



# DISTRIBUTION GUIDE

## BUSINESS LOAN INSURANCE PLAN

Name of Insurance Product: Business Loan Insurance Plan  
Type of Insurance Product: Life, Accidental Dismemberment, Critical Illness and Disability insurance  
Group Policy Numbers: 51000 and 57903

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### RESPONSIBILITY OF THE AUTORITÉ DES MARCHÉS FINANCIERS:

The Autorité des marchés financiers does not express an opinion on the quality of the products offered in this guide. The insurer alone is responsible for any discrepancies between the wording of the guide and the Group Policy.

### INTRODUCTION

This Distribution Guide describes the features and benefits of Business Loan Insurance Plan Life, Accidental Dismemberment, Critical Illness and Disability Insurance offered to the Business with their RBC Royal Bank business loans. This document will help the Business decide if the protection available suits their specific insurance needs, without the need for insurance advisor services.

This Distribution Guide includes information on all the insurance coverage mentioned in the terms and conditions of the Group Policy, including those that the Business has not selected.

This insurance is underwritten by Sun Life Assurance Company of Canada.

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## DEFINITIONS

The following definitions will assist the Insured Person and the Business in understanding the terms and conditions of the Group Policy, and will have the following meaning when used herein. All capitalized terms found throughout this guide 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.

**Actively Working or Actively at Work** means gainfully employed and carrying out the regular duties of the Proposed Insured's occupation for the Business, for wages or expectation of profit at least twenty (20) hours per week based on the twenty-eight (28) days immediately prior to the Application date.

**Application** means a formal request for enrolment under the Policy Numbers, set out by the Business and the Proposed Insured and fulfilled by completing RBC form number 3460.

**Authorized Signor(s)** means a representative or representatives designated by the Business, whose signature represents authority to deal on the Business' behalf.

**Business** means a sole proprietorship, partnership, corporation or other legal entity that provides a product or service to general consumers for the expectation of profit, while operating in Canada.

**Canadian Resident** means a Proposed Insured or an Insured Person who lives and works in Canada at least six (6) months out of the year.

**Covered Critical Illness** means only the medical conditions defined under the "What is a Covered Critical Illness?" provision.

**Diagnosis or Diagnosed** means a written opinion by a Physician or Specialist Physician of a Covered Critical Illness. The opinion must be supported by the Insured Person's medical records and indicate the date the Covered Critical Illness was first established.

**Disabled or Disability** means bodily injury, disease, sickness, complications due to pregnancy, and any related medical conditions that require the active and continuous care of a Physician and prevents the Insured Person from:

- performing the material and substantial duties of their own occupation which they held before becoming Disabled, or
- engaging in any occupation or gainful employment.

**Effective Date of Coverage** means the date the Insured Person's Business Loan Insurance Plan insurance coverage begins on the Initial Amount and any Increased Portion of an Insured Loan.

**Group Policy** means Group Policy Numbers 51000 and 57903, issued by the Insurer to RBC Royal Bank.

**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.

**Increased Portion** means:

- any subsequent increase to the principal loan amount that is originally approved by RBC Royal Bank, or
- any subsequent increase to the amount of the maximum credit limit that is originally approved by RBC Royal Bank, or
- any new loan segment that is approved by RBC Royal Bank.

**Initial Amount** means:

- the principal loan amount that is originally approved by RBC Royal Bank, or
- the amount of the maximum credit limit that is originally approved by RBC Royal Bank.

**Insured Loan(s)** means any loan 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 the Insured Person must not be the Insured Person, a relative of the Insured Person, or a person who normally resides in the Insured Person's household.

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

**Proof of Loss** means proof, satisfactory to the Insurer that the Insured Person sustained a loss covered under the Policy and that the loss occurred while the Insured Person's insurance was in force.

**Proposed Insured** means an individual who is eligible for, and has submitted an Application for Business Loan Insurance Plan insurance coverage, subject to Application approval.

**Seasonal Employee or Seasonally Employed** means a Proposed Insured or Insured Person whose occupation has a beginning and an end, and whose proven work history sets the expectation of returning to the same occupation when the following season begins.

**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.

**Specialist Physician** means a legally and professionally qualified medical practitioner who has been trained in the specific area of medicine relevant to the Covered Critical Illness condition for which a benefit is being claimed and who has been certified by a specialty examining board. In the absence or unavailability of a Specialist Physician, and as approved by the Insurer, a Covered Critical Illness may be Diagnosed by a legally and professionally qualified medical practitioner practicing in Canada or the United States of America. The Specialist Physician providing the Diagnosis or Surgery must not be the Insured Person, a relative of the Insured Person or a person who normally resides in the Insured Person's household.

**Surgery** means a medical operation performed on the Insured Person and recommended by a Physician or Specialist Physician.

**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.

**Waiting Period** means the period of time that begins with the first day of Disability and ends after an uninterrupted Disability of 60 days.

## DESCRIPTION OF PRODUCTS OFFERED

### NATURE OF COVERAGE

Business Loan Insurance Plan offers creditor's group insurance, and is designed to protect the insured indebtedness of an eligible RBC Royal Bank Business Loans in the event of death, Accidental Dismemberment, Covered Critical Illness and Disability.

### SUMMARY OF SPECIFIC FEATURES

#### **Businesses Eligible for This Insurance**

To qualify for life, critical illness and Disability insurance coverage, the Business must:

- be domiciled and operate in Canada,
- be indebted to RBC Royal Bank under a term loan, revolving credit facility or mortgage, and
- be a sole proprietorship, partnership, corporation, holding company, or other entity operating a Business/farm.

