

PRODUCT SUMMARY

Credit Life & Disability Insurance, Form F2003SE



Offered by:



Questions? Concerns? Contact FCIC:

320 Sioux Road, Sherwood Park, Alberta T8A 3X6

- **Toll Free:** 1-800-561-3242
- **Local:** 780-467-9575
- **Fax:** 780-467-4016
- **Email:** insurance@firstcanadian.ca
- **AMF License #:** 12007

Offered through the following distributor:

Place label for Distributor here:

*** Label must include name, address, email, phone, fax of Distributor.

PRODUCT SUMMARY

Credit Life & Disability Insurance, Form F2003SE

This summary is not your insurance policy. Please refer to the Application and Certificate of Insurance for complete terms, conditions, limitations and exclusions. Definitions for any terms showing in bold and italics can be found in the "Definitions" section of the Application and Certificate of Insurance.

WHO CAN BENEFIT? Coverage is designed for you if:

Life Insurance

- you have financed or leased a vehicle,
- you are in general **Good Health**,
- you are 18 years or older, but not yet 70, and
- you want to ensure your family doesn't have to worry about a debt in the event of your death.

Disability Insurance

- you have financed or leased a vehicle,
- you are in general **Good Health**,
- you are 18 years or older, but not yet 66, and
- you are currently working, but worry about making your payments if you get sick or injured.

Please see the "Eligibility of Persons" section of the Application and Certificate of Insurance for full eligibility requirements.

WARNING: FCIC relies on your certification that you are in **Good Health** in accepting your application for insurance. If you make any fraudulent misrepresentations regarding your **Good Health**, FCIC has the right to void your insurance and retain all premiums. If you are uncertain about being in **Good Health** at the time of purchase, please contact FCIC at 1-800-561-3242 to speak to one of our representatives.

WHAT ARE THE BENEFITS?

Life Insurance

- Pays off your insured loan or lease up to \$250,000.00 in the event of your death. This coverage is designed to leave your family with an asset as opposed to a liability.
- Get up to 120 months of coverage.
- Customize your plan:
 - ✓ Customer only, Co-Signer only and Joint coverage plans available
 - ✓ Optional **Dismemberment** coverage available

Disability Insurance

- Covers your monthly payments to a maximum of \$3,000 per month if you become **Totally Disabled** and cannot work. This coverage is designed to protect your credit while you face a decreased income.
- Get up to 96 months of coverage.
- Customize your plan:
 - ✓ Customer only, Co-Signer only and Joint coverage plans available
 - ✓ Several **Waiting Period** options available
 - ✓ Insure 100% of your loan or lease payment, or just a portion of it

WHAT DOES IT COST? Premiums are based on:

1. INSURED MONTHLY PAYMENT
2. TERM OF COVERAGE SELECTED
3. INSURANCE OPTIONS SELECTED

Age, gender, health and occupation do not affect your insurance premium. Premium is fixed (meaning it won't change over time) and it is added to the principal amount of your loan or lease so premium payments are included in your regular monthly payment amount. Applicable provincial sales tax on insurance premiums will be added to the cost of your insurance.

The following is a summary of exclusions and limitations to this coverage. For full details, please refer to the "Exclusions and Limitations" section of the Application and Certificate of Insurance.

Exclusions - FCIC will not pay your claim if your death, **Dismemberment** or **Total Disability** results from any of the following:

- A **Pre-Existing Illness, Disease, or Physical Condition**
- Cosmetic or elected surgery
- War or any act of war
- An act of terrorism
- Suicide or an intentionally self-inflicted injury
- Operation of a motor vehicle while impaired beyond the legal limit
- Participation in a criminal act
- Illness, disease, or death resulting from un-prescribed alcohol or drug use
- HIV or AIDS
- **Total Disability** resulting from pregnancy, childbirth, or termination of pregnancy

Limitations:

- In the event of joint coverage, where both you and your insured co-signer die or become **Totally Disabled** at the same time, FCIC will not make twice the benefit payments. Benefit payments are restricted as if only one insured has died or is off work due to a **Total Disability**.
- After a **Total Disability** exceeds 12 consecutive months, benefit payments will only be made if you are prevented from performing the duties of any occupation within the range of your education, training, or experience (not just the occupation you held before becoming sick or injured).
- No more than 6 benefit payments will be made in total for the full term of your policy for disability claims resulting from nervous, mental, psychological, or psychiatric conditions.
- No more than 2 benefit payments will be made for disability claims resulting from disease or disorder of the neck or back, unless you are under the care of a licensed **Specialist**.

