HUGO

DEBT – Creditor Insurance

Schedule of Benefits

Your contract is composed of this policy, the application, the insurability questionnaire and any policy rider or notice of change annexed to this policy.

Please read your contract carefully, including this policy, the application and insurability questionnaire and validate the answers given therein. If the answers do not reflect your statement or are inaccurate, you must notify the Insurer accordingly within thirty (30) days following the delivery of the policy. Failure to notify the Insurer of any inaccuracy or erroneous statement can render the contract void.

Subject to the provisions and riders of the policy, the Insurer will pay the benefits listed below when a covered event occurs.

Should the Insurer receive a request to cancel the contract or a stop-payment order on any premium due, all obligations of the Insurer under the contract terminate immediately as of the date such is received.

Description of Coverages	Waiting Period Accident/Sickness (in-days)	Maximum Benefit	Benefit(s)	Premium

Part A – Definitions

When used in this *Policy*, the terms listed below mean:

Accident (or Accidental)*:* an event that occurs while the *Policy* is in force and whose cause is external, violent, sudden, fortuitous and beyond the *Person Insured*'s control. If an *Accident* results in a loss that appears over ninety (90) days after the *Accident*, that loss is considered to be the result of *Sickness*.

Activities of Daily Living:

- **bathing** – the ability to wash oneself in a bathtub, shower or by sponge bath, with or without the aid of assistive devices;
- **dressing** – the ability to put on and remove necessary clothing, braces, artificial limbs or other surgical appliances with or without the aid of assistive devices;
- **toileting** – the ability to get on and off the toilet and maintain personal hygiene with or without the aid of assistive devices;
- **bladder and bowel continence** – the ability to manage bowel and bladder function with or without protective undergarments or surgical appliances so that a reasonable level of hygiene is maintained;
- **transferring** – the ability to move in and out of a bed, chair or wheelchair, with or without the aid of assistive devices; and
- **feeding** – the ability to consume food or drink that already has been prepared and made available, with or without the use of assistive devices.

Beneficiary*:* natural or legal person(s) designated by the *Insured*, in any written notice sent to the *Insurer*, as being entitled to receive benefits under this *Policy*.

Canadian Resident*:* a person who is legally authorized to live in Canada, who lives in Canada at least six (6) months per calendar year and who is eligible for health and hospital insurance under the government plans in his or her province of residence.

Care of a Physician*:* regular and personal care that is provided by a *Physician* and that, based on current medical standards, is appropriate for the condition underlying the *Person Insured*'s *Disability*.

Disability (or Disabled)*:* the *Person Insured*'s state of *Total Disability*, due to a condition resulting from an *Accident* or *Sickness*.

Eligible Debt*:* any fixed-term *loan* for which the *Person Insured* is personally and legally responsible as a borrower or co-borrower with a recognized *Financial Institution* including, but not limited to: any personal *loan* (e.g., leverage *loan*, car *loan*, boat *loan*, motorcycle *loan*, recreational vehicle (RV) *loan*, student *loan*, renovation *loan*), credit card, line of credit, lease, mortgage *loan* and home equity line of credit.

When the *Person Insured* has neither a mortgage loan nor a home equity line of credit, his/her monthly residential lease will be considered an *Eligible Debt,* provided it is supported by at a minimum a one–year term agreement, payable to a landlord with no family or business ties or relationship with the *Person Insured* or the *Insured*.

Loans between individuals and business *loans* are not considered *Eligible Debt*.

Debt (or any increase in debt) contracted during a period of *Disability* will not be considered *Eligible Debt*.

Debt (or any increase in debt) contracted by the *Person Insured* in the ninety (90) days prior to total *Disability* will not be considered *Eligible Debt* unless the debt (or any increase in debt) has been contracted within ninety (90) days following the effective date of the disability coverage.

Any debt covered by other *Disability* insurance is not eligible.

The benefits to which the *Person Insured* may be entitled hereunder are established based on this definition of *Eligible Debt*.

***Eligible Monthly Amount**:* a monthly amount equivalent to the periodic payment the *Person Insured* must make to reimburse *Eligible Debt*.

The *Eligible Monthly Amount* is based on the periodic payment payable converted to a monthly basis by multiplying the periodic payment by the following factor: for a weekly payment, a factor of 52/12; for a bi-weekly payment, a factor of 26/12.

