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Group Credit Insurance

Distribution Guide

Group Credit Insurance
Consumer goods
Group Policy FI-VVR2-VIMG_SSQ270 (2018-12)
Plan SSQ270

The documents you have been given are important. Your insurance contract consists of:

- your application for insurance and your certificate of insurance;
- the group insurance policy, which is available on request;
- your Confirmation of Insurance, if applicable.

SSQ, Life Insurance Company Inc. invites you to send your questions and requests to the administrator:

Customer service and administrator:
SSQ, Life Insurance Company Inc.
2525 Laurier Blvd, P.O. Box 10500, Station Sainte-Foy
Quebec, Quebec G1V 4H6
Phone: 1-800-463-5525
Fax: 418-652-2749
Email: communications@ssq.ca

Your insurance documents are important. We recommend that you keep them in a safe place in order to be able to easily refer to them.

Distribution Guide

GROUP CREDIT INSURANCE
CONSUMER GOODS
GROUP POLICY FI-VVR2-VIMG_SSQ270 (2018-12)
PLAN SSQ270

INFORMATION ON THE PRODUCT AND INTERVENING PARTIES

Type of insurance product:
Life insurance
Disability insurance
Critical illness insurance
Accidental dismemberment insurance

Insurer and administrator contact information:

Name:	SSQ, Life Insurance Company Inc.
Address:	2525 Laurier Blvd, P.O. Box 10500, Station Sainte-Foy Quebec, Quebec G1V 4H6
Email:	clientele@ssq.ca
Phone:	418-651-7000 / 1-800-463-5525

Distributor contact information:

[to be filled-in by the distributor]

THE RESPONSIBILITY OF THE AMF

"The Autorité des marchés financiers (AMF) does not express an opinion regarding the quality of the product offered in this guide. The insurer alone is responsible for any discrepancies between the wording of the content herein and that of the policy."

TABLE OF CONTENTS

The masculine form used in this guide designates both genders and is used solely to facilitate reading of the document.

1. INTRODUCTION

This Distribution Guide is designed to describe our group credit insurance by providing you with information in a reader-friendly format. This distribution guide provides all the essential information on our group credit insurance allowing you to determine whether this insurance product meets your needs.

The fact sheet provided by the Autorité des marchés financiers must be duly completed by the distributor's employee in your presence when offering the selected product, and must also be signed by the designated individuals. The distributor's employee must then provide you with a copy of the fact sheet.

If you still have questions after having read this guide, please contact a representative of the *insurer* who will be available to answer your questions.

Please note that definitions are provided on pages 13, 14 and 15 for all words that appear in *italics* in this guide.

2. DESCRIPTION OF THE INSURANCE OFFERED

A. Nature of coverage

Our group credit insurance aims to provide you with financial security to help you meet the contractual obligations created as a result of the financing of your consumer good. The goal is to provide you with insurance that will reimburse the unpaid balance, or part of the unpaid balance, of your *loan* in case of death, accidental dismemberment, *total disability* or *critical illness*. You do not have to be covered under this insurance to obtain a *loan*.

You can choose from the following coverage options:

1. a life insurance, which covers your *loan* payments in the event of your death, according to the options you selected and the applicable terms and conditions. This benefit also includes accidental dismemberment which covers your *loan* payments should you be involved in an *accident* causing the of loss of:
   - *both hands or both feet; or*
   - *sight of both eyes.*
2. a total disability insurance, which covers the payment of your monthly *loan* if you become *totally disabled*, according to the options you selected and the applicable terms and conditions;
3. a critical illness insurance, which covers your *loan* payments if you are diagnosed with one of the following illnesses, according to the options you selected and the applicable terms and conditions:
   - *life-threatening cancer*;
   - *stroke*;
   - *kidney failure (end-stage renal disease)*;
   - *deafness*;
   - *motor neurone disease*;
   - *paralysis*.
   - *heart attack*;
   - *coronary bypass surgery*;
   - *major organ transplant*;
   - *severe burns*;
   - *multiple sclerosis*;

All the applicable terms and conditions are described in the following pages.

B. Summary of specific conditions

Eligibility Requirements

To be eligible for coverage under this group credit insurance, you must:

- be a person acting as an individual;
- be a Canadian resident;
- be at least 18 years of age;
- be under age 71 for the life insurance benefit;
- be under age 61 for the *critical illness* insurance benefit;
- be under age 65 for the disability insurance benefit;
- have contracted a *loan* from the *creditor*;
- for total disability and *critical illness* insurance, be actively working.

