

## APPLICATION FOR INSURANCE & DEALER AGREEMENT

The following is an application for Group Creditor Life, Accidental Death, Critical Illness, Total Disability, Accidental Disability and Involuntary Unemployment Insurance to Co-operators Life Insurance Company of Canada by:

### DEALERSHIP INFORMATION

LEGAL NAME		TRADING AS (DBA)			
ADDRESS	CITY	PROVINCE	POSTAL CODE		
MAILING ADDRESS	CITY	PROVINCE	POSTAL CODE		
PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS	GROUP POLICY #	INSURANCE LICENSE #	LICENSE EXPIRY DATE

### DEALERSHIP PERSONNEL

DEALER PRINCIPAL	NAME	DIRECT TELEPHONE #	EMAIL ADDRESS
GENERAL MANAGER	NAME	DIRECT TELEPHONE #	EMAIL ADDRESS
BUSINESS MANAGER	NAME	DIRECT TELEPHONE #	EMAIL ADDRESS
CONTROLLER/PAYABLES	NAME	DIRECT TELEPHONE #	EMAIL ADDRESS
SERVICE MANAGER	NAME	DIRECT TELEPHONE #	EMAIL ADDRESS

### DEALERSHIP PROGRAM OFFERING & COMPENSATION

		COMMISSION TO DEALER FOR ARRANGING FOR THE SALE OF INSURANCE UNDER THE PLAN% OF PREMIUM (NET OF TAXES)
LIFE	Yes <input type="checkbox"/> or No <input type="checkbox"/>	
CRITICAL ILLNESS	Yes <input type="checkbox"/> or No <input type="checkbox"/>	
TOTAL DISABILITY	Yes <input type="checkbox"/> or No <input type="checkbox"/>	
ACC/DIS ADVANTAGE	Yes <input type="checkbox"/> or No <input type="checkbox"/>	
SIMPLIFY	Yes <input type="checkbox"/> or No <input type="checkbox"/>	
CHARGEBACK PERIOD	_____ Days	

### SOFTWARE

SOFTWARE VENDOR FOR BUSINESS OFFICE

Upon approval of this application, Co-operators Life Insurance Company will issue a creditor's group insurance policy to the Dealer. The date of approval will be the effective date of the policy.

DEALER REPRESENTATIVE	DATED (MM/DD/YYYY)
CONTACT NAME AND TITLE (PLEASE PRINT)	PHONE #

### LOAN ARMOUR INSURANCE SOLUTIONS (PLAN MANAGER)

SALES REPRESENTATIVE	NAME	DIRECT TELEPHONE #	EMAIL ADDRESS
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PLAN MANAGER:  
Loan Armour Insurance Solutions Inc.  
300-495 Richmond Street  
London, Ontario N6A 5A9  
1-800-862-7184



INSURER:  
The Co-operators Life Insurance Company  
P.O. Box 5065  
151 North Service Rd  
Burlington, Ontario L7R 4C2  
1-800-263-9120

TO INITIATE A CLAIM PLEASE CALL: 1-800-263-9120

**Important:** You may begin promoting and selling Loan Protection Insurance products only when you have received a fully executed dealership agreement. Your local Dealer Development Manager will advise you when all parties have signed this Agreement and you are authorized to begin selling.

The Co-operators® used by Co-operators Life Insurance Company under license from Co-operators General Insurance Company.

CLIC and LAIS Distribution Agreement 2018

## DEALER AGREEMENT

THIS AGREEMENT made between Loan Armour Insurance Solutions Inc., 495 Richmond St., Suite 300 London, Ontario N6A 5A9 ("LAIS"), Co-operators Life Insurance Company, 1920 College Avenue, Regina, SK S4P 1C4 (the "Company")

- And -

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Dealer Legal Name Address ("Dealer")

Group Policy Number:

Requested Effective Date (if later than date of execution): \_\_\_\_\_  
mm / dd / yyyy

### SECTION 1: DEFINITIONS

In this Agreement, words and phrases that have capitalized initial letters (except the word "Sections" and the titles of the various Sections) have special meanings which are either set out in the introductory pages or certain sections or which are defined in the DEFINITIONS Section (Section 15) of this Agreement:

### SECTION 2: APPLICATION FOR GROUP POLICY

The Dealer hereby applies to Company for coverage under the Group Policy and the Dealer requests that Company effect a creditors' group insurance policy affording creditor's group life, critical illness, disability and/or accidental disability advantage insurance under the Plan, as it is described in this Agreement, such coverage to be afforded to the Dealer to cover eligible Debtors who enroll in the Group Policy.

