

The purpose of this fact sheet is to inform you of your rights.
It does not relieve the insurer or the distributor of their obligations to you.

LET'S TALK INSURANCE!

Name of distributor: Royal Bank of Canada

Name of insurer: RBC Life Insurance Company

Name of insurance product: Business Loan Insurance Plan – Life, Accidental Dismemberment, Critical Illness and Disability Insurance



IT'S YOUR CHOICE

You are never required to purchase insurance:

- that is offered by your distributor;
- from a person who is assigned to you; or
- to obtain a better interest rate or any other benefit.

Even if you are required to be insured, **you do not have to** purchase the insurance that is being offered. **You can choose** your insurance product and your insurer.



HOW TO CHOOSE

To choose the insurance product that's right for you, we recommend that you read the summary that describes the insurance product and that must be provided to you.



DISTRIBUTOR REMUNERATION

A portion of the amount you pay for the insurance will be paid to the distributor as remuneration.

The distributor **must** tell you when the remuneration exceeds 30% of that amount.



RIGHT TO CANCEL

The Act allows you to rescind an insurance contract, **at no cost**, within 10 days after the purchase of your insurance. However, the insurer may grant you a longer period of time. After that time, fees may apply if you cancel the insurance. **Ask** your distributor about the period of time granted to cancel it **at no cost**.

If the cost of the insurance is added to the financing amount and you cancel the insurance, your monthly financing payments might not change. Instead, the refund could be used **to shorten the financing period**. **Ask your distributor for details**.

The *Autorité des marchés financiers* can provide you with unbiased, objective information.

Visit www.lautorite.gc.ca or call the AMF at 1-877-525-0337.

Reserved for use by the insurer:

This fact sheet cannot be modified



Please note:

Subsequent correspondence or other RBC Royal Bank® documents may refer to this Product Summary as the Distribution Guide.

Business Loan Insurance Plan – Product Summary

Life, Accidental Dismemberment, Critical Illness and Disability Insurance

Name and contact information for the Insurer and Distributor

The Business Loan Insurance Plan is creditor’s group insurance underwritten by RBC Life Insurance Company (the “Insurer”). The Group Policyholder is Royal Bank of Canada (“RBC Royal Bank”). Life, Accidental Dismemberment and Disability insurance is provided under Group Policy 52000 and Critical Illness insurance is provided under Group Policy 53000.

RBC Life Insurance Company is the Insurer of this product.

RBC Life Insurance Company
PO Box 1840, Mississauga, ON L4Y 4H0
Telephone: 1-855-264-2173
Website: rbcinsurance.com
AMF client number: 2000479974

The Distributor of this insurance is Royal Bank of Canada (“RBC Royal Bank”).

Insurance Service Centre
P.O. Box 53, Station A, Mississauga, ON L5A 2Y9
Telephone: 1-800-769-2523
Fax: 1-800-864-6102
Email: isc@rbc.com

RBC Royal Bank branch contact information if different from the above:

Name and type of this insurance product

| | |
|-------------------------------|--|
| Insurance product name | Business Loan Insurance Plan – Life, Accidental Dismemberment, Critical Illness and Disability |
| Insurance product type | The Autorité des marchés financiers classifies this insurance product as Debtor Life, Health and Employment Insurance. |



How to read this product summary

This product summary is an overview of the Business Loan Insurance Plan (“Plan”) as it applies to insurance underwritten by RBC Life Insurance Company for eligible business loans with RBC Royal Bank. For full details of insurance provided under the Plan, please read the Business Loan Insurance Plan Terms and Conditions (“Terms and Conditions”) together with the Business Loan Insurance Plan Application (“Application”).

To find this product summary and the Terms and Conditions online, go to rbcinsurance.com/business-insurance/distributor/blip-policies-and-quebec-documents.html.

Words and terms that appear in **bold italic** throughout this Product Summary are defined below:

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

Accidental Dismemberment means the loss by **Accident** of an arm, leg, hand or foot by severance through or above the joint, or the loss of all sight in one or both eyes.

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.

Business Loan means a business term loan, revolving loan or commercial mortgage with RBC Royal Bank that is identified by an 8-digit loan number and includes any loan segments (identified by a separate 3-digit segment number) opened under the 8-digit loan number.