#### **Loans Eligible for This Insurance**

The following loan types, denominated in Canadian Dollars, qualify for life, critical illness and Disability insurance coverage:

- RBC Royal Bank Fixed and/or Variable rate term loans and demand loans,
- Canada Small Business Financing Loans,
- commercial mortgages less than \$1,000,000,
- RoyFarm Mortgages<sup>®</sup>,
- any revolving credit facilities, by way of RBC Royal Bank prime based loans.

#### **Persons Eligible for This Insurance**

To qualify for life insurance coverage, the Proposed Insured must:

- be 18 years of age, but less than 65 years of age on the date of Application for life insurance,
- be a Canadian Resident, and
- be related to the Business as either
  - an owner of the Business,
  - responsible in whole or in part for the management of the Business, or
  - a guarantor or endorser of the Insured Loan.

Please note that the Business may have up to twenty-five (25) Insured Persons for life insurance coverage on any Insured Loan. Once the Proposed Insured is approved for life insurance, they will automatically be approved for Accidental Dismemberment insurance as well.

To qualify for Disability insurance coverage, the Proposed Insured must:

- be 18 years of age, but less than 65 years of age on the date of Application,
- be a Canadian Resident,
- be approved for and maintain a minimum of \$25,000 in Business Loan Insurance Plan life insurance coverage,
- be an owner of the Business, and
  - Actively Working on the date of Application, or
  - if Seasonally Employed and not working on the date of Application, be capable of performing the regular duties of their occupation.

Please note that the Business may have up to three (3) Insured Persons for Disability insurance coverage on any Insured Loan.

To qualify for critical illness insurance coverage, the Proposed Insured must:

- be 18 years of age, but less than 60 years of age on the date of Application for critical illness insurance,
- be a Canadian Resident,
- be approved for and maintain a minimum of \$25,000 in Business Loan Insurance Plan life insurance coverage, and
- be related to the Business as either:
  - an owner of the Business, or
  - responsible in whole or in part for the management of the Business, or
  - a guarantor or endorser of the Insured Loan.

Please note that the Business may have up to twenty-five (25) Insured Persons for critical illness coverage on any Insured Loan.

### **Basic Insurability Questions**

The Business Loan Insurance Plan Application includes three (3) basic insurability questions. If applying for life insurance coverage, the Proposed Insured must answer the first basic insurability question. If applying for life and critical illness insurance coverage, the Proposed Insured must answer the first and second basic insurability questions. If applying for life and Disability insurance coverage, the Proposed Insured must answer the first and third basic insurability questions.

The Application for insurance will be automatically accepted if:

- the Proposed Insured answers "no" to all applicable basic insurability question(s), and
- the Business is applying for a total insurance amount of \$300,000 or less.

The Insurer will require a separate health assessment if:

- the Proposed Insured answers "yes" to any of the applicable basic insurability question(s), or
- the Business is applying for a total insurance amount greater than \$300,000.

#### **EXAMPLE:**

If you are insured for \$175,000 on a loan held by ABC Inc. and you are applying for \$140,000 of insurance on a loan held under XYZ Ltd., the total business loans to be insured with Business Loan Insurance Plan coverage is \$315,000. Therefore, a separate health assessment is required.

The health assessment allows the Insurer to review the Proposed Insured's Application in detail and authorizes the Proposed Insured's Physician or health care provider to make medical information available to the Insurer, if required.

The health assessment may include any of the following, which the Insurer will arrange at their expense, provided they are still assessing the Application.

- medical tests, or
- an examination, or
- an attending physician's statement.

If the Proposed Insured has completed a separate health assessment, the acceptance or decline of the Application will be communicated to the Proposed Insured in writing.

### **When Business Loan Insurance Plan Coverage Begins**

Business Loan Insurance Plan coverage begins on the Effective Date of Coverage, which is the **latest** of the following dates:

- when the Application is signed,
- when the original loan amount or any increase in funds are advanced (in the case of revolving credit facilities, the date of the first draw on funds), or
- where applicable, when the coverage is approved in writing by the Insurer.

### **When Business Loan Insurance Plan Coverage Ends**

An Insured Person's coverage under this Policy ends on the **earliest** of the following dates:

- when the Business is no longer domiciled or ceases to operate in Canada,
- when the Insured Person is no longer a Canadian Resident,
- when the Business or the Insured Person is 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 the Insured Person turns age seventy (70), or
- when the Insured Person dies.

An Insured Person's critical illness insurance coverage also ends on the **earliest** of the following dates:

- when life insurance coverage ends,
- the last day of the month in which the Insured Person turns age sixty-five (65), or
- when the Insured Person's critical illness insurance coverage claim is approved

An Insured Person's Disability insurance coverage also ends on the **earliest** of the following dates:

- when life insurance coverage ends,
- the last day of the month in which the Insured Person turns age seventy (70), or
- when the Insured Person has received a total of forty-eight (48) months of Disability insurance benefit payments.

#### **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 application is approved to protect a specific 8-digit loan account, all current and future segments associated with that 8-digit loan account become an Insured Loan. Any coverage that is added to or removed from one Insured Loan segment will also automatically be added to or removed from all Insured Loan segments. Any coverage that currently exists on an insured 8-digit loan account number will be applied to all eligible future borrowings that share the same 8-digit loan account number, up to the approved amount of coverage unless otherwise directed in writing by way of a completed and signed Business Loan Insurance Plan Application.

