

MortgagePlan

For the comfort of having
a complete mortgage
insurance plan for your loan
and your home equity line
of credit...



MortgagePlan

Blue Cross® is pleased to offer you a comforting mortgage insurance plan.

If you own a principal residence, a second residence or an income property, you can protect yourself against the risk of major personal loss during the loan repayment period.



You also get access to our Assistance Program at no extra charge. This program provides services and privileges for your well-being.

- ◆ Health and Legal Information
- ◆ Support services
- ◆ Information and prevention
- ◆ Member Discounts



Savings on medical supplies and equipment, vision care and other products and services from participating providers across Canada.

MORTGAGE LIFE

The MORTGAGE LIFE benefit is decreasing term insurance for an amount equal to the outstanding balance of your mortgage loan.

ELIGIBILITY AND AMOUNTS OF INSURANCE OFFERED

(in \$1,000 increments)

Age 18 to 65

\$10,000 to \$2,000,000

In addition, you must contract or have contracted a mortgage loan or a home equity line of credit for a building such as:

- ◆ Principal residence
- ◆ Second residence
- ◆ Building with income
- ◆ Building which its primary use is commercial at the effective date

Benefit amount

The benefit amount is equal to the lesser of the following amounts:

- ◆ The outstanding balance of your mortgage loan or of your home equity line of credit plus credit costs incurred between the date of death and the date of payment of the death benefit
- ◆ The amount insured approved by the insurer when the contract was issued

Accelerated benefit

You are entitled to receive an accelerated benefit if it is determined that your life expectancy, as established by a physician, will not exceed 12 months.

An accelerated benefit is an advance made in a single lump-sum payment secured by the amount insured and bearing interest at a rate set by the insurer when your request for an accelerated benefit is approved. This advance, plus any interest incurred, is deducted from the amount payable on death.

The amount is the lesser of \$25,000 or 50% of the effective amount insured on the date the application for an accelerated benefit is made.

Simultaneous death

Should you and your co-borrower die simultaneously, the insurer will pay death benefits on both lives. Death is considered simultaneous when the second insured dies within 45 days of one another.

Conversion privilege (surviving borrower)

On the death of one of the insured borrowers, coverage on the life of the surviving borrower remains effective for another 45 days, provided the surviving borrower is less than 65 years of age. During this 45-day period, the surviving borrower is entitled to convert the MORTGAGE LIFE benefit, without evidence of insurability, to life insurance offered by the insurer covering him or her to age 100.

The amount insured of the new contract may not exceed that of the contract in effect on the date the application for conversion is submitted (maximum \$200,000).

Change of creditor or private creditor

Should you change creditor or private creditor, the amount insured corresponding to the outstanding capital balance of the mortgage loan on the date of the change remains effective **without new evidence of insurability**. In the case of a home equity line of credit, the amount maintained in effect without new evidence of insurability is limited to the amount insured initially agreed to by the Insurer to the Insured.

Thereafter, the amount insured diminishes proportionally to the decreasing outstanding balance of the mortgage loan granted by the new creditor or by the new private creditor.

Transfer of MORTGAGE LIFE benefit

Should the building securing the mortgage loan covered by the MORTGAGE LIFE benefit be sold, the amount insured corresponding to the outstanding balance of the mortgage loan on the date of sale of the building remains in effect for 60 days following the date of sale, provided you purchase another building and obtain another mortgage loan during this period. In the case of a home equity line of credit, the amount maintained in effect is limited to the amount insured initially agreed to by the Insurer to the Insured.

Thereafter, the amount insured diminishes proportionally to the decreasing outstanding balance of the new mortgage loan granted by the creditor or by the private creditor.

End of coverage

This coverage ends on the date of repayment of the final balance of your mortgage loan, or on the contract anniversary coinciding with or following your 70th birthday.

MORTGAGE DISABILITY

This benefit offers financial protection so that your mortgage payments will be made even if you become totally disabled.

You will receive a monthly disability benefit equal to the monthly payment you must make to repay your mortgage loan, including any property or municipal taxes.