For disability and critical illness insurance, you must be a salaried employee, a seasonal employee or a self employed individual and meet specific requirements. To learn more about those specific requirements, please refer to point c) under the title **TO BE READ AND SIGNED BY THE DEBTOR AND CO-DEBTOR** in the application for insurance.

Amount and term of coverage

The maximum amount and term of coverage are based on your age and are specified on your application for insurance under the title "Type of Insurance". You can select an amount lower or a term shorter than that of your loan; your coverage will terminate at the end of the term selected, even if your loan is not paid off. However, you can never select an amount or a term exceeding your loan.

For life insurance and accidental dismemberment insurance

The amount of the benefit will be the lesser of:

- the *net indebtedness insured* at the date of death or dismemberment, plus the *residual value* if you have chosen to insure it;
- the principal amount insured indicated on your application for insurance.

For disability insurance

The amount of the benefit will be the lesser of:

- the monthly amount indicated on your application for insurance, if you have chosen not to cover the total amount of your monthly payment;
- the monthly amount due to the *creditor*;
- the maximum amount based on your age, as specified on your application for insurance.

For critical illness insurance

The amount of the benefit will be the lesser of:

- the *net indebtedness insured* on the date the *critical illness* is diagnosed, plus the *residual value* if you have chosen to insure it;
- the principal amount insured indicated on your application for insurance;
- the maximum amount based on your age, as specified on your application for insurance.

Beneficiary of the insurance

The *beneficiary* of this insurance is your *creditor*. Therefore, insurance benefits are payable directly to the *creditor* to reduce or pay off your *loan*.

Payment of the insurance premium

The premium is payable in a single payment and covers you during the term of your insurance. If you choose to finance the premium, it will be added to your *loan* and, therefore, included in your monthly payment. The premium is calculated based on the monthly payment of your *loan* and insurance options selected.

Effective date of the insurance contract

The effective date of your insurance is the later of the following dates:

- the date on which the *loan* funds are advanced by the *creditor*;
- the date on which the application for insurance is approved by the insurer, if medical underwriting is required.

It is important to note that the insurance will only take effect if you meet the eligibility conditions and if you pay the required premium. The amount of this premium is indicated on the application for insurance form.

Health questionnaire

Any person applying for an amount of insurance that is greater than the amount indicated on the application for insurance in the box "Health questionnaire" is required to answer all health questions of the health questionnaire.

If you answer "Yes" to any of the health questions on the health questionnaire, your application for insurance will be underwritten and you will not be insured until the date specified on the *administrator*'s *confirmation of insurance*.

In this case, the *administrator* will contact you in order to obtain additional medical information. If necessary the *administrator* may ask you to undergo a medical examination or other types of examinations. Expenses related to these examinations are at the *insurer*'s expense.

If your application for insurance is approved, the *administrator* will send you a *confirmation of insurance* by regular mail within 30 days of receiving the required information.

Waiting period in case of a claim

For life insurance and accidental dismemberment insurance

There is no *waiting period* for the payment of a life insurance or accidental dismemberment insurance benefit. The *insurer* will pay the benefit amount to the *creditor* upon receipt of a satisfactory proof of death or dismemberment of the *insured*.

For disability insurance

The benefit payments will begin at the end of a period called the *waiting period*. The *waiting period* begins at the onset of *total disability*. The period of benefit payments will begin at the end of the *waiting period*.

During the *waiting period*, you are responsible for making monthly *loan* payments when they are due.

For critical illness insurance

There is no *waiting period* for the payment of a critical illness insurance benefit. The *insurer* will pay the benefit amount to the *creditor* upon receipt of satisfactory proof of the diagnosis of the *critical illness*.

However, the qualifying period must be completed. This period is the number of days you must survive once a *critical illness* is diagnosed. This period is usually 30 days, unless a longer period is specified in the definition of the corresponding *critical illness*.

Termination of *total disability* benefit period

The benefit period for an *insured* ends on the earliest of the following dates:

a. the date this *insured* is no longer *totally disabled*;

b. the date on which the maximum number of benefit payments have been made, as indicated on the application for insurance;

c. the date the insurer requires this insured to submit proof of continued *total disability* and such proof is not provided within 31 days;

d. the date the insurer requires this insured to be examined by a *physician* or another practitioner that has been assigned by the *insurer* if the *insured* fails to undergo such examination;

e. the date the *insured* has resumed actively working for wages or profits;

f. the date the *loan* has been fully repaid;

g. the date the total disability insurance ends (refer to section **D – Termination of insurance coverage**).

