

Loss of Life and Disability Protection



Scotiabank®

The details of your Scotia Plan Loan are described in your Scotia Plan Loan Distribution Guide.

As you may need to look at details of your Scotia Plan Loan in the future, please keep all related documents inside the pocket of your Distribution Guide including your Scotia Plan Loan Application or any letters you receive from the Insurer or Scotiabank, and store this Distribution Guide in a safe place.

▲ A place to put your important papers: ▲

Scotia Plan Loan Protection Distribution Guide

Name of Insurance Product:

Scotia Plan Loan Protection

Type of Insurance Product:

**Creditor Group Insurance
Loss of Life Protection and Disability Protection for your Scotia
Plan Loan**

Name and Address of Insurer:

The Canada Life Assurance Company (the “Insurer”)

Creditor Insurance
330 University Avenue
Toronto, Ontario M5G 1R8
Phone: 1 800 387-2671
Fax: (416) 552-6557
E-mail: creditor_info@canadalife.com

Name and Address of Distributor:

The Bank of Nova Scotia (referred to hereafter as “Scotiabank”)

Responsibility of the Autorité des marchés financiers

The Autorité des marchés financiers does not express an opinion on the quality of the product offered in this Scotia Plan Loan Protection Distribution Guide. The Insurer alone is responsible for any discrepancies between the wording of the Scotia Plan Loan Protection Distribution Guide and the policy.

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The words followed by an asterisk (*) are defined in the « Definitions » section of this Scotia Plan Loan Protection Distribution Guide.

Definitions

Actively employed You are considered to be **actively employed** if:

- you work at least **20 hours** a week; **and**
- you are being paid or will eventually receive a profit.

If you are a **seasonal worker**, you are considered to be actively employed if:

- you are actively performing your regular job duties;

OR

- you are able to perform the essential duties of your seasonal job on the date of the loan;
- you have a seasonal work history; **and**
- you expect to return to work in the next season.

Actual premium The insurance premium that is added to the principal amount of your loan balance when you apply for Scotia Plan Loan Protection and at every loan renewal* or renegotiation* thereafter.

Amortization period The actual number of months it will take to repay a Scotia Plan Loan in full.

Automatic renewal The Scotia Plan Loan is renewed* automatically and an advice letter is issued to the borrower(s)* if the loan term* is shorter than the amortization period*.

Borrower Principal borrower* or co-borrower*.

Branch Means a branch of Scotiabank.

Co-borrower Person who has a Scotia Plan Loan and who is indicated as co-borrower on the Scotia Plan Loan Protection Application for insurance.

Funded the amount of money borrowed on the Scotia Plan Loan has been provided by Scotiabank to the borrower(s)* or their designated payee(s).

Loan term or
Term of loan

The length of time specified in the loan agreement fixing the interest rate you will pay.

Original loan

Your loan before you renegotiate* it.

Pre-existing condition

LOSS OF LIFE PROTECTION:

You are considered to have a pre-existing condition if you:

- consulted a physician;
- had tests done; **or**
- received treatment, including taking any kind of medication or injection

for any of the following health conditions, or for any symptoms of these health conditions whether diagnosed or not:

- cancer;
- leukemia;
- AIDS (Acquired Immune Deficiency Syndrome);
- ARC (AIDS related complex);
- lung disease;
- liver disease;
- heart disease

during the **12 months** preceding the date of your Scotia Plan Loan Protection Application.

DISABILITY PROTECTION

You are considered to have a pre-existing condition if you:

- consulted a physician;
- had tests done; **or**
- received treatment, including taking any kind of medication or injection

for any of the following, or for any symptoms of the following whether diagnosed or not:

- a medical condition;
- mental/psychiatric disorder, including depression;
- an injury

during the **12 months** preceding the date of your Scotia Plan Loan Protection Application.

Principal borrower Person who has a Scotia Plan Loan and is indicated as principal borrower on the Scotia Plan Loan Protection Application for insurance.

Regular monthly loan payment The total principal and interest regular monthly loan payments required to repay your Scotia Plan Loan.

Renegotiation or renegotiate Changes to the insurance, loan amount, term*, rate or the amortization period of the loan.

Renewal or renew The process of beginning a new loan term*.

Survivor(s) The individual(s) responsible for administering your estate after your death.

Term of loan See “Loan term”

Waiting period The first 30 days of disability. During this period, no benefits will be paid.

You and your Means the Principal borrower* and/or the Co-borrower*

Introduction

What would happen if you died or became disabled and could not pay off your Scotia Plan Loan?

Scotiabank and the Insurer have developed Scotia Plan Loan Protection to assist with your financial needs in this situation.

Two types of insurance are available:

- Scotia Plan Loan **Loss of Life Protection** protects your survivors* if you die before you have paid back your loan in full;
- Scotia Plan Loan **Disability Protection** protects you and your family if you cannot make your regular monthly loan payments* because you are sick or hurt and cannot work.

This Scotia Plan Loan Protection Distribution Guide explains both Loss of Life Protection and Disability Protection. It will help you determine, without the presence of an insurance representative, if the insurances described suit your needs. Contact the Insurer toll free at 1 800 387-2671 if you still have questions after reading it.

You may apply for Loss of Life Protection and/or Disability Protection. The type of insurance that you chose is identified on your Scotia Plan Loan Protection Application for insurance.

This is an important document. Please keep all related documents, including a copy of your Scotia Plan Loan Protection Application for insurance, in the pocket of this booklet and put it in a safe place.

The Scotia Plan Loan Protection product is provided by The Canada Life Assurance Company under a group insurance policy issued to Scotiabank. Loss of Life Protection is administered under the number G.28082 and Disability Protection is administered under the number H.60051.