For the home equity line of credit, the amount of the benefit is equal to the lesser of the following amounts:

- ◆ 0.35% of the initial loan amount of the home equity line of credit, plus the interests required by the financial institution
- ◆ The amount of the initial benefit selected by the Insured in the insurance application

ELIGIBILITY AND AMOUNTS OF INSURANCE OFFERED

(in \$1 increments)

Age 18 to 59

\$100 to \$6,000

To be eligible for this benefit:

- ◆ You must contract or have contracted a mortgage loan or a home equity line of credit for a building such as:
 - Principal residence
 - Second residence
 - Building with income of 8 dwellings or less
- ◆ You must have regular gainful employment requiring active work for at least 20 hours a week

In addition, you must reside in the building (with the exception of the second residence) securing the mortgage loan no later than twelve months after the effective date of the MORTGAGE DISABILITY benefit and you must live there as long as the benefit is in effect.

Waiting period

The waiting period is the first consecutive 90 days of total disability, during which time no benefits are payable.

However, you become eligible to receive benefits once the 90-day waiting period is over, at which point, benefits are payable retroactive to the 31st day after the onset of disability.

Benefit period

Once the conditions relating to the WAITING PERIOD have been met for any particular period of total disability, then monthly disability benefits are payable in accordance with the option selected:

Option A – 24-month benefit period

Benefits are payable until the first of the following events:

- ◆ The end of the maximum 24-month period that starts after the 31st day of the onset of disability
- ◆ The end of the amortization period of the loan or the home equity line of credit
- ◆ The contract anniversary coinciding with or following your 65th birthday

Option B – duration of loan

Benefits are payable until the earlier of the following events:

- ◆ The end of the amortization period of the loan or the home equity line of credit
- ◆ The contract anniversary coinciding with or following your 65th birthday

Change of creditor

Should you change creditor, the amount of your MORTGAGE DISABILITY benefit on the date of the change remains effective **without new evidence of insurability**.

Transfer of MORTGAGE DISABILITY benefit

Should the building securing the mortgage loan covered by the MORTGAGE DISABILITY benefit be sold, the amount of the MORTGAGE DISABILITY benefit corresponding to your monthly loan payments for your mortgage loan or your home equity line of credit on the date of the sale of the building remains in effect, without evidence of insurability, for 60 days following the date of sale, provided you purchase another building and obtain another mortgage loan or another home equity line of credit during this period.

Limitations

- ◆ The period of total disability may not begin before the first medical visit for the disability in question
- ◆ In the event where your principal residence becomes your second residence, the benefit period will be reduced to 24 months if you chose option B when the application was signed

End of coverage

This coverage ends on the date of repayment of the final balance of your mortgage loan or on the contract anniversary coinciding with or following your 65th birthday.

SPECIAL PROVISIONS

Eligibility

To be eligible, you must not be hospitalized and/or disabled on the effective date of the contract.

Beneficiary

Mortgage life

The benefit amount is paid to the beneficiary specified in the application.

Mortgage disability

The disability benefits are paid to the insured.

Co-borrower

When two co-borrowers contract a mortgage loan, each may be insured for the total amount of the MORTGAGE LIFE benefit and the MORTGAGE DISABILITY benefit, as the case may be, depending on the conditions of the contract. In case of simultaneous disability, a single monthly benefit is payable.

Premium determination

The premium is established at the start of each loan term based on the adjusted amount of the outstanding loan balance and the premium rate for your attained age on this date. The premium thus calculated remains unchanged for the duration of the term.

When a borrower and a co-borrower purchase insurance, each one must pay the monthly premium calculated based on his/her attained age, the adjusted amount of the outstanding loan balance and the loan payments on the effective date of the insurance, as well as at the start of each term thereafter.

Waiver of premiums

All benefits include a waiver of premiums that applies after the end of the waiting period in case of disability.

You are eligible for the premium waiver only if you become totally disabled before your 60th birthday.

Premiums are waived as of the first day of the month that follows or coincides with the 31st day after the onset of total disability, provided the total disability lasts at least 90 days.

Effective date

The effective date of the benefits is the latest of the following dates:

- ◆ The date the loan or home equity line of credit is approved
- ◆ The date the application is approved by the insurer without modification and that no changes in your insurability have occurred since the application was signed

Otherwise, the benefits only take effect when delivered to the policyholder, provided no changes in your insurability have occurred since the application was signed.

Modification of the contract

If you wish to modify or add a benefit, you can submit an application for modification using the appropriate form.

Any application for modification or addition of a benefit must be made before your 60th birthday.

