

Certificate of Life and Accidental Dismemberment Insurance

Business Loan Insurance Plan

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Definitions

What are the definitions contained in this Policy?

The following definitions will assist you in understanding the Certificate of Life and Accidental Dismemberment Insurance ("Certificate"). All capitalized terms found throughout your Application and this Certificate are defined as follows:

Accident means bodily injury that occurs solely as a direct result of a violent, sudden and unexpected action from an outside source.

Accidental Dismemberment means any of the following irrecoverable losses due to Accident:

- an arm by severance through or above the elbow joint, or
- a hand by severance through or above the wrist joint, or
- a leg by severance through or above the knee joint, or
- a foot by severance through or above the ankle joint, or
- entire sight in one or both eyes.

Application means your electronic request for life insurance under the Group Policy, which you completed and submitted to RBC Royal Bank at the time you submitted your online credit application.

Business means any legal entity that provides a product or service to consumers for the expectation of profit, while operating in Canada.

Canadian Resident means a person who lives and works in Canada at least six (6) months out of the year.

Effective Date of Coverage means the date when funds under the original Insured Loan amount are advanced (in the cases of revolving credit facilities, the date of the first draw on funds). The Effective Date of Coverage on any increased amount will be the date those funds are advanced.

Group Policy means Group Policy Number 51000, issued by the Insurer to Royal Bank of Canada.

Hospital means an institution which has been licensed to treat patients on an in-patient, outpatient and emergency basis, and which is operated under the supervision of a staff of Physicians.

Insured Loan means the loan made to the Business by RBC Royal Bank, at the time you submitted your Application and for which insurance has been approved. An Insured Loan is identified by an 8-digit loan number and includes any loan segments (identified by a separate 3-digit segment number) opened under the Insured Loan.

Insured Person means an individual who is eligible for, has applied for, and has been approved for Business Loan Insurance Plan insurance coverage, and where the Business has paid the applicable insurance premium.

Multiple Dismemberment means the irrecoverable losses due to Accident of both legs, arms, hands, feet or entire sight in both eyes, or a combination of any two or more (e.g. one arm and one leg).

Physician means a legally and professionally qualified medical practitioner practicing in Canada or the United States of America. The Physician providing the diagnosis or treating you must not be you, your relative, or a person who normally resides in your household.

Pre-Existing Condition means a condition or health problem for which, in the twelve (12) months before the Effective Date of Coverage you received Treatment.

Proof of Loss means proof, satisfactory to the Insurer, that you sustained a loss covered under the Policy and that the loss occurred while your insurance was in force.

Single Dismemberment means the irrecoverable loss due to Accident of a leg, arm, hand, foot or entire sight in one eye. The loss of one arm or one leg is still considered a Single Dismemberment even though the loss included the hand or foot on that limb.

Treatment means advice, consultation, care, surgery, diagnosis and/or service provided by a Physician or other health-care provider. This includes, but is not limited to diagnostic measures, taking pills, injections or other forms of medication prescribed for a health condition.

you, your means the Insured Person who is approved for coverage under the Application.

General Policy Features

Who underwrites this insurance?

Business Loan Insurance Plan is underwritten and issued by Sun Life Assurance Company of Canada (the "Insurer"). They issue this Group Creditor Life Insurance under Policy Number 51000 (the "Policy") to Royal Bank of Canada ("RBC Royal Bank"). The Business is considered to be contracting with the Insurer, and not with RBC Royal Bank. For more information, contact the Insurance Service Centre at: 1-800-ROYAL 2-3 (1-800-769-2523) or Sun Life Assurance Company of Canada at 1-877-271-8713.

Sun Life Assurance Company of Canada is the insurer, and is a member of the Sun Life Financial group of companies.

What Businesses are eligible for this coverage?

To qualify for life insurance coverage, the Business must:

- be domiciled and operate in Canada, and
- be indebted to RBC Royal Bank under a term loan, RoyFarm Mortgage® or revolving credit facility.

What loans are eligible for this coverage?

The following loan types, denominated in Canadian dollars, qualify for life insurance coverage:

- RBC Royal Bank Fixed and/or Variable rate term loans and demand loans,
- RoyFarm Mortgages, or
- any revolving credit facilities, by way of RBC Royal Bank prime based loans.

Who is eligible for this coverage?

To qualify for life insurance coverage under your online Application (without evidence of insurability), you must apply for Business Loan Insurance Plan coverage at the same time that you apply for your loan.

