

HSBC Bank Canada

Certificate of Creditor Insurance (Certificate) Mortgages, Lines of Credit, Overdrafts and Demand Loans

Group Policy 57905 (Policy 57905), is underwritten by Sun Life Assurance Company of Canada (Insurer, we, us, our) and issued to HSBC Bank Canada. Each eligible applicant (you, your, Insured) is insured under Policy 57905 for the coverage shown on your Application for Creditor Insurance (Application) or on the Insurer's written acceptance and approval letter, if required, subject to the terms and conditions of the Application and this Certificate. Please refer to Section 1 (Definitions) for explanations of additional defined terms appearing in this Certificate.

Your Application, this Certificate, any statements by you furnished as evidence of insurability, and any written approval from the Insurer, form all terms and conditions of coverage under Policy 57905. This Certificate contains all terms and conditions for Life Insurance and Disability Insurance available on your Credit Facility under Policy 57905, including coverages that you may not have selected.

The purchase of this insurance is optional and is not a condition of approval of your Credit Facility.

Sun Life Assurance Company of Canada is the insurer of this product, and is a member of the Sun Life Financial group of companies.

If you have any questions about this insurance, contact the Sun Life Assurance Company of Canada Creditor Insurance Team by:

- mail at P.O. Box 638 STN Waterloo, 227 King Street S. Waterloo, ON N2J 4B8
- email at creditorteam@sunlife.com
- fax at 1-866-923-8353*
- phone at 1-877-736-4753*.

www.sunlife.ca

* North America only. If outside of North America, contact HSBC Bank Canada.

Please refer to Policy 57905.

Please keep this Certificate together with a copy of your Application and any letters of confirmation from the Insurer.

1. Definitions

When used in this Certificate, the following words and phrases have the meaning given:

Accident: Bodily injury that occurs solely as a direct result of a violent, sudden and unexpected action from an outside source.

Credit Facility: The mortgage, line of credit, overdraft or demand loan identified on your Application (with Credit Facility Reference Number as set forth on your Application).

Licensed Medical Professional: A legally and professionally qualified medical practitioner practicing medicine. He/She must be practicing within the scope of his/her license for the service or treatment given. He/She must be someone other than yourself and must not be a member of your immediate family or a business associate.

Loan Amount Insured: the amount of insurance applied for under this Application, which is indicated in Section C of your Application.

Pre-existing Condition: A condition or health problem for which you consulted with or received advice, treatment, care and/or service by or from a Licensed Medical Professional or you took medications or injections during the 12 month period before becoming insured.

Previous Balance: The insured portion of the mortgage balance or credit limit as set forth in Section 9 "Prior Coverage Recognition".

Ratio Coverage: means the calculation described at Section 5 "Amount of Insurance" which HSBC Bank Canada may use to determine the Loan Amount Insured on mortgages. This calculation is done under certain circumstances to ensure that the total amount of life insurance coverage per person for all loans insured under Policy 57905 never exceeds the maximum described at Section 4 "Maximum Insurance Benefit".

Total Amount Insured: The total amount for which you are insured under Policy 57905, also indicated in Section C of your Application.

Total Disability and Totally Disabled: For the 60-day qualifying period and the first 12 months of your Disability Insurance claim, **Total Disability** and **Totally Disabled** mean you are completely unable due to injury or sickness, to perform the essential duties of the occupation that you were engaged in immediately prior to the date you became Totally Disabled.

After the first 12 months of your Disability Insurance claim, **Total Disability** and **Totally Disabled** mean you are completely unable, due to injury or sickness, to perform the duties of any occupation for which you are or may become reasonably qualified by education, training or experience.

In all cases, this definition applies whether you are employed or unemployed at the time of Total Disability. Total Disability is not considered to exist if you are working at any occupation for wages or profit.

2. Eligibility Requirements

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

Eligibility Requirements for Credit Facilities

Life Insurance: Non-commercial mortgages, lines of credit, overdrafts, whether "principal + interest" or "interest only" option and demand loans with HSBC Bank Canada are eligible for Life Insurance under Policy 57905.

