

LoanProtector

Type of insurance product:

Life, Critical Illness and Disability Insurance
for your personal loan and Royal Credit Line
account

**Distribution guide
for the residents of Quebec only**

Important

The documents listed below are important:

- the Certificate of Insurance;
- the LoanProtector Distribution Guide, and any applicable addendum in effect at the time of application for insurance;
- your completed copy of the LoanProtector application for insurance or the Application Confirmation if you applied by electronic means, over the internet, over the telephone or through a direct mail offer;
- any documents you submit via paper or electronic means as evidence of your insurability; **and**
- correspondence indicating the Insurer's approval of your coverage.

Keep all your insurance papers in this pocket of your LoanProtector Distribution Guide. You may need to look at them in the future. Please keep this package in a safe place.

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Name and address of the Insurer

The Canada Life Assurance Company
330 University Avenue
Toronto, Ontario M5G 1R8

Name and address of the distributor

Royal Bank of Canada
1 Place Ville Marie
Montreal, QC H3C 3B5

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 policy.

Introduction

This Distribution Guide describes the features and benefits of LoanProtector® life, critical illness and disability insurance offered with your RBC Royal Bank® personal loan or Royal Credit Line® account. This Distribution Guide will help you to decide if the protection available suits your specific insurance needs, without the assistance of an insurance representative.

This Distribution Guide includes information on all the insurance policies mentioned in your certificate, including those that you have **not** selected. Please refer to the inside front cover of this Distribution Guide for more details.

For any additional information about LoanProtector life, critical illness and disability insurance, please contact the **Insurance Service Centre** at:

1-800 ROYAL 2-3 (1-800-769-2523)

Fax: 1-800-864-6102

RBC Insurance Services Inc.

Insurance Service Centre

P.O. Box 53, Postal Station A

Mississauga, Ontario

L5A 2Y9

You can also find information online at www.rbcroyalbank.com

The LoanProtector insurance program is underwritten by

The Canada Life Assurance Company
330 University Avenue
Toronto, Ontario
M5G 1R8

The Canada Life Assurance Company (the Insurer) has issued three group creditor insurance policies, #G28444 for life insurance, #H28544 for critical illness insurance and #H28445 for disability insurance, to Royal Bank of Canada (RBC Royal Bank), including associated companies.

Description of products offered

Nature of coverages

LoanProtector insurance offers life, critical illness and disability insurance, underwritten by The Canada Life Assurance Company. It protects your RBC Royal Bank personal loan or Royal Credit Line account at times when making payments could be difficult.

Summary of specific features

Persons eligible for insurance

To be eligible for life, critical illness and disability insurance, you must be an individual borrower* and/or co-borrower* of an eligible personal loan or Royal Credit Line account. A maximum of two people per eligible personal loan or Royal Credit Line account can have coverage.

At the date of application, you must be:

- for life and disability insurance, less than 70 years old; and
- for critical illness insurance, less than 56 years old.

To apply for **disability insurance**, you must also:

- have LoanProtector life insurance coverage, **and**
- be actively working on the date of application.

You may not have critical illness insurance without also having life insurance.

You cannot be insured for both critical illness and disability insurance at the same time on the same personal loan or Royal Credit Line account.

Actively working means you are:

- gainfully employed in **full-time** or **self-employment at least 20 hours a week**; or
- on maternity or parental leave but capable of performing the regular duties of your employment or occupation; or
- employed seasonally for at least 20 hours a week during the work season, which has a beginning and end, and you have a proven work history as a seasonal employee, you expect to return to the same occupation the next season and you are currently capable of performing the regular duties of your seasonal employment.

Note: If you submit a claim, you may be required to provide proof satisfactory to the Insurer that you were actively at work when you applied for the coverage.

Loans eligible for insurance

An eligible loan is an RBC Royal Bank personal:

- fixed rate* loan,
- variable rate* loan, **or**
- Royal Credit Line account.

The following loans are not eligible for insurance:

- a demand loan*,
- a government guaranteed student loan.

Note: The loan or Royal Credit Line account must be in good standing to be considered eligible for insurance.

Health questions

You are not required to answer any health questions if the total of all your life insured RBC Royal Bank loans and/or lines of credit limit plus any loans and/or lines of credit limit for which you are applying for LoanProtector insurance equal \$100,000 or less. Your application for insurance is automatically approved.

You must answer the health questions on the application for insurance if the total of all your life insured RBC Royal Bank loans and/or lines of credit limit plus any loans and/or lines of credit limit for which you are applying for LoanProtector insurance exceed \$100,000.

For **life coverage**, you must answer **one health question**.

For **disability insurance**, you must answer **three health questions**.

For **critical illness insurance**, you must answer **two health questions**.

If you answer:

- **“no” to all of the applicable health questions**, then your application for coverage is automatically approved, and the Insurer will not require any further health information at that time.

- **“yes” to any of the applicable health questions,** your application is not automatically approved, and you must complete a separate health assessment.

Important

You must reapply for LoanProtector coverage:

- each time you increase your Royal Credit Line account limit, once it is over \$100,000; **and/or**
- when the total amount to be insured for all life insured loans and/or lines of credit exceeds \$100,000.

EXAMPLE:

You have a \$50,000 personal loan insured with LoanProtector life and disability insurance. You obtain a Royal Credit Line account with a \$70,000 limit and would like to insure it with LoanProtector life and disability insurance. The total of your loan and Royal Credit Line account to be insured with LoanProtector life and disability insurance is \$120,000. You must therefore answer the three health questions on the application for insurance. Your application for insurance is accepted if you answer “no” to all of the applicable health questions on the application for insurance. You must complete a separate health assessment if you answer “yes” to any of the health questions on the application for insurance.

