a later date.

Once Your application is approved, You will receive a confirmation of coverage and a Certificate that

provides full details of Your coverage, including limitations and exclusions.

How much insurance can You buy?

The Insurance Coverage Amount is the sum of the Comprehensive Coverage Amount and the Basic Coverage Amount.

The Comprehensive Coverage Amount is the sum of the following, for which Comprehensive Protection has been selected and approved:

- the Outstanding Account Balance of all insured fixed and/or variable rate term loans and/or demand loans at the time of insurance coverage application; **and**
- the credit limit of all insured revolving credit facilities.

The Basic Coverage Amount is the sum of the following, for which Basic Protection has been selected and approved:

- the Outstanding Account Balance of all insured fixed and/or variable rate term loans and/or demand loans at the time of insurance coverage application; **and**
- the credit limit of all insured revolving credit facilities.

The total Insurance Coverage Amount across all insured businesses is subject to approval by the Insurer, and in any event will not exceed $2,000,000 per Insured Person.

If the Outstanding Account Balance of insured fixed and/or variable rate term loans and/or demand loans decreases by more than 10% from the amount used to determine the approved Insurance Coverage Amount, You can request to reduce the Insurance Coverage Amount accordingly.

The Insurance Coverage Amount will be indicated on the Schedule of Coverage.

Basic Protection is only available for Coverage Amounts in excess of $50,000.

Is medical underwriting required?

Insurance coverage is automatically approved if the Insurance Coverage Amount is $50,000 or less.

If the Insurance Coverage Amount is greater than $50,000, each proposed Insured Person must answer health question(s). If the answer(s) to the health question is 'NO' and the Insurance

Coverage Amount is not greater than $500,000 then coverage is approved and no further action is necessary; otherwise, further review of the application and the approval of the Insurer is required before coverage will begin.

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

Any medical information collected as part of the application review will be kept confidential, and will not be shared with Scotiabank.

If the application for Comprehensive Protection for a proposed Insured Person is declined for health reasons, a maximum of $50,000 Comprehensive Protection coverage for that proposed Insured Person will be automatically granted. Should you wish to cancel the coverage you may do so by calling the Insurance Customer Service Centre at 1-855-753-4272 between 8:00 a.m. and 8:00 p.m. (ET) or by sending a written notice by mail to:

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

Beneficiary of the insurance

The beneficiary is the business entity to whom benefit payments are made. The Insurer will make benefit payments for all types of insurance to Scotiabank to reduce or pay off the indebtedness of the business entity. In certain circumstances money may be deposited to the designated account that premiums were withdrawn from; please see "What is the life insurance benefit?" below.

LIFE INSURANCE

What is the life insurance benefit?

Provided that the Insured Person has applied and been approved for Comprehensive Protection or Basic Protection and the terms and conditions of the Certificate of Insurance are met, if an Insured Person dies, the Insurer will pay Scotiabank the Outstanding Account Balance on the Insured Loans on the date of death of the Insured Person, up to the Insurance Coverage Amount.

If the Outstanding Account Balance on the Insured Loans on the date of death of the Insured Person is less than the Insurance Coverage Amount, for the Insured Loans that are revolving credit facilities, the excess, up to the difference between the total credit limit of insured revolving credit facilities and the Outstanding Account Balance of these insured revolving credit facilities, will be deposited to the designated account where premiums are drawn from.

The maximum life insurance benefit under the Group Policy for any one Insured Person is $2,000,000. If two or more Insured Persons insured under the same business entity die as a result of a common accident, the maximum life insurance benefit will, in aggregate, not exceed $2,000,000.

The life insurance benefit payable with respect to each Insured Loan will be reduced by the amount of Terminal Illness benefit paid on that Insured Loan with respect to that Insured Person, if any.

Exclusions – When will the life insurance benefit not be paid?