Disability Insurance: Non-commercial mortgages and lines of credit, overdrafts with HSBC Bank Canada are eligible for Disability Insurance under Policy 57905, except for those Credit Facilities that are under the "interest only" repayment option. Demand loans with HSBC Bank Canada are NOT eligible for Disability Insurance under Policy 57905.

Eligibility Requirements for Borrowers, Guarantors and Covenantors

Life Insurance: You must be between the ages of 18 and 64 on the date of application and you must be a borrower, guarantor or covenantor of the Credit Facility.

Disability Insurance: On the date of application, you must have Life Insurance under Policy 57905 on the your Credit Facility and be actively at work 20 hours or more per week, including if you are self-employed. If seasonally employed or on maternity/parental leave and not actively at work, you must be able to perform the regular duties of your job for 20 hours or more per week.

3. When Insurance Starts

If you do not need to answer the Health Question(s) in Section E of your Application, provided you are eligible, coverage will start on the **later** of the date the Application is signed by you or the date the limit on your Credit Facility becomes effective.

For mortgages up to \$500,000 or for lines of credit, overdrafts and demand loans between \$50,000 and \$500,000 and you answered "no" to all applicable questions, provided you are eligible,

- Coverage for **lines of credit, overdrafts and demand loans** will start on the **later** of the date of application or the date the limit on your Credit Facility becomes effective.
- Coverage for **mortgages** will start on the **later** of the date of application or the date HSBC Bank Canada sets up your mortgage and issues your mortgage commitment.

If for any reason your Application requires the Insurer's written approval,

- Coverage for **lines of credit, overdrafts and demand loans** will start on the **later** of the date of the Insurer's written approval or the date the limit on your Credit Facility becomes effective.
- Coverage for **mortgages** will start on the **later** of the date of approval or the date HSBC Bank Canada sets up your mortgage and issues your mortgage commitment.

4. Maximum Insurance Benefit

Life Insurance

The maximum Life Insurance benefit payable per person insured for all Credit Facilities insured under Policy 57905 is \$750,000 (which may be less than your indebtedness). The Total Amount Insured cannot exceed this amount.

Only one Life Insurance benefit will be paid under your Credit Facility, regardless of the number of persons insured.

Disability Insurance

The maximum Disability Insurance benefit payable under your Credit Facility is the monthly equivalent of \$4,000 (which may be less than the monthly payment under your insured Credit Facility).

Disability Insurance benefit payments over the lifetime of your Credit Facility are limited to the equivalent of 24 months per person insured.

Only one Disability Insurance benefit will be paid under your Credit Facility for a given payment period, regardless of the number of persons insured.

5. Amount of Insurance

Life Insurance

Mortgages

The amount of your Life Insurance on the date of application is the Loan Amount Insured, as shown in Section C of your Application.

Loan Amount Insured same as opening balance:

If the Loan Amount Insured is the same as the opening balance of your mortgage, then you have 100% coverage.

Loan Amount Insured less than amount of mortgage:

If your Loan Amount Insured is less than the amount of your mortgage, Ratio Coverage applies. This ratio will be used to determine the benefit payable as set out in Section 6 (What We Pay).

Ratio Coverage is calculated as shown in the examples below.

Ratio Calculation Examples

Scenario 1 – Single mortgage >\$750,000: If the only loan insured under Policy 57905 is a mortgage for more than \$750,000:

For example, if the mortgage amount is \$937,000, your Loan Amount Insured will be the policy maximum of \$750,000 and your ratio will be 80%, calculated as follows:

$$\text{\$750,000 coverage} / \text{\$937,000 credit facility amount} = 80\% \text{ insured.}$$

Scenario 2 – Multiple loans totaling >\$750,000: If there are other loans insured under Policy 57905 and the total of outstanding balances and/or authorized credit limits is more than \$750,000:

The amount(s) of existing insurance will be deducted from the policy maximum of \$750,000 to calculate the Loan Amount Insured under this Certificate.

For example, you already have \$500,000 of insurance coverage under Policy 57905, when you apply for coverage on a \$300,000 mortgage. Your Loan Amount Insured would be \$250,000 ($\text{\$750,000} - \text{\$500,000} = \text{\$250,000}$).

$$\text{Your ratio would be calculated as follows: } \text{\$250,000 coverage} / \text{\$300,000 mortgage amount} = 83.3\% \text{ insured.}$$

Lines of Credit, Overdrafts and, Demand Loans

The amount of your Life Insurance applied for under this Application, as of the date of application, is your Loan Amount Insured.

