

PRODUCT SUMMARY

FC First Rate Credit Life & Disability Insurance, Form F9201QE



Offered by:



Questions? Concerns? Contact FCIC:

320 Sioux Road, Sherwood Park, Alberta T8A 3X6

- **Toll Free:** 1-800-561-3242
- **Local:** 780-467-9575
- **Email:** insurance@firstcanadian.ca
- **AMF License #:** 2000737570

Offered through the following distributor:

Place label for Distributor here:

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

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 18 years or older, but not yet 70, and
- you don't want your family to worry about a debt in the event of your death.

Disability Insurance

- you have financed or leased a vehicle,
- you are 18 years or older, but not yet 66, and
- you are permanently employed, 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.

WARNING: In accepting your application for insurance, FCIC relies on your certification that you do not have any ***Pre-existing Illness, Disease, or Physical Condition*** that is likely to affect your life expectancy or future ability to work. If you need to place a claim, FCIC will review your eligibility and if you have made any fraudulent misrepresentations regarding your health, FCIC has the right to void your insurance and retain all premiums. If you are uncertain about how your current health situation might affect your eligibility, please contact FCIC at 1-800-561-3242 to speak to one of our representatives.

WHAT ARE THE BENEFITS?

Life Insurance

- Designed to protect your estate by reducing or eliminating the remaining balance of 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 \$120,000 of your insured loan or lease in the event of your ***Accidental Death***.
 - Enhanced Life Insurance - pays up to \$120,000 of 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 (coverage levels available ranging from \$5,000 to \$120,000).

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 towards your insured loan or lease if you become ***Accidentally Disabled*** and cannot work.
 - Enhanced Disability Insurance - makes up to 12 benefit payments towards your insured loan or lease if you become ***Totally Disabled*** and cannot work.
 - ✓ Choose the ***Maximum Benefit*** that best suits your needs (coverage levels available ranging from \$100/mth to \$2,500/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. Your selling dealership will provide pricing should you wish to compare coverage levels. Premium is added to the principal amount of your loan or lease, so your regular monthly payment amount includes your premium. Applicable provincial sales tax on insurance premiums will be added to the cost of your insurance.

GOOD TO KNOW:

- This insurance provides coverage for the term of 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.
- Coverage has a 30 day elimination waiting period. Benefits will be calculated from the first day after the waiting period.
- For Accidental & Enhanced Life Insurance, the highest coverage level available to you is the **Maximum Benefit** level in 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 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 occurring within the first 24 months of coverage (exceptions made for medical assistance in dying);
- An intentionally self-inflicted injury.
- 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 a doctor;
- **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 **Specialist**.

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 3-year time limit for making a life insurance claim, and a 1-year time limit for making a disability insurance 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. 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 is included at the back of this booklet.

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:

$$((A-B) \times (A-B+1)) / (A \times (A+1))$$

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.

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

$$= (60 \times 61) / (84 \times 85)$$

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

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

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

$$= 856.80 - 50$$

$$= \$806.80$$

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.