CAUTION

The life insurance benefit is not payable if the Insured Person's death resulted directly or indirectly from or is associated with:

- **intentionally self-inflicted injury, suicide or attempted suicide, while sane or insane within the first 24 months following the Effective Date;**
- **war, whether declared or undeclared unless the Insured Person is 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.**

The life insurance benefit is not payable if:

- **the Insured Person's application for Comprehensive Protection or Basic Protection coverage was automatically approved; and**
- **the Insured Person dies within 24 months of the Effective Date; and**
- **the cause of death of that Insured Person is a pre-existing condition.**

The Insurer considers an Insured Person to have a pre-existing condition if the Insured Person:

- **Consulted;**
- **Had medical investigations; or**
- **Received advice, care and/or service; or**
- **Received treatment, including taking any kind of medication or injection,**

from a Doctor or other health practitioner for any of the following health conditions, or for any symptoms of these health conditions whether diagnosed or not:

- **Cancer;**
- **Leukemia;**
- **AIDS (Acquired Immune Deficiency Syndrome);**
- **ARC (AIDS related complex);**
- **Lung disease;**
- **Liver disease; or**
- **Heart disease**

at any time during the 12 months before the Effective Date.

DISABILITY

What is the Disability benefit?

Provided that the Insured Person has applied and been approved for Comprehensive Protection and the terms and conditions of the Certificate of Insurance are met, if an Insured Person becomes Disabled and the Disability claim is approved by the Insurer, the Insurer will pay to Scotiabank a monthly benefit equal to:

- 1% of the Comprehensive Coverage Amount, up to $7,500; plus

- the monthly premium with respect to the Disabled Insured Person and all other Insured Persons related to the same business entity as the Disabled Insured Person.

What is a Disability?

A Disability is an injury, disease, or sickness that prevents an Insured Person from performing the regular duties of:

- the Insured Person's own occupation in which he or she participated just before he or she became Disabled;
- the Insured Person's principal occupation, if he or she is a seasonal employee and he or she becomes Disabled between seasons; **or**
- the Insured Person's occupation prior to retirement.

To qualify for Disability benefits and to continue to receive these benefits, the Insured Person must:

- be under the continuous care of and following the treatment prescribed by a Doctor or, in the case of mental illness or nervous disorder, including anxiety, depression and behavioural disorders, under the continuous care of and following the treatment prescribed by a Doctor who is a psychiatrist;
- not be engaged in any activity for wages or expectation of profit; **and**
- provide proof of the Insured Person's Disability claim satisfactory to the Insurer, and continue to provide proof of the Insured Person's Disability claim whenever the Insurer may request it, at Your business' expense.

The Insurer may request, at its own expense, a medical examination by a physician appointed by them or an examination at a rehabilitation facility.

When do Disability benefits begin?

Once the Insurer has approved the Disability claim, the Insurer will start paying Disability after the qualifying period of 60 days. No Disability benefits are payable during the qualifying period.

The first claim payment will be pro-rated based on the number of days from the end of the qualifying period to the payment date. You are responsible for making the regular Scotiabank business loan account payments during the qualifying period and until the Insurer approves the Disability claim.

The payment date of the Disability benefits may not coincide with the date regular payments are required under the Insured Loans. You are responsible for continuing to make the regular business loan account payments on the payment due dates for each Insured Loan.

The amount of the Disability benefit may be less than the regular payment required under the Insured Loan. You are responsible for paying the difference on the business loan account payment due dates for each Insured Loan.

When do Disability benefits end?

Disability benefit payments will continue until the earliest of the following events:

- the Insured Person's Disability ends or the Disabled Insured Person returns to work;
- the Disabled Insured Person participates in any business or occupation for wages or profit;
- 24 months of Disability benefit payments have been paid for that particular Disability of the Insured Person;
- the overall maximum of 48 months of Disability benefit payments have been paid in the lifetime of the Disabled Insured Person;
- the Insured Loans are paid in full;
- the 65th birthday of the Disabled Insured Person;
- the Disabled Insured Person is no longer under the active and continuous care of a Doctor, or is not following the treatment prescribed by his or her Doctor;
- the Disabled Insured Person refuses to submit to a medical examination by an appointed physician or health-care practitioner at the Insurer's request; **or**
- You fail to provide proof of continuing Disability to the Insurer;
- a claim for Terminal Illness with respect to the Disabled Insured Person is approved by the Insurer; **or**
- termination of insurance coverage under the Scotia Business Loan Protection with respect to the Insured Person for reasons other than the termination of the Group Policy (see "Termination of Coverage").

What happens when a Disability recurs?

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

What happens when more than one Insured Person becomes Disabled at the same time?

Only one Disability claim will be paid at a time, for any one business entity regardless of the number of Insured Persons related to that business entity who may be Disabled concurrently.

Exclusions – When will the Disability benefit not be paid?