Proof of insurance

If your application for insurance is accepted, you will receive a letter within 30 days after signing the application for insurance confirming that you are insured.

Renewal of insurance

Once the insurance period has expired, it cannot be renewed.

CAUTION

C. <u>Exclusions, limitations and reductions</u>

Exclusions applicable to all insurance

No benefit is payable if your claim results directly or indirectly:

1. **from a pre-existing condition*;**
2. **from war or act of war, whether declared or undeclared, insurrection, rebellion or participation in a riot or civil commotion;**
3. **from traveling or flying in, or descending from any kind of aircraft, except when passenger with no duties whatsoever on an aircraft being solely used for the transportation of passengers or of passengers and cargos;**
4. **from participating in a criminal act or attempting to commit a criminal offence, including but not limited to your operation of any motor vehicle with a blood alcohol level exceeding 80 mg of alcohol per 100 ml of blood and/or with the presence of any illicit substance in the blood.**

***Pre-existing condition:**
Any physical or medical condition, illness or disease suffered by an insured person for which the person received medical treatment, consultation, care or service including diagnostic tests, drugs and medication **within the 12-month period prior to the date insurance begins**, unless the person has remained free of medical treatment, consultation, care or service including diagnostic tests and has not taken drugs or medications for such condition(s) for a period of **12 consecutive months following the date insurance begins**. The effect of this provision is no longer applicable to an insured person once his coverage has been in force for a period of 18 months or more.

Exclusions applicable to life insurance

No benefit is payable if your death results directly or indirectly from suicide within two (2) years of the effective date of insurance.

Exclusions applicable to accidental dismemberment insurance

No benefit is payable if your accidental loss results directly or indirectly from attempted suicide or self-inflicted *injury*.

Exclusions applicable to disability insurance

No benefit is payable for a *total disability* resulting directly or indirectly from:

1. **attempted suicide or self-inflicted *injury*;**
2. **uncomplicated pregnancy or childbirth;**
3. **cosmetic or elective surgery;**
4. **use of alcohol or any illegal or illicit drugs or substances or misuse of medication obtained with or without a prescription, unless maintaining participation in a rehabilitation program approved and monitored by a *physician*.**

Exclusions applicable to critical illness insurance

Exclusions that apply to a specific *critical illness* are described under their respective definitions on pages 12 and 13 of this Distribution Guide.

No benefit is payable if your claim results directly or indirectly from:

1. **self-inflicted *injury*;**
2. **use of alcohol or any illegal or illicit drugs or substances or misuse of medication obtained with or without a prescription, unless maintaining participation in a rehabilitation program approved and monitored by a *physician*.**

Limitations and restrictions applicable to life insurance

1. **If *joint coverage* was purchased and there is simultaneous death of both insureds, the insurer will pay only one benefit.**
2. **In no event will the death benefit cover the *loan* payments in arrears or any accrued interest thereon.**

Limitations and restrictions applicable to accidental dismemberment insurance

1. **If you sustain more than one loss as a result of any one *injury*, the maximum payable for such losses will be the principal sum.**
2. **If *joint coverage* was purchased and there is simultaneous loss from both insureds, the insurer will pay only one benefit.**
3. **In no event will the accidental dismemberment benefit cover the *loan* payments in arrears or any accrued interest thereon.**

Limitations and restrictions applicable to disability insurance

1. **If *joint coverage* was purchased and there is simultaneous *total disability* for both insureds, the insurer will pay only one monthly benefit equals to the scheduled monthly amount due and payable to the *creditor*.**
2. **In no event will the total diability benefit cover the *loan* payments in arrears or any accrued interest thereon.**
3. ***Total disability* benefit does not cover *balloon amount* nor *residual value* of the lease contract.**

Limitations and restrictions applicable to critical illness insurance

1. **If *joint coverage* was purchased and there is simultaneous diagnosis of *critical illness* for both insureds, the insurer will pay only one benefit.**
2. **In no event will the *critical illness* benefit cover the *loan* payments in arrears or any accrued interest thereon.**

