

Life and Accidental Dismemberment Insurance for FCC Loans Product Summary

NAME AND CONTACT INFORMATION FOR THE INSURER AND DISTRIBUTOR

Life and accidental dismemberment insurance for FCC loans is Creditor's Group Insurance underwritten by Sun Life Assurance Company of Canada (Sun Life). The Group Policyholder is Farm Credit Canada (FCC). Life and accidental dismemberment insurance coverage is provided under Group Policy 83035.

Sun Life Assurance Company of Canada
Creditor Insurance Team
227 King Street South
P.O. Box 638, STN Waterloo
Waterloo ON N2J 4B8

Telephone: 1-877-271-8713
Fax: 1-866-923-8353
Email: credorteam@sunlife.com
Website: www.sunlife.ca
AMF client number: 2000965369

The Distributor of this insurance is Farm Credit Canada (FCC).

Farm Credit Canada (FCC)
1800 Hamilton Street
Regina, SK. S4P 4L3

Telephone: 1-800-387-3232

FCC branch contact information

NAME AND TYPE OF THIS INSURANCE PRODUCT

INSURANCE PRODUCT NAME: Life and Accidental Dismember Insurance for FCC Loans

INSURANCE PRODUCT TYPE: The Autorité des marchés financiers classifies this insurance product as Debtor Life, Health and Employment Insurance

HOW TO READ THIS PRODUCT SUMMARY

This product summary is an overview of creditor's life and accidental dismemberment insurance as it applies to insurance underwritten by Sun Life Assurance Company of Canada (Sun Life) for eligible loans with FCC. For full details of coverage provided under this creditor's group insurance, please read the Certificate of Creditor Group Insurance – FCC Loan Insurance (Certificate) together with the Application for Creditor Insurance and any written confirmation of insurance from FCC or Sun Life.

To find this product summary and the Certificate online go to www.sunlife.ca. Type "product summary" into the search field and click on the hyperlink. When you get to the landing page select Farm Credit Canada.



Words and terms that appear in ***bold italic*** throughout this product summary are defined below.

Accident means a bodily injury occurring as a direct result of a violent, sudden and unexpected action originating from an outside source.

Accidental dismemberment means an **Accident** directly resulting in total and irrevocable loss. The loss must occur within 365 days of the **Accident**.

Credit facility means a loan with FCC.

Eligible means that you and your loan meet all necessary criteria to apply for a given type of insurance available under the Plan.

Loss and Loss of Use means the bodily injury described in the “Accidental dismemberment benefit” section of the certificate of insurance under “Description of Loss”. A **Loss of Use** must be total and must have continued for at least year.

Premium means the amount you must to pay for insurance coverage for a specific period.

Premium Rate means the unit cost of insurance.

Table of Losses means the maximum applicable benefit for the **Accidental dismemberment** resulting in total and irrevocable **Loss**.

HOW DOES THIS INSURANCE HELP PROTECT MY CREDIT FACILITY?

Life insurance and **Accidental Dismemberment** insurance will reduce or pay off the balance of your **Credit Facility** if you die or have a permanent loss due to an **Accident**.

The **Early Death** benefit pays a life insurance benefit if you are diagnosed with an illness that will result in your death within one year. For complete details refer to the “Early death benefit” section of the certificate of insurance.

HOW MUCH INSURANCE IS AVAILABLE FOR MY CREDIT FACILITY?

Optional creditor’s group insurance in the following amount is available if your **Credit Facility** is **Eligible**.

Insurance Type	Benefit	Maximum Insurance Benefit
Life	Lump sum payment if you die	\$2,000,000 per insured person for all Credit Facilities and lease contracts insured under Group Policy 83035
Accidental Dismemberment	Lump sum payment if you have an Accidental Dismemberment	As set out in the certificate of insurance under “ Table of Losses ”

WHICH FCC CREDIT FACILITIES ARE ELIGIBLE FOR THIS INSURANCE?

To be **Eligible** the business must be domiciled in Quebec. The loan must be among the following types:

- principal and interest loans
- indefinite interest only loans

AM I ELIGIBLE TO APPLY ?

