

Scotia Business Loan Protection

Life

Disability

Hospitalization

Terminal Illness

Surprisingly Simple Insurance[®]



ScotiaLife Financial[®]

Creditor Group Insurance

**Insurance for your Scotiabank
business credit borrowings**

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 Policyholder:

**The Bank of Nova Scotia
c/o 100 Yonge Street, Suite 400
Toronto, Ontario
M5H 1H1**

Phone: 1-855-753-4272

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Important information – please read

This product booklet provides general information about Scotia Business Loan Protection insurance. It is a summary of the terms and conditions of the Group Policy. Complete details, including: definitions; qualifying period; covered illnesses and events; exclusions; restrictions; limitations; and other important terms and conditions are contained in the Certificate of Insurance, which will be provided to you if your coverage is approved. Please review this document carefully. In the event of any inconsistency among this document, the Certificate of Insurance and the Group Policy, the Group Policy will govern.

Scotia Business Loan Protection insurance is a group insurance plan issued to The Bank of Nova Scotia by the Canada Life Assurance Company under Group Policy 10650.

Financial protection for your business

Smart borrowing helps businesses survive and succeed. Scotia Business Loan Protection can help make sure that your business borrowing always works for you.

Protect your business and the people you care about

What happens when a business owner passes away? Or when a key employee has an accident or falls ill? These are situations we never want to imagine, but they happen more often than you might think. And if your business is unprotected, the consequences could be difficult for you and the people you care about.

The good news is you can protect your business with Scotia Business Loan Protection.

Scotia Business Loan Protection is simple but effective insurance. If you or another key employee loses the ability to work, Scotia Business Loan Protection can make regular payments or completely pay off your Scotiabank line of credit, loan or credit card. If you or another key employee passes away, your outstanding loan amounts can be paid in full.

You Choose Your Protection

Basic Protection

With Basic Protection, your business receives a benefit of up to \$2,000,000 per insured if an insured person passes away.

Comprehensive Protection

With Comprehensive Protection, your business receives a benefit of up to \$2,000,000 per insured if an insured person:

- Passes away;
- Becomes Disabled;
- Becomes Hospitalized; or
- Is diagnosed with a Terminal Illness.

Scotia Business Loan Protection can help your business during a difficult time.

Why choose Scotia Business Loan Protection?

It makes good sense to protect your business and family from unforeseen events. Scotia Business Loan Protection lets you do it in a way that is fast, fair and reliable.

- **Fast approval.** The application is simple and approval is often immediate, without any medical examination.
- **Great value.** Group coverage means you get powerful protection at very affordable rates.
- **Personal service.** We designed this program exclusively for business customers and we will guide you through every step of the way.

Are you eligible for Scotia Business Loan Protection?

You can apply to insure yourself and up to nine other people related to your business as long as the following eligibility requirements are met.

Your business must:

- Reside in and operate in Canada;
- Have a Scotiabank business loan, line of credit or credit card; and
- Be a sole proprietorship, partnership, corporation, holding company or other entity operating a small business, farm, fishery or ranch.

Your loan must be:

- A commercial, small business or farm loan, line of credit, mortgage loan, credit card, personal demand loan for business purposes, or other related business loan credit agreement that is denominated in Canadian dollars and held with Scotiabank.

Your loan may not be:

- A letter of credit, letter of guarantee, personal credit card or line of credit, personal loan (unless used for business or investment purposes) or mortgage, banker's acceptance, tender loan, or any loan denominated in non-Canadian funds.

At the date of application, an Insured Person must be:

- Aged 18 to 65; and
- A resident of Canada.

In addition, an Insured Person must be related to your eligible business as:

- A sole proprietor or partner;
- 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; or
- A key employee whose contributions are essential to an eligible business and without whom the eligible business would have difficulty operating.

For Comprehensive Protection, an Insured Person must also be:

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

How has Scotia Business Loan Protection helped others?

These business owners had Scotia Business Loan Protection in place when they needed it most. When difficulty arose, they called our Insurance Customer Service Centre at **1-855-753-4272** and help was on the way.

Robert: Providing for his family

Robert owned and ran a busy gas station. When he suffered a sudden heart attack and passed away, there was a sizable balance owing on his line of credit. Robert's wife and children were worried about the future of the business and didn't know if they'd be able to keep their family home. Thankfully, Scotia Business Loan Protection paid off Robert's outstanding balance, and there was even money left over that was paid to his business. As a result, the gas station was able to continue operating and Robert's family did not have to find a new home.