DISCLOSURE STATEMENT TO CUSTOMER

- A. With respect to the coverage provided hereunder, if we accept this application, you will be enrolled in a policy of group insurance and this Certificate is evidence of that coverage. All coverage under this Certificate will be provided by FCIC.
- B. The Dealership represents FCIC in arranging this coverage. 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 Benefits (as defined in section 1, "Definitions") are subject to the terms, conditions, exclusions, and limitations contained in this Certificate.
- D. **This Certificate may not cover the Amount Financed. In no circumstance will FCIC's obligation to you exceed the Maximum Benefit (as defined in section 1, "Definitions") elected and coverage will be reduced to ensure that such threshold is not exceeded in any circumstance.**
- E. **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 coverage 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 only as long as is necessary to fulfill the purposes for which it was collected, in accordance with FCIC's Privacy Policy, which is available at home.firstcanadian.ca/privacy-policy/, or as otherwise required or permitted by law. 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 coverage set out in the Election of Coverage. I have received a copy of this Certificate as evidence of that coverage.
- B. If I am applying for Accidental Disability Insurance or Enhanced 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 coverage to be voided.
- D. I represent and warrant that I do not have any Pre-existing Illness, Disease, or Physical Condition (as defined in section 1, "Definitions") that is likely to affect my life expectancy or future ability to work. I acknowledge that FCIC will rely on this representation and warranty in accepting my application for coverage. FCIC will review my eligibility for insurance at the time of claim, and if I have made any fraudulent misrepresentations regarding my health on the Application Date, FCIC has the right to void my coverage and retain all of the Premium (as defined in section 1, "Definitions").
- E. I represent and warrant that the address and email address I have provided on page one of this Certificate are accurate in all respects and that I will provide FCIC with notice of any change in my address or email address. I acknowledge and agree that I will be deemed to have received any notice, documents or other communications delivered by FCIC to the address or email address, as applicable, I have provided on page one of this Certificate or to any other address or email address that I notify FCIC is my then current address or email 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. Coverage begins as of the Effective Date (as defined in section 1, "Definitions").
- H. If I have other coverage with FCIC, I understand the Maximum Coverage (as defined in section 1, "Definitions") limits apply to the combined amounts of coverage provided by FCIC under all certificates of creditor group insurance covering me.
- I. I have read the Privacy Notice on page two of this Certificate and consent to the collection, use and disclosure of my personal information in accordance therewith.
- J. I understand 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 understand that if I cancel coverage within such 30 day period, coverage will be deemed not to have been in effect.
- K. I have been offered the option to purchase all types and levels of coverage offered by this Certificate, as outlined in the Election of Coverage, and have willingly chosen the coverage elected on page one of this Certificate.
- L. I consent to receiving any notices, documents and other communications to be delivered, given or provided by FCIC in connection with this Certificate electronically, at the email address provided by me on page one of this Certificate, subject to limitations set out in applicable law. I acknowledge that I may withdraw this consent at any time by providing notice in writing to FCIC using FCIC's address or email address set out on page one of this Certificate.
- M. I have expressly requested this Certificate as well as any related communications, documents and notices to be drafted in English. J'ai expressément requis que le présent Certificat, ainsi que toute communication, tout document et tout avis en lien avec ce dernier, me soient transmis en anglais.

I HAVE READ ALL OF THE INFORMATION CONTAINED IN THIS CERTIFICATE. I CONFIRM THAT THE DEALERSHIP'S MANAGEMENT HAS FULLY DISCLOSED THE TERMS AND CONDITIONS OF THIS CERTIFICATE, INCLUDING EXCLUSIONS OF COVERAGE FOR ANY PRE-EXISTING ILLNESS, DISEASE, OR PHYSICAL CONDITION WITHIN 24 MONTHS OF THE EFFECTIVE DATE, WHICH MAY LIMIT OR INVALIDATE MY CLAIM.

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 CERTIFICATE MUST BE ENTIRELY AND LEGIBLY COMPLETED

1. DEFINITIONS

Unless otherwise defined in this Certificate, capitalized terms used in this Certificate have the meaning indicated on page one or as set out below:

"Accident" means an unforeseeable, external, sudden, violent, and unintentional cause or event, independent of any Pre-Existing Illness, Disease, or Physical Condition, or any illness, disease, or physical condition that occurs while this Certificate is in force.

"Accidental Death" means death that occurs after the Effective Date directly and solely due to an Accident, provided that death occurs within 365 days of the date of such Accident but, for greater certainty, prior to termination of coverage under this Certificate.

"Accidental Disability" means a bodily injury that occurs after the Effective Date and prior to termination of coverage under this Certificate directly and solely due to an Accident, provided such bodily injury prevents you from performing the duties of your occupation for remuneration or profit and is subject to the regular and periodic care of an independent physician. Lack of work, or a significant reduction in work, in the field in which you have training, education or experience, including, but not limited to, as a result of increased automation, does not qualify as having an **"Accidental Disability"** or entitle you to Disability Benefits.

"APR" stands for "Annual Percentage Rate", which means the cost of borrowing disclosed in the Finance Contract.