You are **Eligible** to apply if on the date of application you are:

- a) between **18** and **65** years of age,
- b) a resident of Canada, and
- c) a borrower, or
 - business owner, or
 - guarantor.

HOW DO I APPLY?

As long as you and your **Credit Facility** are **Eligible**, you can apply for this insurance when you apply for your **Credit Facility** or any time after. You can apply for this insurance by completing the Application for Creditor Insurance Form FCC-6112Ac11 or Form FCC-6112Bc11.

You can choose **Reducing Balance Insurance** available for principal and interest loans or **Fixed Insurance** available for principal and interest loans and indefinite interest only loans.

You are required to answer health questions.

If your total amount of insurance under Group Policy 83035 is **\$500,000** or less, and you answer **NO** to the required health question, your application is automatically approved.

If your total amount of insurance under Group Policy exceeds **\$500,000** or, if you answer **YES** to the required health question, your application will be referred to Sun Life for medical underwriting.

WHEN DOES MY INSURANCE START?

Once FCC advances the loan amount insurance starts on the **later** of the following dates:

- the date you signed your application if your application is automatically approved; or
- the date Sun Life approves your application in writing, if medical underwriting was required.

HOW MUCH WILL MY INSURANCE COST?

Reducing Balance Insurance	Fixed Insurance
<p>Premium Rates are based on:</p> <ul style="list-style-type: none">• your age at date of application• your smoking status• loan amortization period• whether more than one person is approved for insurance	<p>Premium Rates are based on:</p> <ul style="list-style-type: none">• your age at date of application• your smoking status• whether more than one person is approved for insurance
Your Premium Rate will remain the same for the life of the loan	Your Premium Rate will change as you move through the age bands identified in the Fixed Insurance Premium Rate table.

Quebec sales tax is added to your **Premium**.

See the “How much the borrower pays for this insurance” section of the certificate of insurance for **Premium Rate** tables and details on how **Premiums** are calculated.

WHAT DOES SUN LIFE PAY?

If your claim is approved, Sun Life will pay a benefit to FCC, on your behalf, up to the **applicable maximum for each insurance type**.

Insurance Type	Creditor's Group Insurance Benefit
Life	<p>For Reducing Balance Insurance The benefit amount payable will be the least of:</p> <ul style="list-style-type: none"> • the outstanding insured loan balance on the date of your death plus accrued interest from the date of death to the date Sun Life pays the claim,, or • the benefit limit of \$2,000,000 per insured person, or • the insured amount up to the outstanding balance on the loan if the loan is partially insured, calculated as a percentage of the outstanding loan balance. <p>For Fixed Insurance The benefit amount payable will be the least of:</p> <ul style="list-style-type: none"> • the fixed amount of insurance for which you are insured, or • the outstanding insured loan balance on the date of your death plus accrued interest from the date of death to the date Sun Life pays the claim, or • the benefit limit of \$2,000,000 per insured person, or • the insured amount up to the outstanding balance on the loan if the loan is partially insured.
Accidental Dismemberment	<ul style="list-style-type: none"> • The outstanding insured loan balance as of the date of Loss, to the maximum applicable benefit as set out in the "Accidental dismemberment benefit" section of the certificate of insurance under "Table of Losses". <p>For Reducing Balance Insurance</p> <ul style="list-style-type: none"> • if the loan is partially insured, the benefit is calculated as a percentage of the benefit amount shown on the Table of Losses. <p>For Fixed Insurance</p> <ul style="list-style-type: none"> • if the loan is partially insured, the benefit is calculated by dividing the insurance amount for which you were approved by the total original loan amount, then applying this percentage to the benefit amount shown on the Table of Losses.

WHAT IF I HAVE AN INSURANCE CLAIM?

You should always make an insurance claim as soon as possible, using Sun Life's form, which you can obtain by contacting any FCC office.

How long do I have to make a claim?

There is no time limit for making life insurance claims. Under the Quebec Civil Code, claimants have three years to file a legal action.

