



# Tangerine Bank Mortgage Account Life Insurance

## DISTRIBUTION GUIDE

### Mortgage Account Group Life Insurance

**Name and Address of the Insurer:**

THE CANADA LIFE ASSURANCE COMPANY  
330 University Avenue  
Toronto, Ontario  
M5G 1R8  
Toll free phone number: 1 800 380-4572

**Name and Address of the Distributor:**

Tangerine Bank  
3389 Steeles Ave E  
Toronto, Ontario M2H 0A1

(Stamp or write branch address here)

**Telephone: 416-497-5157**

*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.*

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

## **INTRODUCTION:**

This guide provides you with information on Tangerine Bank Mortgage Account Life Insurance. It will help you decide if the insurance product is suitable for your needs without the presence of an insurance representative.

The life insurance offered on Tangerine Bank's mortgage account protects the mortgage debt on your property in the event of your death.

The Canada Life Assurance Company ("*Canada Life*") issues to Tangerine Bank ("*Tangerine*") this insurance coverage through the Group Policy 60135, issued to *Tangerine*.

## **DESCRIPTION OF THE PRODUCT OFFERED:**

### **Nature of the Coverage**

The **life insurance** benefit allows for reimbursement to *Tangerine* of the outstanding *Balance* of your mortgage account in the event of your death.

### **Summary of Specific Features**

#### **Eligibility for Insurance**

The persons who fulfill the following conditions are eligible for **life insurance**:

- you have been approved for a *Tangerine* mortgage account as a mortgagor, co-mortgagor, or *Guarantor*; **and**
- you are **age 18** or older and **under age 65** at the time of application for the insurance.

The principal amount insured with respect to one or more insured mortgage account(s) cannot exceed \$500,000.

A maximum of two persons may be insured in respect of the same mortgage account.

You must complete the health questionnaire on the insurance application. *Canada Life* will request additional information if:

- you have answered "yes" to one of the questions on the insurance application;
- the principal amount of your mortgage account exceeds \$300,000; **or**
- you request the insurance more than 31 days after the financing or renewal of your mortgage account.

In that case, a written approval will be required before the insurance can become effective.

#### **Effective Date of Insurance**

The insurance becomes effective on **the latest of**:

- the date your signed application or joint application for insurance is received by *Tangerine*;
- the date specified by *Canada Life* in the letter of approval of insurance coverage, if a written approval is required, **and**

- the date of disbursement of the mortgage funds.

Confirmation from the Insurer

In the case where a written approval is not required, you are automatically approved for coverage and *Tangerine* will provide you with a certificate of insurance on behalf of *Canada Life*. In this case, your insurance application constitutes your proof of insurance if:

- you have completed your insurance application;
- *Tangerine* has received your insurance application; **and**
- you are paying the required insurance premiums.

*Canada Life* will send you a written letter to inform you of their decision to approve or decline your application for insurance within 30 days after they receive your completed application including any additional information that is required to process your request.

Amount of Benefit

Subject to the limitations and exclusions outlined in this distribution guide, upon your death and receipt of satisfactory proof of claim, *Canada Life* will pay to *Tangerine*, the outstanding *Balance* of your insured mortgage account(s). The total maximum benefit that will be paid under the policy on your death is \$500,000 with respect to one or more insured mortgage account(s).

If you are jointly insured, *Canada Life* will pay the benefit upon the first death, and no further insurance will be available. In no case will *Canada Life* pay more than your outstanding mortgage account(s) *Balance* at the time of death.

Premiums Payable

The monthly premium payable is based on the initial mortgage amount, your age and if you choose individual or joint coverage.

Monthly Premium

Rates per \$1,000 (at time of printing). Premium rates will be reviewed periodically. Written notification will be provided prior to any rate change.

Age	18-30	31-35	36-40	41-45	46-50	51-55	56-60	61-64*
<b>Individual Coverage</b>	\$0.09	\$0.13	\$0.20	\$0.29	\$0.40	\$0.55	\$0.73	\$0.97
<b>Joint Coverage</b>	\$0.13	\$0.18	\$0.29	\$0.41	\$0.60	\$0.84	\$1.09	\$1.51

\*An *Applicant* must be 18 years of age and under age 65 to apply for insurance coverage under the policy. Coverage will continue however, until the end of the month in which your 70<sup>th</sup> birthday occurs.

Joint coverage rates apply only when both *Applicants* are approved by *Canada Life* for coverage and rates are based on the age of the older *Applicant*.