"Benefits" means, subject to the elections made in the Election of Coverage, collectively, the Disability Benefit and the Life Benefit.

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

"Civil Code" means the *Civil Code of Québec*, as amended.

"Disability Benefit" means, during a period of Accidental Disability or Total Disability, the lesser of the following amounts:

- the Insured Monthly Payment as indicated in the Election of Coverage;
- the monthly amount required to amortize the Amount Financed assuming a standard amortization schedule over the Amortization Period of the Finance Contract;
- the Maximum Benefit; 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 will be calculated using the APR.

"Effective Date" means the later of: (a) the Finance Contract Date; (b) the date that funds are advanced by the Financial Institution under the Finance Contract; or (c) the Application Date.

"Eligible Event" means, subject to the elections made in the Election of Coverage, the occurrence of one or more of the following: Accidental Death, death, Accidental Disability, and Total Disability.

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

"FCIC" means First Canadian Insurance Corporation.

"Finance Contract" means the loan or lease agreement between the Financial Institution and the Customer or Co-Signer, or both, as the case may be, pursuant to which the Vehicle and associated products, including, but not limited to, extended warranties or additional insurance, if any, as well as any taxes and fees associated with any of the foregoing, were financed for the Amount Financed.

"Insurance Term" means the Finance Contract Term, to a maximum of 96 months from the Effective Date.

"Insured" means the Customer only, the Co-Signer only, or the Customer and Co-Signer jointly, as set out in the Election of Coverage, 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. For clarity, Customer and Co-Signer designations in this Certificate will be independent of, and may not match, any comparable designation in the Finance Contract.

"Life Benefit" means, on the date of Accidental Death or death, the lesser of the following amounts:

- (i) if the Finance Contract is a loan, the net balance outstanding, including any End Value, 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;
- the amortized Amount Financed assuming a standard amortization schedule over the Amortization Period of the Finance Contract;
- the Maximum Benefit; or
- the Maximum Coverage.

For greater certainty, the **"Life Benefit"** does not include any accrued interest, overdue amounts, missed payments, skipped payments, or late payment charges. Amortization schedules and present values will be calculated using the APR.

"Maximum Benefit" means the maximum amount that FCIC is liable for under each type of coverage elected by you, as set out in the Election of Coverage.

"Maximum Coverage" means the following amounts:

- with respect to the combined amount of life insurance coverage provided by FCIC (including accidental life insurance coverage) under all certificates of creditor group insurance covering you;

- (i) \$250,000 if on the Effective Date you are 18 years of age or older, but not yet 60 years of age, or
 - (ii) \$150,000 if on the Effective Date you are 60 years of age or older, but not yet 70 years of age; and
- (b) with respect to the combined amount of disability insurance coverage provided by FCIC (including accidental disability insurance coverage) under all certificates of creditor group insurance covering you, \$3,000 per month.

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

“**Permanently Employed**” means the active employment of a Natural Person 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:

- (a) in all cases other than Seasonal Employment, the person must work a minimum of 25 hours per week during each of the following periods, and must have paid employment insurance premiums in connection with the work performed during such periods:
 - (i) the 30 days immediately before the Effective Date and the 30 days immediately before the onset of the Accidental Disability or Total Disability; and
 - (ii) any 20 weeks in both the year immediately before the Effective Date and the year immediately before the onset of the Accidental Disability or Total Disability; or
- (b) 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 Accidental Disability or Total Disability and must have paid employment insurance premiums in connection with the work performed during such periods.

“**Pre-existing Illness, Disease, or Physical Condition**” means any illness, disease, or physical or mental 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 you were 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 you in any application for coverage or any verbal declaration to any party.

“**Premium**” means the Total Premium stated in the Election of Coverage.

“**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 certified in a medical or surgical specialty, is in good standing, is licensed in and practicing in Canada, and is not you or related to you.

“**Total Disability**” means a medically determinable illness, disease, or physical condition that prevents you from performing the duties of your occupation for remuneration or profit, that is subject to the regular and periodic care of an independent physician, and that occurs prior to termination of coverage under this Certificate. Lack of work, or a significant reduction in work, in the field in which you have training, education or experience, including, but not limited to, as a result of increased automation, does not qualify as having a “**Total Disability**” or entitle you to Disability Benefits.

