

HLC Home Loans Canada

Mortgage Life Insurance



Your
Family Home
is a Valuable
Asset

If you're like most Canadians, your family home will be the largest single financial investment you will ever make. You've worked hard to provide a safe and secure place for your family to live. Don't leave your home and family unprotected by leaving your mortgage unprotected.

Secure Your Peace of Mind

Protect your home with HLC Home Loans Canada Mortgage Life Insurance. It's a mortgage life insurance plan that will pay off the balance of your mortgage should the unexpected happen. (Maximum benefit \$500,000)

It's comforting to know your family is protected.

Special Benefits

Insurance provided by The Manufacturers Life Insurance Company (Manulife Financial), one of Canada's largest insurance companies.

- * HLC Home Loans Canada Mortgage Life Insurance provides a unique portability feature. Unlike most mortgage life insurance, your HLC Insurance will not terminate if you choose to transfer your mortgage to another financial institution. No longer will you have to risk being turned down for insurance coverage or have your insurance rates increase just because you choose to renew your mortgage with a new lender!
- * A short, simplified application. You generally only have to answer one medical question. In most cases no medical is required.
- * You can be automatically approved for coverage if your mortgage is under \$300,000 and you answered "NO" to the health question. Your premium doesn't commence until up to 30 days after your mortgage is advanced to you. This could mean months of coverage for you and your family at no cost to you.
- * 30 day free look – you have up to 30 days after your mortgage is advanced to you to make up your mind. If you decide that you don't want the coverage, contact us in writing and we will return any premiums you may have paid.
- * Joint coverage is available at a discounted rate.
- * Your premium is automatically deducted from your bank account on the first of each month.

Details of coverage

Who can apply?

You can apply for insurance if you are:

- between the ages of 18 and 64; and
- a resident of Canada; and
- personally obligated to repay an outstanding residential mortgage with an amortization of less than 30 years, or a guarantor on such a mortgage.

A maximum of 2 individuals (any combination of mortgagors or guarantors) may apply.

When does coverage begin?

- If the mortgage amount is \$300,000 or less and you answered "NO" to the health question, coverage is effective when you fully complete, sign and date your application for insurance; or
- The date the Insurer approves your application if medical underwriting is required.

What is medical underwriting?

It's an assessment of your health to determine if you qualify for coverage. If you have answered "YES" to the Health Question, the Insurer may require additional medical information to determine eligibility for the insurance. Also, if the total amount of your mortgage indebtedness is greater than \$300,000 the Insurer may contact your physicians and request additional medical information or tests to make an informed decision as to your eligibility for the insurance. In these cases, you will receive a written confirmation of when your coverage takes effect.

When does the coverage end?

Your insurance ends on the earliest of the following dates:

- your 70th birthday;
- the next premium payment date after cancellation is requested in writing by you. This must be consented to by all persons who are insured borrowers in respect to the mortgage;
- the date premiums have not been paid for 60 days;
- the date the mortgage is discharged;
- the date of death of any person insured in connection with the mortgage; or
- the date the Group Policy is cancelled.

What does it cost?

The cost of your life insurance is based on your age at the date you applied for insurance and the lesser of: 1) your outstanding mortgage balance at the time of application, 2) the mortgage amount advanced to you, or 3) \$500,000.

Your premium will not change unless premium rates for the life benefits are changed for all insured borrowers in the same age group. You will receive at least 30 days advance written notice of any change to your premium rates or premium due date.

What happens if I pay off my mortgage?

If you no longer require this protection because you have paid off your mortgage in full, please contact the HLC Home Loans Canada Insurance administrator promptly in order to have your premium collection stopped.

What happens if I refinance my mortgage?

If you increase your mortgage amount or extend the amortization on your mortgage ("refinance"), and do not inform the Insurer and do not wish to apply for coverage on the increased amount, you will not have coverage on the increased amount and your coverage will be limited to the amount that would be outstanding under the mortgage if you had not refinanced and had made mortgage payments in accordance with the original amortization period.

However, if you refinance, you may apply for insurance on the increased amount by completing a new insurance application. If approved, you will be issued a new certificate that will set out the terms of the new insurance and premiums will be recalculated. Please call 1-877-511-4575 for more information.

If you refinance, and apply for coverage on the increased amount and you are NOT eligible to qualify for insurance, the Insurer will still insure you up to the amount of life insurance you had on your previous mortgage at the time you applied, up to the percentage it represents of the new mortgage amount.

Exclusions and Limitations

The Insurer does not pay any benefit if:

- you take your own life, whether sane or insane, if you have had this insurance for less than two years;
- you make a material omission or misstatement in answering the health questions on the application;
- death is directly or indirectly due to, or was in any manner or degree associated with or occasioned by the commission or attempted commission of a criminal offense, including but not limited to operating a motor vehicle while impaired; or
- death results from war, whether declared or not, any act of war or insurrection.

The Insurer will only pay a maximum of one life insurance benefit with respect to each application. If two joint applicants on a Certificate die, only one death benefit is paid. If any other creditor insurance policy relating to the mortgage is in effect at the time of a claim, the other policy will be the first to pay. If that other policy contains wording stating that insurance company is the second to pay, benefits will be coordinated up to the maximum of the full benefit amount.

If you refinance and do not inform the Insurer and do not wish to apply for coverage on the increased amount, your coverage will be limited to the amount that would be outstanding under the mortgage if you had not refinanced and had made mortgage payments in accordance with the original amortization period.

Notice on Privacy and Confidentiality

The specific and detailed information requested on the application form is required to process the application. To protect the confidentiality of this information, Manulife Financial will establish a "financial services file" from which this information will be used to process the application, offer and administer services and process claims. Access to this file will be restricted to those Manulife Financial employees, mandataries, administrators or agents who are responsible for the assessment of risk (underwriting), marketing and administration of services and the investigation of claims, and to any other person you authorize or as authorized by law. Your file is secured in our offices or the offices of our administrator. You may request to review the personal information it contains and make corrections by writing to: Privacy Officer, Affinity Markets, Manulife Financial, 5650 Yonge Street, 16th Floor, Toronto, Ontario M2M 4G4.

Plan underwritten by The Manufacturers Life Insurance Company.

Notice on Exchange of Information

All information requested will be for insurance purposes only and will be treated as confidential. The Insurer or its reinsurers may, however, make a brief report on it to the Medical Information Bureau. The Medical Information Bureau is a non-profit membership organization of life insurance companies which operates an insurance information exchange on behalf of its members. Subject to your authorization, the Bureau will supply information from its files to another member insurance company to which you have applied for life or health insurance or to which a claim is submitted. On your request, the Bureau will arrange for disclosure to you of any information it may have in your file on you, as the person insured under this plan. If you question the accuracy of the Bureau's file, you may contact the Bureau and seek a correction. The address of the Bureau's information office is: 330 University Avenue, Toronto, Ontario M5G 1R7 (Telephone (416) 597-0590).

Notice to Customer

- You acknowledge that the mortgage broker who offered you this insurance is not required to be licensed to sell Mortgage Life Insurance
- You may wish to seek advice regarding your personal insurance plan from a licensed insurance agent
- There is no obligation to purchase Mortgage Life Insurance
- The broker may receive compensation for the sale of the Mortgage Life Insurance

HLC Home Loans Canada is a division of CIBC Mortgages Inc. in Saskatchewan, in all other provinces 3877337 Canada Inc., a subsidiary of CIBC Mortgages Inc., carries on business as HLC Home Loans Canada.