Renewal

This contract is renewed at the end of each loan term.

IMPORTANT DEFINITIONS

Borrower or co-borrower refers to an individual who has contracted a mortgage loan or a home equity line of credit other than those mentioned below with the creditor or the private creditor:

- ◆ A loan granted to a corporation or a company
- ◆ A loan granted to a construction contractor on buildings destined for sale

Creditor refers to the financial institution that grants the insured a mortgage loan or a home equity line of credit.

Home equity line of credit means an amount granted by a Creditor on which the payments made are applied as long as they do not exceed the expected limit.

This amount is guaranteed by the net value of the building as defined in each benefit.

Insured refers to the borrower and, as the case may be, the insured co-borrower, whose insurance application has been approved by the insurer.

Loan means any mortgage loan contracted by an insured for which the terms and conditions of repayment during each term are set forth in writing in an agreement between the creditor or the private creditor and the insured.

Loan balance on renewal date means the portion of the loan originally extended by the creditor or by the private creditor, excluding credit cost, taxes and legal, administrative or other fees, plus credit cost incurred to the contract renewal date and less mortgage payments received.

Private creditor (applicable for MORTGAGE LIFE only) means an individual or a corporate body who authorizes a mortgage loan registered by a notary for the insured.

Term means a period of time not exceeding five years within the mortgage loan amortization period for which the conditions of the mortgage loan have been agreed upon between the insured and the creditor or the private creditor.

Total disability means, during the first 24 months of benefit payments, that the insured is unable, due directly to accident or illness independently of any other cause, to perform the major duties of the occupation in which he/she was engaged at the onset of disability.

Thereafter, **total disability** means that the insured is unable, due directly to accident or illness independently of any other cause, to engage in any occupation for which he/she is reasonably suited by education, training or experience.

To be considered **totally disabled**, the insured must be under the continuous care of a physician providing medical care suitable for his/her disability at an appropriate frequency and must not be engaged in any remunerative work.

For the insured who is not gainfully employed at the onset of disability:

Total disability means that the insured is unable, due directly to accident or illness independently of any other cause to perform his/her usual daily tasks and any other tasks for which he/she is reasonably qualified by education or experience.

To be considered **totally disabled**, the insured must be under the continuous care of a physician providing care suitable for his/her disability at an appropriate frequency.

Exclusions

MORTGAGE LIFE and MORTGAGE DISABILITY

No benefits are payable for claims arising directly or indirectly from any of the following:

- ◆ Direct or indirect commission or attempted commission by the insured of a criminal act under the Criminal Code or under a similar law in another country
- ◆ The insured's service as an active member of the armed forces of any country

MORTGAGE LIFE

Suicide

Should the Insured die of suicide, or of the consequences of a suicide attempt, in the first twenty-four months following the effective date of this coverage or of its reinstatement (or of any increase in the amount insured), whether or not he/she is of sound mind at the time of the suicide or the suicide attempt, the coverage (or the increase, as the case may be) shall be null and void and the Insurer's liability limited to refund of premiums collected for the coverage or for the increase in the amount insured, as the case may be.

MORTGAGE DISABILITY

No benefits are payable for claims arising directly or indirectly from any of the following:

- ◆ An accident sustained by the insured while participating in a sport for remuneration or in any kind of motor vehicle competition, race or speed contest
- ◆ Attempted suicide or intentional self-injury, regardless of the insured's state of mind
- ◆ Cosmetic care or treatment
- ◆ Experimental care or treatments, or new procedures or therapies not yet commonly used
- ◆ The insured's active participation in a public confrontation, riot, insurrection, war or act of war (declared or not) or any other warlike act
- ◆ The insured's operation of a motor vehicle or a boat with an alcohol level exceeding 80 mg per 100 mL of blood or under the influence of any drug
- ◆ The insured's participation in a flight or a flight attempt in any aircraft in any sort in any capacity other than that of a passenger

This guide summarizes benefits under the MORTGAGE PLAN. It is not an insurance contract. The terms and conditions of your insurance are described in the contract issued by the insurer. The contract includes certain exclusions, limitations and reductions. You have 10 days to review your insurance contract. We suggest that you read it carefully. Benefits mentioned in this brochure are insured by Blue Cross Life Insurance Company of Canada.



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