



MCAP

Certificate of Creditor's Group Insurance MCAP Service Corporation Life and Disability Insurance

Group Policy 83041 (the "Policy") is underwritten by Sun Life Assurance Company of Canada (the "Insurer") and issued to MCAP Service Corporation hereafter referred to as MCAP. Each eligible person ("you", "your") is insured under the Policy, subject to the terms and conditions of the application, and this Certificate of Creditor's Group Insurance Life and Disability Insurance for MCAP ("Certificate").

Your application and the Certificate, which summarizes all insuring provisions found in the Policy, along with any statements provided by you as evidence of insurability and any letter of approval from the Insurer form all the terms and conditions of coverage under the Policy. The Certificate includes all insuring terms and conditions of mortgage Life and Disability insurance available under the Policy, including those applicable to benefits that you may not have selected in your application.

MCAP and the Insurer together reserve the right to change the terms of the Policy at any time with 30 days advance notice to you. In the event of a conflict between the Certificate and the Policy, the terms of the Policy will govern.

This insurance is optional. If you have any questions about this insurance, contact Sun Life Creditor Team by writing to them at 227 King Street South, PO Box 638 STN Waterloo, Waterloo ON N2J 4B8 or creditorteam@sunlife.com, or by calling 1-877-271-8713. Please refer to Policy number 83041.

Sun Life Assurance Company of Canada is the insurer of this product and is a member of the Sun Life group of companies. You may visit the Insurer at www.sunlife.ca.

Eligibility

Who is eligible?

You are eligible for insurance if you are:

- indebted to MCAP for a mortgage or have signed as a guarantor for such a mortgage;
- at least 18 and not yet 65 years of age at the time of application;
- a Canadian resident; and
- for Disability insurance:
 - approved for Life insurance;
 - actively at work; or
 - not actively at work because you are a seasonal worker applying during your off season, and you are able to perform the regular duties of your occupation for at least 20 hours per week.

"*Actively at work*" means you are carrying out the regular duties of your occupation at least 20 hours per week.

"*Seasonal worker*" means you are normally actively at work for part of the calendar year and expect to return to the same source of employment when the next working season begins.

The maximum number of eligible persons who may be insured under a mortgage is 3.

Eligible mortgages

The following MCAP mortgages are eligible for coverage under the Policy:

- mortgages on residential properties; and
- mortgages on recreational properties.

Enrolment

Provided you are eligible, you can apply for this insurance at the time MCAP first approves your eligible mortgage or any time after. You will be required to participate in a confidential telephone interview if:

- you answered "No" to all applicable health questions and the total amount to be insured is between \$300,000 and \$500,000,
- you answered "Yes" to any health question that you were required to answer; or
- regardless of your answer to any applicable health question, your total amount to be insured under the Policy exceeds \$500,000 on the date you apply.

Effective date of insurance

Provided you are eligible; insurance becomes effective on the **latest** of:

- the date you signed your application;
- the date the mortgage funds are advanced;
- in the case of an assumed mortgage, the date the mortgage is assumed; or
- the date your coverage is approved if you were required to provide additional information about your health.

Temporary accidental death protection

If you die as the result of an Accident ("Accident" means a single, sudden, unexpected violent and external event that causes death), before mortgage funds have been advanced or the Insurer has made a decision regarding your application, the Insurer will pay MCAP the Life insurance benefit the Insurer would have paid had your application been approved.

No death benefit will be paid if any one of the following applies:

- you were not eligible for insurance when you applied;
- your death was not the result of an Accident;
- you are confined in a prison or similar institution;
- 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.

Your temporary accidental death protection will end on the **earliest** of the following dates:

- the 60th day after the date you sign your application, provided that it is received by MCAP;
- the date Life insurance begins; or
- the date indicated in the Insurer's written decision to decline your application.

If more than one of the applicants dies as the result of an Accident, the Insurer will pay the claim in respect of the applicant the Insurer deems to have died first.

In no event will the Insurer pay more than the indebtedness owed to MCAP in respect of the same insured indebtedness, regardless of the number of persons insured under the mortgage.