Critical Illness means that you have been diagnosed with or had surgery for one of the three following illnesses as described in the “What is a Covered Critical Illness?” section of the Terms and Conditions: cancer (life-threatening), heart attack or stroke.

Disability, Disabled means bodily injury, disease, sickness, complications due to pregnancy or any related medical conditions that require the active and continuous care of a physician and prevent the **Insured Person** from performing the substantial duties of their own occupation that they held before becoming **Disabled**, or engaging in any occupation or gainful employment.

Eligible means that the **Proposed Insured**, the **Business** and the **Business Loan** meet all necessary criteria to apply for a given type of insurance available under the Plan.

Insured Person means an individual who is **Eligible** for has applied for and has been approved for Business Loan Insurance Plan insurance coverage.

Pre-existing Condition means a condition or health problem for which, in the **12 months** before the effective date of insurance, the **Insured Person** received **Treatment**. (**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.)

Premium means the amount you must pay for insurance for a specific period.

Premium Rate means the unit cost of insurance.

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.

Seasonally Employed means the **Proposed Insured** works during the same part of the year and his or her documented employment history sets the expectation that he or she will return to the same work every following season.

Single Dismemberment means the irrecoverable loss due to an **Accident** of a leg, arm, hand, foot or entire sight in one eye. (If you lose your hand or foot along with the arm or leg it was attached to, such combined loss is still considered a **Single Dismemberment**.)

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

Depending on the context in which these terms appear, “you” and “your” mean the owner or guarantor the **Business** may propose to insure.



How does this insurance help protect my *Business Loan*?

Life insurance, **Accidental Dismemberment** insurance and **Critical Illness** insurance will reduce or pay off the balance under a **Business Loan** should the **Insured Person** die, have a permanent loss due to an **Accident** or be diagnosed with a **Critical Illness**. **Disability** insurance will help cover payments owed under a **Business Loan** should the **Insured Person** become **Disabled**.

How much insurance is available under the Plan?

The Plan offers the following types of optional creditor’s group insurance for **Eligible Business Loans**.

| Insurance type | Benefit | Maximum insurance benefit under the Plan |
|---------------------------------|--|--|
| Life | Lump sum payment if you die | \$1,000,000 |
| Accidental Dismemberment | Lump sum payment if you have an Accidental Dismemberment | Per Accident benefit: <ul style="list-style-type: none"> • \$25,000 per Single Dismemberment • \$50,000 per Multiple Dismemberment |
| Critical Illness | Lump sum payment if you have a Critical Illness | \$500,000 paid once only if, after the effective date of insurance, you receive a diagnosis or have surgery for one of the following covered Critical Illnesses : cancer (life threatening), heart attack or stroke. |
| Disability | Regularly scheduled payments if you continue to be Disabled for longer than 60 consecutive days | \$7,000 per month: <ul style="list-style-type: none"> • Per Disability claim, to a maximum payment period of 24 months • Lifetime maximum payment period of 48 months |

Which businesses and loans are *Eligible*?

To be **Eligible**, the **Business** must be domiciled and operating in Canada. The **Business Loan** must be in Canadian dollars and among the following types:

- RBC Royal Bank fixed- and/or variable-rate term loans and demand loans
- Canada Small Business Financing loans
- Revolving credit facilities by way of RBC Royal Bank prime-based loans
- Commercial mortgages less than **\$1,000,000**
- RoyFarm mortgages



Am I Eligible to apply?

You are **Eligible** to apply if **on the date of application** you are a Canadian resident and, for the applicable insurance type, meet all the required criteria in this chart:

| | Life | Critical Illness | Disability |
|---|-----------------|--|--|
| Business owner or guarantor of the Business Loan | Eligible | Eligible | Business owners only |
| At least 18 years old and younger than the age indicated under each insurance type | 65 | 60 | 65 |
| To apply for Critical Illness or Disability insurance, the Proposed Insured must also be applying for or have | N/A | At least \$25,000 of Life insurance | At least \$25,000 of Life insurance |
| For Disability insurance: <ul style="list-style-type: none"> Actively working for the Business; or If Seasonally Employed and not actively working on the date of the application, the Proposed Insured must be capable of performing the regular duties of his or her occupation | N/A | N/A | Eligible |

How do I apply?