D. Termination of insurance coverage

Insurance of an *insured* will automatically terminate on the earliest of the following dates:

- the date the insurer mails a written notification to you that your application is declined;
- the date the *loan* is rewritten, refinanced, called due by the *creditor* or the financial institution, or is discharged (the insurer reserves the right not to terminate this insurance for minor modifications if it accepts them beforehand);
- the date the security for the *loan* is repossessed, sold or becomes the subject of a court judgment;
- the date the insurance term that you selected expires;
- the date a life, accidental dismemberment or critical illness insurance benefit is payable under this insurance;
- the date your coverage exceeds the term specified in the contract, according to your age and the selected type of insurance;
- the date SSQ receives a written request by you that your insurance be cancelled;
- for total disability insurance, the date you retire or the date of your 70th birthday;
- for Life Insurance, the date of your 75th birthday;
- for Critical Illness Insurance, the date of your 66th birthday;
- for total disability and critical illness insurance, the date on which a *balloon amount* or a payment of *residual value* becomes due.

All claims submitted for an event that occurred before the termination of this insurance coverage will be dealt with in accordance with the terms of this insurance even if the claim is submitted after the coverage has terminated.

E. Cancellation of insurance

You can cancel your insurance at any time by sending a written notice to the *administrator* at the following fax number: 819-373-3177. You can also contact your vendor or the *administrator* by calling 1-877-451-3888. Please note that if you cancel your insurance, the *insurer* is no longer responsible for any benefit payments, but your *loan* contract remains in effect.

If you cancel your insurance, a premium may be refunded. The payment, if any, will be made to your *creditor*, unless the *insurer* receives satisfactory proof that your *loan* has been paid off.

The premium is totally refunded if:

- your application for insurance is declined by the *insurer*;
- you are not eligible for the insurance;
- you choose to cancel the insurance within 20 days after the effective date of the insurance.

In all other cases, the amount of premium is refunded according to the following:

- based on the Rule of 78 formula. However, a pro-rata refund is calculated for the following creditors:
  - ◊ Ford Credit Canada;
  - ◊ Lincoln Automotive Financial Services;
  - ◊ Volkswagen Credit Canada;
  - ◊ Toyota Credit Canada;
  - ◊ Financial Services Nissan Canada;
  - ◊ Honda Canada Finance;
  - ◊ Credit Linx.
- cancellation fees (specified on your insurance certificate) deducted from the refundable amount. However, no cancellation fees are deducted for the following creditors:
  - ◊ Ford Credit Canada;
  - ◊ Lincoln Automotive Financial Services;
  - ◊ Volkswagen Credit Canada;
  - ◊ Toyota Credit Canada;
  - ◊ Financial Services Nissan Canada;
  - ◊ Honda Canada Finance;
  - ◊ Credit Linx.
- all benefit payments made will be deducted from the refundable amount. However, no benefit payment is deducted from the refundable amount for the following creditors:
  - ◊ Ford Credit Canada;
  - ◊ Lincoln Automotive Financial Services;
  - ◊ Volkswagen Credit Canada;
  - ◊ Toyota Credit Canada;
  - ◊ Financial Services Nissan Canada;
  - ◊ Honda Canada Finance;
  - ◊ Credit Linx.;
- amounts of less than $5 will not be refunded;
- your written request for cancellation must be received by the insurer within 30 days of termination, otherwise the date of receipt shall be the date of cancellation;
- the policy fee is not refundable.

If your insurance terminates on the date the security for the Loan is repossessed, is sold or becomes the subject of a court judgement and your creditor is Ford Credit, Pro-rata refunds will be issued and total claims paid under this insurance as well as the applicable cancellation fee will not be deducted from the premium credit.

The Rule of 78 formula is a formula by which the refundable premium is calculated based on a fraction using a numerator (N) and a denominator (D) that both depend on the actual and planned duration of the insurance contract: N x (N + 1)/D x (D + 1), where N = number of months remaining and D = total number of months scheduled in the insurance contract.

Example of a calculation using the rule of 78 formula:

The term of your insurance contract is 60 months, but you choose to cancel your contract after 10 months. You paid a premium of $350, including a policy fee of $75. Therefore, N = 50 and D = 60 and the calculation is the following: $\frac{50 \times (50 + 1)}{60 \times (60 + 1)} = 0.6967$.
We will reimburse you ($350 - $75) x 0.6967 = $191.59, less the cancellation fees.

