



SOLO™ Loan Insurance

ADVISOR GUIDE



Table of content

Product overview	4
5 reasons why SOLO Loan Insurance is a top choice for your clients	6
SOLO Loan Insurance	7
1.1 Product description	7
1.2 Eligibility	7
1.3 Premium structures	7
Premium structure conversion	7
Converting from a level 10-year premium (T10) to a level to age 65 premium (T65)	8
Converting from a level to age 65 premium (T65) to a level 10-year premium (T10)	8
1.4 Monthly amount	8
1.4.1 Definition	8
1.4.2 Criteria to define the monthly amount	8
1.5 Eligible loans	9
1.5.1 Eligible loan criteria	9
1.6 Definition of total disability	11
1.7 Waiting period	11
1.7.1 Definition and application	11
1.7.2 Possible choices	11
1.8 Benefit period	12
1.9 Multiple causes of disability	12
1.10 Continuation of coverage after age 65	12
1.11 End of SOLO Loan Insurance coverage	13
1.12 Built-in features	13
1.12.1 Eligibility to receive a monthly amount as of the first day in case of hospitalization or day surgery	13
1.12.2 Exchange privilege	13
1.12.3 Assistance services	13
1.12.4 Organ donation	14
1.12.5 Accumulation of days for waiting period	14
1.12.6 Presumptive total disability	14
1.12.7 Rehabilitation	14
1.12.8 Waiver of premium	14
1.12.9 Recurrent disability	14
1.13 Rules applicable to home-based workers	15
Rule 1: Coverage offered without restrictions	15
Rule 2: Protection offered with restrictions	15
1.14 Rules applicable to pregnant women at time of issue	15
1.15 Rules applicable to clients on parental leave at the time of issue	16
1.16 Additional coverage	16
1.16.1 Future Insurability Option	16
1.16.2 Regular Occupation Period Extender	17
1.16.3 Partial Disability	18
General Information	21
2.1 Coordination and integration rule	21
2.2 Limitations and exclusions	21
2.2.1 Limitations applicable when the client is not actively working prior to the onset of disability	21
2.2.2 Limitations applicable to eligible loans and leases	21
2.2.3 Exclusions	22
2.3 Restrictions applicable to specific occupations	23
2.4 Definitions	23
2.4.1 Accident	23
2.4.2 Age	23
2.4.3 Attained age	23
2.4.4 Occupation class	24

2.4.5 Eligible loan or lease	24
2.4.6 Occupation.....	24
2.4.8 Replacement occupation.....	24
2.4.9 Hospitalization	25
2.4.10 Financial institution	25
2.4.11 Regular occupation.....	25
2.5 Premium information	25
2.5.1 Premium frequency coefficient.....	25
2.5.2 Policy fees	25
2.5.3 Extra premium	25
2.6 Taxes	25
2.6.1 SOLO Loan Insurance.....	25
2.7 Application.....	25
2.8 Possible changes after policy issue.....	26
2.8.1 Documents to provide for changes with proof of insurability	28
2.8.2 Documents to provide for changes without proof of insurability.....	28
2.9 Underwriting.....	28
2.9.1 Financial evidence	28
2.9.2 Preferred/non-smoker status.....	28
2.9.3 Residency.....	28
2.9.4 Alcohol and drugs	28
2.9.5 Driving record	28
2.9.6 Bankruptcy.....	29
2.9.7 Sports and leisure	29
2.9.8 Aviation.....	29
2.9.9 Travelling and living abroad	29
2.9.10 Exclusions	29
2.9.11 Exclusion review	29
2.10 Claims.....	29
Sales tools and marketing material.....	30
3.1 Sales tools	30
3.1.1 Financial Needs Analysis.....	30
3.1.2 Preliminary evaluation of the occupation class.....	30
3.2 Marketing material	31
3.2.1 Reference guide SOLO Loan Insurance (18052E03)	31
3.2.2 Client sheet SOLO Loan Insurance (18052E04)	31
3.2.3 Client brochure Financial Health and Well-Being (19121E01)	31
Appendix	33
4.1 Underwriting Requirements	33
4.2 Occupation class upgrade.....	33

