



NAME OF INSURANCE PRODUCT

Companion ELITE

**Group Insurance:
LIFE • CRITICAL ILLNESS • DISABILITY**

Distribution Guide

INSURER'S CONTACT INFORMATION

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DISTRIBUTED BY:

RESPONSIBILITY OF THE AUTORITÉ DES MARCHÉS FINANCIERS.
The Autorité des Marchés Financiers has not determined the quality of the product offered in this guide. The insurer is solely responsible for any differences between what is contained in this guide and in the policy.

SAMPLE

TABLE OF CONTENTS

I- INTRODUCTION	1
II- DEFINITIONS	1
III- DESCRIPTION OF THE INSURANCE.....	4
A) Life Insurance.....	4
a) Coverage	4
b) Description of the Coverage	4
c) Eligibility	6
d) Conditions and Limitations.....	6
B) Critical Illness Insurance	8
a) Coverage	8
b) Description of the Coverage	8
c) Eligibility	10
d) Conditions and Limitations.....	10
C) Disability Insurance	13
a) Coverage	13
b) Description of the Coverage	13
c) Eligibility	14
d) Waiting Period	15
e) Conditions and Limitations.....	16
D) Supplemental Health Questionnaire	19
a) Life Insurance or Critical Illness Insurance	19
b) Disability Insurance	19
c) Questionnaire Answers and Analysis	19
d) Temporary Insurance	20
E) Duration.....	21
a) Insurance Effective Date.....	21
b) Maximum Duration	21
c) Maximum Number of Insured Monthly Payments.....	21
d) Termination of Life Insurance, Critical Illness Insurance, and Disability Insurance.....	21

IV- GENERAL CONDITIONS	23
A) Exclusions.....	23
B) Pre-existing Condition Clause.....	25
V- CANCELLATION OF THE INSURANCE.....	26
a) Right to Cancellation during the First 20 Days	26
b) Cancellation of the Insurance After the 20-day Period	26
c) Method for calculating the premium refund	27
VI- COMPENSATION OR CLAIM.....	28
A) Request for Compensation	28
B) Time for Processing	29
C) Conditions for Paying Compensation	29
D) Termination of Disability Benefits.....	30
E) Appeal of the Insurer’s Decision	30
VII- INSURER	31
VIII- SIMILAR PRODUCTS.....	31
IX- THE AUTORITÉ DES MARCHÉS FINANCIERS.....	32
X- FORMS	32
Acknowledgement of Receipt of Guide.....	41

I. INTRODUCTION

The purpose of this distribution guide is to describe the insurance product offered with the financing that you were granted. As you do not have guidance from an insurance representative, you will have to decide for yourself if this insurance product meets your needs. This guide will explain things to help you make a decision. The product that you are being offered will insure the loan that you made with the lending institution.

Words defined in the guide or followed by an explanation are shown in ***bold and italics***.

II. DEFINITIONS

Amount financed or loaned: Debt indicated on the ***certificate*** payable in whole or in part by instalments.

Critical illness: ***Diagnosis*** of an illness, disease, condition, or disorder, which appears ***after*** the effective date of the ***insurance***.

a) Life-threatening cancer:

Diagnosis of a malignant tumour characterized by the uncontrolled growth and propagation of malignant cells and the invasion of tissue..

b) Heart attack (myocardial infarction):

Death of a part of the cardiac muscle due to insufficient blood supply to the area.

c) Coronary artery bypass:

Cardiac surgery done to correct the narrowing or blockage of one or several coronary arteries.

d) Cerebrovascular accident (CVA—stroke):

Acute cerebrovascular accident producing an alteration in the nervous system and resulting in paralysis or other measurable and objective neurological deficit. The state must last for at least thirty (30) days.

e) Failure of a major organ requiring a transplant:

Irreversible failure of one or more of the heart, liver, bone marrow, both lungs, or both kidneys requiring a transplant of the organ in question, due to which the ***insured*** is accepted in an organ donor program recognized in Canada.

f) Paralysis:

Paralysis resulting from the complete and permanent, uninterrupted loss of use of at least two limbs, for a period of 90 days.

Retailer or Group policyholder: The ***retailer***, identified on the front of the certificate, from whom you purchased the property. All amounts payable are paid directly to the ***retailer*** or the ***financial institution***, if such an institution is identified on your ***certificate***.

Diagnosis: Certified diagnosis of a covered ***illness*** or disease suffered by the insured, made by a ***specialist***.

Hospital: Means a lawfully operated institution under the supervision of a staff of physicians and which provides 24 hour a day nursing service and which is primarily engaged in providing inpatient medical care and treatment of sick and injured persons through medical, diagnostic and major surgical facilities on its premises. Hospital does not include an establishment which is primarily a clinic, nursing home, rest home, convalescent home, home for the aged or similar establishment, or a facility for the treatment of alcoholics, drug addicts, or the mentally ill.

Hospitalization: Means the continuous confinement in a **Hospital** on the advice of a legally qualified physician or surgeon by reason of Injury as a resident in-patient for a minimum of 72 hours.

Illness: An illness, a disease, or a psychiatric disorder.

Injury: Physical injury caused by an accident.

Insurance: Life insurance policy, critical illness insurance policy, and disability insurance policy chosen on the front of the certificate.

Insurance applicant: The debtor and/or co-debtor named on the front of the certificate, who

- a) owes/owe the borrowed amount,
- b) fulfills/fulfill the eligibility requirements,
- c) is/are subject to the Supplemental Health Questionnaire (SHQ), and
- d) has/have paid the premium required for the policy chosen on the **insurance** proposal.

As soon as the insurance policy is approved, where appropriate, the **insurance applicant** becomes the **insured**.

Insurance Certificate or Certificate: Insurance proposal, and/or **insurance certificate** as well as the Supplemental Health Questionnaire (if it is required in your case) and other documents regarding your **insurance** that are sent to you by Industrial Alliance.

Insured: Designates the individual or individuals specified on the front of the certificate, who have chosen the insurance and who have paid the insurance premium.

Insurer: Industrial Alliance Insurance and Financial Services Inc.

Loan covered by the insurance: Debt described on the front of the **certificate**, that is the **insured financed amount** indicated for the Monthly Decreasing Term Life Insurance or the Monthly Decreasing Term Critical Illness Insurance, including interest, for the duration of the **insurance** benefit.

Loan covered by the insurance PLUS: Debt described on the front of the **certificate**, that is the insured financed amount

indicated for the Monthly Decreasing Term Life Insurance PLUS or the Monthly Decreasing Term CI Insurance PLUS, including interest, for the duration of the **insurance** benefit.

