

# INSURANCE WITHOUT MEDICAL EXAM

## Disability Insurance Debt

(10 or 20 year as per Owner's application) Renewable Term  
to Age 65

Copper Protection



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Chief Financial Officer and Treasurer

**Policy N°:**

**Effective Date:**

**Owner:**

# Part A

## Definitions

The terms identified in *italic* in the text are defined below:

**Accident (or Accidental):** an event that occurs while the *policy* is in force, the cause of which is external, violent, sudden, fortuitous and beyond the *person insured's* control; however, if such an event results in a loss (*disability*) that appears over ninety (90) days after the *accident*, that *disability* is considered to be the result of *sickness* and is not considered an *accident* for the purposes of this *policy*.

**Activities of Daily Living:** the series of actions that a person performs daily for the purpose of eating, dressing, transferring, bathing, toileting and continence, where such terms mean the following:

- **eating:** the ability to consume food that has been prepared and served, with or without the use of adaptive utensils;
- **dressing:** the ability to put on or remove necessary clothing, including orthotics, artificial limbs or other surgical prostheses;
- **transferring:** the ability to transfer oneself in some manner from a bed, a chair or a wheelchair, with or without the use of ancillary equipment;
- **bathing:** the ability to wash oneself in a bathtub, shower or by sponge bath, with or without the use of equipment;
- **toileting:** the ability to get to and from the toilet and maintain personal hygiene; and
- **continence:** the ability to manage bowel and bladder function with or without protective undergarments so that a reasonable level of hygiene is maintained.

**Beneficiary:** unless otherwise indicated, the default *beneficiary* is the *person insured*. The *Owner* can change the *beneficiary* by notifying the *Insurer* of the new designation in writing.

**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 plan* applicable in his or her province or territory of residence. This *policy* is only available to *Canadian residents* at the effective date of the *policy*.

**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, depending on the coverage selected, an *accident* or a *sickness*.

**Eligible Benefit:** the maximum benefit amount payable as indicated in the Schedule of Benefits. The maximum benefit amount may be reduced under the provisions, limitations and exclusions of the *policy* and its coverages.

**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 *Owner*.

*Loans* between individuals 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 is considered Eligible Debt, Property and School taxes on the collateralized property becomes eligible amounts. The Eligible Monthly Amount will equal 1/12 of the annual assessments.

- a 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.

**Government Plan:** any provincial, territorial or federal government plan or any other plan or legislation entitling the person insured to disability benefits, under which the person insured is entitled to draw benefits.

**Hospital:** an institution recognized as an acute care hospital centre under legislation in the person insured's province or territory of residence, excluding a long-term care unit (beds at that institution used for convalescents or chronically sick patients).

Hospital does not mean: a clinic, a health care centre, or a facility that provides mainly rehabilitative or nursing care, notwithstanding that such a facility is part of an institution recognized as an acute care hospital centre or is associated with such an institution.

**Injury:** bodily lesion resulting directly or indirectly from an accident sustained by the person insured and independent of any sickness or other cause while this policy is in force.

**Insurance age:** the person insured's age at the last policy anniversary.

**Owner:** the owner of this policy.

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

**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, as indicated in the Schedule of Benefits, during which benefits are payable following a covered event.

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

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

**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 owner.

**Policy:** the present contract, the application for this policy, and any rider or change notice attached hereto.

**Risk class:** the characteristics of the person insured that determine the premium rate for coverage. Risk classes are based on gender, age, smoking status and health condition.

**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:** the inability to perform each and every duty of his or her occupation when the disability begins and who, since the disability began, 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 a number of days, during which no benefit is payable and which begins on the date of the first medical consultation related to the disability after the onset of that disability.

**Work, Employment:** 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 Income Coverage Debt

(10 or 20 year as per Owner's application) Renewable Term to Age 65  
Copper Protection

## Benefits

If the person insured is totally disabled and the total disability does not result from or is not directly or indirectly related to a sickness, the Insurer will pay, while the person insured is totally disabled the eligible monthly benefit shown in the Schedule of Benefits, subject to the waiting period, the maximum benefit period, and the limitations and exclusions of this policy.