In addition, you must be:

- 18 years of age, but less than 65 years of age on the date of Application for life insurance,
- a Canadian Resident, and
- a sole or joint owner of the Business.

When does coverage begin?

Provided that the eligibility requirements are met, your coverage under the Policy begins on the Effective Date of Coverage.

When does coverage end?

Your coverage under the Policy ends on the **earliest** of the following dates:

- when the Business is no longer domiciled or ceases to operate in Canada,
- when you are no longer a Canadian Resident,
- when you or the Business are no longer eligible for coverage,
- when the Insurance Service Centre receives a written request from the Business to cancel this insurance,
- when the Insured Loan is closed,
- when the Insured Loan is assumed in writing by another person and/or Business,
- when all or part of the insurance premium is more than ninety (90) days overdue,
- when the Group Policy terminates,
- the last day of the month in which you turn age seventy (70), or
- when you die.

How is coverage allocated within multiple segments?

Business Loan Insurance Plan is designed to cover multiple eligible business credit segments with one insurance amount. When an insurance application is approved on a specific 8-digit loan account, all current and future segments associated with that 8-digit loan account become part of the Insured Loan. Any coverage that is added to or removed from one Insured Loan segment will automatically be added to or removed from all other Insured Loan segments. Coverage that currently exists on your insured 8-digit loan account number will be applied to all eligible future borrowings that share that same 8-digit loan account number, up to your approved amount of \$50,000 in life coverage approved automatically under your online Application, unless otherwise directed by you to RBC Royal Bank and accompanied by a newly completed and signed Business Loan Insurance Plan application (Form 3460).

Premiums will only be calculated based on the outstanding balances of each eligible Insured Loan segment and will be collected from each segment in the following order:

- All fixed and/or variable rate term loans and RoyFarm Mortgages,
- Demand loans, then
- Revolving credit facilities by way of RBC Royal Bank prime based loans.

If the Business has more than one of the same type of loan (i.e. more than one fixed or variable rate term loan, demand loan, mortgage or revolving credit facility), approved life and Accidental Dismemberment coverage will be allocated in the order above, starting with the **most recently** advanced loan segment.

As outstanding insured segment balances fluctuate, any available coverage is automatically applied to the next eligible Insured Loan segment.

Insurance Premium Information

What is the cost of this insurance?

Your life insurance premium rate is based on your:

- gender,
- smoking status at time of Application, and
- age at the time the premium is due.

To calculate your monthly life insurance cost, multiply the average daily outstanding balances during the billing period for your Insured Loan by the premium rate, then divide by 1,000.

Example: For an Insured Person who is a 35 year old female non-smoker, monthly life premiums payable for an average daily outstanding balance of \$50,000 would be \$5.50, ($\$50,000 \times 0.11 \div 1,000 = \5.50) (plus any applicable taxes).

For loan payment frequencies other than monthly, divide the monthly premiums for life insurance by the number of days in the month in which the premiums are calculated, then multiply by the number of days in the payment period.

Example: ($\$5.50 \div 31$ (days in December) $\times 7$ (weekly payment) = \$1.24 weekly (plus any applicable taxes).

Monthly Premium Rates for Business Loan Insurance Plan Life Coverage

Age	Life [†]			
	Male		Female	
	Smoker	Non-Smoker	Smoker	Non-Smoker
18 – 29	\$0.14	\$0.10	\$0.10	\$0.09
30 – 32	\$0.15	\$0.11	\$0.12	\$0.10
33 – 35	\$0.17	\$0.12	\$0.13	\$0.11
36 – 38	\$0.20	\$0.14	\$0.16	\$0.12
39 – 40	\$0.25	\$0.16	\$0.19	\$0.13
41 – 42	\$0.29	\$0.19	\$0.22	\$0.15
43 – 44	\$0.34	\$0.22	\$0.25	\$0.17
45 – 46	\$0.39	\$0.27	\$0.28	\$0.20
47 – 48	\$0.45	\$0.32	\$0.32	\$0.23
49 – 50	\$0.56	\$0.37	\$0.36	\$0.27
51 – 52	\$0.66	\$0.42	\$0.42	\$0.31
53 – 54	\$0.76	\$0.48	\$0.48	\$0.35
55	\$0.85	\$0.52	\$0.54	\$0.38
56	\$0.93	\$0.57	\$0.61	\$0.41
57	\$1.00	\$0.62	\$0.66	\$0.45
58	\$1.07	\$0.68	\$0.72	\$0.49
59	\$1.14	\$0.75	\$0.78	\$0.53
60	\$1.22	\$0.83	\$0.84	\$0.58
61	\$1.34	\$0.93	\$0.90	\$0.62
62	\$1.48	\$1.03	\$0.96	\$0.67
63	\$1.63	\$1.13	\$1.02	\$0.74
64	\$1.81	\$1.24	\$1.08	\$0.82
65 [◇]	\$2.00	\$1.34	\$1.14	\$0.91
66 [◇]	\$2.19	\$1.47	\$1.20	\$1.01
67 [◇]	\$2.38	\$1.62	\$1.30	\$1.10
68 [◇]	\$2.60	\$1.78	\$1.44	\$1.18
69 [◇]	\$2.84	\$1.94	\$1.60	\$1.28