Product overview

SOLO Loan Insurance

Target market	<p>Clients with debt repayment obligations who want to have their financial security entirely covered. SOLO Loan Insurance pays a monthly amount to cover the following types of loans:</p> <ul style="list-style-type: none">• Mortgage and mortgage line of credit, including multi-dwelling• Line of credit• Car/motor home/boat/motor bike loan or long-term lease• RRSP loan or any other investment financing (leverage loan)• Credit card• Personal/student/renovation loan• Business loan• All other fixed-term loans with regular payments (with or without minimum capital payments)• Rent also eligible (principal residence) <p>SOLO Loan Insurance protects an individual or a corporation, but not both simultaneously. If a client requires personal and business coverage, they must buy two different SOLO Loan Insurance policies.</p>
Eligibility Proof of eligible loans are not required at the time of issue, but will be when submitting a claim.	<ul style="list-style-type: none">• Belong to an occupation class other than "X"; and• work at least 30 hours per week and at least 35 weeks per year; or• work 24 to 29 hours per week and at least 40 weeks per year; or• work 21 to 23 hours per week on a regular and continuous basis. <p>Pregnant women and individuals on parental leave are eligible for SOLO Loan Insurance but some conditions may apply. For more information, you may refer to the <i>Rules applicable to pregnant women and individuals on parental leave</i> section.</p> <p>Individuals on parental leave are eligible for SOLO Loan Insurance without any restrictions.</p>
Occupation classes	4A, 3A, 2A, A and B
Issue ages	T65: 18 to 60 T10: 18 to 50
Waiting period	30 days 60 days 90 days 120 days The client is eligible to receive monthly amount as soon as the first day for hospitalization or day surgery. If the client is on parental leave or unemployed at the onset of the disability, the waiting period will automatically be 90 days.

Benefit period	<p>2 years, 5 years or up to age 65 Business loan: 2 or 5 years Rent: 2 years Pregnant women (3rd trimester): 2 years</p> <p>Note: Certain eligible loans have a limited benefit period; refer to the Eligible loans section for more details.</p>
Monthly amount	<p>Minimum per coverage: \$150 Minimum per contract: \$400 Maximum: \$5,000 (\$3,500 for occupation class B)</p> <p>No financial evidence required for amounts of \$3,000 or less, including all loan insurance amounts.</p>
Renewal	<p>Guaranteed renewable to age 65 Continuation of coverage after age 65</p>
Definition of total disability	Regular occupation - 24 months

Built-in benefits

Eligibility to receive a monthly amount as of the first day of hospitalization or day surgery	<p>Yes, if the waiting period is 90 days or less. Hospitalization must be for a minimum of 18 hours.</p>
Exchange privilege	<p>During the first 7 years of the contract, the client can exchange SOLO Loan Insurance for SOLO Disability Income.</p> <p>The client can exchange coverage based on age at issue, without new proof of insurability and before age 60.</p>
Organ donation	Yes, after 6 months
Presumptive total disability	Yes
Rehabilitation	Yes
Waiver of premium	Yes, as soon as the client is eligible to receive monthly amounts
Accumulation of days for waiting period	<p>Occupation class 2A, A and B – 6 months Occupation class 4A and 3A – 12 months</p>
Recurrent disability	<p>Occupation class 2A, A and B – 6 months Occupation class 4A and 3A – 12 months</p>

Complimentary assistance services	<p>Complimentary assistance services for your clients and their loved ones, available at any time online or by phone, including:</p> <ul style="list-style-type: none"> • A health and well-being platform with reliable resources to make informed decisions • 24/7 phone assistance services • Direct consultation with a doctor to answer their questions and connect with world-renowned specialists to confirm a diagnosis and determine an optimal treatment plan (by Advance Medical) <p>The assistance services are not a contractual obligation of Desjardins Insurance.</p>
-----------------------------------	--

Additional coverage

Partial Disability	Yes
Future Insurability Option	Yes
Regular Occupation Period Extender	Yes

5 reasons why SOLO Loan Insurance is a top choice for your clients

1. All their loans are covered under a single contract (either a personal or business contract).
2. Clients remain independent of their creditors.
 - Since they own the insurance contract, coverage remains in-force even if they change financial institutions.
 - Monthly amounts are paid directly to them rather than to the creditors.
3. Clients make their own choices based on their needs when it comes to the monthly amount and additional coverage.
4. Clients benefit from great flexibility since the insurance is not granted for a specific loan but for all debt which means that the insurance stays in-force even if your debts change over time.
5. Clients will receive full monthly amounts: they are tax-free and they are not integrated or coordinated. This means this amount will not be reduced by other disability or government benefits (unless the loans are covered by other insurance policies).