This Scotia Plan Loan Protection Distribution Guide and the completed Scotia Plan Loan Protection Application for insurance are part of a set of documents that form a legal description of Scotia Plan Loan Loss of Life Protection and Disability Protection. The completed *Statement of Health for Group Insurance* and the letter of approval from the Insurer form part of the set of documents, if you are age 65 or older and therefore required to answer health questions.

Scotiabank and the Insurer can change the terms of the insurance described in this Scotia Plan Loan Protection Distribution Guide. You will be told in writing before any changes are made. You will be deemed to have received the notice on the fifth business day after it is mailed to your last address in Scotiabank's records.

Description of the products offered

Nature of the Coverages

LOSS OF LIFE PROTECTION:

Scotia Plan Loan Loss of Life Protection pays off your insured Scotia Plan Loans if you die, up to **\$150,000** for all insured Scotia Plan Loans. The Insurer will make all benefit payments to Scotiabank.

DISABILITY PROTECTION:

Scotia Plan Loan Disability Protection makes the regular monthly loan payments* on all your insured Scotia Plan Loans if you become disabled and cannot work. The Insurer will pay out up to **\$150,000** in benefits for any one period of continuous disability for all insured Scotia Plan Loans. The payments begin on your regular payment date, following a 30-day waiting period*. For more information on the waiting period*, please refer to the section entitled « Waiting Period » on page 24 of this Scotia Plan Loan Protection Distribution Guide.

Beneficiary of the Insurance

The beneficiary is the person to whom benefit payments are made. The Insurer will make benefit payments for all types of insurance to Scotiabank.

There are some exclusions and restrictions in both plans. Please refer to the section entitled « Exclusions, Restrictions or Reductions in Coverage » on page 18 of this Scotia Plan Loan Protection Distribution Guide for detailed information.

Summary of Specific Features

Applying for Insurance

You can apply if you obtain a Scotia Plan Loan. Just complete a Scotia Plan Loan Protection Application for insurance at your branch* or by any other method Scotiabank may offer from time to time.

Coverage starts on the date your Scotia Plan Loan is funded*.

You do not have to buy Scotia Plan Loan Protection to obtain a Scotia Plan Loan or to renegotiate* your loan.

Please review your Scotia Plan Loan Protection Application carefully to make sure you are applying for the type of coverage (Loss of Life, Disability or both) that you intended.

Simply contact your branch* to apply if you decide to get insurance after you have already taken out a loan. Your loan must be renegotiated* to add the insurance.

Persons Who May Apply for Insurance

LOSS OF LIFE PROTECTION:

You must be:

- the principal borrower* or co-borrower*; **and**
- living in Canada.

A *Statement of Health for Group Insurance* must be completed and sent for review by the Insurer if you are 65 or over and wish to apply. Please see the section entitled “Health Questions” on page 6 of this Scotia Plan Loan Protection Distribution Guide for details regarding this document.

DISABILITY PROTECTION:

You must be:

- the principal borrower* or the co-borrower*;
- living in Canada;
- actively employed*; **and**
- **less than 65 years old** on the date of your Scotia Plan Loan Protection Application.

Health Questions

LOSS OF LIFE PROTECTION:

You do not have to answer any health questions if you are **under age 65** when you apply for Loss of Life Protection.

Scotiabank will give you a form to complete called *Statement of Health for Group Insurance* if you are **65 or over**. It includes health questions that you must answer and allows your doctor to give the Insurer your medical information if more details are needed. You must return this form to the Insurer within **45 days** of the date you complete your Scotia Plan Loan Protection Application.

You are automatically insured **temporarily** from the date you complete your Scotia Plan Loan Protection Application for insurance and your loan is funded*. You are temporarily insured until the Insurer reviews your *Statement of Health for Group Insurance* and medical information and advises you in writing whether or not you are approved for coverage.

Your temporary insurance coverage will end on one of the following dates, **whichever one comes first**:

- The 45th day after Scotiabank receives your Scotia Plan Loan Protection Application, if the Insurer does not receive your *Statement of Health for Group Insurance* within that 45-day period, **or**
- The date the Insurer advises you in writing that they have denied your Scotia Plan Loan Protection Application for insurance. The Insurer will assume that you have received their written denial on the 5th business day after they mail it to your last address in Scotiabank's records.

The Insurer will tell you in writing if they have approved or denied your Scotia Plan Loan Protection Application for insurance within **30 days** after they receive all of the information they need to make a decision. You will be told why in writing if the Insurer cannot make a decision within 30 days.

All premiums you have paid will be reimbursed if the Insurer ends your temporary insurance.

DISABILITY PROTECTION:

You do not have to answer any health questions when you apply for Disability Protection, but you must be under the age of 65 to be eligible for coverage.

Maximum Amount of Insurance

- The maximum payment for **Loss of Life Protection** is **\$150,000** for all insured Scotia Plan Loans.
- The maximum payment for the **Disability Protection** is **\$150,000** during any one period of continuous disability for all insured Scotia Plan Loans.

Cost of Insurance

LOSS OF LIFE PROTECTION:

Your premiums are based on:

- your age on the date of your Scotia Plan Loan Protection Application for a new, renewed* or renegotiated* Scotia Plan Loan;
- the amount you borrow on a new, renewed* or renegotiated* Scotia Plan Loan;
- the term of your loan* for a new, renewed* or renegotiated* Scotia Plan Loan; **and**
- the amortization period* of your new, renewed* or renegotiated* Scotia Plan Loan.

Any applicable provincial sales tax¹ on insurance premiums will be added to the cost of your insurance.

¹The provincial sales tax rate in Quebec at the time of publication was 9%. This rate is subject to change.

