

SUMMARY

Commercial loan insurance— Commercial line of credit and commercial demand note

10 important facts you should know about the loan insurance

Do you have a commercial line of credit or a commercial demand note with National Bank of Canada? Have you considered insuring your loan?

Read this summary!

It presents key points about the commercial loan insurance.

Understanding these points will help you determine if this insurance product meets your needs so you can make an informed decision about your application.

This summary is an explanatory document. It is not part of the insurance contract. Only the completed application and the insurance certificate attached will constitute the insurance contract.



For all the details of the coverage, consult the insurance certificate, which is also available at nbc-insurance.ca > Documentation.

- > Once you sign up, you are entitled to a 30-day review period. If you cancel the insurance before the end of that period, we reimburse any premiums paid.

INFORMATION ABOUT THE INSURER

> National Bank Life Insurance Company

1100 Robert Bourassa Blvd., 5th Floor,
Montreal, Quebec H3B 2G7

Telephone Montreal area: 514-871-7500

Toll-free: 1-877-871-7500

nbc-insurance.ca
insurance@nbc.ca

Client number delivered by the
Autorité des marchés financiers: 2000891377

To check the status of the insurer in the AMF
registry: lautorite.qc.ca

DISTRIBUTOR INFORMATION

> National Bank of Canada

600 De la Gauchetière West,
Montreal, Quebec H3B 4L2

Telephone Montreal area: 514-394-5555

Toll-free: 1-888-483-5628

nbc.ca



Here are 10 important facts you need to know about the commercial loan insurance

1 There are 3 types of loan insurance coverage

- 1** In the event of death, **life insurance** contributes to the repayment of a loan from the Bank.

Depending on the amount of insurance selected upon enrolment, the company may also receive a benefit equal to the difference between the insured amount and the used balance of the loan as of the date of death.

This frees your company from one of the many obligations that come with the death of a shareholder or key person.

- 2 Critical illness and accidental dismemberment insurance** will cover all or part of the loan if you are diagnosed with one of these 3 critical illnesses:

- > Cancer
- > Heart attack
- > Stroke

Furthermore, insurance will repay a portion of the loan if you lose a limb or permanently and irreversibly lose the use of a limb following an accident (accidental dismemberment).

This will allow you to focus on getting better during this difficult time.

- 3** If an injury or illness renders you unable to work or carry out the usual activities of a person of your age, **disability insurance** can reduce the impact of lost income by helping cover all or part of the loan payments. Benefits start after 60 days of disability.

You can sign up for all three types of coverage or choose one or two. It's up to you!

However, you must sign up for life insurance to be eligible for critical illness or disability insurance.

2 Loan insurance covers the insured amount or insured payment of your loan, in whole or in part

The certificate outlines the insured amount and the insured payment in section 1.

Once you decide to ensure your commercial line of credit or commercial demand note, you can choose the amount you want to insure.

First, decide if you want to insure your loan for a fixed or variable amount.

Then, choose the amount to insure for each type of coverage.

That way, you'll have insurance that really meets your needs.

In the event of death or diagnosis of a critical illness, we will cover the insured amount of the loan at the time of the event.

In the event of accidental dismemberment, we pay a percentage of the insured loan amount at the time of the event.

In the event of disability, we will cover the insured loan payment.

Maximum amount payable for each type of coverage

The amount payable for a claim cannot exceed the maximum for each type of coverage.

Life insurance	Critical illness and accidental dismemberment insurance	Disability insurance
\$2,000,000	\$150,000	\$5,000/month



See sections 10 to 14 of the insurance certificate for more information on the amounts payable when an insured event occurs.

3 Loan insurance involves exclusions

We may refuse to pay your claim because of the exclusions set out in sections 1 and 17 of the insurance certificate.

Please review them immediately.



WARNING – Exclusions

We will not pay any benefits in the following situations:

Life insurance

- > Suicide within two years of the effective date of the insurance. See section 6 of the insurance certificate.

Critical illness insurance

Cancer

- > Certain types of cancer that are not life-threatening;
- > A diagnosis of cancer, or signs, symptoms or exams that resulted in such a diagnosis (regardless of the date of diagnosis), within 90 days of the start date of the insurance coverage, whether the cancer is covered or excluded.

