

Life, Disability, and Job Loss Insurance

Distribution Guide – Manulife One Creditor’s Group Insurance

Helps pay your line of credit in case the unexpected happens.

Insurer | **Manulife**

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**Note about the
Autorité des marchés
financiers**

The Autorité des marchés financiers does not express an opinion on the quality of the product offered in this guide. The insurer alone is responsible for any discrepancies between the wording of the guide and the certificate.

RULES FOR REVIEWING THIS GUIDE PROPERLY

“You” can refer to many people

When referring to “you,” we mean the person who purchased the insurance (the Primary Account Holder) and any other insured individual (the Joint Account Holder), unless the context states otherwise.

“Balance” refers to the amount you owe to Manulife Bank

When we talk about your “balance,” we are referring to the amount you owe to Manulife Bank, as shown on your most recent Manulife One account statement. This amount includes the principal and interest.

We cover your balance up to \$500,000.

This Guide is a summary

Review the sample certificate for complete details.

BEFORE YOU BUY THIS INSURANCE

- ✓ Do you, and all the people you want to insure, meet **all** the eligibility requirements? If not, you might not be covered. To make sure, read Section 1. Who can purchase this insurance (eligibility requirements).
- ✓ Do you, or any of the people you want to insure, have a medical condition? If so, the claims relating to this *medical condition* may not be covered.

DON'T FORGET

Don't make false statements

If you make a false statement or if you fail to declare certain information before or during the coverage period, we may cancel your coverage.

You have 60 days to change your mind

You have the right to cancel your insurance at no cost within 60 days of signing your application for insurance. To find out more, read Section 6. Your right to terminate insurance.

Your obligations

- You must take any medical examinations that we ask for
- If you make a claim, you must keep making your payments while we review your claim.
- You must keep paying your insurance premiums or we may cancel your insurance. Contact us if you think you might have trouble paying your premiums.

Any questions? Contact us.

If you have any questions about this insurance, please contact our Customer Service department at .1 866-388-7095

Table of Contents

1. WHO CAN PURCHASE THIS INSURANCE (ELIGIBILITY REQUIREMENTS)	5
2. WHO IS INSURED	5
3. MAXIMUM COVERAGE AMOUNT: \$500,000	6
4. SUMMARY OF COVERAGES	6
DEATH (LIFE INSURANCE)	6
TOTAL DISABILITY	7
JOB LOSS	8
5. EXPECTED LENGTH OF INSURANCE	10
6. YOUR RIGHT TO TERMINATE INSURANCE	10
7. OUR RIGHT TO TERMINATE INSURANCE	10
8. MONTHLY COST OF INSURANCE	11
9. HOW TO MAKE A CLAIM	11
10. SIMILAR INSURANCE PRODUCTS AVAILABLE ON THE MARKET	12
11. CONTACT US	12
12. CONTACT THE AUTORITÉ DES MARCHÉS FINANCIERS	12
APPENDIX 1: NOTICE OF CANCELLATION OF AN INSURANCE CONTRACT	13

1. WHO CAN PURCHASE THIS INSURANCE (ELIGIBILITY REQUIREMENTS)

Requirements for purchasing this insurance

You can purchase this insurance if you meet all the following requirements:

- ✓ You reside in Canada
- ✓ You are between 18 and 64 years old
- ✓ You have a Manulife One line of credit in your name (you are the Primary Account Holder)

IF YOU ARE AN EMPLOYEE

If you are an employee with a full-time work contract:

- ✓ You are eligible for all coverages (Death, Job Loss and Disability)

IF YOU ARE SELF-EMPLOYED

You are a self-employed worker if you are not subordinate to anyone in your work and your work can generate profits or losses and operating expenses. In this case:

- ✓ You are eligible for Death and Disability coverage
- ✗ You are not eligible for Job Loss coverage

You may choose to purchase the Death benefit only. If you would like to purchase Disability coverage, please note that Disability and Job Loss coverage is sold together, even if you are eligible for one of these two protections only.

IF YOU DO NOT HAVE A JOB

- ✓ You are eligible for Death coverage
- ✗ You are not eligible for Job Loss and Disability coverage.