GOOD TO KNOW:

Maximum coverage amounts vary based on your age at time of purchase.

Type of Insurance	Age of insured on Effective Date	Maximum Insured Amount	To a Maximum Term of:
Life & Dismemberment	18-59 yrs	\$250,000	120 months
	60-69 yrs	\$100,000	120 months
Disability	18-65 yrs	\$3,000 /mth	96 months

- ✓ If you have other insurance with FCIC, then these "Maximum Insured Amounts" apply to all loans and leases insured by FCIC combined.
- ✓ Coverage expires on the 73rd birthday of the eldest insured customer.

Be aware that benefits may not fully cover your financial obligations under your loan or lease contract if:

- the finance or lease contract term is greater than the insurance term,
- the total amount financed or leased is greater than the maximum coverage, or
- if you chose a partial payment option for Disability coverage.

MAKING A CLAIM

To get Life or Disability Insurance Claim Application forms:



Call FCIC's Life and Disability Claims Department at 1-800-561-3242



Email insclaims@firstcanadian.ca



Visit FCIC's website at www.firstcanadian.ca



Contact the dealership where you purchased the insurance

You (or your estate) will need to fill out a Claimant's Statement to provide general details about the claim and an Information Release Form so that we can obtain additional information on your behalf if necessary. You will also need to have your doctor complete a form, and your employer (in the case of a Disability claim).

There is a 1-year time limit for making a claim. Additionally, if Disability claim forms are received more than 90 days after your Total Disability begins, benefit payments will be paid from no earlier than 90 days prior to the date that claim forms were received.

Benefit decisions are provided in writing within 30 days of receiving the information required to make a decision. As soon as claims are approved, FCIC sends benefit payments directly to your lender on your behalf. In the event a claim is denied, FCIC will provide the reason for the denial in writing.

You can appeal FCIC's decision if the initial claim is denied by writing to the Claims Manager and providing additional information or documentation to support your position, which was not submitted with the original claim. Please see the Complaints section on our website for our full Complaints Handling Protocol.

CANCELLATION OF INSURANCE:

30-day no penalty cancellation period.

You may cancel your insurance coverage at any time during the term of the policy. You are entitled to a full refund of premium if cancellation is requested within 30 days of purchase. We require a "Termination of Coverage" form to be completed, which you can obtain from our office or from the dealership where the insurance was purchased. You can also use the Notice of Rescission of an Insurance Contract, which will be provided to you with your Certificate of Insurance.

Refunds are calculated using the following formula:

(Premium x "Rule of 78" x 80%) less any paid claims, less an administration fee of \$50 per coverage type.

The "Rule of 78" is an industry standard mathematical formula defined as:

$$\frac{(A-B) \times (A-B+1)}{A \times (A+1)}$$

where 'A' equals the term of insurance in months and 'B' equals months of insurance used.

Example: A customer purchased 84 months of Disability coverage at a cost of \$1500. The policy has been in force for 24 months when the customer decides it is no longer needed. No claims had ever been made under the policy.

In calculating this customer's refund, A = 84 and B = 24.

$$\text{Rule of 78} = \frac{(84-24) \times (84-24+1)}{84 \times (84+1)}$$

$$= \frac{(60 \times 61)}{84 \times 85}$$

$$= 3,660 / 7,140$$

$$= 0.51 \text{ (or 51\%)}$$

$$\text{Refund} = (\$1,500 \times 0.51 \times 0.8) - \$50$$

$$= 612 - 50$$

$$= \$562$$

For more information about cancelling your insurance, please contact FCIC's Cancellations department at 1-800-561-3242, email cancel@firstcanadian.ca, or see the "Termination of Coverage" and "Refund of Unearned Premium" sections of the Application and Certificate of Insurance.



