

## Certificate of Creditor Insurance – FCC Loan Insurance (this “Certificate”)

Group Policy 83035 (the “Policy”) is underwritten by Sun Life Assurance Company of Canada (“Sun Life”) and issued to Farm Credit Canada (the “Policyholder” or “FCC”). Each Insurance Applicant (“you”) is insured under the Policy subject to the terms and conditions of your Application and this Certificate. Your Application, this Certificate, any statements you have furnished as evidence of insurability and any letter of approval from Sun Life form all the terms and conditions of coverage under the Policy.

This insurance is optional. If you have any questions about this insurance, contact the Sun Life Creditor Team by writing to them at 227 King Street South, PO Box 638 STN Waterloo, Waterloo ON N2J 4B8 or [credorteam@sunlife.com](mailto:credorteam@sunlife.com), or by calling 1-877-271-8713. Please refer to Policy 83035.

You may visit the Insurer at [www.sunlife.ca](http://www.sunlife.ca).

### What types of insurance coverage are available?

<b>Reducing Balance Insurance</b>	Available for principal and interest loans
<b>Fixed Insurance</b>	Available for principal and interest loans and indefinite interest only loans

Insurance is available to a maximum of \$2,000,000 per insured person for all insured loans and leases combined under the Policy.

### Who is eligible?

You are eligible for this insurance if, on the date you sign the Application, the borrower is indebted to the Policyholder for a loan and you are:

- a) between 18 and 65 years of age,
- b) a resident of Canada, and
- c) a borrower, or
  - a shareholder of a corporate borrower or member of a co-operative borrower, or
  - a guarantor, or
  - a spouse of a borrower, shareholder or member, or
  - a key person (vital to the operation).

If the business is domiciled in Quebec, only an owner of the business or a guarantor of the loan is eligible to apply.

### Applying for insurance

Each Insurance Applicant must answer both Health Questions on the Application.

If you answer “No” to Health Question #1 and the amount of insurance applied for is \$500,000 or less, your Application is automatically approved.

If you answer “Yes” to Health Question #1, or the amount of insurance applied for exceeds \$500,000, Sun Life will review your application. Sun Life will contact you if more information is needed.

If your Application is not approved, Sun Life will advise you in writing.

### When is your insurance effective

If your Application is automatically approved, your insurance will be effective the **later** of:

- the date you signed your Application; or
- the date the loan funds are advanced.

If further review of your Application is required, your insurance will be effective the **later** of:

- the date your insurance is approved in writing by Sun Life; or
- the date the loan funds are advanced.

Sun Life Assurance Company of Canada is the insurer of this product, and is a member of the Sun Life group of companies

## How much the borrower pays for this insurance

Premiums are calculated on a loan-by-loan basis. They are calculated separately for each applicant for the specific amount requested and added together for a total premium amount. Monthly insurance premiums are based on the rate tables below and adjusted to match your loan payment frequency plus applicable provincial sales taxes and are included as part of the loan payment.

For all loan insurance coverage types, a change in the applicant's smoking status may affect insurance premiums.

### Reducing balance Insurance

- Premiums are charged in advance and are calculated using the approved insurance amount divided by 1,000 and multiplied by the appropriate rate from the reducing balance insurance rate table as determined by your age on the date you signed the Application.
- Your premium rate remains the same for the life of the loan.
- Joint rates are calculated as follows: 2 people is 1.5 times the highest rate; 3 people is 1.65 times the highest rate; 4 people is 2 times the highest rate.

Monthly Premiums – Reducing Balance Insurance						
Amortization Period						
Age	21-29 yrs	11-20 yrs	≤ 10 yrs	21-29 yrs	11-20 yrs	≤ 10 yrs
	Non-Smoker per \$1,000 of insurance			Smoker per \$1,000 of insurance		
18-29	0.10	0.09	0.07	0.19	0.16	0.10
30-34	0.12	0.10	0.08	0.22	0.16	0.12
35-39	0.16	0.12	0.09	0.27	0.19	0.13
40-44	0.23	0.18	0.13	0.40	0.28	0.19
45-49	0.33	0.28	0.19	0.71	0.48	0.33
50-54	0.51	0.42	0.29	1.19	0.76	0.51
55-59	0.84	0.68	0.49	1.69	1.23	0.72
60-64	1.28	1.06	0.77	2.26	1.81	1.07
65-69	1.89	1.60	1.19	3.12	2.60	1.67