You can choose to purchase the Death benefit only.

AFTER YOU APPLY FOR INSURANCE

You will be contacted to answer a few questions about your health. At this time, you will be informed of any additional requirements.

Your insurance can be cancelled if you don't meet the eligibility requirements

You must meet all these requirements, and each of the people you want to insure must also meet them or we may cancel the insurance.

2. WHO IS INSURED

You (the Primary Account Holder)

You are insured if:

- ✓ You meet all the eligibility requirements
- ✓ We approved your application for insurance. Before we agree to insure you, we must assess your health.
- ✓ You pay your insurance premiums. Contact us if you think you might have trouble paying your premiums.

- ✓ Your Certificate of Insurance states that you are an insured person

Another person (the Joint Account Holder of your account)

If you hold a joint account with another person, this person (the Joint Account Holder), can also be insured.

3. MAXIMUM COVERAGE AMOUNT: \$500,000

We pay the balance of your line of credit to Manulife Bank, up to a maximum of \$500,000.

4. SUMMARY OF COVERAGES

DEATH (LIFE INSURANCE)

In the event of death, we pay the balance of your Manulife One line of credit to Manulife Bank in a single payment, up to \$500,000.

The insurance terminates after this payment, even if several people are insured.

What we pay

We pay to Manulife Bank the lowest of the following 3 amounts:

- ✓ The balance of your Manulife One line of credit, or
- ✓ The maximum life insurance amount shown on your insurance certificate, or
- ✓ The average balance of your Manulife One line of credit in the last 12 months.

In addition to this amount, we also pay:

- ✓ The interest on your Manulife One line of credit since the date of death
- ✓ The fees for mortgage release, up to an amount that does not represent more than 5% of the total compensation.

Exclusions for Death Coverage

DEATH RELATED TO A MEDICAL CONDITION THAT EXISTED BEFORE THE START OF YOUR INSURANCE

Did you have a medical condition in the **6 months before** the start of insurance?

- ✗ You are not covered if you die within the first 6 months of insurance for a reason related to this medical condition.
- ✓ You are covered if there were no symptoms or issues related to the medical condition within the first 6 months of insurance.

What is a medical condition?

You have a medical condition if you have consulted a physician, received treatment or received medical advice for any symptoms, sickness, or disease.

DEATH RELATED TO YOUR BEHAVIOUR

You are not covered if your death is:

- ✗ attributable to driving a motor vehicle with more than 80 mg of alcohol per 100 ml of blood in your body

- ✗ attributable to a criminal act or an assault that you committed or attempted to commit
- ✗ related to your participation in a riot or civil commotion
- ✗ related to air travel, unless you are a paying passenger on a commercial flight.

SUICIDE

You're not covered if you commit suicide within 2 years of taking out this insurance.

WAR AND TERRORISM

You're not covered if your death is caused by an act of war, an insurrection, or a terrorist act.

TOTAL DISABILITY

If you become totally unable to work, we help you pay part of your Manulife One line of credit each month until:

- ✓ the end of your disability, or
- ✓ for up to 24 months

Requirements to qualify for this coverage

- ✓ You were working at least 25 hours per week when you became totally disabled, as an employee or as a self-employed worker
- ✓ You are totally disabled. In other words, you are unable to perform your regular job-related duties, job, or professional activity because of illness or an accidental injury.
- ✓ You have no other job or paid activity
- ✓ You are followed by a physician, and you are following the treatment prescribed by this physician

30-DAY WAITING PERIOD BEFORE THE FIRST PAYMENT

You must be totally disabled for more than 30 days to be eligible for this coverage. We do not make any payments during this waiting period, and you must keep making your minimum payments to your Manulife One account.

What we pay (up to \$3,500/month)

If you are totally disabled, we pay to Manulife One each month:

- ✓ The interest owed on your Manulife One line of credit
- ✓ The minimum amount payable on your line of credit each month

To determine this amount, we rely on the account statement prepared just before the start of your total disability.

We do not pay more than \$3,500 each month.