### SECTION 3: DEALER SALES OBLIGATIONS

The Dealer agrees to:

- (a) Ensure that all of the Dealer's employees and representatives who will be involved in offering the insurance under the Plan and arranging for the issuance of Certificate will undergo the training that will be provided by the Plan Manager, from time to time;
- (b) Inform Debtors of the existence of the insurance coverage available under the Plan;
- (c) Offer coverage under the Group Policy to eligible Debtor and arrange for the issuance of Certificates to those Debtors who elect to enroll;
- (d) Ensure eligible Debtors are clearly made aware of the voluntary nature of the coverage under the Plan;
- (e) Deliver all required disclosure documentation to eligible Debtors who will be offered enrolment, as required under Applicable Law or as set out in the Standards;
- (f) Clearly present and explain to the Debtor that there are terms and conditions which may significantly exclude, restrict or limit the insurance coverage available under the Group Policy including, but not limited to, exclusions for pre-existing health conditions and the consequences of misrepresenting answers to required health and other questions;
- (g) Collect signed documentation from eligible Debtors in connection with the Plan if an eligible Debtor will wish to enroll in the Group Policy;
- (h) Determine the Premium applicable to each Certificate, in accordance with the rates and formula stipulated from time to time by the Company. The Dealer will be responsible for any error in Premium calculation and remittance that may be less than the actual Premium due;
- (i) Collect all applicable Premium and applicable taxes in connection with Certificates issued;
- (j) Remit to the Plan Manager, within ten (10) days after the end of each calendar month: the total of all Premiums within that month less any Commission to which the Dealer is entitled thereon plus all applicable sales taxes collected thereon, plus any amount by way of Chargeback owed by the Dealer. In the event Dealer remits all sales taxes applicable to the premium written under the Group Policy directly to the appropriate governmental agency, the remittance referred to in this Section 3(j) shall be less such applicable sales taxes.
- (k) In the event Dealer remits sales taxes applicable to the premium written under the Group Policy directly to the appropriate governmental agency, ensure that such remittance occurs as required by Applicable Law and on a monthly basis.
- (l) Provide a monthly certification regarding its compliance with the sales taxes remittance obligations outlined herein to the Plan Manager;
- (m) At all times, conduct itself under this Agreement and in connection with the Group Policy in accordance with Applicable Law, Standards, the training provided by the Plan Manager to the Dealer, and the instructions provided by the Plan Manager or Company, as may be amended from time to time.

#### **SECTION 4: DEALER GENERAL OBLIGATIONS**

- (a) The Dealer will have no authority to alter, modify, waive or discharge any terms or condition of the Group Policy or the Certificates, or to incur any liability on behalf of the Plan Manager or Company, or to make representations about the Plan coverage not contained in the Group Policy.
- (b) The Dealer will not publish, circulate or display any advertisements, circulars or other promotional materials related to the Plan, Company or the Plan Manager, or their products or its business unless the content thereof has received the prior written approval of the Plan Manager.
- (c) The Dealer will hold any Premiums monies received by the Dealer in respect of Certificates, in trust for the sole and exclusive benefit of Company.
- (d) While this Agreement is in force or at any time thereafter, the Dealer will not induce the lapse, cancellation, or termination of any Certificate.