Benefits are payable for the sole purpose of reimbursing eligible debts. The Insurer reserves the right to take necessary actions to ensure that benefits are used to reimburse eligible debts.

If the total disability results from or is directly or indirectly related to a sickness and the person insured becomes totally disabled after the twenty-four (24) month period following the effective date of this coverage, the Insurer will pay, while the person insured is totally disabled the eligible monthly benefit shown in the Schedule of Benefits subject to the waiting period, the maximum benefit period and the limitations and exclusions of this policy.

No benefit for total disability will be payable if the total disability results from or is directly or indirectly related to a sickness and the person insured becomes totally disabled during the twenty-four (24) month period following the effective date of this coverage. In such an instance, the Insurer's liability will be limited to a refund of the premiums paid and this policy will terminate with no further value.

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

## Restrictions

### **Person insured without work for over one hundred and twenty (120) days**

If the person insured has been without work for over one hundred and twenty (120) days when the total disability begins, the Insurer will pay the monthly Eligible Benefit amounts up to the lesser of fifty percent (50%) of the disability benefit amount shown in the Schedule of Benefits and one thousand two hundred dollars (\$1,200) for all the disability coverages the person insured holds with the Insurer.

### **Maximum payable monthly**

The total amount of monthly indemnities payable by the Insurer for all disability policies or for all debt policies with HUMANIA ASSURANCE — INSURANCE WITHOUT MEDICAL EXAM, on the life of an Insured may not exceed one thousand two hundred and fifty dollars (\$1,250). In the event that the amount of coverage held in respect of a single person insured is greater than one thousand two hundred and fifty dollars (\$1,250), the Insurer will pay a total monthly benefit of one thousand two hundred and fifty dollars (\$1,250) and will refund any premiums paid in respect of any benefits in excess of that amount.

### **Maximum payable benefits**

The total amount of disability income benefits payable by the Insurer under this policy cannot be greater than twenty-four (24) times the benefit amount shown in the Schedule of Benefits. This policy terminates when this maximum is reached.



## Exclusions

No benefit for total disability will be payable if the total disability results from or is directly or indirectly related to a sickness and the person insured becomes totally disabled during the twenty-four (24) month period following the effective date of this coverage.

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, alcoholism, 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 other than as a fare-paying passenger on a common carrier's aircraft;
- practicing for or participating in sports as a professional or any contest of motorized speed;
- injury while participating in any high-risk activity including, but not limited to, bungee jumping, freestyle skiing/snowboarding, heli-skiing/snowboarding, ski jumping, parachuting, skydiving, sky surfing, street luge, skeleton activity, mountain or rock climbing with or without ropes, participation in any rodeo or ultimate fighting activity;
- 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;
- any period the person insured is incarcerated in a penitentiary or a government detention facility.

## 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 as 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.

The total and permanent loss of use means:

- for 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;
- for 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;
- for loss of sight: total and irrecoverable loss of sight in both eyes with a visual acuity of twenty over two hundred (20/200) or less, or a field of vision of less than twenty (20) degrees, confirmed by an ophthalmologist registered and licensed to practice in Canada.

## General Provisions

The definitions, limitations and exclusions of this coverage apply in addition to those indicated in the General Provisions of this policy. The General Provisions of the policy govern this coverage 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 signing the application.

## Disability Benefits

When the person insured suffers a disability covered under this policy, the Insurer will pay the monthly eligible benefit. Payments begin when the waiting period has elapsed, 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 with a physician related to the disability and following the onset of that disability.

**Disability Adjustment:** Where necessary, the monthly benefit payable will be 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, accordingly, the waiting period does not begin to elapse anew.

If a person insured was disabled and then was subsequently able to perform full-time employment, or was able to perform his or her main occupational duties for a period of at least six (6) consecutive months, and then becomes disabled again, this most recent disability will be considered a new disability, notwithstanding that it may be attributable to a same or related cause as the disability that preceded the new disability. In the case of a new disability, the waiting period indicated in the Schedule of Benefits will apply again.

**Rehabilitation:** When the person insured receives a disability benefit under this policy, the Insurer will pay the cost of services related to a rehabilitation program, provided such 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 therein.

**Multiple Causes of Disability:** If another accident or sickness or both occur during the benefit period, no benefit will be payable under this policy for such other accident or sickness or both.

