

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



Certificate version 1019073

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

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

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

## **Changes to the Insurer**

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

## **Changes to the Group Policy numbers for Life and Disability Insurance on Lines of Credit**

All references in the Certificate to Group Policy number will change to G28444 for Life insurance and H28445 for Disability insurance.

## **Change to policyholder**

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

## **Addition of Contact Information**

If you have any questions, you can:

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

## **Changes to the maximum number of insured borrowers**

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

## **Changes to eligibility requirements for borrowers**

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

## **Changes to coverage for demand loans**

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

## **Changes to the life insurance benefit for lines of credit**

For lines of credit, the life insurance benefit as set out in section 3 of the Certificate is changed to:

The life insurance benefit is the Qualifying Balance of your insured line of credit owing at your date of death, to a maximum of \$500,000.

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

\* If death occurred more than 30 days, but less than 12 months, from the date funds became available to withdraw on your Royal Credit Line, "average monthly balance" means:

- the average daily balance starting from the date funds became available to withdraw until the end of the month prior to the month in which death occurred;

If death occurred 30 days or less from the date funds became available to withdraw on your Royal Credit Line, "average monthly balance" means:

- the average daily balance starting from the date funds became available to withdraw up to and including the day before the date of death occurred.

Where two persons are insured and one insured person dies, life insurance coverage will remain in place on the surviving insured person.

### **Changes to the definition of Total Disability**

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

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

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

### **Changes to the disability insurance benefit**

For lines of credit, the disability insurance benefit as set out in section 3 of the Certificate will change to:

Provided you meet the terms and conditions of your Certificate, in the event of disability, the Insurer will pay to RBC Royal Bank 3% of the Qualifying Balance of your Royal Credit Line account each month.

The Insurer will not pay more than a maximum of \$3,000 each month, including Insurance premiums.

If your disability occurred less than 12 months from the date funds became available to withdraw on your Royal Credit Line, "average monthly balance" means the average daily balance starting from the date funds became available to withdraw until the end of the month prior to the month in which your disability occurred.

If your disability occurred 30 days or less from the date funds became available to withdraw on your Royal Credit Line, "average monthly balance" means the average daily balance starting from the date funds became available to withdraw up to and including the day before the date your disability occurred.

There is a waiting period of 60 days from the date of disability before benefits are payable.

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

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

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

- one additional regular monthly payment, if your regular payment is made monthly; or
  - 2 additional regular bi-weekly payments, if your regular payment is made bi-weekly; or
  - 2 additional regular semi-monthly payments, if your regular payment is made semi-monthly; or
  - 4 additional regular weekly payments, if your regular payment is made weekly.
3. the date that 24 months of disability payments have been made on your behalf;
  4. the date your LoanProtector life or disability Insurance coverage ends; or

5. for a Royal Credit Line account, the date your Qualifying Balance has been paid in full.

If you have joint coverage and both of you are disabled, payment of benefits will continue until each of you recover, to a maximum of 24 months per insured person. However, at no time will the benefit be in the case of a Royal Credit Line, more than 3% of your Qualifying Balance, up to a maximum of \$3,000 per month.

Note: Do not refinance after the date of disability as insurance terminates when a Royal Credit Line is refinanced.

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

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

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

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

### Concurrent or Overlapping disabilities

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

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

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

If more than one insured person is disabled at the same time:

- disability Insurance benefits will be paid for the first claimant to be approved,
- if the second insured person is still disabled when the Disability Insurance benefits end for the first insured person, payments will commence for the second insured person,
- the waiting period for the second insured person can be satisfied during the payment of the first claims, where applicable.

If you recover from a disability, but:

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

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

### Changes to when disability coverage ends

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

## Changes to the termination of coverage when account in arrears

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

## Changes to reinstatement

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

## Changes to what the Insurer won't pay

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

## Changes to prior coverage recognition

Prior coverage recognition shall be terminated for lines of credit.

## Changes to the cost of insurance

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

### Cost of Life Insurance

Life insurance premiums for Royal Credit Line accounts are calculated using the life insurance rates in the table below will be based on the rate table and the premium rates for your age at the time of your most recent creditor insurance application and your loan balance on the date your payment is due.

Monthly premium rate per \$1,000 of outstanding balance.	Age	18-30	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66-69
	Single	\$0.14	\$0.23	\$0.29	\$0.41	\$0.54	\$0.71	\$0.97	\$1.21	\$1.58

Joint life coverage is calculated by multiplying the cost of single coverage for the eldest insured borrower by 1.7. Provincial sales tax will be added to your premium where applicable.

If your birthday falls on a weekend or statutory holiday and your premium rate is expected to change per the table above, your new premium rate will become effective on the 2nd business day following your birthday.

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

### Cost of Disability Insurance

Disability insurance premiums are calculated using the disability insurance rates below.

Monthly premium rate per \$100 payment for per estimated disability benefit for Royal Credit Line account.	Age	Under 31	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66-69
	Single	\$1.66	\$2.06	\$2.58	\$3.30	\$3.75	\$4.28	\$6.24	\$7.26	\$8.03

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

The cost of joint disability coverage is calculated by multiplying the cost of single coverage for the eldest insured borrower by 2.0. Provincial sales tax will be added to your premium where applicable.

If your birthday falls on a Friday, Saturday, Sunday or statutory holiday and your premium rate is expected to change per the table above, your new premium rate will become effective on the 2nd business day following your birthday.

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

Example: You are 36 years old; you have Royal Line of Credit with an account daily balance of \$25,000:

Royal Credit Line Account: The estimated disability benefit is calculated as \$750 (3% x \$25,000) per month. Therefore your monthly disability premium is \$19.35  $[(\$750 \div \$100) \times \$2.58]$ .

For the calculation above, the premium is divided by 365 and multiplied by the number of days in your payment frequency, plus provincial sales tax, where applicable.

## Changes to How Do You Make a Claim

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

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

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

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

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

## Changes to cancellations

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

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

## Changes to General Provisions

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

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

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

## Amendments

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

## Limitation Periods

Every action or proceeding against an insurer for the recovery of Insurance money payable under the contract is absolutely barred unless commenced within the time set out in:

- The *Insurance Act* (for actions or proceedings governed by the laws of Alberta and British Columbia),
- The *Insurance Act* (for actions or proceedings governed by the laws of Manitoba),

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

## Privacy & Confidentiality

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

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

### Your personal information:

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

### Who has access to your information:

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

### What your information is used for:

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

### If you want to know more:

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

## How to Make a Complaint

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

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