When you start paying premiums

The first time you apply for insurance coverage under the Policy, the date you begin paying premiums for your insurance coverage is deferred. Premium payments begin with the first scheduled mortgage payment after three months from the date your coverage is approved.



Cost of insurance

Premiums

Your premium is based on:

- your age at date of application; and
- premium rate as shown below.

Monthly Premium Rate Table					
Life and Disability insurance for MCAP					
Life Insurance (per \$1,000 of the initial mortgage amount)			Disability Insurance (per \$100 of initial monthly mortgage payment)		
Age	Single	Joint	Age	Single	Joint
18 – 30	0.10	0.15	18 – 30	1.35	2.59
31 – 35	0.14	0.20	31 – 35	1.76	3.42
36 – 40	0.21	0.32	36 – 40	2.17	4.14
41 – 45	0.31	0.47	41 – 45	2.74	5.33
46 – 50	0.43	0.62	46 – 50	3.45	6.74
51 – 55	0.59	0.85	51 – 55	4.35	8.43
56 – 60	0.80	1.23	56 – 60	5.40	10.53
61 – 64	1.13	1.70	61 – 64	6.45	12.34
			65 – 69*	7.50	14.46

*Rates only applicable for existing insured persons who are refinancing an insured mortgage.

Any applicable provincial sales taxes will be added to your premium.

Premium rates are reviewed periodically and written notification will be sent to you at least 30 days prior to any rate change.

How your premium is calculated

Life insurance

The monthly rate for your age is applied to the initial mortgage amount multiplied by the percentage of coverage indicated on your application.

Disability insurance

The monthly rate for your age is applied to the initial monthly mortgage payment multiplied by the percentage of coverage indicated on your application.

When more than one person is approved for insurance

Joint premium rates apply when two joint mortgagors have been approved for insurance. The joint rate is based on the **lesser** of:

- the joint rate using the age of the older applicant; or
- the sum of the single rates for each applicant.

The guarantor or third co-applicant is insured as a single life and is added to the premium calculated for the joint mortgagors.

Examples:

Life Insurance

Joint mortgagors, ages 29 and 35
Initial mortgage amount = \$350,000
Percentage of coverage selected = 100%
Monthly joint premium rate = \$0.20
Premium calculation
• Multiply initial mortgage amount by percentage of coverage selected = \$350,000 x 100% = \$350,000
• Apply premium rate = (\$350,000/\$1,000) x \$0.20 = \$70.00

Joint mortgagors, ages 31, 35 and guarantor, age 50
Initial mortgage amount = \$450,000
Percentage of coverage selected = 50%
Monthly joint premium rate = \$0.20
Monthly single premium rate = \$0.43
Premium calculation
• Multiply initial mortgage amount by percentage of coverage selected = \$450,000 x 50% = \$225,000
• Apply premium rate = (\$225,000/\$1,000) x \$0.20 + (\$225,000/\$1,000) x \$0.43 = \$141.75

Life with Disability Insurance

Single mortgagor, age 33	
Life	Disability
Initial mortgage amount = \$280,000	Initial monthly mortgage payment = \$900
Percentage of coverage selected = 50%	Percentage of coverage selected = 50%
Monthly single premium rate Life insurance = \$0.14	Monthly single premium rate Disability insurance = \$1.76
Premium Calculation	Premium Calculation
• Multiply initial mortgage amount by percentage of coverage selected = \$280,000 x 50% = \$140,000	• Multiply initial mortgage payment by percentage of coverage selected = \$900 x 50% = \$450
• Apply premium rate = (\$140,000/\$1,000) x \$0.14 = \$19.60	• Apply premium rate = (\$450/\$100) x \$1.76 = \$7.92

Joint mortgagors, ages 29, 35	
Life	Disability
Initial mortgage amount = \$325,000	Initial monthly mortgage payment = \$1,500
Percentage of coverage selected = 100%	Percentage of coverage selected = 100%
Monthly joint premium rate Life insurance = \$0.20	Monthly joint premium rate Disability insurance = \$3.11*
Premium Calculation	Premium Calculation
• Multiply initial mortgage amount by percentage of coverage selected = \$325,000 x 100% = \$325,000	• Multiply initial mortgage payment by percentage of coverage selected = \$1,500 x 100% = \$1,500
• Apply premium rate = (\$325,000/\$1,000) x \$0.20 = \$65.00	• Apply premium rate = (\$1,500/\$100) x \$3.11 = \$46.65

* Joint premium rate for Disability insurance is based on sum of the single rates for each applicant (\$1.35 + \$1.76 = \$3.11) since less than joint rate for older applicant (\$3.42).