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, RoyFarm® Mortgage and commercial mortgages less than \$1,000,000,
- 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, Accidental Dismemberment and critical illness coverage will be allocated in the order above, starting with the **most recently** advanced loan segment. Approved Disability coverage will be allocated in the order above, starting with the **oldest** loan segment advanced.

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

## **COST OF THIS INSURANCE**

Life and critical illness insurance premiums are based on the Insured Person's:

- gender,
- smoking status at time of Application,
- age at the time the premium is due, and
- daily outstanding insured balance of all Insured Loans.

To calculate the monthly life or critical illness insurance cost, take the lesser of the total outstanding balance of all eligible Insured Loans, or the total amount of coverage for which the Insured Person has been approved, multiply by the premium rate, then divide by 1,000.

#### **EXAMPLE:**

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

If the Business wanted to insure the same 35 year old female non-smoker for critical illness as well, monthly premiums for an Insured Loan of \$50,000 would be \$8.00 ( $\$50,000 \times 0.16 \div 1,000 = \$8.00$ ) (plus any applicable taxes).

Disability insurance premiums are based on the Insured Person's:

- age at the time the premium is due, and
- benefit payment amount.

To calculate the premium cost per payment, multiply the benefit payment amount by the Disability insurance premium rate, then divide by 100.

**EXAMPLE:**

For an Insured Person who is 35 years old with a benefit amount of \$500 bi-weekly, the premium would be \$9.45 bi-weekly ( $\$500 \times 1.89 \div 100 = \$9.45$ ), plus any applicable taxes.

## Monthly Premium Rates for Business Loan Insurance Plan Life, Critical Illness and Disability Insurance Coverage

AGE	LIFE <sup>‡</sup>				DISABILITY <sup>°</sup>
	CRITICAL ILLNESS <sup>‡</sup>				
	MALE		FEMALE		
	SMOKER	NON- SMOKER	SMOKER	NON- SMOKER	
18-29	\$ 0.14	\$ 0.10	\$ 0.10	\$ 0.09	\$ 1.40
	\$ 0.14	\$ 0.12	\$ 0.11	\$ 0.09	
30-32	\$ 0.15	\$ 0.11	\$ 0.12	\$ 0.10	\$ 1.70
	\$ 0.16	\$ 0.15	\$ 0.21	\$ 0.15	
33-35	\$ 0.17	\$ 0.12	\$ 0.13	\$ 0.11	\$ 1.89
	\$ 0.21	\$ 0.15	\$ 0.33	\$ 0.16	
36-38	\$ 0.20	\$ 0.14	\$ 0.16	\$ 0.12	\$ 2.12
	\$ 0.29	\$ 0.15	\$ 0.47	\$ 0.21	
39-40	\$ 0.25	\$ 0.16	\$ 0.19	\$ 0.13	\$ 2.43
	\$ 0.43	\$ 0.19	\$ 0.62	\$ 0.28	
41-42	\$ 0.29	\$ 0.19	\$ 0.22	\$ 0.15	\$ 2.64
	\$ 0.48	\$ 0.25	\$ 0.75	\$ 0.37	
43-44	\$ 0.34	\$ 0.22	\$ 0.25	\$ 0.17	\$ 2.87
	\$ 0.68	\$ 0.32	\$ 0.92	\$ 0.42	
45-46	\$ 0.39	\$ 0.27	\$ 0.28	\$ 0.20	\$ 3.12
	\$ 0.91	\$ 0.43	\$ 1.18	\$ 0.49	
47-48	\$ 0.45	\$ 0.32	\$ 0.32	\$ 0.23	\$ 3.40
	\$ 1.24	\$ 0.54	\$ 1.39	\$ 0.59	
49-50	\$ 0.56	\$ 0.37	\$ 0.36	\$ 0.27	\$ 3.72
	\$ 1.62	\$ 0.67	\$ 1.52	\$ 0.62	
51-52	\$ 0.66	\$ 0.42	\$ 0.42	\$ 0.31	\$ 3.89
	\$ 1.99	\$ 0.78	\$ 1.68	\$ 0.67	



