

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



PRODUCT SUMMARY - FC First Rate Credit Life & Disability Insurance

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 Covered" section of the Application and Certificate of Insurance for full eligibility requirements.

WHAT ARE THE BENEFITS?

Life Insurance

- Designed to protect your estate by reducing or eliminating the balance remaining on your loan or lease if you die before you have paid it back in full.
- Customize your plan:
 - ✓ Customer only, Co-Signer only and Joint coverage plans available
 - ✓ Choose between:
- Accidental Life Insurance - pays up to \$50,000 off your insured loan or lease in the event of your **Accidental Death**.
- Enhanced Life Insurance - pays up to \$50,000 off your insured loan or lease in the event of your death (whether the cause is accidental or not).
 - ✓ Choose the **Maximum Benefit** that best suits your needs (10 coverage levels available ranging from \$5,000 to \$50,000).

Disability Insurance

- Designed to protect you and your family by covering a portion or all of your regular loan or lease payment while you are sick or hurt and cannot work.
- Customize your plan:
 - ✓ Customer only, Co-Signer only and Joint coverage plans available
 - ✓ Choose between:
- Accidental Disability Insurance - makes up to 12 benefit payments against your insured loan or lease if you become **Accidentally Disabled** and cannot work.
- Enhanced Disability Insurance - makes up to 12 benefit payments against your insured loan or lease if you become **Totally Disabled** and cannot work.
 - ✓ Choose the **Maximum Benefit** that best suits your needs (10 coverage levels available ranging from \$100/mth to \$1,000/mth).

WHAT DOES IT COST?

Age, gender, health and occupation do not affect your insurance premium. Coverage plans are provided at a fixed, flat-rate cost as outlined in the following tables. Premium 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.

	Enhanced Life	Enhanced Disability
	Maximum Benefit of \$5,000	Max. Benefit of \$100/mth up to 12 mths
Single	\$500	\$300
Joint	\$750	\$350
	Maximum Benefit of \$10,000	Max. Benefit of \$200/mth up to 12 mths
Single	\$800	\$500
Joint	\$1,200	\$750
	Maximum Benefit of \$15,000	Max. Benefit of \$300/mth up to 12 mths
Single	\$1,000	\$900
Joint	\$1,500	\$1,350
	Maximum Benefit of \$20,000	Max. Benefit of \$400/mth up to 12 mths
Single	\$1,200	\$1,200
Joint	\$1,800	\$1,800
	Maximum Benefit of \$25,000	Max. Benefit of \$500/mth up to 12 mths
Single	\$1,500	\$1,500
Joint	\$2,250	\$2,250
	Maximum Benefit of \$30,000	Max. Benefit of \$600/mth up to 12 mths
Single	\$1,800	\$1,800
Joint	\$2,700	\$2,700
	Maximum Benefit of \$35,000	Max. Benefit of \$700/mth up to 12 mths
Single	\$2,100	\$2,100
Joint	\$3,150	\$3,150
	Maximum Benefit of \$40,000	Max. Benefit of \$800/mth up to 12 mths
Single	\$2,400	\$2,400
Joint	\$3,600	\$3,600
	Maximum Benefit of \$45,000	Max. Benefit of \$900/mth up to 12 mths
Single	\$2,700	\$2,700
Joint	\$4,050	\$4,050
	Maximum Benefit of \$50,000	Max. Benefit of \$1000/mth up to 12 mths
Single	\$3,000	\$3,000
Joint	\$4,500	\$4,500