To calculate the premium, the following steps are taken:

Step 1. Your loan is divided by \$1,000. The result is then multiplied by the appropriate premium from the table below:

LOSS OF LIFE PROTECTION PREMIUM TABLE

Premium for only one borrower* in dollars per \$1,000 of loan

Amortization period* of loan (in months)	Term of loan* (in months)									
	6	12	18	24	30	36	42	48	54	60
0 - 6	2.04									
7 - 12	2.77	4.09								
13 - 18	3.02	5.07	6.16							
19 - 24	3.13	5.56	7.26	8.24						
25 - 30	3.20	5.85	7.92	9.42	10.32					
31 - 36	3.25	6.04	8.36	10.21	11.57	12.42				
37 - 42	3.28	6.18	8.68	10.76	12.44	13.70	14.52			
43 - 48	3.31	6.28	8.90	11.17	13.08	14.64	15.82	16.62		
49 - 54	3.33	6.36	9.08	11.48	13.58	15.37	16.83	17.96	18.73	
55 - 60	3.34	6.41	9.21	11.74	13.98	15.95	17.62	19.00	20.08	20.85
61 - 72	3.36	6.51	9.42	12.10	14.56	16.79	18.78	20.53	22.04	23.30
73 - 84	3.39	6.57	9.56	12.35	14.95	17.37	19.57	21.58	23.39	24.99
85 - 96	3.39	6.61	9.66	12.54	15.24	17.77	20.14	22.33	24.36	26.20
97 - 108	3.40	6.65	9.73	12.67	15.45	18.08	20.57	22.89	25.07	27.10
109 - 120	3.41	6.67	9.79	12.77	15.61	18.32	20.88	23.32	25.61	27.77
121 - 132	3.41	6.69	9.84	12.84	15.73	18.49	21.12	23.64	26.03	28.29
133 - 144	3.41	6.70	9.86	12.91	15.82	18.63	21.32	23.90	26.36	28.70
145 - 156	3.42	6.72	9.89	12.96	15.90	18.75	21.47	24.09	26.61	29.02
157 - 168	3.42	6.73	9.92	12.99	15.96	18.83	21.59	24.24	26.81	29.28
169 - 180	3.42	6.73	9.93	13.03	16.01	18.90	21.68	24.37	26.97	29.48
181 - End	3.42	6.75	9.98	13.11	16.14	19.08	21.95	24.72	27.41	30.03

Step 2. The result is multiplied by an age factor using the following table. The factor is based on the insured borrower's* age. When two borrowers* are insured for the same Scotia Plan Loan, the age of the older borrower* is used.

Age group	Factor
Up to 40	0.61
41 - 45	0.80
46 -50	0.96
51 -55	1.12
56 -60	1.60
61 -65	2.24
66 -70	4.00
71 -75	8.00
76 and above	16.00

Step 3. The figure from Step 2 is then multiplied by 1.7 if two borrowers* are insured for the same Scotia Plan Loan.

Step 4. Next, the resulting figure from Step 3 is multiplied by 0.9 if either or both borrowers* has Scotia Plan Loan Disability Protection.

Step 5. Finally, any applicable provincial sales tax is added.

Example:

You are an individual borrower* and are 25 years old when you apply for insurance. You wish to apply for both Loss of Life and Disability Protection. You have a \$10,000 loan with a 6-month term. The amortization* period is also 6 months.

Step 1. Base premium: $\$10,000 \div \$1,000 \times \$2.04 = \20.40

Step 2. Age factor: $\$20.40 \times 0.61 = \12.44

Step 3. Does not apply.

Step 4. Discount for Disability Protection: $\$12.44 \times 0.9 = \11.20

Step 5. Provincial sales tax: $\$11.20 \times 1.09 = \12.21

The total cost of your **Loss of Life Protection** is \$12.21 for the term of your loan*, which is 6 months.

Scotiabank will let you know your actual premium* for the term of the loan* when you apply for Scotia Plan Loan Protection for each new, renewed* or renegotiated* Scotia Plan Loan. The premium is added to the principal amount of your loan and payments are included in your regular monthly loan payment* amount. This means if you wish to purchase insurance after your loan has been funded*, the loan must be renegotiated*. For more details on rewriting loans, please refer to the section entitled « Renegotiation* of your loan » on page 14 of this Scotia Plan Loan Protection Distribution Guide.

The Premium Table, factors or the method used to calculate insurance premiums may be changed at any time, but such changes will only apply to insurance for a new Scotia Plan Loan or when you renew* or renegotiate* a Scotia Plan Loan.

DISABILITY PROTECTION:

Your premiums are based on:

- the amount you borrow on a new, renewed* or renegotiated* Scotia Plan Loan;
- the term of your loan* for a new, renewed* or renegotiated* Scotia Plan Loan; **and**
- the amortization period* of your new, renewed* or renegotiated* Scotia Plan Loan.

Any applicable provincial sales tax² on insurance premiums will be added to the cost of your insurance.

²The provincial sales tax rate in Quebec at the time of publication was 9%. This rate is subject to change.

To calculate the premium, the following steps are taken:

Step 1. Your loan is divided by \$1,000. The result is then multiplied by the appropriate premium from the table below:

DISABILITY PROTECTION PREMIUM TABLE

Premium for only one borrower* in dollars per \$1,000 of loan (coverage for two borrowers* is twice the cost of coverage for one borrower*).

Amortization period* of loan (in months)	Term of loan* (in months)									
	6	12	18	24	30	36	42	48	54	60
0 - 6	13.00									
7 - 12	13.00	16.00								
13 - 18	10.00	16.00	21.00							
19 - 24	9.00	14.00	21.00	23.00						
25 - 30	9.00	14.00	20.00	23.00	27.00					
31 - 36	8.00	14.00	19.00	22.00	27.00	31.00				
37 - 42	8.00	14.00	19.00	22.00	26.00	31.00	34.00			
43 - 48	8.00	14.00	19.00	22.00	26.00	31.00	34.00	38.00		
49 - 54	8.00	14.00	18.00	22.00	26.00	30.00	34.00	38.00	42.00	
55 - 60	8.00	14.00	18.00	22.00	26.00	30.00	34.00	38.00	42.00	45.00
61 - End	8.00	14.00	18.00	22.00	26.00	30.00	34.00	38.00	42.00	45.00

Step 2. The result is then multiplied by 0.98 if either or both borrowers* has Scotia Plan Loan Loss of Life Protection.

