



LIFESTYLE CREDIT COVERAGE DEALER MANUAL

- Life Insurance • Total Disability Insurance
- Accidental Disability Advantage Insurance

GROUP CREDIT INSURANCE

Plan Manager

**Loan Armour Insurance Solutions Inc.
495 Richmond Street, Suite 300
London, ON N6A 5A9**

**Phone: 1.800.862.7184
Fax: 1.888.341.4888**

Underwritten By

**Co-operators Life Insurance Company
1920 College Avenue
Regina, SK S4P 1C4**

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What is Lifestyle Credit Coverage?

A debtor can take steps to help protect themselves and their family in the event that they experience certain unexpected life events. With the Lifestyle Credit Coverage, the loan payments and/or outstanding principal balance may be covered if the borrower experiences Total Disability, Accidental Disability, Involuntary Unemployment or loss of life. The Lifestyle Credit Coverage is offered by Co-operators Life Insurance Company and all benefits are paid to the creditor to reduce or eliminate the obligations of the Insured Person's loan or lease agreement.

Lifestyle Credit Coverage is an **optional** creditor's group insurance which can be purchased by a debtor with respect to a specific loan or lease. It is not a requirement in order to obtain a loan or lease and can be cancelled at any time.

Lifestyle Credit Coverage cannot be offered in the province of Quebec or to a resident of Quebec regardless of the province in which the transaction is being performed.

The insurer of the Lifestyle Credit Coverage policy is:



Co-operators Life Insurance Company
1920 College Avenue
Regina, SK S4P 1C4

The Plan Manager of the Lifestyle Credit Coverage policy is:



Loan Armour Insurance Solutions Inc.
495 Richmond Street, Suite 300
London, ON N6A 5A9

Please address all claims to:



CUMIS Life Insurance Company
(a division of Co-operators Life Insurance Company)
P.O. Box 5065, 151 North Service Road
Burlington, ON L7R 4C2

Calculation of Premium

Premium must be calculated each time a customer chooses to enroll in the Group Credit Insurance program as the premium is dependent on the details of the loan or lease. The financing software in the dealership is used to calculate premium.

How to fill out an enrolment form

The dealership is responsible to fill out a Schedule Certificate of Insurance for each customer that enrolls in the Group Credit Insurance program. The following information is required:

- Effective Date of Insurance
- Termination Date of Insurance
- Term of Life Coverage (if applicable)
- Term of Disability Coverage (if applicable)
- Term of Accidental Disability Advantage Coverage (if applicable)
- Amount Financed
- Residual / Balloon
- Interest Rate
- Monthly Loan Payment
- Applicant Details (name, full address, telephone number and birth date)
- Co-applicant Details (name, full address, telephone number and birth date)
- Creditor Information (name, full address and telephone number)
- Group Policy Holder (dealership name, address and telephone number)
- Indicate coverage in which the applicant is enrolling by placing an "X" in the box under the specific coverage indicating who will be covered. The principal amount insured and premium fields for that coverage then must be completed. If Life insurance is chosen, there is a check box to indicate whether coverage on the residual / balloon has been included in the premium. If Total Disability Insurance is chosen, the waiting period must be indicated in the "Waiting Period" field.
- Calculate the Total Insurance Premium and write that number in the "Total Insurance Premium" field.
- The applicant and co-applicant **must sign and date** the certificate as applicable

PLEASE MAKE SURE THAT CERTIFICATES ARE COMPLETED PROPERLY.

INCOMPLETE CERTIFICATES ARE NOT VALID AND WILL BE RETURNED TO THE DEALERSHIP FOR COMPLETION.

Where do all the copies of the Certificate go?

There are a total of six (6) pages in the Schedule Certificate of Insurance. Each page has a designation at the bottom of the page indicating where each should be sent.

Page 1 – Insurer/Plan Manager Copy

This page is sent to Loan Armour Insurance Solutions Inc. along with payment for the policy.

Page 2 – Creditor Copy

This page is sent to the creditor along with the rest of the paperwork for the deal.

Page 3 – Dealership Copy

This page is retained in the customer's file by the dealership.

Pages 4 - 6 – Insured Person Copy

These pages are provided to the applicant after they have been signed.

Remittance of Premium

At least once per month, the dealership is responsible to remit the Insurer / Plan Manager Copy of the certificates, the net premium owing for all the new enrollments for that month and all certificates that have been voided. Net Premium is calculated by subtracting the Administration Allowance from the total insurance premium.