A health assessment allows for a review of your application in detail. A health assessment may include:

- a telephone interview with a representative of the Insurer;
- completing a detailed health questionnaire;
- a paramedical examination* and a blood/urine test, which the Insurer will arrange at its expense.

Note: It’s important that you complete the Insurer’s requirements in a timely manner. If a health questionnaire is required, it must be completed and returned within 30 days of the Insurer’s request; otherwise your application for insurance could be declined.

Important

Should you die, become diagnosed with a covered illness or become disabled within two years from the date coverage begins, the Insurer will validate your answers to the health questions. All health questions must be answered truthfully and completely. Should you fail to disclose information or give incorrect information, your coverage may be void and the Insurer will not pay a benefit at claim time.

If you are an RBC Royal Bank Online Banking client, you will receive automatic updates on the status of your application. You can review these updates, at your convenience, via your RBC Online Banking Message Centre.

Confirmation from the Insurer

If your application for insurance qualifies for automatic approval as described in the “*Health questions*” section (on pages 7 and 8), your application for insurance will constitute the proof that you are insured.

Written approval is required from the Insurer if you have completed a health assessment as to the acceptance or decline of your application for insurance. The Insurer’s response will be sent to you **within a 30-day period** after the receipt of all required information. RBC Royal Bank or the Insurer’s letter confirming your LoanProtector life, or life and critical illness, or life and disability application approval will constitute the proof that you are insured.

Temporary insurance while your application for insurance is being processed

If RBC Royal Bank has advanced funds to you but it is necessary for the Insurer to assess your LoanProtector application, LoanProtector insurance provides temporary insurance for you during the assessment period.

In this case, **the following conditions apply:**

- LoanProtector insurance will only pay a life insurance benefit and only if you die as a result of an accidental injury*;
- the benefit is the amount that would have been paid had your LoanProtector application for insurance been accepted;
- no benefit will be paid if your accidental death was the result of you committing or attempting to commit a criminal offence, regardless of whether charges are laid or a conviction obtained;
- no benefit will be paid if your death was caused directly or indirectly by suicide or intentional self-inflicted injury.

Your temporary insurance will end on the earlier of the following dates:

- the **30th day** following the date of your LoanProtector application or Application Confirmation when applying electronically;
- the date that the Insurer reaches a final decision on your LoanProtector application.

Beginning of insurance coverage

Your insurance coverage begins on the date your LoanProtector application is approved.

However, no benefit will be paid until the date of the advance of your loan, or the date funds become available to withdraw from your Royal Credit Line account.

Life insurance

Life insurance benefit

In the event of death, the Insurer will pay RBC Royal Bank the outstanding balance(s) of your insured personal loan(s) and the qualifying balance(s) of your insured line(s) of credit owing at your date of death, to a maximum amount of \$500,000 for all your insured loans and lines of credit combined.

PERSONAL LOAN

For **personal loans**, the insured balance includes:

- the outstanding amount of your loan; **and**
- the interest that remains to be paid on your loan, up to a maximum of 60 days.

In the event that two persons are jointly insured for a **personal loan**, the Insurer will pay the personal loan insured balance upon the first death, and insurance coverage will automatically end for the survivor.

ROYAL CREDIT LINE

For **lines of credit**, the qualifying balance is defined as the **lesser** of:

- the outstanding balance as of the date of death; **or**
- the average monthly balance for the 12 months prior to the month in which death occurred;

plus a maximum of 60 days interest that remains to be paid on the qualifying balance of your Royal Credit Line account.

If death occurred less than 12 months, but more than 30 days, from the date funds became available to withdraw from your Royal Credit Line, then the average daily balance starting from the date funds became available to withdraw until the end of the month prior to the month in which death occurred is calculated; if death occurred

30 days or less from the date funds became available to withdraw from your Royal Credit Line, then the average daily balance starting from the date funds became available to withdraw up to and including the day before the date of death is calculated.

In the event that two persons are jointly insured for a **Royal Credit Line account**, the Insurer will pay the Royal Credit Line account qualifying balance upon the first death. Insurance coverage will remain in place for the survivor if the Royal Credit Line account remains in place. Premiums will be adjusted to reflect the single borrower*.

In the event that two persons are jointly insured for a **personal loan or Royal Credit Line account** and both persons die at the same time, the Insurer will not pay any benefits greater than the insured outstanding balance of the loan or Royal Credit Line account.

In no case will the Insurer pay more than your outstanding insured personal loan or Royal Credit Line balance(s) owing at the date of death, to a maximum of \$500,000, should the total loans and lines of credit insured under LoanProtector insurance exceed \$500,000.

Partial coverage

If, when coverage begins, the total of all loans and lines of credit to be insured under LoanProtector insurance exceeds \$500,000, premiums are only calculated on the \$500,000 maximum, and the benefit paid is also capped at **the \$500,000 maximum**.

EXAMPLE:

If the loan balance was \$600,000 at the time of the insurance application and the balance owing at the date of death is \$550,000, the benefit payable is the maximum of \$500,000.

Note: All life benefits paid by the Insurer are applied directly to your insured loan or Royal Credit Line account.

Any overpayment resulting from a determination that benefits already paid were not payable under the terms of this coverage must be repaid by you and/or your estate within 30 days.

Cost of life insurance

Life insurance premiums for loans and Royal Credit Line accounts are calculated using the life insurance rates in *Table 1*, below.

Table 1 – Life insurance premium rates based on age band

Age Band	Life Rates ¹
	Monthly rate per \$1000 of outstanding balance
	Single
Under 31	\$0.12
31 – 35	\$0.19
36 – 40	\$0.29
41 – 45	\$0.41
46 – 50	\$0.54
51 – 55	\$0.68
56 – 60	\$0.81
61 – 65	\$1.01
66 – 69	\$1.32

¹ Rates are converted from a monthly rate to a daily rate based on 365 days a year.

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

The cost of joint life coverage is calculated by multiplying the cost of single coverage for the eldest insured borrower by 1.7.

