

DISTRIBUTION GUIDE

Name of Insurance Product: Investors Group HomeFree Mortgage Life Insurance

Type of Insurance Product: Mortgage Life Insurance

Group Policy Number: 134555GL

Name and Address of Insurer: The Great-West Life Assurance Company
Creditor Insurance
330 University Avenue
Toronto, Ontario M5G 1R8

Tel: 1-800-665-1972 (English)
1-800-363-7772 (French)

Fax: 1-866-891-7894

Distributor: Investors Group
2001 Robert-Bourassa Boulevard, suite 1900
Montreal, Quebec H3A 2A6
Tel: 1-800-565-2035
Fax: 1-888-686-3996



The Autorité des marchés financiers does not express an opinion on the quality of the product offered in this guide. The insurer alone is responsible for any discrepancies between the wording of the guide and the policy.

You have selected the following **Creditor Insurance** product:

Name of Insurance Product: *Investors Group HomeFree Mortgage Life Insurance*

Type of Insurance Product: *Mortgage Life Insurance*

Group Policy Number: 134555GL

The following documents are important and should be kept in a safe place:

- This distribution guide;
- Your completed and signed application for HomeFree Mortgage Life *Insurance*; **and**
- Your certificate of insurance.

If you would like further information or if you have any questions, do not hesitate to contact one of our customer service representatives at:

The Great-West Life Assurance Company
Creditor Insurance Toll Free: 1-800-665-1972

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Please see section “**Definitions**” for the definitions of words in *italics*.

INTRODUCTION

This Distribution Guide is an easy to understand explanation of the life *Insurance* issued by The Great-West Life Assurance Company (“*Great-West Life*”) to insure your mortgage made available to you by Investors Group (“*Investors Group*” and the “*Creditor*”).

This *Insurance* is designed to protect you should the unexpected occur. This Distribution Guide can help you decide if you need life *Insurance* on your mortgage with *Investors Group*, without the presence of an *Insurance Representative*.

DESCRIPTION OF PRODUCT OFFERED

Nature of the coverage

Life Insurance

In the event of your death, *Great-West Life* will pay a death benefit to the *Creditor* that will be applied towards your *Unpaid Balance*.

Summary of specific features

Eligibility criteria for *Insurance*

You are eligible for this *Insurance* if:

- You are the *Insured Borrower*, co-borrower, or guarantor of an *Insured Mortgage Loan*; **AND**
- You are between 18 and 64 years of age; **AND**
- You are a Canadian resident.

How to apply for *Insurance*

To apply for *Insurance* coverage you must complete the **HomeFree mortgage life Insurance application** and submit it to *Great-West Life* for approval.

The amount to be insured must always equal the amount of the *Insured Mortgage Loan*, subject to the maximum amount of *Insurance*. If your *Unpaid Balance* exceeds \$500,000 your mortgage will be eligible for coverage for the maximum amount of \$500,000.

Life *Insurance* benefit

Upon receipt of proof of death of an *Insured Borrower*, *Great-West Life* shall pay a death benefit to the *Creditor* to be applied towards your *Unpaid Balance* in the following amounts:

1. If the *Insured Mortgage Loan* is \$500,000 or less at the effective date of *Insurance*, the *Unpaid Balance* of the *Insured Mortgage Loan* (including *Accrued Interest* from the date of death up to a maximum of 60 days); **OR**
2. If the *Insured Mortgage Loan* is in excess of \$500,000, meaning the *Unpaid Balance* is less than the *Insured Mortgage Loan* at the effective date of *Insurance* (due to the maximum amount of *Insurance*), the death benefit will be determined by dividing the *Unpaid Balance* insured by the *Insured Mortgage Loan* amount at the effective date of *Insurance* and then multiplying that number by the *Unpaid Balance* of the *Insured Mortgage Loan* at the date of death (including *Accrued Interest* from the date of death up to a maximum of 60 days).

For example, you were insured for \$500,000 on a \$750,000 *Insured Mortgage Loan*, and at the date of death the *Unpaid Balance* is \$300,000, then the death benefit is \$200,000 (including *Accrued Interest* from the date death up to a maximum of 60 days) $\$500,000/\$750,000 = 0.66 \times \$300,000 = \$200,000$; **AND**

3. Any debit balance accumulated for the payment of realty taxes; **AND**
4. Interest reinvestment charges and discharge fees, if any.

