

CREDIT BALANCE INSURANCE –
INDIVIDUALS

Distribution GUIDE



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This guide does not express the opinion of the Autorité des marchés financiers regarding the quality of the product offered. The *Insurer* is solely responsible for any discrepancies between the wording of the guide and the policy.



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This guide is intended for information purposes. It is not your insurance policy. Refer to the insurance policy for all of the terms and conditions. You may consult the policy at the head office of the *contract holder* during business hours. You can also obtain a copy at your expense by contacting the *contract holder*.

The following documents are important, as they constitute your insurance contract:

- the policy;
- the Insurance Certificate;
- the application form for enrolment in insurance;
- this Distribution Guide.

For **more information** on Credit Balance Insurance – Individuals, please contact us at:

1-866-838-7572

The terms defined in this guide appear in *italics*.
Definitions are given on pages 8 through 13.

The masculine gender is used for the sake of
readability.

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INTRODUCTION

■ What is the purpose of the Distribution Guide?

The Distribution Guide provides all essential information about Credit Balance Insurance – Individuals.

When an insurance representative is not available, it will help answer your questions and show you how Credit Balance Insurance – Individuals can meet your needs.

We encourage you to read this guide closely, especially pages 22 through 26, which explain **exclusions, limitations and reduction in coverage**. The **claim** procedure is also explained on page 28.

We also invite you to read your Insurance Certificate and verify the information it contains.

■ Why choose Credit Balance Insurance – Individuals?

- Because it covers your *credit account* payments in case of:
 - 1) death;
 - 2) *loss of use or dismemberment*;
 - 3) *disability*;
 - 4) *loss of employment*; or
 - 5) first diagnosis of a *critical illness*.
- Because it is reasonably priced, tailor-made coverage directly proportional to your account *balance*.
- Because your *spouse*, where applicable, is automatically covered at no extra charge.

■ Definitions

All the terms defined below appear in ***italics*** in this guide.

Accident: a sudden and unforeseen event due to an external cause and resulting in bodily injury or death. The injury or death must be confirmed by a *physician* and be directly and solely the result of the accident.

Accord D financing¹: a financing method with a separate credit limit that is different from *regular transactions*. *Accord D financing* includes:

- 1) *level-payment financing*; and
- 2) *deferred-payment financing*.

Balance: payment required (excluding any overdue amount and applicable interest) to release the *participant* fully from any financial obligation toward the *contract holder*. The *balance* equals the total *balances* of each type of credit offered by the *contract holder*.

Benefit: amount paid by the *Insurer* under the conditions of the contract.

Cancer: presence of a tumour characterized by the uncontrolled growth and spread of malignant cells that invade tissue. For skin *cancers*, only invasive malignant melanoma into the dermis or deeper are covered. **This definition does not, however, cover the following illnesses:**

- 1) first stage Hodgkin's disease;
- 2) early prostate cancer diagnosed as type T1N0M0 or equivalent staging;
- 3) non-invasive cancer in situ;
- 4) pre-cancerous lesions, benign tumours or polyps;
- 5) bladder cancer (stages 0 and 1);
- 6) tumours associated with HIV (human immunodeficiency virus);
- 7) non-invasive malignant melanoma in the case of skin cancer.

Cash advance repayable by equal instalments or cash advance: *level-payment financing* in the form of a cash advance obtained from the *caisse* with a VISA Desjardins card. The *cash advances* are repayable by monthly equal and consecutive *instalments* determined when the advance is made. This type of *Accord D financing* is offered in accordance with the conditions provided under the Variable Credit Agreement issued by the Fédération des caisses Desjardins du Québec.

¹ Trademark owned by the Fédération des caisses Desjardins du Québec.

Continuing medical care: care the *insured* must receive and that is recognized as effective, appropriate and essential in the diagnosis or treatment of an illness or injury resulting from an *accident*. This care must be reasonable and customary and be administered or prescribed by a *physician*. This care may also be administered by a suitable *health professional*, if prescribed by a *physician*. In addition, care must not be limited to examinations or tests and must be administered at the frequency required by the *insured's* condition.

Contract holder: as specified in the Insurance Certificate. The *contract holder* is the company with which you hold a *credit account*.

Credit account: variable credit granted by the *contract holder* to the *primary credit account holder* and covered by this insurance.

Credit card: *credit card* recognized for the purposes of this insurance by the *contract holder* and the *Insurer*. The *credit card* can be used for the following types of financing:

- 1) *regular transactions*;
- 2) *Accord D financing*.

Critical illness: *cancer, heart attack, stroke* or *terminal illness* diagnosed by a *physician*.

Deferred-payment financing: *Accord D financing* for the purchase of goods or services:

- 1) obtained using a *credit card*; **AND**
- 2) for which payment is deferred for a period determined on the date of financing.