CAUTION

The Disability benefit is not payable if the Insured Person's Disability resulted directly or indirectly from or is associated with:

- **normal pregnancy;**
- **elective cosmetic surgery or experimental surgery or treatment;**
- **intentionally self-inflicted injury, suicide or attempted suicide, while sane or insane;**
- **war whether declared or undeclared unless the Insured Person is 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.**

If the Insured Person's application for Comprehensive Protection was automatically approved, the Disability benefit is not payable if an Insured Person becomes Disabled within 12 months of the Effective Date and Disability of that Insured Person results from a pre-existing condition.

The Insurer considers the Insured Person to have a pre-existing condition if the Insured Person:

- **Consulted,**
- **Had medical investigations,**
- **Received advice, care and/or service, or**
- **Received treatment, including taking any kind of medication or injection,**

from a Doctor 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 Effective Date.

HOSPITALIZATION

What is the Hospitalization benefit?

Provided that the Insured Person has applied and been approved for Comprehensive Protection and the terms and conditions of the Certificate of Insurance are met, if an Insured Person becomes Hospitalized as a result of accidental bodily injury or sickness, and remains Hospitalized for more than three (3) consecutive days, the Insurer will pay Scotiabank a lump sum payment of:

- 2% of the Comprehensive Coverage Amount, up to the lesser of $15,000 or the Outstanding Account Balance on the date of Hospitalization.

Exclusions – When will the Hospitalization benefit not be paid?

CAUTION

The Hospitalization benefit is not payable if the Insured Person's Hospitalization resulted directly or indirectly from or is associated with:

- **a Terminal Illness for which a Terminal Illness benefit was paid under this policy;**
- **normal pregnancy;**

- **elective cosmetic surgery or experimental surgery or treatment;**
- **intentionally self-inflicted injury, suicide or attempted suicide, while sane or insane;**
- **war whether declared or undeclared unless the Insured Person is 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 Hospitalization benefit is not payable if:

- **a Hospitalization benefit with respect to the hospitalized Insured Person or to another Insured Person related to the same business entity has been paid in the 60 days prior to the date of Hospitalization; or**
- **Disability benefits with respect to the hospi-talized Insured Person or to another Insured Person related to the same business entity are being paid at the time of Hospitalization.**

If the Insured Person's application for Comprehensive Protection was automatically approved, the Hospitalization benefit is not payable if an Insured Person becomes Hospitalized within 12 months of the Effective Date and the Insured Person's Hospitalization results from a pre-existing condition.

The Insurer considers the Insured Person to have a pre-existing condition if the Insured Person:

- **Consulted,**
- **Had medical investigations,**
- **Received advice, care and/or service, or**

- **Received treatment, including taking any kind of medication or injection,**

from a Doctor 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 Effective Date.

TERMINAL ILLNESS

What is the Terminal Illness benefit?

Provided that the Insured Person has applied and been approved for Comprehensive Protection and the terms and conditions of the Certificate of Insurance are met, if an Insured Person is Diagnosed with a Terminal Illness, the Insurer will pay Scotiabank the Outstanding Account Balance on the date of Diagnosis, up to the Comprehensive Coverage Amount.

What is a Terminal Illness?

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

Exclusions – When will the Terminal Illness benefit not be paid?

CAUTION

The Terminal Illness benefit is not payable if the Insured Person's Terminal Illness resulted directly or indirectly from or is associated with:

- **intentionally self-inflicted injury, suicide or attempted suicide, while sane or insane;**
- **war whether declared or undeclared unless the Insured Person is 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 Terminal Illness benefit is not payable if death occurs within 30 days after Diagnosis.

The Terminal Illness benefit is not payable if the evaluation of the health condition or of symptoms of a health condition, or any medical consultation or tests, leading to the Diagnosis of a Terminal Illness was initiated prior to the date the Insured Person's Scotia Business Loan Protection application was completed and signed.

PREMIUMS

Monthly insurance premiums are calculated based on the Insurance Coverage Amount and, for Insurance Coverage Amounts greater than $50,000, the age of each Insured Person at the end of each billing period. Premiums are charged automatically to the account indicated on the application.

Provincial sales tax will be added to the monthly premium where applicable.

For Comprehensive Coverage Amounts less than or equal to $50,000

The monthly premium for each Insured Person is $1.00 for every $1,000 of Comprehensive coverage amount, subject to a minimum monthly premium of $10.00.

Example:

Suppose the Comprehensive coverage amount is $25,000. The insurance premium is $25 (1.00 x 25,000 ÷ 1,000) plus any applicable sales taxes.