SOLO Loan Insurance

1.1 Product description

SOLO Loan Insurance provides a monthly amount when the client is unable to work following a disability due to an accident or illness. This amount covers the total of eligible monthly loan repayments of the client.

SOLO Loan Insurance is guaranteed renewable to age 65. Desjardins Insurance cannot cancel the policy or modify any existing provisions, or add provisions or restrictions to it. After age 65, the client may continue the coverage for an extended period, subject to certain terms and conditions.

1.2 Eligibility

Eligible occupation classes: 4A, 3A, 2A, A and B

To be eligible for SOLO Loan Insurance, clients must:

Be between the ages of: 18 to 60: Level premiums to age 65 (T65)
 18 to 50: Level premiums for 10 years (T10)

- Belong to an occupation class other than "X":
 - Work at least 30 hours per week and at least 35 weeks per year **or**
 - Work 24 to 29 hours per week and at least 40 weeks per year **or**
 - Work 21 to 23 hours per week on a regular and continuous basis.

Pregnant women are eligible for SOLO Loan Insurance, but some conditions apply. Consult the [Rules applicable to pregnant women](#) for more information.

Individuals working from home are eligible for SOLO Loan Insurance, but conditions may apply. Please refer to the [Rules applicable to home-based workers](#) for more information.

1.3 Premium structures

SOLO Loan Insurance offers two premium structures for all occupation classes.

- **Level to age 65 (T65)**

Premiums are calculated so that they remain level or the same for the entire term of the contract. This means there will be no annual increase based on the age of the client during this period.
- **Level for 10 years (T10)**

Premiums are level for 10 years, meaning they will not increase based on the age of the client. After this period, premiums will increase at each renewal and remain the same for the next 10 years. The increase is based on the attained age and the rates in effect at the time of renewal.
- **Non-guaranteed premium**

The premium could increase or decrease depending on various factors such as the total claims submitted by all individuals and the interest rates. However, such a change to the premium amount would not be applied to just one individual but to all with similar characteristics. Therefore, health and income-earning capacity are not factors which increase or decrease the premium.

Premium structure conversion

The premium structure can be changed while the policy is in-force. The client may convert from a level 10-year premium to a level to age 65 premium or vice versa.

Converting from a level 10-year premium (T10) to a level to age 65 premium (T65)

The following conditions apply when converting:

- The client must be under the age of 50.
- The change must take place on the policy anniversary.
- **The change is not subject to medical underwriting.**
- The new premium is based on attained age and initial occupation class.
- The waiting period, benefit period and monthly amount cannot change unless it reduces the insurer's risk.



Such a change entails not only a change in premiums related to the monthly amount, but also to premiums for additional coverage, if applicable.

Converting from a level to age 65 premium (T65) to a level 10-year premium (T10)

The following conditions apply when converting (new sale):

- The client must be under the age of 50.
- The new premium is based on attained age and the occupational class related to the employment of the client at the time of the conversion.
- **The change is subject to medical underwriting.**

1.4 Monthly amount

1.4.1 Definition

The monthly amount is the insurance amount payable to the client in the event of a disability. This amount is chosen by the client and it can add up to the sum of their monthly loan repayments. However, this amount cannot exceed the maximum monthly amount allowed according to their status, occupation class and the type of eligible loan.

1.4.2 Criteria to define the monthly amount

SOLO Loan Insurance covers loan payments should the client be unable to work due to an illness or an accident. To determine the monthly amount they would need, they must consider all the financial obligations they would be unable to meet if they became disabled.

The minimum monthly amount is \$150 per coverage or \$400 per contract.

Monthly amount per coverage or per contract

	Occupation class	Maximum
Insured who is employed	4A	\$5,000
	3A	\$5,000
	2A	\$5,000
	A	\$5,000
	B	\$3,500

If the policyowner is an individual, the monthly amount is the lesser of:

- The chosen monthly amount or
- The total amount of eligible loan payments at the time of disability

If this total amount is lower than the chosen monthly amount, the insurance amount payable will be limited to the total of eligible monthly loan payments and the excess premium paid will not be reimbursed. Clients are responsible for periodically revising their monthly amount based on their financial obligations.