Step 3. Finally, any applicable provincial sales tax is added.

Example:

You are an individual borrower* and you wish to apply for both Scotia Plan Loan Loss of Life Protection and Disability Protection. You have a \$10,000 loan with a 6-month term. The amortization period* is also 6 months.

Step 1. Base premium: $\$10,000 \div \$1,000 \times \$13.00 = \130.00

Step 2. Discount for Loss of Life Protection: $\$130.00 \times 0.98 = \127.40 .

Step 3. Provincial sales tax: $\$127.40 \times 1.09 = \138.87

The total cost of your **Disability Protection** is \$138.87 for the term of your loan*, which is 6 months.

Scotiabank will let you know your actual premium* for the term of the loan* when you apply for Scotia Plan Loan Protection for each new, renewed* or renegotiated* Scotia Plan Loan. The premium is added to the principal amount of your loan and payments are included in your regular monthly loan payment* amount. This means if you wish to purchase insurance after your loan has been funded*, the loan must be renegotiated*. For more details on rewriting loans, please refer to the section entitled « Renegotiation* of your loan » on page 14 of this Scotia Plan Loan Protection Distribution Guide.

The Premium Table, factors or the method used to calculate insurance premiums may be changed at any time, but such changes will only apply to insurance for a new Scotia Plan Loan or when you renew* or renegotiate* a Scotia Plan Loan.

Start of Coverage

Coverage starts on the date your Scotia Plan Loan is funded* if you have applied for Scotia Plan Loan Protection. Coverage starts on the date your loan is renegotiated* if you renegotiate* your loan. You must complete a Scotia Plan Loan Protection Application for insurance if you renegotiate* your loan, regardless of whether prior to renegotiation* you had Scotia Plan Loan Protection.

Confirmation from the Insurer

You are automatically approved and your completed Scotia Plan Loan Protection Application for insurance is the proof that you are insured if you are less than age 65.

In all other cases, the Insurer must approve your insurance. The Insurer will send you their decision in writing no later than **30 days** after they receive all the documents required to make their decision. This letter will constitute the proof that you are insured if you are approved.

Renewal* of Your Loan

You do not have to do anything to continue your insurance. At the end of your loan term*, Scotiabank will send you a notice outlining your renewed* loan details, such as the interest rates and your regular monthly loan payment*. The notice will include the insurance premium that will be added to the renewed* loan amount to continue the coverage during the new loan term*. The new premium is based on your age, renewed* term and amortization and the outstanding balance at the time of the loan renewal*.

For borrowers age 65 and older*

DISABILITY PROTECTION:

Your Disability Protection ends if you renew* or renegotiate* your loan after you have reached **age 65**.

Renegotiation* of Your Loan

Both your Loss of Life and Disability Protection end if your Scotia Plan Loan is renegotiated* for any reason. You must reapply for new coverage if you wish to insure your renegotiated* loan. Any premiums from your original loan* that have not been applied to your insurance policy will be credited to your loan in accordance with the formula indicated in the section entitled « Premium refunds » on page 21 of this Scotia Plan Loan Protection Distribution Guide.

For borrowers age 65 and over*

LOSS OF LIFE PROTECTION:

You must reapply for new coverage **and** complete the *Statement of Health for Group Insurance* if you renegotiate* your loan for any reason after you have reached age 65.

You will benefit from Prior Coverage Recognition if you are declined for insurance because of health reasons. Please refer to the section entitled « Prior Coverage Recognition » for more detailed information on page 15 of this Scotia Plan Loan Protection Distribution Guide.

DISABILITY PROTECTION:

Your Disability Protection ends if you renegotiate* your loan for any reason after you have reached **age 65**.

Prior Coverage Recognition

LOSS OF LIFE PROTECTION:

You must reapply for insurance if you renegotiate* your loan for any reason.

There will still be partial insurance if you die within **12 months** after renegotiating* your loan and your death was caused by a pre-existing condition*. For more details about exclusions regarding pre-existing conditions*, please refer to the section entitled « Exclusions, Restrictions or Reductions in Coverage » on page 18 of this Scotia Plan Loan Protection Distribution Guide.

The amount the Insurer will pay depends on what percentage of your renegotiated* loan is original loan* money and what percentage was newly borrowed funds.

Example:

The balance of your original loan* is \$8,000. You renegotiate* your loan and add \$2,000, for a total of \$10,000. Therefore, the original loan* represents 80 % ($\$8,000 \div \$10,000$) of the new loan amount.

You die from a pre-existing condition* 6 months after you renegotiate* your loan. At that time, your loan balance is \$5,000. The Insurer will pay to Scotiabank 80 % of the balance on the date of your death, which is \$4,000.

Any remaining balance on your loan is due and payable by your estate.

This is an example only. The actual figures will vary according to your specific circumstances.

Benefits will only be paid if:

- your survivor(s)* or Scotiabank gives the Insurer proof of your previous insurance coverage; **and**
- the Insurer would have paid off the original loan* if you had not renegotiated* it.

DISABILITY PROTECTION:

You must reapply for insurance if you renegotiate* your loan for any reason.

You do not have to be actively employed* to qualify for Disability Protection if you are **under age 65**.

However, your disability claims will only be **partially** covered if you:

- are not actively employed* when you renegotiate* the loan and present a new Scotia Plan Loan Protection Application; **or**
- suffer a disability caused by a pre-existing condition* within **12 months** of renegotiating* and presenting a new Scotia Plan Loan Protection Application.

The Insurer will pay the **lesser of the following**:

- the regular monthly loan payment* amount under the original loan* they would have covered if you had not renegotiated* your loan; **or**
- the regular monthly loan payment*.