Maximum duration of payments: 24 months

We pay the amounts covered by Disability protection for a maximum of 24 months, for each period of total disability.

We can also stop the payments in certain situations:

- ✗ You are no longer totally disabled
- ✗ If you do not prove to Manulife that you are still totally disabled in a way that is satisfactory to us

Exclusions for total Disability coverage

DISABILITY RELATED TO A MEDICAL CONDITION THAT EXISTED BEFORE THE START OF YOUR INSURANCE

Did you have a medical condition in the **2 years before** the start of insurance?

- ✗ You are not covered if you become totally disabled within the first 2 years of insurance for a reason related to this medical condition.
- ✓ You are covered if there were no symptoms or issues related to the medical condition within the first 2 years of insurance.

What is a medical condition?

You have a medical condition if you have consulted a physician, received treatment or received medical advice for any symptoms, sickness, or disease.

YOU BECOME DISABLED DURING CERTAIN PERIODS

- ✗ Normal pregnancy or parental leave
- ✗ Absence from work that is authorized by your employer or by law

DISABILITY RELATED TO YOUR BEHAVIOUR

You are not covered if:

- ✗ you intentionally self-harm
- ✗ your disability is related to a crime or an assault that you commit or attempt to commit
- ✗ your disability is related to your drug use or alcohol abuse
- ✗ your death is related to your participation in a riot or civil commotion

WAR AND TERRORISM

You are not covered if your disability is caused by an act of war, an insurrection, or a terrorist act.

IF WE PAY BENEFITS FOR JOB LOSS COVERAGE

You do not receive Disability benefits while we are paying Job Loss benefits to you.

JOB LOSS

If you lose your job involuntarily, we help you pay part of your Manulife One line of credit balance each month:

- ✓ until you find a new job, or
- ✓ for up to 6 months maximum

Requirements to qualify for this coverage

- ✓ You are an employee and you work full time, at least 25 hours per week
- ✓ You have a permanent position
- ✓ You were involuntarily laid off or dismissed without just and sufficient cause
- ✓ You have not benefited from this coverage in the last 24 months.

30-DAY WAITING PERIOD BEFORE THE FIRST PAYMENT

You must remain unemployed for more than 30 days to receive the first payment. You will not receive any payments for this waiting period, and you must keep making your minimum payments to your Manulife One account.

What we pay (up to \$3,500/month)

If you lose your job involuntarily, we pay to Manulife Bank each month:

- ✓ The interest owed on your Manulife One line of credit
- ✓ The minimum amount payable on your line of credit each month

To determine these amounts, we rely on the statement of account prepared just before the date on which you lost your job.

We do not pay more than \$3,500 each month.

Maximum duration of payments: 6 months

We pay the amounts covered by the Job Loss benefit for up to 6 months.

We may also stop the payments if:

- ✗ If you find another job
- ✗ If you do not prove to Manulife that you are still unemployed in a way that is satisfactory to us

Exclusions for Job Loss coverage

WARNING: IF YOU WERE NOT LAID OFF OR DISMISSED WITHOUT CAUSE

You are not covered if you are unemployed because of one of the following situations:

- ✗ A normal pregnancy and parental leave
- ✗ You were dismissed for a valid and sufficient reason
- ✗ You do not have a permanent position (seasonal, contract, or temporary job)
- ✗ You resign or voluntarily give up your professional earnings
- ✗ You retire
- ✗ You are absent from work, and this absence is authorized by your employer or by law
- ✗ You lost your job because you intentionally caused self-harm.

WAR, TERRORISM AND NATURAL DISASTERS

You are not covered if your job loss was because of an act of war, an insurrection, or a terrorist act or a natural disaster.

OTHER NON-COVERED SITUATIONS

You are not covered if you:

- ✗ knew you were at risk of becoming unemployed within 90 days or less of buying insurance
- ✗ are laid off within 90 days of starting your job
- ✗ you are self-employed or working for a member of your immediate family who controls 25% or more of the voting shares of the company you work for

IF WE ARE PAYING BENEFITS FOR DISABILITY COVERAGE

You will not receive Job Loss benefits while we are paying Disability benefits to you.