If the policyowner is a corporation, the monthly amount is the lesser of:

- The chosen monthly amount or
- The total amount of eligible loans as of the date the insured individual becomes disabled multiplied by their percentage of common shares held in the company on that same date

The monthly amount is not integrated or coordinated with any other disability amounts unless the loans are already covered by another loan insurance policy.

1.5 Eligible loans

The following loans are eligible for SOLO Loan Insurance:

- Mortgage or mortgage line of credit, including multi-dwelling
- Line of credit
- Long-term loan or lease for a car, motor home, boat or motor bike
- Credit card
- RRSP loan or any other investment financing (leverage loan)
- All other fixed-term loans with regular payments (with or without minimum capital payments)
- Business loans
- Personal, student and renovation loan
- Rent is also eligible (principal residence)

All types of loans are eligible, as long as they are contracted with a financial institution authorized to do business in Canada. In addition, the balance of the loan amount must be at least \$1,000.

For a self-employed worker, the entire loan amount is covered no matter how many individuals are on the loan.

SOLO Loan Insurance covers an individual or a corporation, but not both simultaneously. If a client requires personal and business coverage, they must buy two separate SOLO Loan Insurance policies for their needs.

Loans between individuals (notarized or not) and alimony are not eligible loans under SOLO Loan Insurance.

1.5.1 Eligible loan criteria

This section provides a detailed description of all eligible loans along with their maximum reimbursement amounts and maximum benefit periods.

Mortgage loan or home equity line of credit (with repayment of principal)

If the loan or the home equity line of credit is for a primary residential dwelling, the eligible monthly amount corresponds to:

- 125% of the monthly mortgage payment (principal and interest payment)

If the loan or the home equity line of credit is for a secondary residential dwelling, a multi-unit dwelling or a commercial unit, the eligible monthly amount corresponds to:

- 100% of the monthly loan payment

The monthly amount ceases to be payable on the earliest of:

- Date on which the remaining amortization period ends
- Date on which the benefit period chosen by the client ends
- Date on which the client is no longer disabled

Home equity line of credit (without repayment of principal)

If the home equity line of credit is for a primary or secondary residential dwelling, a multi-unit dwelling or a commercial unit, the eligible monthly amount corresponds to:

- The monthly interest applicable to the home equity line of credit **multiplied by** the average outstanding balance
- **Plus** 0.5% of this average outstanding balance

The monthly amount ceases to be payable on the earliest of:

- Date on which the monthly amounts will have been paid for a steady period of 15 years
- Date on which the benefit period chosen by the client ends
- Date on which the client is no longer disabled

Line of credit

The eligible monthly amount corresponds to:

- 4% of the average outstanding balance

The monthly amount ceases to be payable on the earliest of:

- Date on which the monthly amounts will have been paid for a steady period of 30 months
- Date on which the benefit period chosen by the client ends
- Date on which the client is no longer disabled

Credit card

The eligible monthly amount corresponds to:

- 5% of the average outstanding balance

The monthly amount ceases to be payable on the earliest of:

- Date on which the monthly amounts will have been paid for a steady period of 30 months
- Date on which the benefit period chosen by the client ends
- Date on which the client is no longer disabled

Investment loan (leverage loan)

The eligible monthly amount corresponds to:

- The monthly interest applicable to the average outstanding balance

The monthly amount ceases to be payable on the earliest of:

- Date on which the monthly amounts will have been paid for a steady period of 15 years
- Date on which the remaining amortization period ends
- Date on which the benefit period chosen by the client ends
- Date on which the client is no longer disabled

Other types of loans

Loans with minimum principal and interest payment

The eligible monthly amount corresponds to:

- 100% of the minimum principal and interest payment

The monthly amount ceases to be payable on the earliest of:

- Date on which the remaining amortization period ends
- Date on which the benefit period chosen by the client ends
- Date on which the client is no longer disabled

Loans with no minimum principal and interest payment

The eligible monthly amount corresponds to:

- The monthly interest applicable to the average outstanding balance

The monthly amount ceases to be payable on the earliest of:

- Date on which the monthly amounts will have been paid for a steady period of 15 years
- Date on which the benefit period chosen by the client ends
- Date on which the client is no longer disabled

Leases

Lease agreement (principal residential dwelling)

The eligible monthly amount corresponds to:

- The periodic amount to be paid as agreed on the rental agreement contract

The monthly amount ceases to be payable on the earliest of:

- Date on which the monthly amounts will have been paid for a steady period of 2 years
- Date on which the benefit period chosen by the client ends
- Date on which the client is no longer disabled

Lease contract for motorized vehicles

The eligible monthly amount corresponds to:

- The periodic amount to be paid as agreed on the contract

The monthly amount ceases to be payable on the earliest of:

- Date that corresponds to 30 months after the lease expiry date
- Date on which the benefit period chosen by the client ends
- Date on which the client is no longer disabled

1.6 Definition of total disability

A) Client gainfully employed at the onset of disability

During the waiting period and the following 24 months, the client is considered totally disabled if, as a result of an illness or accident:

- they are unable to perform the important duties of their regular occupation **and**
- they are not engaged in any gainful activity **and**
- they are receiving continuous medical care

After receiving a monthly amount for 24 months, the client will continue to receive it if:

- they are unable to perform a replacement occupation **and**
- they are not engaged in any gainful activity **and**
- they are receiving continuous medical care

B) Client unemployed, on maternity or parental leave or on a leave of absence with or without pay following an agreement with their employer at the onset of disability

If the client is not gainfully employed at the onset of disability, they will be considered totally disabled if, as a result of an illness or accident:

- they are unable to perform a replacement occupation **and**
- they are not engaged in any gainful activity **and**
- they are receiving continuous medical care

Desjardins Insurance may waive the continuous medical care requirement upon receipt of acceptable written proof indicating that further medical care would be of no benefit to the client.

1.7 Waiting period

1.7.1 Definition and application

The waiting period is the number of days that the client must be totally disabled before the monthly amount becomes payable.

1.7.2 Possible choices

SOLO Loan Insurance offers waiting periods of: 30, 60, 90 or 120 days.

Restrictions

If the client is a pregnant woman in her third trimester at the time of issue, the waiting period will automatically be 90 days.

If the client is on parental leave when requesting a monthly insurance amount following a disability, the waiting period will automatically be 90 days.

1.8 Benefit period

The benefit period is the maximum period during which the client is disabled and eligible to receive monthly amounts. The benefit period starts when the waiting period expires and ends on the earliest of the following events:

- at the end of the disability
- when eligible loans are reimbursed in full
- at the end of the benefit period selected
- at the policy anniversary nearest to the client 65th birthday
- at the death of the client

SOLO Loan Insurance offers to choose benefit periods of 2 years, 5 years or to age 65.

Business loans have a benefit period of 2 or 5 years.

For an eligible rent, only the 2-year benefit period is available.

Furthermore, the benefit period will always be a minimum of 2 years, even if the policy ends at age 65. For example, if a client is totally disabled at age 64, a monthly amount will be payable for at least 2 years, that is, until age 66, even if the policy ends at age 65.

Some eligible loans have a limited benefit period. Consult the [Eligible Loans](#) section for more information.

1.9 Multiple causes of disability

If a second disability unrelated to the event that caused the initial disability occurs while the client is receiving monthly amounts, Desjardins Insurance will not double the monthly amount payable.

If the initial disability ends before the client has received the totality of monthly amounts allowed as per their benefit period, the client will then be eligible to receive monthly amounts for the second disability but only after having satisfied the waiting period once more. Moreover, the monthly amounts payable for the second disability can only be paid up to the number of months remaining in the benefit period applicable to the first disability.

The waiting period to be satisfied for the second disability begins when the client becomes disabled for the second time.

1.10 Continuation of coverage after age 65

When the client turns 65, SOLO Loan offers the possibility to extend coverage without medical evidence by converting the policy into a 5-year term disability coverage. During these 5 years, premiums may increase each year. To be eligible, the client must:

- Work full-time at age 65
- Not be disabled at age 65
- Request it in writing to Desjardins Insurance within 60 days before the coverage expiration date
- Provide financial evidence

The term insurance has the following features:

- A monthly amount equal to the lesser of \$2,000 or 50% of the initial monthly amount
- A minimum waiting period of 30 days
- A maximum benefit period of 2 years

- No additional coverage is offered

1.11 End of SOLO Loan Insurance coverage

SOLO Loan coverage terminates at the earliest of the following dates:

- Death of the client
- Bankruptcy of the client, or that of the company for a business loan
- Policy anniversary nearest to age 65
- Policy lapse date
- Date of exchange of SOLO Loan Insurance to SOLO Disability Income

1.12 Built-in features

1.12.1 Eligibility to receive a monthly amount as of the first day in case of hospitalization or day surgery

The client is eligible to receive a monthly amount on the first day in case of hospitalization or day surgery. Hospitalization is defined as a minimum of 18 consecutive hours or more as a bedridden patient in a hospital.