Disability or disabled:

- 1) for *insureds* who have performed at least 80 hours of *paid work* during the 4 weeks immediately preceding the onset of *disability*, *disability* is a state of incapacity that:
 - a) results from an illness or *accident*;
 - b) requires *continuing medical care*; **AND**
 - c) • for the first 12 months of *disability*, totally prevents the *insured* from performing all the usual duties of his main occupation and,
 - for the following months, totally prevents the *insured* from engaging in any *paid work* that would allow him to earn 60% of his normal pre-*disability* salary. The *Insurer* does not take into account the availability of such work where the *insured* lives.

- 2) for all other insureds, *disability* is a state of incapacity that:
- a) results from an illness or *accident*;
 - b) requires *continuing medical care*; **AND**
 - c) prevents the *insured* from performing any of the normal activities of a person of the same age.

The illness or injury resulting from an *accident*, as well as the *insured's* state of incapacity, must be confirmed by a *physician*.

Health professional: any *health professional* who:

- 1) is a member in good standing of his professional corporation or association; and
- 2) practises within the scope of his discipline as prescribed by law.

Heart attack: destruction of a portion of the heart muscle resulting from the blockage of a coronary artery. The diagnosis must be based on both of the following:

- 1) the results of the electrocardiogram must show new changes confirming the diagnosis of acute myocardial infarction;
- 2) the biochemical heart markers must have reached a level that corresponds to a diagnosis of acute myocardial infarction.

Instalment: monthly equal and consecutive *instalments* that are required to repay the *Accord D financing*. The *instalment* is indicated on the statement of account.

Insured: the *participant* and his *spouse*, where applicable.

Insurer: **DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE COMPANY.**

Leave:

- 1) paid or unpaid vacation or leave without pay granted by the employer at the request of the *insured*;
- 2) sick leave;
- 3) maternity or adoption leave;
- 4) parental leave;
- 5) personal leave (death, wedding, move, jury duty).

Level-payment financing: *Accord D financing* for the purchase of goods or services:

- 1) obtained using a *credit card*; **AND**
- 2) payable in equal consecutive monthly instalments determined on the date of financing.

This type of financing also includes any *cash advances repayable by equal instalments* made at the *caisse*.

Loss of employment: involuntary loss of permanent, non-seasonal employment of at least 20 paid hours per week. It must be an employment for which federal employment insurance premiums are payable and give entitlement for employment insurance benefits. The *insured* must also, on the date he loses his employment, have performed this employment for the same employer for at least four months. This 4-month period must be immediately prior to the date of loss of employment.

Loss of use or dismemberment: permanent severance (accidental loss or dismemberment) or total and irrecoverable loss of use of:

- 1) sight in one eye;
- 2) one hand, including the wrist joint;
- 3) one foot, including the ankle joint.

Minimum payment: minimum monthly payment required by the *contract holder* and specified on the statement of account (excluding any overdue amount).

Paid work: work for which the *insured*:

- 1) receives a salary from his employer; or
- 2) is compensated as a self-employed worker for the completion of work or provision of services.

Participant: any person:

- 1) who meets the 2 following eligibility criteria- i.e., who:
 - a) holds a *credit account* with the *contract holder*;
 - b) is between the ages of 18 and 64, inclusive, at the time of enrolment;
- 2) who has enrolled in the Credit Balance Insurance – Individuals; and
- 3) whose name appears on the Insurance Certificate.

Physician: any person, apart from the *insured* himself, who is licensed and practising medicine in Canada.

Primary credit account holder or account holder: the person in whose name the *credit account* is opened. If the *credit account* is in more than one person's name, the *primary credit account holder* will be the person whose name is stated first on the statement of account. The *primary credit account holder* cannot be a legal entity such as an association, a corporation, a

cooperative, a trust, a company, or a partnership.

Regular transaction: a cash advance or the purchase of goods or services using a *credit card*.

Regular transactions do not include purchases subject to Accord D financing.

Rider: document appended to an insurance contract describing and attesting to any amendments made to the contract.

Seasonal employment: job that, by its nature, is done only during certain periods each year and that provides work for less than nine months per year.

Spouse: the *participant's* spouse is the person:

- 1) who is married to or living in a civil union with the *participant*; or
- 2) who can prove that:
 - a) he has lived with the *participant* for a continuous period of more than one year; or that
 - b) a child has been born of their union, regardless of how long they have lived together;and that he and the *participant* have not been separated for more than three months.

The *Insurer* recognizes only one *spouse*. In the event of a dispute, the *spouse* will be deemed that person who is married to the *participant*.

Statement date: date specified on the statement of account produced for a given period and sent to the *primary credit account holder*.

