

## SUMMARY

# Consumer loan insurance- mortgage loan

## 10 important facts you should know about the loan insurance

Do you have a mortgage loan with National Bank of Canada?  
Have you considered insuring your loan?

### Read this summary!

It presents key points about the loan insurance.

Understanding these points will help you determine if this insurance product meets your needs so you can make an informed decision about your application.

This summary is an explanatory document. It is not part of the insurance contract. Only the completed application and the insurance certificate attached here constitute the insurance contract.



For all the details of the coverage, consult the insurance certificate, which is also available at [nbc-insurance.ca](http://nbc-insurance.ca) > Documentation.

- > Once you sign up, you are entitled to a 30-day review period. If you cancel the insurance before the end of that period, we reimburse any premiums paid.

### INFORMATION ABOUT THE INSURER

#### > National Bank Life Insurance Company

1100 Robert Bourassa Blvd., 5<sup>th</sup> Floor,  
Montreal, Quebec H3B 2G7

**Telephone Montreal area:** 514-871-7500  
**Toll-free:** 1-877-871-7500

[nbc-insurance.ca](http://nbc-insurance.ca)  
[insurance@nbc.ca](mailto:insurance@nbc.ca)

Client number delivered by the  
Autorité des marchés financiers: 2000891377

To check the status of the insurer in the AMF  
registry: [lautorite.qc.ca](http://lautorite.qc.ca)

### DISTRIBUTOR INFORMATION

#### > National Bank of Canada

600 De la Gauchetière West,  
Montreal, Quebec H3B 4L2

**Telephone Montreal area:** 514-394-5555  
**Toll-free:** 1-888-483-5628

[nbc.ca](http://nbc.ca)

# Here are 10 important facts you need to know about the loan insurance

## 1 There are 3 types of loan insurance coverage

- 1

In the event of your death, **life insurance** will pay down your mortgage loan and free your family from one of the many obligations that come with the death of a loved one.
- 2

**Critical illness and accidental dismemberment insurance** will cover all or part of your loan if you are diagnosed with one of these 3 critical illnesses:

> Cancer

> Heart attack

> Stroke

Furthermore, insurance will repay a portion of your loan if you lose a limb or permanently, irreversibly lose the use of a limb following an accident (accidental dismemberment).

This will allow you to focus on getting better during this difficult time.

- 3

If an injury or illness renders you unable to work or carry out the usual tasks of a person of your age, **disability insurance** can reduce the impact of lost income by helping you cover all or part of your mortgage payments. Benefits start after 60 days of disability.

You can sign up for all three types of coverage or choose one or two. It's up to you!

However, you must sign up for life insurance to be eligible for critical illness or disability insurance.

## 2 Loan insurance covers the insured balance or insured payment of your loan, in whole or in part

The certificate outlines the balance insured for each type of coverage in sections 4.1, 5.4 and 6.2. You will find the definition of insured payment in section 7.3.

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If your loan insured amount is **\$300,000 or less**, it will be 100% covered.

This means that in the event of death, diagnosis of a critical illness or accidental dismemberment, we will cover the insured balance of the loan at the time of the event.

In the event of disability, we will cover the insured loan payment.

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If your loan insured amount is **over \$300,000**, you can opt to insure 50% or 100% of your loan.

This means that in the event of death, diagnosis of a critical illness or accidental dismemberment, we will cover the insured balance of the loan at the time of the event according to the percentage selected.


In the event of disability, we will cover the insured loan payment according to the percentage selected.

The insurance percentage selected applies to all types of coverage you sign up for.  
If you are refinancing a loan and previous insurance coverage is recognized, we apply the insurance percentage selected at enrolment to the new insured balance of the new loan.

### Maximum amount payable for each type of coverage

The amount payable for a claim cannot exceed the maximum for each type of coverage.

Life insurance	Critical illness and accidental dismemberment insurance	Disability insurance
\$1,000,000	\$150,000	\$3,000/month

 See sections 3, 4.1, 5.4, 6.2 and 7.3 of the insurance certificate for more information on the amounts payable when an insured event occurs.

### 3 Loan insurance involves exclusions

We may refuse to pay your claim because of the exclusions set out in sections 4.2, 5.1.1, 5.2.1, 5.3.1, 7.2 and 8 of the insurance certificate.

**Please review them immediately.**



#### **WARNING – Exclusions**

**We will not pay any benefits in the following situations:**

##### **Life insurance**

- > Suicide within two years of the effective date of the insurance. See section 4.2 of the insurance certificate.

##### **Critical illness insurance**

###### **Cancer**

- > Certain types of cancer that are not life-threatening;
- > A diagnosis of cancer, or signs, symptoms or exams that resulted in such a diagnosis (regardless of the date of diagnosis), within 90 days of the start date of the insurance coverage, whether the cancer is covered or excluded.

