



KEEP this document:
It's IMPORTANT.

Loan Insurance – Versatile Line of Credit Booklet

Group insurance that helps repay your Versatile Line of Credit and your linked loans if you die or become disabled

What's this booklet for?

This booklet provides you with what you need to know about Loan Insurance – Versatile Line of Credit and is part of your insurance contract. It's designed to help you understand Loan Insurance – Versatile Line of Credit and learn more about these topics:

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Making a claim?

Call



1-866-758-7601

Monday to Friday, 8:00 a.m. to 8:00 p.m.
Saturdays, 8:30 a.m. to 4:30 p.m.

or



Go to www.claim.desjardinslifeinsurance.com

Insurance questions?

Call



1-888-905-7065

Monday to Wednesday and Fridays,
8:00 a.m. to 5:00 p.m.
Thursdays, 8:00 a.m. to 8:00 p.m.

or



Call your caisse

Desjardins Insurance
200 rue des Commandeurs
Lévis QC G6V 6R2

www.desjardins.com/loan_insurance

A few things to know before you keep reading...



Grey background

We've used a grey background and a magnifying glass to identify where we've defined words and expressions that have a specific meaning for Loan Insurance – Versatile Line of Credit.



Red titles

We've used red titles and a red triangle with an exclamation mark to draw your attention to situations where your coverage may be reduced.

Use of the word "caisse"

To keep things simple, we've used the word **caisse** to refer to all caisse branches and representatives offering our Loan Insurance – Versatile Line of Credit product.

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1 About the life insurance

How much is the benefit that's paid?

Life insurance covers the **balance of your Versatile Line of Credit and your linked loans**, based on the life insurance percentage you've selected for each of them.

Here's how we calculate the amount we pay if you die while you're insured under this coverage:

For your Versatile Line of Credit

your line of credit balance on the date of death	X (multiplied by)	your life insurance percentage
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- › Your line of credit balance on the date of death includes any interest that's accrued up to that date
- › Your life insurance percentage is the one you selected on the most recent Application for Insurance, if that application has been approved

For each linked loan

your loan balance on the date of death	X (multiplied by)	the life insurance percentage that applies to the loan
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- › The linked loan balance on the date of death is the balance of that linked loan on the date of the last payment you made before your death, plus any interest that's accrued since you made that payment
- › The life insurance percentage that applies to the loan is the one you selected on the Choice of Insurance Percentages for Linked Loans form, if the Application for Insurance you filled out for your Versatile Line of Credit has been approved

We'll never pay a benefit that's more than the balance of your Versatile Line of Credit or any linked loans on the date of death, even if multiple insured persons die at the same time.

Who will the benefit be paid to?

Since this coverage is for your Versatile Line of Credit and your linked loans, we pay the benefit to **your caisse**, not you, so your caisse can pay off or pay down the balances.

Are there any situations where my coverage can be reduced?

Yes, your coverage may be reduced because of the restriction and the maximum below:



1. Restriction in case of previous illness or injury

This restriction may apply if you die within 2 years of:

- the disbursement of a new advance on your Versatile Line of Credit or a new linked loan, or
- a request to increase your coverage

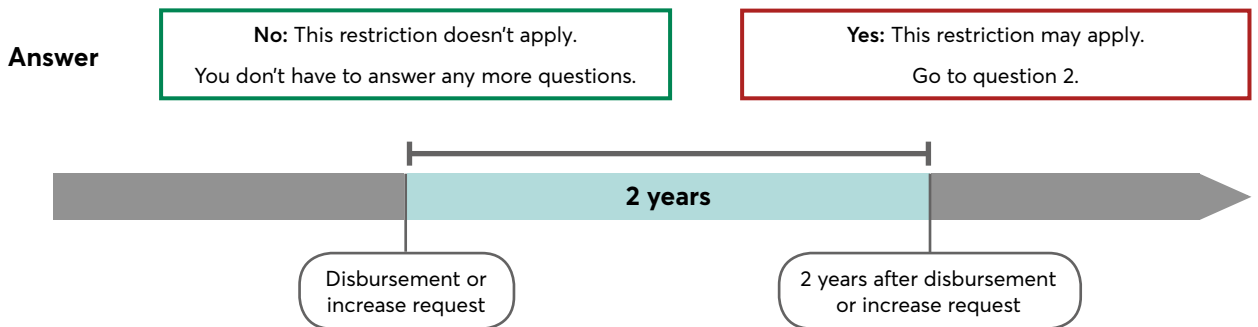
made more than 1 year after the Versatile Line of Credit's activation date.

To find out if this restriction applies in the event of death, answer the questions below—follow the instructions that go with your answer and refer to the timelines as needed.

Question 1 about when the death occurred

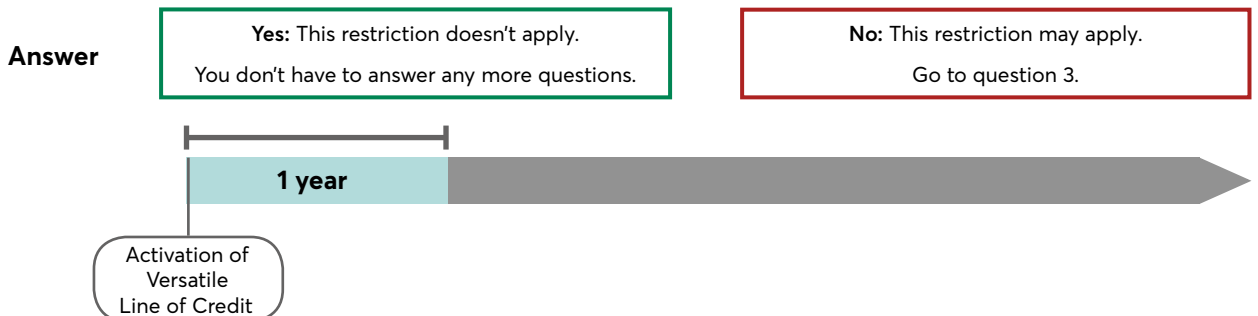
Did the death occur within 2 years of:

- the disbursement of a new advance on your Versatile Line of Credit or a new linked loan?
- a request to increase:
 - a linked loan amount, or
 - the life insurance percentage for your Versatile Line of Credit or a linked loan?



Question 2 about when the disbursement or the increase request was made

Was the disbursement or the increase request made in the year after the Versatile Line of Credit's activation date?



Question 3 about whether the deceased was seen or treated for a previous illness or injury

In the 6 months right before the disbursement or the increase, was the deceased seen or treated for the symptoms, the illness or the injury that caused their death?

Answer

No: This restriction doesn't apply.
You don't have to answer question 4.

Yes: This restriction may apply.
Go to question 4.