Heart attack

- > An increase in biochemical markers following an intra-arterial cardiac intervention, including coronary angiography or coronary angioplasty, and, failing that, new Q waves; or
- > Changes to an EKG suggesting an anterior myocardial infarction that does not meet the criteria for a heart attack specified in the certificate.

Stroke

- > Transient ischemic attack;
- > Intracerebral vascular accident caused by trauma;
- > Lacunar infarcts that do not meet the criteria for a stroke specified in the insurance certificate.

Specific, more detailed exclusions concerning cancer, heart attack and stroke are set out in the insurance certificate under section 1.

Disability insurance

- > Pregnancy
- > Cosmetic care
- > Back pain
- > Alcoholism or addiction



Review section 17 of your insurance certificate for more details about these exclusions.

All coverage

- > Pre-existing condition: if death, critical illness, accidental dismemberment or disability occur within **12 months of the start date** of the insurance and you showed signs or felt symptoms, consulted, received treatment, were examined by a health professional, took medication or were hospitalized in the **12 months preceding the start date** of the insurance for a condition related to death, critical illness, accidental dismemberment or disability;
- > Exclusions specific to the insured (if applicable);
- > Attempted suicide or self-inflicted injury;
- > Use of narcotics;
- > Active participation in a flight onboard an aircraft, whether as a pilot, crew member, instructor or student;
- > Active participation in a riot;
- > War.



Find complete details about these exclusions in section 17 of the insurance certificate.

4 You must meet certain criteria in order to be insured

For life insurance:

- > be 18 to 64 years old;
- > be a resident of Canada or the United States; and
- > be a borrower, co-borrower, guarantor, endorser, shareholder, officer or key person of the borrowing company of the loan covered by the insurance application.

For critical illness and accidental dismemberment insurance:

- > you must have signed up for life insurance.

For disability insurance:

- > you must have subscribed to life insurance;
- > be employed and have worked 60 hours or more in the last 4 weeks for remuneration; or
- > if you are self-employed, you must have received a gross income of \$10,000 or more in the last financial year.

You may NOT apply for disability insurance if you are:

- > unemployed
- > on sick leave
- > jobless, or
- > if you receive benefits in place of your income (e.g., parental leave, worker's compensation).

You may, however, request to add this coverage once you return to work.

Depending on your age and the amount of insurance requested, we will also ask you questions regarding your health status and lifestyle choices.



Review section 2 of your insurance certificate for complete details.

5 The insurance premium that you pay takes several factors into account

Your premium is the amount you must pay to be insured. The prime rate can be based on:

- > your age upon signature of the insurance application, then your age reached each year,
- > your gender,
- > your use (or not) of tobacco or nicotine replacement products, and

- > the insured amount of the loan:
 - if you have chosen to insure a fixed amount of your loan, the premium will be calculated based on the insured amount of the loan;
 - if you have chosen to insure a variable amount, the premium will be calculated based on the daily used insured balance of the loan.

Once the rate is determined, the monthly premium is calculated based on the insured loan amount upon enrolment.

Important: This insurance is automatically renewed each year, depending on the age reached on the anniversary date of insurance enrolment, always for the amount insured upon enrolment.

We reserve the right to amend our premium rate scales at any time. If we do so, the premiums charged to all our insureds will change.

For life insurance and critical illness and accidental dismemberment insurance, you are entitled to a 5% discount on the insurance premiums if there is more than one insured.

A tax on insurance applies to your premium amount, depending on which Canadian province you live in.



Consult the insurance certificate, section 9, for premium rates and nbc.ca for tax rates.

6 Duration of insurance

Start

The insurance comes into effect on the later of the following dates:

- a The date the insurance application is signed; or
- b The loan approval date.

When you need to provide proof of insurability. We will inform you of our decision by written notice no later than 30 days after receiving all necessary documentation to review your insurance application.

End

Insurance generally remains in effect for the entire loan duration, unless you decide to terminate your coverage.

Other circumstances can also lead to termination of insurance coverage, such as refinancing or failure to pay premiums.



See section 18 of the insurance certificate for more information.

7 You'll have access to temporary accident coverage while we are studying the coverage application

While we are studying your insurance application, you are covered in the event of accidental death, dismemberment or disability (depending on the coverage selected).



See section 1 of the certificate for the definition of an accident and section 3 for details of temporary coverage in the event of an accident.