###### **Heart attack**

- > Elevated biochemical cardiac markers as a result of an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty, in the absence of Q waves; or
- > The discovery of ECG changes suggesting a prior myocardial infarction, which do not meet the definition of a heart attack in the insurance certificate.

###### **Stroke**

- > Transient ischemic attacks;
- > Intracerebral vascular events due to trauma;
- > Lacunar infarcts which do not meet the definition of a stroke in the insurance certificate.

Specific, more detailed exclusions concerning cancer, heart attack and stroke are set out in the insurance certificate under sections 5.1.1, 5.2.1 and 5.3.1.

##### **Disability insurance**

- > Pregnancy
- > Cosmetic care
- > Back pain (if its existence is based solely on pain felt without being able to establish the cause using tests or examinations which demonstrate the presence of an injury or medical condition)
- > Alcoholism or addiction



**Review section 7.2 of your insurance certificate for more details about these exclusions.**

##### **All coverage**

- > Pre-existing condition: if death, critical illness, accidental dismemberment or disability occur within **12 months of the start date** of the insurance and you showed signs or felt symptoms, consulted, received treatment, were examined by or referred for an examination by a health professional, took medication, received a prescription or were hospitalized in the **12 months preceding the start date** of the insurance for a condition related to death, critical illness, accidental dismemberment or disability;
- > Exclusions specific to the insured (if applicable);
- > Attempted suicide or self-inflicted injury;
- > Use of narcotics not prescribed by a physician;
- > Any direct activities on a flight in any type of craft which can climb and fly such as, but not limited to: an airplane, helicopter, glider or hot air balloon, whether as pilot, crew member, instructor or student;
- > Active participation in a riot;
- > War;
- > A terrorist act that you commit or attempt to commit.



**Find complete details about these exclusions in section 8 of the insurance certificate.**

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## 4 You must meet certain criteria in order to be insured

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### For life insurance:

- > be 18 to 64 years old;
- > reside in Canada or the United States; and
- > be a borrower, co-borrower, guarantor, surety or endorser of the loan covered by the insurance application.

### For critical illness and accidental dismemberment insurance:

- > you must have signed up for life insurance.

### For disability insurance:

- > you must have subscribed to life insurance, be employed and have worked 60 hours or more in the last 4 weeks for remuneration, or
- > if you are self-employed, you must have received a gross income of \$10,000 or more in the last financial year.

#### You may NOT apply for disability insurance if you are:

- > unemployed
- > on sick leave
- > jobless, or
- > if you receive benefits in place of your income (e.g., parental leave, worker's compensation).

#### You may, however, request to add this coverage once you return to work.

Depending on your age and the amount of insurance requested, we will also ask you questions regarding your health status and lifestyle choices.



Review section 2 of your insurance certificate for complete details.

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## 5 The insurance premium that you pay is fixed throughout the loan duration

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Your premium is the amount you must pay to be insured. As long as the terms and conditions of your loan do not change, your life insurance and critical illness and accidental dismemberment insurance premiums will remain the same.

However, your disability insurance premium may change if your mortgage payment amount is adjusted.

We reserve the right to amend our premium rate scales at any time. If we do so, the premiums charged to all our insureds will change. The premium rate is based on a number of factors, including:

- > The insured amount;
- > Your age and sex;
- > Your use of tobacco products.

For life insurance and critical illness and accidental dismemberment insurance, you are entitled to a 15% discount on the insurance premiums if there is more than one insured.

A tax on insurance applies to your premium amount, depending on which Canadian province you live in.

With some exceptions, the insurance premium is included in your mortgage payment. It is therefore collected as part of the same transaction.



Consult the insurance certificate for premium rates and [nbc.ca](https://www.nbc.ca) for tax rates.

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## 6 Duration of insurance

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### Start

The insurance comes into effect on the later of the following dates:

- a The date the insurance application is signed; or
- b According to the option indicated in the application:
  - > The loan approval date; or
  - > The final loan disbursement date (may not be more than 6 months after approval); or
  - > for a new, one-time construction, the final loan disbursement date.

When you need to provide proof of insurability. We will inform you of our decision by written notice no later than 30 days after receiving all necessary documentation to review your insurance application.

### End

Insurance generally remains in effect for the entire loan duration, unless you decide to terminate your coverage.

Other circumstances can also lead to termination of insurance coverage, such as refinancing or failure to pay premiums.



See section 9.2 of the insurance certificate for more information.

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## 7 You'll have access to temporary accident coverage while we are studying the coverage application

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While we are studying your insurance application, you are covered in the event of accidental death, dismemberment or disability (depending on the coverage selected).