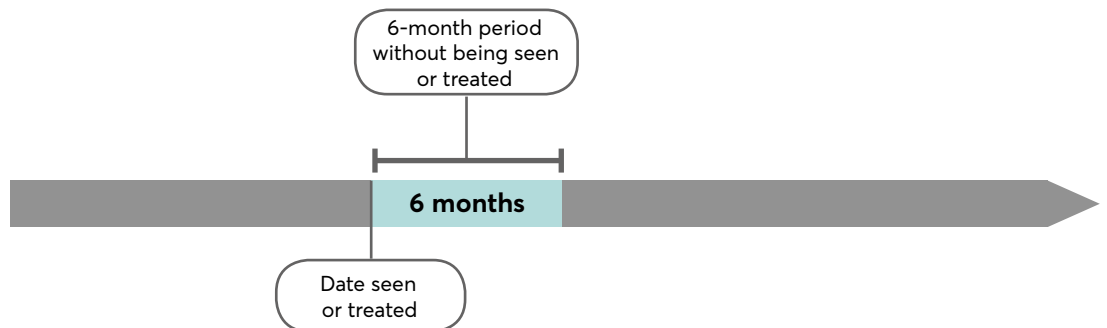
Question 4 about a period of 6 consecutive months without being seen or treated

After the deceased was seen or treated, was there a period of 6 consecutive months during which they weren't seen or treated for the symptoms, the illness or the injury that caused their death?

Answer

Yes: This restriction doesn't apply.

No: This restriction applies.
No benefit is payable or
the benefit may be reduced.



Seen or treated

We consider you to have been seen or treated for an illness, the symptoms associated with an illness or an injury if you've:

- consulted or received care from a doctor or another healthcare professional who is a member of a professional body
- undergone examinations or tests
- taken medication, or
- been hospitalized



2. Maximum payable in case of suicide for loans and lines of credit insured for less than 6 months:
\$75,000 per insured person for all loans and lines of credit insured with these Desjardins Insurance products: Loan Insurance – Versatile Line of Credit, Loan Insurance and Line of Credit Insurance

2 About the disability insurance

Do I have to meet any criteria to be considered disabled?

To be entitled to benefit payments, you must be suffering from a total disability. This means that:

- you must be disabled because of an illness or an accident and require continuing medical care
- your illness or injuries, or your state of health, must be confirmed by a doctor, and
- your disability must meet these criteria (as applicable):

If you worked 20 or more paid hours a week in the 4 weeks before you became disabled

Your disability must prevent you:

- during the first 24 months: from performing all the main duties of the usual occupation you held on the date your disability started
- after the first 24 months: from performing any paid work

If you didn't work 20 or more paid hours a week in the 4 weeks before you became disabled

Your disability must prevent you from performing all the normal activities of a person who is the same age as you.



When you make a claim, we'll consider your disability to have started on the date it meets all the criteria listed above.



Accident	<p>A sudden and unforeseen event that:</p> <ul style="list-style-type: none">• is the result of an external cause• is independent of any illness or other causes, and• leads to bodily injury or death <p>The injury or death must be confirmed by a doctor and must be directly and solely the result of the accident.</p>
Continuing medical care	<p>The type of care you need to receive. It must be care that's:</p> <ul style="list-style-type: none">• generally accepted as effective, appropriate and essential in the diagnosis or treatment of an illness or an injury• reasonable and customary• administered or prescribed by a doctor or, when Desjardins Insurance feels it's necessary, by a healthcare professional in the appropriate field• not limited to examinations and tests• given at a frequency that's appropriate for the illness or injury you're suffering from
Doctor	<p>Any person, other than the insured person, who is licensed to practise medicine in Canada and who doesn't live with the insured person.</p>

When do disability benefit payments start?

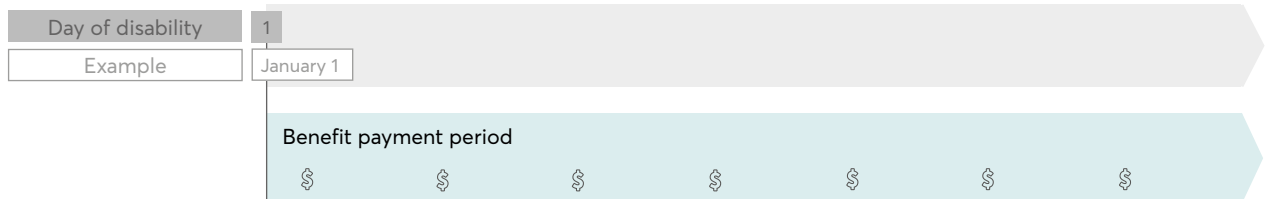
You must be disabled for a certain number of consecutive days before you're entitled to benefit payments. It's what we call the **waiting period**, and it can be 0 days (no waiting period), 30 days or 90 days, depending on your situation.

Once we've finished analyzing your claim, we'll start paying benefits based on one of the waiting periods indicated below.

No waiting period if your disability is due to cancer

Your benefits are payable as of the day you become disabled

Let's take a look at how it works:



Criteria you have to meet for the waiting period for cancer to be 0 days

Your cancer diagnosis:

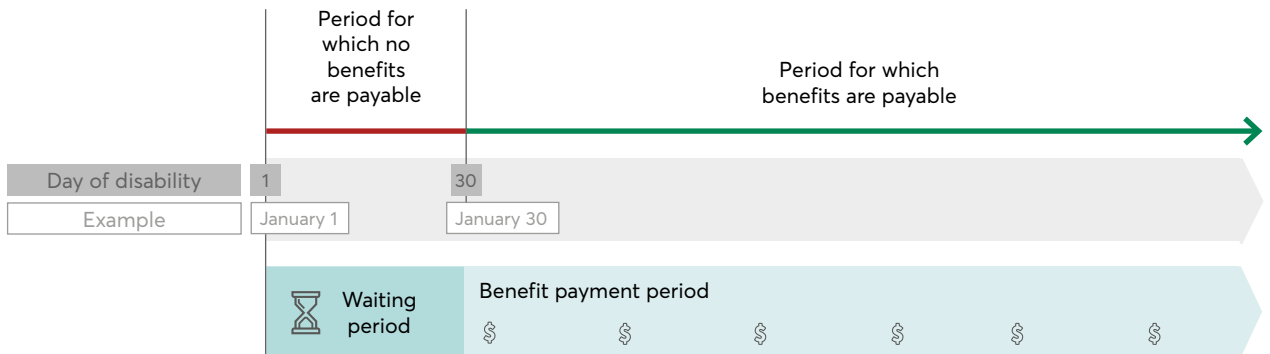
- must meet this definition: the definite diagnosis of a tumour characterized by uncontrolled growth and the spread of malignant cells and the invasion of tissue
- must be made by a specialist (a doctor who's licensed to practise medicine in Canada and has specialized medical training related to the type of cancer for which you're making a claim)—you can't be the specialist and the specialist can't live with you
- can't be for any of these cancers:
 - a) carcinoma *in situ*
 - b) stage 1A malignant melanoma (melanoma less than or equal to 1.0 mm in thickness, not ulcerated and without Clark level IV or level V invasion)
 - c) any non-melanoma skin cancer that hasn't metastasized, or
 - d) stage A (T1a or T1b) prostate cancer

If you become disabled because of any of these cancers, you'll need to satisfy a 30- or 90-day waiting period (see page 11).