For the prompt resolution of the following types of claims, you should submit your claim within the following timelines:

- **Accidental dismemberment** claims – within **one year** from the date of your loss
- **Early death** claim - you can submit your claim following your diagnosis

How long for Sun Life's claim decision and payment?

Sun Life will send you the claim decision in writing within **30 days** of receiving all the information required to make it.

If Sun Life approves a claim, it will pay the benefit to FCC within **30 days** of receiving all information required upon which to make a decision.

Whenever a claim is not approved, Sun Life's written decision will include the reasons for that decision.

What if I want to appeal Sun Life's claim decision?

If Sun Life does not approve your claim, you have **90 days** from the date of Sun Life's original claim decision to file an appeal. Your appeal must be in writing and you must include new information that is pertinent to your claim.

You may consult the Autorité des marchés financiers or an independent legal advisor for assistance with your appeal.

WHAT EXCLUSIONS AND LIMITATIONS APPLY TO THIS INSURANCE?

As long as premiums are paid, Sun Life will only cancel insurance if Sun Life discovers that you made a misrepresentation or false declaration on your application for insurance, medical underwriting interview (if applicable) or in connection with an insurance claim.

For a full list of exclusions and limitations, please see the “When the benefit is not paid” section in the certificate of insurance. The following are the most common reasons for Sun Life to deny an insurance claim.

Sun Life will not pay a benefit under the following circumstances:

Life benefit

- where coverage has been in force for less than **24** months, no benefit will be payable if your death results from suicide, regardless of whether you intended or understood the consequences of your actions,
- your death results from events directly or indirectly relating to, arising from or following your impairment by illegal drugs or while your blood alcohol concentration is over **80** milligrams of alcohol in **100** milliliters of blood (**0.08**).

Accidental dismemberment benefit

- you were not **Eligible** for insurance when you applied,
- your loss occurs as a result of self-inflicted injuries.

When will Sun Life limit the benefit?

Sun Life will not pay more than the outstanding loan balance regardless of the number of persons insured on the loan.

WHEN DOES INSURANCE END?

All insurance coverage ends on the **earliest** of the following dates:

- the date you are no longer eligible for insurance,
- the first premium due date following the date FCC receives the borrower’s written request to cancel your insurance coverage under this Certificate,
- the date FCC Policy 83035 terminates,
- the first premium due date following your **70th** birthday,
- the date payments on the loan are **6** months in arrears and written notification of cancellation of insurance is sent by FCC,
- the date of your death,
- the date Sun Life pays an **Early Death** claim,
- the date the insured loan is cancelled, refinanced by the borrower or FCC or transferred to another borrower,
- the date the borrower is released from all liability under the loan.

WHEN AND HOW CAN I CANCEL INSURANCE?

This insurance is optional and you can cancel at any time. Although the *Insurance Act* and the *Act respecting the distribution of financial products and services* allow for a **10 day** period to cancel without penalty, Sun Life allows **30 days**.

To cancel this insurance, contact any FCC office for instructions.

- If cancelling within the first **10** days of signing the insurance contract you can use the notice of rescission form you were given by the Distributor when you applied for this insurance.

After the **30-day** period allowed by Sun Life, there will be no premium refund, except where premiums may have been collected in error.

WHO CAN ANSWER MY QUESTIONS ABOUT THIS INSURANCE?

You may contact FCC at 1-800-387-3232 or Sun Life Creditor Team at 1-877-271-8713.

For more information about the obligations of insurers and distributors, you can contact the Autorité des marchés financiers as follows:

Autorité des marchés financiers
Place de la Cité, Tour Cominar
2640, boul. Laurier, 4^e étage
Québec, QC G1V 5C1

Tel: Quebec: 418-525-0337
Montreal: 514-395-0337
Toll Free: 1-877-525-0337
Web site: www.lautorite.qc.ca

WHERE CAN I FIND OUT ABOUT SUN LIFE'S COMPLAINTS RESOLUTION PROCESS?

You can find Sun Life's complaints processing policy and where a complaint may be filed by going to www.sunlife.ca and typing "complaint" into the search field.