The pro-rata refund method is a formula by which the refundable premium is calculated based on the time that has elapsed since the beginning of the insurance. The premium paid is multiplied by the following fraction: N/D, where N = number of months remaining and D = total number of months scheduled in the insurance contract.

Example of a calculation using the pro-rata refund method:

The term of your insurance contract is 60 months, but you choose to cancel your contract after 10 months. You paid a premium of $350, including a policy fee of $75. Therefore, N = 50 and D = 60 and the calculation is the following: $\frac{50}{60} = 0.8333$.
We will reimburse you ($350 - $75) x 0.8333 = $229.16.

Required documents

To rescind your insurance, you can use the "Notice of Rescission of an Insurance Contract" available in the appendixes section of this Distribution Guide, or you can use the "Request for Insurance Refund/Cancellation" at the end of your insurance certificate.

The letter requesting the cancellation of insurance must be dated and signed by the *debtor* and the *co-debtor*, if any, of the insurance.

If you have repaid the totality of your *loan*, you must send a copy of the *loan* discharge.

You must send y a copy of your application for insurance completed and signed.

F. Other information

For additional information concerning this insurance product, you can contact the following *administrator* who has been assigned by the *insurer* for the administration of this insurance:

SSQ, Life Insurance Company Inc.
2525 Laurier Blvd, P.O. Box 10500
Station Sainte-Foy
Quebec, Quebec G1V 4H6
clientele@ssq.ca
1-800-463-5525

3. CLAIMS

If you submit a claim, the *insurer* will ask you to provide documents proving your entitlement to benefits.

A. Submitting a claim

The person submitting the claim needs to complete a claim form. In order to obtain a claim form and the instructions needed to complete it, he can:

- call the *administrator* at: 1 888 307-7443; or
- fax the request to the *administrator* (819-373-3177) indicating:
  - ◊ the address the claim form should be sent to;
  - ◊ the telephone number where the claimant can be reached; or
- write to the *administrator* at the address specified under section **F – Other information**.

B. Required documents for submitting a claim

Life insurance claims

The following documents are required by the *insurer*:

- *loan* details, to be completed by the *creditor*;
- a copy of the application for insurance;
- a claim statement, to be completed by the spouse or the liquidator of the deceased *insured*;
- authorization allowing the Régie de l'assurance maladie du Québec (RAMQ) to provide us with an extract of the deceased's file;
- an original death certificate;
- all complementary medical documents that may be requested by the *insurer*.

Only the spouse of the deceased *insured*, his liquidator/executor or the *creditor* are authorized to submit a claim for life insurance benefits.

Accidental dismemberment insurance claims

The following documents are required by the *insurer*:

- *loan* details, to be completed by the *creditor*;
- a copy of the application for insurance;
- a statement to be completed by the attending *physician* of the *insured*;
- all complementary medical documents that may be requested by the *insurer*.

Only the *insured*, his legal representative, if any, or the *creditor* are authorized to submit a claim for disability insurance benefits.

Disability insurance claims

The following documents are required by the *insurer*:

- *loan* details, to be completed by the *creditor*;
- a copy of the application for insurance;
- a statement to be completed by the attending *physician* of the *insured*;
- all complementary medical documents that may be requested by the *insurer*.

Only the *insured*, his legal representative, if any, or the *creditor* are authorized to submit a claim for disability insurance benefits.

Critical illness insurance claims

The following documents are required by the *insurer*:

- *loan* details, to be completed by the *creditor*;
- a copy of the application for insurance;
- a statement to be completed by the attending *physician* of the *insured*;
- all complementary medical documents that may be requested by the *insurer*.

Only the *insured*, his legal representative, if any, or the *creditor* are authorized to submit a claim for critical illness insurance benefits.

C. Applicable delays for submitting a claim

The claim form and the required documents must be received by the *insurer*:

- for a life insurance claim, within the 12 months following the date of death;
- for an accidental dismemberment insurance claim, within the 12 months following the date of the loss;
- for a disability insurance claim, within the 90 days following the date *total disability* begins;
- for a critical illness insurance claim, within the year following the date of diagnosis.

Failure to comply with these delays may result in benefit not being paid.

Notes:

◊ If your form is incomplete, there will be a delay in processing your claim.

◊ The *insured* must undergo any medical examination required by the *insurer*.