30-day waiting period if your disability results directly from an **accident** or if you have to be hospitalized for **at least 48 consecutive hours** because of the disability

- To be entitled to benefit payments, you have to be disabled for **more than 30 consecutive days**
- Your benefits are payable as of the 31st day of disability
- You aren't entitled to any amount for the first 30 days of disability

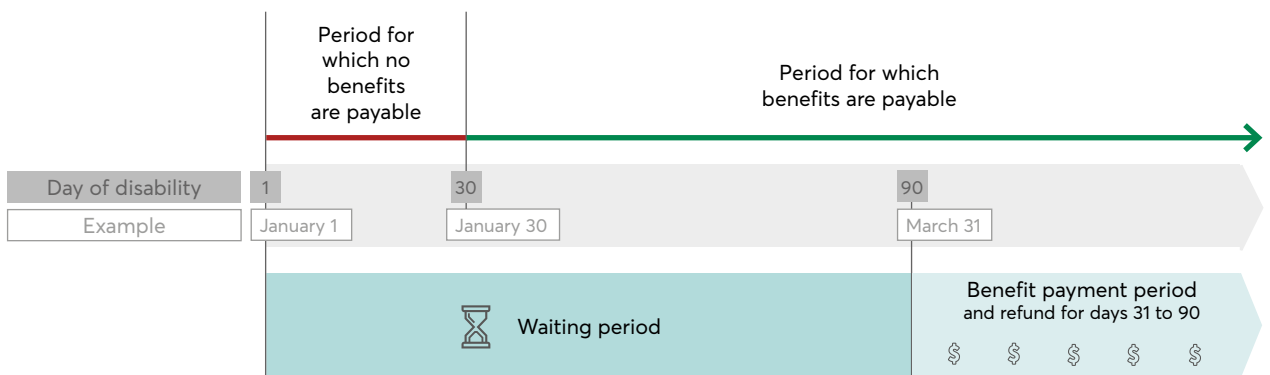
Let's take a look at how it works:



90-day waiting period for all other disabilities

- To be entitled to benefit payments, you have to be disabled for **more than 90 consecutive days**
- Your benefits are payable as of the 91st day of disability
- The first benefit payment we make will also include a refund for any regular payments you made between the 31st and the 90th days, based on the applicable disability insurance percentage
- You aren't entitled to any amount for the first 30 days of disability

Let's take a look at how it works:



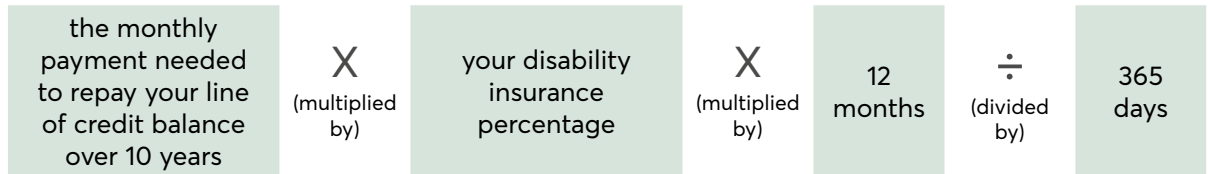
How much is the benefit that's paid?

Disability insurance covers the **payments you'd have to make to pay off the balance of your Versatile Line of Credit over 10 years** and the **regular payments for your linked loans**, based on the disability insurance percentages you've selected.

If you become disabled while you're insured under this coverage, we'll pay an amount for each day of disability that you're entitled to benefits.

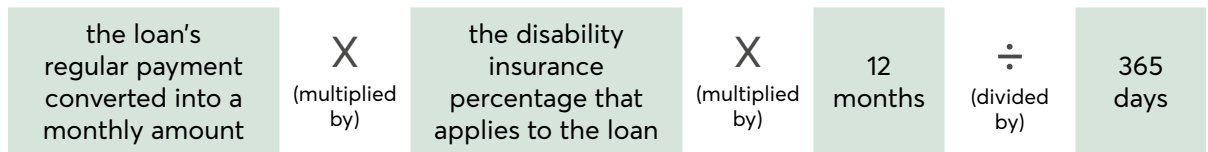
Here's how we calculate this amount:

For your Versatile Line of Credit



- > The line of credit balance is the one on the date you became disabled—we calculate the monthly payment needed to repay the balance over 10 years based on the interest rate that applies to the line of credit on the date your disability started
- > Your disability insurance percentage is the one you selected on the most recent Application for Insurance, if that application has been approved

For each linked loan



- > The regular payment we use for the calculation is the one that's indicated in the linked loan agreement between you and the caisse
- > The disability insurance percentage that applies to the loan is the one you selected on the Choice of Insurance Percentages for a Linked Loan form, if the Application for Insurance you filled out for your Versatile Line of Credit has been approved

Here's an example of how we calculate the benefit payable for 35 days of disability:

Example

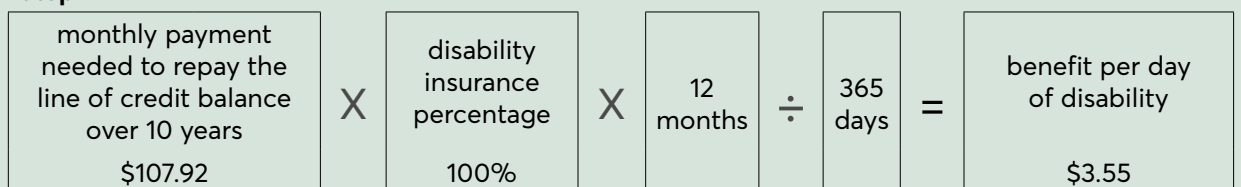
When Marissa and Raj bought their home, they both took out disability coverage to protect their Versatile Line of Credit and a linked loan.

Marissa became disabled. Here's how we calculated the amounts payable for the first 35 days of disability **after her 30-day waiting period**:

For the Versatile Line of Credit

- Balance at the start of her disability: \$10,000
- Monthly payment needed to repay the line of credit balance over 10 years: \$107.92
- Marissa's disability insurance percentage for the Versatile Line of Credit: 100%

Step 1



Step 2

benefit per day of disability \$3.55	X	35 days of disability	=	benefit payment for 35 days of disability \$124.25
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For the linked loan

- Regular payment made to the caisse every 7 days (weekly): \$400
- Regular payment converted into a monthly amount:
(\$400 X 52 weeks ÷ 12 months) \$1,733.33
- Marissa's disability insurance percentage for the linked loan: 75%

Step 1

regular payment converted into a monthly amount \$1,733.33	X	disability insurance percentage 75%	X	12 months	÷	365 days	=	benefit per day of disability \$42.74
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Step 2

benefit per day of disability \$42.74	X	35 days of disability	=	benefit payment for 35 days of disability \$1,495.90
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Go to pages 10 and 11 to find out when your benefit payments would start.

Who will the benefits be paid to?

Since this coverage is for your Versatile Line of Credit and your linked loans, we pay the benefits to **your caisse**, not you, so your caisse can pay down the balances or refund any payments that you've made since you became disabled.

We recommend you keep making the required payments the whole time you're disabled. If you don't, late penalties may apply.

How often are benefits paid?

We don't pay benefits on a regular schedule. Even though your benefits are calculated per day of disability, we don't pay them to the caisse every day. Also, not all benefit payments cover the same number of days of disability.