AGE	LIFE <sup>‡</sup>				DISABILITY <sup>◊</sup>
	CRITICAL ILLNESS <sup>‡</sup>				
	MALE		FEMALE		
	SMOKER	NON-SMOKER	SMOKER	NON-SMOKER	
53-54	\$ 0.76	\$ 0.48	\$ 0.48	\$ 0.35	\$ 4.25
	\$ 2.44	\$ 0.95	\$ 1.76	\$ 0.72	
55	\$ 0.85	\$ 0.52	\$ 0.54	\$ 0.38	\$ 4.66
	\$ 2.92	\$ 1.11	\$ 1.92	\$ 0.77	
56	\$ 0.93	\$ 0.57	\$ 0.61	\$ 0.41	\$ 4.88
	\$ 3.25	\$ 1.20	\$ 2.01	\$ 0.84	
57	\$ 1.00	\$ 0.62	\$ 0.66	\$ 0.45	\$ 5.11
	\$ 3.55	\$ 1.31	\$ 2.15	\$ 0.90	
58	\$ 1.07	\$ 0.68	\$ 0.72	\$ 0.49	\$ 5.35
	\$ 3.97	\$ 1.49	\$ 2.20	\$ 0.93	
59	\$ 1.14	\$ 0.75	\$ 0.78	\$ 0.53	\$ 5.60
	\$ 4.52	\$ 1.67	\$ 2.31	\$ 0.99	
60	\$ 1.22	\$ 0.83	\$ 0.84	\$ 0.58	\$ 5.85
	\$ 4.97 <sup>✳</sup>	\$ 1.83 <sup>✳</sup>	\$ 2.37 <sup>✳</sup>	\$ 1.04 <sup>✳</sup>	
61	\$ 1.34	\$ 0.93	\$ 0.90	\$ 0.62	\$ 6.10
	\$ 5.33 <sup>✳</sup>	\$ 1.98 <sup>✳</sup>	\$ 2.40 <sup>✳</sup>	\$ 1.09 <sup>✳</sup>	
62	\$ 1.48	\$ 1.03	\$ 0.96	\$ 0.67	\$ 6.36
	\$ 5.90 <sup>✳</sup>	\$ 2.21 <sup>✳</sup>	\$ 2.53 <sup>✳</sup>	\$ 1.15 <sup>✳</sup>	
63	\$ 1.63	\$ 1.13	\$ 1.02	\$ 0.74	\$ 6.62
	\$ 6.49 <sup>✳</sup>	\$ 2.49 <sup>✳</sup>	\$ 2.67 <sup>✳</sup>	\$ 1.24 <sup>✳</sup>	
64	\$ 1.81	\$ 1.24	\$ 1.08	\$ 0.82	\$ 6.92
	\$ 7.10 <sup>✳</sup>	\$ 2.78 <sup>✳</sup>	\$ 2.80 <sup>✳</sup>	\$ 1.33 <sup>✳</sup>	
65 <sup>✳</sup>	\$ 2.00	\$ 1.34	\$ 1.14	\$ 0.91	\$ 7.27
66 <sup>✳</sup>	\$ 2.19	\$ 1.47	\$ 1.20	\$ 1.01	\$ 7.66
67 <sup>✳</sup>	\$ 2.38	\$ 1.62	\$ 1.30	\$ 1.10	\$ 8.08
68 <sup>✳</sup>	\$ 2.60	\$ 1.78	\$ 1.44	\$ 1.18	\$ 8.52
69 <sup>✳</sup>	\$ 2.84	\$ 1.94	\$ 1.60	\$ 1.28	\$ 8.98

‡ Monthly life and critical illness premium rates shown above are for each \$1,000 of insurance (plus any applicable taxes).

◊ Monthly Disability premium rates shown above are for each \$100 of Disability benefit payment (plus any applicable taxes).

✳ Applicable only to clients with existing Business Loan Insurance Plan coverage.

The insurance premium for the Insured Loan(s) is due and payable at the same frequency and schedule as the regular loan payment, where applicable. Premiums rates are subject to change with 60 days written notice to the Business.

## LIFE INSURANCE COVERAGE

### **What is the Life Insurance Benefit?**

If the Insured Person dies, 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 the Insured Loan(s). The life insurance benefit may be less than the outstanding debt.

***For all loans other than revolving credit facilities,*** the life insurance benefit will be:

The outstanding insured balance of the Insured Loan(s) as of the date of death, plus interest calculated at the loan interest rate(s), to a maximum of one (1) 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 (1) year from the date of death to the date of payment by the Insurer.

### **What is the Maximum Life Insurance Benefit Amount?**

The maximum life insurance benefit under the Group Policy for any one Insured Person is \$1,000,000 for all Insured Loans.

## ACCIDENTAL DISMEMBERMENT INSURANCE COVERAGE

### **What is the Accidental Dismemberment Insurance Benefit?**

If the Insured Person suffers 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 the Insured Loan(s).

***For a Single Dismemberment,*** the insurance benefit will be:

50% of the 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.

***For a Multiple Dismemberment,*** the insurance benefit will be:

The 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 the payment by the Insurer.

If the Insured Person dies as a result of a Single or Multiple Dismemberment, then only the life insurance benefit will apply and the Accidental Dismemberment benefit will not be payable.

### **What is the Maximum Accidental Dismemberment Insurance Benefit Amount?**

- The maximum Single Dismemberment insurance benefit under the Group Policy for any one accident on any Insured Person is \$25,000.
- The maximum Multiple Dismemberment insurance benefit under the Group Policy for any one accident on any Insured Person is \$50,000.

## CRITICAL ILLNESS INSURANCE COVERAGE

### **What is the Critical Illness Insurance Benefit?**

If the Insured Person is Diagnosed with or has Surgery for a Covered Critical Illness, on approval of the claim, the Insurer will pay to RBC Royal Bank one (1) critical illness insurance benefit that will be applied to the outstanding balance of the Insured Loan(s) owing at the date of Diagnosis or Surgery. The critical illness insurance benefit may be less than the outstanding debt.

***For all loans other than revolving credit facilities,*** the critical illness insurance benefit will be:

The outstanding insured balance of the Insured Loan(s) as of the date of Diagnosis or Surgery, plus interest calculated at the loan interest rate(s) and any discharge fees or early payout penalties, to a maximum of one (1) year from the date of Diagnosis or Surgery to the date of payment by the Insurer.

**For revolving credit facilities**, the critical illness insurance benefit will be the lesser of:

- the outstanding insured balance as of the date of Diagnosis or Surgery, 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 Diagnosis or Surgery occurs),

plus interest calculated at the loan interest rate(s), to a maximum of one (1) year from the date of Diagnosis or Surgery to the date of payment by the Insurer.