Lump sum prepayment

If you make a lump sum prepayment on your current insured mortgage of at least \$5,000, you may request a reduction in your premium based on the new mortgage balance. To calculate the reduced premium if you have made a prepayment: subtract the amount of prepayment from the original amount insured, and multiply the result by the premium rate of your existing coverage.

For assistance with making a lump sum prepayment contact MCAP by calling 1-800-265-2624.

Life insurance benefit

What is the Life insurance benefit?

On approval of your claim, subject to Policy maximums, the Insurer will pay to MCAP the outstanding mortgage balance on the date of death multiplied by the percentage of coverage indicated on your application plus:

- accrued interest from the date of death to the date of claim payment;
- any shortfall balance in the property tax account provided property tax is included with the mortgage payment; and
- applicable fees and/or penalties required to discharge your mortgage.

Maximum benefit

Life insurance coverage under the Policy is limited to a maximum benefit of \$750,000 for all insured mortgages.

Disability insurance benefit

What is the Disability insurance benefit?

On approval of your claim, subject to Policy maximums, for each mortgage payment period you remain Disabled beyond the Qualifying Period, the Insurer will pay to MCAP your mortgage payment plus property tax if part of the mortgage payment as at the date of Disability multiplied by the percentage of coverage indicated on your application.

You are responsible for any portion of the regularly scheduled mortgage payment not covered by the benefit.

Maximum benefit

Disability insurance coverage under the Policy is limited to the following maximums:

- \$4,000 per month, per insured, for all mortgages combined;
- 24 months Disability insurance benefits, whether paid consecutively or in the aggregate, per Disability;
- a lifetime cumulative maximum benefit of 48 months for all insured mortgages.

What Disabled or Disability means

"Disabled" or "Disability" means that you have a medically determinable physical or mental impairment due to injury or disease that prevents you from performing the regular duties of your own occupation in which you participated before becoming Disabled, are under the active and continuous care of a licensed physician or health care practitioner approved by the Insurer, and are not engaged in any occupation for wage or profit.

What is the Qualifying Period?

The Qualifying Period is the number of consecutive days your Disability must continue before benefits become payable. The Qualifying Period is 60 days and starts from the date you first become Disabled. No benefits are paid during the Qualifying Period.

When the Insurer will start paying Disability benefits

Disability benefits are payable after the end of the Qualifying Period. On approval of your claim, benefits will be paid to MCAP on the mortgage payment due date that next follows the mortgage payment period for which you were approved for benefits.

If you are not Disabled throughout an entire mortgage payment period during which benefits are payable, the Insurer will pay MCAP a pro-rated amount, based on your payment frequency and the number of days you were Disabled.

When the Disability benefit payment stops

Disability insurance benefit payments stop on the **earliest** of:

- the date you are no longer Disabled or you return to work;
- for each Disability, the date the Insurer has paid the 24-month maximum benefit, whether paid consecutively or in the aggregate;
- for each person insured for Disability, the date the Insurer has paid the 48-month lifetime cumulative maximum for all insured mortgages;
- the date you fail to provide the Insurer with proof that you continue to be Disabled;
- the date you are no longer under the active and continuous care of a licensed physician or health care practitioner approved by the Insurer or are not following the recommended treatment prescribed by that physician;
- the date you participate in any occupation for remuneration or profit or any educational or training program other than a rehabilitation program approved by the Insurer;
- the date you refuse to submit to a medical examination at the Insurer's request by a physician or health care professional appointed by the Insurer;
- the date you are no longer a mortgagor, co-mortgagor or guarantor on the mortgage;
- the date your mortgage is paid in full;
- the date you reach age 70; or
- the date of your death.