Stroke: cerebrovascular trauma causing destruction of brain tissue due to hemorrhage, thrombosis or embolism. The stroke must result in either paralysis or an objective measurable neurological deficit that lasts for at least 31 days.

Transient ischemic attacks are, however, not included under this definition.

Sum insured: amount of the *benefit* paid if an incident covered by the insurance occurs. The "sum insured" is defined under "What is the sum insured?" on pages 14 and 15 of this guide.

Terminal illness: any illness other than a *cancer*, *heart attack*, or *stroke* diagnosed by a *physician* that will likely result in the *insured's* death within a year of the diagnosis.

Treatment(s):

- 1) consultation of a *physician* or other *health professional* or care received from such specialist;
- 2) medical examinations or tests;
- 3) use of medication;
- 4) hospitalization.

1- PRODUCT DESCRIPTION

a) Product Overview

Credit Balance Insurance – Individuals is group insurance that offers coverage for your *credit card*, and covers people who, like you, have an account with the *contract holder*.

Credit Balance Insurance – Individuals covers all the types of credit offered by the *contract holder*. Where applicable, it covers the following types of credit:

- 1) *regular transactions*;
- 2) *Accord D financing*.

b) Summary of Conditions and Features

■ Who is eligible?

You are eligible for Credit Balance Insurance – Individuals if you meet the two following criteria:

- 1) You hold a *credit account* with the *contract holder*.
- 2) You are between ages 18 and 64, inclusive, at the time of enrolment.

If you enrol in Credit Balance Insurance – Individuals, your *spouse* is automatically covered at no charge, even if your *spouse* is not a joint *account holder*.

The *Insurer* and the *contract holder* reserve the right to decline your application if you do not meet the two criteria above.

■ What is the enrolment procedure?

You can enrol in Credit Balance Insurance – Individuals by completing the relevant form, at the same time or after you apply for a *credit card*. You can also enrol by telephone at any time.

■ Are there any health questions?

You do not have to answer any questions pertaining to your health at the time of enrolment. The same applies to your *spouse*. However, *benefits* may be limited if you have a pre-existing medical condition or injury (see pages 25 and 26 of this guide).

■ What coverage is offered?

Credit Balance Insurance – Individuals consists of **four types of coverage**, applicable to all types of credit offered by the *contract holder*.

- 1) **Death or Dismemberment coverage** pays *benefits* if you:
 - a) die from natural causes;
 - b) die accidentally;
 - c) suffer the *loss of use or dismemberment* of one eye, one hand, or one foot as a result of an *accident*.
- 2) **Disability Coverage** pays *benefits* if you become *disabled*, in accordance with the terms of the contract.
- 3) **Loss of Employment coverage** pays *benefits* if you lose your job, in accordance with the terms of the contract.
- 4) **Critical Illness coverage** pays *benefits* if you are diagnosed for the first time with a *critical illness* covered by the contract.

■ What is the sum insured?

The *sum insured* is used to determine the amount of the *benefit* paid if an incident covered by the insurance occurs.

Death or Dismemberment coverage

The *sum insured* is equal to the *balance* on the *statement date*:

- 1) immediately preceding the date of death or the date of the *accident* resulting in *loss of use or dismemberment*; **OR**
- 2) coinciding with the date of death or the date of the *accident* resulting in *loss of use or dismemberment*.

If an *accident* subsequently results in the death of the *insured*, the *Insurer* uses the date of the *accident* to establish the amount of the *sum insured*.

Disability coverage

The *sum insured* is equal to the *balance* on the *statement date*:

- 1) immediately preceding the *disability-onset date*; **OR**
- 2) coinciding with the *disability-onset date*.

Loss of Employment coverage

The *sum insured* is equal to the *balance* on the *statement date*:

- 1) immediately preceding the *insured's* termination-of-employment date; **OR**
- 2) coinciding with the *insured's* termination-of-employment date.

Critical Illness coverage

The *sum insured* is equal to the *balance* on the *statement date*:

- 1) immediately preceding the date on which the *insured* is first diagnosed with a *critical illness*; **OR**
- 2) coinciding with the date on which the *insured* is first diagnosed with a *critical illness*.

All Types of Coverage

The *sum insured* also includes any transactions not shown on the statement of account but carried out prior to the *statement date*. However, the *Insurer* does not take into account *credit card* transactions carried out after the *statement date*.

■ What is the benefit amount?

Death or Dismemberment coverage

- Death
The *benefit* is equal to the *sum insured* (maximum \$25,000).
- Accidental death
If the death of the *insured* occurs directly and

solely as a result of an *accident*, the *benefit* is equal to the *sum insured* (maximum \$25,000). The death must also occur within 365 days of the *accident*. For *insureds* under age 70, this *benefit* is paid in addition to the *benefit* payable in the event of death.