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T8A 3X6
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780-467-9575
FAX: 780-467-4016
EMAIL: insurance@firstcanadian.ca

APPLICATION AND
CERTIFICATE OF INSURANCE

GENERAL INFORMATION

CUSTOMER Surname		First Name	Initial	Sex	Date of Birth
Address		Apt. No.	City	Province	
Postal Code	Home Phone	Work Phone	Customer Email		
CO-SIGNER Surname		First Name	Initial	Sex	Date of Birth
Address		Apt. No.	City	Province	
Postal Code	Home Phone	Work Phone	Co-Signer Email		

DEALERSHIP

DEALER #

FINANCE CONTRACT INFORMATION

FINANCIAL INSTITUTION	FINANCE CONTRACT DATE	
AMOUNT FINANCED	APR	BALLOON OR RESIDUAL PAYMENT
PAYMENT AMOUNT AND FREQUENCY	FINANCE CONTRACT TYPE (LOAN OR LEASE)	FINANCE CONTRACT TERM/AMORTIZATION PERIOD (IN MONTHS)
VIN	THIRD PARTY DETERMINATION: Check here if you are entering into the Finance Contract or purchasing this Certificate on behalf of a person who is not the Customer or Co-Signer. <input type="checkbox"/>	

ELECTION OF COVERAGE

LIFE AND DISMEMBERMENT INSURANCE MAXIMUM COVERAGE AGE 18 - 59 IS \$250,000* MAXIMUM TERM IS 120 MONTHS MAXIMUM COVERAGE AGE 60 - 69 IS \$100,000*		DISABILITY INSURANCE MAXIMUM COVERAGE AGE 18 - 65 IS \$3,000 PER MONTH MAXIMUM TERM IS 96 MONTHS - MUST BE PERMANENTLY EMPLOYED	
I elect the following coverage: <input type="checkbox"/> Customer only <input type="checkbox"/> Co-Signer only <input type="checkbox"/> Joint coverage <input type="checkbox"/> Dismemberment		I elect the following coverage: <input type="checkbox"/> Customer only <input type="checkbox"/> Co-Signer only <input type="checkbox"/> Joint coverage	
OR, having considered and understood the benefits offered, I decline life insurance: Customer initials _____ Co-Signer initials _____		OR, having considered and understood the benefits offered, I decline disability insurance: Customer initials _____ Co-Signer initials _____	
DECREASING BALANCE TERM LIFE INSURANCE COVERS THE AMOUNT FINANCED NOT INCLUDING THE END VALUE OR ANY PORTION OF THE END VALUE INSURANCE TERM (IN MONTHS) LIFE PREMIUM \$	END VALUE LIFE INSURANCE END VALUE INSURED \$ INSURANCE TERM (IN MONTHS) END VALUE LIFE PREMIUM \$	WAITING PERIOD (IN DAYS) <input type="checkbox"/> RETROACTIVE WAITING PERIOD <input type="checkbox"/> ELIMINATION WAITING PERIOD PARTIAL PAYMENT OPTION _____% (% of payment insured) INSURED MONTHLY PAYMENT \$ DISABILITY INSURANCE DOES NOT COVER THE END VALUE OR ANY PORTION OF THE END VALUE INSURANCE TERM (IN MONTHS) DISABILITY PREMIUM \$	TOTAL PREMIUM \$

MEDICAL QUESTIONS

These medical questions are to be answered by each Insured under this Certificate if, in the past six months, he or she has undergone any treatment or taken any medication for any illness, disease, or physical condition.

In the past five years, have you suffered from any of the following:

- Any illness or disorder of the heart, brain, lungs, kidney, liver, or pancreas (including diabetes)?
- Any disease or disorder of the back, neck, bones, or joints?
- Any cancer or tumour?
- Any unusual infection or immune system abnormality?
- Any mental health disorder (including depression or anxiety) or neurological disorder (including Parkinson's disease or motor neuron disease)?
- Any circulatory or vascular illness or disorder?

- | | | | |
|----|--|----|--|
| | Customer | | Co-Signer |
| 1. | <input type="checkbox"/> YES <input type="checkbox"/> NO | 1. | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 2. | <input type="checkbox"/> YES <input type="checkbox"/> NO | 2. | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 3. | <input type="checkbox"/> YES <input type="checkbox"/> NO | 3. | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 4. | <input type="checkbox"/> YES <input type="checkbox"/> NO | 4. | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 5. | <input type="checkbox"/> YES <input type="checkbox"/> NO | 5. | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 6. | <input type="checkbox"/> YES <input type="checkbox"/> NO | 6. | <input type="checkbox"/> YES <input type="checkbox"/> NO |

I certify that the responses to these medical questions are true and complete to the best of my knowledge. I acknowledge that this certificate contains a provision that excludes coverage for any Pre-existing Illness, Disease, or Physical Condition.

Signature required on second page

Customer initials _____ Co-Signer initials _____

I confirm that I have received all 4 pages of this Certificate.