[†]Monthly life premium rates shown above are for each \$1,000 of insurance (plus any applicable taxes).

[◇]Renewal rates applicable only to Insured Persons who have reached age 65 – 69 on the premium due date.

The insurance premium for the Insured Loan is due and payable at the same frequency and schedule as the regular loan payment.

Smoking status is determined by your most recently approved Application. For example, if you were a non-smoker on the date you submitted your Application, premiums will be based on non-smoker rates. If you become a smoker and submit an Application for an increase in coverage under the Insured Loan and that increase in coverage is approved, the smoker rate for your age will be used to calculate your insurance premium. This same process applies if your smoking status changes from smoker to non-smoker.

IMPORTANT: As the premium rates under the Business Loan Insurance Plan are determined by your age on the date the premium is due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan.

Life Insurance Coverage

How much life insurance coverage can you apply for?

When you apply for Business Loan Insurance Plan coverage online, you are approved automatically without evidence of insurability for \$50,000 in life insurance coverage. Your amount of life insurance under your Application, however, is limited to the balance owing to RBC Royal Bank under the Insured Loan. If the total authorized credit limit under all your Insured Loans is ever increased to an amount greater than \$50,000 and you wish to insure that increased amount under the Business Loan Insurance Plan, you will be required to complete and submit a new Business Loan Insurance Plan application (Form 3460), including evidence of insurability, if required. Should you obtain additional coverage by completing a new application on this or other loans with RBC Royal Bank, the coverage that you have under your Application will apply to an overall Plan maximum of \$1,000,000.

What is the life insurance benefit amount?

If you die, on approval of the claim, the Insurer will pay to RBC Royal Bank a life insurance benefit that will be applied to the outstanding balance of your Insured Loan(s). The life insurance benefit payable may be less than the outstanding debt. The maximum life insurance benefit under the Policy for any one Insured Person is \$1,000,000 for all loans. The maximum life insurance benefit for the Insured Loan approved without evidence of insurability under this Certificate is limited to \$50,000.

For all fixed and variable rate term loans, demand loans and RoyFarm Mortgages, the life insurance benefit will be: The outstanding insured balance of the Insured Loan as of the date of death, plus interest calculated at the loan interest rate(s), to a maximum of one year from the date of death to the date of payment by the Insurer.

For revolving credit facilities, the life insurance benefit will be the lesser of:

- the outstanding insured balance as of the date of death, or
- the average monthly insured balance, (based on the outstanding Insured Loan balance for the twelve (12) month period immediately prior to the month in which death occurs),

plus interest calculated at the loan interest rate(s) to a maximum of one year from the date of death to the date of payment by the Insurer.

Life Insurance Coverage Limitation

The maximum life insurance benefit on the Insured loan under this Certificate approved without evidence of insurability is limited to \$50,000.

If two or more Insured Persons insured under the same Insured Loan die as a result of a common accident, the maximum life insurance benefit will, in aggregate, not exceed \$1,000,000. In no case will the Insurer pay more than the Business' outstanding Insured Loan balance owing at date of death, to a maximum of \$1,000,000.

In no event will the amount paid by the Insurer exceed the amount owed to RBC Royal Bank.

Life Insurance Coverage Exclusions

No benefit will be paid if you die and:

- death is due to a Pre-existing Condition and if death occurs in the first twelve (12) months following the Effective Date of Coverage,
- death is a result of suicide within two (2) years from the Effective Date of Coverage on any amount of insurance. In this case, the Insurer's liability will be limited to a refund of premiums,
- death is directly or indirectly caused or contributed to by you:
 - participation or attempted participation in a criminal offence,
 - impairment by illegal or illicit drugs or your blood alcohol concentration exceeds 80 milligrams of alcohol in 100 millilitres of blood (0.08), or
 - operating a motorized vehicle or vessel while you are impaired by illegal or illicit drugs or your blood alcohol concentration exceeds 80 milligrams of alcohol in 100 millilitres of blood (0.08).