**What is the Maximum Critical Illness Insurance Benefit Amount?**

The maximum critical illness insurance benefit under the Group Policy for any one Insured Person is \$500,000 for all Insured Loans.

**What is a Covered Critical Illness?**

The following medical conditions are considered a Covered Critical Illness under the terms of this Policy:

1. **Cancer** means a definite Diagnosis of a tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. The Diagnosis of Cancer must be made by a Specialist Physician.
2. **Heart Attack** means a definite Diagnosis of the death of heart muscle due to obstruction of blood flow that results in a rise and fall of biochemical cardiac markers to levels considered diagnostic of myocardial infarction, with at least one of the following:
  - heart attack symptoms,
  - new electrocardiogram (ECG) changes consistent with a heart attack,
  - development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty.

The Diagnosis of Heart Attack must be made by a Specialist Physician.

3. **Stroke** (cerebrovascular accident) means a definite Diagnosis of an acute cerebrovascular event caused by intra-cranial thrombosis or haemorrhage, or embolism from an extra-cranial source, with:
  - acute onset of new neurological symptoms, and
  - new objective neurological deficits on clinical examination persisting for more than 30 days following the date of Diagnosis.

These new symptoms and deficits must be corroborated by diagnostic imaging testing.

The Diagnosis of Stroke must be made by a Specialist Physician.

**What Happens if the Critical Illness Insurance Benefit is Less Than the Outstanding Debt?**

If the Insurer pays a critical illness benefit for that does not fully pay out the outstanding debt on the Insured Loan at the time of Diagnosis or Surgery, the remaining amount of the Insured Loan can qualify for life insurance coverage provided all eligibility requirements under the Group Policy have been met. The premium for life insurance coverage will be recalculated based on the Insured Person's current age and new outstanding insured balance, multiplied by the monthly premium rate as shown in the table under section "Cost of this Insurance."

If there are two (2) or more Insured Persons under the same Insured Loan and the Insurer pays a life or critical illness benefit that does not fully pay out the outstanding debt at the time of death or Diagnosis or Surgery, the other Insured Person(s) can maintain their life insurance and/or critical illness insurance coverage (if applicable), provided all eligibility requirements under the Group Policy have been met. The premium for the life or critical illness coverage will be recalculated based on the Insured Person's current age and new outstanding balance, multiplied by the monthly premium rate as shown in the table under section "Cost of this Insurance."

## DISABILITY INSURANCE COVERAGE

**What is the Disability Insurance Benefit?**

If the Insured Person becomes Disabled, on approval of the claim, the Insurer will pay RBC Royal Bank a monthly Disability insurance benefit that will be applied to the Insured Loan(s) as a loan payment.

**For all loans other than revolving credit facilities that have a blended payment of principal and interest**, the Disability insurance benefit (as of the date of Disability) will be:

- the regular loan payment amount, plus
- the insurance premium (plus applicable taxes).

***For all loans other than revolving credit facilities that have a fixed principal payment amount plus interest,*** the Disability insurance benefit (as of the date of Disability) will be:

- the regular principal loan payment amount, plus 1% of the average insured balance for the twelve (12) months prior to the month in which the Disability occurs, plus
- the insurance premium (plus applicable taxes).

***For revolving credit facilities,*** the Disability insurance benefit will be:

- 1% of the average insured balance, based on the outstanding balance for the twelve (12) months prior to the month in which the Disability occurs, plus
- the insurance premium (plus applicable taxes) on the date of Disability.

If the Business reduces its regular loan payment while a Disability claim is active, the benefit will be adjusted accordingly. If the Business increases its regular loan payment while a Disability claim is active, the Insurer will not increase the benefit amount, unless the increased payment is the result of higher interest rates for which the business is being charged.

#### **What is the Maximum Disability Insurance Benefit Amount?**

The maximum Disability insurance benefit under the Group Policy for any one Insured Person is \$7,000 per month. The maximum Disability benefit period is twenty-four (24) months per claim, and for each Insured Person, Disability coverage under the Group Policy is limited to a maximum of forty-eight (48) months of Disability benefit payments.

If more than one Insured Person is Disabled at the same time, Disability insurance benefits will be paid for the first claimant to be approved. If the second Insured Person is still Disabled when the Disability insurance benefits end for the first Insured Person, payments will commence for the second Insured Person. The Waiting Period for the second Insured Person can be satisfied during the payment of the first claim, when applicable.

#### **What is the Waiting Period?**

There is a sixty (60) day Waiting Period for Disability coverage. This means that the benefit will only be paid if the Disability lasts more than sixty (60) complete and consecutive days, starting on the date the Insured Person becomes disabled.

#### **When do Disability Insurance Benefit Payments Begin?**

Once the Waiting Period has been satisfied and the Insurer has approved the claim, Disability insurance benefits will begin on the next regularly scheduled loan payment. During the Waiting Period, the Business will continue to be responsible for regularly scheduled loan payments and insurance premiums (plus applicable taxes).