Customer initials _____ Co-Signer initials _____

DISCLOSURE STATEMENT TO CUSTOMER

- A. You, as the Insured, are enrolled in a policy of group creditor insurance and this Certificate is evidence of that insurance. Insurance coverage under this Certificate will be provided by FCIC.
- B. The Dealership represents FCIC in arranging this insurance. The Dealership will receive a commission from FCIC in respect of this transaction. You are not obligated to purchase this Certificate or any further insurance or products from FCIC or the Dealership.
- C. All insurance benefits are subject to the terms, conditions, exclusions, and limitations contained in this certificate.
- D. **PRIVACY NOTICE:** FCIC collects personal information for the purposes of verifying your identity and personal background, evaluating insurance risk, setting premiums, marketing products to you, administering this insurance and investigating claims. A copy of this completed Certificate will be provided to your Financial Institution. All personal information received by FCIC will be retained at FCIC's head office at 320 Sioux Road in Sherwood Park, Alberta, for a period of time as required by law and in accordance with FCIC's Privacy Policy, which is available at www.firstcanadian.ca/privacy.htm. You can review your personal information by providing a request in writing to the attention of FCIC's Privacy Officer. Telephone calls to or from FCIC's head office may be recorded for quality assurance and training purposes.



CUSTOMER ACCEPTANCE AND APPROVAL

TO BE READ AND UNDERSTOOD BY THE CUSTOMER AND CO-SIGNER BEFORE SIGNING:

- A. I apply for the insurance set out in the election of coverage on page one of this Certificate. I have received a copy of this Certificate as evidence of that insurance.
- B. If I am applying for disability insurance, I confirm that I am Permanently Employed (as defined in section 1, "Definitions").
- C. I certify that the information I provided is true and complete, and I understand that any false or incomplete information provided by me in respect of this coverage may cause my insurance to be voided.
- D. I certify that I am in Good Health (as defined in section 1, "Definitions"), and I acknowledge that FCIC will rely on my certification that I am in Good Health in accepting my application for insurance. If I have made any fraudulent misrepresentations regarding my Good Health, FCIC has the right to void my insurance and retain all Premiums.
- E. I represent and warrant that the address I have provided on page one of this Certificate is accurate in all respects and that I will provide FCIC with notice of any change in my address. I acknowledge and agree that I will be deemed to have received any notice or other correspondence delivered by FCIC to the address I have provided on page one of this Certificate or to any other address that I notify FCIC is my then current address.
- F. In the event of my death, I authorize the release to FCIC of my medical records, including (but not limited to) a statement of benefits paid from a Provincial or Territorial health care provider.
- G. Insurance begins as of the Effective Date.
- H. If I have other insurance with FCIC, I understand that the Maximum Coverage limits apply the combined amount of insurance coverage provided by FCIC under all certificates of insurance covering the Insured.
- I. I know that coverage is voluntary and that I have 30 days from the Effective Date to cancel coverage for a full refund of the Premium.

I HAVE READ ALL OF THE INFORMATION CONTAINED IN THIS DOCUMENT. I CONFIRM THAT THE DEALERSHIP'S MANAGEMENT HAS REVIEWED THE MEDICAL QUESTIONS WITH ME AND HAS FULLY DISCLOSED THE TERMS AND CONDITIONS OF THIS CERTIFICATE, INCLUDING EXCLUSIONS OF COVERAGE FOR ANY PRE-EXISTING ILLNESS, DISEASE, OR PHYSICAL CONDITION, WHICH MAY LIMIT OR INVALIDATE MY CLAIM. I AM CURRENTLY IN GOOD HEALTH.

Please confirm ELECTION OF COVERAGE on page one is correct before signing.

X

Customer

Application Date

Please confirm ELECTION OF COVERAGE on page one is correct before signing.

X

Co-Signer

Application Date

THIS DOCUMENT MUST BE ENTIRELY AND LEGIBLY COMPLETED

1. DEFINITIONS

Unless otherwise defined in this Certificate, capitalized terms have the meaning indicated on pages one and two of this Certificate, subject to the Maximum Coverage and Maximum Term limits. The following words and phrases used in this Certificate have the meanings set out below:

"APR" stands for "Annual Percentage Rate", which means the cost of borrowing disclosed in the Finance Contract as indicated on page one of this Certificate.

"Certificate" means this application and certificate of insurance, including these terms and conditions.