Specifically, the *Eligible Monthly Amount* for:

- a line of credit or a credit card corresponds to the lesser of three percent (3%) of the balance owing at the onset of *Disability* and the minimum amount payable to the *Financial Institution* on the balance owing at the onset of *Disability*. This amount is eligible for ten (10) years and is nil thereafter;

- a home equity line of credit corresponds to the regular periodic amount debited by the *Financial Institution* in the six (6) months prior to the onset of *Disability*. If there is no regular periodic payment, the Eligible Monthly Amount corresponds to the lesser of three percent (3%) of the balance owing at the onset of *Disability,* and the monthly interest charged by the *Financial Institution* on the balance owing at the onset of *Disability*;

- a mortgage *loan* corresponds to the higher of the amount established in the amortization schedule or the regular periodic amount debited by the *Financial Institution* in the six (6) months prior to the onset of *Disability*.

  The *Eligible Monthly Amount* can be increased at the renewal of a fixed-rate mortgage. If, the mortgage *loan* is renewed under the same conditions (same outstanding balance, payment frequency, term and amortization schedule) and the revised periodic amount is higher than the current *Eligible Monthly Amount,* the *Eligible Monthly Amount* is revised upward to the revised periodic amount. In any other case, the *Eligible Monthly Amount* remains the same;

  When a mortgage loan or home equity line of credit are considered *Eligible Debt,* Property and School taxes on the collateralized property become eligible amounts. The *Eligible Monthly Amount* will equal 1/12 of the annual assessments.

- an residential lease is eligible for two (2) years and is nil thereafter;

- a leverage *loan* to finance an investment corresponds to the higher of three percent (3%) of the balance owing at the onset of *Disability* and the minimum amount payable to the *Financial Institution*. This amount is eligible for ten (10) years and is nil thereafter;

- a personal *loan* corresponds to the periodic to payment established in the contract to repay the debt. This amount is eligible for the remaining term of the *loan* and is nil thereafter.

A *loan* contracted at the end of a personal loan or lease of a moving vehicle (car, boat, motorcycle, recreational vehicle (RV)), for that same vehicle, to finance the residual value established in the original contract will be considered an *Eligible Debt.* The new *Eligible Monthly Amount* would then be the lesser of the revised periodic payment established in the contract to repay the residual value and the previous *Eligible Monthly Amount* of that moving vehicle's *loan* or lease;

- any other type of *Eligible Debt* corresponds to the periodic payment established in the contract to repay the debt.

Except for the *Eligible Monthly Amount* of a mortgage *loan*, the *Eligible Monthly Amount* or the *Eligible Monthly Amount* calculation is determined when the *Disability* begins and remains the same throughout the loan's original amortization period.

For any personal *Eligible Debt* contracted by several parties on a joint basis, the *Eligible Monthly Amount* corresponds to 100% of the eligible payment.

When the *Eligible Debt* has been repaid in full, the *Eligible Monthly Amount* is nil ($0).

If the *Person Insured* declares bankruptcy while *Disabled*, the *Eligible Monthly Amount* becomes nil ($0) and no other benefit is payable.

The *Eligible Monthly Amount* does not take into account any form of early or lump-sum payment.

The *Insurer* bears no liability with respect to late payments, late interest or fees charged by a *Financial Institution*.

Financial Institution*:* a Canadian or foreign bank, trust company, *loan* company, insurance company, cooperative credit society or any corporation governed by the *Trust and Loan Companies Act* that is legally authorized to operate in Canada or in the *Person Insured*'s province of residence.

Full-Time Employment*:* regular, active performance of remunerative *Work* for at least twenty-one (21) hours per week and at least thirty-five (35) weeks per year.

Injury*:* bodily lesion resulting directly or indirectly from an *Accident* sustained by the *Person Insured* and independently of any *Sickness* or other cause, while the *Policy* is in force.

Insured/Policyowner*:* the person who owns the insurance contract.

Insurer*:* Humania Assurance Inc., whose head office is located at 1555 Girouard Street West, Saint-Hyacinthe, Quebec, J2S 2Z6.

Lease*:* any debt arrangement financing goods, specifically excluding any residential or commercial housing lease.