**Example:**

*Applicant* is 39 years of age and has a mortgage amount of \$150,000. Premium rate for individual coverage is \$0.20. So, the premium that *Applicant* pays per month =  $(\$150,000/\$1,000) \times 0.20 = \$30$  (add Tax if applicable).

Two *Applicants* have a joint mortgage for \$200,000. *Applicant 'A'* is 36 years of age and *Applicant 'B'* is 42 years of age. Premium rate for joint coverage where the age of the older *Applicant* is 42 years is \$0.41. So, the premium that *Applicants* pay per month =  $(\$200,000/\$1,000) \times 0.41 = \$82$  (add Tax if applicable). The monthly premium for the mortgage account life insurance is based on the initial mortgage amount.

Provincial sales tax, if applicable, will be added to the premium. The monthly premium will be debited to the mortgage account(s) and submitted to *Canada Life*.

*Tangerine* receives an administration fee from the *Insurer* to distribute mortgage account life insurance.

### Prior Coverage Recognition

If you refinance or *Port* your *Tangerine* mortgage account, you may qualify for prior coverage recognition. You must reapply for life insurance coverage within 90 days of paying off your previous mortgage.

Your application will be considered based on your health condition at the time of the refinance or *Port*. If you are denied coverage as a result of a change in your health condition, you are guaranteed coverage for the insured outstanding *Balance* prior to *Refinancing* or *Porting* the previous mortgage account.

Any benefits payable on death will be determined by multiplying the outstanding *Balance* of this mortgage as at the date of death by the following:

Insurance Amount  
Mortgage Amount

#### **Example:**

The *Balance* of your insured *Tangerine* mortgage account is \$50,000. You decide to refinance your mortgage account for an amount of \$100,000 but you are not eligible for life insurance on your mortgage account as a result of a change in your health condition. You qualify for prior coverage recognition.

Upon your death, the benefit payable will be equivalent to 50% of the outstanding *Balance* of your *Refinanced* mortgage account at the date of death.

### **EXCLUSIONS, LIMITATIONS AND REDUCTIONS IN COVERAGE:**

#### **Caution**

- a) **No benefit is payable if your death results directly or indirectly from suicide while sane or insane, or from intentionally self-inflicted injury, within 2 years of the effective date of insurance. *Canada Life* will not pay the benefits and will only refund premiums received since the effective date of insurance;**
- b) **If you have a pre-existing health condition, *Canada Life* will not pay benefits on your mortgage account(s) if you die within 12 months of the effective date of insurance and death results from a condition for which you visited or consulted a physician, had received *Treatment* or had undergone tests, during the 12 months immediately preceding the date the mortgage funds were advanced. *Treatment* means advice, consultation care, and/or service provided by a physician, and includes but is not limited to, diagnostic measures, prescription drugs, injections, or other forms of therapeutic *Treatment*;**
- c) **If any answer or statement on the application for the mortgage account insurance misrepresents or fails to disclose any facts material to the insurance risk, the insurance may be null and void.**

### **CANCELLATION:**

You may cancel the insurance, without penalty, **within 20 days** of its effective date of insurance and a full refund of your premiums plus any applicable tax will be issued, if any have been collected. To do so, you must send a notice by registered mail within the specified time as indicated, to the following address:

**Tangerine Bank**  
**3389 Steeles Ave E**  
**Toronto, Ontario M2H 0A1**

You may also use the Notice of Rescission of an Insurance Contract included in this distribution guide. Thereafter, you may cancel your insurance **at any time** by sending a written notice at the same address.

No premiums will be payable as of the date of your mortgage payment that immediately follows the date of cancellation of the insurance.

### **End of the Insurance Coverage**

The insurance terminates on **the earliest of**:

- the date your mortgage account is *Discharged, Refinanced* or transferred to another property;
- the mortgage is *Assigned* to another creditor;
- *Foreclosure* or any *Disposition* of the property which is the security for which the mortgage occurs;
- the last day of the month in which your 70th birthday occurs;
- the date that *Tangerine* receives your written notice to cancel the coverage;
- the date the insured person's premiums are 31 days overdue;
- the date the mortgage payment is 6 months or more in arrears
- the date you are advised in writing by *Tangerine* that insurance is cancelled; **or**
- the date the group policy between *Canada Life* and *Tangerine* is terminated.

When two persons are insured, the insurance terminates for the oldest person on the last day of the month in which his/her 70th birthday occurs. The remaining person may continue the insurance. The premium rate will be determined based on the age of the person who remains insured.

### **Other Information**

If you have any questions about the *Tangerine* mortgage account life insurance, please call *Canada Life* at 1 800 380-4572.