#### **SECTION 5: COMMISSION**

- (a) In consideration of the Dealer offering the insurance to eligible Debtors and arranging for the issuance of the Certificates the Dealer will be entitled to Commission at the rate set out in the Dealer's Application and the Dealer will be entitled to deduct from the Premium collected (net of applicable taxes) that percentage of such Premium (net of applicable taxes) as is so stipulated in the Dealer's Application. The amount of Commission and percentage set out above may be amended from time to time upon thirty (30) days' notice from the Plan Manager.
- (b) The Dealer has no recourse to Company for any Commission or other compensation payable under this Agreement or in connection with the Group Policy. The Dealer acknowledges and agrees that its only recourse for any Commission or other compensation payable under this Agreement is against the Plan Manager to whom Premium is remitted.
- (c) All Commission and all amounts payable to the Dealer under this Agreement includes any G.S.T./H.S.T and similar taxes if applicable.
- (d) In the event the Debtor has financed any Premium with its franchised credit company if such credit company restricts the Dealer compensation, the Dealer shall comply with such compensation restriction and shall remit to the Plan Manager the correct compensation based upon any restrictions imposed by the Dealer's credit company.

#### **SECTION 6: CHARGEBACK**

In the event that:

- (a) an enrolled Debtor requests termination of his or her coverage under the Group Policy within thirty (30) days of the effective date of such Certificate, then the Plan Manager will refund 100% of the Premium to the Debtor or Creditor and the Dealer will refund 100% of the applicable Commission to the Plan Manager;
- (b) an enrolled Debtor requests termination of his or her coverage under the Group Policy between thirty-one (31) days and ninety (90) days of the effective date of such Certificate, then the Plan Manager will refund a portion of the Premium to the Debtor or Creditor based on the Rule of 78 refund method, and unless otherwise noted in the description of "Chargeback Period" on page 1 of this Agreement, the Dealer will refund a portion of the applicable Commission to the Plan Manager based on the Rule of 78 refund method;
- (c) an enrolled Debtor requests termination of his or her coverage under the Group Policy after 90 days from the effective date of such Certificate, then the Plan Manager will refund a portion of the Premium to the Debtor or Creditor based on the Rule of 78 refund method, and the Dealer will be entitled to retain the applicable Commission;
- (d) Notwithstanding any other provision of this Section 6, if a Debtor's coverage is terminated at any time because the Debtor does not meet eligibility or underwriting requirements, the Plan Manager will refund 100% of the Premium to the Debtor or Creditor and the Dealer will refund 100% of the applicable Commission to the Plan Manager; and
- (e) a Certificate is otherwise terminated within thirty (30) days of the effective date of such Certificate, Plan Manager shall refund 100% of the Premium to the Debtor and the Dealer shall refund 100% of the Dealer's compensation to the Plan Manager.

The Dealer is not entitled to any other compensation or amounts other than Commission determined as indicated in the Dealer's Application.

#### **SECTION 7: RIGHTS AND OBLIGATIONS OF COMPANY/PLAN MANAGER**

The Plan Manager will be responsible for the following:

- (a) Processing all cancellations of Certificates
- (b) Processing and payment of any refunds of unearned Premium

Company or the Plan Manager on Company's behalf, may at any time with thirty (30) days' notice revise the Plan, coverage, the Standards or the rates of Commission applicable to Certificates that will issue after the effective date of the change, and the Dealer will promptly conform to any such revisions.

## **SECTION 8: TERM, TERMINATION AND CLOSURE**

This Agreement may be terminated by Company or the Plan Manager at any time, on at least ninety (90) days' advance written notice to the Dealer except that this Agreement may be terminated by either the Company or the Plan Manager immediately upon written notice to the Dealer, if the Dealer:

- (a) fails to comply with this Agreement, the Standards or any requirement of the Group Policy;
- (b) fails to remit Premium and other monies when due under the requirements of the Group Policy and this Agreement;
- (c) fails to remit all sales taxes applicable to the premium written under the Group Policy directly to the appropriate governmental agency, in the event Dealer does such direct remittance;
- (d) materially breaches or fails to perform and discharge its duties, responsibilities and obligations under this Agreement or the Group Policy; and does not remedy the failure within fifteen (15) days of such remedy having been requested in writing by the Company or the Plan Manager;
- (e) or any employee or representative thereof perpetrates an act of fraud, embezzlement or dishonesty;
- (f) will undergo a voluntary or involuntary petition in bankruptcy or if the Dealer will enter receivership or there is a general assignment by the Dealer of all substantially all of its assets for the benefit of its creditors or the Dealer is unable to pay its regular trade debts as they become due; or
- (g) at any point in time and after investigation by the Company and Plan Manager, has overall cancellations which exceed 10% of the gross Premium pertaining to all Certificates ever issued through the Dealer; or
- (h) has regulatory action, which may limit or prohibit the performance of this Agreement, taken or is threatened against it, against the Company or against the Program Manager.

This Agreement may be terminated by the Dealer upon at least ninety (90) days' advance written notice to the Plan Manager with effect on any anniversary of the effective date of the Group Policy.

## **SECTION 9: EFFECT OF TERMINATION**

- (a) If this Agreement will terminate the Group Policy will automatically close to new enrolments and no new Debtors will be accepted, but all enrolled eligible Debtors will remain insured in accordance with the provisions of their Certificates.
- (b) Upon the termination of this Agreement, the Dealer will cease all activities of offering insurance under the Plan (including, but not limited to, accepting new enrolments) and will promptly remit to the Plan Manager any and all Premiums and sales taxes thereon (or promptly remit such sales taxes directly to the appropriate governmental agency directly) and Chargebacks of unearned Commission owing by the Dealer. The Dealer will return to the Plan Manager all Certificates, enrolment forms, brochures, product guides, distribution guides, rate tables and other material and property furnished by the Plan Manager to the Dealer as applicable.
- (c) The Dealer's obligations under this Section 6 of this Agreement will survive the termination of this Agreement such that the Dealer will continue to be liable for all refunds of Commission which are required to be made under this Agreement until all Certificates issued hereunder have expired.

## **SECTION 10: DEALER'S COVENANTS**

The Dealer hereby covenants and agrees that:

- (a) it and its employees will have and maintain in effect all licenses required under Applicable Law to perform the Dealer's obligations under this Agreement and in connection with the Group Policy;
- (b) it will conduct its activities in connection with the Group Policy and the Plan in accordance with Applicable Law;
- (c) it will adhere to all Standards;
- (d) it will not modify, waive, alter or change, whether orally or in writing any terms of the Group Policy, any enrolment, or any Certificate;
- (e) it will hold in trust any and all Premiums and monies received by the Dealer on behalf of and for the benefit of Company and will promptly remit such funds to the Plan Manager and not convert same to its own use.
- (f) it will immediately forward to the Plan Manager upon receipt any legal notices or service of process affecting Company or in any way relating to the Plan, the Group Policy or any Certificate;
- (g) it will not publish, circulate, utilize or display any advertisements, circulars or other promotional materials related to the Plan, Company or the Group Policy unless the content thereof has received prior written approval through the Plan Manager. Under no circumstances shall the Dealer use the logo or trademarks of the Company or the Plan Manager;
- (h) it will not induce the lapse, cancellation or termination of any Certificates;
- (i) the Dealer shall not rebate Premiums or engage in discrimination, misrepresentation or any unfair practice or other practice prohibited by Applicable Law;
- (j) the Dealer shall maintain in a secure and safe place and, upon request, shall account for, all Certificates, brochures, guides, rates, and other material or property received from the Company and/or the Plan Manager;

- (k) the Dealer shall not incur any expenses on behalf of the Company and/or the Plan Manager;
- (l) the Dealer has no authority to and shall not negotiate or endorse any cheque or other negotiable instrument made payable to the Company and/or the Plan Manager; and
- (m) it shall have no authority to bind the Company.

#### **SECTION 11: INDEMNIFICATION**

Each party will indemnify, defend and hold harmless the other party from and against any damages, claim, liabilities, judgements, awards, penalties, fines and expenses, including but not limited to legal fees and other damages resulting from or arising out of:

- a) breach of the terms and conditions of this Agreement;
- b) any act, error, or omission committed by a party and causing loss to a third party, except to the extent the party is seeking indemnification also caused, contributed to or compounded the loss; or
- c) the failure by the party to comply with any Applicable Law.