- *Loss of use or dismemberment of one hand, one foot or one eye*

The *benefit* is equal to the *sum insured* (maximum \$25,000).

The *loss of use or dismemberment* must result directly and solely from an *accident*, and within 365 days of the *accident*.

The Insurer pays the same benefit even if the insured sustains the loss of use or dismemberment of more than one part of the body in a given incident.

Only an incident that occurs while the insurance is in effect can give rise to a benefit.

Disability coverage

The amount of the *benefit* is equal to the higher of:

- 1) 10% of the *sum insured*; **OR**
- 2) the *minimum payment* indicated on the statement of account.

The maximum amount of the *benefit* is \$750 per month.

During the *benefit* period, the *Insurer* will adjust the monthly *benefit* to take account of the *sum insured*.

For incomplete months of *disability*, the *Insurer* pays a portion of the *sum insured* that corresponds to the number of days of *disability* divided by the number of days in the month.

Loss of Employment coverage

The amount of the *benefit* is equal to the higher of:

- 1) 10% of the *sum insured*; **OR**
- 2) the *minimum payment* indicated on the statement of account.

The maximum amount of the *benefit* is \$750 per month.

During the *benefit* period, the *Insurer* will adjust the monthly *benefit* to take account of the *sum insured*.

For incomplete months of *loss of employment*, the *Insurer* pays a portion of the *sum insured* that corresponds to the number of days of unemployment divided by the number of days in the month.

After a given *benefit* period, the *insured* becomes eligible for other *benefits* if conditions governing *loss of employment* are again met.

Critical Illness coverage

The amount of the *benefit* is equal to the *sum insured* (maximum \$25,000).

The *benefit* is payable following the first diagnosis of a *critical illness*. *Critical illness* means:

- 1) *cancer*;
- 2) *heart attack*;
- 3) *stroke*; or
- 4) *terminal illness*.

The *critical illness* must be diagnosed by a *physician*.

All Types of Coverage

When submitting a *benefit* claim, the *insured* or anyone claiming entitlement to *benefits* must provide the *Insurer* with all statement of accounts required to calculate the *sum insured*.

■ When does coverage take effect?

You and your *spouse*, where applicable, are covered as of the date you enrol in Credit Balance Insurance – Individuals.

You will receive an Insurance Certificate shortly after enrolling. This certificate attests to the fact that you are covered.

■ What is the maximum coverage provided?

The maximum *sum insured* under Credit Balance Insurance – Individuals for all types of coverage combined is \$25,000 per *participant*.

The maximum monthly *benefit* under Credit Balance Insurance – Individuals for all types of coverage combined is \$750 per *participant*.

These maximum amounts apply to all *credit accounts* insured by a single *participant* under the Credit Balance Insurance – Individuals contract. Where several *credit accounts* are insured, priority will be given to those accounts insured first.

■ When do benefits start?

Death and Dismemberment coverage

The *Insurer* pays the *benefit* once the claim has been approved.

Disability coverage

For insureds who have performed at least 80 hours of paid work during the 4 weeks immediately preceding the onset of disability:

- The *Insurer* will start paying *benefits* as at the 31st day of continued *disability*, if the *insured* is still *disabled*. **Benefits will thus apply retroactively to the first day of disability. The first benefit payable to the participant in the name of the insured will include the first 30 days of disability.**

For insureds who have not performed at least 80 hours of paid work during the 4 weeks immediately preceding the onset of disability:

- The *Insurer* starts paying *benefits* as at the 91st day of continued *disability*, if the *insured* is still *disabled*. **Benefits will thus apply as of the 91st day of disability.**

Successive Periods of Disability

The *Insurer* considers as a single period of *disability* two or more periods of *disability* that are:

- 1) separated by a period of less than 90 days

during which time the *insured* was not *disabled*; **AND**

2) caused by the same illness or *accident*.

Under such circumstances, the waiting period applies only once. Total monthly *benefits* paid may not exceed the *sum insured* established during the first period of *disability*.

Loss of Employment coverage

The *Insurer* starts paying *benefits* as at the 31st day following the *loss of employment*, if the *insured* is still unemployed. **Benefits will thus apply as of the 31st day following the insured's termination-of-employment date.**

Critical Illness coverage

The *Insurer* pays no *benefits* for the first 30 days following the first diagnosis of a *critical illness*. **After this waiting period, the *Insurer* pays the benefit if the *insured* is still alive.**

■ When do benefits terminate?