"Disability Benefit" means, during a period of Total Disability, the least of the following amounts:

- the Insured Monthly Payment as indicated in the election of coverage on page one of this Certificate;
- the monthly amount required to amortize the Amount Financed assuming a standard amortization schedule over the Amortization Period of the Finance Contract; or
- the Maximum Coverage.

For greater certainty, the "Disability Benefit" does not include any accrued interest, overdue amounts, missed payments, skipped payments, or late payment charges, nor does it include the End Value or any portion of the End Value. Amortization schedules and present values shall be calculated using the APR.

"Dismemberment" means the complete severance of one arm or one leg at or above the wrist or ankle joint, or the complete and irrecoverable loss of the sight of one eye.

"Effective Date" means the later of (i) the Finance Contract Date set out in the finance contract information on page one of this Certificate, (ii) the date that funds are advanced by the Financial Institution under the Finance Contract, or (iii) the Application Date set out in the customer acceptance and approval on page two of this Certificate.

"End Value" means the net balance outstanding under the Finance Contract at the end of the Insurance Term including any Balloon or Residual Payment.

"End Value Insured" means the insured portion of the End Value as set out in the election of coverage on page one of this Certificate. If no End Value Insured is disclosed in the election of coverage on page one of this certificate, the End Value Insured is zero.

"FCIC" means First Canadian Insurance Corporation.

"Finance Contract" means the loan or lease agreement between the Financial Institution and the Insured as indicated on page one of this Certificate.

"Good Health" means the absence of any physical or mental condition or any reason to seek medical attention for any physical or mental condition that is likely to affect the Insured's life expectancy or future ability to work.

"Insured" means the Customer only, the Co-signer only, or the Customer and Co-signer jointly as set out in the election of coverage on page one of this Certificate, provided such person is eligible for coverage. The singular "Insured" includes the plural "Insureds" if there is more than one Insured. "I", "me", "my", "you", and "your" refer to the Insured.

"Life Benefit" means, on the date of death or Dismemberment, the lesser of the following amounts, subject to reduction as provided in this definition:

- (i) if the Finance Contract is a loan, the net balance outstanding, or (ii) if the Finance Contract is a lease, the present value of the payments remaining due during the Insurance Term plus the present value of any End Value outstanding; and
- the amortized Amount Financed assuming a standard amortization schedule over the Amortization Period of the Finance Contract.

The "Life Benefit" shall be reduced by the present value on the date of death or Dismemberment of the amount, if any, by which the End Value exceeded the End Value Insured on the Effective Date. If the Amount Financed exceeds the Maximum Coverage, the "Life Benefit" shall be calculated as though the Amount Financed were equal to the Maximum Coverage.

For greater certainty, the "Life Benefit" does not include any End Value in excess of the End Value Insured, accrued interest, overdue amounts, missed payments, skipped payments, or late payment charges. Amortization schedules and present values shall be calculated using the APR.

"Maximum Coverage" means the following amounts:

- with respect to the combined amount of life and Dismemberment insurance coverage provided by FCIC under all certificates of insurance covering the Insured,
 - \$250,000 if the Insured's age on the Effective Date is 18 years or older, but not yet 60 years; or
 - \$100,000 if the Insured's age on the Effective Date is 60 years or older, but not yet 70 years; and
- with respect to the combined amount of disability insurance coverage provided by FCIC under all certificates of insurance covering the Insured, \$3,000 per month.

"Maximum Term" means the following maximum terms of coverage:

- with respect to life and Dismemberment insurance coverage, 120 months from the Effective Date; or
- with respect to disability insurance coverage, 96 months from the Effective Date.

"Natural Person" means one living person, and excludes a corporate body, association, or partnership.

"Permanently Employed" describes a Natural Person who is actively employed in an occupation that generates taxed income (to the extent that income must be reported to the Canada Revenue Agency) and meets the following conditions:

- in all cases other than Seasonal Employment, the person must work a minimum of 25 hours per week during each of the following periods:
 - the 30 days immediately before the Effective Date and the 30 days immediately before the onset of the Total Disability; and
 - any 20 weeks in both the year immediately before the Effective Date and the year immediately before the onset of the Total Disability; or
- in the case of Seasonal Employment, the person must work a minimum of 25 hours per week for at least 13 consecutive weeks in both the year immediately before the Effective Date and the year immediately before the onset of the Total Disability.