Maximum number of insured monthly payments: Total number of insured monthly payments that will be paid throughout the duration of the disability insurance, as chosen on the front of the **insurance certificate**.

Premium: The insurance premium is calculated according to the amount and duration of the loan or the lease, the type of **insurance**, and the **waiting period** chosen in the case of disability insurance. The premium is paid to Industrial Alliance, by your **retailer**, when the **insurance** goes into effect.

The premium may be added to the initial **financed amount**. It is part of your debt and is included in your monthly payments.

The amount of your premium is indicated on the front of your **insurance certificate**. This amount includes applicable taxes.

Premium refund: Amount refundable when the **insurance** is cancelled (page 27).

Refinancing: Procurement of a new loan (or lease), or change of conditions for an existing loan, whether by changing the amount, the duration, or the interest rate of the covered loan.

Seasonal: In reference to work, a job limited by weather conditions or other conditions of nature, with the exception of jobs limited by the availability of work.

Specialist: Licensed medical doctor who is authorized to practice his/her profession in the field of his/her medical or surgical speciality in Canada.

Total financed obligation: Is the total of the financed amount and any residual amount.

Totally disabled or total disability: Your inability, due solely to an **illness** or **injury**, to carry out **all** the activities of your job for a consecutive number of days greater than the **waiting period** chosen on your **certificate**.

Variable disability insurance: If this option is selected on the policy, this means that a maximum of 12 or 24 insured monthly payments will be made throughout the duration of the disability insurance.

Waiting period: Consecutive number of days indicated on the front of the certificate during which the **insured** must be **totally disabled** before being able to submit a claim.

III. DESCRIPTION OF THE INSURANCE

This product is designed to provide you with **insurance** coverage for the debt that you have contracted with the lending institution, in whole or in part, by instalments.

You can obtain any of the three policies separately or together.

- Life insurance
- Critical illness insurance
- Disability insurance

This debt is the result of a **loan** or a lease of a property that you have obtained from a **retailer** or a **financial institution**.

A) LIFE INSURANCE

a) Coverage

This insurance will protect you in the event of death or accidental dismemberment (**page 7**). The insurer will reimburse your **retailer** or the **financial institution** the balance of the loan or the balance of the payments until the expiration of the insurance, subject to the conditions described in the **certificate**.

The option “Life-plus” cannot be financed by Ford Credit or its associates and you have to insure your total financial obligation for all the duration of your financing/loan.

You can choose between two types of life insurance coverage:

i. Monthly Decreasing Term Life Insurance

or

ii. Monthly Decreasing Term Life Insurance PLUS

b) Description of the Coverage

- i. The **Monthly Decreasing Term Life Insurance** covers the covered balance of your loan throughout the duration of the chosen insurance.

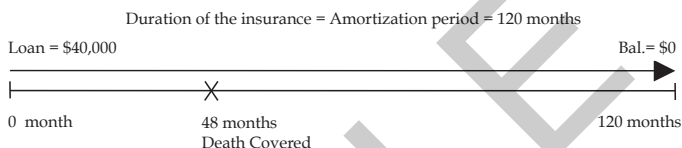
This coverage is offered when the amortization term of your loan is **equal** to that of the **insurance**. This insurance benefit will cover the covered balance of the loan in the event of your death.

In the event that you have chosen a lease or financing contract with a residual value (at the end of your financing term), the residual life insurance value will cover this amount if it was selected.

Example

Pauline has a loan with an amortization period of 120 months that is equal to the duration of her insurance. In the event she dies at any time throughout the duration of her loan, the balance of the loan will be reimbursed to the **financial institution**.

Here is the scenario:



- ii. The **Monthly Decreasing Term Life Insurance PLUS** covers the balance of your loan covered throughout the duration of the chosen insurance.

This coverage is offered when the amortization term of your loan is **longer** than that of the insurance. This **insurance** benefit will cover the balance of the covered loan, in the event of your death during the term of coverage.

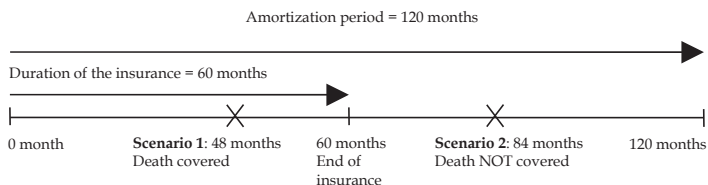
Example

John's loan has an amortization period of 120 months, which is longer than his insurance coverage, 60 months.

In scenario 1 below, if he dies in the 48th month, the balance of the loan is covered.

In scenario 2 below, if he dies in the 84th month, he is not covered because the death occurs after the expiration of his insurance coverage which was 60 months.

Here is the scenario:



In the above example, Life Insurance PLUS is the appropriate choice of coverage in order to cover the debt adequately during the term of coverage because the amortization of the loan is longer than the term of the insurance.

Caution!
You can insure yourself for only one of the two life insurance coverages.

c) Eligibility

- i. The **insured** may be:
 - the debtor, who is the principal borrower or
 - the co-debtor, either a co-borrower or someone who has guaranteed the principal borrower or
 - the debtor and the co-debtor.
- ii. On signing the **certificate**:
You must:
 - be a natural person and
 - be 18 years of age or more, but less than 71 years old.
- iii. Supplemental Health Questionnaire (page 19)

d) Conditions and Limitations

i. Maximum amount of **insurance**

The life insurance benefit cannot exceed the following maximum amount:

- \$500,000 (people aged 18 to 55 years) on the effective date of the insurance
- \$200,000 (people aged 56 to 70 years) on the effective date of the insurance

The maximum amount of insurance that can be purchased is determined by:

- the amount borrowed and
- the age of the **insured** or **co-insured** and
- the total amount of all loans insured with Industrial Alliance

Please note that we cannot issue insurance for an amount greater than the amount of the loan.

Example 1

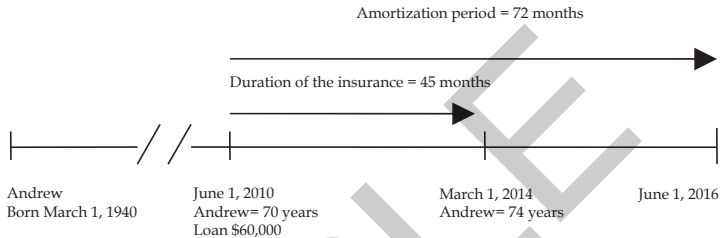
Andrew, aged 70, has a loan of \$60,000 with a 72 month amortization. Given that the insurance ends at age 74, Andrew cannot insure his loan for more than 45 months.