With respect to Disability coverage and Loss of Employment coverage, *benefits* terminate when:

- 1) the *insured* is no longer totally *disabled* or is performing *paid work*;
- 2) the *insured* is receiving training or has returned to school;
- 3) the *sum insured* (excluding accrued interest) has been paid by the *Insurer*;
- 4) the *contract holder* revokes the rights and privileges it has granted the *participant* in accordance with the Variable Credit Agreement.

■ How is the cost of insurance calculated?

The premium rate is the same for all *insureds* and is not adjusted based on the *benefit* claims of a single *participant*. Under exceptional circumstances, the *Insurer* may change the premium rate, but not without informing the *contract holder* in advance.

The premium is withdrawn every month from your *credit account*. In calculating the amount to be withdrawn, the *Insurer* applies the premium rate to each \$100 increment of the *insured balance*. Where applicable, the *Insurer* adds tax to

this amount. No premium is charged for your *spouse's* coverage.

An *insured* who receives *disability* or *loss of employment benefits* is entitled to a refund of the portion of the premium paid corresponding to the applicable *sum insured*. During such a *benefit* period, the *Insurer* refunds this amount each month.

■ Who is the beneficiary of the insurance?

Any *benefits* approved by the *Insurer* are payable to the *participant*.

■ What happens if the contract holder changes certain conditions?

Even if the *contract holder* makes changes to variable credit agreements or statement of accounts that affect the scope of coverage under this contract, the insurance will continue to apply as before. In order for these changes to apply to the Credit Balance Insurance – Individuals contract, the *Insurer* must add a *rider* to the contract.

■ Specific conditions applying to Accord D financing

The following specific provisions apply when the contract holder offers the Accord D financing plan.

In addition to regular credit card transactions, the insurance covers the following types of *Accord D financing* if specified on the *participant's* statement of account:

- 1) ***level-payment financing***;
- 2) ***deferred-payment financing***.

The monthly *benefit* in case of *disability* or *loss of employment* corresponds to the monthly *instalment* owing for these types of financing. The total monthly *benefit* is therefore composed of this *instalment* plus the *benefit* payable for *regular transactions*.

When the *contract holder* offers all types of credit, the *balance* used to determine the *sum insured* corresponds to the total *balance* of the following:

- 1) the *regular transaction balance*; **PLUS**

2) the *Accord D financing balance*.

Premiums are calculated based on the total balance specified on the statement of account, except for cash advances repayable by equal instalments (Accord D financing) obtained on or after September 11, 2005.

Features specific to deferred-payment financing (Accord D financing)

In case of the *participant's* or *spouse's* death during the deferment period, the *Insurer* pays a *benefit* equal to the deferred-payment *balance*.

In addition, the *participant* will not be billed for the premium related to the *balance* during this time. This additional coverage is provided free of charge by the *Insurer*.

If a *minimum payment* is required after the onset of *disability* or *loss of employment*, it will be covered by the insurance. However, you must have obtained the *deferred-payment financing* prior to the onset of *disability* or the *loss of employment* to be entitled to *benefits*.

Features specific to cash advances repayable by equal instalments (Accord D financing)

Credit Balance Insurance – Individuals covers the *balance* of *cash advances repayable by equal instalments* made at the *caisse* **before September 11, 2005**. The *participant* and his *spouse* are covered under all the coverages of this insurance. The *balance* of these *cash advances* is included in the calculation of the premium.

Credit Balance Insurance – Individuals also covers the *balance* of financing in the form of a *cash advance repayable by equal instalments* made at the *caisse* **on or after September 11, 2005**. This financing is covered in the event of the *participant's* accidental death, *loss of use or dismemberment*, *loss of employment* and *critical illness*. The *spouse* of the *participant* is not covered for *cash advances* obtained on or after this date. Accidental death coverage provides for the payment of a *benefit* equal to the *sum insured*. Moreover, no premium for the *balance* of these *cash advances* is billed to the *participant*.

CAUTION

■ Exclusions, Limitations and Reduction in Coverage

EXCLUSIONS

IN THE FOLLOWING CIRCUMSTANCES, THE *INSURER* DOES NOT PAY THE AMOUNTS SET OUT IN THE CONTRACT FOR THE COVERAGE MARKED BY AN "X".

A- Death or Dismemberment				
				B- Disability
			C- Loss of Employment	
		D- Critical Illness		
A	B	C	D	
X				1. If the <i>participant</i> or his <i>spouse</i> commits suicide within the first two years of coverage. In the event of the <i>participant's</i> suicide, the <i>Insurer</i> terminates the coverage for all <i>insureds</i> and refunds the premium paid under the contract. In the event of the <i>spouse's</i> suicide, only the <i>spouse's</i> coverage terminates, and the <i>Insurer</i> does not refund any premiums.
X	X	X	X	2. If the direct or indirect cause of the <i>insured's</i> condition is an act committed voluntarily or attempted suicide, whether or not he was aware of his actions.
X	X	X	X	3. If the direct or indirect cause of the <i>insured's</i> condition is one of the following: <ul style="list-style-type: none"> • a war, whether declared or not; • public confrontation; • riot; • revolt; • insurrection or, • an act of terrorism. This exclusion applies whether or not the <i>insured</i> participates in these events.