EXAMPLE:

You are 38 years old and your co-borrower* is 34 years old. The premium rate for joint LoanProtector life insurance coverage is based on the age of the eldest insured borrower*. The premium rate will be \$0.49 (the single premium rate for a 38 year old of \$0.29 x 1.7) per \$1,000 of the outstanding loan balance.

PERSONAL LOAN

The cost of insurance on your fixed rate* or variable rate* personal loan is indicated in the application for insurance as the “average cost per payment.” It is calculated based on:

- your premium rate,
- your declining loan balance*, **and**
- your loan payment frequency.

Since the cost of insurance changes as the outstanding balance of your loan decreases, the “average cost per payment” helps you estimate the cost of your insurance coverage for the term of your loan. **It is not the actual premium collected with each payment.**

The insurance cost for your loan is calculated using the premium rates based on your age at the time of your application (See *Table 1* on page 13) and the loan balance at the date your payment is due. Your total loan payment remains the same for the duration of your term. The insurance portion of the loan payment, however, decreases as the outstanding loan balance declines.

The decrease in the insurance premium results in a corresponding increase in the portion of the loan payment that is applied to the reimbursement of the principal of your loan.

EXAMPLE:

You are 30 years old and you have a \$10,000 loan for which you have taken single LoanProtector life insurance. You must make monthly personal loan payments of \$100, including the life insurance premium. The life insurance premium included in the first monthly payment is \$1.22 $[(\$0.12 \times \$10,000 \div \$1,000) \div 365 \times 31 \times 12]^1$. The amount applied to the interest and principal repayment is therefore \$98.78 (\$100 – \$1.22). After one year, if your loan balance is \$9,000, the life insurance premium included in your next monthly payment is \$1.07 $[(\$0.12 \times \$9,000 \div \$1,000) \div 365 \times 30 \times 12]^2$. The amount applied to the interest and principal repayment will therefore be \$98.93 (\$100 – \$1.07).

^{1,2} These scenarios illustrate the calculations for the monthly insurance premium for months with 31 days and 30 days, respectively. Provincial sales tax will be added to your premium where applicable.

ROYAL CREDIT LINE

The cost of insurance on your Royal Credit Line account is expressed as the “cost per \$1,000 of outstanding balance.” The insurance premium for your Royal Credit Line account is based on:

- the premium rate for your age on the date your payment is due, **and**
- your average daily balance during that statement period.

You will not pay any insurance premiums if you maintain a zero balance on your Royal Credit Line account.

See *Table 1* on page 13 for your premium rates based on your age.

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

Grace period

Your insurance will end if all or part of your insurance premium is 90 days overdue.

Exclusions, restrictions or reductions applicable to LoanProtector life insurance

CAUTION

Certain exclusions, restrictions and reductions apply to LoanProtector life insurance coverage:

- a) The maximum insured benefit amount is \$500,000 for all loans and Royal Credit Line accounts combined.**
- b) The Insurer will not pay a benefit if you take your own life within 2 years of the date your insurance coverage begins.**
- c) The Insurer will not pay a benefit if you die should you fail to disclose information or if you give incorrect information relating to the application for insurance.**

Except in case of fraud, this exclusion applies only for the first 2 years following the beginning of the insurance.

d) Pre-existing health condition limitations:

The Insurer will not pay a life benefit on a loan or Royal Credit Line account benefit if:

1. you die during the first 12 months after the date you applied for LoanProtector insurance; and

2. you have:

- **received treatment*,**
- **taken medication, or**
- **consulted a physician or other health care provider***

for any health condition, or for any symptoms of a health condition, whether diagnosed or not, in the 12 months before you applied for LoanProtector insurance; and

3. your death is a result of, or is related to, any health condition referred to in item 2 above.

Critical illness insurance

The following section about critical illness insurance coverage applies to you only if you have applied for and been approved for LoanProtector critical illness insurance. Please carefully check your LoanProtector approval letter to see which coverage has been approved.

Definitions

This section contains specialized medical terms; if you have questions, please contact your medical doctor.

Diagnosis means the determination of the nature and circumstances of a medical condition, made in writing by a **medical doctor** who has been trained in and certified by a specialty examining board in Canada in the specific area of medicine relevant to the Covered Illness, and who is not yourself, your relative, or your business associate.

Cancer (Life-Threatening) means a definite Diagnosis of a tumour, which must be characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue.

Exclusion: Cancer (Life-Threatening) does not include, and no benefit will be payable under this condition for:

- Carcinoma in-situ; malignant melanoma skin cancer that is less than or equal to 1.0mm in thickness, unless it is ulcerated or is accompanied by lymph node or distant metastasis;
- Any non-melanoma skin cancer, without lymph node or distant metastasis;
- Prostate cancer classified as T1a or T1b, without lymph node or distant metastasis; **or**
- Papillary thyroid cancer or follicular thyroid cancer, or both, that is less than or equal to 2.0cm in greatest diameter and classified as T1, without lymph node or distant metastasis.

Heart Attack means a definite Diagnosis of the death of heart muscle due to obstruction of blood flow which results in the 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; **or**
- Development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty.

Exclusion: Heart Attack does not include, and no benefit will be payable under this condition for:

- ECG changes suggesting a prior myocardial infarction; **or**
- 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.

Stroke 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.

Exclusion: Stroke does not include, and no benefit will be payable under this condition for:

- Transient Ischemic Attacks, also referred to as mini strokes;
- Intracerebral vascular events due to trauma; or
- Lacunar infarcts which do not meet the definition of Stroke as described above.

Critical illness insurance benefit

If you are Diagnosed with a Covered Illness (meaning Cancer (Life-Threatening), Heart Attack or Stroke as defined above) while you are insured, the Insurer will pay RBC Royal Bank the outstanding balances of your insured personal loans and the Qualifying Balances of your insured line of credit accounts owing at the date of Diagnosis to a maximum of \$300,000 for all of your insured loans and line of credit accounts combined.