Loan*:* debt governed by and set out in a contract that clearly stipulates the date and initial amount of the granted *loan*, the due date and the periodic payment to be made until extinguishment of the debt or until the *loan*'s due date.

Maximum Benefit Period*:* the maximum period of time, indicated in the Schedule of Benefits, during which benefits are payable following a covered event.

Limitation

The *Maximum Benefit Period* for *Disability* shall never exceed the *Policy* anniversary that follows the *Person Insured*'s sixty-fifth (65th) birthday.

Non-Smoker*:* a person who has not used tobacco in any form whatsoever, including nicotine substitutes, nicotine products, in the twelve (12) months before signing the application for insurance or reinstatement.

Occupation*:* that to which the *Person Insured* devotes his or her activities and time other than leisure.

Occupational Class*:* a grouping of *Occupations* with similar duties that is used to determine the rate class related to *Occupation*.

Person Insured*:* the person designated as such in the application.

Physician*:* any person legally authorized to practice medicine in Canada within the scope of his or her medical degree (M.D.), and who does not have a family or business relationship with the *Person Insured* or the *Insured*.

Policy*:* the present contract, the application for this *Policy*, any application for reinstatement and any written request for change to the contract, as well as any related documents.

Risk Class*:* the characteristics of the *Person Insured* that determine the premium rate for a coverage. Risk Classes are based on the *Person Insured*'s gender, age, tobacco use, health and *Occupational Class*.

Sickness*:* a deterioration of health or a disorder of the body confirmed by a *Physician*, that is not caused by an *Injury* and whose first symptoms appear while this *Policy* is in force.

Total Disability (or Totally Disabled)*:* For a *Person Insured* who holds remunerative *Work* when the *Disability* begins, it is the state of a *Person Insured* who, as a result of an *Accident* or a *Sickness*, is unable, during the *Waiting Period* and the twenty-four (24) months that follow, to perform the main duties of his or her *Occupation* when the *Disability* begins and who, during that period, does not hold other employment, and is under the continuous and appropriate treatment and *Care of a Physician*.

For a *Person Insured* who is without *Work* when the *Disability* begins, it is the state of a *Person Insured* who is unable to perform at least one of the *Activities of Daily Living* and who remains under the continuous and appropriate treatment and *Care of a Physician*.

Waiting Period*:* a period, expressed in number of days, during which no benefit is payable. The *Waiting Period* begins on the date of the first medical consultation related to the *Disability* after the onset of that *Disability*.

Continuous *Disability* periods of seven (7) days or more, resulting from the same cause, may be added together to satisfy a *Waiting Period* of thirty (30) days or more.

For *Occupational Classes* C, B, 1A and 2A, recurrent *Disabilities* may be added together over a period of six (6) months to satisfy the *Waiting Period*.

For *Occupational Classes* 3A and 4A, recurrent *Disabilities* may be added together over a period of twelve (12) months to satisfy the *Waiting Period*.

Work; **Employment; Occupation***:* these terms mean, indiscriminately, the gainful or remunerative occupation(s), employment or work performed by the *Person Insured* when the *Disability* begins.

Part B – *Total Disability* Benefit

Benefit

When the *Person Insured* suffers a *Total Disability*, the *Insurer* will pay, on a monthly basis, the total *Eligible Monthly Amounts* to a maximum of the amount of *Total Disability* Benefit indicated in the Schedule of Benefits, subject to the *Waiting Period* and *Maximum Benefit Period*.

Benefits are payable for the sole purpose of reimbursing *Eligible Debts*. The *Insurer* reserves the right to take necessary actions to insure that benefits are used to reimburse *Eligible Debts*.

Any *Disability benefit* payable under a government plan does not affect the amount payable under this rider.

Limitation

If the *Person Insured* declares bankruptcy while *Disabled*, benefits cease to be payable during that *Disability*.

Assumed Total and Permanent *Disability*

If, as a result of an *Accident* or a *Sickness*, the *Person Insured* sustains the total and permanent loss of use of two limbs or one sense among those listed below, the *Person Insured* is considered to be *Totally Disabled*, whether or not he or she holds other *Employment* and whether or not he or she is under the regular *Care of a Physician*.