Amount of Insurance

1. In no event shall the amount of *Insurance* exceed \$500,000 for any one *Insured Mortgage Loan* or any one *Insured Borrower*. There is no limit to the number of loans which can be insured.
2. Life *Insurance* benefits may become payable in respect of any one *Insured Borrower* or any one *Insured Mortgage Loan*. In the event of such occurrence, all such benefits combined shall not exceed the amount of *Insurance* defined above.
3. In respect of an *Insured Mortgage Loan* granted to joint borrowers, each such *Insured Borrower* may be insured for up to \$500,000, however, *Great-West Life* shall pay no more than \$500,000 in benefits in respect of any one *Insured Mortgage Loan*. Once the maximum benefit of \$500,000 has been paid, no further *Insurance* is available in respect of such *Insured Mortgage Loan*.

The benefit amount is the total of:

- The *Unpaid Balance* of your *Insured Mortgage Loan* on the date of your death; **AND**
- The *Accrued Interest* from the date of your death to the date of compensation.

Prior Coverage Recognition

If you renegotiate your previously *Insured Mortgage Loan* you may be eligible for prior coverage recognition.

You are eligible for prior coverage recognition if:

- You re-apply for HomeFree mortgage life *Insurance* within 30 days of your previous coverage terminating;
- You are 64 years of age or less; **AND**
- Your new application is declined for health reasons.

The *Insurer* will provide coverage for the amount equal to the *Unpaid Balance* on your prior *Insured Mortgage Loan* at the time your coverage terminated.

For example, the *Unpaid Balance* on your prior *Insured Mortgage Loan* is \$50,000. You reapply for coverage on your new renegotiated *Insured Mortgage Loan* with an *Unpaid Balance* of \$200,000. Your application is declined due to health reasons.

In this example, *Great-West Life* will insure 25% of the new *Unpaid Balance* at the time of claim. [$\$50,000/\$200,000 \times 100 = 25\%$]

Premiums will be based on:

- The age and smoking status at time of new application; **AND**
- The *Unpaid Balance* of your prior *Insured Mortgage Loan* at the time it was terminated.

Insurance Premiums

The monthly premium rate is based on the following:

- The amount of your *Insured Mortgage Loan*;
- The age and smoking status of the *Insured Borrower(s)*; **AND**
- Provincial sales tax (where applicable).

Monthly Premium Rates:

Monthly premium rates per \$1,000 of an <i>Insured Mortgage Loan</i>				
Age	Smoker		Non-Smoker	
	Single	Joint	Single	Joint
Under 30	\$0.11	\$0.15	\$0.05	\$0.07
30 - 34	\$0.14	\$0.20	\$0.07	\$0.10
35 - 39	\$0.24	\$0.34	\$0.11	\$0.15
40 - 44	\$0.38	\$0.53	\$0.18	\$0.25
45 - 49	\$0.60	\$0.84	\$0.29	\$0.41
50 - 54	\$0.88	\$1.23	\$0.43	\$0.60
55 - 59	\$1.12	\$1.57	\$0.54	\$0.76
60 - 64	\$1.34	\$1.88	\$0.63	\$0.88

+provincial sales tax will be added where applicable

Monthly Premium Calculation:

Amount of your *Insured Mortgage Loan* / 1, 000 x monthly premium rate

For example, for a single, non-smoker, age 35, with an *Insured Mortgage Loan* of \$100,000, the premium is \$0.11 x \$100,000 ÷ \$1,000 = \$11.00, plus provincial tax.

A non-smoker is considered to be a person who has not smoked any cigarettes during the 12 months immediately preceding the application for *Insurance*.

Your life insurance premiums will remain unchanged for a period of 10 years. At the end of each 10 year period, your premium will be recalculated based on the age and smoking / non-smoking status of the older *Inured Borrower* and the insured portion of the *Insured Mortgage Loan* at that time. The insurance premium rates are subject to change every 10 years.

Joint Premium

In the case of a joint application, the premium applied is that corresponding to the older applicant.

Discounted Premium Rates

Where the applicant is an employee or *Representative* of the *Creditor* or a client who has invested in one of *Creditor's* products under a rate subsidized mortgage plan to acquire a new home, he shall be entitled to a 5% discount on the above premium rates.

Effective Date of Insurance

Your *Insurance* coverage commences on the latest of the following dates:

- The date the applicant and co-applicant, if applicable, signed the application for *Insurance*;
- The date *Great-West Life* approves the application for *Insurance* if medical underwriting is required; **OR**
- The date the *Insured Mortgage Loan* funds have been advanced and made available for use.

Beneficiary

The *Creditor* is the beneficiary of the amounts payable to reduce or payoff your *Insured Mortgage Loan*.