If, on the date coverage begins, the total of all loans and line of credit accounts to be insured under LoanProtector insurance exceeds \$300,000, premiums are only calculated on the \$300,000 maximum, and the benefit paid is capped at \$300,000.

EXAMPLE:

If the loan balance was \$600,000 at the time of the insurance application and the balance owing at the date of Diagnosis is \$550,000, the benefit payable is the maximum of \$300,000.

If you are jointly insured, the Insurer will pay the insured loan balance or Royal Credit Line account Qualifying Balance upon the first date of Diagnosis, and critical illness insurance coverage will remain in effect for the other insured borrower (if a balance is not paid in full).

PERSONAL LOAN

Your balance is the outstanding amount of your loan and a maximum of 60 days interest that remains to be paid.

LINE OF CREDIT

Your Qualifying Balance is the lesser of the outstanding balance as of the date of Diagnosis or the average monthly balance* for the 12 months prior to the month in which the date of Diagnosis occurred; plus a maximum of 60 days interest that remains to be paid on the Qualifying Balance of your Royal Credit Line account. The benefit paid may be less than your outstanding balance.

Note: All critical illness benefits paid by the Insurer are applied directly to your insured loan or Royal Credit Line account(s).

Any overpayment resulting from a determination that benefits already paid were not payable under the terms of this coverage must be repaid by you and/or your estate within 30 days.

Cost of critical illness insurance

Age Band	Critical Illness Rates ¹	
	Monthly rate per \$1000 of outstanding balance	
	Single	Joint
Under 31	\$0.25	\$0.43
31 – 35	\$0.35	\$0.60
36 – 40	\$0.45	\$0.77
41 – 45	\$0.77	\$1.31
46 – 50	\$1.17	\$1.99
51 – 55	\$1.65	\$2.81
56 – 60*	\$2.22	\$3.77
61 – 65*	\$3.17	\$5.39
66 – 69*	\$4.40	\$7.48

¹ Rates are converted from a monthly rate to a daily rate based on 365 days a year.

* Applicable only for clients with existing LoanProtector coverage. Provincial sales tax will be added to your premium where applicable. The cost of joint coverage is calculated using the joint rate and the age of the older person.

PERSONAL LOAN

The estimated cost of insurance on your fixed or variable rate personal loan is expressed as the “average cost per payment”. It is based on your premium rate, declining loan balance* and loan payment frequency. The average cost per payment is **not the actual premium collected with each payment**. It is an estimate of the average cost of your insurance coverage for the term of your loan. The actual insurance cost for your loan is calculated using the premium rates based on your age at the time of your application and your loan balance on the date your payment is due.

EXAMPLE

You are 30 years old and you have a \$10,000 loan for which you have taken single LoanProtector critical illness insurance. You must make monthly personal loan payments of \$100, including the critical illness insurance premium. The critical illness insurance premium included in the first monthly payment is \$2.55 $[(\$0.25 \times \$10,000 \div \$1,000) \div 365 \times 31 \times 12]$. The amount applied to interest and principal repayment is therefore \$96.23 $(\$100 - \$1.22 - \$2.55)$.

LINE OF CREDIT

The cost of insurance on your Royal Credit Line account is expressed as the “cost per \$1,000 of outstanding balance”. The insurance premium for your Royal Credit Line account is based on the premium rate for your age on the date your payment is due and your average daily balance during that statement period. If you maintain a zero balance on your Royal Credit Line account, then you will not pay any insurance premiums.

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

Grace period

Your insurance coverage will end if all or part of your insurance premium is 90 days overdue.

Exclusions, restrictions or reductions applicable to LoanProtector critical illness insurance coverage

CAUTION

Certain exclusions, restrictions and reductions apply to LoanProtector critical illness insurance coverage:

- a) **The maximum insured benefit amount is \$300,000 for all loans and lines of credit combined.**
- b) **If you have failed to disclose information, or you give incorrect information relating to the application, coverage may be void and the Insurer will not pay a benefit.**
- c) **Pre-existing condition limitations:**

The Insurer will not pay a critical illness benefit on a loan or a Royal Credit Line benefit if:

1. you are diagnosed with a Covered Illness during the first 24 months after the date you applied for LoanProtector critical illness insurance;

2. you have:

- **received treatment*,**
- **taken medication, or**
- **consulted a physician or other health care provider* for any health condition, or symptoms of a health condition, whether diagnosed or not, in the 12 months before you applied for LoanProtector insurance; and**

3. the Covered Illness for which a claim is being submitted is a result of, or is related to, any health condition referred to in item 2 of this section.

d) In addition, no benefits will be paid if:

- **your claim relates to your use of illegal or illicit drugs or substances, or your misuse of medication, whether obtained with or without a prescription; or**
- **within 90 days of your coverage effective date, a Diagnosis of Cancer occurs or you have signs, symptoms or investigations leading to a Diagnosis of Cancer, regardless of when the Diagnosis is made. Please also see the Covered Illnesses section for additional exclusions; or**
- **your claim is directly or indirectly the result of your committing or attempting to commit a criminal offence.**

Other benefit limits described in this Distribution Guide also apply.

Disability insurance

The following section about disability insurance coverage applies to you only if you have applied and been approved for LoanProtector disability insurance. Please check your LoanProtector approval letter carefully to see which coverage has been approved.

Definition of disability

A disability is a sickness, injury, mental illness or nervous disorder which 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**
- 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 who is licensed to practice medicine in Canada or, in the case of mental illness or nervous disorder, including anxiety, depression and behavioral disorders, under the continuous care of a psychiatrist or psychologist. The physician or psychiatrist or psychologist treating you for your disability must be someone other than you or a family member;
- not be engaged in any activity for wages or expectation of profit;
- 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.