The new enrolments and void certificates are to be listed on the remittance form provided by Loan Armour.

Cancellations

The Group Credit Insurance Policies underwritten by Co-operators Life Insurance Company are OPTIONAL or VOLUNTARY. These policies can be cancelled at any time.

Each applicant has a thirty (30) day period after purchasing the policy to review the coverage and cancel without penalty. After this period, the applicant is able to cancel at any time by sending a written request signed by all the insured persons to LAIS. A refund will be calculated using the Rule of 78 (or in the province of Quebec, or where required by law, pro-rata) and any unearned premium will be refunded to the creditor. A \$75 administration fee will apply.

Rule of 78

The rule of 78 takes into account the initial term of the loan or lease as well as the period of time that has elapsed between the beginning and termination of coverage. The formula is as follows:

$$(U \times (U + 1) \times P) / (T \times (T + 1)) = \text{Premium Refund}$$

U = the term of insurance – the number of months that the insurance was in force

T = the term of insurance

P = the premium paid

For example:

The term of coverage is 24 months and the premium was \$200. If coverage is cancelled after 6 months, the refund would be calculated as follows:

$$(18 \times (18 + 1) \times 200) / (24 \times (24 + 1)) = \$114$$

How to make a Claim

In order to make a claim, the insured person or someone acting on their behalf must contact the claims department at Co-operators Life Insurance Company.

All claims will be processed through CUMIS Life Insurance Company (a division of Co-operators Life Insurance Company)

Claims: 1-800-263-9120

CUMIS Life Insurance Company (a division of Co-operators Life Insurance Company)
P.O. Box 5065, 151 North Service Road
Burlington, ON L7R 4C2

The insured must have their policy and certificate number available to provide to the CUMIS Life representative. The Group Policy Number is 850-8405-4 and the certificate number is on the top right hand corner of the certificate. Claim forms will be sent to the insured by CUMIS Life Insurance Company.

Life Insurance

Eligibility:

- The applicant must be between the ages of 18-74, a resident in Canada and the applicant's age plus insurance term cannot be over 75.
- If the Principal Amount Insured plus any residual or balloon payment exceeds \$100,000, the Debtor and if applicable, the Co-Debtor must answer the two health questions on the Schedule and Certificate of Insurance in order for the application to be underwritten. The Insurer may request a medical examination and/or tests which will be made at no expense to the Debtor or Co-Debtor. After reviewing the information provided, the Insurer will approve or decline the insurance. In this case, the effective date of insurance begins is the date of acceptance, if approved.

Term of Coverage:

- Coverage is available for up to 120 months, but cannot exceed the term of the loan or lease.

Benefit Amount:

- Upon death, the outstanding loan balance or lease buy-out value less payments in arrears will be paid to the note holder. Benefits under the Group Policy are payable solely to the creditor to reduce or extinguish the loan.

Maximum Benefit:

- Maximum Life Insurance benefit with respect to all insured indebtedness for any borrower or lessee will be \$500,000.

Termination:

- Coverage terminates at the earliest of loan/lease discharge date, loan/lease maturity date and the insured attaining age 75.

Benefit Exclusions:

- Suicide occurring within 2 years of the commencement of coverage.
- Death occurring **within 12 months** of the commencement of insurance where death resulted from a pre-existing condition of health; a pre-existing medical condition exists if **in the 12 months immediately prior** to the commencement of insurance, the insured visited or consulted a physician, took tests or received treatment, including the taking of medication.

Credit Life – cover the obligation over the term of the loan/lease.

Level Life – cover the residual on a lease or balance owing on amortized loan.

Total Disability Insurance

Eligibility:

- The applicant must be between the ages of 18-69, a resident in Canada, able to perform the regular duties of their livelihood on the effective date and the applicant's age plus insurance term cannot be over 75.
- In addition, the applicant must be gainfully employed full-time and actively working at least 25 hours per week for 30 consecutive working days prior to the effective date of insurance. A seasonal employee must have been gainfully employed as such for at least 13 consecutive weeks during the 12 month period immediately preceding the effective date of insurance.

Term of Coverage:

- Coverage is available for up to 84 months, but cannot exceed the term of the loan or lease.