A- Death or Dismemberment					
B- Disability					
C- Loss of Employment					
D- Critical Illness					
A	B	C	D		
X	X	X	X	4.	If the direct or indirect cause of the <i>insured's</i> condition is his participation or attempted participation in: <ul style="list-style-type: none"> • a criminal act or, • any attack.
		X		5.	If the <i>insured</i> loses <i>seasonal employment</i> , or casual or temporary employment.
		X		6.	If the <i>insured</i> loses employment that does not require the payment of contributions to the Canadian government employment insurance plan and does not entitle the <i>insured</i> to receive benefits from this employment insurance plan.
		X		7.	If the <i>insured</i> was informed of the <i>loss of employment</i> at the time he enrolled in the insurance.
		X		8.	If the <i>loss of employment</i> occurs within 30 days of the effective date of coverage.
		X		9.	If the <i>loss of employment</i> is related to a voluntary resignation.
		X		10.	If the <i>loss of employment</i> is related to a strike, a lock-out, a fraud or a criminal offence.
		X		11.	If the <i>loss of employment</i> is related to the end of a fixed-term contract.
		X		12.	For any <i>leave</i> that does not result in termination of employment.
		X		13.	For any employment terminated due to retirement.

A- Death or Dismemberment**B- Disability****C- Loss of Employment****D- Critical Illness**

A	B	C	D		
			X	14.	If the <i>insured's</i> condition results directly or indirectly from the use of any medication, intoxicants, drugs or narcotics, unless they are prescribed or recommended by a <i>physician</i> .
			X	15.	For any <i>cancer</i> or <i>terminal illness</i> that existed before the effective date of coverage, or that was diagnosed prior to or within 90 days of the effective date of coverage.*
			X	16.	If the medical symptoms or problems that gave rise to the first diagnosis of <i>cancer</i> or a <i>terminal illness</i> appeared prior to or within 90 days of the effective date of coverage.*
			X	17.	If the <i>insured</i> dies within 30 days of the first diagnosis of a <i>critical illness</i> .
			X	18.	For health problems not specifically covered by this policy.

* With regards to *Accord D financing*, the time period is calculated based on the date of each financing rather than the effective date of coverage.

LIMITATIONS REGARDING BENEFITS

- 1) The *benefit* cannot at any time exceed the maximum *sum insured* indicated under "What is the maximum coverage provided?" on page 18 of this guide.
- 2) Monthly *benefits* payable to an *insured* shall never exceed the maximum monthly *benefit* stipulated under "What is the maximum coverage provided?" on page 18 of this guide.

- 3) If the *insured* dies within 365 days of an *accident*, the *insurer* pays no *loss of use or dismemberment benefits*. Only the *benefit* provided in the event of accidental death is payable.
- 4) If an *insured* has already received *critical illness benefits* for a terminal illness, no *benefits* are payable under Death and Dismemberment coverage.
- 5) Total *benefits* payable for the duration of the contract to an *insured* shall never exceed the maximum *sum insured* stipulated under "What is the maximum coverage provided?" on page 18 of this guide.
- 6) While the *Insurer* is paying *disability or loss of employment benefits*, it cannot accept any other *disability or loss of employment* claims for the same *insured*. This condition applies to the *balance of regular transactions* as long as the monthly *benefit* related to the first claim is being paid. However, for *Accord D financing*, the *Insurer* can approve another *disability or loss of employment* claim for the same *insured*. This must be an *Accord D financing* for which no *benefits* are already being paid and which was obtained before the onset date of a new *disability or loss of employment*.
- 7) The *critical illness benefit* can only be paid once per insured.

PRE-EXISTING MEDICAL CONDITIONS OR INJURIES

If a claim is related to a medical condition or an injury that existed prior to enrolling in the insurance, the *Insurer* may refuse to pay it.

The following table indicates whether or not you are eligible for a *benefit* when your state of health is related to a pre-existing medical condition or injury. The table applies to the Death and Dismemberment coverage and the Disability coverage.

Did the event (death or *disability*) occur in the first year of coverage?

NO

YES

Benefit payable

Is the event a result of a medical condition or injury for which the *insured* received at least one *treatment* in the six months prior to the effective date of coverage?

NO

YES

Benefit payable

No benefit payable*

* However, if there is a period of six consecutive months, which terminates after the insurance comes into effect, during which the *insured* did not receive any *treatment* for this injury or this medical condition, the *benefit* is payable.