No benefits are payable if you are not actively at work due to job loss, strike or layoff.

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

Disability insurance benefit

PERSONAL LOAN

In the event of your disability, the Insurer pays RBC Royal Bank your regular loan payment, for a maximum of 24 months.

For personal loans, the regular payment includes:

- principal,
- interest, **and**
- insurance premium.

ROYAL CREDIT LINE

In the event of your disability, the Insurer pays to RBC Royal Bank 3% of the qualifying balance of your Royal Credit Line account each month, for a maximum of 24 months.

For Royal Credit Line accounts, the qualifying balance is defined as the **lesser** of:

- the outstanding balance as of the date of your disability; **or**
- the average monthly balance* for the 12 months prior to the month in which your disability occurred.

If your disability occurred less than 12 months from the date funds became available to withdraw from your Royal Credit Line, then the average daily balance starting from the date funds became available to withdraw until the end of the month prior to the month in which your disability occurred is calculated; if your disability occurred 30 days or less from the date funds became available to withdraw from your Royal Credit

Line, then the average daily balance starting from the date funds became available to withdraw, up to and including the day before the date your disability occurred is calculated.

The disability benefit payment is subject to the following conditions:

- no benefits will be paid during the waiting period, which is the first 60 complete and consecutive days of your disability. During this time, you must be completely unable to perform the duties of your regular job;
- the Insurer will pay a maximum of **\$3,000 each month** for all your insured loans and all your insured lines of credit combined, including insurance premiums;
- if you have joint coverage and both of you are disabled, payment of benefits will continue until each of you recovers, to a maximum of 24 months per insured borrower. However, at no time will the benefit be more than the monthly loan payment, or in the case of a Royal Credit Line account, more than **3%** of your qualifying balance, up to a maximum of **\$3,000 per month**.

Note: You are responsible for any regular payments that are in arrears prior to the disability benefits starting.

Beginning and end of disability benefit payments

Once the Insurer has approved your claim, the Insurer will start paying benefits on the first day your loan payment is due after your waiting period of 60 days.

EXAMPLE:

If you become disabled on July 15th, the 60-day waiting period will be completed on September 13th. If you make your payments on the 1st of every month, the Insurer will start paying benefits on October 1st, the date the first loan or Royal Credit Line account payment is due after the 60-day waiting period. You will be responsible for the August 1st and September 1st payments.

Payments will continue until the **earliest of the following 5 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 situation has occurred. Also, in these cases, as long as the maximum benefit of 24 months of disability payments has not been made, the Insurer will make additional payment(s), depending on your regular payment schedule, as follows:

- 1 additional regular monthly payment, if your regular payment is made monthly;
- 2 additional regular bi-weekly payments, if your regular payment is made bi-weekly;
- 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 qualifying balance plus related interest and insurance premiums have been paid in full, in the case of a Royal Credit Line account; **or**
 the date your personal loan is paid in full, in the case of a loan; **or**
- 5. the date your LoanProtector life or disability insurance coverage ends (see *End of the insurance coverage* on page 39 of this Distribution Guide).

In case of individual 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;

- if the claim for your overlapping disability is approved and you are still disabled by it, after your initial disability has ended or the maximum benefit period has been paid, benefits for your overlapping disability will only start after benefits on your initial claim have stopped, subject to a new 60-day waiting period starting as of the date of the second disability, and a new maximum benefit period of 24 months will begin.

EXAMPLE:

Your payments are due on the 15th of each month.

Your first disability commenced on May 1, 2009. You submit a claim and it's approved by the Insurer. Your benefits commence on July 15, 2009 following the 60-day waiting period and continue until February 15, 2010. Your recovery date was January 16, 2010. You sustain a second disability which overlaps the benefit period of your first disability.

Your second disability commenced on January 1, 2010. This overlaps with your first disability period. You are eligible for payments following the 60-day waiting period from January 1, 2010. Your first benefit payment is March 15, 2010. These benefits will continue until the earliest of the dates outlined under the section *Beginning and end of disability benefit payments* on page 28.

Note: For Royal Credit Line accounts, your benefit payment from your overlapping claim is based on the qualifying balance as of your date of the overlapping disability. Should your benefit payment for your overlapping disability result in a lower benefit payment than what you were receiving from your initial disability claim, the higher initial disability benefit payment will be paid during the overlapping period. At the end of your initial disability claim, however, your disability benefit will then be reduced to the lower overlapping disability benefit amount.

If you recover from a disability, but your disability:

- recurs, due to the same cause or causes within 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 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.

Note: All disability benefits paid by the Insurer are applied directly to your insured loan(s) or Royal Credit Line account(s).

Any overpayment resulting from a determination that benefits already paid were not payable under the terms of this coverage must be repaid by you and/or your estate within 30 days.

Adjustments to your disability benefit

The Insurer will adjust your disability benefit to reflect any change in the interest rate you are charged on your personal loan.

Important

Do not refinance after the date of disability as insurance terminates when a personal loan or Royal Credit Line account is refinanced* (see *End of the insurance coverage* on page 39).

Failure to provide initial or continuing proof of claim when requested by the Insurer will result in benefits not being paid.

You are responsible for making any lump sum payment to pay all or a portion of the principal and interest owing on your loan or line of credit if RBC Royal Bank requests such payment, or the terms of the loan require it.

Cost of disability insurance

The rates are calculated according to the following *Table 2*:

Table 2 – Disability insurance premium rates based on age band

Age Band	Disability Rates ¹ Monthly rate per \$100 payment for loans and per estimated disability benefit for Royal Credit Line account
	Single Coverage
Under 31	\$1.38
31 – 35	\$1.72
36 – 40	\$2.15
41 – 45	\$2.75
46 – 50	\$3.25
51 – 55	\$4.15
56 – 60	\$5.20
61 – 65	\$6.05
66 – 69	\$6.69

¹ Rates are converted from a monthly rate to a daily rate based on 365 days a year.

