

HSBC Bank Canada

Certificate of Creditor Insurance (Certificate) Personal Installment Loans

Group Policy 57906 (“Policy 57906”) 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 57906 for the coverage shown on your Application for Creditor Insurance (Application), 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 and this Certificate form all terms and conditions of coverage under Policy 57906. This Certificate contains all terms and conditions for Life Insurance and Disability Insurance available on your PIL under Policy 57906, including coverages that you may not have selected.

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

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 Sun Life Assurance Company of Canada Creditor Team by:

- mail at P.O. Box 638 STN Waterloo, 227 King Street S. Waterloo, ON N2J 4B8;
- email to creditorteam@sunlife.com;
- fax to 1-866-923-8353*; or
- 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 57906.

Please keep this Certificate together with a copy of your Application.

1. Definitions

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

Amortization Period: The amortization period for your PIL identified in Section B of 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 be a business associate.

Loan Amount Insured: The amount of insurance applied for under this Application, shown in Section B of your Application.

PIL: The personal installment loan identified in your Application (with PIL Reference Number as set forth in Section A on your Application), which includes any renewal of such loan.

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

Term of Insurance: The maximum number of months that insurance may remain in force on your PIL, as shown in Section B of your Application.

Total Amount Insured: The total amount for which you are insured under Policy 57906, also indicated in Section B of your Application.

Total Disability and Totally Disabled: For 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 PIL at the same time is two.

Eligibility requirements for Borrowers and Guarantors

Life Insurance

You must be between the ages of 18 and 64 on the date of application and be a borrower or guarantor of the PIL.

Disability Insurance

On the date of application, you must have Life Insurance on your Application 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

Provided you are eligible and your signed Application is submitted to HSBC Bank Canada prior to the funding of your PIL, insurance becomes effective on the date funds are advanced.

4. When Insurance Stops

Your insurance coverage ends automatically on the **earliest** of:

- a) the date your insured PIL is paid in full to HSBC Bank Canada;
- b) the date your insured PIL is refinanced;
- c) the date of your death, or where two persons are insured under your PIL on the payment of the first Life Insurance benefit under your PIL;
- d) the date that any payment under your PIL is 60 days in arrears or you are in default of any other provision of your PIL;
- e) the date you turn 70 years of age (coverage will continue on the younger insured, if any);
- f) the date your premiums become 60 days in arrears;
- g) the date your Term of Insurance ends;
- h) the date insurance has been in force for 84 months;
- i) the date your written request to cancel insurance is received by HSBC Bank Canada; or
- j) the date Policy 57906 ends; and
- k) in the case of Disability Insurance the **earlier** of:
 - the date the Insurer has paid a total of \$100,000 in Disability Insurance benefits under your PIL
 - the date the Insurer has paid the equivalent of 60 months in Disability Insurance benefits under your PIL; or
 - the date Life Insurance ends.

5. Maximum Insurance Benefit

Life Insurance

The maximum Life Insurance coverage per person insured for all Personal Installment Loans insured under Policy 57906 is \$100,000 (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 PIL, regardless of the number of persons insured.

Disability Insurance

The maximum Disability Insurance benefit payable under your PIL is the monthly equivalent of \$ 2,000 (which may be less than the monthly payment under your insured PIL). The maximum Disability Insurance benefit payable under your PIL per person insured is a total of \$100,000.

Disability Insurance benefit payments under your PIL are limited to a total of 60 months per person insured.

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

6. Amount of Insurance

The amount of insurance on your PIL is subject to the applicable maximum set out in Section 5 (Maximum Insurance Benefit).

Life Insurance

The amount of your Life Insurance applied for under this Application is your Loan Amount Insured.

Disability Insurance

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

- the monthly equivalent of your regular PIL payment on the date of Application; or
- \$2,000 per month.

7. Continuance at Loan Renewal

Should you renew your insured PIL or change the terms and conditions of your PIL payment at any time while your coverage under this Certificate remains in force, the amount of your Disability Insurance premium payable may change, but your Term of Insurance will continue from the effective date of insurance.

If your new PIL payment is different than originally stated in the PIL agreement with HSBC Bank Canada, your amount of Disability Insurance as described in Section 6 (Amount of Insurance) and your Disability Insurance premium payable as stated in Section 10 (The Cost of Your Insurance) will both be adjusted accordingly, by applying the applicable rate for your current Amortization Period to your new PIL payment as stated in Section 10 (The Cost of Your Insurance).

8. Free Look Period, 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. Cancellations made after that date will become effective on the date your written request is received by HSBC Bank Canada. To cancel, submit your written notice to HSBC Bank Canada.

9. What We Pay

If we approve a claim under your insurance, the amount payable will be subject to the applicable maximum set out in Section 5 (Maximum Insurance Benefit).