Disability Insurance

Mortgages

The amount of your Disability Insurance on the date when you apply for insurance is the lesser of:

- the monthly equivalent of your regular mortgage payment on the date of Application; or
- \$4,000 per month.

Lines of Credit and Overdrafts

The amount of Disability Insurance on your line of credit or overdraft is the minimum monthly payment required under your agreement with HSBC Bank Canada **up to a maximum of \$4,000 per month.**

6. What We Pay

If we approve a claim under your insurance coverage, the amount payable will be subject to the applicable maximum set out in Section 4 (Maximum Insurance Benefit).

Any insurance benefit will be paid by the Insurer to HSBC Bank Canada to be applied to the outstanding balance of your Credit Facility. In the case of Prior Coverage Recognition, please see Section 9 (Prior Coverage Recognition).

Life Insurance Benefit

On approval of your claim, the Insurer will pay the benefit payable to HSBC Bank Canada as follows for mortgages, lines of credit, overdrafts and demand loans:

Mortgages:

In addition to the benefit amounts described below, the Insurer will also pay any interest accruing under the insured mortgage from the date of death to the date the claim is paid to a maximum of one year.

If you have 100% coverage on your mortgage:

- For “**principal + interest**” mortgages - your Life Insurance benefit is the outstanding principal balance on the date of your death (excluding any principal or interest arrears due).
- For “**Interest only**” mortgages - your Life Insurance benefit is:
 - the outstanding principal balance on the date of your death (excluding any interest arrears),
 - less an amount equal to the principal payments that would have been made if your “interest-only” mortgage was a “principal + interest” mortgage with the same opening balance, the same rate of interest and the same amortization period as under your “interest only” mortgage,
 - plus any interest accruing between the date of death and the date your claim is paid.

Example: On an “interest only” mortgage with a Loan Amount Insured of \$200,000, should you die five years after the effective date of insurance, assuming you made no payments in excess of interest, the benefit payable would be the equivalent of \$200,000 less the monthly equivalent of 60 principal payments, based on assumptions for the identical rate of interest and amortization period. Assuming an average principal payment of \$149.00 per month over 60 months, the benefit paid would be \$191,060 calculated as follows: $\text{\$200,000} - (\text{\$149} \times 60) = \text{\$191,060}$.

If you have Ratio Coverage on your mortgage:

- a) for “principal + interest” mortgages - your Life Insurance benefit will be calculated by applying the ratio established on the effective date of insurance, to the outstanding balance on your mortgage on the date of your death (excluding any principal or interest arrears due).

For example, the ratio on the insured “principal + interest” mortgage was set as 80% because the mortgage amount on the effective date of insurance was \$937,500 (\$750,000 ÷ \$937,500 = 80%). If the outstanding principal balance on the date of death is \$840,000, the Life Insurance benefit payable is \$672,000 calculated as follows: \$840,000 x 80% = \$672,000.

- b) for “interest only” mortgages - your Life Insurance benefit will be calculated by first deducting from your mortgage balance on the date of death (excluding any interest arrears due) an amount equal to the principal payments that would have been paid if your mortgage repayment option was “principal + interest”. The calculation will be based on the same interest rate and amortization period of your “interest only” mortgage. Your ratio, as established on the effective date of insurance would be applied to the result of the first calculation.

If the mortgage in example (a) was an “interest only” mortgage for \$937,500, with the same rate of interest and amortization period assuming a principal payment of \$1,625.00 per month over 60 months, the Life Insurance benefit payable would also be \$672,000 calculated as follows: $(\$937,500 - (\$1,625 \times 60)) = \$840,000 \times 80\% = \$672,000$.

Lines of Credit, Overdrafts and Demand Loans:

For a line of credit, overdraft or demand loan, we will pay a benefit under your Credit Facility as follows:

When death occurs as a result of an Accident, the lesser of:

- the outstanding principal balance on the date of your death;
- your Loan Amount Insured,

excluding any principal or interest arrears due, plus any interest accruing on the line of credit, overdraft or demand loan between the date of your death and the date your claim is paid.