Accidental Dismemberment Insurance Coverage

How much Accidental Dismemberment insurance coverage can you apply for?

Your life insurance coverage under the Business Loan Insurance Plan automatically includes Accidental Dismemberment insurance coverage.

What is the Accidental Dismemberment insurance benefit amount?

If you suffer an Accidental Dismemberment within three hundred and sixty-five (365) days of an Accident, on approval of the claim, the Insurer will pay to RBC Royal Bank an Accidental Dismemberment insurance benefit that will be applied to the outstanding balance of all Insured Loan(s).

For a Single Dismemberment, the insurance benefit will be: 50% of the total outstanding insured balance of the Insured Loan(s) as of the date of the irrecoverable loss, plus interest calculated at the loan interest rate(s), to a maximum of one (1) year from the date of loss to the date of payment by the Insurer. The maximum Single Dismemberment benefit for any one accident of any Insured Person is \$25,000.

For a Multiple Dismemberment, the insurance benefit will be: The total outstanding insured balance of the Insured Loan(s) as of the date of the irrecoverable loss, plus interest calculated at the loan interest rate(s), to a maximum of 1 year from the date of loss to the date of the payment by the Insurer. The maximum Multiple Dismemberment benefit for any one accident of any Insured Person is \$50,000.

Accidental Dismemberment Coverage Limitations

If you die as a result of an Accident, then only the life insurance benefit will apply and the Accidental Dismemberment insurance benefit will not be payable. In no event will the amount paid by the Insurer exceed the amount owed to RBC Royal Bank.

Accidental Dismemberment Coverage Exclusions

No benefit will be paid for an Accidental Dismemberment if you suffer a loss and:

- the loss is the result of intentional self-inflicted injuries,
- the Accidental Dismemberment is directly or indirectly caused or contributed to by your:
 - participation or attempted participation in a criminal offence,

Accidental Dismemberment Coverage Exclusions (cont.)

- impairment by illegal or illicit drugs or your blood alcohol concentration exceeds 80 milligrams of alcohol in 100 millilitres of blood (0.08), or
- operating a motorized vehicle or vessel while you are impaired by illegal or illicit drugs or your blood alcohol concentration exceeds 80 milligrams of alcohol in 100 millilitres of blood (0.08),
- your injury fails to meet the definition of an Accidental Dismemberment within three hundred sixty-five (365) days following the date of the Accident.

Additional Information

How to make a claim

When calling the Insurance Service Centre, the claimant will be asked to provide the Business Client Card Number, Branch Transit and the Loan Account Number along with some general claim information over the telephone.

Notifying and providing the Insurance Service Centre with Proof of Loss as quickly as possible will help to avoid an unnecessary delay in the payment of benefits. The Business is responsible for regular business loan payments until the claim is approved by the Insurer.

Please note the following limitation periods to submit claims to the Insurance Service Centre:

- Life claims – should be submitted within one year of the date of death, except for residents of Quebec, in which case life insurance claims should be submitted as soon as possible,
- Accidental Dismemberment claims – within ninety (90) days of the date of loss.

IMPORTANT: Contact your Account Manager or the Insurance Service Centre at 1-800-ROYAL-2-3 (1-800-769-2523) to submit a claim.

When can the Insurer void coverage under the Business Loan Insurance Plan?

The Insurer may void your insurance coverage in the following situations:

- you or your loan were not eligible for life insurance coverage at the date of Application,
- you made any concealment, misrepresentation or false declaration (including smoking status) concerning your Application (or any subsequent application for an increase in coverage) or any claim.

How to cancel the insurance coverage

Business Loan Insurance Plan insurance coverage is optional and can be cancelled at any time. To cancel this insurance, you must contact the Insurance Service Centre at 1-800-ROYAL 2-3 (1-800-769-2523) to complete a cancellation request. When calling the Insurance Service Centre, please have the Business Client Card Number, Branch Transit and the Loan Account Number(s) available. In the event this insurance is cancelled, the final premium will be adjusted to reflect insurance premiums up to and including the date the signed cancellation is received by the Insurance Service Centre.

