

Notice of Amendment to Creditor Insurance Effective the Migration Date (the “Effective Date”)



Certificate version 1019073

Unless mentioned here, all other terms and conditions of your existing creditor insurance as set out in your certificate of insurance remain in full force and effect. Only the changes that take effect on the Effective Date are set out here.

Important: This Notice of Amendment forms part of your Certificate of Insurance (the “Certificate”). Please review it carefully and keep it with your Certificate of Insurance.

As of the Effective Date, the following amendments to the Certificate shall be made:

Changes to the Insurer

All references in the Certificate to “Insurer”, “we”, “us”, and “our” shall mean The Canada Life Assurance Company. The Canada Life Assurance Company can be contacted at: 1-800-554-5577, by mail at 330 University Avenue, Toronto ON, M5G 1R8, or online at www.canadalife.com.

Changes to the Group Policy numbers for Life and Disability Insurance on Mortgages

All references in the Certificate to Group Policy number HSBC-ECN006 will change to G60100 for Life insurance and H60101 for Disability insurance.

Change to policyholder

All references to “HSBC Bank Canada” are deleted and replaced with “Royal Bank of Canada”.

Addition of Contact Information

If you have any questions, you can:

- call the Insurance Service Centre at 1 800 ROYAL 23 OR 1 800 769-2523, weekdays, 8:00am to 8:00pm ET
- contact us by mail at RBC Insurance Services Inc., c/o Insurance Service Centre, P.O. Box 53, Postal Station A, Mississauga ON, L5A 2Y9
- find information online at www.rbcroyalbank.com

Changes to the maximum number of insured borrowers

The maximum number of eligible persons who may be insured under the Credit Facility at the same time is two.

Changes to eligibility requirements for borrowers

Only borrowers and co-borrowers are eligible for coverage under the Certificate.

Changes to coverage for demand loans

Insurance coverage for demand loans under the Certificate is terminated. Any references to demand loans are deleted from the Certificate.

Changes to the life insurance benefit for mortgages

The Insurer will pay the Insured’s balance owing at the date of death (to a maximum of \$750,000). An Insured’s mortgage balance will include: the unpaid principal balance(s), mortgage interest from the mortgage payment due date immediately

prior to death to a maximum of 5 years, any pre-payment charges, any overdrawn balance in the property tax account and any cash back option penalty amount owing and included in the existing balance on the mortgage payout statement.

Where two persons are insured and one insured person dies, life insurance coverage will remain in place on the surviving insured person if the insured mortgage has not been paid in full.

Changes to the definition of Total Disability

The definition "Total Disability" is deleted and replaced with the following:

A disability is a sickness or injury that completely prevents you from performing the regular duties of:

- the occupation(s) in which you were engaged immediately before the date you became disabled; or
- your principal occupation, if you are a seasonal employee and you become disabled between seasons; or
- if you are retired, your occupation prior to retirement.

To qualify for disability benefits, and to continue receiving these benefits, you must:

- be under the continuous care of a physician or health care practitioner who is licensed to practice medicine in Canada, and follow a reasonable and customary treatment program for your condition, as approved by Canada Life. The physician, or health care practitioner treating you for your disability must be someone other than yourself or a family member;
- not be engaged in any activity for wages or expectation of profit; and
- provide proof of your disability claim satisfactory to the Insurer and continue to provide proof of your disability claim whenever the Insurer may request it, at your expense.

The Insurer may request, at its own expense, a medical examination by a physician appointed by them or an examination at a rehabilitation facility.

Changes to the disability insurance benefit

In section 3 of your Certificate, the content under the heading "Disability Insurance" is deleted in its entirety and replaced with:

Provided you meet the terms and conditions of your Certificate, in the event of disability, the Insurer will pay your regular insured mortgage payment of principal, interest and Insurance premiums (excluding property tax instalments) to RBC Royal Bank for a maximum of 24 months.

The Insurer will not pay more than a maximum of \$3,000 each month, including Insurance premiums. There is a waiting period of 60 days from the date of disability before benefits are payable.

Disability payments will end on the earliest of the following dates:

1. the date your disability ends or you return to work;
2. the date you become engaged in any business, occupation or undertaking for wages or expectation of profit.

For either of the dates above, it is your responsibility to inform the Insurer that either of these events has occurred. Also, in these cases, as long as the maximum benefit of 24 months of disability payments has not been paid, the Insurer will make additional payment(s) depending on your regular payment schedule, as follows:

- one additional regular monthly payment, if your regular payment is made monthly; or
 - 2 additional regular bi-weekly payments, if your regular payment is made bi-weekly; or
 - 2 additional regular semi-monthly payments, if your regular payment is made semi-monthly; or
 - 4 additional regular weekly payments, if your regular payment is made weekly.
3. the date that 24 months of disability payments have been made on your behalf;
 4. the date your HomeProtector life or disability Insurance coverage ends; or
 5. the date you refinance or add on to your mortgage while disabled.