When death occurs for any other cause, the lesser of:

- the outstanding balance on the date of your death;
- an amount equal to the average debit balance over the 12 months preceding the date of your death; or
- your Loan Amount Insured,

excluding any principal or interest arrears due, plus any interest accruing on the line of credit, overdraft or demand loan between the date of your death and the date your claim is paid.

Disability Insurance Benefit

On approval of your claim the Insurer will pay the Disability Insurance benefit to HSBC Bank Canada for each day you remain Totally Disabled beyond the 60th day of Total Disability. There is no Disability Insurance benefit payable for Total Disability during the 60-day qualifying period.

If you are not Totally Disabled for the entire payment period under your Credit Facility a *pro rata* amount equal to 1/30th of the monthly equivalent of your regular payment will be payable for each day of Total Disability during that payment period.

Mortgages:

The benefit payable on your insured mortgage payment is the lesser of:

- the monthly equivalent of your regular mortgage payment on the date of Total Disability; or
- \$4,000,

plus insurance premiums owing under your Certificate.

Lines of Credit and Overdrafts

The benefit payable on your insured line of credit or overdraft is the lesser of:

- the minimum monthly payment required on the date of Total Disability as set out in the terms and conditions of your insured line of credit or overdraft; or
- \$4,000,

plus insurance premiums owing under your Certificate.

When Disability Insurance Benefits Stop

Your Disability Insurance benefits will stop being paid on the earliest of the date that:

- your insurance terminates as set out in Section 7 (When Insurance Stops);
- the equivalent of 24 monthly payments have been paid on your behalf;
- you are no longer Totally Disabled;
- you fail to provide the Insurer with satisfactory proof that you continue to be Totally Disabled;
- you fail to submit to a medical examination at the request of the Insurer by a Licensed Medical Professional appointed by the Insurer;
- you participate in any occupation for remuneration or profit or any education program other than a rehabilitation program approved by the Insurer’s Licensed Medical Professional; or
- you refuse to participate in a rehabilitation program approved by your Licensed Medical Professional.

If the Disability Insurance benefit payable by the Insurer is less than the amount payable to HSBC Bank Canada, you are responsible for the difference. The termination of Disability Insurance benefits does not cause the termination of your Life Insurance.

When we receive satisfactory notice and proof of loss, we will pay any benefits which have accrued as a lump sum. Subsequent payments will be made at the same frequency as your Credit Facility, as long as you are Totally Disabled, until your Disability Insurance benefit stops (as set out above).

Continuing Disability: Total Disability that recurs from the same or related condition within 90 days of the date you cease to be Totally Disabled shall be deemed a continuing Total Disability (and shall not be subject to another 60-day qualifying period).

7. When Insurance Stops

Your insurance coverage automatically ends on the earliest of:

- the date your insured mortgage or demand loan is paid in full to HSBC Bank Canada, or in the case of your insured line of credit or overdraft, the date your Credit Facility is closed;
- the date your insured Credit Facility is refinanced;
- the date of your death, or where two or more persons are insured under your Credit Facility, on the payment of the first Life Insurance benefit under your Credit Facility;
- the date that any payment under your Credit Facility is 60 days in arrears or you are in default of any other provision of your Credit Facility;
- the date you turn 70 years of age (coverage continues on younger Insured, if any);
- the date your written request to cancel insurance is received by HSBC Bank Canada;
- the date when your premiums are 60 days in arrears; or
- the date Policy 57905 ends; and
- for Disability Insurance, the earlier of:
 - the date the Insurer has paid the maximum benefit for Disability Insurance as stated in Section 4 (Maximum Insurance Benefit) under your Credit Facility;
 - the date Life Insurance is continued under Prior Coverage Recognition as described in Section 9 (Prior Coverage Recognition);
 - the date Life Insurance ends; or
 - the date the Credit Facility stops being eligible for Disability Insurance.

8. What We Don't Pay

Any concealment, misrepresentation or false declaration concerning your Application or statements given as evidence of insurability may result in your insurance becoming void.

Misstatement of Age: If you have misstated your age and would not have been eligible for coverage if your true age were stated, the insurance is void. Our liability shall be limited to a refund of all premiums paid by you for the insurance.