The Dealer agrees to indemnify the Company in the event that the Company, on the basis of any assessment made by any government authority at any time now or in the future, is deemed liable to pay any contributions, assessments, interest, or penalties relating to any sales taxes for which the Dealer had an obligation to remit or collect in connection with the Plan.

The obligations of the parties to indemnify each other will survive the termination of this Agreement.

#### **SECTION 12: AUDIT OR INSPECTION**

The Plan Manager and Company and either of their auditors or independent representatives, including the Office of the Superintendent of Financial Institutions Canada and/or any other regulatory authority with jurisdiction over the Plan Manager or Company, will have access during normal business hours at Dealer's business office for the purpose of inspecting the books and records maintained by the Dealer respecting the Plan, the Group Policy, any Certificates and the business written under the Group Policy. The Dealer agrees to co-operate with such person conducting such audit or inspection and the person conducting such audit or inspection will be entitled to make and take away copies of any such books and records.

#### **SECTION 13: PRIVACY**

For so long as there are Certificates in effect, the Dealer will conduct itself in connection with the Plan in a manner that conforms to the requirements of applicable private sector privacy legislation. The Dealer will protect and safeguard any information identifiable to a natural person which is in its possession or control, as a consequence of performing the services required of it hereunder and Dealer undertakes to immediately notify Company through the Plan Manager, if there is reason to believe that there has been unauthorized access to or disclosure of personal information in any way connected with the Insurance Plan or if there is reason to believe that there has been a contravention, or there is likely to be a contravention, of any provision of this Agreement or applicable information in any way connected to the Plan, and under no circumstances shall Dealer discuss such incident with any person, other than the Plan Manager or representatives of the Company.

#### **SECTION 14: GENERAL PROVISIONS**

The Dealer, and not the Company, shall be responsible and liable for the cost of any insurance claims made under any Certificate resulting from an enrolment taken on a form or in a manner that has not been approved or the use of which has been discontinued or which has otherwise been processed by the Dealer in violation of Company Standards or this Agreement.

The Dealer will not transfer or assign this Agreement without the prior written consent of the Plan Manager and Company. The Plan Manager or the Company may transfer or otherwise assign its rights and obligations under this Agreement, in whole or in part, to a successor company, partnership or other entity which is the successor to the Plan Manager or the Company, as the case may be, by way of amalgamation, merger, consolidation, transfer or sale of all or substantially all of the assets or shares of the Plan Manager or Company ("Successor Transaction"). The Company may also transfer or assign this Agreement to a subsidiary or affiliate of The Co-operators Group Limited. On completion of any Successor Transaction or other transfer or assignment, the Plan Manager or Company, as the case may be, will provide notice to the Dealer in writing or by other electronic means.

The relationship between the parties to this Agreement is that of independent contractors and nothing contained in this Agreement will create or be deemed to create between any of the parties any partnership or joint venture or similar relationship between the parties or any of them and no party hereto or thereto will have the power or authority to bind directly or indirectly the other in relation to third parties.

To the extent they are unperformed at the termination of this Agreement, the obligations of the parties shall survive such termination until all Group Policy certificates issued by the Dealer have either cancelled or fully expired.

The Plan Manager is the manager of the Plan authorized by Company. At any time, Company can assume the obligations of the Plan Manager and conduct any activity of the Plan Manager as described in this Agreement.

Any notice, request or direction required or permitted to be given hereunder will be in writing and will be properly given, if delivered personally, or if transmitted by facsimile or mailed by prepaid registered post addressed to the addresses set out in the Dealer's Application.

All terms and provisions of this Agreement are severable and if any term, provision, covenant or condition of this Agreement is held by a court or regulatory authority to be invalid, illegal, void or unenforceable, such provision will be of no force or effect and will be severed from the remainder of the provisions of this Agreement which will remain in full force and effect.