If you have joint coverage and both of you are disabled, payment of benefits will continue until each of you recover, to a maximum of 24 months per insured person. However, at no time will the benefit be more than the monthly equivalent of the regular mortgage payment to a maximum of \$3,000.

Note: The Insurer will adjust your disability benefit to reflect any change in a mortgage payment that is the result of a change in the interest rate you are charged.

Note: All disability benefits paid by the Insurer are applied directly to your insured mortgage account(s).

Concurrent or Overlapping disabilities

If your initial disability develops into another related condition, so that you are disabled from a new disability that is the direct or indirect result of the initial disability, this will be considered as one period of disability and the **24-month** maximum benefit period will be calculated from the occurrence of the initial disability. This is known as a concurrent disability.

If you sustain a second or further unrelated disability during the benefit period of your initial disability that continues to be disabling beyond the end of the initial disability, this is known as an overlapping disability and a new claim for benefits can be submitted, subject to the following:

- the medical condition causing the overlapping disability must be unrelated to the initial disability;
- the overlapping disability must have commenced after the initial disability began; and
- benefits for your overlapping disability will only start after benefits on your initial claim have stopped. A new 60 day waiting period is applied after the last benefit payment date for the first disability. A new maximum benefit period of 24 months will begin.

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 claims, where applicable.

If you recover from a disability, but:

- your disability recurs within 21 consecutive and complete days, and
- lasts for at least five consecutive and complete days of work, and
- is due to the same cause or causes, then

the Insurer will still consider this to be one continuous period of disability. In such cases, the Insurer begins paying your disability benefits effective immediately after this temporary period of recovery, without any waiting period.

Changes to when disability coverage ends

Item h) in section 4 of the Certificate is deleted. Disability insurance will not terminate when an Insured has collected benefits for a period of twenty-four months. An insured may submit a claim for disability insurance for an unrelated disability.

Changes to the termination of coverage when account in arrears

Item e) in section 4 of the Certificate is deleted and replaced with the following: "when your premiums are 90 days in arrears;"

Changes to reinstatement

Section 5 of the Certificate is deleted in its entirety. Insurance terminates when premiums are 90 days in arrears and cannot be reinstated.

Changes to what the Insurer won't pay

The following exclusion in section 6 of the Certificate for life insurance and disability insurance is deleted: "No benefit amount will be paid if your death is directly or indirectly caused or contributed to by...an air travel accident, unless a fare-paying passenger or acting as crew member of a regularly scheduled commercial passenger airline flight".

Changes to prior coverage recognition

Section 7 of the Certificate is deleted and replaced with the following:

If you are increasing your existing mortgage balance and reapplying for HomeProtector coverage within 30 days of your previous coverage ending, and

- your application is declined by the Insurer for health reasons; **or**
- you are over the maximum age to be able to apply for life Insurance coverage,

then, the Insurer will recognize your prior HomeProtector life Insurance coverage by granting you life coverage on the proportion of your new mortgage balance that equals the lesser of the closing insured balance of your previously insured mortgage or the plan maximum, divided by your new outstanding mortgage balance.

Example – Life Insurance coverage PCR: You refinance your existing HomeProtector insured mortgage to \$300,000 and reapply for coverage within 30 days of your previous coverage ending and your application is declined for health reasons;

- The closing balance, prior to refinancing, was \$150,000.

The Prior Life Insurance Coverage Recognition feature entitles you to:

- HomeProtector Life Insurance coverage of 50% of your new outstanding mortgage balance (i.e., $\$150,000 \div \$300,000$). In this example, your life coverage will always be 50% of your outstanding mortgage balance.
- Therefore, if on the date you die, your outstanding mortgage balance has declined to \$200,000, the benefit payable would be 50% of \$200,000, which is \$100,000.

The life Insurance premiums for Prior Coverage Recognition are based on your age at the time of your new application and your outstanding mortgage balance prior to reapplying for HomeProtector coverage.

Changes to the cost of insurance

The cost of insurance for all insured borrowers is being changed as follows:

Cost of Life Insurance

Your life insurance premium will be based on your age and the amount of your mortgage on the date your mortgage migrates to RBC. If your mortgage exceeds \$750,000, you will pay a premium on only the \$750,000 maximum and the benefit will be pro-rated. The cost of joint coverage is calculated using the joint rate and the age of the older insured person.

Monthly premium rate per \$1,000 of insured mortgage balance on the migration date.