Life Insurance

No benefit amount will be paid if your death is directly caused or contributed to by your operation of a motorized vehicle or vessel while you are impaired by drugs or substances, or while your blood alcohol concentration is over 80 milligrams in 100 millilitres of blood (0.08).

No benefit amount will be paid if your death is directly or indirectly caused or contributed to by:

- a) a Pre-existing Condition[†], if you were not required to answer any health questions on your Application and your death occurs in the first 12 months following the effective date of your coverage;
- b) suicide within 24 months of the effective date of insurance regardless of whether you intended or understood the consequences of your actions. The Insurer's liability will be limited to a refund of premiums;
- c) an air travel accident, unless a fare-paying passenger or acting as a crew member of a regularly scheduled commercial passenger airline flight;
- d) active participation in a civil disorder or war, whether or not war is declared, unless you are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve; or
- e) events which occur while you participate or attempt to participate in a criminal offence

Disability Insurance

No benefit will be paid if your Total Disability is directly or indirectly caused or contributed to by:

- a) normal pregnancy (this exclusion does not apply to complications of pregnancy);
- b) an intentionally self-inflicted injury;
- c) a Pre-existing Condition[†], if you were not required to answer any health questions on your Application and Total Disability occurs in the first 12 months following the effective date of your coverage;
- d) an air travel accident, unless a fare-paying passenger or acting as a crew member of a regularly scheduled commercial passenger airline flight;
- e) active participation in a civil disorder or war, whether or not war is declared, unless you are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve; or
- f) your operation of a motorized vehicle or vessel while you are impaired by drugs or substances, or your blood alcohol concentration is over 80 milligrams of alcohol in 100 millilitres of blood (0.08);
- g) events which occur while you participate or attempt to participate in a criminal offence

[†] "Pre-existing Condition" is defined in Section 1 (Definitions)

9. Prior Coverage Recognition (PCR)

PCR only applies to Life Insurance coverage. There is no PCR for Disability Insurance coverage

If you refinance your insured Credit Facility with a new HSBC Bank Canada credit facility and your application for insurance is declined due to a medical condition or you are more than 64 years old but less than 70 years old, the Insurer will grant you insurance under PCR.

The amount of Life insurance allowed under PCR will be:

- **for mortgages**, the insured portion of the outstanding balance(s) under the old mortgage(s) on the date immediately prior to refinancing;
- **for lines of credit, overdrafts and demand loans**, the insured portion of the credit limit on that Credit Facility on the date immediately prior to refinancing, (in either case the "Previous Balance").

Example: If your Previous Balance(s) was \$250,000 and the opening balance under your new Credit Facility is \$500,000, the percentage of coverage under PCR is 50% ($\$250,000 \div \$500,000 = 50\%$).

In no event will the new amount of insurance exceed the amount owed to HSBC Bank Canada.

The terms and conditions of insurance will be those in effect at the time of your most recently approved Application and Certificate. For mortgages, the applicable premium rate will be determined by whether coverage is single or joint and your age(s) as at the date of the most recently approved Application.

PCR Insurance Benefit

If you have PCR on your new Credit Facility, on approval of your claim, the Insurer will pay HSBC Bank Canada a percentage of the outstanding balance as at the date of your death. Your Previous Balance will be divided by the opening balance of the new Credit Facility to obtain a percentage. The PCR benefit amount will be calculated by multiplying (a) the outstanding balance of the new Credit Facility on the date of your death by (b) that percentage.

Example: If your percentage of coverage under PCR is 50% as shown in the example above, and the outstanding balance on the date of your death is \$100,000, on approval of your claim, the Insurer will pay a PCR benefit amount of \$50,000 ($\$100,000 \times 50\% = \$50,000$).

10. Upgrading Your Coverage

If you are adding Disability Insurance coverage to existing Life Insurance coverage on your Credit Facility, your premium for the Life Insurance currently in force will continue at the same rate you are now paying. The Disability Insurance rate will be based on your current age as at the date of the new application.

11. The Cost of Your Insurance Coverage

You authorize HSBC Bank Canada to collect insurance premiums and any applicable taxes from the same account and at the same frequency designated by you as the regular payment under your Credit Facility and remit payment to the Insurer on your behalf. Provincial sales taxes on insurance premiums will be added, if applicable.