Confirmation of Insurance

Your completed and signed *Insurance* application is automatically approved if:

- Each applicant responded “No” to all the health questions of the *Insurance* application; **AND**
- The total sum of all Life *Insurance* coverage under the policy does not exceed \$300,000.

Your completed *Insurance* application form is your confirmation of *Insurance*.

If you answered “Yes” to any of the health questions on the application or the amount for coverage exceeds \$300,000 under the policy, your application will be sent to *Great-West Life* for medical underwriting. In this case, *Great-West Life* will contact you for further information.

Great-West Life will advise you in writing if your *Insurance* application has been approved or declined within **30 days** of receiving all the information required to make a decision. The approval letter is your proof of *Insurance*.

EXCLUSIONS, RESTRICTIONS OR REDUCTIONS IN *INSURANCE*

CAUTION

No death benefit will be paid if:

Misstatement on the *Insurance Application*:

If any statement or answer provided by you on the application or health questionnaire is incomplete or false.

Suicide:

If death is a result of suicide, (whether you are aware or not aware of the result of your actions, regardless of your state of mind), within 2 years of the effective date of *Insurance* or within 2 years of an increased amount of *Insurance*.

Simultaneous Deaths:

In the event of simultaneous deaths of joint-*Insured Borrowers*, only one death benefit will be paid.

Maximum Amount of *Insurance*:

In no event will the death benefit on any one *Insured Mortgage Loan* or for any one person exceed \$500,000.

Joint-Borrowers:

Where more than one eligible *Insured Borrower* is insured on the same *Insured Mortgage Loan*, each co-*Insured Borrower* may become insured for the full amount of the *Insured Mortgage Loan*. However, *Great-West Life* will pay an amount which is the lesser of the amount of the *Insured Mortgage Loan* and \$500,000.

Misstatement of Age:

If the age of the *Insured Borrower* has been misstated and would have not been insured under this policy had his true age been stated a full refund shall be remitted to the *Insured Borrower* and no benefit shall be payable.

Incontestability:

Any statement, other than a fraudulent statement, made by an *Insured Borrower* relating to his insurability under the policy may be used to contest the validity of his *Insurance* for the first two years that the initial *Insurance*, or any increase in *Insurance*, is in force during his lifetime. Any fraudulent statement may be used to contest the validity of *Insurance* at any time.

CANCELLATION OF INSURANCE

Your *Insurance* coverage can be cancelled **at any time** by written request.

Your *Insurance* will be cancelled on the latest of these dates:

- 1) The date specified in your written request,
- 2) The date your written notice of rescission is received.

If you cancel this *Insurance* within **30 days** of the effective date, you will receive a full refund of any premiums paid after deduction of paid benefits, and the *Insurance* coverage will be deemed never to have been in force, if applicable. Cancellations requested after the 30-day period will not receive a premium refund.

To cancel your *Insurance* you must submit a written notice by registered mail to:

Investors Group Mortgage Servicing Centre
2001 Robert-Bourassa Boulevard, suite 1900
Montreal, Quebec H3A 2A6

You may also use the **NOTICE OF RESCISSION OF AN INSURANCE CONTRACT** that has been included in this guide.

TERMINATION OF INSURANCE

Insurance in respect of each *Insured Borrower* shall automatically terminate on the **earliest** of the following dates:

- 1) the date the *Insured Mortgage Loan* is fully repaid;
- 2) upon receipt of signed written notice that you wish to cancel the *Insurance* coverage;
- 3) the *Insured Borrower's* 70th birthday;
- 4) the date the indebtedness is transferred to another creditor or assumed by another debtor;
- 5) 30 days after the due date of any monthly premium toward which the *Insured Borrower* has failed to make the required payment;
- 6) the date the *Unpaid Balance* of the *Insured Mortgage Loan* has been paid in full by *Great-West Life* to the *Creditor*;
- 7) the date the *Insured Mortgage Loan* is renegotiated (renegotiation means that the original amortization period is extended or the original *Insured Mortgage Loan* is increased); **OR**
- 8) the date the group policy terminates.

PROOF OF LOSS OR CLAIM

Great-West Life is committed to processing your claims quickly and efficiently. All claims must be submitted to *Great-West Life* in writing using a claim form.

How to Obtain a Claim Form

Upon death of the *Insured Borrower(s)*, your *Representative* can obtain a claim form from *Investors Group* by contacting *Investors Group* Mortgage Servicing Centre at:

By mail: 2001 Robert-Bourassa Boulevard, Suite 1900
Montreal, Quebec H3A 2A6

Tel.: 1-800-565-2035
Fax: 1-888-686-3996

Submitting a Claim

Notice of claim must be given to *Great-West Life* within **60 days** of the date of death.