### Fixed Insurance

- Premiums are charged in advance and are calculated using the approved insurance amount divided by 1,000 and multiplied by the appropriate rate from the fixed insurance rate table as determined by your age on the later of:
  - the date your Application is approved by Sun Life, or
  - the date the loan funds are advanced.
- Your premium rate will change as you move through the age bands identified in the fixed insurance rate table.
- Joint rates are calculated as follows: 2 people is 1.5 times the highest rate; 3 people is 1.65 times the highest rate; 4 people is 2 times the highest rate.

Monthly Premiums – Fixed Insurance		
Age	Non-Smoker Per \$1,000 of insurance	Smoker Per \$1,000 of insurance
18-29	0.08	0.15
30-34	0.08	0.15
35-39	0.10	0.18
40-44	0.14	0.27
45-49	0.24	0.48
50-54	0.35	0.70
55-59	0.60	1.15
60-64	0.95	1.66
65-69	1.44	2.40

### Maximum amount of insurance coverage

There is a maximum total benefit of \$2,000,000 per insured person for all insured loans and leases combined under the Policy.

In no event will Sun Life pay more than the outstanding insured loan balance regardless of the number of persons insured on the loan.

Outstanding insured loan balances do not include arrears or interest on arrears.

### Insurance changes

If the borrower applies to carry forward or convert insurance coverage, the terms and conditions within this Certificate will become effective on the date your Application is approved.

### What Sun Life pays

#### Life insurance benefit

If you die, on approval of your claim, Sun life will pay to FCC a life insurance benefit that will be applied towards the outstanding balance of the loan.

### Benefit Amount Payable

<b>Reducing Balance Insurance</b>	The benefit amount payable will be the <b>least</b> of: <ul style="list-style-type: none"> <li>the outstanding insured loan balance on the date of your death plus accrued interest from the date of death to the date Sun Life pays the claim, or</li> <li>the benefit limit of \$2,000,000 per insured person, or</li> <li>the insured amount up to the outstanding balance on the loan if the loan is partially insured, calculated as a percentage of the outstanding loan balance.</li> </ul>
<b>Fixed Insurance</b>	The benefit amount payable will be the <b>least</b> of: <ul style="list-style-type: none"> <li>the fixed amount of insurance for which you are insured, or</li> <li>the outstanding insured loan balance on the date of your death plus accrued interest from the date of death to the date Sun Life pays the claim, or</li> <li>the benefit limit of \$2,000,000 per insured person, or</li> <li>the insured amount up to the outstanding balance on the loan if the loan is partially insured.</li> </ul>

### Early death benefit

If you are diagnosed by a doctor in Canada with an illness that will result in your death within one year and your claim is approved, the early death benefit will be equivalent to the life benefit amount.

### Accidental dismemberment benefit

#### What accidental dismemberment means

An accidental dismemberment benefit may be payable if you sustain an accident (a bodily injury occurring as a direct result of a violent, sudden and unexpected action originating from an outside source) directly resulting in total and irrecoverable loss. The loss must occur within 365 days of the accident.

A loss of use must be total and must have continued for at least one year. Before Sun Life pays the benefit, proof must be provided that the loss is permanent.

The following are insured losses:

Description of Loss	
Hemiplegia	the loss of use of upper or lower limbs on the same side of the body
Paraplegia	the loss of use of both lower limbs
Quadriplegia	the loss of use of both upper and lower limbs
Loss of arm	loss of use or severance through or above the elbow joint
Loss of hand	loss of use or severance through or above the wrist joint
Loss of leg	loss of use or severance through or above the knee joint
Loss of foot	loss of use or severance through or above the ankle joint
Loss of thumb or finger	severance through or above the metacarpophalangeal joint
Loss of toe	severance through or above the metatarsophalangeal joint
Loss of sight, speech or hearing	total and irrecoverable loss of sight, speech or hearing