1.12.2 Exchange privilege

There may come a time when the client no longer needs loan insurance. For example, if a house is sold after a separation or if an inheritance can repay the loan in full. The client may then exchange SOLO Loan Insurance to SOLO Disability Income Insurance.

The exchange privilege is subject to the following conditions:

- The insured must be an individual.
- It must be exchanged before age 60.
- The client cannot be totally or partially disabled at the time of the exchange.
- The exchange privilege can be used only once and within the first 7 years following the issuing of the contract.
- The exchange must take place on a policy anniversary.
- The exchange is offered at issue age and with the same occupation class.
- Extra premiums and exclusions are carried forward from SOLO Loan Insurance to SOLO Disability Income, if applicable.
- The exchange cannot increase the risk to the insurer (the waiting period cannot be shortened, and the monthly amount and benefit period cannot be extended).
- No medical evidence is needed.
- Must meet all eligibility criteria in effect for SOLO Disability Income at the time of the exchange (monthly amount will have to be limited based on income, hours worked must be provided and waiting period limitations may apply).
- Additional coverage such as Partial Disability, Future Insurability Option and Regular Occupation Period Extender may be exchanged.

1.12.3 Assistance services

Complimentary assistance services for your clients and their loved ones, available at any time online or by phone, including:

- A health and well-being platform with reliable resources to make informed decisions
- 24/7 phone assistance services
- Direct consultation with a doctor to answer their questions and connect with world-renowned specialists to confirm a diagnosis and determine an optimal treatment plan (by Advance Medical)

The assistance services are not a contractual obligation of Desjardins Insurance.

1.12.4 Organ donation

A disability due to an organ donation qualifies for monthly amounts only if the policy has been in-force for at least six 6 months. The client would be considered totally disabled due to an illness.

1.12.5 Accumulation of days for waiting period

The client does not have to be permanently disabled to satisfy the waiting period. The waiting period can be an addition of several successive periods of disability.

Successive disability periods lasting 7 days or more, resulting from the same cause, can be accumulated to satisfy waiting periods of 30 days or more. However, the accumulated disability periods cannot be separated by more than **180 days for occupation classes 2A, A and B** and by more than **360 days for occupation classes 4A and 3A**.

1.12.6 Presumptive total disability

If, following an accident or an illness, the client suffers the loss of two limbs or of one of the senses listed below, they will be considered totally disabled **whether or not they are employed and whether or not they are receiving continuous medical care**.

By "loss", we mean the total and permanent:

- Loss of use of a hand
- Loss of use of a foot
- Loss of a hand and the wrist joint following an amputation
- Loss of a foot and the ankle joint following an amputation
- Loss of sight in both eyes (visual acuity of 20/200 or less, or a field of vision of less than twenty 20 degrees)
- Loss of speech following a physical lesion or a sickness that last at least 6 consecutive months
- Loss of hearing in both ears, with a hearing threshold of 90 decibels

1.12.7 Rehabilitation

If the client is receiving monthly amounts under a SOLO Loan Insurance policy, Desjardins Insurance can cover the costs of a rehabilitation program if the purpose of the program is to help the client return to work sooner. The program must be pre-approved by Desjardins Insurance and must not be covered by any other program or service.

1.12.8 Waiver of premium

Solo Loan Insurance premium will be waived once the waiting period has been satisfied and if a monthly amount is being paid.

If the client is receiving more than one monthly amount for a disability, the waiver of premium begins at the end of the shortest waiting period and stops at the end of the longest benefit period.

SOLO Loan Insurance does not refund portions of premiums paid in advance and does not bill portions of paid premiums when the disability ends.

1.12.9 Recurrent disability

When a client recovers from a disability and then becomes disabled again due to the same cause, the new disability will be considered as a recurrence of the first disability.

If the client becomes eligible to receive monthly amounts for a disability due to the same cause or a related cause, Desjardins Assurances will consider it to be the continuation of the previous disability if it occurs:

- Within 6 months following the end of the first disability for occupation classes A, B or 2A
- Within 12 months following the end of the first disability for occupation classes 3A or 4A

In this case, the client is not required to satisfy the waiting period again and will receive a monthly amount up to the number of months remaining in the benefit period applicable to the first disability.