You will have to pay any portion of the regular monthly loan payment* that they do not cover.

Example:

Your regular monthly Scotia Plan Loan payment* is \$50. You renegotiate* your loan to increase your balance and your new monthly payment is \$60 but you are not actively employed* at the time of renegotiation*.

Three months later, you suffer a disability from a pre-existing condition*. The Insurer will pay to Scotiabank the regular monthly loan payment* amount that was insured before the renegotiation*, which was \$50 if you make a claim. You must pay the difference between the disability benefit payment (\$50) and your regular monthly loan payment* (\$60) which equals \$10 per month.

Your disability benefits will stop on the **earliest of the following dates**, if you renegotiated* your loan to change the amortization period:

- the date your original loan* was scheduled to be paid off; **or**
- the date the renegotiated* loan is scheduled to be paid off.

The Insurer will only pay benefits if:

- you or Scotiabank gives them proof of your previous insurance coverage;
- they would have approved your claim if you had not renegotiated* your loan; **and**
- you give them proof of your continuing disability.

Prior Coverage Recognition for both loss of life and disability insurance does not apply if you are transferring your loan from another financial institution or from another of Scotiabank's credit products.

Missing a Loan Payment

Your insurance is not affected if you do not make your loan payments or are late with a loan payment provided that your loan has not been written out of Scotiabank's records. The insurance premium paid covers the term of your loan* until your loan is paid off, renewed*, renegotiated* or written out of Scotiabank's records.

Exclusions or Restrictions in Coverage

CAUTION

LOSS OF LIFE PROTECTION:

Exclusions

1. The Insurer will not pay a claim if you commit suicide within 2 years of the date your insurance begins.
2. The Insurer also will not pay a claim if:
 - you die within 12 months of the date of your Scotia Plan Loan Protection Application; **and**
 - the main or secondary cause of your death is a pre-existing condition*.

Restrictions

1. In cases where two borrowers* are insured for the same loan, if one is insured under Prior Coverage Recognition and that person dies, the Insurer will pay off the insured loan up to the limit set for Prior Coverage Recognition or \$150,000, whichever is the lesser amount.
2. The Insurer will pay a benefit for you and your co-borrower* if one or both borrowers* are insured under Prior Coverage Recognition and both die at the same time. However, they will not pay more than the amount still owing on the loan or \$150,000, whichever is the lesser amount.
3. The maximum payment is \$150,000 for all insured Scotia Plan Loans.

DISABILITY PROTECTION:

Exclusions

1. The Insurer will not pay a claim if:
 - your disability happens within 12 months of the date of your Scotia Plan Loan Protection Application; **and**
 - the main or secondary cause of your disability is a pre-existing condition*.

CAUTION (continued)

- 2. The Insurer also will not pay a claim if your disability is the result of:**
- **intentionally injuring yourself;**
 - **war or civil disorder, whether declared or undeclared, unless you are on active military duty as a member of the Canadian Forces or Canadian Forces Reserve;**
 - **taking part in any riot or civil commotion;**
 - **committing or attempting to commit a criminal offence;**
 - **pregnancy, other than the physical complications of pregnancy**
 - **alcoholism or addiction to a medication prescribed by a treating physician. However, they will pay the claim if they are satisfied that you are participating in a rehabilitation program that they have approved and you started participating during the waiting period*^{or}**
 - **use of any prohibited substances, including any substances listed under the Controlled Drugs and Substances Act (Canada) or other comparable criminal laws.**

Restrictions

- 1. The Insurer will pay a benefit for each borrower* if two borrowers* are insured for the same loan and both borrowers* become disabled. However, they will not pay more than the regular monthly loan payment* amount.**
- 2. The Insurer will not pay any disability benefits during any time you are outside of Canada or the United States. They consider the disability to begin on the date you return to Canada or the United States if you become disabled.**
- 3. The Insurer will not pay any disability benefit for the first 30 days that you are disabled. This constitutes the waiting period*.**
- 4. The total maximum payment is \$150,000 for any one period of continuous disability for all insured Scotia Plan Loans.**

Cancellation and End of Insurance

How to Cancel this Insurance

In Quebec, *An Act respecting the distribution of financial products and services* allows you to cancel your insurance contract within **10 days** of its signature. You must send a signed and dated letter or the cancellation notice provided to you with this Scotia Plan Loan Protection Distribution Guide to your branch*. All premiums you have paid will be credited to your Scotia Plan Loan.

You may cancel your insurance coverage at any time thereafter. The unused portion of your premium will be credited to your Scotia Plan Loan. All you have to do is send a signed and dated cancellation request to your branch*. Your insurance coverage will be cancelled on the **latest of the following**:

- the date stated in your signed and dated cancellation request; **OR**
- the date Scotiabank receives your signed and dated cancellation request.

The address of your branch* can be found on your Scotia Plan Loan Protection Application for insurance.

In the case of Scotia Plan Loans with two borrowers*, both borrowers* must sign the request to cancel even if the request is to cancel coverage for only one of the borrowers*.

End of the Insurance Coverage

Your life and disability insurance coverage ends on one of the following dates, **whichever comes first**:

- the date your loan is paid off in full;
- the date Scotiabank receives a signed and dated cancellation request from you to cancel your insurance coverage. It must be signed by all borrowers* even if only one borrower* wishes to cancel coverage;
- the date you renegotiate* or renew* your loan for any reason, other than accepting Scotiabank's offer to automatically renew* your loan and insurance;
- the date of the end of your loan term* that occurs on or after the date the group insurance policy terminates;
- the date of the end of your loan term* that occurs on or after your 65th birthday, **in the case of disability protection**;
- the date your loan is written out of Scotiabank's records; **OR**
- the date you die.

Premium Refunds

Any unused premiums will be credited to your loan if your insurance ends at a time other than at the end of the covered loan term*.