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

The cost of joint coverage is calculated by multiplying the single coverage cost of the eldest insured borrower by 2.0.

EXAMPLE:

You are 38 years old and your co-borrower* is 34 years old. The premium rate is based on the age of the eldest insured borrower*. The premium rate will be \$4.30 (the single premium rate for a 38 year old of \$2.15 x 2.0) per \$100 of your regular loan payment.

PERSONAL LOAN

The disability premium is calculated using the premium rates based on your age at the time of your application (See *Table 2* on page 32) per \$100 of your regular payment amount. Since the disability premium is calculated based on your loan payment, if you increase your loan payment, your disability premium will increase. If you have applied for disability insurance, the cost is included in the average cost per payment.

EXAMPLE:

You have a \$10,000 loan; you are 30 years old; your monthly loan payment is \$200. Your monthly disability insurance premium will be \$2.76 $[(\$200 \div \$100) \times \$1.38]$. If you decide to increase your monthly payments to \$250, your new disability insurance premium will be \$3.45 $[(\$250 \div \$100) \times \$1.38]$. The premium is divided by 365 and multiplied by the number of days in your payment frequency, plus provincial sales tax, where applicable.

Note: If you are adding disability insurance to a life insured loan (and you are not refinancing* the loan), where the life insurance effective date is prior to March 1, 2009 (“grandfathered coverage”), your disability insurance premiums will be based on the disability insurance rates in *Table 2*; however, your life insurance premium will continue to be based on the premium rates in effect prior to March 1, 2009.

If a second borrower* adds life or life and disability coverage, the premium rate is a total of the existing insured's life rate under the grandfathered coverage and the single life rate for the new insured in *Table 1* (page 13). A 15% discount will apply to the combined total life rate only. Disability insurance rates in *Table 2* (page 32) will apply for the disability coverage, and there is no discount.

ROYAL CREDIT LINE

Since there is no way to predict what your actual Royal Credit Line account balance will be when a disability occurs, the premium calculation is based on 3% of the daily balance in each billing month and your age at the time your payment is due. This is because the benefit payable will be calculated as 3% of the qualifying balance at the time you were disabled (to the allowable maximum).

EXAMPLE:

You are 36 and your Royal Credit Line account daily balance is \$25,000. The estimated disability benefit is calculated as \$750 (3% x \$25,000) per month. Therefore, your monthly disability premium is \$16.13 $[(\$750 \div \$100) \times \$2.15]$. The premium is divided by 365 and multiplied by the number of days in your payment frequency, plus provincial sales tax, where applicable. See *Table 2* on page 32 for the disability premium rates based on your age.

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

Grace period

Your insurance will end if all or part of your insurance premium is 90 days overdue.

Exclusions, restrictions or reductions applicable to LoanProtector disability insurance

CAUTION

Certain exclusions, restrictions or reductions apply to LoanProtector disability insurance coverage:

- a) You must have LoanProtector life insurance to apply for LoanProtector disability insurance.
- b) The maximum benefit amount payable by the Insurer is \$3,000 per month for all your insured loans and lines of credit combined, to a maximum period of 24 months.
- c) If you have joint disability coverage, in no case will the Insurer pay an amount greater than:
 - the monthly loan payment, in the case of a loan; **or**
 - 3% of your qualifying balance, in the case of a Royal Credit Line account, to a maximum amount of \$3,000 per month for all loans and Royal Credit Line accounts combined.
- d) The Insurer will not pay disability benefits if your disability was directly or indirectly the result of any of the following:
 - intentionally self-inflicted injury;

- **your committing or attempting to commit a criminal offence regardless of whether charges are laid or a conviction obtained;**
- **your pregnancy, other than physical complications of pregnancy;**
- **your alcoholism or drug addiction, unless:**
 - **you maintain satisfactory participation in a rehabilitation program that the Insurer approves of; and**
 - **you begin your participation during the disability waiting period; and**
 - **you continue your participation throughout the period you receive disability benefits.**

e) The Insurer will not pay a benefit if you become disabled and you failed to disclose information or gave incorrect information relating to the application.

f) Pre-existing condition limitations:

The Insurer will not pay a disability benefit on a loan or a Royal Credit Line account if:

1. you become disabled during the first 12 months after the date you applied for LoanProtector insurance;

2. you have:

- **received treatment*,**
- **taken medication, or**
- **consulted a physician or other health care provider* for any health condition, or symptoms of a health condition, whether diagnosed or not, in the 12 months before you applied for LoanProtector insurance; and**

- 3. the disability for which a claim is being submitted is a result of, or is related to, any health condition referred to in item 2 above.**
- g) Failure to provide initial proof or to provide continuing proof of claim when requested by the Insurer will result in benefits not being paid.**
- h) You will be responsible for making any lump sum payment to pay all or a portion of the principal and interest owing on your loan or line of credit if RBC Royal Bank requests such payment, or the terms of the loan require it.**
- i) No benefits will be paid during the first 60 complete and consecutive days of your disability, which is your waiting period.**
- j) The amount the Insurer pays for any one loan will not exceed your regular loan payment in effect on the date of disability.**
- k) The amount the Insurer pays for any one Royal Credit Line account will not exceed 3% of the qualifying balance in effect on the date of disability.**

Cancellation and end of insurance

Cancellation of the insurance

Your insurance coverage is voluntary. You can rescind your insurance coverage **within 30 days** of the later of the following dates:

- the date your coverage begins (please refer to the section *Beginning of insurance coverage*, on page 10); **or**
- 5 days after the date when we mail your LoanProtector Distribution Guide if you applied for coverage over the internet, telephone, or through a direct mail offer;

and in either of the above cases, a full refund of your premiums will be issued, if any have been collected. To do so, you must write to the Insurance Service Centre at the address on the back of this Distribution Guide. You can also use the Notice of Rescission.