After the initial payment, how often we make benefit payments to your caisse depends on the information we receive from your doctor about how long your disability is expected to last. How often benefit payments are made and how many days they cover can also vary when we ask you to confirm that you're still disabled.

Are there any situations where my coverage can be reduced?

Yes, your coverage may be reduced because of the restriction and the exclusions below:



1. Restriction in case of previous illness or injury

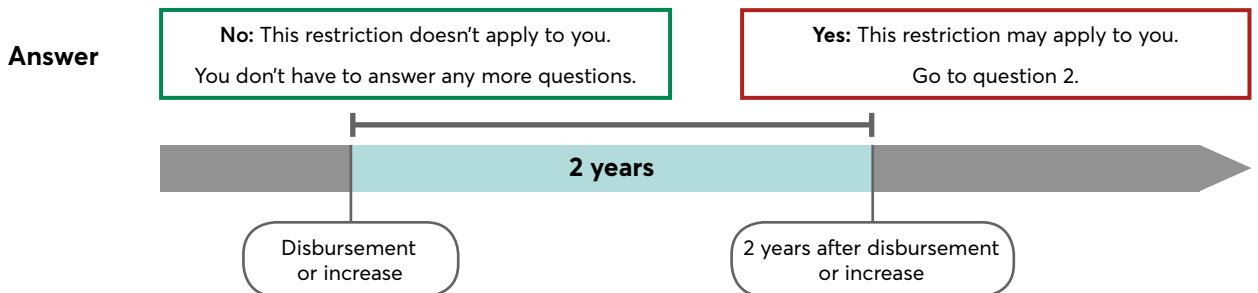
You may not be entitled to all or some of your benefits if you become disabled within 2 years of a new advance on your Versatile Line of Credit, a new linked loan or an increase in your coverage.

To find out if this restriction applies to you, answer the questions below—follow the instructions that go with your answer and refer to the timelines as needed.

Question 1

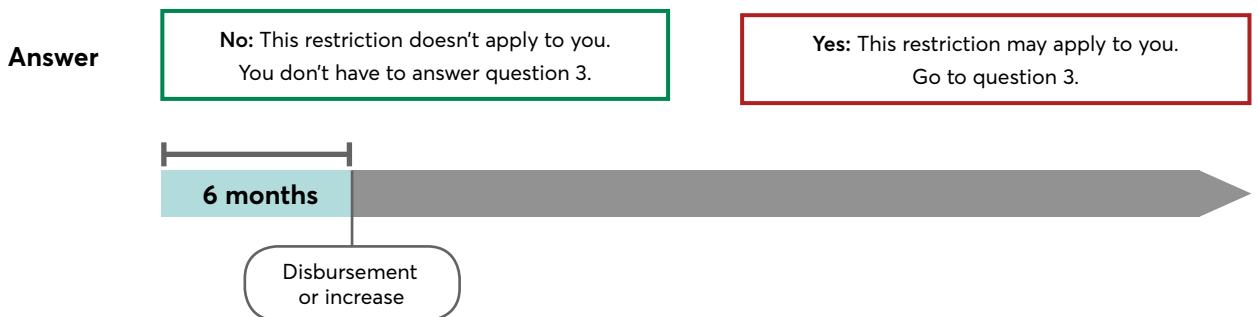
Did you become disabled within 2 years of:

- the **disbursement** of a new advance on your Versatile Line of Credit or a new linked loan?
 - an **increase** in:
 - your disability insurance percentage for the Versatile Line of Credit or a linked loan, or
 - the overall regular payment* needed to repay the balance of your Versatile Line of Credit over 10 years and all your linked loans?
- * unless the only reason your regular payment has gone up is because your caisse has increased the interest rate on your loan



Question 2

In the 6 months right before the disbursement or the increase, were you seen or treated for the symptoms, the illness or the injury that caused your disability?



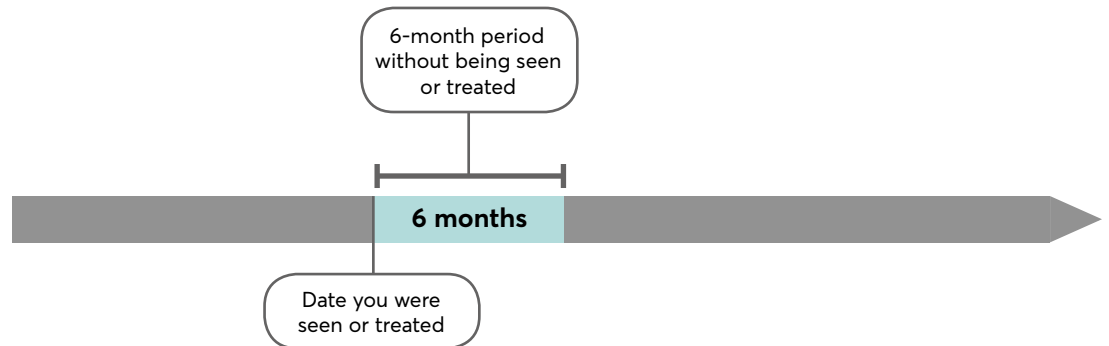
Question 3

After you were seen or treated, was there a period of 6 consecutive months during which you weren't seen or treated for the symptoms, the illness or the injury that caused your disability?

Answer

Yes: This restriction doesn't apply to you.

No: This restriction applies to you.
You aren't entitled to benefit payments or the benefit may be reduced.



Seen or treated

We consider you to have been seen or treated for an illness, the symptoms associated with an illness or an injury if you've:

- consulted or received care from a doctor or another healthcare professional who is a member of a professional body
- undergone examinations or tests
- taken medication, or
- been hospitalized



2. Exclusions related to circumstances surrounding the disability

We won't pay benefits for any disability that occurs:

- as a result of deliberate actions, while you're sane or insane
- during a war, insurrection or riot
- during your involvement in a criminal act
- as a result of corrective measures or cosmetic treatments

What happens if multiple insured persons are disabled at the same time?

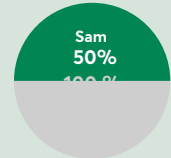
If necessary, we adjust the disability insurance percentages used to calculate the benefit payments so they don't total more than 100% for the Versatile Line of Credit and 100% for each linked loan.

Example When Sam and Alex bought their home, they both took out disability coverage to protect their linked loan. Here are the insurance percentages they've selected:

	Disability insurance percentage
Sam	50%
Alex	75%

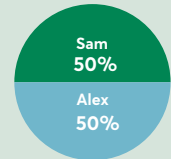
Sam becomes disabled

We pay 50% of the regular payment for Sam



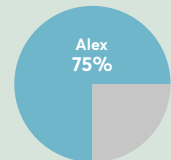
Alex then becomes disabled

Since we can't pay more than 100% of Sam's and Alex's regular payment, we continue to pay 50% of the regular payment for Sam and we start paying 50% for Alex.



Sam is no longer disabled

We pay 75% of the regular payment for Alex



When will benefit payments end?