Here is the scenario:

Andrew was born March 1, 1940.

He will be covered if he dies before March 1, 2014.

If he dies on or after March 1, 2014, he will not be covered.



At no time can the benefit paid exceed the total insurable limit adjusted according for the participant's age.

If the *co-insured* and the *insured* die at the same time, only one benefit will be paid.

Accidental dismemberment

We will pay the life insurance benefit described below if, following an injury, you suffer the complete loss of:

- both hands or
- both feet or
- total sight in both eyes or
- one hand and one foot or
- one hand and the sight in one eye or
- one foot and the sight in one eye

Loss is considered to be the amputation at or above the wrist or ankle, or irreversible loss of sight.

- We will not pay any late payment or any interest resulting from a late payment on the **amount financed** at the time of the death or accidental dismemberment.
- Coverage cannot be transferred to another individual.

- iv. An ***injury*** must occur ***after*** the effective date of the ***insurance***. The ***injury*** must be the result of an accident, directly and independent of any other cause, and cause only death or accidental dismemberment.
- v. The disease must appear for the first time ***after*** the effective date of ***insurance***.

Caution!

With life insurance and life insurance PLUS, the insurance benefit may not cover the entire amount of the unpaid balance of your debt in the event the amount borrowed is greater than the amount insured.

B) CRITICAL ILLNESS INSURANCE

a) Coverage

The critical illness ***insurance*** will protect you in the event you are diagnosed with a ***critical illness***. The insurer will reimburse your ***retailer*** or the ***financial institution*** the balance of the loan or the balance of the payments until the expiration of the insurance, subject to the conditions described in the ***certificate***.

The option “CI-plus” cannot be financed by Ford Credit or its associates and you have to insure your ***total financial obligation*** for all the duration of your financing/loan.

You can choose between two types of critical illness insurance coverage:

- i. The **Monthly Decreasing Term Critical Illness Insurance**
- or
- ii. The **Monthly Decreasing Term Critical Illness Insurance PLUS**

b) Description of the coverage

- i. The **Monthly Decreasing Term Critical Illness Insurance** covers the balance of your loan covered throughout the duration of the chosen insurance.

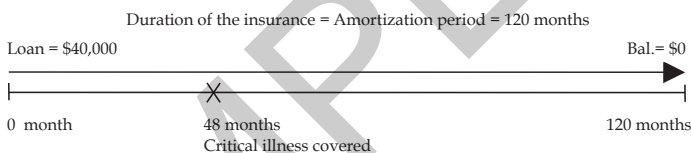
This coverage is offered when the amortization term of your loan is equal to that of the **insurance**. This insurance benefit will cover the balance of the covered loan remaining at the time you are diagnosed with a critical illness.

In the event that you have chosen a lease or financing contract with a residual value (at the end of your financing term), the residual value critical illness insurance will cover this amount if it was selected.

Example

Pauline has a loan with an amortization period of 120 months which is equal to the duration of her insurance. In the event she is diagnosed with a critical illness at any time throughout the duration of her loan, the balance of the loan will be reimbursed to the **financial institution**.

Here is the scenario:



- ii. The **Monthly Decreasing Term Critical Illness Insurance Plus** covers the balance of the insured financed amount throughout the duration of the chosen insurance.

This coverage is offered when the amortization term of your loan is longer than that of the **insurance**. This insurance benefit will cover the covered balance of the loan on the date you receive a **diagnosis** of a covered **critical illness** during the term of coverage for the insurance you have chosen.

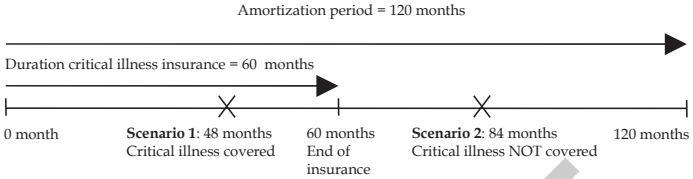
Example

John's loan has an amortization period of 120 months, which is longer than his insurance coverage, 60 months.

In scenario 1 below, if he receives a diagnosis of a covered critical illness in the 48th month, the balance of the loan is covered.

In scenario 2 below, if he receives a diagnosis of a covered critical illness in the 84th month, he is not covered because the diagnosis occurred after the expiration of his insurance coverage, which was 60 months.

Here is the scenario:



c) Eligibility

i. The insured may be:

- the debtor, who is the principal borrower or
- the co-debtor, either a co-borrower or someone who has guaranteed the principal borrower or
- the debtor and the co-debtor.

ii. On signing the certificate:

You must:

- be a natural person and
- be 18 years of age or more, but less than 71 years old and
- confirm that you have never had a critical illness before the effective date of the insurance.

iii. Supplemental Health Questionnaire (page 19)

d) Conditions and Limitations

i. Maximum amount of insurance

The critical illness insurance benefit cannot exceed the following maximum amount::

- \$500,000 (people aged 18 to 55 years)
- \$200,000 (people aged 56 to 70 years)

The maximum amount of insurance that can be purchased is determined by:

- the amount borrowed; and
- the age of the insured or co-insured; and
- the total amount of all loans insured with Industrial Alliance.

Please note that we cannot issue insurance for an amount greater than the amount of the loan.

Example 1

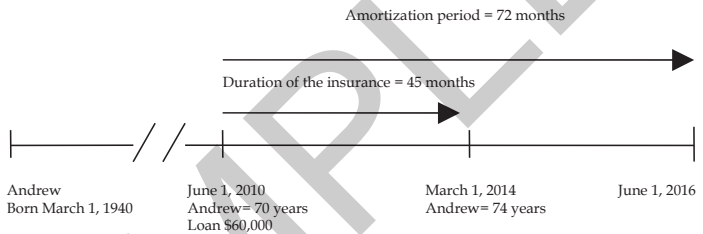
Andrew, aged 70, has a loan of \$60,000 with a 72 month amortization. Given that the insurance ends at age 74, Andrew cannot insure his loan for more than 45 months. See the Table below:

Here is the scenario:

Andrew was born March 1, 1940.

He will be covered if he is diagnosed with a critical illness before March 1, 2014.

If he diagnosed with a critical illness on or after March 1, 2014, he will not be covered.



At no time can the benefit paid exceed the total insurable limit adjusted according for the participant's age.