You may cancel your insurance at any time. To cancel the insurance, a written request signed by all borrowers*, co-borrowers* and guarantors must be sent to the Insurance Service Centre at the address on the back of this Distribution Guide. A separate rescission request stating the coverage that is to be cancelled is required for each insured borrower. Your final premium will be adjusted to reflect insurance costs up to and including the date it is received by the Insurance Service Centre.

You must provide:

- the name(s) of the insured(s) for whom the insurance is being cancelled;
- the loan/Royal Credit Line account number;
- the type of insurance the insured(s) wishes to cancel;
- the signature of all borrowers* on the loan/Royal Credit Line account (including guarantors).

End of the insurance coverage

Your insurance coverage will end on the **earliest of the following dates**:

- the date that your personal loan is paid in full except for the purpose of:
 - switching the outstanding balance between a fixed rate* loan and a variable rate* loan, **or**
 - switching the outstanding balance between a variable rate* loan and a fixed rate* loan;
- the date your personal loan is refinanced* (i.e. add new funds);
- the date you cancel your Royal Credit Line account;
- the date you increase your Royal Credit Line account limit to over \$100,000. Once your limit is over \$100,000, the insurance coverage will end on each subsequent limit increase and you must reapply for LoanProtector insurance;
- the date the Insurance Service Centre receives your written request (with all the specified requirements) to cancel your life and/or disability insurance coverage as specified in the section *Cancellation of the insurance* on page 38;
- the date that all or part of your insurance premium is 90 days overdue;
- the last day of the month in which you turn 70 years of age;
- the date you die;
- the date you are no longer a borrower* or co-borrower* on the loan or Royal Credit Line account; **or**
- the date the group policy for life and/or disability coverage terminates.

Your LoanProtector disability insurance coverage will end on the date your LoanProtector life insurance coverage ends.

Your critical illness coverage also ends on the date you are Diagnosed with a Covered Illness for which the Insurer pays a claim. Your critical illness coverage will end and premiums will be refunded if a Diagnosis of Cancer (Life Threatening), or signs, symptoms or investigations leading to a Diagnosis, occurs within 90 days of the day your coverage begins.

Note: Do not refinance your loan or Royal Credit Line account after the date of disability as insurance terminates when a personal loan or Royal Credit Line account is refinanced*.

Proof of loss or claim

Submitting a claim

Written proof of claim must be provided to the Insurer. You can obtain a claim form from:

- your RBC Royal Bank branch, or
- the Insurance Service Centre at 1-800-769-2523.

You or your representative must provide the required medical evidence satisfactory to the Insurer to support any life, disability or critical illness claim, at your expense.

- Life claim forms must be received by the Insurer **within one (1) year from the date of death.**
- Disability claim forms must be received by the Insurer **within 150 days from the day the disability started.**
- Critical illness claim forms must be received by the Insurer **within 180 days from the date of Diagnosis.**

The completion of a Job Analysis form by your employer or the completion of an Education, Training and Work Experience form may be required during the course of your claim to assist in assessing whether you meet the definition of disability in your LoanProtector Distribution Guide.

If you are an RBC Royal Bank Online Banking client, you will receive automatic updates on the status of your claim. You can review these updates, at your convenience, via your Online Banking Message Centre.

Important

You are responsible for all your regular loan and Royal Credit Line account payments until you have been advised by the Insurer that your claim has been approved. For Royal Credit Line accounts, your regular payments, including insurance premiums, will continue to be taken from your payment account while you are receiving benefits.

Insurer's reply

The Insurer will notify you or your authorized representative in writing of a decision to approve or deny your claim. Such notices will be provided **within 30 days** after the Insurer receives all information required upon which to make a decision.

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

Note: You must make all your regular loan and Royal Credit Line account payments until you have been advised by the Insurer that your claim has been approved.

Appeal of the Insurer's decision

If the Insurer declines your claim for benefits and/or pays only a portion of the benefit, you or your representative may appeal the decision. You will receive a letter explaining the reasons for the Insurer's decision. The Insurer will send the letter within 30 days of receiving the documents required to process the claim. The appeal must be in writing and include your reasons for why the Insurer's decision is being appealed and any other new information that had not been previously submitted that supports your appeal. Any new medical documentation for an appeal will be at your own expense and needs to include a detailed medical history from your treating physician(s) outlining all dates of visits, diagnosis, limitations

and restrictions, and treatment* prescribed (including test results and specialist assessments) throughout the period of time that is under investigation.

Note: Obtaining copies of the above information from other insurance carriers may aid in your appeal.

If the Insurer continues to deny your claim, you or your representative may make a further appeal in writing to Canada Life's Ombudsman:

Group Insurance Ombudsman

Canada Life
P.O. Box 6000
Winnipeg, MB
R3C 3A5

Or you may contact the Autorité des marchés financiers or consult a legal advisor.

30-day free look period

You can rescind your insurance coverage within 30 days of the later of the following dates:

- the date your coverage begins (see *Beginning of insurance coverage* on page 10); or
- 5 days after the date when we mail your LoanProtector booklet if you have applied for coverage over the internet, by telephone or through a direct mail offer;

and in either of the above cases, a full refund of your premiums will be issued, if any have been collected.

Other information

The conditions governing your insurance are set out in the LoanProtector application and the Certificate of Insurance.

If you need more information, you can contact the **Insurance Service Centre** at:

TELEPHONE

1-800-ROYAL 2-3 (1-800-769-2523)

MAILING ADDRESS

RBC Insurance Services Inc.

Insurance Service Centre

P.O. Box 53, Postal Station A

Mississauga, Ontario L5A 2Y9

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

Similar products

There exists on the market other insurance products that may include coverage similar to those offered in this Distribution Guide.