See section 2.2.3 of the certificate for the definition of an accident and details of temporary coverage in the event of an accident.

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## 8 If you make a false declaration, we may refuse a claim and cancel the insurance coverage

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You must always provide accurate information on your health status, lifestyle and tobacco use, and any other information we deem necessary.

If, as part of a claim or at any other time during the insurance coverage, we obtain any information that differs from the information you provided, **we may refuse your claim and cancel your insurance** retroactively to its effective date.



See sections 2.2, 2.2.1 and 2.2.2 of the insurance certificate for more information.

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## 9 How to file a claim and applicable timeframes

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Loan insurance can give you peace of mind should the unexpected occur. Here's how to file an insurance claim.

- 1 Contact our Customer Service Department at 1-877-871-7500.  
We'll open a file for you and send you the forms to be completed;  
or  
Print the forms you need from our website at **nbc.ca**.
- 2 Complete the forms and send them, along with any documents needed to review your claim, to our offices at:

**National Bank Life Insurance**  
1100 Robert Bourassa Blvd., 5<sup>th</sup> Floor  
Montreal, Quebec H3B 2G7

### Timeframes for submitting claim forms and supporting documents

- > **Life insurance:**  
As soon as reasonably possible.
- > **Critical illness, accidental dismemberment or disability insurance:**  
Within a year of the insured event.

- 3 We will notify you of our decision and, if applicable, proceed with payment after we review your claim.

### Payments

We process claim requests, carry out verifications and proceed with payment within 30 days of receiving all documents required to review the claim.

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## 10 Loan insurance is optional and you are entitled to terminate it at any time

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You can terminate the insurance at any time at no cost by calling us at 1-877-871-7500.

You can also send a written request to:

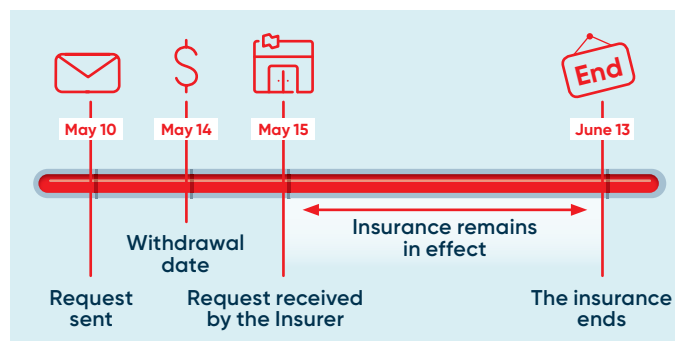
### National Bank Life Insurance Company

1100 Robert Bourassa Blvd., 5<sup>th</sup> Floor  
Montreal, Quebec H3B 2G7

The insurance coverage ends on the next premium payment date after the later of the following dates:

- > The date on which you choose to terminate your insurance coverage; or
- > The date on which we receive your termination request.

For example, in the image below, the insurance would remain in effect until June 13, since the insurer received the request to terminate the insurance after the current month's premium payment date.



When you terminate your insurance contract, premiums are not refunded and no grace period is granted.

## Notice given by a distributor

Section 440 of the *Act respecting the distribution of financial products and services* (chapter D-9.2)

### The *Act respecting the distribution of financial products and services* gives you important rights.

The Act allows you to rescind an insurance contract, **without penalty**, within 10 days of the date on which it is signed. However, the insurer may grant you a longer period.

To rescind the contract, you must give the insurer notice, within that time, by registered mail or any other means that allows you to obtain an acknowledgement of receipt.

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 applicable time, you may rescind the insurance contract at any time; however, penalties may apply. For further information, contact the Autorité des marchés financiers at 1-877-525-0337 or visit [www.lautorite.qc.ca](http://www.lautorite.qc.ca).

### Notice of rescission of an insurance contract

Send to:

National Bank Life Insurance  
1100 Robert Bourassa Blvd., 5<sup>th</sup> Floor,  
Montreal, Quebec H3B 2G7

Date: \_\_\_\_\_ (Date notice sent)

Pursuant to section 441 of the *Act respecting the distribution of financial products and services*,

I hereby rescind insurance contract no.: \_\_\_\_\_ (number of contract, if indicated)

Entered into on: \_\_\_\_\_ (date of signature of contract)

In: \_\_\_\_\_ (place of signature of contract)

\_\_\_\_\_  
(name of client)

\_\_\_\_\_  
(signature of client)



### The client experience is our top priority

We're here to listen and help, no matter what you have to say.

Call our Customer Service Department at **1-877-871-7500** or consult the website at **[nbc-insurance.ca](http://nbc-insurance.ca)** for our complaint settlement policy.

Insurer: National Bank Life Insurance Company.

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