"Pre-existing Illness, Disease, or Physical Condition" means any illness, disease, or physical condition for which any medical advice, treatment, service, prescribed medication, diagnosis, or consultation (including consultation to

investigate or diagnose where a diagnosis has not yet been made) was obtained or recommended, that the Insured was waiting to obtain, or that a prudent person would have sought during the six month period immediately before the Effective Date. An illness, disease, or physical condition is a "Pre-existing Illness, Disease, or Physical Condition" irrespective of whether it was disclosed by the Insured in any application for insurance or any verbal declaration to any party.

"Premium" means the Total Premium stated in the election of coverage on page one of this Certificate as calculated using the appropriate table issued by FCIC.

"Seasonal Employment" means employment in an industry in which the practice is to regularly layoff or terminate employees and call them back to work during specific, identifiable, and predictable periods of time each calendar year due to seasonal changes in the weather or due to other natural factors that limit the availability of work. For clarity, Seasonal Employment does not include work stoppages caused by unanticipated factors such as work shortages, plant shutdowns, or labour disputes.

"Specialist" means a medical doctor who is registered as a medical or surgical specialist, is in good standing, is licensed in and practicing in Canada, and is not the Insured or related to the Insured.

"Total Disability" means a medically determinable illness, disease, or physical condition that prevents the Insured from performing the duties of his or her occupation for remuneration or profit and that is subject to the regular and periodic care of an independent physician. Lack of work in the field in which you have training, education, or experience does not qualify as having a "Total Disability" or entitle you to Disability Benefits.

"Waiting Period" means the number of consecutive days following the date that your Total Disability commenced after which Disability Benefits become payable as set out in the election of coverage on page one of this Certificate.

The sections and headings used in this Certificate are used for convenience only and do not in any way affect the meaning of the language in this Certificate or its scope or intent.

2. PREMIUMS

The insurance coverage provided by this Certificate shall not take effect unless the Premium is stated in the election of coverage on page one of this Certificate and has been paid to FCIC. If the Premium is advanced as part of the Finance Contract, the Premium is deemed to have been paid to FCIC on the Effective Date.

3. ELIGIBILITY OF PERSONS COVERED

The Insured shall be eligible for insurance coverage only if on the Effective Date he or she is a Natural Person, is in Good Health, has entered into a Finance Contract, and has completed the election of coverage on page one of this Certificate.

In the case of life insurance coverage, the Insured's age on the Effective Date must be 18 years or older, but not yet 70 years.

In the case of disability insurance coverage, the Insured's age on the Effective Date must be 18 years or older, but not yet 66 years, and the Insured must be Permanently Employed at the Effective Date.

If Premium is collected from an ineligible person, FCIC's liability shall be limited to the return of Premium.

4. LIFE AND DISMEMBERMENT COVERAGE

If life insurance coverage is elected, FCIC shall pay the Life Benefit as at the date of death of the Insured. If Dismemberment insurance coverage is elected, FCIC shall pay the Life Benefit as at the date of Dismemberment of the Insured.

The Life Benefit is limited to the Maximum Coverage. If the Insured is covered by FCIC under more than one certificate of insurance, the Life Benefit shall be reduced such that the combined amount payable by FCIC upon the death or Dismemberment of the Insured under all certificates of insurance does not exceed the Maximum Coverage.

If the deaths or Dismemberments of the Customer and Co-signer covered jointly by this Certificate occur simultaneously, FCIC shall pay only a single amount equal to the Life Benefit.

Your Life Benefit may not cover the Amount Financed. For example, if the Amount Financed under the Finance Contract is greater than the Maximum Coverage, or if the Finance Contract Term is greater than the Insurance Term, then the Life Benefit may not fully cover your obligations under the Finance Contract.

5. DISABILITY COVERAGE

If disability insurance coverage is elected, FCIC shall pay the Disability Benefit for the period during which the Insured has a continuous Total Disability that exists longer than the Waiting Period. To be eligible for Disability Benefits, the Insured must be Permanently Employed at the onset of any Total Disability.

If you selected a Retroactive Waiting Period, payment will be calculated from the first day of Total Disability. If you selected an Elimination Waiting Period, payment will be calculated from the day following the Waiting Period. After the Waiting Period, successive periods of Total Disability caused by the same sickness or injury separated by less than one month of continuous employment are considered a continuation of the same period of Total Disability and are not subject to a new Waiting Period.