"Total and permanent loss of use of two limbs or one sense among those listed below" means:

- Loss of a hand or a foot: complete severance at or above the wrist or ankle joint; where there is no severance, total and permanent loss of use of the hand or foot;

- Loss of hearing: total and irrecoverable loss of hearing in both ears, with a hearing threshold of ninety (90) decibels or over within a speech threshold of five hundred (500) to three thousand (3,000) cycles per second, confirmed by an otolaryngologist registered and licensed to practice in Canada;

- Loss of sight: total and irrecoverable loss of sight in both (2) eyes (visual acuity of twenty over two hundred (20/200) or less, or a field of vision of less than twenty (20) degrees).

General Provisions

The definitions, limitations and exclusions of this benefit apply in addition to those indicated in the General Provisions. The *Policy*'s General Provisions govern this benefit when they are relevant and compatible with its terms.

Part C – General Provisions

Effective date

This *Policy* takes effect on the date the *Insurer* approves the application, provided the application is approved without change, the first premium has been paid, and no change has occurred in the *Person Insured*'s insurability since the application for insurance or reinstatement was signed.

Disability Benefits

When the *Person Insured* suffers a *Disability* covered under this *Policy*, the *Insurer* will pay, according to the *Insured*'s instructions, *Eligible Monthly Amount*. Payments begin when the *Waiting Period* has elapsed and continue until the earliest of the following events: extinguishment of the debt, the *Maximum Benefit Period,* subject to the limitations, exclusions and General Provisions of this *Policy* and its coverages.

Onset of Disability: For the purposes of this *Policy*, a *Disability* begins on the date of the first medical consultation related to the *Disability* and following the onset of that *Disability*.

Disability Adjustment: Where necessary, the monthly benefit is adjusted to a daily rate based on one-thirtieth (1/30) of the monthly benefit for each day of *Disability*.

Recurrent Disability: All recurrent *Disabilities* attributable to a same or related cause are considered to be the continuation of a single and same *Disability*. The *Waiting Period* does not begin to elapse anew and debt benefit payments are added to past payments in determining the *Maximum Benefit Period* stipulated in the Schedule of Benefits, subject to the "*Multiple Causes of Disability*" clause.

For Occupational Classes B, 1A, 2A

If the *Person Insured* becomes *Disabled* again after being able to perform *Full-Time Employment*, or after being able to perform his or her main Occupational Duties for a period of at least six (6) consecutive months, that *Disability* will be considered a new Disability, even if it is attributable to a same or related cause. The *Waiting Period* and the *Maximum Benefit Period* indicated in the Schedule of Benefits will apply again.

For Occupational Classes 3A and 4A

If the *Person Insured* becomes *Disabled* again after being able to perform *Full-Time Employment* or after being able to perform his or her main Occupational Duties for a period of at least twelve (12) consecutive months, that *Disability* will be considered a new *Disability*, even if it is attributable to a same or related cause. The *Waiting Period* and the *Maximum Benefit Period* indicated in the Schedule of Benefits will apply again.

Rehabilitation: When the *Insurer* pays a *Disability* benefit for *Eligible Debt* under this *Policy*, the *Insurer* will pay the cost of services related to a rehabilitation program provided these services are not already covered by another program or service and that the *Insurer* approves the program in writing prior to the *Person Insured*'s participation.

Death Benefit: When the *Insurer* is paying *Disability benefits* for *Eligible Debt* and the *Person Insured* dies, the *Insurer* will pay the *Beneficiary* a lump-sum benefit equal to five (5) times the *Eligible Monthly Amount*, to a maximum of ten thousand dollars ($10,000).

Multiple Causes of Disability: If another *Accident* or *Sickness* occurs during the benefit period, no benefit will be payable under this *Policy* for that other *Accident* or *Sickness*.

If, at the end of the Maximum *Benefit Period*, the *Total Disability* continues and the *Person Insured* has not recovered from his or her first *Disability* and another *Accident* or *Sickness* occurs, no benefit will be payable under this *Policy* for that other *Accident* or *Sickness*.

Organ Donation: No benefit is payable for Disability resulting from organ donation, except when the donation is made after the coverage giving rise to a benefit has been in force for at least six (6) months.