For Comprehensive Coverage Amounts greater than $50,000 but less than or equal to $750,000

The table below sets out the monthly Comprehensive Protection premium rate for every $1,000 of Comprehensive coverage amount.

Age	Comprehensive Protection Rate
18 – 35	0.50
36 – 40	0.59
41 – 45	0.79
46 – 50	1.02
51 – 55	1.25
56 – 60	1.59
61 – 65	2.16

Example:

Suppose the Insured Person is 43 years old and his/her Comprehensive coverage amount is $100,000. The insurance premium would be $79 (0.79 x 100,000 ÷ 1,000) plus any applicable sales taxes.

For Comprehensive Coverage Amounts greater than $750,000

The monthly Comprehensive Protection premium is calculated as follows:

Premium = (a) + ((b) x Comprehensive coverage amount in Excess of $750,000) ÷ 1,000), where (a) and (b) are set out in the following table.

Age	(a)	(b)
18 – 35	375.00	0.20
36 – 40	442.50	0.29
41 – 45	592.50	0.39
46 – 50	765.00	0.52
51 – 55	937.50	0.65
56 – 60	1,192.50	0.88
61 – 65	1,620.00	1.26

Example:

Suppose the Insured Person is 39 years old and his/her Comprehensive coverage amount is $800,000. The insurance premium would be $457 (442.50 + (0.29 x (800,000 – 750,000) ÷ 1,000)) plus any applicable sales taxes.

For Basic Coverage Amounts greater than $50,000

The table below sets out the monthly Basic Protection premium for every $1,000 of Insurance Coverage Amount.

Age	Basic Protection Rate
18 – 35	0.20
36 – 40	0.29
41 – 45	0.39
46 – 50	0.52
51 – 55	0.65
56 – 60	0.88
61 – 65	1.26
66 – 69	1.65

Example:

Suppose the Insured Person is 43 years old and his/her Basic coverage amount is $100,000. The insurance premium would be $39 (0.39 x 100,000 ÷ 1,000) plus any applicable sales taxes.

EFFECTIVE DATE OF COVERAGE

Insurance coverage begins on the latest of the following dates:

- the date Scotiabank receives the signed and dated Scotia Business Loan Protection application;
- the date specified in the Insurer's approval letter, when approval is required; **or**
- the date any portion of the Insured Loan is advanced or the funds are made available.

The Effective Date of Coverage will be indicated on the Schedule of Coverage. You will receive a confirmation of coverage and the Certificate of Insurance in the mail within 30 days after the Scotia Business Loan 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 business' last address on file.

A debit of insurance premium from the designated account, or the collection of insurance premium in error, does not make insurance effective if the business entity or the Insured Persons are otherwise not insurable or eligible for coverage.

TERMINATION OF COVERAGE

Insurance coverage for an Insured Person under Scotia Business Loan Protection automatically terminates on the earliest of the following dates:

- the date of death of the Insured Person;
- the 70th birthday of the Insured Person;
- the date of cancellation of coverage (see "How to Cancel Coverage");
- the date when the Insured Loan payment or Scotia Business Loan Protection premium payment is 120 days in arrears;
- the date when the Insured Person is no longer eligible for coverage (see "Who is Eligible for Coverage?");
- the date the business entity is no longer eligible for coverage (see "What Businesses are Eligible for Coverage?");
- the date the business entity is declared bankrupt; **or**
- the date the Group Policy terminates.

An Insured Person with Comprehensive Protection coverage and an Insurance Coverage Amount greater than $50,000 will be automatically switched to Basic Protection on the earliest of the following dates:

- the 65th birthday of the Insured Person;
- the date 48 months of Disability benefits have been paid with respect to a Disability of the Insured Person; **or**
- the date a Terminal Illness claim is approved with respect to a Terminal Illness of the Insured Person.

HOW TO MAKE A CLAIM

Notice of Claim and Claim Forms

In the event of a claim, You can request a claim form by calling 1-855-753-4272.

Any written notice must include the Group Policy number Canada Life G/H10650.

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

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

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

Proof of Claim

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

To make a claim for Hospitalization or Terminal Illness, You must notify the Insurer of the claim within 90 days of the date an Insured Person is Hospitalized or Diagnosed with a Terminal Illness. If the Insurer is not notified within that time, the Insurer will only consider a Hospitalization or Terminal Illness claim if You can provide a written reasonable cause for delay. Once the notice of Terminal Illness claim is received, You will be sent a claim form. The Doctor who made the Diagnosis must complete this claim form. For Hospitalization claims, You shall submit proof from the hospital stipulating that the Insured Person was Hospitalized during the period covered under the claim.