The failure of a party to insist on the performance of any provision of this Agreement will not constitute a waiver of party's right of redress with respect to such non-performance or to insist on future performance. This Agreement may not be revised, modified or altered except by written addendum executed by both parties.

The obligations of a party arising under Sections 3(i), 3(j), 3(k), 3(m), 4, 5 (b), 5(c), 6, 7, 9, 10(e), 10(f), 11, 12, 13 and 14 will survive the termination of this Agreement.

This Agreement will be governed by and interpreted in accordance with the laws of the Province of the Dealer and the federal laws of Canada applicable therein.

## **SECTION 15: DEFINED TERMS**

**"Applicable Law"** means with respect to a person, any and all laws (including any applicable principles of common law and equity), statutes, regulations, rules, guidelines, orders, injunctions, decrees, writs, or judgments, applicable to such person, including those issued by any non-governmental entity that has a right under any statute to bind a person, and will include all interpretations, guidelines and policies of federal and provincial supervisory authorities (whether or not having the force of law) and industry guidelines (including and codes (whether or not having the force of law) that relate to insurance or to the marketing, advertising, sale, or administration of insurance policies.

**"Borrower"** has the meaning ascribed to it in the Group Policy and its schedules(s);

**"Certificate"** means an evidence of coverage issued to a Debtor on behalf of Company by Dealer which, along with the Debtor's completed insurance enrolment form (in the form approved by Company), is proof of insurance coverage under the Group Policy;

**"Creditor"** means the Dealer or any other person who subsequent to the Debtor signing an agreement with the Dealer in respect of the purchase of a vehicle either loans money to the Debtor in respect of such purchase or becomes the owner/lessor of such vehicle;

**"Commission"** means the compensation payable by the Plan Manager to the Dealer for offering the insurance under the Plan and arranging for the issuance of Certificates under the Plan;

**"Dealer"** means the dealer identified on the Dealer's Application;

**"Dealer's Application"** means the Application for Group Creditor Insurance Policy of the Dealer;

**"Effective Date"** means the "Requested Effective Date" set out above or the date this agreement is signed, whichever is later.

**"Group Policy"** means the creditor's group insurance policy issued by Company to the Dealer as identified on the Dealer's Application;

**"Plan"** means the insurance program whereby there is creditor's group insurance coverage under a policy of insurance that is underwritten by Company, managed by the Plan Manager and available to Debtors of the Dealer;

**"Plan Manager"** means Loan Armour Insurance Solutions Inc., the manager of the Plan as authorized by the Company;

**"Premium"** means the amount of insurance premium, not including applicable taxes, required to be paid by Debtors for coverage under the Group Policy; and

“**Standards**” means such written rules, policies, procedures, methods, practices, underwriting guidelines, administration standards and guidelines as may be reasonably enacted or adopted by Company, consistent with industry standards, and delivered (whether in writing or electronically) to Dealer, by the Plan Manager or the Company from time to time.

**SECTION 16: LANGUAGE AND MEANS OF EXECUTION OF THE CONTRACT**

The parties to this Agreement have agreed that this Agreement will be drawn up in the English language. Les parties ont accepté que cette convention soit rédigée en anglais.

Each of the Dealer, the Plan Manager and Company has agreed that this Agreement may be executed by electronic signature technology, and such signatures will be deemed to be as valid as an original signature whether or not confirmed by delivering the original signatures in person, by courier or by mail. This Agreement may be executed and delivered in any number of original, facsimile, or electronically scanned or imaged counterparts, each when so executed and delivered will be deemed an original and when taken together will constitute one and the same document.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written below.

**By Dealer**

\_\_\_\_\_  
Dealer (Authorized Signature)

\_\_\_\_\_  
Print Name & Title

\_\_\_\_\_  
Date

**By Plan Manager**

\_\_\_\_\_  
LAIS (Authorized Signature)

\_\_\_\_\_  
Print Name & Title

\_\_\_\_\_  
Date

**By Co-operators Life Insurance Company**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name & Title

\_\_\_\_\_  
Date