Age	18-30	31-36	37-41	42-45	46-50	51-55	56-60	61-65	66-69
Single	\$0.10	\$0.14	\$0.21	\$0.30	\$0.43	\$0.57	\$0.76	\$1.02	\$1.63
Joint	\$0.17	\$0.24	\$0.36	\$0.51	\$0.73	\$0.97	\$1.29	\$1.73	\$2.77

Provincial sales tax will be added to your premium where applicable.

Example: You are 35 years old, and your co-borrower is 30 years old, and you have a \$200,000 mortgage. The premium rate for the HomeProtector life insurance joint coverage will be based on the age of the older person. The premium rate will be \$0.24 per \$1,000 of the insured mortgage balance on the migration date. The premium will be calculated as follows: $(\$200,000 \div \$1,000) \times \$0.24 = \48 per month + PST where applicable.

If you add on to or refinance your mortgage, you must reapply for Insurance coverage, and premiums will be calculated based on your age and balance at the time of your new application for Insurance (see Refinancing and HomeProtector Add-on Refinance Program (HARP)).

Return of Premiums for Life Insurance

For each month following the migration date that you remain insured, you will receive a return of life insurance premiums as follows:

- the amount of the return of premiums will be 65% of the monthly life insurance premiums paid (excluding any PST paid, if applicable);

- the return of premiums will be deposited into the payment account from which your mortgage payments are drawn;
- each monthly return of premiums will be processed by the end of month following the month in which the premiums were paid; and
- the return of premiums will terminate when 12 monthly return of premium payments have been made.

Cost of Disability Insurance

Your disability insurance premium will be based on your age and the amount of your mortgage payment of principal, interest, and life insurance premium on the date your mortgage migrates to RBC. The cost of joint coverage is calculated using the joint rate and the age of the older insured person.

Premium rates per \$100 of mortgage payment

Age	18-30	31-36	37-41	42-45	46-50	51-55	56-60	61-65	66-69
Single	\$1.42	\$1.84	\$2.33	\$2.92	\$3.52	\$4.34	\$5.48	\$6.38	\$6.90
Joint	\$2.70	\$3.50	\$4.43	\$5.55	\$6.69	\$8.25	\$10.41	\$12.12	\$13.11

Provincial sales tax will be added to your premium where applicable.

Example: You are 35 years old, and your co-borrower is 30 years old, and you have a mortgage with a monthly payment of \$1,000 (which includes principal, interest and your life Insurance premium). The premium rate for the HomeProtector disability insurance joint coverage will be based on the age of the older person. The premium rate will be \$3.50 per \$100 of mortgage payment. The premium will be calculated as follows: $(\$1,000 \div \$100) \times \$3.50 = \35.00 per month + PST where applicable.

Addition of Refinancing and HomeProtector Add-on Refinance Program (HARP)

The following section is added to your Certificate:

If you add on to or refinance your existing HomeProtector insured mortgage, Insurance coverage terminates and you must reapply for Insurance coverage; if your Application is approved, premiums will be calculated based on your age and balance at the time of your new application for Insurance. You are considered to have added on to or refinanced your mortgage if the balance of your mortgage increases ("Add-on/Refinance").

However, the HomeProtector Application Refinance Program (HARP) will apply if:

- you were eligible for HomeProtector Insurance at the time you applied for coverage on your mortgage prior to the Add-On/Refinance, which includes being actively working for disability Insurance;
- the increase to your existing mortgage balance is \$100,000 or less;
- you reapply for the same type of coverage on your new mortgage, before it is advanced; **and**
- for life and/or disability Insurance - you are less than 70 years of age and the total of all your insured RBC Royal Bank mortgages, plus any mortgage for which you are applying for HomeProtector life and/or disability Insurance is \$750,000 or less; and/or

If these conditions apply, then you are **not** required to:

- answer the application health questions; or
- be actively working at the time of the Add-on/Refinance.

Your answers to the health questions on your previous insurance application for the mortgage prior to the Add-On/Refinance, plus any evidence of your insurability submitted with respect to that application, shall be deemed to be information relating to the Application submitted under HARP.

The Pre-existing Condition Exclusion under HARP means your benefit will be limited if:

- you re-applied for life or disability, or Insurance due to refinancing or adding on to your mortgage under HARP; and you
- die or become disabled within 12 months, or
- are diagnosed with a Covered Illness within 24 months

after the date you re-applied for Insurance, and your death, disability, or Covered Illness for which a claim is submitted is a result of, caused by, related to or associated with a condition or health problem for which you had symptoms or received Medical Treatment* in the 12 months immediately preceding the date you re-applied for Insurance under HARP.