To make a Disability claim, You must complete the claim form within 150 days of the date of Disability of the Insured Person and mail it to the Insurer. The medical information must be completed by the Doctor who is actively caring for the Insured Person. 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 an Insured Person 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 the Insured Person refuses 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 can deny a claim for Life insurance/ Disability/Hospitalization/Terminal Illness benefits because of an exclusion or restriction described in this Scotia Business Loan Protection Distribution Guide. Their notice to You will explain the reason why they denied the claim.

The Insurer will notify You in writing of their decision to approve or deny Your claim within 30 days after they receive the information needed to make a decision.

All benefits for approved Life insurance, Disability, Hospitalization and Terminal Illness claims are paid directly to the designated account on record.

Payments until Decision is Made

You are responsible for continuing to make the regular business loan payments until a decision is made by the Insurer on any claim submitted.

How to appeal the Insurer's decision

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

HOW TO CANCEL COVERAGE

You may cancel the 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

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

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

If Scotiabank receives the notice of cancellation within 30 days of the later of the date the application form is signed, or the date of approval of insurance, this insurance coverage will be considered never to have been in force and all premiums paid will be refunded.

OTHER IMPORTANT INFORMATION

Premium Rate Changes

The Scotia Business Loan Protection premium rates are subject to change from time to time. Written notice will be sent by regular mail to the business entity's 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.

Insurance Coverage Amount Changes

If the credit limit of an Insured Loan increases, an application to change the Insurance Coverage Amount is required ; it does not increase automatically.

Prior Coverage Recognition

If an application for an increase in the Insurance Coverage Amount is declined by the Insurer, all terms and conditions of the Insured Person's original insurance coverage will remain in full force and effect.

Misstatement of Age

If the Insured Person's age has been misstated and the Insured Person's correct age would have rendered the Insured Person ineligible for coverage under the Scotia Business Loan Protection, the Insurer's liability is limited to a refund of premiums paid and the insurance will be void **as if it never existed**.

If the Insured Person's age has been misstated and the Insured Person would have been eligible for insurance based on the Insured Person's correct age, the Insured Person's correct age will be used to determine whether to pay any benefit.

Misrepresentation

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

Clerical Error

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 not be insurable or eligible for coverage or terminated for valid reasons.

Contract Details

The contract of insurance includes the Group Policy, any amendments to the Group Policy and any form of application used for enrolment, such as an internet application, a branch application or a telemarketing enrolment record.

Scotiabank and the Insurer may agree from time to time to amend the Group Policy. No amendment is valid unless the authorized representatives of Scotiabank and the Insurer approve it. You will be given 60 days prior written notice of an amendment. You will be deemed to have received such notice on the fifth business day after it is mailed to the business entity's address as it appears on file.

All rights and obligations under the Group Policy will be governed by the laws of Canada and the provincial jurisdiction in which the business entity resides.

You have the right to examine and obtain a copy of the Group Policy and certain other written statements or records You have submitted to the Insurer(s) (if any), subject to certain access limitations.

Scotiabank receives an administration fee from the Insurer to distribute Scotia Business Loan Protection.

Contestability of Coverage

The coverage under the Group Policy shall be contestable in accordance with applicable laws in the jurisdiction where the business entity resides.

Currency

All payments to be made under the Group Policy shall be payable in the lawful currency of Canada.

Prohibition against Assignment

You cannot assign or give the business entity's rights and interests with respect to the insurance coverage to anyone else.

Privacy and Confidentiality

The Insurer recognizes and respects the importance of privacy. When an application for insurance coverage is submitted, a confidential file that contains the business entity's information and the personal information of all proposed Insured Persons 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 the file of the business entity by sending a request in writing to the Insurer. The Insurer may use service providers located within or outside Canada.

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

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

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

By website: www.canadalife.com

By e-mail:

Chief_Compliance_Officer@canadalife.com

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

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

Legal Action

No action at law or in equity shall be brought to recover on the Certificate prior to the expiration of 60 days after written proof of claim has been furnished in accordance with the requirements of the Group Policy. No such action shall be brought after the expiration of 1 year (or the minimum period of time provided under the laws of the Province or Territory where You reside should such period of time be more than 1 year) after the time written proof of claim is required to be furnished by the Group Policy.