◊ You must also provide the information or documentation that has been requested by the *insurer*.

◊ If you do not satisfy the *insurer*'s requirements, the *insurer* will not be obligated to make claim payments.

◊ As long as you have not satisfied all of the *insurer*'s requirements, you will be responsible for making the required payments of your *loan*.

D. Insurer's reply

The *insurer* will adjudicate the claim as soon as it is received. You will receive a letter from the *insurer* to inform you of the following:

- that your claim has been accepted; or
- that your claim has been denied and the reason for the denial; or
- that your form is incomplete (the missing documents will be listed); or
- that additional information is required.

Notes:

◊ Generally, the *insurer* will send a letter within 30 days of receiving the claim form.

◊ If the *insurer* determines that benefits are payable based on the initial documents received, a cheque will be issued to the *creditor* within 30 days of receiving the claim.

◊ It is important that you continue to make regular payments until a decision has been made.

◊ If your claim is approved, the *insurer* will send you a confirmation of the benefits that will be paid directly to the *creditor*.

E. Appeal of the *insurer*'s decision and recourses

Should your claim be denied, you may appeal the decision by writing to the *insurer* within 2 years of the date of the denial.

You must include in your letter:

- the reasons for your appeal;
- any additional documents that may be required for your appeal.

Your appeal will be reviewed and the *administrator* will send you a letter confirming the *insurer*'s response to your appeal. Normally, the *administrator* sends this letter within 2 weeks of receiving your appeal.

You can also contact the Autorité des marchés financiers (AMF) or your legal advisor to obtain further advice on appeal procedures. Or you can contact the *insurer* at the following numbers: 418-651-7000 or 1 800 463-5525.

4. SIMILAR PRODUCTS

This insurance coverage was developed specifically to protect you with respect to your *loan* and is not intended to replace any personal other insurance coverage that you may have.

There are other insurance products on the market that may offer similar insurance coverage as those described in this Distribution Guide.

5. AUTORITÉ DES MARCHÉS FINANCIERS

For more information regarding the *insurer*'s, the *administrator*'s and the distributor's contractual obligations towards you, you can contact the Autorité des marchés financiers:

Autorité des marchés financiers
Place de la Cité, Tour Cominar
2640, bld. Laurier, 4th floor
Quebec, Quebec G1V 5C1

Phone: 418 525-0337 (Quebec City); 514-395-0337 (Montreal Area)
Elsewhere in Quebec: 1-877-525-0337
Fax: 418-525-9512
lautorite.qc.ca

6. DEFINITIONS

Accident: Means an unintentional, sudden, unforeseen and unpredictable event due to a violent external cause and resulting, directly and independently of any other cause, in bodily *injury*.

Administrator: Means SSQ, Life Insurance Company Inc., a company located at 2525 Laurier Blvd, P.O. Box 10500, Station Sainte-Foy, Quebec, Quebec G1V 4H6, which administers the group policy.

Balloon Amount: Means a lump sum payment due at the end of the term of the *loan*.

Beneficiary: Means the party to whom benefits are paid under the terms of the insurance policy. The beneficiary of this insurance is your *creditor*.

Confirmation of insurance: Means a letter of acceptance mailed to the applicant by the *administrator* officially confirming the insurance coverage being approved if medical underwriting was required.

Creditor: Means a lending institution or organization who has granted a *loan* to a *debtor*. The address of your creditor is indicated on your application for insurance.

Critical illness: One of the following conditions, diagnosed by a *physician*:

a. **Life-Threatening Cancer** – A tumor characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. No benefit shall be payable if diagnosed within 90 days from the date insurance begins.

Exclusions: Life-Threatening Cancer excludes:

i. carcinoma in situ,
ii. malignant melanoma to a depth of 0.75 mm or less, and any skin cancer that has not spread beyond the deepest layer of the skin,
iii. chronic lymphocytic leukemia,
iv. stage A prostate cancer,
v. Kaposi's sarcoma.

b. **Heart Attack** – Necrosis of a portion of the heart muscle as a result of inadequate blood supply as evidenced by both of the following:

i. new electrocardiographic changes indicative of a myocardial infarction, and
ii. the elevation of cardiac enzymes.

Exclusions: An incidental finding of ECG changes suggesting a prior myocardial infarction, in the absence of a corroborating event, is not covered.

c. **Stroke** – A cerebrovascular event producing neurological sequelae lasting more than 30 days and caused by thrombosis, hemorrhage, or embolism from an extra-cranial source. There must be evidence of measurable, objective neurological deficit.