We stop paying disability benefits on the **earliest** of the following:

- when you no longer meet the criteria for being considered disabled
- when you start doing paid work
- when you start any training
- when you go back to school
- when you refuse to participate in good faith in any rehabilitation program that Desjardins Insurance considers to be appropriate
- when you turn 70
- 12 months after your loan was supposed to be repaid in full, based on the terms and conditions for repaying your loan
- when the borrower asks the caisse in writing to end your coverage
- when your loan has been repaid in full, even if it's been replaced with another loan at a caisse
- when a transfer of ownership (also known as conveyance) for a mortgaged property is signed
- for a Versatile Line of Credit: when you've been disabled for 10 years
- for linked loans: when you've been disabled for 10 years, if your loan doesn't have a maturity date

Making a claim

What do I have to do and by when?

For life claims

You have to submit the required forms and proof of death.

We need you to get these documents to us as soon as reasonably possible.

For disability claims

You have to submit the required forms and any proof we ask for.

We need to receive these documents **no later than 1 year** after the date your disability starts.

Otherwise, we'll only pay benefits for the 12-month period right before the date we receive all the forms and documents needed for your claim. For example, if we receive everything we need to process your claim 18 months after you become disabled, we won't pay any benefits for the first 6 months.

Sometimes we need more information to analyze your claim, so we may ask you to go see a doctor that we choose.



You're responsible for paying any fees the doctor charges to fill out forms.

How can I get the forms I need?

You have 3 options for getting the forms and documents you need and information on how to submit a claim:

- Go to www.claim.desjardinslifeinsurance.com
- Call us at 1-866-758-7601
- Speak with an advisor at your caisse

Can I send documents electronically?

Yes, you can use this secure link to send us most of your documents:

www.desjardinslifeinsurance.com/send

If we ask you for original documents, you can't use the link—you have to mail them to us.

What happens once you have everything you need to analyze my claim?

Once we have all the documents and information we need, we'll start analyzing your claim.

Within 30 days of receiving your documents, we'll send you a letter to inform you of our decision and make a benefit payment if we've approved your claim.



We recommend you keep making the required payments the whole time you're disabled. If you don't, late penalties may apply.

If I don't agree with your decision, can I ask you to review my claim again?

Yes, if you have new information that might cause us to reconsider our decision, you can ask us to review your claim.

What can I do if I'm not satisfied?

If you still aren't satisfied after we've reviewed your claim, you can file a complaint with our Dispute Resolution Officer. Their role is to evaluate whether we've followed proper practices and procedures when clients feel they haven't received the service they're entitled to.

Here's how to contact our Dispute Resolution Officer:

Dispute Resolution Officer

Desjardins Insurance
200 rue des Commandeurs
Lévis QC G6V 6R2

Email: disputeofficer@dfs.ca

Phone: 1-877-838-8185

Another option

If you want to challenge our decision in court, you only have a certain amount of time to do so. It's called the limitation period and it starts as soon as your claim is denied. It also varies depending on where you live: in Ontario, it's 2 years and in Quebec, it's 3 years.

Find out more

You can contact your provincial regulator or your legal advisor for more information on your rights.

Here's the contact information for the Ontario and Quebec regulators:

For Ontario residents

Financial Services Commission of Ontario
5160 Yonge Street
PO Box 85
Toronto ON M2N 6L9

Email: contactcentre@fSCO.gov.on.ca

Website: www.fSCO.gov.on.ca

Phone: 416-250-7250 or 1-800-668-0128
Fax: 416-590-7070

For Quebec residents

Autorité des marchés financiers
Place de la Cité, Tour Cominar
400-2640 boul. Laurier
Quebec City QC G1V 5C1

Website: www.lautorite.qc.ca

Phone: 418-525-0337 or 1-877-525-0337
Fax: 418-525-9512

4 The cost of insurance

How is the cost of my insurance calculated?

To be insured, you have to pay an additional interest rate

The amount you have to pay to get Loan Insurance – Versatile Line of Credit is called the **premium** and it's an additional interest rate that's applied to the balance of the advances on your Versatile Line of Credit and the balance of your linked loans. You only start paying for Loan Insurance – Versatile Line of Credit when the advance on your Versatile Line of Credit or the linked loan is disbursed.

Example Jenna and Kieran, both 42, have just bought a home and taken out a Versatile Line of Credit with an approved amount of \$190,000. When it comes time to pay for their new home, they ask their caisse for:

- a \$5,000 advance on their line of credit, and
- a linked loan with these features:
 - loan amount: \$150,000
 - frequency of regular payments: monthly
 - duration of initial term: 5 years (or 60 regular payments)

Jenna and Kieran both select 100% for their life insurance percentage.



A loan term is the length of time a loan agreement and its terms and conditions will be in effect. In Canada, the most popular mortgage term is 5 years.

In Jenna's and Kieran's case, these are the interest rates payable:

	Basic interest rate set by the caisse		Additional interest rate for the insurance
Versatile Line of Credit advance	3.5%	+	0.438%
Linked loan	3%	+	0.438%

The additional interest rate for the insurance has an impact on your advances and your linked loans

For an advance on your Versatile Line of Credit

Every time the basic interest rate set by the caisse is applied to the balance of the advance, the additional interest rate for the insurance (your premium) is, as well. These rates are applied based on the number of days in the calculation period.

If your Versatile Line of Credit agreement includes the repayment of principal and interest and you make your regular payments exactly as set out in this agreement, the balance of your line of credit won't go down the same way. Because a portion of the regular payments will be used to cover the cost of insurance, you'll be paying down less principal at the start and more towards the end.

For a linked loan

Your regular payments are higher because of the additional interest rate for the insurance

Each regular payment consists of:

- a portion that pays down the amount borrowed (the principal)
- a portion that covers the interest on your loan, and
- a portion that covers the additional interest for the insurance (your premium)

Here's what Jenna's and Kieran's regular payment for their linked loan looks like with and without insurance:

	Without insurance	With insurance	Difference
Regular payment for the initial 5-year term	\$831	\$865	\$34

The difference between the regular payments with and without insurance doesn't equal the cost of insurance

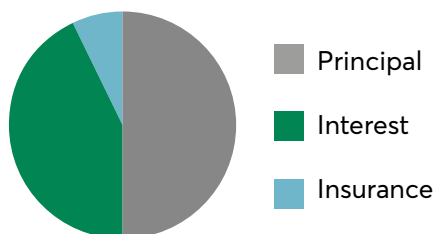
Since the additional interest rate for the insurance is applied to the balance of a linked loan every time you make a regular payment, the cost of insurance goes down as the loan balance goes down during the term. This means that **you're always paying a fair price for your coverage** based on the balance that you have left to pay on your linked loan.

In our example, Jenna and Kieran want to pay off their linked loan in 20 years. In the beginning, their cost of insurance will be higher than the difference between their regular payments with and without insurance. Since there won't be enough to pay for the insurance, a portion of their regular payment (that would have otherwise been used to pay down the amount borrowed) will be used to make up the difference.

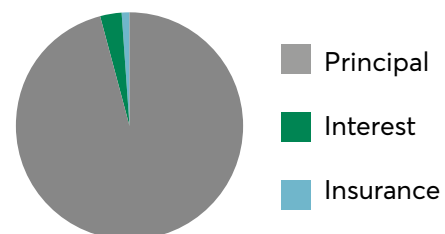
Later, it's the opposite: their cost of insurance will be less than the difference between their regular payments with and without insurance. This means there'll be more money to pay down the amount borrowed.