Disability Benefits are limited to the Maximum Coverage and Maximum Term. If the Insured is covered by FCIC under more than one certificate of insurance, the Disability Benefit shall be reduced such that the combined amount payable by FCIC during the period of Total Disability under all certificates of insurance does not exceed the Maximum Coverage.

In the event that the Customer and Co-signer covered by this Certificate have a Total Disability at the same time, FCIC shall pay only a single amount equal to the Disability Benefit.

Your Disability Benefits may not cover the Amount Financed. For example, if the Amount Financed under the Finance Contract is greater than the Maximum Coverage, or if the Finance Contract Term is greater than the Insurance Term, or if the Partial Payment Option has been elected, then the Disability Benefit may not fully cover your obligations under the Finance Contract. Disability insurance does not cover the End Value or any portion of the End Value and the Insured remains solely responsible for this amount.

Should an amount be payable for a period shorter than one month, the Disability Benefit will be pro-rated.

6. EXCLUSIONS AND LIMITATIONS

Exclusions

FCIC shall have no liability (except to refund unearned premiums) if the Insured is not eligible for insurance or if the death, Dismemberment, or Total Disability results from or is caused or contributed to, directly or indirectly, by any of the following:

- (a) a Pre-existing Illness, Disease, or Physical Condition;
- (b) cosmetic or elected surgery, including complications arising from the surgery, whether occurring prior to or after the Effective Date;
- (c) war or any act of war, whether declared or not;
- (d) an act of terrorism;
- (e) suicide or an intentionally self-inflicted injury, whether the Insured is sane or insane;
- (f) operation of a motorized vehicle while impaired by drugs or alcohol beyond the legal limit;
- (g) participation in a criminal act, including impaired driving and the illegal use of drugs;
- (h) illness, disease, or death resulting from alcohol or drug use (except the use of drugs legally prescribed by a licensed physician and used in the prescribed dosage and according to the licensed physician's and licensed pharmacist's instructions); or
- (i) Human Immunodeficiency Virus (HIV or AIDS) or related condition which first manifested itself or was diagnosed prior to the Effective Date of this Certificate.

FCIC shall have no liability if the Total Disability results from or is caused or contributed to, directly or indirectly, by pregnancy, childbirth, or termination of pregnancy.

Limitations

- (j) After a Total Disability exceeds 12 consecutive months, Disability Benefits shall not be paid unless the illness, disease, or physical condition (i) prevents the Insured from performing the duties of any occupation for remuneration or profit within the range of his or her education, training, or experience, and (ii) is subject to the ongoing regular and periodic care of an independent physician.
- (k) In the case of one or more Total Disabilities that result from or are caused or contributed to, directly or indirectly, by nervous, mental, psychological, or psychiatric conditions, including (but not limited to) stress, anxiety, depression, and bi-polar disorders, Disability Benefits are limited to six months. For greater certainty, under no circumstances will more than six monthly Disability Benefit payments be made in aggregate for the full Insurance Term in respect of one or more Total Disabilities resulting from the foregoing.
- (l) In the case of one or more Total Disabilities that result from or are caused or contributed to, directly or indirectly, by disease or disorder of the neck or back, including (but not limited to) the lumbar, thoracic, or cervical spine, Disability Benefits are limited to two months unless you are under the care of a licensed Specialist such as a neurologist, neurosurgeon, physiatrist, orthopaedic surgeon, or a rheumatologist. For greater certainty, under no circumstances will more than two monthly Disability Benefit payments be made in aggregate for the full Insurance Term in respect of one or more Total Disabilities resulting from the foregoing if you are not under the care of one of the foregoing licensed Specialists.

7. TERMINATION OF COVERAGE

Coverage under this Certificate shall terminate on the earliest of the following:

- (a) the date that FCIC mails a written notification to you that this application for insurance is declined;
- (b) with respect to a particular type of coverage, upon completion of the Insurance Term as stated in the election of coverage on page one of this Certificate;
- (c) with respect to a particular type of coverage, upon completion of the applicable Maximum Term;
- (d) upon completion of the Finance Contract Term as stated on page one of this Certificate;
- (e) the date the Finance Contract is fully discharged, rewritten, or revised unless otherwise approved by FCIC;

- (f) the date that any property provided as security under the Finance Contract is sold, repossessed, or becomes subject to a court order or bankruptcy proceeding;
- (g) the date FCIC receives from the Customer and Co-signer, if any, written notice to terminate coverage, except that in the event such notice is received within 30 days of the Effective Date, coverage shall be deemed not to have been in effect;
- (h) in the case of disability insurance only, the date you retire;
- (i) upon FCIC's payment of the Life Benefit; or
- (j) upon the eldest Insured reaching age 73.