“**Vehicle**” means the vehicle to which the Finance Contract applies.

“**Waiting Period**” means the consecutive 30 day period following the date that your Accidental Disability or Total Disability commenced after which Disability Benefits become payable.

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. PREMIUM

The coverage provided by this Certificate will not take effect unless the Premium is stated in the Election of Coverage 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

You will be eligible for coverage only if on the Effective Date you are a Natural Person, have entered into a Finance Contract, have completed the Election of Coverage, and do not have any Pre-existing Illness, Disease, or Physical Condition that is likely to affect your life expectancy or future ability to work. For greater certainty, the Insured may include a guarantor of the Finance Contract, so long as such guarantor is a Natural Person, is a party to the Finance Contract and is otherwise eligible for coverage.

In the case of both Accidental Life Insurance and Enhanced Life Insurance, on the Effective Date you must be 18 years of age or older, but not yet 70 years of age.

In the case of both Accidental Disability Insurance and Enhanced Disability Insurance, on the Effective Date: (a) you must be 18 years of age or older, but not yet 66 years of age, and (b) you must be Permanently Employed.

If a portion of the Premium is collected from an ineligible person, FCIC’s liability will be limited to the return of such portion of the Premium (subject to Section D of the Customer Acceptance and Approval on page two of this Certificate).

4. COVERAGE ELECTED

4.1 Life Insurance

4.1.1 Accidental Life Insurance

If Accidental Life Insurance is elected, FCIC will pay the Life Benefit as at the date of your Accidental Death.

If the Accidental Deaths of the Customer and Co-Signer covered jointly by this Certificate occur simultaneously, FCIC will pay only a single amount equal to the Life Benefit.

4.1.2 Enhanced Life Insurance

If Enhanced Life Insurance is elected, FCIC will pay the Life Benefit as at the date of your death.

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

4.2 Disability Insurance

4.2.1 Accidental Disability Insurance

If Accidental Disability Insurance is elected, FCIC will pay the Disability Benefit for so long as you have a continuous Accidental Disability that exists longer than the Waiting Period, until such time as FCIC has made a total of 12 Disability Benefit payments during the Insurance Term.

Payment will be calculated from the first day following the Waiting Period. After the Waiting Period, successive periods of Accidental Disability caused by the same Accident separated by less than one month of continuous employment are considered a continuation of the same Accidental Disability and are not subject to a new Waiting Period.

To be eligible for the Disability Benefit, you must be Permanently Employed at the onset of any Accidental Disability. You have a duty to mitigate your losses in the event of an Accidental Disability. A failure to mitigate such losses may result in a denial of Disability Benefits.

In the event that the Customer and Co-Signer covered jointly by this Certificate have an Accidental Disability at the same time, FCIC will pay only a single amount equal to the Disability Benefit.

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

4.2.2 Enhanced Disability Insurance

If Enhanced Disability Insurance is elected, FCIC will pay the Disability Benefit for so long as you have a continuous Total Disability that exists longer than the Waiting Period, until such time as FCIC has made a total of 12 Disability Benefit payments during the Insurance Term.

Payment will be calculated from the first day following the Waiting Period. After the Waiting Period, successive periods of Total Disability caused by the same illness, disease or physical condition separated by less than one month of continuous employment are considered a continuation of the same Total Disability and are not subject to a new Waiting Period.

To be eligible for Disability Benefits, you must be Permanently Employed at the onset of any Total Disability. You have a duty to mitigate your losses in the event of a Total Disability. A failure to mitigate such losses may result in a denial of Disability Benefits.