Failure to give such notice within **60 days** of the date of death of the *Insured Borrower* will not invalidate nor reduce the claim if it is shown that it was not reasonably possible to give the notice within such time and that notice was given as soon as reasonably possible. In such case, all proof must be given no later than **1 year** from the date of death, or **3 years** from date of death in Quebec. The *Investors Group* Mortgage Servicing Centre will complete a claim form and send an attending physician's declaration to the executor of the estate for completion.

Insurer's Response

In general, *Great-West Life* will issue a written notice of assessment within 2 weeks after receipt and verification of the validity of the claim.

If your claim is approved, *Great-West Life* will issue a cheque to the *Creditor*. If not, *Great-West Life* will write a request for further information, required to complete the evaluation of your claim submission.

Great-West Life will confirm in writing its decision relative to the claim submission to you within **30 days** following receipt of the additional information requested.

Appealing the Insurer's Decision and Recourses

If *Great-West Life* does not pay the *Insurance* benefit, your *Representative* may appeal the decision within **90 days** of the date of the decline letter from *Great-West Life*.

Your *Representative* must explain in writing the reasons for the appeal and provide any additional information not previously submitted to *Great-West Life*. Your *Representative* also has the right to consult the Autorité des marchés financiers or an independent legal advisor about the appeal.

If your *Representative* is not satisfied with the response, they may choose to submit a complaint by contacting *Great-West Life* at 1-800-380-4572 or by email at CreditorComplaints@gwl.ca or visit www.greatwestlife.com/complaints.

PRIVACY

At *Great-West Life*, we recognize and respect the importance of privacy. When you apply for coverage, we establish a confidential file that contains your personal information. This file is kept in the offices of *Great-West Life* or the offices of an organization authorized by *Great-West Life*. You may exercise certain rights of access and rectification with respect to the personal information in your file by sending a request in writing to *Great-West Life*. *Great-West Life* may use service providers located within or outside Canada. We limit access to personal information in your file to *Great-West Life* staff or persons authorized by *Great-West Life* who require it to perform their duties, to persons to whom you have granted access, and to persons authorized by law. Your personal information may be subject to disclosure to those authorized under applicable law within or outside Canada. We collect, use and disclose the personal information to administer the plan, including investigating and assessing claims, and creating and maintaining records concerning our relationship. *Great-West Life* or its reinsurers may also release information to other life *Insurance* companies to whom you apply for life or health *Insurance*, or to whom you submit a claim for benefits. The company will not, however, reveal to another company the action taken on the basis of your current request for *Insurance*. For a copy of our Privacy Guidelines, or if you have questions about our personal information policies and practices (including with respect to service providers), write to *Great-West Life's* Chief Compliance Officer at chief.compliance.officer@gwl.ca, or refer to www.greatwestlife.com.

FOR MORE INFORMATION

You can obtain further explanation of this *Insurance* coverage or a copy of the *Insurance* policy by writing to the following address:

The Great-West Life Assurance Company
Creditor *Insurance* Department
330 University Avenue
Toronto, Ontario M5G 1R8

Please indicate your group policy number: **134555GL**

For all questions, *Great-West Life* also provides you with the following toll-free numbers to contact their customer service department:

Telephone: 1-800-665-1972 or Fax: 1-866-891-7894

SIMILAR PRODUCTS

This group *Creditor's Insurance* policy is offered exclusively to *Investors Group* clients by *Great-West Life*. There are other types of *Insurance* products on the market that provide similar coverage to cover your mortgage loan payments. You should check to ensure that you are not covered by another *Insurance* product, offering the same coverage as the one described in this guide.

REFERRAL TO THE AUTORITÉ DES MARCHÉS FINANCIERS

To obtain further information regarding the *Insurance* described in this guide, you must first contact *Great-West Life* or *Investors Group*.

If you want more information about the obligations of the *Insurer* and distributor towards you, you can contact the Autorité des marchés financiers at the following address:

Autorité des marchés financiers
Place de la Cité, Tour Cominar
2640, boul. Laurier, 4th floor
Quebec (Québec) G1V 5C1

Toll-free: 1 877 525 0337

Quebec City: 418-525-0337
Montreal: 514-395-0337

Web Site: www.lautorite.qc.ca

DEFINITIONS

Accrued Interest means:

- (a) the amount calculated on the *Unpaid Balance* of the insured amount up to the date of death using interest rates set for the *Insured Mortgage Loan* by the *Creditor*, plus
- (b) the amount calculated on the *Unpaid Balance* of the insured amount from the date of death to the earlier of 60 days after the date of death and the date of payment of claim using the corresponding per diem interest rate determined by the *Creditor* as of the date of death.