Let's compare the first regular payment of the initial term of Jenna's and Kieran's linked loan and the first regular payment of the final term of their linked loan:

First payment of initial 5-year term



First payment of final 5-year term

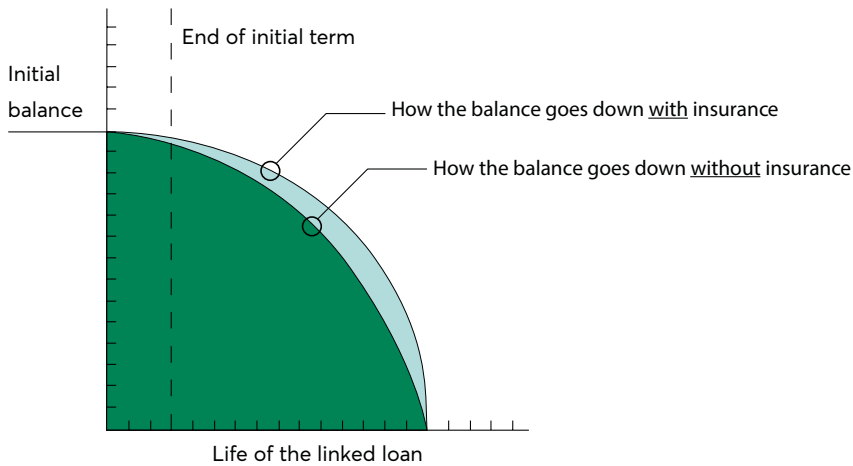


Your cost of insurance could go up if you're in a new age group when you renew your linked loan.

The life of your linked loan is the same... it's how the balance goes down that's different

Since the difference between the regular payments with and without insurance isn't enough to cover the full cost of insurance at the beginning of the life of the linked loan, you won't be repaying as much principal at the start. Even though the cost of insurance has an impact on how the balance of your linked loan goes down, the life of your linked loan stays the same.

Let's take a look at how it works:



Because the balance of a linked loan doesn't go down the same way when you have Loan Insurance – Versatile Line of Credit, there's more interest to pay on the portion of the balance that's in blue in the graph above. This extra interest is included in the cost of insurance.

How is the additional interest rate for the insurance calculated?

The additional interest rate is calculated using charts that show the monthly rates per \$1,000 of balance. It varies based on these elements:

For life insurance

- The monthly rates per \$1,000 of insurance in effect on the calculation date
- The coverages selected by each insured person (life insurance only or life and disability insurance)
- The insurance percentages selected
- Each insured person's age
- Each insured person's sex and whether they smoke
- The approved Versatile Line of Credit amount multiplied by your insurance percentage

For disability insurance

- The monthly rates per \$1,000 of insurance in effect on the calculation date
- The insurance percentages selected
- Each insured person's age
- The number of years over which the Versatile Line of Credit or the linked loan will be repaid, namely:
 - 10 years for your Versatile Line of Credit (default period)
 - the remaining life of the loan (for example, 20 years) and the amount of your regular payments for a linked loan
- The interest rate for the linked loan and whether interest capitalization is monthly or semi-annual
- The terms and conditions for repaying the loan (for example, principal plus interest, fixed principal plus interest, interest only) and how often regular payments are made

Can the additional interest rate for my insurance change?

Yes, we reset this rate:

- at each linked loan renewal, based on how old you are at the time for life and disability insurance and based on the new terms and conditions of your loan (interest rate, remaining life of the loan, repayment terms and conditions, etc.) for disability insurance (see previous question)
- when a 5-in-1 mortgage (in this case, a linked loan) is reset each year (we change the additional interest rate if the interest rate for the loan has changed)
- when changes are made to the terms and conditions of your Versatile Line of Credit or linked loan, or to your coverage—this includes changes to the amount of your regular payment, how often you make your regular payments, the end of the loan term, the coverages selected or the insured persons
- for your Versatile Line of Credit: at least once every 5 years, based on how old you are at the time
- for each linked loan: at least once every 10 years, based on how old you are at the time

Is the cost of insurance guaranteed?

No, we can change the cost of insurance at any time.

If we do decide to change it, you won't have to start paying the new cost until the first situation that leads to your additional interest rate for the insurance being reset happens (see previous question).

What happens if I increase the amount of my regular payments for a linked loan?

Increasing the amount of your regular payments for a linked loan will change the life of the loan.

If you've taken out disability insurance, we'll need to reset the additional interest rate for the insurance to take into account the new remaining life of the linked loan and your new regular payment amount.

5 Getting coverage

Am I eligible for coverage?

Here's who can get Loan Insurance – Versatile Line of Credit:

- A borrower, or
- A borrower's guarantor

To get Loan Insurance – Versatile Line of Credit, you must be a resident of Canada. In other words, you must be legally authorized to reside in Canada and live here at least 6 months a year.



Guarantor

Any person who has agreed in writing to pay back all or some of your line of credit or a linked loan if you aren't able to

Is there an age limit for taking out coverage?

For life insurance

You need to be under 70.

For disability insurance

You need to be under 65.

How do I apply?

You'll need to go to your caisse and fill out an Application for Insurance – Loan Insurance – Versatile Line of Credit. On the application, you'll have to select the coverages and the insurance percentages you want. For the application to be valid, it must be signed in Canada.

Can I take out just life insurance or just disability insurance?

You have 2 options. You can get:

- Life insurance only, or
- Life insurance **and** disability insurance

How much coverage can I get?

Each person getting coverage has to select their own insurance percentages on the Application for Insurance.

For life insurance

You have to select a life insurance percentage between 10% and 100%.

For disability insurance

You have to select a disability insurance percentage between 10% and 100%. Keep in mind that your disability insurance percentage can't be higher than your life insurance percentage.

These percentages automatically apply to:

- any advance on your Versatile Line of Credit
- any new linked loan you take out

For each linked loan, you also have to fill out a Choice of Insurance Percentages for a Linked Loan form. On this form, you can indicate the same insurance percentages you selected on the Application for Insurance or you can select lower percentages.

You're also free to change the insurance percentages you've selected for a linked loan whenever you'd like. However, these insurance percentages can't be higher than those you selected on the Application for Insurance.

Are there coverage limits?

Yes, these maximums apply:

For life insurance

The maximum payable is **\$10,000,000 per insured** person for all loans and lines of credit insured with these Desjardins Insurance products: Loan Insurance – Versatile Line of Credit, Loan Insurance and Line of Credit Insurance.

For disability insurance

The maximum payable is **\$10,000 a month** per insured person for all loans and lines of credit insured with these Desjardins Insurance products: Loan Insurance – Versatile Line of Credit, Loan Insurance and Line of Credit Insurance.

What types of loans can I insure?

For life insurance

You can get life insurance for your Versatile Line of Credit and any type of loan that's linked to it

For disability insurance

You can get disability insurance for your Versatile Line of Credit and for any type of loan that's linked to it:

- for which you've taken out life insurance, and
- that are **repaid with regular payments** (you're required to make at least 1 regular payment a year)

Your Versatile Line of Credit must be insured if you want to get coverage for a linked loan.