Where provincial laws apply, every action or proceeding against an Insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the applicable insurance act.

Complaint Procedures

If You have a complaint or inquiry about any aspect of this insurance coverage on the Insured Loan(s), please call 1-855-753-4272 between 8:00 a.m. and 8:00 p.m. (ET), Monday to Friday. If for some reason You are not satisfied with the resolution to Your complaint or inquiry, You may communicate the complaint or inquiry in writing to:

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

If Your complaint or inquiry concerns any consumer provision found in federal law please contact the Financial Consumer Agency of Canada at 1-866-461-3222 or in writing at:

Financial Consumer Agency of Canada
427 Laurier Avenue West, 6th Floor
Ottawa, Ontario K1R 1B9

How to contact the Insurer

If You have any questions about Scotia Business Loan 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:

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

Similar Products

This insurance has been designed specifically to cover Scotiabank business debt. It is not intended to replace any other personal insurance that You or the Insured Person(s) 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

Diagnosis or Diagnose means written Diagnosis of Terminal Illness confirmed by a Doctor. The date of Diagnosis will be the date the Diagnosis is made by the Doctor of an Insured Person, as supported by the medical records of the Insured Person.

Disability or Disabled means the Insured Person has a medical impairment due to injury, disease, or sickness that prevents the Insured Person from performing the regular duties of his/her own occupation in which he/she 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 the Insured

Person or his/her business associate or a member of his/her immediate family. Immediate family includes any of the Insured Person's 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 insurance coverage begins as specified in the Schedule of Coverage.

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

Hospitalization and **Hospitalized** means confinement in a hospital as an admitted patient for medical treatment. A hospital is an institution which has been licensed to treat patients on an in-patient basis, and which is operated under the supervision of a staff of Doctors.

Insurance Coverage Amount means the amount as specified in the Schedule of Coverage. See section "How much insurance can You buy?" for further details.

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

Insured Person means a person related to the business entity as named on the Schedule of Coverage eligible for insurance under the Scotia Business Loan Protection Program whose application for insurance has been accepted and who is named as an "Insured Person" on the Schedule of Coverage.

Outstanding Account Balance means the unpaid balance of the Insured Loan(s) on the date of death of an Insured Person, Diagnosis of a Terminal Illness, Hospitalization, or Disability, of an Insured Person, as applicable.

Schedule of Coverage means the schedule included with the Certificate of Insurance which indicates the name of the Insured Person(s), the name of the business entity, the Insured Loan(s) and the Effective Date.

Scotiabank means The Bank of Nova Scotia.

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

You or **Your** means the authorized representative of the business entity named in the Schedule of Coverage.

REFERRAL TO THE AUTORITÉ DES MARCHÉS FINANCIERS

You can also obtain additional information on the obligations of the Insurer 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) 647-9963
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 the Effective Date**. To do so, you must give the Insurer notice by registered mail within that delay. You may use the attached model for this purpose.
- Despite the rescission of the insurance contract, the first contract entered into will remain in force. Caution, it is possible that you may lose advantageous conditions as a result of this insurance contract; contact your distributor or consult your contract.
- After the expiry of the 30-day delay, you may rescind the insurance at any time, however, penalties may apply.

For further information, contact the Autorité des marchés financiers at (418) 525-0337 (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

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: G/H XXXX)
Signed on:

_____

(Date of signature of contract)

_____

(Place of signature of contract)

_____

(Client's name)

_____

(Client's signature)

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

439. A distributor may not subordinate the making of a contract to the making of an insurance contract with the Insurer specified by the distributor. The distributor may not exercise undue pressure on the client or use fraudulent tactics to induce the client to purchase a financial product or service.

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

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

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

443 A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the debtor may subscribe for insurance with the Insurer and representative of the debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds.

The distributor may not subordinate the making of the contract of credit to the making of an insurance contract with the Insurer specified by the distributor.

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

The rights of the debtor under the contract of credit shall not be forfeited when the debtor rescinds, terminates 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.

We make the entire insurance experience:

Simple to quote

Simple to apply

Simple to understand

Simple to claim

To simplify your insurance, visit scotialifefinancial.com

For questions about Your Scotia Business Loan Protection, contact us at Your nearest Scotiabank branch or call the Insurance Canada Service Centre at 1-855-753-4272.

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