#### **When do Disability Insurance Benefit Payments End?**

Disability insurance benefit payments will end on the **earliest** of the following dates:

- when the Disability ends or the Insured Person returns to work,
- when the Insured Person becomes engaged in any Business or gainful occupation,
- when a total of twenty-four (24) months of Disability payments have been made for the Insured Person, per Disability claim,
- when a total of forty-eight (48) months of Disability benefits have been made under the Policy on behalf of the Insured Person,
- the last day of the month in which the Insured Person reaches age seventy (70),
- when the Insured Person dies,
- when the Insured Person is no longer under the active and continuous care of a Physician, or is not following the Treatment prescribed by their Physician,
- when the Insured Person refuses to submit to a medical examination by an appointed Physician or health-care practitioner at the Insurer's request,
- when the Insured Person fails to provide proof of continuing Disability to the Insurer,
- when life coverage ends (see 'When Business Loan Insurance Plan Coverage Ends'), or
- when the Insured Loan is paid in full.

If the Insured Person recovers from a Disability, and

- the Disability recurs within twenty-one (21) consecutive and complete days, and
- lasts for at least five (5) consecutive and complete working days, and
- is due to the same cause or causes,

then the Insurer will consider this to be one continuous period of Disability. In such cases, the Insurer will begin paying the Disability benefits immediately after this temporary period of recovery, without any Waiting Period.

**CAUTION –****EXCLUSIONS, RESTRICTIONS OR REDUCTIONS IN COVERAGE:**

**Any misrepresentation or false declaration (including smoking status) concerning an Insured Person's Application (or any subsequent Application for an increase in coverage) or any claim, may result in coverage being void.**

**LIFE INSURANCE COVERAGE EXCLUSIONS:**

No benefit will be paid if the Insured Person dies and:

- was not eligible to apply for life insurance coverage,
- death is a result of suicide within two (2) years from the Effective Date of Coverage. In this case, the Insurer's liability will be limited to a refund of premiums. In the case of an Increased Portion of an Insured Loan, liability will be limited to a refund of premiums that apply to that increase.
- their death is directly or indirectly caused or contributed by the Insured Person's:
  - participation or attempted participation in a criminal offence,
  - impairment by illegal or illicit drugs or the Insured Person's blood alcohol concentration of over 80 milligrams of alcohol in 100 millilitres of blood (0.08), or
  - operating a motorized vehicle or vessel while the Insured Person is impaired by illegal or illicit drugs or the Insured Person's blood alcohol concentration is over 80 milligrams of alcohol in 100 millilitres of blood (0.08).

No benefit will be paid for death resulting from a Pre-Existing Condition occurring within twelve (12) months of the Effective Date of Coverage on any Increased Portion of an Insured Loan if the Insured Person did not answer the applicable basic insurability question when the Business applied for coverage on that Increased Portion.

**LIFE INSURANCE COVERAGE LIMITATIONS:**

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

**ACCIDENTAL DISMEMBERMENT INSURANCE COVERAGE EXCLUSIONS:**

No benefit will be paid for an Accidental Dismemberment if the Insured Person suffers a loss and:

- was not eligible to apply for life insurance coverage,
- the loss is the result of intentional self-inflicted injuries or attempted suicide,
- the Accidental Dismemberment is directly or indirectly caused or contributed by the Insured Person's:
  - participation or attempted participation in a criminal offence,
  - impairment by illegal or illicit drugs or the Insured Person's blood alcohol concentration of over 80 milligrams of alcohol in 100 millilitres of blood (0.08), or
  - operating a motorized vehicle or vessel while the Insured Person is impaired by illegal or illicit drugs or the Insured Person's blood alcohol concentration is over 80 milligrams of alcohol in 100 millilitres of blood (0.08).
- the Insured Person's injury fails to meet the definition of an Accidental Dismemberment within three hundred sixty five (365) days following the date of the Accident.

**CRITICAL ILLNESS INSURANCE COVERAGE EXCLUSIONS:**

No benefit will be paid if the Insured Person is Diagnosed with or has Surgery for a Covered Critical Illness and:

- was not eligible to apply for critical illness insurance coverage,
- the critical illness is the direct or indirect result of the intentional taking of drugs, except where prescribed by a Physician or Specialist Physician,

- the Covered Critical Illness is directly or indirectly caused or contributed by the Insured Person's:
  - participation or attempted participation in a criminal offence,
  - impairment by illegal or illicit drugs or the Insured Person's blood alcohol concentration of over 80 milligrams of alcohol in 100 millilitres of blood (0.08), or
  - operating a motorized vehicle or vessel while the Insured Person is impaired by illegal or illicit drugs or the Insured Person's blood alcohol concentration is over 80 milligrams of alcohol in 100 millilitres of blood (0.08).

No benefit will be paid for a Covered Critical Illness resulting from a Pre-Existing Condition occurring within twelve (12) months of the Effective Date of Coverage on any Increased Portion of an Insured Loan if the Insured Person did not answer the applicable basic insurability questions when the Business applied for coverage on that Increased Portion.

### **Cancer**

No benefit will be payable for a recurrence or metastasis of an original Cancer which was Diagnosed prior to the Effective Date of Coverage.

No benefit will be payable under this condition for the following non-life threatening cancers:

- carcinoma in situ,
- stage 1A malignant melanoma (melanoma less than or equal to 1.0 mm in thickness, not ulcerated and without Clark level IV or level V invasion),
- any non-melanoma skin cancer that has not become metastasized, or
- stage A (T1a or T1b) prostate cancer.