5. EXPECTED LENGTH OF INSURANCE

When the insurance starts

If we approve your application for insurance, your coverage begins:

- ✓ On the date when we receive your application for insurance, or
- ✓ On the date when we receive your first premium payment, if we receive payment after your application for insurance.

When the insurance ends

- ✓ On your 70th birthday, for the Death benefit
- ✓ On your 65th birthday for the other benefits
- ✓ As soon as you no longer hold a Manulife One account, or your Manulife One account is no longer a line of credit.

If two people are covered by this insurance, it is possible that the insurance may be maintained for the younger person or the person who continues to hold the account.

However, the insurance ends for all insured people in the event of death.

6. YOUR RIGHT TO TERMINATE INSURANCE

Within 60 days of purchasing your insurance: premiums refunded in full

We refund the insurance premium in full if you cancel your insurance no later than 60 days after you purchased it.

No refund in other cases

You may terminate your certificate at any time, but you are not entitled to a refund in other cases.

Write to us to cancel your contract

You can terminate your insurance when:

- ✓ You send us the [Notice of cancellation of an insurance contract](#) at the end of this Guide
- ✓ You write to us at the address shown in [Section 11. Contact us](#).

7. OUR RIGHT TO TERMINATE INSURANCE

We may terminate your insurance:

- ✗ Without notice, if you don't pay your monthly premium in full more than 30 days after the due date
- ✗ If we stop offering Manulife One Creditor's Group Insurance.

8. MONTHLY COST OF INSURANCE

We calculate the premiums you must pay based on your age and the balance of your Manulife One line of credit.

If you have joint coverage (2 insured people), we calculate the premiums you must pay based on the age of the oldest insured person and the balance of the account. We then multiply the premium:

- ✓ by 1.5, for the Death benefit
- ✓ by 1.9, for the Job Loss and Disability benefit.

You may choose to purchase the Death benefit only. However, the Disability and Job Loss benefit is sold together, even if you are eligible for one of these two benefits only.

9. HOW TO MAKE A CLAIM

DEADLINES TO SUBMIT A CLAIM

1 year after the death

We must receive proof of death within one year of the death.

30 days after the event for the other benefits

Notify us within 30 days of your job loss or total disability.

We can accept claims up to 12 months after the event if you aren't able to submit your claim sooner.

WE APPLY A SINGLE BENEFIT AT A TIME

We pay benefits for one coverage at a time, even if you are two insured people.

- ✓ If several coverages apply, we pay the benefit for the claim that was submitted first.
- ✓ We pay benefits for the second claim if the maximum amount or maximum duration of benefits has not been reached.

WE RESPOND WITHIN 30 DAYS

We notify you of our decision within 30 days of receiving your claim and all supporting documents. If we decline your claim, we explain our reasons to you in writing. If we accept your claim, we pay you within 30 days of our decision.

During this period, you must keep making your minimum payments to your Manulife One account.

YOUR LEGAL RIGHTS IF YOU DISAGREE WITH OUR DECISION

1. You can ask us to reconsider your claim

We will reconsider your claim if you provide us with additional arguments, information, or documentation. You can contact Customer Service, then Customer Service management and, if you are still not satisfied, the Manulife Ombuds Office. For more information:

www.manulife.ca/for-you/contact-us/feedback-or-complaint.html

2. You can contact the OmbudService for Life & Health Insurance

The OmbudService for Life & Health Insurance is an independent organization that helps people who want to file a complaint about their insurance coverage. For more information: www.olhi.ca

3. You can contact the Autorité des marchés financiers

The Autorité des marchés financiers reviews your file and can help us find a solution together, such as offering dispute resolution services. For more information: lautorite.qc.ca/en/general-public/assistance-complaints-and-compensation/

4. You can appeal our decision in court

If you decide to appeal our decision in court, you need to appeal within the 3-year time frame prescribed by the Civil Code (prescription period). We recommend that you seek legal advice for information on your rights and the appeal process.

10. SIMILAR INSURANCE PRODUCTS AVAILABLE ON THE MARKET

Manulife offers a comprehensive range of credit insurance coverages. Keep in mind, though, that other credit insurance products are available on the market.