- ii. Each insurance certificate issued by IA gives you the right to compensation for a single critical illness.
- iii. The **critical illness insurance** compensation is limited to the maximum amount of insurance indicated on the **certificate**.
- iv. We will not pay any late payment or any interest resulting from a late payment on the **amount financed** at the time a critical illness is diagnosed.
- v. The certificate cannot be transferred to another individual.

- vi. The **insured** must:
- be the one who owes the **amount financed** by the lending institution and
 - have chosen the **insurance** and
 - if required, have received written approval for the policy from Industrial Alliance.
- vii. The insured must obtain a diagnosis from a **specialist**, who must not be the insured himself/herself and must not be related to the insured in any way whatsoever.
- viii. The **illness** must appear for the first time **after** the effective date of the **insurance**.
- ix. A diagnosis of **heart attack must be confirmed** by both:
- new electrocardiographic variations indicating a myocardial infarction or by a new clinical presentation only in cases where the electrocardiogram cannot be interpreted
 - the characteristic changes of the cardiac biological markers to levels compatible with acute myocardial infarction.

Exclusions:

- heart attack arising within 48 hours which follow an intervention of not urgent revascularisation, unless it is accompanied with new waves Q pathological.
 - heart attack diagnosed by any other method, unless the diagnosis is confirmed by the way described above.
- x. The **coronary artery bypass** must be recommended by a consulting cardiologist registered and authorized to practice in Canada.
- xi. Following a **cerebrovascular accident**, the paralysis or any other measurable and objective neurological deficit, must persist for at least 30 days.
- xii. In the event of the **failure of a major organ** requiring a transplant, the insured must survive at least 30 days after the date he/she is registered with the organ donor program.
- xiii. In the event of **paralysis**, the **specialist** must certify that the paralysis is complete and permanent after the 90-day period.

Caution!

With Critical Illness Insurance and Critical Illness Insurance PLUS, the insurance benefit may not cover the entire amount of the unpaid balance of your debt in the event the amount borrowed is greater than the amount insured. Furthermore, only the critical illnesses listed on your certificate will be covered.

C) DISABILITY INSURANCE

a) Coverage

The insurance covers you in the event of **total disability**. We will pay your **retailer** or the **financial institution** the insured monthly payments while you are totally disabled and the contract is in effect, subject to the conditions described in the **certificate**.

The option "Variable Coverage" cannot be financed by Ford Credit and its associates; your insured monthly payment must equal your monthly payment and your insurance term must equal your finance/lease term.

2 types of coverage are available:

- i. Disability insurance throughout the duration of the insurance period chosen
- or
- ii. Variable disability insurance with a maximum of your choice of 12 or 24 insured monthly payments.

b) Description of the Coverage

The insurance will cover you in the event of **total disability**, if you are **totally disabled** for a consecutive number of days greater than the **waiting period** set out in your **certificate**. In the event **of total disability**, the disability insurance benefit is:

- i. equal to the insured monthly payment. For periods of less than 1 month, it is equal to 1/30 of the insured monthly payment per day of total disability and
- ii. paid not exceeding the maximum amount of insurance indicated in the **certificate**
- iii. paid not exceeding the **maximum number of insured monthly payments**

Example 1

Francine was declared **totally disabled** for a period of 52 days. She had disability insurance with a 7-day retroactive waiting period and her monthly payment was \$365.47.

Here is the scenario:

Monthly payment	Number of days of total disability	Prorated	Total benefits from disability insurance (with retroactive waiting period see page 15)
\$365.47	1 month and 22 days	1/30 days = \$12.18/day	1 month (\$365.47) + 22 days X \$12.18 (\$267.96) = \$633.43

Example 2

Allan was declared **totally disabled** for a period of 52 days. He has disability insurance with a 30-day elimination period and his monthly payment is \$365.47.

Here is the scenario

Monthly payment	Number of days of total disability	Prorated	Total benefits from disability insurance (with elimination waiting period see page 15)
\$365.47	1 month and 22 days	1/30 days = \$12.18/day	22 days X \$12.18 = \$267.96

c) Eligibility

- i. The **insured** may be:
 - the debtor, who is the principal borrower or
 - the co-debtor, either a co-borrower or someone who has guaranteed the principal borrower or
 - the debtor and the co-debtor.
- ii. On signing the certificate:

You must:

 - be a natural person and

- be 18 years of age or more, but less than 66 years old and
- be able to perform the usual tasks for your job and
- have paid employment and have worked at least 23 hours a week for the last 4 weeks **or**
- having:
 - i) had a paid **seasonal** job, for 13 consecutive weeks in the past 12 months, or having contributed to the Employment Insurance Account and
 - ii) having worked the required number of hours (based on location and regional employment rate) to be eligible to collect benefits under the Employment Act (Canada)

d) Waiting periods – Disability insurance

Two types of **waiting periods** are offered for disability insurance:

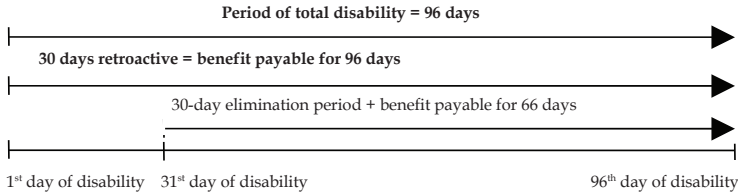
- i. a waiting period with retroactive compensation, from the beginning of the disability or
- ii. a waiting period with an elimination period. In this case, the waiting period is not covered

Waiting period	Possible number of days		
Retroactive compensation	7	14	30
Elimination period	30		

Example :

Paul becomes **totally disabled**. His **total disability** continues uninterrupted for 96 days. If he has chosen a retroactive waiting period, we will make his payments for 96 days. If he has chosen a waiting period with a 30-day elimination period, we will make his payments for a period of 66 days.

Here is the scenario:



In both types of periods, there is a mandatory **waiting period**. During this **waiting period**, no benefits are paid. The difference between the two types of waiting periods is that the first pays the set **waiting period** retroactively, once the claim has been accepted. The second does not and compensation begins after the **waiting period**, without being retroactive, once the claim has been accepted. The **waiting period** chosen is indicated on the front of the **certificate**.