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

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

5. EXCLUSIONS AND LIMITATIONS

5.1 Exclusions

FCIC will have no liability (except to refund unearned premiums) if you are not eligible for the coverage elected or if the Eligible Event 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 where the Eligible Event occurs within 24 months of the Effective Date;
- (b) any surgery scheduled or recommended before the Effective Date;
- (c) cosmetic or elected surgery, including complications arising from the surgery, whether occurring prior to or after the Effective Date;
- (d) war or any act of war, whether declared or not;
- (e) an act of terrorism;
- (f) any pandemic-like outbreak, whether declared or not;
- (g) suicide, whether you are sane or insane, within 24 months of the Effective Date, except, with respect only to Enhanced Life Insurance, where the suicide is caused by medical assistance in dying performed in compliance with the laws of Canada and a licensed physician provides evidence that you were likely to die during the Insurance Term;
- (h) an intentionally self-inflicted injury, whether you are sane or insane;
- (i) operation of a motorized vehicle while impaired by drugs or alcohol beyond the legal limit;
- (j) participation in a criminal act, including the illegal use of drugs;
- (k) the intentional taking of any poisonous gas or substance of any kind;
- (l) illness, disease, or death resulting from alcohol or drug use (except, with respect only to Enhanced Life Insurance and Enhanced Disability Insurance, 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);
- (m) problem and/or compulsive gambling;
- (n) Human Immunodeficiency Virus (HIV or AIDS) or related condition which first manifested itself or was diagnosed prior to the Effective Date;
- (o) travel in or descent from any kind of aircraft, except as a fare paying passenger with no duties whatsoever on a commercial flight; or
- (p) being negligent or non-compliant in seeking and/or following reasonable medical treatment, consultation, care or services including diagnostic measures as prescribed by a licensed physician.

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

5.2 Limitations

- (a) In no circumstance will FCIC's obligation to you for each type of coverage elected exceed the Maximum Benefit of such coverage and coverage will be reduced to ensure that such threshold is not exceeded in any circumstance.
- (b) If Accidental Disability Insurance or Enhanced Disability Insurance has been elected, the total amount of Disability Benefits payable during the Insurance Term will in no circumstance exceed 12 times the Maximum Benefit indicated in the Election of Coverage.
- (c) The Benefits may not cover the Amount Financed. For example, if the Amount Financed or the Payment Amount under the Finance Contract is greater than the Maximum Benefit or the Maximum Coverage, as applicable, or if the Finance Contract Term is greater than the Insurance Term, then the Benefits may not fully cover your obligations under the Finance Contract. Further, Accidental Disability Insurance and Enhanced Disability Insurance do not cover the End Value or any portion of the End Value and you remain solely responsible for this amount.
- (d) The Benefits are limited to the Maximum Coverage. If you are covered by FCIC under more than one certificate of creditor group insurance, the Benefits will be reduced such that the combined amount payable by FCIC upon the occurrence of the Eligible Event under all certificates of creditor group insurance does not exceed the Maximum Coverage.
- (e) With respect to Enhanced Disability Insurance only, if one or more Total Disabilities 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 Disability Benefit payments be made in aggregate for the full Insurance Term in respect of one or more Total Disabilities resulting from the foregoing.
- (f) With respect to Accidental Disability Insurance only, nervous, mental, psychological, or psychiatric conditions, including, but not limited to, stress, anxiety, depression, and bi-polar disorders, do not qualify as an "Accidental Disability", whether or not the foregoing conditions result from, are related to, or are caused or contributed to by, directly or indirectly, an Accident.
- (g) If one or more Total Disabilities or Accidental Disabilities 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 Specialist such as a neurologist, neurosurgeon, physiatrist, orthopedic surgeon, or a rheumatologist. For greater certainty, under no circumstances will more than two Disability Benefit payments be made in aggregate for the full Insurance Term in respect of one or more Total Disabilities or Accidental Disabilities resulting from the foregoing if you are not under the care of one of the foregoing Specialists.
- (h) If you have made any fraudulent misrepresentations regarding your health on the Application Date, to the extent such fraudulent misrepresentation relates, directly or indirectly, to any illness, disease, or physical or mental condition giving rise to a claim, FCIC has the right to void your coverage and retain all of the Premium.
- (i) With respect to Enhanced Life Insurance only, in the case of death caused by medical assistance in dying performed in compliance with the laws of Canada, FCIC will pay the Life Benefit as at the date death was likely to have naturally occurred if death had not been caused by medical assistance in dying, which date is to be determined by a licensed physician.