With regard to *Accord D financing*, the 6-month period is calculated based on the date of each financing rather than the effective date of insurance.

■ Cancellation

The *Act Respecting the Distribution of Financial Products and Services* allows the *contract holder* to cancel, without penalty, an insurance contract within ten days of its signature. In the case of Credit Balance Insurance – Individuals, the *Insurer* grants the *participant* **20 days** to do so, as of the date on which the latter receives the Distribution Guide. The *participant* can also ask the *Insurer* to cancel the insurance contract any time after this 20-day period.

To cancel the contract, the *participant* must notify the *Insurer* **in writing**. To that end, the Notice of Cancellation on page 31 of this guide may be used. The *participant* must send his request to the *Insurer* by registered mail to the address on page 2 of this guide.

c) When does coverage expire?

Coverage expires on the earliest of the following:

- the *statement date* of the statement of account following the day on which the *participant* notifies the *Insurer* that he wishes to terminate coverage;
- the *statement date* following the day the *participant* informs the *contract holder* of his wish to cancel his *credit card*;
- the date on which the Credit Balance Insurance – Individuals contract terminates, as agreed

- between the *contract holder* and the *Insurer*;
- the date on which the *contract holder* revokes the rights and privileges it has granted the *participant* in accordance with the Variable Credit Agreement;
- the date on which the *participant* dies.

- **Death and Dismemberment coverage:**

Death by Natural Causes

The *participant's* coverage terminates on the *statement date* of the statement of account following the *participant's* 70th birthday. The *spouse's* coverage terminates on the *statement date* of the statement of account following the *spouse's* 70th birthday or on the *participant's* death.

Accidental Death, Loss of Use or Dismemberment

The *participant's* coverage and the *spouse's* coverage remain in force as long as the insurance is in effect. However, the *spouse's* insurance terminates on the *statement date* that follows the date of death of the *participant*. Furthermore, the payment of a *benefit* for *loss of use or dismemberment* does not put an end to the insurance of either the *participant* or the *spouse*.

- **Disability coverage:**

The *participant's* Disability coverage terminates on the *statement date* of the statement of account following the *participant's* 65th birthday. The *spouse's* Disability coverage terminates on the *statement date* of the statement of account following the *spouse's* 65th birthday.

- **Loss of Employment coverage:**

The *participant's* Loss of Employment coverage terminates on the *statement date* of the statement of account following the *participant's* 65th birthday. The *spouse's* Loss of Employment coverage terminates on the *statement date* following the *spouse's* 65th birthday.

- **Critical Illness coverage:**

The *participant's* Critical Illness coverage terminates on the *statement date* of the statement of account following the *participant's* 65th birthday. The *spouse's* Critical Illness coverage terminates on the *statement date* following the *spouse's* 65th birthday.

2- BENEFIT CLAIMS

a) Submitting a claim

To submit a claim, the *insured* must contact the *Insurer* in writing or by telephone, and send in the following:

- 1) a copy of his latest statement of account; and
- 2) the documents proving the incident that entitles him to *benefits*.

The *insured* must submit the claim as soon as reasonably possible within 365 days of the date of the incident.

The *Insurer* may, where applicable, ask the *insured* for additional information in order to process the claim.

b) Insurer's Reply

If the *Insurer* approves the claim, it will pay the *benefit* within **30 days** of receiving the proof required.

If the *Insurer* declines the claim or pays only a portion of the *benefit*, the *insured* will receive a letter explaining the reasons for the *Insurer's* decision. The *Insurer* will send this letter within 30 days of receiving the documents requested to process the claim.

All *benefits* are payable to the *participant*.

Disability Claims:

The *insured* is responsible for submitting satisfactory proof of *disability* to the *Insurer*. Proof may include a medical specialist's opinion or copies of examination results.

The *Insurer* may at any time require the *insured* to:

- 1) provide satisfactory proof of continued *disability*;
- 2) be examined by one or more *physicians* or *health professionals* selected by the *Insurer*.

Loss of Employment Claims:

The *insured* is responsible for submitting satisfactory proof of *loss of employment* or unemployed status.

c) Appeal of Insurer's Decision and Recourse

If the *Insurer* does not approve the claim, you may submit additional pertinent information and request that your file be reviewed.

This request must be submitted as soon as possible. The law provides for a maximum of three years (limitation period) within which to contest the *Insurer's* decision.

If you are a resident of Quebec and want to know more about your rights, you can call the Autorité des marchés financiers at 418-525-0337, 514-395-0337 or 1-877-525-0337. You can also consult your legal advisor.