## **PROOF OF LOSS OR CLAIM**

### **Submission of a Claim**

Claims must be submitted **within one year** of the date of death, or **three years** in Quebec, to *Canada Life* at the address below. The claim forms are available from *Canada Life*.

#### **THE CANADA LIFE ASSURANCE COMPANY**

330 University Avenue  
Toronto, Ontario M5G 1R8  
1 800 380-4572

Satisfactory proof of claim must be submitted in writing by the representative of the *Mortgagor, Co-Mortgagor* or *Guarantor* to *Canada Life* as soon as possible. However, it must be submitted no later than one year following the date of death, or three years in Quebec. Proof of claim is at the claimant's expense. *Canada Life* reserves the right to request additional information in order to process any claim.

### **Insurer's Reply**

*Canada Life* will notify you or your representative in writing of a decision to approve or decline your claim. Such notices will be provided within 30 days after *Canada Life* receives all information required upon which to make a decision.

## **Appeal of an *Insurer's* Decision and Recourses**

If *Canada Life* denies your initial claim, you or your representative may appeal the decision. The appeal must be in writing and include the basis upon which the decision is being appealed and any other new information that had not been previously submitted.

If *Canada Life* continues to deny your claim, you or your representative may make a further appeal to *Canada Life's* Ombudsman. You may also contact the Autorité des marchés financiers or your own legal advisor.

### **SIMILAR PRODUCTS:**

The insurance described in this guide is optional. There are other products available in the market that offer similar coverage to the product offered by *Tangerine* outlined in this guide. You should verify if you already benefit from a product that offers similar coverage.

### **CONTACT INFORMATION:**

***Insurer:*** The Canada Life Assurance Company  
330 University Avenue  
Toronto, Ontario M5G 1R8  
Telephone: 1 800 380-4572

***Distributor:*** Tangerine Bank  
3389 Steeles Ave E  
Toronto, Ontario M2H 0A1  
Telephone : 416-497-5157

### **REFERRAL TO THE AUTORITÉ DES MARCHÉS FINANCIERS:**

For any additional information on the *Insurer's* and the distributor's obligations towards you, you may contact the Autorité des marchés financiers:

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

Telephone: (418) 525-0337 (Quebec)  
Telephone: (514) 395-0337 (Montreal)  
Toll Free: 1-877-525-0337

Internet: [www.lautorite.qc.ca](http://www.lautorite.qc.ca)

## **DEFINITIONS:**

- Applicant:** Eligible *Mortgagor*, *Co-Mortgagor* or *Guarantor* between the ages of 18-64 and as identified on the mortgage account Life Insurance Application.
- Assigned:** Transfer of the mortgage to another creditor.
- Balance:** The unpaid principal and interest amount on your mortgage account.
- Mortgagor:** A person who is responsible for the reimbursement of a *Tangerine* mortgage account.
- Co-Mortgagor:** A person who is responsible for the reimbursement of a *Tangerine* mortgage account jointly with the *Mortgagor*.
- Discharged:** Repayment of the entire mortgage account *Balance*.
- Disposition:** Transfer of the property which is the security of the mortgage.
- Foreclosure:** Legal proceeding that bars or extinguishes a mortgagor's right of redeeming a mortgaged estate.
- Guarantor:** A person who assumes responsibilities to repay the *Tangerine* mortgage account if the *Mortgagor* and/or *Co-Mortgagor* default.
- Insurer:** The Canada Life Insurance Company or Canada Life.
- Port:** Transfer of your mortgage to another property.
- Refinanced:** The replacement of an existing mortgage account with a new mortgage account by the same insured person and either on the same secured property or on a different property.
- Tangerine:** Tangerine Bank
- Treatment:** Advice, consultation, care, and/or service provided by a physician, but is not limited to, diagnostic measures, taking pills, injections, or other form of therapeutic treatment.



# NOTICE OF RESCISSION OF AN INSURANCE CONTRACT NOTICE GIVEN BY A DISTRIBUTOR

Section 440 of the *Act respecting the distribution of financial products and services* (chapter D-9.2)

## 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 insurer allows you to rescind an insurance contract, **without penalty, within 30 days of its receipt**. To do so, you must give the insurer notice by registered mail within that delay. You must 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. However, no penalties are applicable with the Tangerine Bank Mortgage Account Life Insurance.

For further information, contact the Autorité des marchés financiers at (418) 525-0337 or 1-877-525-0337.

## NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

To: Tangerine Bank c/o The Canada Life Assurance Company  
3389 Steeles Ave E  
Toronto, Ontario M2H 0A1

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)

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.