6. TERMINATION OF COVERAGE

Coverage under this Certificate will 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) upon completion of the Insurance Term;
- (c) upon completion of the Finance Contract Term;
- (d) the date the Finance Contract is paid out, fully discharged, rewritten, or revised unless otherwise approved by FCIC;
- (e) the date the Financial Institution has demanded payment of the amount then outstanding under the Finance Contract because of default thereunder;
- (f) the date that the Vehicle or any other property provided as security under the Finance Contract is sold, repossessed, or becomes subject to a court order or bankruptcy proceeding, or the date the Financial Institution first attempted to seize or repossess the Vehicle or any other property provided as security under the Finance Contract if such efforts were not successful;
- (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 will be deemed not to have been in effect;
- (h) in the case of Accidental Disability Insurance or Enhanced Disability Insurance only, the date you retire;
- (i) in the case of Accidental Disability Insurance or Enhanced Disability Insurance only, when FCIC has made a total of 12 Disability Benefit payments during the Insurance Term;
- (j) upon FCIC's payment of the Life Benefit; or
- (k) upon the eldest Insured reaching age 73.

You have no conversion privileges or other rights upon termination of coverage.

7. REFUND OF UNEARNED PREMIUMS

On termination of coverage, you 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 will pay the appropriate refund to the Financial Institution, or if the Finance Contract is fully discharged, to you.

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.

You are entitled to a full refund of Premium if requested within 30 days of the Effective Date. FCIC will provide a refund table to you upon request.

8. CLAIMS

Written notice of claim must be submitted to FCIC within 30 days of the event giving rise to the claim. With respect only to life insurance claims, if it is not reasonably possible to submit notice of claim within such 30 day period, it must be submitted to FCIC as soon as reasonably possible, and in no event more than three years after your death.

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. All expenses incurred in connection with providing a notice of claim or a proof of claim will be borne by you.

In every case, payment of a claim will be made to the Financial Institution and will completely discharge FCIC's liability under this Certificate with respect to such claim or the applicable period of such claim.

8.1 Accidental Life Insurance and Enhanced Life Insurance Claims

In the case of your death, whether an Accidental Death or otherwise, proof of claim must be received within one year after the event giving rise to the claim. With respect only to life insurance claims, if it is not reasonably possible to submit proof of claim within such one year period, it must be received by FCIC as soon as reasonably possible, and in no event more than three years after your death.

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

8.2 Accidental Disability Insurance and Enhanced Disability Insurance Claims

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

Disability Benefits will be paid monthly in arrears on receipt of the necessary forms.

9. DISPUTES

In the event of a dispute, claim, or controversy arising out of or relating to this Certificate, please contact FCIC directly by telephoning 1-800-561-3242 and asking to speak with a customer service representative. If you are dissatisfied with the response, please refer to the complaints resolution process available at home.firstcanadian.ca/complaints/.

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 Civil Code, or other applicable legislation.

Questions about refunds, coverage, 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.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

NOTICE GIVEN BY A DISTRIBUTOR

Section 440 of the Act respecting the distribution of financial products and services (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.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

To: **First Canadian Insurance Corporation**
320 Sioux Road, Sherwood Park, AB T8A 3X6

Date: _____
(Date of sending of notice)

Pursuant to section 441 of the *Act respecting the distribution of financial products and services*, I hereby rescind insurance contract no.: _____
(Application of Insurance # , if indicated)

Entered into on: _____
(Date of signature of contract)

In: _____
(Place of signature of contract)

(Name of Customer/Borrower - please print)

(Signature of Customer/Borrower)

(Name of Co-Signer/Co-Borrower - please print)

(Signature of Co-Signer/Co-Borrower)





320 Sioux Road, Sherwood Park, Alberta T8A 3X6

- **Toll Free:** 1-800-561-3242 • **Local:** 780-467-9575
- **Email:** insurance@firstcanadian.ca • **AMF License #:** 2000737570

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