3- SIMILAR PRODUCTS

While similar insurance products are available on the market, you have made a wise decision in doing business with the Desjardins Financial Security Life Assurance Company. We are the biggest life and health insurance company in Quebec in terms of market share and number of *insureds*.

4- AUTORITÉ DES MARCHÉS FINANCIERS (QUEBEC RESIDENTS ONLY)

For more information on the *Insurer's* and the distributor's obligations towards you, you can contact the Autorité des marchés financiers at:

Place de la Cité, Tour Cominar
2640, boul. Laurier, bureau 400

Québec (Québec) G1V 5C1

Toll free: 1-877-525-0337

Québec city: 418-525-0337

Montréal: 514-395-0337

Fax: 418-647-0376

E-mail: renseignements-consommateur@lautorite.qc.ca

Web site: www.lautorite.qc.ca

5- NOTICE OF CANCELLATION OF AN INSURANCE CONTRACT

Notice given by a distributor

Section 440 of the *Act Respecting the Distribution of Financial Products and Services*

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** (the *Insurer*, however, provides 20 days in this case). To do so, you 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 into will remain in force. Caution, it is possible that you may lose advantageous conditions as a result of this insurance contract; contact your distributor or consult your contract.
- After the expiry of the 20-day delay, you may cancel the insurance at any time; however, penalties may apply.

For further information, contact the Autorité des marchés financiers at: 418-525-0337, 514-395-0337 or 1-877-525-0337.

**NOTICE OF CANCELLATION
OF AN INSURANCE CONTRACT**

To: Desjardins Financial Security
Life Assurance Company
200, rue des Commandeurs
Lévis (Québec) G6V 6R2

Date: _____
(date of sending of notice)

Pursuant to section 441 of the *Act Respecting
the Distribution of Financial Products and
Services*, I hereby cancel Credit Balance
Insurance - Individuals contract no.:

(credit card number)

Entered into on: _____
(date of signature of contract)

In: _____
(place of signature of contract)

(name of client)

(signature of client)

This notice must be sent by registered mail.

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, stating that the client may cancel the insurance contract within 10 days of signing it.

441. A client may cancel 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 cancelled, the first contract retains all its effects.

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

However, a contract may provide that the cancellation or termination 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, 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 cancels, terminates 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.

6- PERSONAL INFORMATION MANAGEMENT

Desjardins Financial Security Life Assurance Company (DFS) handles the personal information it has on you in a confidential manner. DFS keeps this information on file so that you may benefit from the Company's various financial services (insurance, annuities, credit, etc.). This information is consulted solely by DFS employees who need to do so in the course of their work.

You have the right to consult your file. You may also have information corrected if you demonstrate that it is inaccurate, incomplete, ambiguous or not useful. To do so, you must send a written request to the following address:

Privacy Officer
Desjardins Financial Security
Life Assurance Company
200, rue des Commandeurs
Lévis (Québec) G6V 6R2

DFS may send information on its promotions or offer new products to those whose names appear on its client list. DFS may also give its client list to another component of the Desjardins Group for the same purposes. If you do not wish to receive these offers, you may have your name removed from the list. To do so, you must send a written request to the Privacy Officer at DFS.

7- YOUR SATISFACTION IS OUR PRIORITY!

As a responsible company that is attentive to the needs of its clients, Desjardins Financial Security wants to provide each and every one of them with products and services that meet their expectations. However, if you are dissatisfied with any of our products or services, please let us know by following the steps below.

1. Contact the person from whom you purchased the product.

Call the person who sold you the insurance. You can find the number by consulting the literature you received when you purchased the product in question. Ask for explanations. In most cases, a simple call is all it takes to get the answers you are looking for.

2. Call our Customer Service Centre.

If you are not fully satisfied with the explanations provided in step 1, contact our Customer Service Centre at 1-866-838-7584. Our staff is very familiar with our products and will certainly be able to help you.

3. Write to our Dispute Resolution Officer.

If you are not satisfied with the explanations you received from our Customer Service Centre, you may file a complaint with Desjardins Financial Security's Dispute Resolution Officer. This person's role is to assess the merits of the company's decisions and the soundness of its practices.

Please write to: **Dispute Resolution Officer**
Desjardins Financial Security
200, rue des Commandeurs
Lévis, Québec G6V 6R2

Or email: disputeofficer@dfs.ca

You can also call the Officer at 1-877-838-8185.

For more information on the procedure to follow in the event of a problem or complaint, please visit our website at www.dfs.ca/complaint, where you can also find complaint forms.

Your satisfaction is our priority!

Helpful hints

- Make sure you have all the documents and information required to provide a detailed explanation of the problem (account statements, names of employees in question, dates, etc.).
- Write down the names of the individuals with whom you have spoken, and the dates of your conversations.
- Include your name, address and telephone number in any correspondence.



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