Date of disability June 1, 2010	
30-day waiting period	
Does the insured have retroactive compensation?	
NO	YES
<p>Payments will be made after the 30-day waiting period - elimination period, not retroactive. Disability payments will start on <u>July 1</u>.</p>	<p>Payments will be made after the 30-day waiting period - compensation is retroactive to first day of total disability. Disability payments will start on June 1.</p>

Hospitalization benefit:
If you have selected a Retroactive Waiting Period and if Total Disability requires Hospitalization, we will waive the Waiting Period.

e) Conditions and Limitations

- i. Amount of maximum monthly **insurance**
 The **insurance** benefit cannot exceed the following maximum insured monthly payment:
 - \$5,000 a month (people aged 18 to 65 years)
 The maximum overall amount of the disability insurance is \$300,000.

The maximum monthly amount of insurance that can be purchased is determined by:

- the amount borrowed and
- the age of the insured or co-insured and
- the total amount of all loans insured with Industrial Alliance

The maximum amount of **insurance** that can be purchased is determined by the age of the oldest **insured**.

Even if the insured has several **insurance certificates** issued by us, the amount of disability insurance payable will not exceed the \$5000 per month (maximum amount of disability insurance).

The Table below illustrates the adjustment of the maximum amount if the **insured** has more than one **insurance certificate**:

	Monthly payment	Maximum coverage	Insured monthly payment
Loan 1	\$3,500	\$5,000	\$3,500
Loan 2	\$2,000		\$1,500
Total	\$5,500		\$5,000

Important:
If the co-insured and you are totally disabled at the same time, only one benefit is payable.

- ii. The disability **insurance** benefit is limited to the maximum amount of **insurance** indicated on the front of the certificate.
- iii. The **insured** must:
 - be the one who owes the **amount financed** by the lending institution and
 - have chosen the **insurance** and
 - if required, have received written approval for the policy from Industrial Alliance.

The **insured** must be a natural person and not a society, company, or association. All of the terms and conditions of the **certificate** apply to both of the **insured**, where applicable, on condition that the insurer has received payment of the premium for both of the **insured**.

- iv. We will not pay any late payment or any interest resulting from a late payment on the **amount financed** at the time of the **total disability**.
- v. The **certificate** cannot be transferred to another individual.
- vi. The **insured** must be monitored by a **specialist**, who must not be the insured himself/herself and must not be related to the insured in any way whatsoever.
 - If your **total disability** is caused directly or indirectly by a mental, nervous, or psychiatric condition or disorder, **after a three-month compensation period**, the payments will not be made unless you are regularly seeing a licensed psychiatrist, a licensed psychologist, or a licensed neurologist and the benefit period will never exceed (6) months per claim.
 - If your **total disability** is caused directly or indirectly by a disorder of the neck or back, including, but not limited to the lumbar, thoracic, or cervical spine, **after a compensation period of two months**, payments will not be made unless you are under the care of a licensed medical specialist neurologist, a neurosurgeon, a physiatrist, an orthopedic surgeon, or a rheumatologist and the benefit period will never exceed (6) months per claim.
- vii. An **injury** must occur **after** the effective date of the **insurance**. The **injury** must be the result of an accident, directly and independent of any other cause, and be the sole cause of **total disability**.
- viii. The disease must appear for the first time **after** the effective date of **insurance**.
- ix. A **waiting period** applies at the start of each period of **total disability**. If there are successive periods of **total disability** separated by less than a month of continuous employment, there is no new **waiting period**.
- x. After having been **totally disabled** for a period of 12 consecutive months (plus any **waiting period**), the **total disability** includes your inability, due solely to an **illness** or an **injury**, to accomplish the tasks of a job for which you are or might reasonably be qualified for by your education, training, or experience. You are not **totally disabled** if you are working full or part time, or if you are retired.

D) SUPPLEMENTAL HEALTH QUESTIONNAIRE

Information on health and risk evaluation by Industrial Alliance

Depending on your age and the amount of the **insurance** you are requesting, it is possible that you will have to fill out the Supplemental Health Questionnaire (SHQ) when you complete the **insurance** proposal form. If there is more than one **insurance applicant**, they must both fill out the SHQ.

Depending on the answers given on the SHQ and the amount of **insurance** that you are requesting, your **insurance** proposal may be underwritten by Industrial Alliance.

Here are the situations where you must fill out the Supplemental Health Questionnaire (SHQ).

- a) In the case of life insurance or critical illness insurance:
 - i. When the total insured amount, that is the insured financed amount **plus** the insured residual value of the financed property is:
 - more than \$150,000 (people aged 18 to 59 years)
 - more than \$100,000 (people aged 60 to 70 years)
- b) In the case of disability insurance:
 - i. When the monthly instalment for payment of the insured financed amount is:
 - more than \$2,500 (people aged 18 to 59 years)
 - more than \$1,000 (people aged 60 to 65 years)
- c) a) Answers to the Supplemental Health Questionnaire (SHQ) and the insurer's analysis:
 - i. **The proposal must be submitted to Industrial Alliance's underwriting department, if:**
 - One of the **insurance** applicants answers «yes» to at least one of the health questions **or**
 - the total insured amount is **more than \$300,000**, even if the **insurance** applicants answer «no» to all the health questions

In the event that an analysis of the proposal is mandatory, temporary **insurance** will be in effect throughout the examination period. For more information on this subject, see Section d below of this document. Written approval or refusal of **insurance** coverage will be sent to you by mail.

ii. The proposal does not have to be submitted to Industrial Alliance's underwriting department, if:

The two **insurance** applicants answer «no» to **all** the health questions **and** the insured financed amount is **less than \$300,000; the two conditions must both be met.**

In that case, the **insurance** will be in effect from the **effective date requested**, that is when the **insurance** proposal is signed and payment is made by the lending institution.

d) Temporary Insurance

If your insurance proposal is submitted to Industrial Alliance's underwriting department, you will be covered by temporary insurance during this period.

- i. The maximum amount of temporary **insurance** (according to the age of the oldest applicant):
- Temporary life insurance or temporary critical illness insurance:
\$150,000 (for people aged 18 to 59 years) and \$100,000 (for people aged 60 to 70 years)
 - Temporary disability insurance:
\$2,500 (for people aged 18 to 59 years) and \$1,000 (for people aged 60 to 65 years)
- ii. The temporary **insurance** will end on the first of the following events:
- the 90th day following the date on which you signed the proposal or
 - the date on which Industrial Alliance approves or refuses the proposal.

Important: The insurance proposal will be refused if it does not meet all the conditions within 90 days of its being signed. You will receive a letter by mail confirming or refusing your insurance proposal.