Is there a health questionnaire?

There are some questions you'll need to answer on the Application for Insurance.

Your answers will help us determine:

- if we can approve your application right away, or
- if you need to fill out a questionnaire about your health and lifestyle habits—it's called an Evidence of Insurability Report and your caisse will provide you with a copy, if needed



If an Evidence of Insurability Report is required, you'll need to fill it out and return it to your caisse within 14 days of when you sign the Application for Insurance. If your health changes before we inform you of our decision, you need to call us at **1-888-905-7065**.

What happens if I don't answer a question properly when applying for coverage?

Providing incorrect or incomplete information, or making a false statement, could result in your coverage being cancelled or a claim being denied.

6 Start of coverage

When does my coverage start?

For each advance on your Versatile Line of Credit and for each linked loan, your coverage starts on the date the advance or the linked loan is disbursed.

However, if you'll be using the advance or the linked loan to buy property, your coverage may begin on the date you sign your credit contract secured by a mortgage, even if the Versatile Line of Credit funds haven't become available yet. See the Loan Insurance policy at your caisse for all conditions that apply.

If you have to submit an Evidence of Insurability Report

You're covered for death or disability in case of **accident only** until we decide whether to approve or deny your application, for a maximum of 3 months.

Within 30 days of receiving the forms and information we need to process your application (this includes any information provided by your doctor, if applicable), we'll write to you to let you know whether or not we've approved your application.



In all cases, if your Versatile Line of Credit isn't activated within 12 months of when you sign the Application for Insurance, you'll need to fill out another Application for Insurance and provide an Evidence of Insurability Report, if applicable.



Accident

A sudden and unforeseen event that:

- is the result of an external cause
- is independent of any illness or other causes, and
- leads to bodily injury or death

The injury or death must be confirmed by a doctor and must be directly and solely the result of the accident.

What document confirms I'm covered?

If you didn't have to complete an Evidence of Insurability Report, your confirmation of coverage is the Application for Insurance. Your insurance certificate is the Application for Insurance and this Loan Insurance – Versatile Line of Credit Booklet.

If you had to complete an Evidence of Insurability Report, your confirmation of coverage is the letter Desjardins Insurance sent you to confirm your coverages. Your insurance certificate is the letter and this Loan Insurance – Versatile Line of Credit Booklet.

What documents make up my contract?

These are the documents that make up your insurance contract:

- The Application for Insurance that you filled out and signed at the caisse for your Versatile Line of Credit
- The Evidence of Insurability Report, if you had to complete one
- Any letter confirming your coverages or insurance percentages
- For your linked loans: the Choice of Insurance Percentages for a Linked Loan form
- This Loan Insurance – Versatile Line of Credit Booklet
- The Loan Insurance – Versatile Line of Credit Summary
- The Loan Insurance policy between Desjardins Insurance and your caisse, plus any riders that have been added to the policy

If you'd like to see the Loan Insurance policy, feel free to go to your caisse during business hours to take a look at it.

7 Renewal, changes and special loans

Do I need to answer any health questions when I get a new advance or a new linked loan, or when I renew a linked loan?

No, when we approve your application for coverage on your Versatile Line of Credit, you're then covered for any advances on your line of credit and for any new loan you want to insure.

Your coverage on any new advances or new linked loans may be reduced because of the restrictions in case of previous illness or injury. We strongly recommend you refer to pages 7 and 8 for more details about the restriction that applies to the life insurance and pages 14 and 15 for the restriction that applies to the disability insurance.

At each loan renewal, your coverage remains in effect and is adjusted to the loan balance. However, we reset the additional interest rate for the insurance based on your age at the time (see [Can the additional interest rate for my insurance change?](#) on page 22).

How do I change my coverage?

If you want to change your coverage, you'll need to go to your caisse. To make changes to the insurance on your Versatile Line of Credit, you'll need to fill out another Application for Insurance. To make changes to the insurance on a linked loan, you'll need to fill out a Choice of Insurance Percentages for a Linked Loan form.

Keep in mind that the insurance percentages you select for a linked loan can't be higher than the insurance percentages you've selected for your Versatile Line of Credit on the Application for Insurance.

If my new Application for Insurance is denied, what happens to the Loan Insurance – Versatile Line of Credit coverage I already had?

If you already had coverage for a Versatile Line of Credit and its linked loans or for any loans that aren't linked to the Versatile Line of Credit and you submitted a new Application for Insurance (to cover a new Versatile Line of Credit you've opened because you're moving, for example) and that application was denied, we may still approve a life or disability insurance percentage for your new linked loan.

We calculate the insurance percentage(s) granted based on:

- the balance of the Versatile Line of Credit or the loan for which you had coverage, and
- the insurance percentage(s) you had for that Versatile Line of Credit or that loan

Your caisse will have to fill out an application for prior coverage recognition and send it to us.

Afterwards, we'll send you a letter confirming the new insurance percentage(s) that will apply to your new linked loan. If you make a claim, we'll use these percentages to determine the amount payable. The cost of your insurance will be adjusted accordingly.

Some conditions apply. To find out more, contact your caisse.

Are there any special conditions for mortgages with a variable interest rate that are linked to a Versatile Line of Credit?

Yes, to calculate the disability benefits you're entitled to for this type of loan, we use the amount of the regular payments indicated in your loan agreement. This means that during the term:

- we don't reset the additional interest rate for the insurance when the interest rate on your loan changes unless the rate has changed because of a new loan agreement with the caisse
- if you increase the amount of your regular payments, you may not be covered for the portion that represents the increase because of the restriction in case of previous illness or injury that may apply to your disability coverage
- any lump-sum payment your caisse may require you to make won't be covered under the disability insurance

Are there any special conditions for other types of loans?

Yes, there are special conditions that apply to other types of loans. To find out more, go to your caisse and ask to see the Loan Insurance policy.

8 End of coverage

Can I end my coverage?

Yes. If you end your coverage **within 30 days** of when it started:

- We'll consider you to have never been insured, and
- We'll refund any premiums you've paid, as long as you haven't made any claims

If you end your coverage **more than 30 days** after it started, your coverage will end on the date you ask for this in writing, but you won't get any money back.

How can I end my coverage?

You have 3 options:

- Sign a form at your caisse
- Fill out the End Your Coverage form on page 33 of this booklet and send it to your caisse by registered mail, or
- Fill out the Notice of Cancellation of an Insurance Contract you received when you purchased your coverage and send it to your caisse by registered mail

You can also end your coverage for just one of your linked loans, while continuing to insure your Versatile Line of Credit and your other linked loans. You can get the form you need to do this at your caisse.

When does my life insurance end?