Tom and Mary: Keeping the business alive

Tom is a partner at a dental practice and his wife Mary was a key employee there. When Mary was diagnosed with cancer, she was no longer able to work. Tom gradually spent more and more time caring for Mary, and soon the couple had maxed out their business line of credit. When Mary eventually passed away, Tom took some comfort in the fact that Scotia Business Loan Protection covered his large business line of credit balance. This timely financial support gave him the stability he needed to work on rebuilding his practice.

Jim: Getting back to work

Jim is the owner and operator of a farm that was started by his father. When he was injured at work, he temporarily lost the ability to perform the essential duties of his job. As a result, his income suffered and he worried about falling behind on his business loan payments; however, the Disability coverage from Scotia Business Loan Protection contributed towards making regular loan payments on Jim's behalf. Because of that protection which helped with his payments, he was able to better manage his financial obligations and keep his farm in good financial standing until he was able to get back to work.

(The details in these examples have been changed for privacy reasons)

Questions and Answers

How much does Scotia Business Loan Protection cost?

As the following examples illustrate, monthly insurance premiums are based on the type and amount of coverage you choose, and are also based on your age if the coverage amount is greater than \$50,000. When you apply, you can indicate a bank account for automatic withdrawals. Provincial sales tax will be added to the monthly premium, where applicable.

Basic Protection

Basic Protection is available only when the coverage amount is greater than \$50,000. This table sets out the monthly premium for every \$1,000 of Basic 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 monthly insurance premium would be **\$39** ($\$0.39 \times \$100,000 \div 1,000$), plus any applicable sales taxes.

Comprehensive Protection

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** ($\$1.00 \times \$25,000 \div 1,000$), plus any applicable sales taxes.

For Comprehensive coverage amounts greater than \$50,000 but less than or equal to \$750,000:

This table 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** ($\$0.79 \times \$100,000 \div 1,000$), 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** ($\$442.50 + (\$0.29 \times (\$800,000 - \$750,000) \div 1,000)$), plus any applicable sales taxes.

Will my premium change?

Yes, in some cases it can increase with age. The 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.

What benefits can I receive?

If you become Disabled, the monthly benefit is equal to 1% of your approved Comprehensive coverage amount up to \$7,500 for a maximum of 24 months. The overall Disability benefit maximum is 48 months of benefit payments for the lifetime of the Disabled Insured Person.

If you are Hospitalized, the lump sum benefit is equal to 2% of the approved Comprehensive coverage amount, up to \$15,000.

If you are diagnosed with a Terminal Illness the benefit amount is equal to the outstanding balance on your insured loan, line of credit or credit card up to your Comprehensive coverage amount up to \$2,000,000.

If you pass away the benefit amount is equal to the outstanding balance on your insured loan up to your Insurance coverage amount. For revolving credit, such as a line of credit or credit card, the benefit amount is equal to the insured credit limit. The outstanding balance will be paid to the bank and the difference between the outstanding balance and the insured credit limit will be deposited to the designated account where premiums are drawn from.

The maximum life benefit amount is \$2,000,000 for all Scotiabank business borrowings. Benefit payments may be subject to limitations such as prior coverage recognition or a pre-existing condition. Please refer to the Coverage Exclusions and Limitations section for details.

What is prior coverage recognition?

If, after you are already insured, you apply to increase your Insurance Coverage Amount and are declined for health reasons, you will still be able to keep your original Insurance Coverage Amount in force.

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.

Is there a qualifying period for benefits?

There is no qualifying period for an approved death or Terminal Illness benefit. The qualifying period for Disability benefits is 60 consecutive days. No Disability benefits are paid during the qualifying period. For Hospitalization, the insured person must remain Hospitalized for more than three consecutive days.

Do I need to answer any medical questions or take a medical exam?

If your Insurance Coverage Amount is \$50,000 or less, you can be immediately approved for Comprehensive coverage without having to answer any health questions.

If your Insurance Coverage Amount is greater than \$50,000, you will need to answer a few simple health questions.

If further health information is required, you will be contacted to arrange a free paramedical exam. There may be different tests required.

If you apply for Comprehensive Protection and are declined for health reasons, you will still receive \$50,000 of Comprehensive coverage.

Please ensure that your answers to health questions are correct and complete or your coverage could be void and no claims will be paid.

When does my coverage start?