If for any reason insurance begins or stops part way through your regular payment period, the amount of premium collected under your Credit Facility will be pro-rated by HSBC Bank Canada accordingly.

Life Insurance Rates and Premiums

- **Lines of Credit, Overdrafts and Demand Loans under \$50,000:**

For lines of credit, overdrafts and demand loans under \$50,000 the applicable rates are \$0.50 per \$1,000 for single coverage and \$0.85 per \$1,000 for joint coverage regardless of your age at the date of application. Your premium payable will be calculated and collected on the first day of the month by applying your applicable rate to the previous month's average daily debit balance.

Example: If coverage is joint and your average daily debit balance for the preceding month was \$10,000, your premium payable = \$8.50 calculated as follows: ($\$10,000 \div 1,000$) X 0.85.

• **Mortgages (any balance), Lines of Credit, Overdrafts and Demand Loans \$50,000 and over:**

For all other types of Credit Facilities insured under Policy 57905, the premium rates shown in the “Monthly Premium Rates per \$1,000” table will apply as described by type of Credit Facility:

Monthly Premium Rates per \$1,000 (plus provincial sales taxes if applicable)									
Age	18-30	31-35	36-40	41-45	46-50	51-55	56-60	61-64	65-69*
Single Rate	\$0.09	\$0.13	\$0.19	\$0.28	\$0.40	\$0.53	\$0.73	\$1.15	\$1.75
Joint Rate	\$0.14	\$0.18	\$0.27	\$0.40	\$0.56	\$0.74	\$1.02	\$1.61	\$2.45

* These rates are for renewals for line credit and demand loan customers who reach age 65-69. They do not apply as a qualification age band rate.

• **Mortgages:**

The applicable rate per \$1,000 is determined by your age at time of application and whether coverage is single or joint† as shown in the “Monthly Premium Rates per \$1,000” table. This rate will remain in effect until coverage ends as stated in Section 7 (When Insurance Stops). The monthly premium is calculated by applying the applicable rate to your Loan Amount Insured.

Alternate Payment Frequencies

If your premiums are not collected monthly, one of the following calculations will be applied at the time premiums are calculated and collected by HSBC Bank Canada:

- If your premium is collected weekly, multiply the applicable monthly premium by 12 and divide that amount by 52.
- If your premium is collected bi-weekly, multiply the applicable monthly premium by 12 and divide that amount by 26.
- If your premium is collected semi-monthly, multiply the applicable monthly premium by 12 and divide that amount by 24.

Example: If your age on the date you applied for insurance was 33, coverage is joint and you are the oldest borrower insured under the mortgage and your Loan Amount Insured is \$325,000, your monthly premium payable is \$58.50 calculated as follows: $(\$325,000 \div 1,000) \times 0.18 = \58.50 . If premium is collected bi-weekly instead of monthly, your bi-weekly premium payable = \$27.00 calculated as follows $(\$58.50 \times 12) \div 26 = \27.00 .

• **Lines of Credit and Demand Loans \$50,000 and over:**

If your Line of Credit Limit or Demand Loan is \$50,000 or more, the applicable rate is determined by your age on the date premiums are calculated and collected and whether coverage is single or joint† as shown in the “Monthly Premium Rates per \$1,000” table. The premium rate increases each time the older insured reaches a new age band. Your premium payable will be calculated and collected on the first day of the month by applying your applicable rate to the **lesser** of your previous month’s average daily debit balance or the Loan Amount Insured.

† In the case of joint coverage, the rate will be based on the age of the oldest insured under your certificate.

Example: If coverage is joint, the oldest insured is 38 years old on the date premiums are calculated and collected and the average daily debit balance on the insured line of credit or demand loan for the preceding month was \$75,000, your premium payable = \$20.25 calculated as follows: $(\$75,000 \div 1,000) \times 0.27 = \20.25 .

Disability Insurance Rates and Premiums

The premium rates shown in the “Premium Rates per \$100” table will apply as described by eligible type of Credit Facility.