Limitations

If the *Person Insured* refuses any treatment or medication deemed necessary for his or her health, the *Insurer* may interrupt payment of monthly benefits.

Disability benefits are determined based on the *Person Insured*'s *Eligible Monthly Amount* at the onset of *Disability*, up to the maximum sum insured indicated in the Schedule of Benefits. The *Insured* should regularly check to ensure that the amount of coverage continues to meet his or her needs.

If the benefit amount paid by the Insurer is less than the insured benefit, the Insurer will not reimburse the excess premium.

No interest is paid for any *Disability* benefit payable under the *Policy*, except where required by law.

Premiums

This *Policy* includes coverages with premiums that change every ten (10) years and level premiums, depending on the coverages selected. The type of premium is indicated in the Schedule of Benefits.

Unless stipulated otherwise, all premiums may be adjusted to reflect experience.

10-Year Premium: Every ten (10) year period following the effective date stipulated in the Schedule of Benefits, the premium for coverage is increased. The premium is then based on the *Person Insured*'s initial *Risk Class*, his or her attained age and the rates in use at that date.

10-year premiums may also be adjusted to reflect experience.

As of the twenty-fifth (25th) month from the date the *Policy* was issued, the *Insured* may convert the 10-year premium for each coverage to level premium. The 10-year premium then becomes a level premium based on the *Person Insured*'s initial *Risk Class*, his or her attained age and the rates in use at the date of conversion.

Level Premium: The level premium rate is based on the *Person Insured*'s age and *Risk Class* on the date the coverage was issued. The only possible increases are adjustments to reflect experience.

Adjustments to reflect experience

Unless specifically stated otherwise in the coverage, the *Insurer* may adjust the premium's coverage based on experience if not as expected.

Method of payment

The premium is payable monthly by automatic pre-authorized withdrawals. A premium paid by cheque or pre-authorized withdrawal is only considered paid if the payment is honoured.

Provided the *Person Insured* is not *Disabled*, the *Insured* may change the method of payment by giving fifteen (15) days advance notice.

The *Insurer* will deduct outstanding premiums from any amount payable.

Waiver of premium

When the *Person Insured* is eligible to receive *Disability* benefits, the *Insurer* waives the payment of subsequent premiums.

This waiver terminates on the date the *Person Insured* is no longer eligible to receive *Disability* benefits.

Exclusions

No benefit will be payable for *Disability*, that results from:

- attempted suicide or intentionally self-inflicted *Injury* or dismemberment, whether the *Person Insured* is sane or insane;
- the *Person Insured*'s participation in the commission or attempted commission of an unlawful act or crime, driving a motor vehicle or piloting a boat while under the influence of narcotics or while his or her blood alcohol concentration exceeded the legal limit;
- drug addiction, alcohol abuse or the use of hallucinogens, drugs or narcotics;
- service, whether or not as a combatant, with armed forces engaged in surveillance, training, peacekeeping, insurrection, war (whether or not declared) or any related act, or the *Person Insured*'s participation in a popular uprising;
- *Injury* sustained during a flight, except if the *Person Insured* is a passenger on an aircraft operated by a common carrier;
- cosmetic surgery or elective surgery, and any resulting complication;
- experimental treatments and treatments involving the application of new procedures or new treatments that are not yet standard practice.

No *Disability* benefit will be payable for:

- pregnancy, childbirth, miscarriage or any resulting condition, except in the case of a pathologic complication;
- debt (or any increase in debt) contracted during a period of *Disability*;
- debt (or any increase in debt) contracted by the *Person Insured* in the ninety (90) days prior to total *Disability* unless the debt (or any increase in debt) has been contracted within ninety (90) days following the effective date of the disability coverage;
- any debt specifically covered by other debt or credit insurance;
- any period during which the *Person Insured* is incarcerated in a penitentiary or a government detention facility.

If the *Person Insured* declares bankruptcy while *Disabled*, *Disability* benefits cease as of the date of bankruptcy.

No death benefit is payable if the *Person Insured* commits suicide within two (2) years of the coverage's effective date or reinstatement whether he or she is sane or insane.