Exclusions: Transient Ischemic Attacks (TIA) are specifically excluded.

d. **Coronary Bypass Surgery** – The undergoing of open heart surgery to correct narrowing or blockage of one or more coronary arteries with bypass grafts.

Exclusion: Any non-surgical techniques such as balloon angioplasty or laser relief of an obstruction is specifically excluded.

e. **Kidney Failure (End-Stage Renal Disease)** – End-stage renal disease presenting as chronic, irreversible failure of both kidneys to function, as a result of which either regular hemodialysis, peritoneal dialysis or renal transplantation is initiated.

f. **Major Organ Transplant** – The actual undergoing as a recipient of a transplant of a heart, lung, liver, kidney, pancreas or bone marrow. Coverage is limited to these entities.

g. **Deafness** – The permanent and profound loss of hearing in both ears. The loss of hearing suffered, as confirmed by an otolaryngologist, must be 80 decibels or greater across the entire frequency band, even after any surgical correction.

h. **Severe Burns** – Third degree burns over at least 20% of the body surface.

i. **Motor Neurone Disease** – An unequivocal diagnosis of one of, and limited to, the following:

i. Amyotrophic lateral sclerosis (ALS or Lou Gehrig's disease),
ii. Primary lateral sclerosis,
iii. Progressive spinal muscular atrophy,
iv. Progressive bulbar palsy, or
v. Pseudo bulbar palsy.

j. **Multiple Sclerosis** – An unequivocal diagnosis of definite Multiple Sclerosis, characterized by well defined neurological abnormalities persisting for a continuous period of at least 6 months and with 2 separate clinically documented episodes. Neurological abnormalities in this context must be evidenced by the typical symptoms of demyelination of the brain or the spinal cord with resulting impairment.

k. **Paralysis** – The complete and permanent loss of use of two or more limbs for a continuous period of 90 days following the precipitating event, during which time there has been no sign of improvement.

Debtor (co-debtor): Means a customer(s) of the *policyholder* who has enrolled for coverage under the group policy and who satisfies the conditions of eligibility.

Indebtedness: Means either the balance of the *loan* or the remaining payments under a lease agreement. However, any amount in default is not part of the indebtedness and is therefore not covered by the insurance.

Injury: Bodily injury which is caused solely by an *accident* and which causes the insured to be totally disabled.

Joint coverage: Means an insurance that covers two insureds (the *debtor* and the *co-debtor*) at the same time.

Loan: Loan or lease issued to you by the *creditor* or the financial institution on the date insurance begins, excluding any loan payments in arrears and any accrued interest.

Net Indebtedness Insured: Equal to the *indebtedness* multiplied by a fraction. This fraction is equal to the amount insured divided by the amount financed. The amount insured and the amount financed are indicated on your application for insurance.

> Example of a calculation of the net indebtedness insured:
> You take out a *loan* of $50,000 but choose to be insured for the amount of $40,000. The fraction used to calculate your *indebtedness* insured is therefore 80% ($40,000/$50,000). If your *indebtedness* is $35,000 at the date of your claim, your net indebtedness insured is $28,000 (80% of $35,000).

Physician: Licensed physician or surgeon (M.D.) other than yourself or a family member, practicing in Canada within the scope of his license.

Policyholder: The organisation for which a group insurance policy was established and is authorized by the insurer to offer insurance to the *debtor*.

Residual value: Pre-established value of the good at the end of the lease.

Sickness: Illness or disease which manifests itself for the first time while you are insured under the certificate with respect to the *loan*.

Total disability or Totally disabled:

- During the first 12 months of total disability: A disability caused by an *accident* or illness that renders you totally incapable of carrying out the main duties of your usual employment.
- Thereafter: A disability caused by an *accident* or illness that renders you totally incapable of pursuing any gainful occupation for which you are reasonably suited by education, training or experience, regardless of the availability of employment.

Waiting period: The number of consecutive days following the date your *total disability* commenced and before monthly benefits become payable, as indicated on the front of this form.