To calculate premium refunds, the following steps are taken:

- Step 1.* The term of your loan* is divided into 12 equal periods.
- Step 2.* The number of these periods you were insured for is calculated if your insurance is discontinued.
- Step 3.* In the first period, $12/78^{\text{th}}$ of your total premium is used for your insurance policy. In the second period, $11/78^{\text{th}}$ is used and so on.
- Step 4.* The number of these periods you were insured for is calculated and any premiums for the periods that are remaining will be refunded.

Example:

Suppose that the term of your loan* is 2 years. You cancel your insurance after 6 months. Your insurance premium was \$200.

- Step 1.* The loan term* is divided into 12 equal parts:
 $24 \text{ months} \div 12 = 2 \text{ months for each period.}$
- Step 2.* Your insurance is cancelled after 6 months:
 $6 \text{ months} \div 2 \text{ months} = 3 \text{ periods.}$
- Step 3.* In the first period, $12/78^{\text{th}}$ of your premium is used. In the second period, $11/78^{\text{th}}$ of your premium is used. In the third period, $10/78^{\text{th}}$. In total, $12/78 + 11/78 + 10/78 = 33/78$ have been used.
- Step 4.* There are therefore $45/78^{\text{th}}$ ($78/78 - 33/78$) of the insurance premiums that are unused. The unused premium to be refunded is \$115.38 ($45 \div 78 \times \200).

Proof of Loss or Claim

Submission of a Claim

LOSS OF LIFE PROTECTION:

Your survivors* can contact the Insurer at 1 800 387-2671. The Insurer will send them a claim form and an Attending Physician Statement to be completed.

The Attending Physician Statement is required for proof of death. Your survivors* must arrange to have the form fully completed and sent to the Insurer. Your survivors* are responsible for any fee that has to be paid to have the form completed.

A completed claim form and Attending Physician Statement must be sent to the Insurer during the **year following your death**. After this one year period, the Insurer will consider a claim if your survivors* can show that there was a reasonable cause for delay.

DISABILITY PROTECTION:

A claim form can be obtained from the branch* or by contacting the Insurer at 1 800 387-2671. You must complete this claim form and send it to the Insurer within **90 days** of the end of your 30-day waiting period*. You will also need to provide initial medical evidence of your disability and proof of continuing disability as often as the Insurer asks for it. You are responsible for any fee that you are required to pay to get this medical evidence.

The Insurer will only consider a claim if you can show that there was a reasonable cause for delay, if they do not receive the medical evidence documents indicated above within 90 days of their requesting it.

You are also responsible for making your regular monthly loan payments* during the waiting period* and until the Insurer approves your claim.

The Insurer may ask you to have a medical examination by a doctor that they choose. They will pay for this examination but will not pay any benefits if you refuse to have this examination.

Disability Claims

Definition of Disability

For the **first 12 months** of a period of continuous disability that the Insurer pays disability benefits for, disability is defined as any:

- medical condition;
- injury;
- mental or psychiatric disorder

which completely prevents you from performing the essential duties of your work for your own or any other employer.

Your work is:

- the full-time occupation in which you were employed before the date you became disabled; **or**
- your principal occupation, if you are a seasonal employee and you become disabled between seasons.

After disability benefits have been paid for the first 12 months of a continuous disability, disability is defined as:

- a medical condition;
- injury;
- mental or psychiatric disorder

which completely prevents you from performing any occupation for which you are reasonably suited by education, training or experience, regardless of the availability of work in your area.

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

- be under the continuous care of a physician if you have a **physical disability**. The physician must be someone other than yourself or a family member; **or**
- be under the care of a psychiatrist or physician who is a specialist in psychiatry if you have a mental illness or nervous disorder, including anxiety, depression and behavioral disorders. The psychiatrist or physician must be someone other than yourself or a family member; **and**

- not be engaged in any activity for which you are paid or will eventually receive profit; **and**
- give the Insurer satisfactory proof you are disabled and continue to provide proof whenever they ask for it. You will be responsible for any cost that must be paid to provide such proof. They may ask you to have a medical examination by a doctor that they choose. They will pay for this examination but will not pay any benefits if you refuse to have this examination; **and**
- give the Insurer satisfactory evidence that you were actively employed* on the date of your Scotia Plan Loan Protection Application, if they ask for it.

The Insurer will not pay any disability benefits during any time that you are outside of Canada or the United States. They consider the disability to begin on the date you return to Canada or the United States if you become disabled.

Waiting Period*

The Insurer will not pay any disability benefit for the first **30 days** that you are disabled. This is the waiting period*.

Example:

If your disability begins on April 1, your waiting period* ends on April 30. If you make your monthly payments on the 15th of each month, you must pay the April 15 monthly loan payment. Your first disability benefit payment will be made on May 15 and covers the period from May 1 to May 14. The second payment will be made on June 15 and covers the period from May 15 to June 14, and so on for as long as you qualify for disability benefits.

Partial Disability Payments

The Insurer calculates any partial payments at the beginning and end of the benefit period as 1/30th of the monthly disability benefit payment for each day you are disabled. It will be based on the length of time between the end of the waiting period* and the first regular monthly loan payment* date after the waiting period* if the first disability payment is a partial payment. You will be responsible for the difference between the disability payment and the regular monthly loan payment*. **Page 24**

Example:

Suppose you become disabled on April 1 and your regular monthly loan payments* are due on the 15th of each month. Your regular monthly loan payment* is \$100. Your waiting period* ends on April 30, so you must pay the April 15 payment. The first disability benefit payment will be made on May 15 and will cover the period from May 1 to May 14. Your disability payment will therefore be \$46.67 ($14 \div 30 \times \100). You must pay the difference for that regular monthly loan payment*, which is \$53.33.

Your next disability benefit payment will be equal to your regular monthly loan payment*, which is \$100 and will cover the period from May 15 to June 14.