Creditor means *Investors Group Trust Co. Ltd.* or *Investors Group*.

Insurance means Mortgage Life *Insurance* coverage you have selected.

Insured Borrower(s) means an applicant and/or a co-applicant eligible for *Insurance* according to the terms of the policy, who has signed the application. The applicant and the co-applicant named on the certificate must be a borrower, co-borrower, guarantor, or endorser under an *Insured Mortgage Loan* issued by the *Creditor*. Each insured must be a natural person, and not a partnership, company or association.

Insured Mortgage Loan means the debt of the insured amount applied for on the mortgage loan mentioned in the *Insurance* application.

Insurer means The Great-West Life Assurance Company, or *Great-West Life*.

Investors Group means Investors Group Inc. and its affiliates including I.G. Investment Management Ltd., Investors Group Financial Services inc. (In Quebec, a financial services firm) and Investors Group Trust Co. Ltd.

Representative means the executor or administrator of your estate.

Unpaid Balance means the amount owing on your *Insured Mortgage Loan* as determined by the *Creditor*.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

NOTICE GIVEN BY DISTRIBUTOR

Section 440 of the Act respecting the distribution of financial products and services

THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS.

- The Act allows you to rescind an insurance contract you have just signed when signing another contract, without penalty, within 10 days of its signature. However, The Great-West Life Assurance Company allows you to rescind the contract you have just signed, **without penalties, within 30 days of its signature**. To do so, you must give the insurer notice by registered mail within that delay. You may use the attached model for this purpose.
- Despite the rescission of the insurance contract, the first contract entered into will remain in force. Caution: it is possible that you may lose advantageous conditions as a result of this insurance contract; contact your distributor or consult your contract.
- After the expiry of the 30-day delay, you may rescind the insurance at any time, however, penalties may apply.

For further information, contact the Autorité des marchés financiers at (418) 525-0337 in Québec City or (514) 395-0337 in Montréal, or toll-free at 1 877-525-0337.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

To: The Great West Life Assurance Company
c/o Investors Group
2001 Robert-Bourassa Boulevard, suite 1900
Montreal, Quebec H3A 2A6

Re: Rescission of Investors Group HomeFree Mortgage Life Insurance

Date: _____
(Date of sending of notice)

Pursuant to section 441 of the Act respecting the distribution of financial products and services, I hereby rescind insurance contract no.:

(Number of contract, if indicated)

Policy: 134555GL

Entered into on: _____
(Date of signature of contract)

In: _____
(Place of signature of contract)

(Name of client) (Signature of client)

This document must be sent by registered mail.

Sections 439 to 443 of the Act respecting the distribution of financial products and services.

439. A distributor may not subordinate the making of a contract to the making of an insurance contract with the insurer specified by the distributor. The distributor may not exercise undue pressure on the client or use fraudulent tactics to induce the client to purchase a financial product or service.

440. A distributor that, at the time a contract is made, causes the client to make an insurance contract must give the client a notice, drafted in the manner prescribed by regulation of the Authority, stating that the client may rescind the insurance contract within 10 days of signing it.

441. A client may rescind an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered mail. Where such an insurance contract is rescinded, the first contract retains all its effects.

442. No contract may contain provisions allowing its amendment in the event of rescission or cancellation by the client of an insurance contract made at the same time. However, a contract may provide that the rescission or cancellation of the insurance contract will entail, for the remainder of the term, the loss of the favourable conditions extended because more than one contract was made at the same time.

443. A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the debtor may subscribe for insurance with the insurer and representative of the debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds. The distributor may not subordinate the making of the contract of credit to the making of an insurance contract with the insurer specified by the distributor.

No contract of credit may stipulate that it is made subject to the condition that the insurance contract subscribed with such an insurer remain in force until the expiry of the term, or subject to the condition that the expiry of such an insurance contract will entail forfeiture of term or the reduction of the debtor's rights.

The rights of the debtor under the contract of credit shall not be forfeited when the debtor rescinds, cancels or withdraws from the insurance contract, provided that the debtor has subscribed for insurance with another insurer that is considered satisfactory by the creditor, who may not refuse it without reasonable grounds.