Benefit Amount:

- Upon becoming disabled and remaining disabled throughout the waiting period, the monthly loan or lease payment will be paid to the note holder for up to 60 months. Depending on the option selected, benefits may or may not be retroactive to the date of disability. Any balloon payment or residual balance due at a lease maturity date is not payable. Payments in arrears are not payable. Benefits under the Group Policy are payable solely to the creditor to reduce or extinguish the loan.

Maximum Benefit:

- Maximum monthly payment with respect to all insured indebtedness for any borrower or lessee will be \$4,000 (\$750 if a seasonal employee).
- In the case of disease or disorder of the neck or back, the maximum benefit is six (6) monthly benefit payments except for internal injuries revealed by an x-ray or CT scan.
- In the case of mental, nervous, psychological, emotional or behavioral disorders, disease or conditions, the maximum benefit is six (6) monthly benefit payments.

Benefit Waiting Period:

- Depending on the option selected the benefit amount may be retroactive to the date of disability. No benefits are payable during the waiting period.

Definition of Disability:

- The insured is not able to perform for compensation or profit, directly or indirectly as a result of Injury or Sickness, for the first 12 months, the duties of their own occupation and thereafter, the duties of any occupation for which the insured is qualified by reason of their education, training or experience.

Termination:

- Coverage and/or benefits terminate at the earliest of the loan/lease discharge date, the loan/lease maturity date and the insured attaining age 75.

Benefit Exclusions:

- Disability occurring **within 12 months** of the commencement of insurance where disability resulted from a pre-existing condition of health; a pre-existing medical condition exists if **in the 12 months immediately prior** to the commencement of insurance, the insured visited or consulted a physician, took tests or received treatment, including the taking of medication.

Disability Coverage Available

- 14 and 30 Day Retroactive Waiting Periods
- 30 and 90 Day Elimination Waiting Periods

Accidental Disability Advantage Insurance

Eligibility:

- The applicant must be between the ages of 18-69, a resident in Canada, able to perform the regular duties of their livelihood on the effective date and the applicant's age plus insurance term cannot be over 75.
- In addition, the applicant must be gainfully employed full-time and actively working at least 25 hours per week for 30 consecutive working days prior to the effective date of insurance. A seasonal employee must have been gainfully employed as such, having worked for at least 25 hours per week for at least 13 consecutive weeks during the 12 month period immediately preceding the effective date of insurance.

Term of Coverage:

- Coverage is available for up to 84 months, but cannot exceed the term of the loan or lease.

Benefit Amount:

- Upon becoming accidentally disabled and remaining disabled throughout the waiting period, or upon becoming involuntarily unemployed and eligible to collect unemployment insurance under the Employment Insurance Act (Canada), the monthly loan or lease payment will be paid to the note holder. Any balloon payment or residual balance due at a lease maturity date is not payable. Payments in arrears are not payable. Benefits under the Group Policy are payable solely to the creditor to reduce or extinguish the loan.

Maximum Benefit:

- The total maximum amount of monthly benefits for Accidental Disability Advantage for each period of eligibility shall not exceed 6 times the monthly Accidental Disability Advantage benefit. The amount of each Accidental Disability Advantage benefit shall be equal to the lesser of the monthly amount payable to the Creditor for the indebtedness or \$4,000 (\$750 if a seasonal employee).

Benefit Waiting Period:

- Benefits are payable if disability is continuous during the waiting period.
- Accidental Disability Advantage - benefits are payable following the 30 day waiting period.
- Involuntary Unemployment Insurance – coverage is in effect once the policy has been in force for more than 90 days after the effective date of insurance after which, benefits are payable following the 30 day waiting period.

Definition of Accidental Disability:

- The insured person becomes Totally Disabled as a result of an injury solely from an accident.

Termination:

- Coverage and/or benefits terminate at the earliest of the loan/lease discharge date, the loan/lease maturity date and the insured attaining age 75.

Accidental Disability Advantage Coverage

- 90 Day Probationary Period from Effective Date of Insurance for Involuntary Unemployment.

- 30 Day Elimination Waiting Period

- Maximum benefit of 6 monthly payments **PER OCCURRENCE**

Pre – Existing Conditions

12 Months Prior	Effective Date	12 Months After	Expiry
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No Benefits are payable for the death or total disability of an insured person if such death or total disability results directly or indirectly from a pre-existing condition where death or total disability results within 12 months of the effective date of insurance.