There is a 30-day review period

If you cancel coverage within thirty (30) days of your original Effective Date of Coverage, a full refund of any premiums paid will be issued to your business, provided that no claim has been made. After the 30-day review period, there will be no premium refund, except where premiums may have been collected in error.

How is coverage under the Policy documented?

You will receive the following documents, which set out the terms and conditions of coverage provided under the Policy. Please keep them in a safe place:

- your Application,
- this Certificate.

Requesting copies of documents

On request, you, or a claimant acting on the Business's behalf, will be provided with a copy of the online Application, this Certificate or the Policy, as required by legislation. The first copy will be provided at no cost, but a fee may be charged for subsequent copies.

Legal actions/Limitations period

Limitation period for Ontario: 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 *Limitations Act, 2002*.

Limitation period in any other province: 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* or other applicable legislation of your province or territory.

Collection, use and disclosure of personal information

The personal information which you give when you apply for Business Loan Insurance Plan coverage is collected and used for the purpose of underwriting, administration, and adjudicating claims under the Policy. The Insurer, its agents and service providers can share and disclose this information with any person or organization who has relevant information about you in connection with your online Application. Such persons or organizations may include health professionals, institutions, Hospitals, pharmacies, investigative agencies, other insurers and reinsurers.

How to make a complaint

If you have a complaint regarding underwriting decisions or insurance claims, please call the Sun Life Creditor Team at 1-877-271-8713. Please reference Policy 51000 for life insurance and accidental dismemberment insurance.

For complaints regarding the administration of the Business Loan Insurance Plan please call the Insurance Service Centre at 1-800-ROYAL 2-3 or 1-800-769-2523.

Changes

The Insurer and RBC Royal Bank can agree to change the terms and conditions of insurance under the Policy, including the premium rates. In this event, the Business will receive sixty (60) calendar days' written notice from RBC Royal Bank.

Privacy Statements

A message from Royal Bank of Canada:

RBC Royal Bank administers this insurance on behalf of the Insurer through its subsidiary, RBC Insurance Services Inc. (the Insurance Service Centre). RBC Insurance Services Inc. will also establish files concerning Business Loan Insurance Plan insurance. Information regarding the administration and servicing of the insurance coverage including the insurance application will be held by RBC Insurance Services Inc.

RBC Insurance Services Inc. may use service providers located within or outside Canada. In the event the service provider is located outside of Canada, the service provider is bound by, and the information may be disclosed in accordance with, the laws of the jurisdiction in which the service provider is located. Access to your file is restricted to only those employees, representatives and service providers of RBC Royal Bank and RBC Insurance Services Inc. who are responsible for servicing and administering your Business Loan Insurance Plan coverage. In addition, your file will be accessible to any other person whom you have authorized. Your file will be kept in the offices of RBC Insurance Services Inc. and its service providers. You have certain rights of access to the personal information in your file. If we have information that is not correct, you can request to have it rectified by writing to RBC Insurance Services Inc. at the address provided.

For more information about the Business Loan Insurance Plan, please contact your RBC Royal Bank Account Manager, or the Insurance Service Centre at:

1-800-ROYAL 2-3 or 1-800-769-2523

RBC Insurance Services Inc.
Insurance Service Centre
P.O. Box 53, Postal Station A
Mississauga, Ontario L5A 2Y9

A message from Sun Life Assurance Company of Canada – the Insurer:

Respecting your privacy is a priority for the Sun Life Financial group of companies. We keep in confidence personal information about you and the products and services you have with us to provide you with investment, retirement and insurance products and services to help you meet your lifetime financial objectives. To meet these objectives, we collect, use and disclose your personal information for purposes that include: underwriting; administration; claims adjudication; protecting against fraud, errors or misrepresentations; meeting legal, regulatory or contractual requirements; and we may tell you about other related products and services that we believe meet your changing needs. The only people who have access to your personal information are our employees, distribution partners such as advisors, and third-party service providers, along with our reinsurers. We will also provide access to anyone else you authorize. Sometimes, unless we are otherwise prohibited, these people may be in countries outside Canada, so your personal information may be subject to the laws of those countries. You can ask for the information in our files about you and, if necessary, ask us in writing to correct it. To find out more about our privacy practices, visit www.sunlife.ca/privacy.

You may also contact the Insurer at:

Telephone: 1-877-271-8713
Sun Life Assurance Company of Canada
Creditor Insurance
227 King Street South
P.O. Box 638, Station Waterloo
Waterloo, Ontario, Canada N2J 4B8