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 or both occur, no benefit will be payable under this policy for that other accident or sickness or both.

**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.

## Restrictions

If the person insured refuses any treatment or medication deemed necessary for his or her health, the Insurer may interrupt the payment of monthly benefit.

Disability benefits are determined based on the person insured's eligible monthly benefit amount at the onset of the disability, up to the maximum sum insured indicated in the Schedule of Benefits. The owner 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 person insured benefit, the Insurer will not reimburse the excess premium.

No interest is paid for any disability benefit payable under this policy, except where required by law.

## Waiver of Premium

After three (3) months of continuous disability, the Insurer will waive the subsequent premiums for as long as the person insured is eligible to receive total disability benefits.

## Premiums

At the beginning of every new (10 or 20 year as per Owner's application) period that follows the effective date stipulated in the Schedule of Benefits, the premium will be increased and based on the person insured's initial risk class, his or her attained age, and the rates in use at that date.

### 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 pre-authorized debit or yearly, at the choice of the owner. Where a cheque or other bill of exchange or a promissory note or other written promise to pay is given for the whole or part of a premium and payment is not made according to its tenor, the premium or part thereof shall be deemed never to have been paid.

Provided the person insured is not disabled, the owner may change the method of payment by giving the Insurer an advance written notice.

## Grace Period

A grace period of thirty (30) days is granted for payment of each premium except the first. If a premium other than the first remains unpaid after the grace period, the policy will no longer be in effect and will lapse without value. If the Insurer does not receive the first premium when due, this policy will be treated as if it had never been issued.

The Insurer will deduct outstanding premiums from any amount payable by the Insurer.

## Age

For the purposes of this policy, the person insured's age is his or her attained age at the birthday preceding or coincident with the issuance of coverage. If, mistakenly or otherwise, the age used to calculate the premium is incorrect, any amount payable by the Insurer at the time of a claim will be adjusted to reflect the correct age at the date on which the person insured became insured.

## Non-Participating Policy

This policy is non-participating and does not confer any right to participate in the profits of the Insurer.

## Disclosure

The person insured, the owner and the beneficiary are required to cooperate fully with the Insurer and shall disclose to the Insurer in the application, during 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 owner 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 of this policy dealing with incontestability and age, where one or more of the person insured, the owner, and the beneficiary fails to disclose such a material fact or misrepresents such a material fact, the contract is voidable by the Insurer.

## Incontestability

Where coverage has been in effect continuously for two (2) years with respect to a person insured, failure to disclose or misrepresentation of a fact with respect to that person does not, except in case of fraud, render the coverage voidable.

However, this rule does not apply if the disability began before the coverage has been in effect for two (2) years with respect to the person for whom the claim is made.

## Termination of Policy and Coverages

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

- the date on which the Insurer receives a written request from the owner to cancel this policy;
- the date on which the grace period for any premium payment expires;
- the date on which the person insured becomes, within twenty-four (24) months after the effective date, totally disabled resulting from or directly or indirectly related to a sickness;
- the date on which the maximum payable benefits amount shown in the Schedule of Benefits is paid;
- the policy anniversary date on which the person insured has reached the insurance age of sixty-five (65);
- the date the person insured ceases to be a Canadian resident; and
- the date on which the person insured dies.

## Change of Beneficiary

Subject to legislation governing this policy, the owner 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 by registered mail. The Insurer bears no responsibility with respect to the validity of a beneficiary designation or any change of beneficiary.

## Payment under this Policy

Benefits are payable to the person insured unless notification to the contrary is submitted in writing to the Insurer.

## 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 lawful currency of Canada.

## Right to Cancel

The owner may have this policy cancelled within fifteen (15) days of the date of its receipt or within sixty (60) days after the date on which the policy is issued. A written cancellation request must be received by the insurer within this time period. Any premiums paid for the policy will then be refunded.

## Compliance with the Law

Any provision of this policy, on the effective date, that does not comply with applicable legislation in the province or territory in which this policy is issued is amended so as to meet the minimum requirements of that legislation.

## General Provisions

The exclusions, limitations and General Provisions apply to this policy as well as to all coverages when they are relevant.

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