8 If you make a false declaration, we may refuse a claim and cancel the insurance coverage

You must always provide accurate information on your health status, lifestyle and tobacco use, and any other information we deem necessary.

If, as part of a claim or at any other time during the insurance coverage, we obtain any information that differs from the information you provided, **we may refuse your claim and cancel your insurance** retroactively to its effective date.



See sections 2, 4 and 5 of the insurance certificate for more information.

9 How to file a claim and applicable timeframes

Loan insurance can give you peace of mind should the unexpected occur. Here's how to file an insurance claim.

- 1 Contact our Customer Service Department at 1-877-871-7500.
We'll open a file for you and send you the forms to be completed;
or
Print the forms you need from our website at nbc.ca.
- 2 Complete the forms and send them, along with any documents needed to review your claim, to our offices at:

National Bank Life Insurance
1100 Robert Bourassa Blvd., 5th Floor
Montreal, Quebec H3B 2G7

Timeframes for submitting claim forms and supporting documents

- > **Life insurance:**
As soon as reasonably possible.
 - > **Critical illness, accidental dismemberment or disability insurance:**
Within a year of the insured event.
- 3 We will notify you of our decision and, if applicable, proceed with payment after we review your claim.

Payments

We process claim requests, carry out verifications and proceed with payment within 30 days of receiving all documents required to review the claim.

10 Loan insurance is optional and you are entitled to terminate it at any time

You can terminate the insurance at any time at no cost by calling us at 1-877-871-7500.

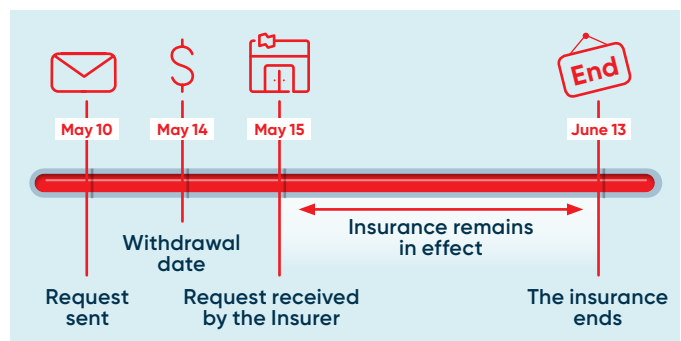
You can also send a written request to:

National Bank Life Insurance Company
1100 Robert Bourassa Blvd., 5th Floor
Montreal, Quebec H3B 2G7

The insurance coverage ends on the next premium payment date after the later of the following dates:

- > The date on which you choose to terminate your insurance coverage; or
- > The date on which we receive your termination request.

For example, in the image below, the insurance would remain in effect until June 13, since the insurer received the request to terminate the insurance after the current month's premium payment date.



When you terminate your insurance contract, premiums are not refunded and no grace period is granted.

Notice given by a distributor

Section 440 of the *Act respecting the distribution of financial products and services* (chapter D-9.2)

The Act respecting the distribution of financial products and services gives you important rights.

The Act allows you to rescind an insurance contract, **without penalty**, within 10 days of the date on which it is signed. However, the insurer may grant you a longer period.

To rescind the contract, you must give the insurer notice, within that time, by registered mail or any other means that allows you to obtain an acknowledgement of receipt.

Despite the rescission of the insurance contract, the first contract entered into will remain in force. Caution, it is possible that you may lose advantageous conditions as a result of this insurance contract; contact your distributor or consult your contract.

After the expiry of the applicable time, you may rescind the insurance contract at any time; however, penalties may apply.

For further information, contact the Autorité des marchés financiers at 1-877-525-0337 or visit www.lautorite.qc.ca.

Notice of rescission of an insurance contract

Send to:

National Bank Life Insurance
1100 Robert Bourassa Blvd., 5th Floor,
Montreal, Quebec H3B 2G7

Date: _____ (Date notice sent)

Pursuant to section 441 of the *Act respecting the distribution of financial products and services*,

I hereby rescind insurance contract no.: _____ (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 client experience is our top priority

We're here to listen and help, no matter what you have to say.

Call our Customer Service Department at **1-877-871-7500** or consult the website at nbc-insurance.ca for our complaint settlement policy.

Insurer: National Bank Life Insurance Company.

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