### What is the benefit amount?

If you suffer one of the following losses as a result of an accident, on approval of your claim, Sun Life will pay to FCC the outstanding insured loan balance as of the date of loss, to the maximum applicable benefit as set out in the Table of Losses:

Table of Losses			
Hemiplegia	\$500,000	Loss of One Arm or One Leg	\$100,000
Paraplegia	\$500,000	Loss of Use of One Arm or One Leg	\$100,000
Quadriplegia	\$500,000	Loss of One Hand or One Foot or Sight of One Eye	\$100,000
Loss of Both Hands, Both Feet or Sight of Both Eyes	\$500,000	Loss of Use of One Hand or One Foot	\$100,000
Loss of One Hand and One Foot	\$500,000	Loss of Speech or Hearing	\$100,000
Loss of One Hand and Sight of One Eye	\$500,000	Loss of Hearing in One Ear	\$100,000
Loss of One Foot and Sight of One Eye	\$500,000	Loss of Thumb and Index Finger of One Hand	\$50,000
Loss of Speech and Hearing	\$500,000	Loss of Four Fingers of One Hand	\$50,000
Loss of Use of Both Hands or Both Feet	\$500,000	Loss of All Toes of One Foot	\$50,000
Loss of Use of One Hand and One Foot	\$500,000		

### Notes:

- for reducing balance insurance, if the loan is partially insured, the benefit is calculated as a percentage of the benefit amount shown on the Table of Losses.
- for fixed insurance, if the loan is partially insured, the benefit is calculated by dividing the insurance amount for which you were approved by the total original loan amount, then applying this percentage to the benefit amount shown on the Table of Losses.

## When the benefit is not paid

Any concealment, misrepresentation or false declaration concerning your Application or any claim may result in this insurance being void.

### No benefit will be paid for a life claim if:

- you were not eligible for insurance when you applied,
- for any amount of insurance that has been in force for less than 2 years, your death results from suicide, regardless of whether you intended or understood the consequences of your actions,
- your death results from events directly or indirectly relating to, arising from or following your participation or attempted participation in a criminal offence,
- your death results from events directly or indirectly relating to, arising from or following your impairment by illegal drugs or while your blood alcohol concentration is over 80 milligrams of alcohol in 100 milliliters of blood (0.08),
- your death results from war or civil disorder, whether declared or undeclared, unless you are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve.

### No benefit will be paid for an accidental dismemberment claim if:

- you were not eligible for insurance when you applied,
- your loss occurs as a result of self inflicted injuries,
- your loss results from events directly or indirectly relating to, arising from or following your participation or attempted participation in a criminal offence,
- your loss results from events directly or indirectly relating to, arising from or following your impairment by illegal drugs or while your blood alcohol concentration is over 80 milligrams of alcohol in 100 milliliters of blood (0.08),
- your loss results from war or civil disorder, whether declared or undeclared, unless you are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve,
- your loss occurs more than 365 days following the date of the accident.

## When your insurance ends

Your insurance ends the **earliest** of:

1. the date you are no longer eligible for insurance,
2. the first premium due date following the date FCC receives the borrower's written request to cancel your insurance coverage under this Certificate,
3. the date FCC Policy 83035 terminates,
4. the first premium due date following your 70th birthday,
5. the date payments on the loan are 6 months in arrears and written notification of cancellation of insurance is sent by FCC,
6. the date of your death,
7. the date Sun Life pays an early death claim,
8. the date the insured loan is cancelled, refinanced by the borrower or FCC or transferred to another borrower,
9. the date the borrower is released from all liability under the loan.

## How to make a claim

An insurance claim package is available from any FCC office. The forms must be completed and submitted in accordance with the instructions in the claim package.

There are time limits for making claims:

**For a life claim**, the claim should be submitted within one year of the date of death, except for residents of Quebec, in which case life insurance claims should be submitted as soon as possible.

**For an accidental dismemberment claim**, you must submit your claim within one year of the date of your loss.

**For an early death benefit claim**, you can submit your claim following your diagnosis.

While your claim is being processed, borrowers are required to continue making premium payments for your insurance and regularly scheduled loan payments.