Your disability ends on June 25. Therefore, your last disability payment covers the period from June 15 to June 25, which is 11 days. Your last disability payment will equal \$36.67 ($11 \div 30 \times \100). You must pay the remaining portion of the monthly loan payment, which is \$63.33.

Duration of Disability Payments

The Insurer will continue making disability payments until one of the following dates, **whichever comes first**:

- the date your disability ends;
 - the date your loan is repaid in full;
 - the date you die;
 - the date total benefit payments of **\$150,000** have been paid out for any one continuous period of disability for all insured Scotia Plan Loans;
 - the date you renegotiate* your loan;
 - the date you return to work;
 - the date you engage in any business, occupation, or undertaking for salary or expectation of profit;
 - the date the benefit period under Prior Coverage Recognition ends;
- or**
- the date of the end of your loan term* that occurs on or after your 65th birthday.

The Insurer will make disability benefit payments until the date your disability benefit period ends, even if it is not a regular monthly loan payment* date.

You may continue the Disability Protection on your Scotia Plan Loan if:

- the group insurance policy terminates;
- your Scotia Plan Loan is renewed* or renegotiated*; **and**
- you are receiving disability benefits at that time.

To continue Disability Protection, you must complete a Scotia Plan Loan Protection Application for insurance and pay the applicable insurance premium.

Under the circumstances noted above, the Insurer will pay the disability benefit that was being paid immediately before the renewal* or renegotiation*.

The disability benefit payment will end on the first of the following dates:

- when you are no longer disabled; **or**
- at the end of the loan amortization period*.

Consecutive Periods of Disability

Disability benefits will begin again without you having to complete another waiting period* if you recover from a disability, and:

- the disability returns within **30 days of your recovery; and**
- the disability results from the same cause or causes as the previous disability.

Example:

You become disabled on April 1. Your waiting period* ends after 30 days, on April 30. You recover on June 25, but become disabled again from the same cause on July 10. Since your relapse occurs only 15 days after the end of the previous disability, you do not have to complete another 30-day waiting period*. The Insurer will begin to pay disability benefits again as of July 10.

Other Important Information About Disability Protection

It is your responsibility to make any lump sum payment if Scotiabank asks you to pay off the balance of your loan at the end of the loan term*. The Insurer will not pay any balance of principal if you are disabled.

Example:

You have a \$10,000 loan with a 10-year amortization period*. The loan term* is 5 years. After the first loan term*, Scotiabank requests that you repay the balance of the loan, which is \$6,000. The Disability Protection will not reimburse this amount even if you are disabled.

The Insurer will adjust your disability benefit accordingly if your regular monthly loan payment* amount changes **because of a change in interest rates or additional insurance premiums**.

Insurer's Reply

The Insurer can deny a claim or reduce the benefit for life and/or disability coverage because of an exclusion or restriction described in this Scotia Plan Loan Protection Distribution Guide. Their notice to you or your survivors* will explain the reason why they denied the claim or reduced the benefit.

LOSS OF LIFE PROTECTION:

The Insurer will notify your survivors* in writing of their decision to approve or deny your claim within **30 days** after they receive the information they need to make a decision.

DISABILITY PROTECTION:

The Insurer will notify you of their decision in writing to approve or deny your claim within **30 days** after they receive the information they need to make a decision.

Claims When Two Borrowers* Are Covered

LOSS OF LIFE PROTECTION:

The Insurer will pay a claim when the first person dies if two borrowers* are both insured for the same loan. Coverage automatically ends for the other borrower* if the loan is fully paid off or if the maximum amount of coverage has been paid, which is **\$150,000** for all insured Scotia Plan Loans.

The Insurer will pay off the insured loan up to the maximum set for Prior Coverage Recognition if one borrower* is insured under Prior Coverage Recognition and that person dies. Coverage continues for the other borrower* on the remaining loan amount as long as the maximum amount of coverage has not already been paid which is **\$150,000** for all insured Scotia Plan Loans.

The Insurer will pay a benefit for each of you, but they will not pay more than the amount still owing on the loan or, **\$150,000**, whichever is the lesser amount, if one or both borrowers* are insured under Prior Coverage Recognition and both borrowers* die at the same time.

The **maximum payment is \$150,000** for all insured Scotia Plan Loans.

DISABILITY PROTECTION:

The disability benefit is payable when either or both of the borrowers* become disabled if two borrowers* are both insured for the same loan.

However, the Insurer will never pay more than the regular monthly loan payment* amount. The maximum amount they will pay is **\$150,000** during any one period of disability for all insured Scotia Plan Loans.

The Insurer will pay the disability benefit available under Prior Coverage Recognition if one borrower* is insured under Prior Coverage Recognition and that person becomes disabled. Coverage continues for the other borrower* on the remaining loan amount.

Appeal of an Insurer's Decision and Recourses

LOSS OF LIFE PROTECTION:

Your survivors* may appeal the Insurer's decision if they deny the initial claim. The appeal must be in writing and sent to them at the address on the back cover of this distribution guide within 6 months of the date of their decision letter. It must include:

- the reason or reasons why the decision is being appealed; **and**
- any additional information or documentation that was not submitted with the first claim.

DISABILITY PROTECTION:

You may appeal the Insurer's decision if they deny your initial claim. The appeal must be sent to them in writing at the address on the original decision letter within 6 months of the date of their decision letter. It must include:

- the reason or reasons why the decision is being appealed; **and**
- any additional information or documentation that was not submitted with the first claim.

You or your survivors* may consult the Autorité des marchés financiers or consult your own legal counsel if the Insurer denies the claim appeal.

No one may take legal action against the Insurer less than **60 days** after they have received initial proof of the claim. The maximum period to take legal action is **3 years** after the deadline for providing the initial proof of claim or such longer period as may be allowed by applicable law.