90-day Exclusion Period for Cancer:

No benefit will be payable for Cancer and the Insured Person's Cancer coverage will terminate, if the Insured Person has any of the following, within ninety (90) days of the Effective Date of Coverage:

- signs, symptoms or investigations, that lead to Diagnosis of Cancer (covered or excluded under this coverage), regardless of when the Diagnosis is made, or
- a Diagnosis of Cancer (covered or excluded under this coverage).

While the Insured Person's coverage for Cancer terminates, coverage for all other Covered Critical Illness conditions remains in force.

Confirmation of the Diagnosis of Cancer must be reported to the Insurer within six (6) months of the date of the Diagnosis. If this information is not provided, the Insurer has the right to deny any claim for Cancer or any critical illness caused by any Cancer or its treatment.

### **Heart Attack**

Heart Attack does not include:

- elevated biochemical cardiac markers as a result of an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty, in the absence of new Q waves, or
- ECG changes suggesting a prior myocardial infarction, which do not meet the Heart Attack definition as described under section "What is a Covered Critical Illness".

### **Stroke**

No benefit will be payable under this condition for:

- transient ischaemic attacks,
- intracerebral vascular events due to trauma, or
- lacunar infarcts which do not meet the definition of Stroke as described under section "What is a Covered Critical Illness".

### **DISABILITY INSURANCE COVERAGE EXCLUSIONS:**

No benefit will be paid if the Insured Person is diagnosed with a Disability and:

- was not eligible to apply for Disability insurance coverage,
- the Disability is a result of intentional self-inflicted injuries or attempted suicide,
- is not under the active and continuous care of a Physician, or is not following the appropriate Treatment prescribed by their Physician,

- the Disability is directly or indirectly caused or contributed by the Insured Person's:
  - participation or attempted participation in a criminal offence,
  - impairment by illegal or illicit drugs or the Insured Person's blood alcohol concentration of over 80 milligrams of alcohol in 100 millilitres of blood (0.08),
  - operating a motorized vehicle or vessel while the Insured Person is impaired by illegal or illicit drugs or the Insured Person's blood alcohol concentration is over 80 milligrams of alcohol in 100 millilitres of blood (0.08).

No benefit will be paid for any Disability resulting from a Pre-Existing Condition occurring within twelve (12) months of the Effective Date of Coverage on any Increased Portion of an Insured Loan if the Insured Person did not answer the applicable basic insurability questions when the Business applied for coverage on that Increased Portion.

**DISABILITY INSURANCE COVERAGE LIMITATIONS:**

The following Policy limits apply to Disability insurance coverage:

- The Waiting Period must be satisfied before Disability insurance benefits are payable,
- When more than one Insured Person is Disabled at the same time, the Insurer will pay one Disability claim at a time,
- The following benefit payment maximums apply to Disability Insurance coverage:
  - the maximum Disability benefit payable for any one Insured Person is \$7,000 per month,
  - the maximum Disability benefit period is twenty-four (24) months per claim, and for each Insured Person, coverage under the Policy is limited to a maximum of 48 month of Disability payments.

## RESCISSION

### How to Rescind the Insurance Coverage

Business Loan Insurance Plan insurance coverage is optional and can be rescinded at any time. To rescind this insurance, the Authorized Signor(s) of the Business must contact the Insurance Service Centre at 1-800-ROYAL 2-3 (1-800-769-2523) to complete a rescission 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 rescinded, the final premium will be adjusted to reflect insurance premiums up to and including the date the signed rescission request is received by the Insurance Service Centre.

### Rescission in the First 30 Days

The Act respecting the distribution of financial products and services allows the Business to rescind an insurance contract with no penalty, within ten (10) days of its signature. In the case of this program, if the Business rescinds their insurance contract within thirty (30) days of the Effective Date of Coverage, a full refund of any premiums paid will be issued to the 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.

## CLAIMS

### Submission of 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(s) 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 deadlines to submit claims to the Insurance Service Centre:

- Life claims – within one (1) year of the date of death,
- Accidental Dismemberment claims – within ninety (90) days of the date of loss,
- Critical illness claims – within one hundred eighty (180) days of the date of Diagnosis or Surgery,
- Disability claims – within one hundred fifty (150) days from the date of Disability.

### Insurer's Reply

The Insurer will notify the claimant in writing of a decision to approve or decline the Insured Person's claim.

If additional information is required, the claimant will receive a letter from the Insurer requesting the information. The Insurer shall provide a written claim decision within thirty (30) days of their receipt of all the outstanding information requested.

Should a claim be declined, the Insurer will state the reasons for the decision in writing.

### Appeal of an Insurer's Decision and Recourses

If the Insurer denies the Insured Person's initial claim, the claimant and/or Business may appeal the decision. The appeal must be made in writing and should include any new information that is material to the Insurer's decision, but had not been previously submitted to them for review. The appeal must be submitted no later than ninety (90) days from the date of the Insurer's letter declining the claim. The claimant or the Business may consult the Autorité des marchés financiers or an independent legal advisor about the appeal.

### Legal Actions / Deadlines

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract must be taken within the time set out in legislation in the province of Quebec.



## SIMILAR PRODUCTS

Sun Life Assurance Company of Canada provides this creditor's Group Life, Accidental Dismemberment, Critical Illness and Disability insurance Policy exclusively to RBC Royal Bank. Other types of insurance to cover business loan repayments may be available on the market.

## ADDITIONAL INFORMATION

The conditions governing the insurance under the Group Policy and applied for in the application for insurance are set out in the Business Loan Insurance Plan Application, Business Loan Insurance Plan Terms and Conditions, and this document.