What if your Disability recurs?

If the same Disability recurs within 30 consecutive days of your recovery or your return to work, your Disability will be treated as a continuation of the same claim, but no benefits will be payable for the period you were not Disabled.

Your benefit payments will begin again after you have provided proof to the Insurer of the recurrence of your Disability.

If the Insurer finds your subsequent claim is unrelated to your previous Disability, the Qualifying Period requirement will apply.

Refinancing or replacing an insured mortgage

Automatic transfer of insurance

If you refinance or replace your insured mortgage but decide not to insure your new mortgage for the full amount, your existing insurance coverage will be automatically transferred to your new mortgage.

For Life insurance, the amount of insurance transferred will be equal to the insured portion of the outstanding balance of your existing mortgage.

For Disability insurance, the amount of insurance transferred will be equal to the insured portion of the mortgage payment on your existing mortgage.

Your premium will remain unchanged.

If you die or if you become disabled the benefit payable will be as described in the section "Recognition of prior coverage", "How is the Life insurance benefit calculated?" and "How is the Disability insurance benefit calculated?"

When you need to reapply for insurance

If you decide to insure your new mortgage for the full amount (subject to Policy maximums), your existing insurance coverage terminates and you must reapply for insurance by completing a new application.

For Life insurance, the premium will be based on your age at the time you originally applied for insurance and the rate table in effect on the date of refinancing or replacement. The premium will be calculated by applying the monthly rate to the refinanced mortgage amount multiplied by the percentage of coverage indicated on your application.

For Disability insurance, the premium will be based on your attained age and the rate table in effect on the date of refinancing or replacement. The premium will be calculated by applying the monthly rate to the refinanced mortgage payment multiplied by the percentage of coverage indicated on your application.

The insurance benefit payable will be as outlined in the "What is the Life insurance benefit?" and "What is the Disability insurance benefit?" sections of this Certificate.

Recognition of prior coverage

If you reapply for insurance and your application for insurance is declined the Insurer will recognize your prior coverage under the Policy by granting partial coverage on the new mortgage.

Life insurance

The amount of insurance on the new mortgage will be equal to the insured portion of the outstanding balance of your existing mortgage. Your premium will remain unchanged.

How is the Life insurance benefit calculated?

The benefit payable will be calculated using the insured portion of the outstanding balance of your existing mortgage at time of refinancing or replacement, divided by the initial amount of your new mortgage. This percentage (to a maximum of 100%) will be applied to the outstanding mortgage balance at the time of death to determine the benefit payable.

Example:

Insured portion of the outstanding mortgage balance at time of refinancing or replacement = \$180,000
Initial amount of new mortgage = \$300,000
Outstanding mortgage balance at time of death = \$175,000
Percentage applied to outstanding mortgage balance at time of death = $\$180,000 / \$300,000 = 60\%$
Benefit Payable = $\$175,000 \times 60\% = \$105,000$

Disability insurance

The amount of insurance on the new mortgage will be equal to the insured portion of the mortgage payment on your existing mortgage at time of refinancing or replacement. Your premium will be based on your attained age and the rate table in effect on the date of refinancing or replacement.

How is the Disability insurance benefit calculated?

The benefit payable will be the **lesser** of:

- the insured portion of your mortgage payment on your existing mortgage at time of refinancing or replacement; or
- the insured portion of your new mortgage payment.

This amount cannot exceed 100% of the monthly equivalent of the new mortgage's mortgage payment.

Example 1

Insured portion of mortgage payment on existing mortgage at time of refinancing/replacement = \$1,550 per month
Insured portion of mortgage payment on new mortgage = \$1,850 per month
Disability benefit payable for each full month of Disability = \$1,550

Example 2

Insured portion of mortgage payment on existing mortgage at time of refinancing/replacement = \$2,050 per month
Insured portion of mortgage payment on new mortgage = \$1,750 per month
Disability benefit payable for each full month of Disability = \$1,750

Exclusions and limitations

Any concealment, misrepresentation or false declaration concerning your application or statements given as evidence of insurability may result in your insurance becoming void.