E) DURATION OF THE INSURANCE

a) Effective date

The **insurance** comes into effect on **the latest** of the following dates:

- i. In the following cases, on the effective date requested, which is when the **insurance** proposal is signed and the payment is made by the lending institution
 - if you do not have to complete the Supplemental Health Questionnaire because of your age and the amount of **insurance** requested or
 - even if you must complete the Supplemental Health Questionnaire, on condition that **all** the **insurance** applicants have answered «no» to all the health questions **and** that the total of the insured financed amount and the insured residual value for the life insurance or the critical illness insurance is **less than \$300,000—both conditions must be met.**
- ii. if the above situations do not apply, in the event of an analysis of the proposal by Industrial Alliance, the date on which we notify you in writing that your coverage was approved.

b) Maximum Duration

The maximum duration in months for each type of insurance is:

- i. For life insurance:
 - 180 months
- ii. For critical illness insurance:
 - 180 months
- iii. For disability insurance:
 - 180 months for **variable insurance** or
 - 84 months for the complete period

c) **Maximum number of insured monthly payments for disability insurance:**

- i. 12 months or
- ii. 24 months or
- iii. the complete period.

d) Termination of life insurance, critical illness insurance, and disability insurance.

The **insurance** ends for all the **insureds** in one or several of the following cases:

- i. the expiration date of the **insurance** indicated on the **insurance certificate** or
- ii. complete payment of the debt related to the loan or lease contract or
- iii. an extension of the payment period or an increase in the amount financed in the terms of the loan or lease contract or
- iv. formal request for complete payment of the loan or lease, by the **retailer** or the **financial institution**, because of failure to pay on your part or
- v. trade-in of the property that is the subject of the loan or lease contract or
- vi. the property in question becomes the subject of legal action or
- vii. the reception of written notice, signed by the **insured** and the **co-insured**, indicating that you want to terminate the **insurance** or
- viii. payment by us of the **premium refund** at the time of the cancellation or
- ix. payment by us of the life insurance, critical illness, or accidental dismemberment claim or
- x. for life insurance, critical illness insurance, the 74th birthday of the oldest **insured** or
- xi. for disability insurance, the date of retirement from a regular or **seasonal** job or
- xii. for disability insurance, if the option “Variable coverage” has been selected, as soon as the **maximum number of insured monthly payments** has been paid or
- xiii. when the **insured** dies in case of single coverage, or both the **insured** and **co-insured** die in case of joint coverage.

IV. GENERAL CONDITIONS

NOTICE:

A) EXCLUSIONS

- a) **No compensation or benefit will be paid if the death, *critical illness*, accidental dismemberment, or *total disability* was directly or indirectly caused by the following events:**
- i. wilful self-injury, in any mental state (sane or insane)**
 - ii. war or an act of war, declared or not**
 - iii. suicide occurring in the first two years immediately following the effective date of the *insurance***
 - iv. direct or indirect participation in a criminal act, or the attempt to perpetrate a criminal offence. Criminal offenses include driving a motorized vehicle, a boat, or an airplane when your blood alcohol level is more than 80 mg of alcohol/ 100 ml of blood**
 - v. chronic or excessive consumption of alcohol**
 - vi. the use of drugs and or substances, apart from the use of regulated drugs prescribed by a physician and on the physician's advice**
 - vii. pregnancy, birth, or a termination of pregnancy**
 - viii. cosmetic or elective surgery**
 - ix. PRE-EXISTING CONDITIONS: a mental, nervous, or psychiatric *illness, disease, condition, or disorder* for which you have received, or for which a prudent person would have received, in the six months that:**
 - immediately preceded the insurance effective date AND**

- immediately followed the insurance effective date, one or any of the following:
 - ✓ a medical opinion
 - ✓ treatment
 - ✓ service
 - ✓ prescribed medication
 - ✓ a diagnosis
 - ✓ a consultation
 - ✓ a consultation for investigation, follow-up, and/or diagnosis (when a diagnosis has not yet been made).

This clause is commonly called the Pre-existing Conditions Clause (page 25). A pre-existing condition is a condition that existed in the *insured*, as defined above, before AND after the *insurance* effective date and which is the direct or indirect cause of the total *disability*, accidental dismemberment, *critical illness*, or death of the *insured* while the *insurance* was in effect.

b) Lack of work does not constitute *total disability* and does not give you the right to an insured monthly payment.

c) Critical illness

i. No compensation for critical illness will be paid if:

- the *insured* dies less than 30 days after receiving a *diagnosis* of a *critical illness*
- the *insured* is diagnosed with cancer, if the signs or symptoms or medical problems present or if a medical workup leading to a *diagnosis* of cancer covered or excluded under the collective policy is undertaken in the ninety (90) days following the insurance effective date
- the insured contracts a *critical illness* before the insurance effective date.

ii. No compensation for critical illness will be paid for:

a. cancers:

- early prostate cancer
- precancerous lesions
- benign tumours and polyps
- non-invasive in situ cancer
- cancer of the skin other than malignant melanoma that has spread to the dermis or deeper

- any tumour in the presence of the Human Immunodeficiency Virus (HIV).
- b. coronary artery bypass performed with the following non-surgical techniques:
 - percutaneous transluminal angioplasty
 - laser embolectomy
 - other bypass techniques
- c. transient ischemic attacks (TIA)

B) PRE-EXISTING CONDITIONS:

The clause related to pre-existing conditions applies only to *illnesses, affections, mental, nervous, or psychiatric disorders* that are the direct or indirect cause of your *critical illness, accidental dismemberment, death or total disability*.

Example, four months before the insurance effective date, you have a heart attack. Three months after the effective date, you fracture a leg and become *totally disabled*. The clause regarding pre-existing conditions does not apply because there was no connection between the two incidents. You are eligible for compensation, because the injury is not related to the pre-existing condition.

This is the Table applies to life insurance, critical illness insurance, and disability insurance.

Treatment date (Example: Medication prescribed, medical opinion, consultation, treatment, or diagnosis)	How does the pre-existing clause work, 6 months before and 6 months after. INSURANCE EFFECTIVE DATE JANUARY 1ST 2010 July 1st 2009 July 1st 2010			
Pre-existing condition (less than 6 months before and less than 6 months after)		↓	↓	↓
Non-pre-existing condition (more than 6 months before and less than 6 months after)	✓		✓	
Non-pre-existing condition (more than 6 months before and more than 6 months after)	✓			✓
Non-pre-existing condition (less than 6 months before and more than 6 months after)		✓		✓
Non-pre-existing condition (nothing before and less than 6 months after)			✓	

V. CANCELLATION OF THE INSURANCE

Purchasing this **insurance** contract is voluntary and not mandatory. Only the **insured** and the **co-insured** have the right to cancel their **insurance certificate**.