As long as the **Business**, the **Proposed Insured** and the loan(s) are **Eligible**, this insurance can be applied for at the time of the loan(s) or any time after that. The **Business** and the **Proposed Insured** apply for this insurance by completing the Business Loan Insurance Plan Application.

You can choose the amount of Life insurance and **Critical Illness** insurance. You cannot chose the amount of **Disability** insurance.

For any amount of insurance applied for under the Business Loan Insurance Plan Application, the **Proposed Insured** must answer the basic insurability questions as applicable.

If your request for insurance totals **\$300,000** or less for life or combined life and **Critical Illness** and the **Proposed Insured** answered NO to all the applicable basic insurability questions, your Application will be approved without medical underwriting by the Insurer. If you answered YES to any of the applicable basic insurability questions or the amount of Life insurance exceeds **\$300,000** or a combined total of life and **Critical Illness** insurance exceeds **\$300,000**, the Insurer will contact the **Proposed Insured** for medical underwriting.

When does my insurance start?

Once RBC Royal Bank advances the loan amount or any increase in funds under your **Business Loan** (for revolving loans, on the first draw of funds), the insurance starts on the **later** of the following dates:

- When the completed application is signed by the **Business** and the **Eligible** person is insured under the **Business Loan**
- or
- The date the Insurer approves your application in writing, if medical underwriting was required



How much will my insurance cost?

Premium Rates for Life insurance and **Critical Illness** are based on:

- Gender
- Answer to the tobacco usage question at time of your application
- Age on the date the **Premium** is payable

Premium Rates for **Disability** insurance are based on your age at the time the **Premium** is payable.

In addition to the **Premium Rate** increasing as the **Insured Person** ages, **Premiums** payable for this insurance may go up or down from month to month, depending on the average daily outstanding balance for the period covered by your loan account statement.

Quebec sales tax is added to your premium.

See the “Insurance Premium Information” section of the Terms and Conditions for **Premium Rates** and sample calculations.

What does the insurer pay?

If the **Insured Person’s** claim is approved, the Insurer will pay a benefit to RBC Royal Bank on behalf of the **Business**, up to the applicable maximum.

| Insurance type | Benefit under the Plan |
|--|---|
| Life Critical Illness | For all loan types EXCEPT revolving credit facilities: <ul style="list-style-type: none"> • The outstanding insured balance as of the date of death or diagnosis For revolving credit facilities, the lesser of: <ul style="list-style-type: none"> • The outstanding insured balance as of the date of death/diagnosis; or • The average monthly insured balance for the 12 months |
| Accidental Dismemberment | For a Single Dismemberment , the lesser of: <ul style="list-style-type: none"> • 50% of the outstanding insured balance as of the date of the irrecoverable loss; or • \$25,000 |
| Accidental Dismemberment | For a Multiple Dismemberment , the lesser of: <ul style="list-style-type: none"> • The outstanding insured balance as of the date of the irrecoverable loss; or • \$50,000 |
| Disability | For all loans other than revolving credit facilities that have a blended payment of principal and interest: <ul style="list-style-type: none"> • The regular loan payment amount For all loans other than credit facilities that have a fixed principal payment plus interest: <ul style="list-style-type: none"> • The regular principal loan payment; plus • 1% of the average insured balance for the 12-month period prior to the month in which you became Disabled For revolving credit facilities: <ul style="list-style-type: none"> • 1% of the average insured balance, based on the outstanding balance for the 12-month period prior to the month in which you became Disabled |



For Life, **Accidental Dismemberment** and **Critical Illness** insurance claims, the Insurer will also pay interest calculated at the loan interest rate(s), to a maximum of one year from the date of death, loss or diagnosis, to the date of payment by the Insurer.

For **Disability** insurance claims, the Insurer will also pay any insurance premiums plus applicable taxes owed under your insured loan. Your insurance benefit may not cover the entire amount owing on all of your insured **Business Loans**.