Any required proof relating to a claim is at the expense of the claimant.

## Limitations of actions

### Limitation period for Ontario

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Limitations Act, 2012*.

### Limitation period in any other province or territory

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* or other applicable legislation of your province or territory.

## **Additional Information**

FCC and Sun Life reserve the right to change the terms of the Policy and this Certificate. The borrower will be given advance written notice of any changes, at least 30 days prior to the effective date of the change. In the event of conflict between this Certificate and the Policy, the terms of the Policy will govern.

## **Cancellations and Refunds**

The borrower may cancel this insurance at any time. If insurance is cancelled within 30 days from the date insurance begins, the borrower will receive a full refund of any premium paid and the insurance coverage will never have been in force. If cancellation occurs at a later date, there will be no premium refund except where premiums may have been debited in error. The effective date of cancellation is the next scheduled premium due date on the borrower's loan.

For assistance with premium refunds or cancellation requests, contact any FCC office for instructions.

## **Rights to copies of documents**

For insured benefits, you, the borrower or a claimant may obtain copies of the following documents:

- your enrollment form or application for insurance,
- any written statements or other record, not otherwise part of the application, that you provided to Sun Life as evidence of insurability.

For insured benefits, on reasonable notice, a copy of the Policy may also be requested. The first copy will be provided at no cost but a fee may be charged for subsequent copies. All requests for copies of documents should be directed to any FCC office.

## **How to make a complaint**

For complaints regarding underwriting decisions or insurance claims under the insured loan, please call the Sun Life Creditor Team at 1-877-271-8713. Please reference Policy 83035.

For complaints regarding the administration of this insurance, please call the FCC team at 1-800-387-3232.

## **Your privacy is protected – a message from Sun Life**

Respecting your privacy is a priority for the Sun Life group of companies. We keep in confidence personal information about you and the products and services you have with us to provide you with investment, retirement and insurance products and services to help you meet your lifetime financial objectives. To meet these objectives, we collect, use and disclose your personal information for purposes that include: underwriting; administration; claims adjudication; protecting against fraud, errors or misrepresentations; meeting legal, regulatory or contractual requirements; and we may tell you about other related products and services that we believe meet your changing needs. The only people who have access to your personal information are our employees, distribution partners such as advisors, and third-party service providers, along with our reinsurers. We will also provide access to anyone else you authorize. Sometimes, unless we are otherwise prohibited, these people may be in countries outside Canada, so your personal information may be subject to the laws of those countries. You can ask for the information in our files about you and, if necessary, ask us in writing to correct it. To find out more about our privacy practices, visit [www.sunlife.ca/privacy](http://www.sunlife.ca/privacy).

## **Our commitment to protect your privacy – a message from FCC**

FCC is committed to protecting your personal information: we take our responsibility to protect the confidentiality and integrity of your personal information very seriously. We collect your personal information under the authority of the *Farm Credit Canada Act*. We manage your personal information in accordance with Canada's federal *Privacy Act* and we will only collect, use, manage, disclose, and retain your personal information in accordance with that Act to provide services to you or as otherwise required by law. FCC is accountable to keep your personal information accurate, confidential and secure, both within the corporation and when business activities are carried out by a third party on behalf of FCC. It is our policy to collect only the personal information needed to administer our programs and services, to explain the type of information we will collect and the purposes for which it will be used, and ensure that you always provide your consent for FCC to collect your personal information. It is your choice to provide personal information to FCC; however, your decision to withhold some types of personal information or your withdrawal to use certain personal information may prevent us from providing the products or services you have requested. FCC is accountable to ensure that your personal information in our records is accurate and complete. If any change occurs in the personal information that you provide us, please advise FCC at the earliest opportunity. The *Privacy Act* gives you the right to access the personal information FCC holds about you and FCC's Privacy Officer can also correct any personal information that may contain errors. To find out more about FCC's privacy practices and view our Privacy Policy, visit [www.fcc.ca/privacypolicy](http://www.fcc.ca/privacypolicy).

**This Certificate contains important information about your insurance.  
Please keep it in a safe place.**