The Insured has no conversion privileges or other rights upon termination of coverage.

8. REFUND OF UNEARNED PREMIUMS

On termination of coverage, the Insured may apply for a refund of the unearned premium by providing notice in writing to FCIC. Within 30 days of the receipt of such notice, FCIC shall pay the appropriate refund to the Financial Institution, or if the Finance Contract is fully discharged, to the Insured.

The refund will be calculated either on the effective date of the termination of coverage or 90 days before the date you requested a refund, whichever is later. The refund amount **will not** be calculated pro-rata, but will be calculated as follows: (Premium x "Rule of 78" x 80%) less any paid claims, less an administration fee of \$50 per coverage type. The "Rule of 78" is an industry-standard mathematical formula used to calculate unearned premium as follows:

$$\frac{(A-B) \times (A-B+1)}{A \times (A+1)}$$

where
 "A" equals the Insurance Term in months; and
 "B" equals the number of expired months of coverage.

The Insured is entitled to a full refund of Premium if requested within 30 days of the Effective Date. FCIC will provide a refund table to the insured upon request.

9. CLAIMS

Written notice of claim shall be submitted to FCIC within 30 days of the event giving rise to the claim. Claim forms are available from FCIC by telephoning 1-800-561-3242, by emailing insurance@firstcanadian.ca, or by writing to the address indicated on page one of this Certificate. The expense of providing the proof of claim shall be borne by the Insured.

Life and Dismemberment Claims

In the case of death or Dismemberment, proof of claim must be received within one year after the event giving rise to the claim.

In verifying any claim in respect of the death or Dismemberment of an Insured, FCIC shall be entitled to receive satisfactory proof of the date of birth, proof of death or Dismemberment and the circumstances causing or contributing to the death or Dismemberment, and proof from the Financial Institution that the Finance Contract had not been paid out, re-written, or revised before the death or Dismemberment.

Disability Claims

In the case of Total Disability, proof of claim must be submitted promptly. If proof of claim is received more than 90 days after the event giving rise to the claim, Disability Benefits will be calculated from no earlier than 90 days prior to the date that proof of claim was received. In no event shall a proof of claim be considered valid when submitted more than one year after the event giving rise to the claim.

In verifying any claim in respect of the Total Disability of the Insured, FCIC shall be entitled to receive satisfactory proof of the date of birth, proof of the Total Disability and the circumstances causing or contributing to the Total Disability, a detailed statement of the treatment prescribed in respect of the Total Disability, satisfactory proof from time to time of the continuation of the Total Disability, proof from the Financial Institution that the Finance Contract had not been paid out, re-written, or revised before or during any period of Total Disability, and income tax returns and notices of assessment from the Canada Revenue Agency to verify that you were Permanently Employed and had a Total Disability at all relevant times. FCIC, at its own expense, shall have the right and opportunity to have the Insured examined from time to time with respect to the Total Disability by a physician chosen by FCIC. The expense of providing periodic medical updates shall be borne by the Insured.

In every case, the claim payment shall be made to the Financial Institution and shall completely discharge FCIC's liability under this Certificate with respect to a life or Dismemberment claim or with respect to the applicable period of a Total Disability. Disability Benefits shall be paid monthly in arrears on receipt of the necessary forms.

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 *Insurance Act*.

10. DISPUTES

The parties agree to attempt to resolve any dispute, claim, or controversy arising out of or relating to this Certificate or any claim under this Certificate through mediation, which shall be conducted by the OmbudService for Life & Health Insurance. The parties further agree that their respective good faith participation in mediation is a condition precedent to pursuing any other available legal or equitable remedy, including litigation, arbitration, or other dispute resolution procedures.

Questions about refunds, transfer of coverage, or claims may be asked by telephoning 1-800-561-3242, by emailing insurance@firstcanadian.ca, or by writing to the address indicated on page one of this Certificate.



320 Sioux Road, Sherwood Park, Alberta T8A 3X6

- **Toll Free:** 1-800-561-3242 • **Local:** 780-467-9575 • **Fax:** 780-467-4016
- **Email:** insurance@firstcanadian.ca • **AMF License #:** 12007

More information about our obligations to you can be found on the
Autorité des marchés financiers' website: www.lautorite.qc.ca