Other products may contain credit insurance coverage like that described in this Distribution Guide. Remember to check if you already have some of these coverages.

11. CONTACT US

Manulife

250 Bloor Street East
Toronto, ON M4W 1E5

Telephone: 1 866-388-7095

Fax: 1 888-340-1700

Email: am_service@manulife.com

Website: <http://manulife.ca>

12. CONTACT THE AUTORITÉ DES MARCHÉS FINANCIERS

The Autorité des marchés financiers can provide you with information about your insurer's or your insurance distributor's obligations. To contact the Autorité des marchés financiers:

Autorité des marchés financiers
Place de la Cité, Cominar Tower
2640 boulevard Laurier, Suite 400
Québec City, QC G1V 5C1

Quebec City: 418-525-0337
Montreal: 514-395-0337
Elsewhere in Quebec: 1-877-525-0337
Fax: 418-525-9512

<https://lautorite.qc.ca>

APPENDIX 1: NOTICE OF CANCELLATION OF AN INSURANCE CONTRACT

THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS.

- The Act allows you to cancel an insurance contract you have just signed when signing another contract, without penalty, within 10 days of its signature. Manulife extends this timeframe to 60 days. To do so, you must give the insurer notice by registered mail within that delay. You may use the attached model for this purpose.
- Despite the cancellation of the insurance contract, the first contract entered will remain in force.

Warning: It is possible that you may lose advantageous conditions because of this insurance contract; contact your distributor or consult your contract.

- After the expiry of the 60-day delay, you may cancel the insurance at any time; however, penalties may apply.

For more information, contact the Autorité des marchés financiers at: 418-525-0337 (Quebec City), 514-395-0337 (Montreal), or 1-877-525-0337 (toll-free).

NOTICE OF CANCELLATION OF AN INSURANCE CONTRACT ¹

You should send this notice by registered mail.

To Manulife
Affinity Markets
250 Bloor Street East
Toronto, ON M4W 1E5

Name and address of Insurer or Insurers

Date _____ Date notice sent

Pursuant to section 441 of the Act respecting the distribution of financial products and services, I hereby cancel:

Insurance Contract No. _____ Contract number, if indicated

Entered on _____ Date of signature of contract

At _____ Place of signature of contract

Name of client _____

Signature _____

¹ Notice given by distributor, s. 440 of the Act respecting the distribution of financial products and services. Sections 439 to 443 of the Act appear in this notice and have been reproduced on the following page.

Sections of the Act respecting the distribution of financial products and services

439. A distributor may not subordinate the making of a contract to the making of an insurance contract with the insurer specified by the distributor.

The distributor may not exercise undue pressure on the client or use fraudulent tactics to induce the client to purchase a financial product or service.

440. A distributor that, at the time a contract is made, causes the client to make an insurance contract must give the client a notice, drafted in the manner prescribed by regulation of the Authority, stating that the client may rescind the insurance contract within 10 days of signing it.

441. A client may rescind an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered or certified mail.

Where such an insurance contract is rescinded, the first contract retains all its effect.

442. No contract may contain provisions allowing its amendment in the event of rescission or cancellation by the client of an insurance contract made at the same time.

However, a contract may provide that the rescission or cancellation of the insurance contract will entail for the remainder of the term, the loss of the favourable conditions extended because more than one contract was made at the same time.

443. A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the debtor may subscribe for insurance with the insurer and representative of the debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds. The distributor may not subordinate the making of the contract of credit to the making of an insurance contract with the insurer specified by the distributor.

No contract of credit may stipulate that it is made subject to the condition that the insurance contract subscribed with such an insurer remain in force until the expiry of the term, or subject to the condition that the expiry of such an insurance contract will entail forfeiture of term or the reduction of the debtor's rights.

The rights of the debtor under the contract of credit shall not be forfeited when the debtor rescinds, cancels or withdraws from the insurance contract, provided that the debtor has subscribed for insurance with another insurer that is considered satisfactory by the creditor, who may not refuse it without reasonable grounds.