Premium Rates per \$100 (plus provincial sales taxes if applicable)									
Age	18-30	31-35	36-40	41-45	46-50	51-55	56-60	61-64	65-69*
Single Rate	\$1.40	\$1.80	\$2.20	\$2.80	\$3.50	\$4.30	\$5.40	\$6.90	\$8.70

* These rates are for renewals for line of credit and overdraft clients that reach age 65-69. They do not apply as a qualification age band rate.

• **Mortgages:**

The applicable rate per \$100 of mortgage payment is determined by each insured borrower’s age at time of application as shown in the “Premium Rates per \$100” table. This rate will remain in effect until this coverage ends as stated in Section 7 (When Insurance Stops). The applicable rate for each borrower insured for Disability Insurance coverage will be applied to your regular mortgage payment up to a monthly maximum of \$4,000 in coverage to determine your premium payable.

Example: If your age on the date you applied for insurance was 42, and your regular mortgage payment on the date premiums are calculated and collected is \$1,750, premium payable under your insured mortgage payment = \$49.00 calculated as follows: $(\$1,750 \div 100) \times 2.80 = \49.00 .

• **Lines of Credit and Overdrafts:**

The applicable rate per \$100 of line of credit or overdraft is determined by each insured borrower’s age on the first day of each month for which there is a balance owing on your line of credit or overdraft as shown in the “Premium Rates per \$100” table. The premium rate increases each time an individual insured reaches a new age band. The applicable rate for each borrower insured for Disability Insurance coverage will be applied to the **lesser** of your minimum payment or \$4,000 and the premium payable will be charged to your line of credit or overdraft.

Example: If the minimum payment due to HSBC Bank Canada on your line of credit statement is \$165.00 and you are age 33 on the first day of the month, your Disability Insurance premium payable is \$2.97 calculated as follows: $(\$165.00 \div 100) \times 1.80 = \2.97 .

12. Filing a Claim

The Insurer is dedicated to processing your claims promptly and efficiently. You should contact HSBC Bank Canada or the Insurer at 1-877-736-4753 (North America only) to obtain claim forms. You will need to have the forms completed and submitted to the Insurer according to the instructions in the claim package. All claims must be made in writing on forms provided by HSBC Bank Canada or the Insurer.

For the assessment of a claim, the Insurer may require medical records or reports, proof of payment, itemized bills or other information the Insurer considers necessary. Proof of claim is at the claimant’s expense.

What you should do to file a Life Insurance claim: Life insurance claims should be submitted within one year of the date of death, except for residents of Quebec, in which case life insurance claims should be made as soon as possible.

What you should do to file a Disability Insurance claim: You should advise the Insurer about your Total Disability within 12 months of the date you become Totally Disabled (or within such longer period of time as may be allowed by applicable legislation in the Insured’s province or territory of residence).

13. General Provisions

Legal Actions:

Limitations Period for Ontario:

Every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the *Limitations Act, 2002*.

Limitation Period for All Other Provinces and Territories:

Every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the *Insurance Act* or such other applicable legislation in your province or territory of residence.

Right to Copies of Documents: You or a claimant has the right at any time to obtain a copy of your Application, your responses to the confidential health interview (if applicable), this Certificate and, on reasonable notice, Policy 57905. The first copy will be provided at no cost but a fee may be charged for subsequent copies. All requests for copies of documents should be directed to HSBC Bank Canada.

How to Make a Complaint: For complaints regarding underwriting decisions or insurance claims under your Credit Facility, please call Sun Life Creditor Team at 1-877-271-8713 and reference Policy 57905.

For complaints regarding the administration of this insurance, please call HSBC Bank Canada at 1-888-310-HSBC (4722).

Non-resident Insureds: If you reside outside of Canada, you are responsible for any taxes in respect of this insurance that may be levied by your home country or the legal jurisdiction in which you are normally resident.

14. Free Look, Cancellations and Premium Refunds

You may cancel this insurance at any time. Cancellations must be made in writing to HSBC Bank Canada. If you cancel insurance within 30 days of the effective date of insurance, you will receive a refund of any insurance premiums and the insurance coverage will have never been in force.

After the 30-day review period, there will be no premium refund, except where premiums may have been collected in error. To cancel insurance, submit your written notice to HSBC Bank Canada.

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