If your amount of Life insurance (and **Critical Illness** insurance, if applicable) is equal to the total authorized credit limit under your **Business Loan**, it is fully insured. If you choose to partially insure your **Business Loan**, or the total authorized credit limit under all insured loans is greater than the maximum allowed under the Plan, coverage will be distributed over the different loan segments in the order of priority described in the “How is coverage allocated within multiple segments?” section of the Terms and Conditions.

What if I have an insurance claim?

You should always make an insurance claim as soon as possible using the claim form, which can be obtained at the claimant’s request from any RBC Royal Bank branch or by calling the RBC Insurance Service Centre at 1-800 ROYAL 2-3 or 1-800-769-2523.

How long do I have to make a claim?

There is no time limit for making Life insurance claims.

Under the Quebec Civil Code, claimants have **three years** to file a legal action.

For the prompt resolution of the following types of insurance claims, you should submit your claim within the following timelines:

- **Accidental Dismemberment** claims – within **90** days of the date of loss
- **Critical Illness** claims – within **180** days of the date of diagnosis or surgery
- **Disability** claims – within **150** days from the date of **Disability**

How long for the Insurer’s claim decision and payment?

The Insurer will send you the claim decision in writing within **30** days of receiving all the information required to make it.

If the Insurer approves a claim, it will pay the benefit to RBC Royal Bank within **30** days of receiving all information required to make a decision.

Whenever a claim is not approved, the Insurer’s written decision will include the reasons for that decision.

What if I want to appeal the Insurer’s claim decision?

If the Insurer does not approve your claim, you have **90** days from the date of the Insurer’s original claim decision to file an appeal. Your appeal must be in writing and you must include new information that is pertinent to your claim.

You may consult the Autorité des marchés financiers or an independent legal advisor for assistance with your appeal.

What exclusions and limitations apply to this insurance?

The Insurer will cancel insurance upon discovering that you made a misrepresentation or false declaration, including smoking status, on your application for insurance, during your medical underwriting interview (if applicable) or in connection with an insurance claim.

For a full list of exclusions and limitations, please see the “Limitations” and “Exclusions” subsections for each insured benefit in the Terms and Conditions. **The following are the most common reasons for the Insurer to deny an insurance claim:**

Life benefit

- Death is the result of suicide within **two** years from the effective date of insurance.
- Death is directly or indirectly caused or contributed to by the **Insured Person’s** operation of a motorized vehicle or vessel while impaired by drugs or substances, or the **Insured Person’s** blood alcohol concentration exceeds **80** milligrams of alcohol in **100** millilitres of blood (**0.08**).



Accidental Dismemberment benefit

- Dismemberment is due to intentional self-inflicted injuries.
- Dismemberment is directly or indirectly caused or contributed to by the **Insured Person's** operation of a motorized vehicle or vessel while impaired by drugs or substances, or the **Insured Person's** blood alcohol concentration exceeds 80 milligrams of alcohol in 100 millilitres of blood (**0.08**).

Critical Illness benefit

- Within the first **90** days from the effective date of insurance, the **Insured Person** had signs, symptoms or investigations that led to the diagnosis of cancer.
- The cancer the **Insured Person** was diagnosed with is not considered life-threatening.
- The changes shown in the **Insured Person's** electrocardiogram (ECG) suggest a prior myocardial infarction, and are not consistent with a new heart attack.
- The **Insured Person's** diagnosis was for a transient ischaemic attack (TIA), not a stroke.

Disability benefit

- The **Insured Person's Disability** is the result of intentional self-inflicted injuries.
- The **Insured Person** is not under the active and continuous care of a physician, or is not following the appropriate treatment prescribed by their physician.

Is there a **Pre-existing Condition** limitation and when does it apply?

The limitation for **Pre-existing Conditions** under the Plan will only be applied by the Insurer for Life, **Critical Illness** or **Disability** insurance benefits when RBC Royal Bank approves:

- An increase to the principal loan amount; or
- An increase to the maximum credit limit; or
- The addition of a new loan segment

under your **Business Loan** and all of the following circumstances apply:

- The **Business** applied for additional insurance after such change without the **Insured Person** answering the applicable basic insurability question(s)
- The **Insured Person's** claim occurs within **12** months of the date of approval for the increased amount of insurance
- The **Insured Person's** claim is due to a **Pre-existing Condition**

When will the Insurer limit the benefit?