APPENDIXES

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

NOTICE GIVEN BY THE DISTRIBUTOR

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 rescind an insurance contract you have just signed when signing another contract, without penalty, within 10 days of its signature. You may use the attached form for this purpose.
- ◊ Despite the rescission of the insurance contract, the first contract entered into retains all of its effects. Caution: it is possible that you may lose favorable conditions obtained as a result of this insurance contract; contact your distributor or consult your contract.
- ◊ After expiry of the 10-day period, you may cancel the insurance at any time; however, penalties may apply.

For further information, you can contact L'Autorité des marchés financiers at 418-525-0337 in Quebec City, at 514-395-0337 in the Montreal Area or by using the toll free line at 1 877 525-0337.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

To: SSQ, Life Insurance Company Inc.
2525 Laurier Blvd., P.O. Box 10500, Station Sainte-Foy
Quebec, Quebec G1V 4H6

Date: _____
(Date of notice)

Pursuant to section 441 of the Act respecting the distribution of financial products and services, I hereby rescind my enrolment to the insurance policy number: _____
(Insurance policy number)

entered into on: _____
(Date of signature of the Application for Insurance)

at: _____
(Place of signature of the Application for Insurance)

_____ _____
(Name of client) (Signature of client)

The distributor must fill this section at time of purchase.

This document must be sent by registered mail.

The law articles 439, 440, 441, 442 and 443 shall appear on the back of this notice.

EXCERPTS FROM AN ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES (R. S. Q., Chapter D-9.2)

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 of the Autorité, stating that the client may rescind the insurance contract within 10 days of signing it."

Art. 441 "A client may rescind 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 rescinded, the first contract retains all its effects."

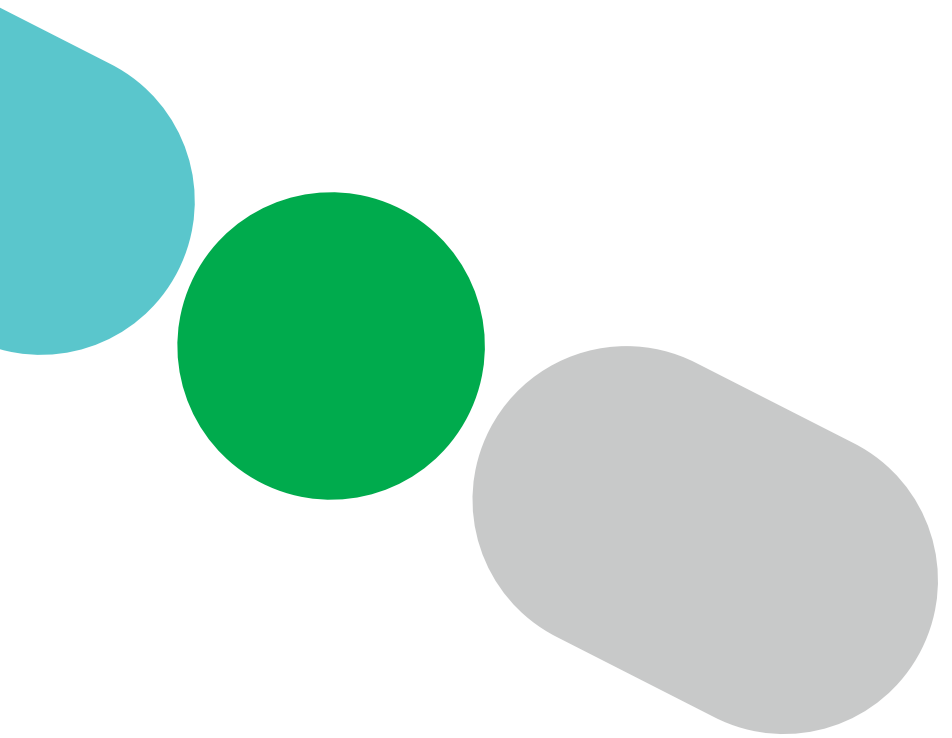
Art. 442 "No contract may contain provisions allowing its amendment in the event of rescission or cancellation by the client of an insurance contract made at the same time.

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

Art. 443 "A distributor that offers financing for the purchase of goods or services and that required 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 the regulation of the Autorité, stating that the debtor may subscribe for 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 the reduction of the debtor's rights.

The rights of the debtor under the contract of credit shall not be forfeited when the debtor rescinds, cancels or withdraws from the insurance contract, provided that the debtor has subscribed for insurance with another insurer that is considered satisfactory by the creditor, who may not refuse it without reasonable grounds."



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