	Accidental Life	Accidental Disability
	Maximum Benefit of \$5,000	Max. Benefit of \$100/mth up to 12 mths
Single	\$300	\$200
Joint	\$450	\$300
	Maximum Benefit of \$10,000	Max. Benefit of \$200/mth up to 12 mths
Single	\$500	\$400
Joint	\$750	\$600
	Maximum Benefit of \$15,000	Max. Benefit of \$300/mth up to 12 mths
Single	\$700	\$700
Joint	\$1,050	\$1,050
	Maximum Benefit of \$20,000	Max. Benefit of \$400/mth up to 12 mths
Single	\$900	\$900
Joint	\$1,350	\$1,350
	Maximum Benefit of \$25,000	Max. Benefit of \$500/mth up to 12 mths
Single	\$1,125	\$1,125
Joint	\$1,688	\$1,688
	Maximum Benefit of \$30,000	Max. Benefit of \$600/mth up to 12 mths
Single	\$1,350	\$1,350
Joint	\$2,025	\$2,025
	Maximum Benefit of \$35,000	Max. Benefit of \$700/mth up to 12 mths
Single	\$1,575	\$1,575
Joint	\$2,363	\$2,363
	Maximum Benefit of \$40,000	Max. Benefit of \$800/mth up to 12 mths
Single	\$1,800	\$1,800
Joint	\$2,700	\$2,700
	Maximum Benefit of \$45,000	Max. Benefit of \$900/mth up to 12 mths
Single	\$2,025	\$2,025
Joint	\$3,038	\$3,038
	Maximum Benefit of \$50,000	Max. Benefit of \$1000/mth up to 12 mths
Single	\$2,250	\$2,250
Joint	\$3,375	\$3,375

GOOD TO KNOW:

- This insurance provides coverage for the term or your loan or lease to a maximum of 96 months.
- Your insurance will terminate at the expiry of the insurance term, or upon the eldest insured's 73rd birthday, even if you have not repaid your loan or lease in full.
- For Accidental & Enhanced Life Insurance, the highest coverage level available to you is the Maximum Benefit level in to which your amount financed falls. Benefits may not fully cover your obligations under the finance or lease contract if you choose a Maximum Benefit level that is less than your amount financed.
Example: If your amount financed is \$32,000, you can choose a Maximum Benefit level of \$35,000 or any of the lesser Maximum Benefit levels.
- For Accidental & Enhanced Disability Insurance, The highest level available to you is the Maximum Benefit level in to which your monthly loan or lease payment falls. Benefits may not fully cover your obligations under the finance or lease contract if you choose a Maximum Benefit level that is less than your monthly loan or lease payment.
Example: If your monthly loan payment is \$650/month, you can choose a Maximum Benefit level of \$700/month or any of the lesser Maximum Benefit levels.

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 claims resulting from any of the following:

- A **Pre-Existing Illness, Disease, or Physical Condition** occurring within the first 24 months of coverage
- Any surgery scheduled before purchasing this coverage
- Cosmetic or elected surgery
- War or any act of war
- An act of terrorism
- Any pandemic-like outbreak
- Suicide or an intentionally self-inflicted injury (exceptions made for medically assisted suicide)
- Operation of a motor vehicle while impaired beyond the legal limit
- Participation in a criminal act
- Intentional taking of a poisonous gas or substance
- Illness, disease, or death resulting from un-prescribed alcohol or drug use
- Problem or compulsive gambling
- HIV or AIDS
- Travel in or descent from any kind of aircraft (except as a passenger on a commercial flight)
- Not following reasonable medical treatment as prescribed by your physician
- **Accidental Disability** or **Total Disability** resulting from pregnancy, childbirth, or termination of pregnancy

Limitations:

- No more than 12 benefit payments will be made in total for the full term of your policy for disability claims.
- If you choose Enhanced Disability Insurance, no more than 6 benefit payments will be made in total for the full term of your policy for claims resulting from nervous, mental, psychological, or psychiatric conditions. These types of conditions do not qualify for benefits under Accidental Disability Insurance.
- 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**.

MAKING A CLAIM To get 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 **Accidental Disability** or **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.

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.

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 Enhanced Disability Insurance with a Maximum Benefit of \$700/month at a cost of \$2,100. 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.

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

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

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

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

$$\text{Refund} = (\$2,100 \times 0.51 \times 0.8) - \$50$$

$$= 856.80 - 50$$

$$= \$806.80$$

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.