You may want to verify whether or not you already have insurance which provides similar coverage.

LoanProtector insurance provides comprehensive life and disability coverage and is competitive with plans at other banks and trust companies.

Referral to the Autorité des marchés financiers

If you have any questions or concerns with RBC Royal Bank's or Canada Life's obligations towards you under LoanProtector insurance, you can contact the Autorité des marchés financiers at the following address:

Autorité des marchés financiers

Place de la Cité, Tour Cominar
2640 boul. Laurier, 4th Floor
Quebec, Quebec, Canada G1V 5C1

TELEPHONE

Toll-free: 1-877-525-0337

Quebec City: 418-525-0337

Montreal: 514-395-0337

WEBSITE

www.lautorite.qc.ca

Definitions

Accidental Injury

A bodily injury resulting from an accident directly and independently of all other causes. An accident is a sudden, violent and unforeseen external event which does not include medical conditions or treatment for medical conditions.

Average Monthly Balance

The average daily balance starting from the date funds became available to withdraw from your Royal Credit Line until the end of the month prior to the month in which your disability occurred; if your disability occurred 30 days or less from the date funds became available to withdraw from your Royal Credit Line, “average monthly balance” means the average daily balance starting from the date funds became available to withdraw up to and including the day before the date your disability occurred.

Borrower

You are considered a borrower if you are indebted to RBC Royal Bank for a personal loan or a Royal Credit Line account.

Co-borrower

You are considered a co-borrower if you are indebted to RBC Royal Bank for a personal loan or a Royal Credit Line account with another person.

Declining Loan Balance

As you make your loan payments, you reduce the amount owed for your RBC Royal Bank personal loan.

Demand Loan

Short-term loan where a mortgage transaction is not involved and for which the balance can be reduced or fully paid by the borrower* at any time.

Fixed Rate Loan

A fixed rate loan is a loan for which the interest rate does not change during a pre-determined period.

Full-time Employment

Full-time employment means you are:

- actively working in Canada at least 20 hours a week; **and**
- working for wages or expectation of profit in the regular duties of your employment or occupation.

Actively at work does not include leaves of absence, including sick leaves.

Health Care Provider

Can be your attending physician/doctor.

Paramedical Examination

Examination performed by a health auxiliary.

Refinanced or Refinancing

Adding funds to your existing RBC Royal Bank personal loan balance.

Seasonal Employee

To qualify as a seasonal employee, the following must apply:

- the work season must have a beginning and end;
- you must have a proven work history as a seasonal employee; **and**
- you expect to return to the same occupation the next season.

You must be capable of performing your regular job if you are seasonally employed* and not working.

Self-Employment or Seasonal Employment

Self-employment or seasonal employment means you are:

- actively working in Canada at least 20 hours a week; **and**
- working for wages or expectation of profit in the regular duties of your employment or occupation.

Actively at work does not include leaves of absence such as sick leaves.

Treatment

Advice, consultation, care and/or service provided by a physician or other health care provider*. This includes, but is not limited to, diagnostic testing, taking pills, injections or other medication for a health condition.

Variable Rate Loan

A variable rate loan is a loan for which the interest rate may change at each payment.

PERSONAL NOTES

Coverage amount:

Life insurance: _____

Critical Illness insurance: _____

Disability insurance: _____

Premium:

Life insurance: _____

Critical Illness insurance: _____

Disability insurance: _____

Other: _____

Royal Bank of Canada/Royal Trust Corporation receives compensation when you purchase this insurance.

® / ™ Trademark(s) of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada.

**If you need more information about
LoanProtector insurance, you can contact
the Insurance Service Centre at:**

1-800 ROYAL 2-3 (1-800-769-2523)

Fax: 1-800-864-6102

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

You can also find information online at
www.rbcroyalbank.com

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



Royal Bank



Schedule 1

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 YOU IMPORTANT RIGHTS.

- The Act allows you to rescind an insurance contract you have just signed when signing another contract, without penalty, within 30 days of its signature. To do so, you must give RBC Insurance Services Inc. notice by registered mail within that delay. You must 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 you may lose advantageous conditions as a result of this insurance contract; contact your distributor or consult your contract.
After expiry of the 30-day delay, you may rescind the insurance at any time; however, penalties may apply.

For further information, contact the Autorité des marchés financiers: in Quebec: 418-525-0337; or toll-free: 1-877-525-0337

I hereby cancel insurance contract no.: _____

Type of insurance rescinded (check only one):

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

Entered into on _____ (Date of Signature of Contract)

at _____ (Place of Signature of Contract)

for _____ (Loan/Royal Credit Line No.)

_____ (RBC Royal Bank Client Card No.)

_____ (Name of Client)

_____ (Signature of Client)

_____ (Name of Client)

_____ (Signature of Client)

Any additional borrowers and guarantors must acknowledge this request to rescind insurance by signing below:

_____ (Name of Co-Borrower/Guarantor)

_____ (Signature of Co-Borrower/Guarantor)

_____ (Name of Co-Borrower/Guarantor)

_____ (Signature of Co-Borrower/Guarantor)

TO PROCESS YOUR REQUEST, RETURN THIS RESCISSION NOTICE TO:

**RBC Insurance Services Inc.
Insurance Service Centre
P.O. Box 53, Postal Station A
Mississauga, Ontario L5A 2Y9
Fax: 1-800-864-6102**

Articles 439, 440, 441, 442 and 443 must appear at the back of this notice.

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, stating that the client may rescind the insurance contract within 30 days of signing it.

Art.441. A client may rescind an insurance contract made at the same time as another contract, within 30 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 rescission or cancellation by the client of an insurance contract made at the same time.

However, a contract may provide that the rescission or cancellation 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, 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, cancels 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.