* Medical Treatment means receiving advice, consultation, care or service from a physician or health care practitioner, taking pills, injections, or any other form of medication or consulting a physician or health care practitioner for any health condition or symptoms of a health condition, whether diagnosed or not.

If the benefit is limited due to the pre-existing condition exclusion as set out above, the payment will be calculated as a percentage of your outstanding balance. In this case, the payable benefit for life Insurance is calculated using the following formula:

- Initial mortgage amount ÷ Mortgage balance at time of add-on/refinance x Mortgage balance at date of death (for a life claim)

For disability Insurance, the benefit will be the lesser of these two amounts:

- your previous mortgage payment before you refinanced under HARP; or
- your current mortgage payment.

Further, should your current mortgage payment become less than your benefit payment, then your benefit payment will be reduced accordingly. In no case will the benefit payment exceed your current mortgage payment.

Changes to How Do You Make a Claim

Section 10 of the Certificate is deleted and replaced with the following:

Claim forms and more information on the claims process can be obtained from your RBC Royal Bank branch or by contacting the Insurance Service Centre at 1-800-769-2523.

- Life claim forms must be received by the Insurer as soon as possible or **within one (1) year from the date of death and in Quebec, within three (3) years from the date of death.**
- Disability claim forms must be received by the Insurer **within 150 days from the day the disability started.**

You must provide medical evidence required to support the claim at your expense. You or your authorized representative will be notified in writing of a decision to approve or deny your claim by the Insurer within 30 days of the Insurer receiving all information required upon which to make a decision.

Important: You are responsible for all your regular mortgage payments until you have been advised by the Insurer that your claim has been approved.

Changes to cancellations

Item d) in Section 4 is deleted and replaced with the following:

to cancel this Insurance, all borrowers and guarantors must contact the Insurance Service Centre. In the event you cancel your Insurance, your final premium will be adjusted to reflect Insurance costs up to and including the date your request is received by the Insurance Service Centre.

Changes to General Provisions

The Entire Contract clause in Section 11 of the Certificate is deleted.

The following clauses are inserted in Section 11 of the Certificate:

On request, you or a claimant under this Certificate will be provided with a copy of your application and any evidence of your insurability provided to the Insurer, subject to limits prescribed by law. On reasonable notice, the Insurer will provide you or a claimant under this Certificate with a copy of the Policy.

Amendments: All premiums, terms and conditions are subject to change with 60 calendar days' written notice.

Limitation Periods

The heading "Limitation Periods" and the accompanying paragraph is inserted in the Certificate:

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* (for actions or proceedings governed by the laws of Alberta and British Columbia),
- The *Insurance Act* (for actions or proceedings governed by the laws of Manitoba),
- The Limitations Act, 2002 (for actions or proceedings governed by the laws of Ontario), or in other applicable legislation,
- for those actions or proceedings governed by the laws of Quebec, the prescriptive period is set out in the *Quebec Civil Code*.

Privacy & Confidentiality

Section 12 of the Certificate is deleted and replaced with the following:

RBC Insurance Services Inc. and The Canada Life Assurance Company recognize and respect the importance of privacy.

Your personal information:

- When you apply for coverage, we establish a confidential file that contains your personal information including your name, contact information, and products and coverage you have with us. Depending on the products or services you apply for and are provided with, this may also include financial or health information.
- Your information is kept in the offices of RBC Insurance Services Inc. or Canada Life.
- You may exercise certain rights of access and rectification with respect to the personal information in your file by sending a request in writing to RBC Insurance Services Inc. or Canada Life.

Who has access to your information:

- We limit access to personal information in your file to RBC Royal Bank, RBC Insurance Services Inc. and Canada Life, to organizations authorized by RBC Insurance Services Inc. or Canada Life who require it to perform their duties, and to persons whom you have granted access.
- In order to assist in fulfilling the purposes identified below, we may use service providers located within or outside Canada.
- Your personal information may also be subject to disclosure to public authorities or others authorized under applicable law within or outside Canada.

What your information is used for:

- Personal information that we collect will be used for the purposes of determining your eligibility for products, services or coverage for which you apply, providing, administering or servicing products or coverage you have with us, and for Canada Life's and its affiliates' internal data management and analytics purposes.
- This may include investigating and assessing claims, paying benefits, and creating and maintaining records concerning our relationship.

If you want to know more:

For a copy of our Privacy Guidelines, or if you have questions about our personal information policies and practices (including with respect to service providers), write to Canada Life's Chief Compliance Office or refer to www.canadalife.com.

How to Make a Complaint

The following provision is inserted in the Certificate as section 13:

To obtain information about how to make a complaint and our complaints handling process, please call Canada Life at 1-800-380-4572.