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

	Versatile Line of Credit	Each linked loan
• the first business day of the month that follows the month in which you turn 70	✓	
• the date of the first loan renewal that occurs on or after your 70th birthday		✓
• when you turn 80		✓
• when your loan has been repaid in full, even if it's been replaced by another loan at a caisse		✓
• at the end of a period of 6 consecutive months during which less than 1/12 of the regular payments needed for a whole year have been made (this period begins on the date of the first missed payment)		✓
• when you stop being a borrower or a guarantor	✓	✓
• when we notify the caisse in writing that proof you've submitted is unsatisfactory	✓	✓
• when your coverage has been in effect for 3 months if we still haven't approved or denied your Application for Insurance	✓	✓
• when the initially approved Versatile Line of Credit amount is increased	✓	✓
• when your Versatile Line of Credit is closed	✓	✓
• when the transfer of ownership (also known as conveyance) for a mortgaged property is signed	✓	✓
• when the borrower asks the caisse in writing to end your coverage	✓	✓
• when the Loan Insurance contract between Desjardins Insurance and your caisse ends	✓	✓

When does my disability insurance end?

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

	Versatile Line of Credit	Each linked loan
• the first business day of the month that follows the month in which you turn 65	✓	
• the date of the first loan renewal that occurs on or after your 65th birthday		✓
• when you turn 70		✓
• when your life insurance ends	✓	✓
• when we notify the caisse in writing that proof you've submitted is unsatisfactory	✓	✓
• when your coverage has been in effect for 3 months if we still haven't approved or denied your Application for Insurance	✓	✓
• when the terms and conditions for repaying your linked loan no longer include regular payments		✓
• when the borrower asks the caisse in writing to end your coverage	✓	✓
• when Desjardins Insurance or your caisse ends the disability coverage that's offered under the Loan Insurance contract between Desjardins Insurance and your caisse	✓	✓
• when the Loan Insurance contract between Desjardins Insurance and your caisse ends	✓	✓

Can I convert my Loan Insurance – Versatile Line of Credit into individual coverage?

Yes, you can get individual life insurance without having to complete a questionnaire about your health and lifestyle habits if you meet all these criteria:

- You've had Loan Insurance – Versatile Line of Credit **for at least a year**
- You **close your Versatile Line of Credit** after you've fully repaid any advances on it and all its linked loans
- When you close your Versatile Line of Credit, **the total insured balance** of all advances and linked loans is **\$25,000 or more** (the insured balance of each advance or linked loan corresponds to its balance multiplied by the life insurance percentage that applies)
- **Mortgage securities** for the Versatile Line of Credit, if there still are any, are no longer held by a Desjardins entity and haven't been replaced with any new mortgage securities in favour of a Desjardins entity
- **You're under 65** when you apply for individual insurance
- **You apply within 31 days** of when you close your Versatile Line of Credit

Features:

- The type of individual life insurance contract that's offered by Desjardins Insurance at the time for converting Loan Insurance into individual coverage
- An individual life insurance amount that corresponds to the total insured balance of all the advances on your Versatile Line of Credit and your linked loans (the insured balance of each advance or linked loan corresponds to its balance multiplied by the life insurance percentage that applies) when you close your line of credit, to a maximum of **\$250,000**—you must therefore take out a minimum of \$25,000 in individual life insurance, but no more than \$250,000

To convert your Loan Insurance – Versatile Line of Credit into individual coverage, call **1-888-905-7065**. An agent will contact you to analyze your insurance needs and help you convert your coverage.

9 Other information

How do you manage my personal information?

We're committed to protecting your privacy. We keep your personal information on file so you can benefit from our financial services (insurance, annuities, credit, etc.). However, this information will only be accessed by employees who need to do so in the course of their work.

You can review your information if you'd like. You can also correct anything that you can prove to be inaccurate, incomplete, unclear or unnecessary. You can do so by sending a written request to our Privacy Officer at this address:

Privacy Officer

Desjardins Insurance
200 rue des Commandeurs
Lévis QC G6V 6R2

We may send promotional messages or product offers to people on our client list. We may also share this list with other Desjardins entities for the same purpose. If you don't want to receive these kinds of offers, you can have your name removed from this list by sending a written request to the Privacy Officer at the above address.

What if I'm not satisfied?

If you have any concerns about your insurance or you're dissatisfied with the product or service you received, we want to know. Here's what you need to do:

1. Contact the person or the caisse that sold you the insurance

You can find the phone number in the documentation you received when you applied for the insurance. Call and ask for an explanation. In most cases, this call is all it takes to get answers to your questions.

2. Call our Customer Contact Centre

If you're not completely satisfied with the answers you were given in step 1, call our Customer Contact Centre at **1-866-838-7585**.

3. Write to our Dispute Resolution Officer

If you're not satisfied with the response you received from our Customer Contact Centre, you can file a complaint with our Dispute Resolution Officer. Their role is to evaluate whether we've followed proper practices and procedures when clients feel they haven't received the service they're entitled to.

Here's how to contact our Dispute Resolution Officer:

Dispute Resolution Officer

Desjardins Insurance
200 rue des Commandeurs
Lévis QC G6V 6R2

Email: disputeofficer@dfs.ca

Phone: **1-877-838-8185**

For more information about what to do if you're dissatisfied or have a complaint, or to download our complaint form, go to www.dfs.ca/complaint.

Some tips to speed up the process

- Gather all the relevant documents and information you'll need to explain your situation in detail: statements, names of employees you've dealt with, the date you experienced your problem, etc.
- Whenever you contact us, write down the name of the person you deal with and the date you contacted them
- Include your name, address and phone number whenever you write to us

Assistance services

Desjardins Insurance is pleased to offer you free access to assistance services to guide, protect and support you in your day-to-day life. You have access to these services as soon as your Versatile Line of Credit is activated.

You'll never feel alone!

We guide you and help you when you need it the most! Assistance services are provided by specialists and are available in multiple languages. The services are confidential, free of charge and available 24/7.

Assistance services you need!

Whether you need psychological help, support in finding convalescent care or answers to your legal questions, you'll find the assistance services provide great help! To find out more, visit www.desjardins.com.

Need help?

Visit www.desjardins.com or call 1-877-506-8392. Services offered 24/7.

Here's a brief description of the assistance services available to you:



Psychological Assistance

Confidential service offered by psychologists who actively listen and provide support when you're experiencing difficulties.

Here's an example:

"My wife just found out she has cancer. I'd like some advice on how to break the news to my children without scaring them."



Convalescence Assistance – Case Management

Telephone service offered by a team of medical experts and assistance coordinators to help you find the information and providers you need to recover from an illness, accident or surgery.

Here's an example:

"I've just had surgery and am going home. I'm going to need help with housework and changing my dressings. Can you help me arrange it?"




Legal Assistance

Service offered by lawyers who are members of the bar to help you with issues like family and commercial law, hidden defects and consumer protection, by providing you with clear legal information on your rights and recourses.

Here's an example:

"I've been let go from my job for reasons that don't seem valid to me. Do I have any recourse? What can I do if I think I've been wrongfully dismissed?"

Assistance services provided by Assistel.

 To end your coverage, fill out this form and drop it off at your caisse or send it to your caisse by registered mail.

About you

Last name

First name

Folio number

About the coverage you want to end

Check the applicable option:

I want to end the coverage on the Versatile Line of Credit and all its linked loans indicated below:

Line of credit number

Caisse

Caisse transit number

I only want to end the coverage on the linked loan(s) indicated below:

Line of credit number

Linked loan number(s)

Caisse

Caisse transit number

About your Application for Insurance

Date you signed the Application for Insurance

Your signature



Your signature

Date you submitted this form