Any insurance benefit will be paid by the Insurer to HSBC Bank Canada to apply to the outstanding balance of your PIL.

Life Insurance Benefit

On approval of your claim the Insurer will pay a benefit as at your date of death to HSBC Bank Canada as follows:

- the outstanding principal balance on the date of your death (excluding any principal or interest arrears due), plus
- any interest accruing between the date of death and the date your claim is paid.

Disability Insurance Benefit

On approval of your claim, the Insurer will pay your Disability Insurance benefits to HSBC Bank Canada for every day you remain Totally Disabled provided that Total Disability is continuous for a period of 30 days. Benefits for Total Disability are payable retroactive to the first day of your Total Disability.

If you are not Totally Disabled for the entire payment period under your PIL, 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.

The Disability Insurance benefit payable on your insured PIL is the **lesser** of:

- the monthly equivalent of your regular PIL payment on the date of Total Disability; or
- \$2,000 per month,

plus insurance premiums owing under your Certificate.

When Disability Insurance Benefits Stop

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

- your insurance terminates as set out in Section 4 (When Insurance Stops);
- 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 and the Insurer; 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, 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 PIL, as long as you remain Totally Disabled, until your Disability Insurance benefit stops (as set out above).

Continuing Disability: Total Disability that recurs from the same or a related condition within 90 days of the date you cease to be Totally Disabled shall be defined as a continuing Total Disability (and the requirement to be continuously disabled for a period of 30 days will not apply).

10. 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 PIL 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 PIL will be pro-rated by HSBC Bank Canada accordingly.

Life Insurance Rates and Premiums

The applicable rate per \$1,000 of Loan Amount Insured is determined by the Amortization Period on your PIL and whether coverage is single or joint as shown in the "Monthly Premium Rates per \$1,000 of Loan Amount Insured" table. This rate will remain in effect until coverage ends as stated in Section 4 (When Insurance Stops). The monthly premium is calculated by dividing your Loan Amount Insured by 1,000, multiplied by your premium rate.

Monthly Premium Rate per \$1,000 of Loan Amount Insured (provincial sales taxes will be added if applicable)									
Amortization Period (in months)	1-12	13-24	25-36	37-48	49-60	61-72	73-84	85-120	121-180
Single	\$0.46	\$0.46	\$0.48	\$0.50	\$0.52	\$0.54	\$0.56	\$0.67	\$0.74
Joint	\$0.82	\$0.84	\$0.87	\$0.91	\$0.94	\$0.98	\$1.02	\$1.20	\$1.33

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 Amortization Period is 48 months, coverage is joint and your Loan Amount Insured is \$50,000, your monthly premium payable = \$45.50 calculated as follows: $(\$50,000 \div 1,000) \times \0.91 (If premium is collected weekly, instead of monthly, your weekly premium payable = \$10.50 calculated as follows: $(\$45.50 \times 12) \div 52 = \10.50)

Disability Insurance Rates and Premiums

The applicable rate per \$100 of Loan Payment is determined by the Amortization Period on your PIL and whether coverage is single or joint as shown in the "Premium Rates per \$100 of Loan Payment" table. Your premium payable for Disability Insurance is calculated by dividing your current PIL payment (up to a monthly maximum of \$2,000 in coverage) by 100, multiplied by your premium rate.

Your premium payable will be adjusted by HSBC Bank Canada automatically whenever your PIL payment amount changes.

Premium Rate per \$100 of Loan Payment (plus provincial sales taxes if applicable)									
Amortization Period (in months)	1-12	13-24	25-36	37-48	49-60	61-72	73-84	85-120	121-180
Single	\$1.56	\$2.32	\$3.19	\$3.70	\$4.25	\$4.63	\$5.02	\$5.02	\$5.02
Joint	\$2.65	\$3.94	\$5.42	\$6.30	\$7.22	\$7.86	\$8.53	\$8.53	\$8.53

Example: If your Amortization Period is 36 months, coverage is single and your PIL payment is \$1,200, your premium payable = \$38.28 calculated as follows: $(\$1,200 \div 100) \times \3.19

11. 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 will be paid if your death is directly or indirectly caused or contributed to by:

- a) a Pre-existing Condition[†], if 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 civil disorder or war, whether or not war was 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 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 civil disorder or war, whether or not war was declared, unless you are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve;
- f) 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 of alcohol in 100 millilitres of blood (0.08); or
- g) events which occur while you participate or attempt to participate in a criminal offence.

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

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:

Limitation 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 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, this Certificate and on reasonable notice, Policy 57906. 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 PIL, please call Sun Life Creditor Team at 1-877-271-8713 and reference Policy 57906.

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.