An applicant may satisfy the conditions of eligibility on the effective date of insurance but still have a claim denied based on the presence of a pre-existing condition. If a claim during the first 12 months of the policy is deemed to be unrelated to a pre-existing condition, then a benefit could be available depending on the specific circumstances surrounding the particular claim.

Waiting Periods

Life Insurance

There is no waiting period for Life Insurance.

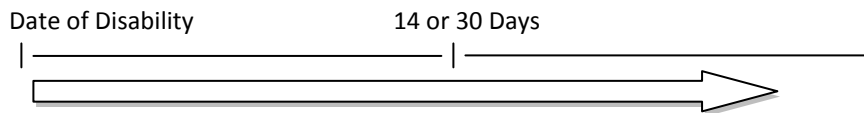
Total Disability/Accidental Disability Advantage Insurance

The waiting period for Accidental Disability Advantage Insurance is 30 day elimination. There are 4 different waiting periods available for Total Disability Insurance.

The waiting periods for Total Disability are as follows:

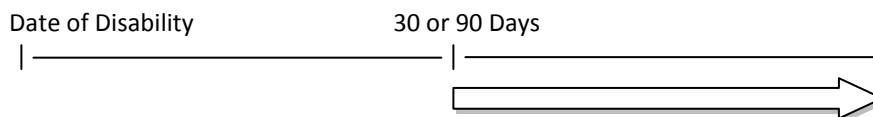
- 14 day retroactive
- 30 day retroactive
- 30 day elimination
- 90 day elimination

Retroactive Waiting Periods



The insured person must be continuously disabled throughout the waiting period before they are eligible to receive benefits. After the 14 or 30 day waiting period, the benefits are calculated retroactive to the date of disability.

Elimination Waiting Periods



The insured person must be continuously disabled throughout the waiting period before they are eligible to receive benefits. After the 30 or 90 day waiting period, the benefits are calculated from day 31 or 91 going forward. With an elimination waiting period, there are no benefits available during the waiting period.

Point of Sale Disclosure

As a distributor of the Lifestyle Credit Coverage plan, you are expected to educate the client on the Lifestyle Credit Coverage products, the benefits and the exclusions, restrictions and limitations so that the client can make an informed decision. At no time are you to provide advice to the client as you are not a licensed insurance agent.

The following point of sale disclosure requirements must be followed by any individual offering insurance under the Creditor Insurance Program.

Prior to enrolment in insurance, the following must be provided or disclosed to customer:

- Confirm that the customer knows that the insurance is voluntary;
- Provide a description of the products available in the Creditor Insurance Program;
- Review the exclusions, limitations and restrictions of the product(s) under the Program;
- Disclose the total insurance premium;
- If health questions are required, provide sufficient time for customer to review and answer questions presented;
- Who to contact at time of claim; and
- Insurer's name and how to contact them.

Every customer who purchases insurance under the Creditor Insurance Program must receive:

- Coverage Summary and Certificate of Insurance; and
- Copy of signed enrolment form.

What if a customer has a complaint?

In the event that a customer submits a complaint regarding Loan Armour Insurance Solutions Inc., Co-operators Life Insurance Company, CUMIS Life Insurance Company or the Lifestyle Credit Coverage plan, the dealer must notify Loan Armour Insurance Solutions immediately and provide the details of the complaint and the contact information of the individual that submitted the complaint.

Resolving customer complaints is important to Loan Armour Insurance Solutions and is vital to providing exceptional customer service. In all cases where a complaint is directed to us, complainants will be treated fairly, sensitively and respectfully. Complaints will be reviewed confidentially and in a timely manner. It is our belief that reporting a complaint should not be difficult, thus we endeavor to resolve complaints at the first point of contact.

If a complaint or concern cannot be resolved by the initial Loan Armour Insurance Solutions representative, the process below will be followed:

1. The complaint will be reviewed by a more senior staff member such as a manager or senior personnel.
2. If the complaint remains unresolved, the complaint can be further escalated to the appropriate senior management representative where it will be reviewed.

If the complaint cannot be, or has not been, satisfactorily resolved the complaint will be further escalated to the Ombudsperson at Co-operators Life Insurance Company

By Mail: Ombuds Office
The Co-operators Group Limited
130 Macdonell Street, Box 3608
Guelph, ON N1H 6P8.

E-mail: Ombuds@cooperators.ca
Phone: 1-877-720-6733
Fax: 1-519-823-9944