If you have misstated your age on your application and your true age would have made you ineligible for insurance, the Insurer's liability will be limited to a refund of premiums paid and your insurance will be voided.

No Life insurance benefit will be paid if any one of the following applies:

- you were not eligible for insurance when you applied;
- you are confined in a prison or similar institution;
- for any amount of insurance that has been in force for less than two years, your death results from suicide, regardless of whether you intended or understood the consequences of your actions (the liability will be limited to a refund of premiums, and in the case of an increased portion, liability will be limited to a refund of premiums that apply to that increase); †
- 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.
† If insurance is on a refinanced mortgage this exclusion will apply to any increase in coverage.

In no event will more than one Life insurance claim be paid in respect of any one insured mortgage regardless of the number of persons insured under it.

No Disability insurance benefit will be paid if any one of the following applies:

- you were not eligible for insurance when you applied;
- you are confined in a prison or similar institution;
- your Disability results from intentionally self-inflicted injuries;
- your Disability results from events directly or indirectly relating to, arising from or following your participation or attempted participation in a criminal offence;
- your Disability 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 Disability 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 Disability results from elective cosmetic or experimental surgery or treatment;
- pregnancy (this exclusion does not apply to complications of pregnancy, provided the pregnancy began after you became insured).

In no event will more than one Disability insurance claim be paid in respect of any one insured mortgage for the same period of time regardless of the number of persons insured under it.

When your insurance terminates

Your insurance ends on the **earliest** of the following dates:

- the first premium due date following the date MCAP receives your written request to cancel the insurance, or the first premium due date following the date specified in the written instructions if later than the date of receipt;
- the date MCAP receives your written request to cancel insurance if your written request is received prior to the date you start making premium payments;
- on the date you reach age 70 (if coverage is approved on joint mortgagors, insurance on the younger mortgagor continues until the occurrence of any other event of termination listed in this provision);
- the date insurance premiums are 61 days overdue;
- the date the Policy terminates;
- the date a Life insurance claim is paid on the mortgage;
- the date you die;
- the date the mortgage is refinanced or replaced in full; or
- the date any debt no longer exists such as:
 - the date title or ownership of the mortgaged property is transferred to a third person,
 - the date the mortgage is paid in full,
 - the date the mortgage is assumed by another mortgagee or assigned to a third party.
- for Disability insurance:
 - the date the lifetime maximum Disability benefit has been paid.

Claims

Claims should be made as soon as possible on the form approved by the Insurer. A claim for Life insurance must be made in writing within one year of date of death, except for residents of Quebec, in which case life insurance claims should be submitted as soon as possible. A claim for Disability insurance must be made in writing within 90 days from the date the Qualifying Period ends. Forms are provided on request by contacting MCAP.

While your claim is being processed you, or your estate, continue to be responsible for mortgage payments and monthly insurance premiums as they come due.

Proof of claim is at the expense of the claimant. All claims must be submitted in accordance with the instructions provided with the approved claim form.

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.

Cancellations and refunds

You may cancel this insurance at any time. Cancellations must be made in writing to MCAP. If you cancel your insurance within 30 days of receiving confirmation that your coverage has been approved, any premiums you paid will be refunded in full and the insurance will have never been in force. If cancellation is requested after that date, there will be no refund in premium except where premiums may have been debited in error.

Rights to copies of documents

For insured benefits, you may, at any time, obtain copies of the following documents:

- your application,
- any written statement 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 MCAP.

How to make a complaint

For complaints regarding underwriting decisions or insurance claims under your insured mortgage, please call the Sun Life Creditor Team at 1-877-271-8713. Please refer to Policy 83041.

For complaints regarding the administration of this insurance, please call MCAP's Service Centre at 1-800-265-2624.

Respecting your privacy

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.

From MCAP- please visit www.mcap.com to view our Privacy Policy.

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