Your insurance coverage starts on whichever comes later—the date Scotiabank receives your signed and dated application or 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 funds made available.

You will receive a Certificate of Insurance and a confirmation letter verifying the effective date of your coverage in the mail if you are approved for coverage. If your application is not approved upon medical examination, you will be advised in writing.

When does my coverage end?

Insurance coverage for an Insured Person 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 can I cancel my coverage?”);
- The date when the Insured Loan payment or insurance premium payment is 120 days in arrears;
- The date when the Insured Person is no longer eligible for coverage (see “Are you eligible for Scotia Business Loan Protection?”);
- The date when the business entity is no longer eligible for coverage (see “Are you eligible for Scotia Business Loan Protection?”);
- The date when the business entity is declared bankrupt; or
- The date when 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 do I submit a claim?

You or your representative may request a claim form by calling **1-855-753-4272** between 8:00 a.m. and 8:00 p.m. (ET). You will be sent a claim form with instructions on how to file the claim with the Insurer. A Customer Service Representative will be pleased to guide you through the claim process and will provide directions on how to complete the claim forms.

How can I cancel my coverage?

You may cancel your coverage at any time by calling **1-855-753-4272** between 8:00 a.m. and 8:00 p.m. (ET), Monday to Friday, or by mailing a written cancellation notice to:

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

If you are approved for coverage, you will receive a Certificate of Insurance with important details, which you can review for 30 days, starting on the date of coverage. If you cancel your coverage during that 30-day period, you will receive a full refund of any premium paid and the coverage will be deemed never to have been in force.

Coverage Exclusions and Limitations

Like most insurance policies, coverage is subject to certain exclusions, restrictions and limitations. In addition, any concealment, misrepresentation, or false declaration on either the application or in any medical evidence submitted in connection with the application, or on your claim form, may make the coverage null and void.

If Scotiabank or the Insurer makes a clerical error in maintaining any records concerning the Group Policy, including collection of the insurance premium in error, such errors will not alter or invalidate your coverage, or continue coverage that would otherwise not be in force, or which was terminated for valid reasons.

When Your Life Insurance Benefit will not be paid

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

- Intentionally self-inflicted injury, suicide or attempted suicide, while sane or insane, within the first 24 months following the Effective Date of coverage;

- Declared or undeclared war 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 a blood alcohol concentration in excess of legal limits in the jurisdiction where the death occurred.

The Life insurance benefit is **not** payable if:

- Your application for Comprehensive or Basic Protection coverage was automatically approved, and;
- An Insured Person dies within 24 months of the start date of Your coverage; and
- The main or secondary cause of death of that Insured Person is a pre-existing condition.

An Insured Person is considered 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 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 start date of insurance coverage.

When Your Disability Insurance Benefit will not be paid

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

- Normal pregnancy;
- Elective cosmetic surgery or experimental Surgery or treatment;
- Intentionally self-inflicted injury, suicide or attempted suicide, while sane or insane;
- Declared or undeclared war 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 a blood alcohol concentration in excess of legal limits in the applicable jurisdiction.

If the application for Comprehensive Protection was automatically approved, the Disability insurance benefit is **not** payable if the Insured Person becomes Disabled within 12 months of the start date of insurance coverage and the Disability of the 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 start date of insurance coverage.

When Your Hospitalization Insurance Benefit will not be paid

The Hospitalization insurance benefit is not payable if the 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 a 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 Hospitalized 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 the 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.

When Your Terminal Illness Insurance Benefit will not be paid

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

- Intentionally self-inflicted injury, suicide or attempted suicide, while sane or insane;
- Declared or undeclared war 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 a blood alcohol concentration in excess of legal limits in the applicable jurisdiction.

The Terminal Illness insurance benefit is **not** payable if the Insured Person's death results within 30 days after diagnosis.

The Terminal Illness insurance 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 application was completed and signed.

Full exclusions, restrictions and limitations that apply to coverage are in the Scotia Business Loan Protection Certificate of Insurance.

PRIVACY NOTICE

Confidentiality

The Insurer recognizes and respects the importance of your 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 eligibility for coverage and administering the group benefits plan. This includes investigating and assessing the claim, 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), for Canada Life visit Canada Life's website at www.canadalife.com or send a written request by e-mail to:

Chief_Compliance_Officer@canadalife.com

Or by mail to:

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 of information, 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.

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,
ask your Scotia advisor today.

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of The Bank of Nova Scotia and certain of its Canadian subsidiaries.