Age

For the purposes of this *Policy*, the *Person Insured*'s age is the age attained at his or her last birthday before the coverage is issued. If, mistakenly or otherwise, the age used to calculate the premium is incorrect, any amount payable by the Insurer will be adjusted to reflect the correct age at the date on which the *Person Insured* became insured.

Duty to disclose

The *Person Insured*, the *Insured* and the Beneficiary are required to cooperate fully with the Insurer and shall disclose to the Insurer in any application, on a medical examination, if any, and in any written statements or answers furnished as evidence of insurability, every fact within the person's knowledge that is material to the insurance and is not so disclosed by the other. The *Person Insured*, the *Insured* and the Beneficiary shall also sign any form or other document allowing the Insurer to obtain any information it deems relevant.

Subject to the provisions dealing with incontestability and age, failure to disclose or a misrepresentation of such a fact renders a contract voidable by the Insurer.

Policy and Coverage termination

Unless stipulated otherwise in a given coverage, this *Policy* and its coverages terminate at the earliest of the following dates:

- the date a written request from the *Insured* is received or the date stipulated in that request, if later than the date of receipt;
- the date the Total *Disability* benefit is cancelled;
- the date the grace period for premium payment expires;
- the date of the *Policy* anniversary following the *Person Insured*'s sixty-fifth (65th) birthday;
- the date the *Person Insured* ceases to be a *Canadian Resident*;
- the date the *Person Insured* dies.

Incontestability

In the absence of fraud, the *Insurer* cannot cancel or reduce a coverage that has been in force for two (2) years or that was reinstated over two (2) years previous because of misrepresentation or concealment with respect to risk. However, this rule does not apply if the *Disability* began within the first two (2) years following the effective date of the coverage or its reinstatement.

Misrepresentation concerning smoking habits

If the premium for this *Policy* is based on statements in the application for insurance or reinstatement to the effect that the *Person Insured* has not used tobacco in any form whatsoever, including nicotine substitutes, nicotine products, marijuana or hashish, and these statements are in fact false, those statements will be considered fraudulent and this *Policy* will be void from the effective date or reinstatement date. Accordingly, any claim paid by the Insurer must be reimbursed.

Reinstatement

If this *Policy* terminates because the premium was not paid, it may be reinstated within ninety (90) days of the date of cancellation provided the *Insured* requests that it be reinstated, establishes the *Person Insured*'s insurability to the Insurer's satisfaction and pays any outstanding premiums. The periods related to incontestability and suicide apply again as of the date of the last reinstatement.

Change of beneficiary

Subject to legal provisions, the *Insured* may at any time designate, change or revoke a *Beneficiary*. For a change of *Beneficiary* to be recognized, the *Insurer* must receive written notice of that change. The *Insurer* bears no responsibility with respect to the validity of a change of *Beneficiary*.

Assignment

Subject to legal provisions, the *Insured* may at any time assign his or her *Policy*. For an assignment to be recognized, the *Insurer* must receive written notice of that assignment. The *Insurer* assumes no responsibility with respect to the sufficiency or the validity of any assignment.

No assignment is allowed when the *Insurer* pays *Disability* benefit.

Payment under the policy

Benefits will be paid to the *Beneficiary* designated in the application or in any other document subsequently submitted to the *Insurer* by the *Insured*.

If the *Insured* has not designated a *Beneficiary*, *Disability* benefits will be payable to the *Person Insured*, the *Premium Refund* to the *Insured* and the death benefit to the legal heirs.

Reimbursement

No cheque in reimbursement of premiums will be issued for amounts of less than twenty dollars ($20).

Legal currency

Any payment under the provisions of this *Policy* will be made in the legal currency of Canada.

Right to cancel

The *Insured* may cancel this Policy within fifteen (15) days of the date of its receipt or within sixty (60) days of the date the Policy is issued, provided the *Insured*, returns the Policy accompanied by a written request of cancellation. Any premium paid for the Policy will then be refunded.

Compliance with law

Any provision of the *Policy* that, at the effective date, does not comply with legislation in the province where the *Policy* was issued is amended so as to meet the minimum requirements of that legislation.

General provisions

The exclusions, limitations and General Provisions apply to the *Policy* as well as to all coverages when they are relevant.

Certain coverages contain exclusions and limitations specific to those coverages. These exclusions and limitations apply in addition to the exclusions and limitations of the General Provisions.