### Requesting Copies of Documents

On request, the Business, the Insured Person or the claimant on the Insured Person's behalf will be provided with a copy of the Application (including any evidence of insurability provided to the Insurer), the Terms and Conditions or the Group Policy, as required by legislation. The first copy will be provided at no cost, but a fee may be charged for subsequent copies.

## QUESTIONS CONCERNING YOUR COVERAGE

If more information regarding Business Loan Insurance Plan is needed, the Business or the Insured Person is encouraged to contact the Insurance Service Centre at:

### **ADDRESS**

Royal Bank of Canada ("RBC Royal Bank")  
Insurance Service Centre  
P.O. Box 53, Postal Station A  
Mississauga, Ontario  
L5A 2Y9

### **TELEPHONE**

1-800-769-2523

### **FAX**

1-800-864-6102

### **EMAIL**

[isc@rbc.com](mailto:isc@rbc.com)

## REFERRAL TO THE AUTORITÉ DES MARCHÉS FINANCIERS

For more information about the obligations of insurers and distributors to consumers, the Business or the Insured Person can contact the Autorité des marchés financiers at the following addresses and telephone numbers:

### **ADDRESS**

L'Autorité des marchés financiers  
Place de la Cité, Tour Cominar  
2640, boul. Laurier, bureau 400  
Québec, Québec G1V 5C1

### **TELEPHONE**

Montréal (514) 395-0337  
Québec (418) 525-0337  
Toll Free 1-877-525-0337

### **WEB SITE**

[www.lautorite.qc.ca](http://www.lautorite.qc.ca)

## CONFIDENTIALITY

### **A Message from Sun Life Assurance Company of Canada (Sun Life Financial) – 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](http://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

### **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 Service 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 on the cover page of this document.

## NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

### Notice Given by a Distributor

Article 440 of the Act respecting the distribution of financial products and services

#### THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES THE INSURED PERSON IMPORTANT RIGHTS

- The Act allows the Business to rescind an insurance contract that the Insurance Person and the Business have just signed when signing another contract, **without penalty, within 10 days of its signature. However, the Insurer allows the Business to rescind insurance coverage, without penalty, within 30 days of the Effective date of Coverage.** To do so, the Business must give the Insurer notice by registered mail within that delay. The Business may use the attached model for this purpose.
- Despite the rescission of the insurance contract, the first contract entered into will remain in force. Caution: it is possible that the Insured Person may lose valuable benefits as a result of this insurance contract; contact your distributor or consult your contract.
- After expiry of the 30-day delay, the Business may rescind the insurance at any time; however, penalties may apply.

Sections 439, 440, 441, 442 and 443 of the Act must be reproduced on the back of this notice.

For further information, contact the Autorité des marchés financiers at 418-525-0337 or 1-877-525- 0337.

## NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

To: SUN LIFE ASSURANCE COMPANY OF CANADA  
Name of Insurer

227 King Street South, P.O. Box 638, Waterloo ON N2J 4C5  
Address of Insurer

Pursuant to Section 441 of the Act respecting the distribution of financial products and services, I hereby rescind this insurance certificate issued under group master policy numbers 51000 and 57903.

Type of Insurance rescinded (check only one)

- Life Insurance Only       Life and Critical Illness Insurance       Life and Disability Insurance  
 Critical Illness Insurance Only       Disability Insurance Only

RBC Royal Bank Client Card Number: \_\_\_\_\_

Loan Account Number: \_\_\_\_\_

Date: \_\_\_\_\_  
Date of sending notice

Entered into on: \_\_\_\_\_  
Date of signature of contract

In: \_\_\_\_\_  
Place of signature of contract

\_\_\_\_\_  
Client Name (Print)

\_\_\_\_\_  
Client Signature

**The distributor must first complete this section. This document must be sent by certified or registered mail.**

**Art. 439.** A distributor may not subordinate the making of a contract to the making of an insurance contract with the insurer specified by the distributor.

The distributor may not exercise undue pressure on the client or use fraudulent tactics to induce the client to purchase a financial product or service.

**Art. 440.** A distributor that, at the time a contract is made, causes the client to make an insurance contract must give the client a notice, drafted in the manner prescribed by regulation of the Autorité, stating that the client may rescind the insurance contract within 10 days of signing it.

**Art. 441.** A client may rescind an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered or certified mail.

Where such an insurance contract is rescinded, the first contract retains all its effects.

**Art. 442.** No contract may contain provisions allowing its amendment in the event of a rescission or termination by the client of an insurance contract made at the same time.

However, a contract may provide that the rescission or termination of the insurance contract will entail, for the remainder of the term, the loss of the favourable conditions extended because more than one contract was made at the same time.

**Art. 443.** A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Autorité, stating that the debtor may subscribe for the insurance with the insurer and representative of the debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds. The distributor may not subordinate the making of the contract of credit to the making of an insurance contract with the insurer specified by the distributor.

No contract of credit may stipulate that it is made subject to the condition that the insurance contract subscribed with such an insurer remain in force until the expiry of the term, or subject to the condition that the expiry of such an insurance contract will entail forfeiture of term or reduction of the debtor's rights.

**The rights of the debtor under the contract of credit shall not be forfeited when the debtor rescinds, terminates or withdraws from the insurance contract, provided that the debtor has subscribed for insurance with another insurer that is considered satisfactory by the creditor, who may not refuse it without reasonable grounds.**