If an **Insured Person** dies as a result of an **Accident**, only the Life insurance benefit will be payable.

If two or more **Insured Persons** die as a result of the same **Accident**, the maximum Life insurance benefit the Insurer will pay under your **Business Loan** is \$1,000,000.

When more than one **Insured Person** is **Disabled** at the same time, the Insurer will pay one **Disability** claim at a time.



When does the insurance end?

All insurance 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 Loan** is closed
- When the Insurance Service Centre receives a request from an authorized representative of the **Business** to cancel this insurance
- When the **Business Loan** is assumed in writing by another person or business
- When all or part of the insurance premium is more than **90** days overdue
- When the **Insured Person** dies
- When the Policy is terminated

Life insurance will also end on the last day of the month in which the **Insured Person** turns age **70**.*

Critical Illness insurance will also end on the **earliest** of the following dates:

- On the last day of the month in which the **Insured Person** turns age **65***
- The **Insured Person's Critical Illness** claim is paid
- When the **Insured Person** has less than **\$25,000** in Life insurance

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

- The last day of the month in which the **Insured Person** turns age **70***
- When the Insurer has paid an **Insured Person's Disability** benefits for a total of **48** months
- When the **Insured Person** has less than **\$25,000** in Life insurance

* For revolving credit facilities, if the last day of the month falls on a Friday, Saturday, Sunday or a statutory holiday and a financial transaction on the account occurs between the last day of the month and the next business day, your coverage on the revolving credit facilities only will end on the next business day.

What happens if a **Critical Illness** claim is paid?

If the Insurer pays an **Insured Person's Critical Illness** claim and that payment does not fully pay out the balance under your **Business Loan** (as on the date of diagnosis or surgery), the unpaid balance can qualify for Life insurance, provided the **Insured Person**, the **Business** and the **Business Loan** are still **Eligible**.

If there are other persons insured under your **Business Loan**, they maintain their Life insurance and **Critical Illness** insurance if applicable.

For more about the impact on insurance when a **Critical Illness** claim is paid, see the "What happens if the critical illness insurance benefit is less than the outstanding debt?" section of the Terms and Conditions.

When and how can I cancel my insurance?

This insurance is optional and the **Business** can cancel at any time. Although the *Insurers Act Respecting the Distribution of Financial Products and Services* allow for a **10**-day period to cancel without penalty, the Insurer allows **30** days.

To cancel this insurance:

- Contact the Insurance Service Centre at 1-800 ROYAL 2-3 (1-800-769-2523)
- If cancelling within the first **10** days of signing the insurance contract, the **Business** can use the Notice of Rescission form the distributor gave you when you applied for this insurance.

After the **30**-day period allowed by the Insurer, there will be no premium refund on cancellation, except where premiums may have been collected in error.



Who can answer my questions about this insurance?

For questions regarding the general administration of this insurance, you may contact the Insurance Service Centre at 1-800 ROYAL 2-3 (1-800-769-2523). For questions about underwriting or claims, you may contact the Insurer at 1-855-264-2173.

For more information about the obligations of insurers and distributors, you can contact the Autorité des marchés financiers as follows:

Autorité des marchés financiers

Place de la Cité, Tour Cominar

2640, boul. Laurier, 4^e étage (Québec) QC G1V 5C1

Tel:

Québec: 418-525-0337

Montreal: 514-395-0337

Toll Free: 1-877-525-0337

Website: lautorite.qc.ca

Where can I find the Insurer's complaint resolution process?

You can find a summary of the Insurer's complaint processing policy and where a complaint may be filed by going to rbc.com/customer-care and scrolling down to RBC Insurance.



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 lautorite.qc.ca.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

To :

RBC Life Insurance Company

(name of insurer)

Group Billing Support, PO Box 1840 Mississauga ON L4Y 4H0

(address of insurer)

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 contracts no.: 52000 and 53000 as applicable.

(number of contract, if indicated)

- Life Insurance only Life and Critical Illness Insurance Life and Disability Insurance
- Critical Illness Insurance only Disability Insurance only

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

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

In: _____
(place of signature of contract)

In: _____
(place of signature of contract)

name of client

name of client

X _____
signature of client (authorized signor 1)

X _____
signature of client (authorized signor 2)