- a) Right to cancellation of the **insurance certificate** during **the first 20 days**

After the **certificate** is signed, you have a 20-day period to decide if you still wish to subscribe to the insurance. If it is not the case, you may cancel it in this 20-day period. The entire amount of the premium paid will be reimbursed jointly to you and the **financial institution** designated on the front of the certificate. The request for cancellation of the **insurance** can be done using the «Schedule 1» form or by sending a letter to the insurer. See the section Insurer Reference for the insurer’s contact information, page 27.

- b) Right to cancel the **insurance after the 20-day period**

If the loan or lease is **not entirely repaid**, send the insurer a letter or the request for reimbursement form (Schedule 1) completely filled out and signed with a copy of your **insurance certificate**.

If the loan **has been completely repaid** before the due date indicated in your **insurance certificate**, send the following three documents to the insurer:

- i. a letter or the request for reimbursement form (Schedule 1) completely filled out and signed
- ii. proof from the **financial institution** or the **retailer** that the loan or lease has been completely paid
- iii. a copy of your **insurance certificate**

In both cases, you must make a written request for reimbursement to Industrial Alliance in the **180 days** that follow the termination of the **insurance**. If you make a request for reimbursement **after the 180-day period**, you may have to pay additional administrative fees.

Please send all correspondence to the following address:

Administration (Regional office)
Industrial Alliance Insurance and Financial Services Inc.
9150 Leduc Blvd, suite 601
Brossard (Qc) J4Y 0E3
Tel.: 1-855-766-8239
Fax: 450-671-2525

c) Method for calculating the **premium refund**

On cancellation of the **insurance**, you will be reimbursed or credited the **premium refund**, after deduction of all benefits paid, within 30 working days. However, an administration fee of \$75 will be required if you cancel the **insurance** later than 20 days after the **insurance** effective date. You can cancel the insurance contract when you want with the Schedule 1 request for reimbursement or by sending a letter. You can obtain any form from your distributor or your insurer. The premium refund will NOT be calculated pro-rata but will be the actuarial reserve held in respect of your Certificate by us, less an administration fee and less any claims paid.

The insurer has the right to change the calculation method for the **premium refund** without prior notice.

No **premium refund** will be payable if we have to pay the life insurance benefit or the critical illness insurance benefit, or if the amount is less than five dollars. The cheque for the **premium refund** will be made out to the insured and the **financial institution** jointly, unless you supply the proof from the **financial institution** or creditor that the loan or lease has been completely paid. In this case, the **premium refund** will be made out to the insured only. When we reimburse the **premium refund**, your **insurance** is cancelled.

Other information

This guide is not a contract. The terms and conditions and exclusions of the **insurance** contract are set out in your **certificate** that constitutes the contract between you and Industrial Alliance. Please read it carefully.

For the specific conditions that apply to your **insurance**, please refer to your **insurance certificate** or contact the regional office of your insurer at 1-877-671-9009 or 450-671-9669.

VI. COMPENSATION OR CLAIM

A) REQUEST FOR COMPENSATION

Claim forms, available from www.iavag.ca or by calling 1-800-549-7227, must be submitted to the Claims department within the 90 days following the death, accidental dismemberment, **diagnosis of critical illness**, or **total disability**. If it is impossible to submit them within this time period, you must send them as soon as possible, but no later than two years from the time they are normally required. Then, you must submit the claims forms as we request them.

If we receive the disability claim form more than 90 days after the start of the **total disability**, retroactive application of the disability benefits will be limited to the 90-day period before the claim forms were received.

When processing any claim, we have the right to require satisfactory proof of:

- i. the date of one or all of the following:
 - birth
 - total disability
 - accidental dismemberment
 - critical illness
 - death and
- ii. the circumstances that caused or contributed to the **total disability**, accidental dismemberment, **critical illness**, or death and
- iii. a detailed description of all the treatment received before and after the **insurance** effective date and proof from the **financial institution** that the **insurance** amount has not been paid, modified, or revised. You must be regularly under supervision and treated by a duly qualified physician (doctor of medicine), to our satisfaction, while you are **totally disabled**.

We have the right to have you examined by a duly qualified physician of our choice as often as we reasonably require it, during the period for which the disability insurance benefits are requested.

If you fail to undergo such examination within a reasonable time period, we have the right to cancel the payment of your disability insurance.

You can obtain the insurance claims forms from your distributor or the Claims department. See the section «Insurer» on page 31 of this guide for the insurer's contact information.

B) TIME FOR PROCESSING

As soon as we have received your insurance claim form, we will determine if the documentation is complete. We may ask for more information from the physician and we will have to wait for his/her response before being able to continue examining the file. As soon as we have received the required documents, Industrial Alliance will determine if the claim is or is not valid. We will communicate our decision to you within 30 working days after receiving **all** the required documents.

- i. If the claim is not eligible, the decision will indicate the reasons for the refusal.
- ii. If the claim is eligible and benefits will be paid, payment will be sent to the **financial institution** within 30 days.

C) CONDITIONS FOR PAYING BENEFITS

- a) All benefits payable shall be paid to the **financial institution** or **group policyholder** to reduce the amount of the debt. All the benefits payable shall never exceed the maximum insured amount indicated on the front of the **insurance** certificate. If you make a claim, you must continue to make the monthly payments that become due while the claim is being examined, payments will be refunded to you through the **retailer** or **financial institution** if the claim is accepted.
- b) Please note that we will not make any late payments or pay any additional interest fees.
- c) Any **premium refund** payable at the termination of the **insurance** shall be paid jointly to you and the **retailer** or the **financial institution**, except in the following cases:

Payments will be made only to the **financial institution**, if the termination is due to:

- i. a formal request by the **retailer** or the **financial institution**, for complete payment of the loan if you have defaulted on payment or

- ii. trade-in of the property that is the subject of the loan or lease contract or
- iii. legal action regarding the property that is the subject of the loan or lease contract.