Similar Products

This insurance coverage has been designed specifically to cover your Scotia Plan Loan debt. It is not intended to replace any other personal life insurance or disability insurance that you may already own. Other life and disability insurance products are available with other companies, but may have different benefits, restrictions and exclusions.

Referral to the Bureau des services financiers

If you have any questions about the Scotia Plan Loan Protection, please contact the Insurer at the address located on the back page of this distribution guide.

If you have any questions about either your distributor's or the Insurer's obligations to you, you may contact the Autorité des marchés financiers at the following address:

Autorité des marchés financiers
Place de la Cité, Tour Cominar
2640 Laurier blvd., 4th Floor
Sainte-Foy, Quebec
Canada
G1V 5C1

Telephone

Toll-free:
1 877 525-0337
Quebec City:
(418) 525-0337
Montreal:
(514) 395-0337

Web Site

www.lautorite.qc.ca

Email

renseignements-consommateur@lautorite.qc.ca
Protecting your personal information

Confidentiality

Protecting your personal information

The Canada Life Assurance Company (the “Insurer”) recognizes and respects the importance of privacy. When you apply for coverage, a confidential file is established that contains your personal information. This file is kept in the offices of the Insurer or the offices of an organization authorized by the Insurer. The Insurer may use service providers located within or outside Canada.

If you wish to have access to your file and, if applicable, have it corrected, send a written request to the following address:

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

The Insurer will reply to you within 30 days if they receive a request for access or correction.

The Insurer limits access to personal information in your file to:

- their employees or persons authorized by them who require it to perform their duties,
- persons to whom you have granted access, **and**
- persons authorized by law.

Your personal information may be subject to disclosure to those authorized under applicable law within or outside Canada.

The Insurer collects, uses and discloses the personal information to process your Scotia Plan Loan Protection Application and, if the application is approved, provide and administer the financial product(s) applied for, investigate and process claims, and create and maintain records concerning your relationship with the Insurer.

Notes:

Notice of Cancellation 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 cancel an insurance contract you have just signed when signing another contract, **without penalty, within 10 days of its signature**. To do so, you must give the insurer notice by registered mail within that delay. You may use the attached model 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 valuable benefits as a result of this insurance contract; contact your distributor or consult your contract.
- After expiry of the 10-day delay, you may cancel the insurance at any time; however, penalties may apply.

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

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

NOTICE OF CANCELLATION OF AN INSURANCE CONTRACT

To: _____
(Name of Insurer)

(Address of insurer)

Date: _____
(Date of sending of notice)

(Number of contract, if indicated)

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

In: _____
(Place of signature of contract)

(Name of client)

(Signature of client)

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

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

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

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

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

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

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

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

Art.443. A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation, 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 cancels, terminates or withdraws from the insurance contract, provided that the debtor has subscribed for insurance with another insurer that is considered satisfactory by the creditor, who may not refuse it without reasonable grounds.

Scotiabank

Founded in 1832, Scotiabank is one of North America's premier financial institutions. It is also Canada's most international bank. Through a network of more than 2,000 branches* and offices, Scotiabank and its affiliates serve individuals, small businesses, commercial, corporate, institutional and government clients in some 50 countries around the world.

In Canada, the Bank's Retail and Small Business, Commercial Banking and Wealth Management operations provide a full range of financial services to more than seven million customers.

Scotiabank is also committed to helping the communities in which it does business. Its strategy is to focus on education, health, social services, the arts and culture and community programs through donations, sponsorships and active employee involvement.



For questions about your *Scotia* Plan Loan Protection Distribution Guide, contact:

The Canada Life Assurance Company

Creditor Insurance Department
330 University Avenue
Toronto, Ontario
M5G 1R8

Toll free: 1 800 387-2671
Fax: (416) 552-6557
e-mail: creditor_info@canadalife.com

The content in this addendum supercedes the original content provided in Distribution Guides 2473216 (10/07) and 1473212 (10/07).

Page 4**Introduction – (Addition to existing section)**

You and any Claimant under this Distribution Guide have the right to examine and obtain a copy of Your Scotia Plan Loan Protection application, any written evidence or record of insurability (as applicable), and the Group Policy, subject to certain access limitations, on request.

Page 20**How to cancel this insurance**

“You can cancel your insurance at anytime. If you cancel your insurance within **30 days** of the effective date all premiums you have paid will be credited to your Scotia Plan Loan.

To do so, you must send a signed and dated letter to your branch, requesting cancellation. You may also use the Notice of Cancellation of an Insurance Contract, provided to you with this Distribution Guide **(Quebec only)**.

You may also cancel your insurance coverage at any time thereafter. The unused portion of your premium will be credited to your Scotia Plan Loan. All you have to do is send a signed and dated cancellation request to your branch.

Your insurance coverage will be cancelled on the **later of the following**

- the date stated in your signed and dated cancellation request; **or**
- the date Scotiabank receives your signed and dated cancellation request.

In the case of Scotia Plan Loans with two insured borrowers, both must sign the request to cancel even if the request is to cancel coverage for only one of the insured borrowers.”

Page 29**Appeal of the Insurer’s decision and recourses**

You or your survivors may appeal the Insurer’s decision if they deny your initial claim. The appeal must be in writing and sent to the Insurer at the address on the back cover of this Distribution Guide. It must include:

- the reason or reasons why the decision is being appealed; and
- any additional information or documentation that was not submitted with the first claim.

Limitation of Actions

No action at law or in equity shall be brought to recover on this Group Policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of the Group Policy.

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act (for actions or proceedings governed by the laws of Alberta and British Columbia), The Insurance Act (for actions or proceedings governed by the laws of Manitoba), the Limitations Act, 2002 (for actions or proceedings governed by the laws of Ontario), or in other applicable legislation. For those actions or proceedings governed by the laws of Quebec, the prescriptive period is set out in the Quebec Civil Code.