D) TERMINATION OF DISABILITY BENEFITS

Payment of disability benefits ends when one of the following occurs:

- i. you are no longer totally disabled
- ii. the **insurance** expires on the date indicated on the front of the **insurance** certificate
- iii. you neglect to provide the insurer with satisfactory proof of continuing **total disability**, within the required time
- iv. you refuse or neglect to undergo the medical examination requested by the insurer
- v. as soon as the **maximum number of insured monthly payments** has been paid;
 - If you Total Disability is caused or contributed to by :
 - a) mental, nervous or psychiatric condition or disorder, after a benefit period of three months, payments will only be made if you are regularly attending a licensed Specialist such as a psychiatrist, a psychologist or a neurologist and the benefit period will never exceed (6) months per claim.
 - (b) disease or disorder of the neck or back including but not limited to lumbar, thoracic or cervical spine, after a benefit period of two months, payments will only be made if you are under the care of a licensed Specialist such as a neurologist, a neurosurgeon, a physiatrist, an orthopaedic surgeon or a rheumatologist and the benefit period will never exceed (6) months per claim; or
- vi. you die.

E) APPEAL OF THE INSURER'S DECISION

If you do not agree with the decision rendered, you can appeal to the Claims Manager, and ask him/her to review your claim. See the section «Insurer» on page 31 of this guide for the insurer's contact information. If you still do not agree with the way your claim was handled, you can write to the complaints officer at Industrial Alliance. If you are still not satisfied, you can contact the Autorité des Marchés Financiers or your legal advisor.

VII. INSURER—INDUSTRIAL ALLIANCE

For more information, please contact the appropriate department at the address indicated below. For more information about our products and obligations and to obtain forms, please contact the administration department (page 27).

For information about claims, please contact the Claims Department at the following address:

Claims department

INDUSTRIAL ALLIANCE
INSURANCE AND FINANCIAL SERVICES INC.
P.O. 5900 Vancouver, B.C. V6B 5H6
Tel.: 1-800-549-7227
Fax: 1-604-733-9519
Web site: www.iavag.ca

VIII. SIMILAR PRODUCTS

There are other insurance products on the market that have similar guarantees to those described in this distribution guide. Check to see if you already have an insurance that offers the same coverage as that described in this guide.

IX. THE AUTORITÉ DES MARCHÉS FINANCIERS

For more information regarding the insurer's and distributor's obligations, please contact:

THE AUTORITÉ DES MARCHÉS FINANCIERS

Place de la Cité, tour Cominar

2640, boulevard Laurier, bureau 400

Québec (Québec) G1V 5C1

Telephone: 1-877-525-0337

418-525-0337

Montréal: 514-395-0337

Web site: www.lautorite.qc.ca

X. FORMS

You can obtain the following form from your distributor or your insurer:

- Schedule 1: Notice of Cancellation of an Insurance Contract

The relevant sections of the law are printed on the back of the forms.

Personal notes	
Amount of life insurance:	_____
Amount of CI insurance:	_____
Amount of disability insurance:	_____
Total premium:	_____
Other:	_____

SCHEDULE 1

NOTICE OF CANCELLATION OF AN INSURANCE CONTRACT

NOTICE GIVEN BY A REPRESENTATIVE

Section 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 cancel an insurance contract you have just signed when signing another contract, **without penalty, within 10 days of its signature**. However, we are offering you an additional 10 days, giving you a total of 20 days to cancel your insurance. To do so, you must give the insurer notice by registered mail within that time frame. You may use the model below for this purpose.
- Despite the cancellation 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 representative or consult your contract.**
- After the expiry of the 20-day period, you may cancel the insurance at any time; however, penalties may apply.

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

NOTICE OF CANCELLATION

To: Industrial Alliance Insurance and Financial Services Inc.
9150 Leduc Blvd, suite 601
Brossard (Qc) J4Y 0E3

Date: _____

(date of sending of notice)

Pursuant to section 441 of The Act Respecting the Distribution of Financial Products and Services, I hereby cancel insurance contract No.:

(contract number if it is indicated)

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

In: _____
(place of signature of contract)

(name of client)

(signature of client)

The representative must first complete this section.
This document must be sent by registered mail.
Sections 439, 440, 441, 442 and 443 of the Act must be reproduced on the back of this notice.

SECTIONS FROM THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES

439. A representative may not make the conclusion of a contract contingent on the signing of an insurance policy with the insurer specified by the representative.

The representative may not exert undue pressure on the client to enter an insurance contract or use fraudulent tactics to induce the client to purchase a financial product or service.

440. A representative, who at the time a contract is made causes the client to make an insurance contract, must give the client a notice, drafted in accordance with regulations, stating that the client may cancel the insurance contract within 10 days of signing it.

441. A client may, by giving written notice via courier or registered mail, cancel an insurance policy signed concurrently with another contract within 10 days of the signing. Should the insurance policy be cancelled, the first contract remains effective in its entirety.

442. No contract may contain provisions allowing its amendment in the event of cancellation or termination of an insurance contract made concurrently by the client.

However, a contract may provide for the loss of advantages extended when more than one contract was concluded at one time in the event of the cancellation or termination of the insurance contract.

443. A representative, who offers financing for the purchase of goods or services and who requires the loan applicant take out insurance to guarantee the repayment of the loan, must give the debtor written notice, drawn up in accordance with the regulations, explaining that the debtor may take out insurance with an insurer or representative of his own choice, provided that the insurance is satisfactory to the creditor, who may not refuse without reasonable cause. The representative may not make the conclusion of a credit agreement contingent on the signing of an insurance policy with the insurer specified by the representative.

No credit agreement may stipulate that it was made subject to the condition that the insurance policy entered with the insurer remain in force until the expiry of the term, or that the expiry of the insurance policy will entail forfeiture of term or a reduction of the debtor's rights.

The rights of the debtor under the credit contract shall not be forfeited when the debtor cancels, terminates or withdraws from the insurance contract, provided that the debtor has obtained insurance satisfactory to the creditor with another insurer. The creditor may not refuse his permission without reasonable cause.

Notes

SAMPLE

Notes

SAMPLE

Notes

SAMPLE

ACKNOWLEDGEMENT OF RECEIPT

I acknowledge receipt of this distribution guide in the course of the acquisition of the life insurance, disability insurance, Critical Illness insurance program distributed by (distributor).

My signature confirms that I accept the conditions, limitations, and exclusions of the insurance set out in the certificate.

(customer's name)

(customer's name)

(customer's address)

(customer's address)

Date: _____

Date: _____

Per: _____
(customer's signature)

Per: _____
(customer's signature)



FOR MORE INFORMATION REGARDING THE INSURER'S AND DISTRIBUTOR'S OBLIGATIONS, PLEASE CONTACT:

THE AUTORITÉ DES MARCHÉS FINANCIERS

Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
Toll-free: 1-877-525-0337
Québec: 418-525-0337
Montréal: 514-395-0337

Web site: www.lautorite.qc.ca