1.13 Rules applicable to home-based workers

Rule 1: Coverage offered without restrictions

This rule applies to occupation classes B, A, 2A, 3A and 4A.

Coverage is offered without restriction if the client meets one of the following criteria:

- Client works 50% or less of the time from home **or**
- Client has:
 - a separate entrance designated for the company
 - a sign displayed for the company **and**
 - customer traffic.

In such case, you must uncheck the "Home-based work (more than 50%)" box on the data entry screen of the illustration software.

Rule 2: Protection offered with restrictions

This rule applies to occupation classes 2A, 3A and 4A and before an occupation class upgrade, if applicable.

When the client works from home but doesn't meet the criteria of rule 1, coverage may be offered with restrictions depending on the percentage of home-based work:

- Client works 51% to 75% of the time from home:
 - Has worked for the current company for at least 2 years **and**
 - Has earned an income of at least \$25,000 after expenses in each of the last 2 years.

In such case, coverage can be offered subject to the following conditions:

- Waiting period of at least 60 days **and**
 - Benefit period to age 65 for the best risks
 - Future Insurability Option, Cost of Living and Return of Premium are the only additional coverage available.
- Client works more than 75% of the time from home:
 - Has worked for the current company for at least 2 years **and**
 - Has an income of at least \$25,000 after expenses for each of the last 2 years.

In such case, coverage can be offered subject to the following conditions:

- Waiting period of at least 90 days **and**
- Benefit period of 2 or 5 years
- Future Insurability Option, Cost of Living and Return of Premium are the only additional coverage available.



For a client on parental leave, refer to the regular occupation class before the beginning of the parental leave to determine the applicable rules.

1.14 Rules applicable to pregnant women at time of issue

Previous pregnancy with complications

If the client has already had a pregnancy with serious complications, the application could be deferred at the underwriting level. In such a situation, she would have to wait until after delivery to submit the application.

First or second trimester of pregnancy

If the client is in the first or second trimester of pregnancy, the application will be approved if there is no health problems or additional pregnancy-related risks. There are no limitations regarding the monthly amount, the waiting period or the benefit period.

Last trimester of pregnancy

If the client is in the last trimester of pregnancy, the application will be approved if there is no health problems or additional pregnancy-related risks. However, the waiting period will be limited to 90 days and the

benefit period to 2 years. Moreover, if the individual becomes disabled during pregnancy, maternal or parental leave, the monthly amount payable on the first day in case of hospitalization or day surgery is not applicable.



Pregnant women must not be on preventive withdrawal from work.

1.15 Rules applicable to clients on parental leave at the time of issue

If the client is on parental leave at the time of issue, the occupation class will be determined based on the regular occupation held before the beginning of the parental leave, excluding a temporary position.

For eligibility purposes, the number of hours worked will be based on the number of hours worked before the start of the parental leave.

Example

The client on parental leave could choose a waiting period of 30 days but the contract contains an implicit limitation on this subject; the waiting period is automatically 90 days when the individual is on parental leave.

No restrictions apply on base coverage and additional coverage.

1.16 Additional coverage

You can customize each coverage to meet the specific needs of your clients.

1.16.1 Future Insurability Option

The monthly amount is determined based on the overall financial situation and needs of the client. If their career path or situation change, this amount may no longer meet their future needs. The health of the client could also deteriorate over time and prevent them from getting an additional monthly amount.

The additional coverage **Future Insurability Option** allows the client to increase the monthly amount on each policy anniversary without having to provide new proof of insurability.

The client can get this additional coverage at issue subject to the following conditions:

- Be aged 18 to 55.
- Only one Future Insurability Option can be added, no matter how many disability coverage the client has.
- This coverage is offered to all occupation classes.
- **This additional coverage is not offered to clients paying an extra premium.**

How it works

When the Future Insurability Option is purchased, the client must select the maximum monthly amount they would like to have for future increases in coverage. An amount between \$500 to \$8,000 (in multiples of \$500) can be selected.

The sum of the monthly amounts for a total disability and the amount selected under the Future Insurability Option cannot exceed the maximum monthly amount allowed for the occupation class of the client.

Moreover, the amount selected for the Future Insurability Option may not exceed 2.5 times the sum of the monthly amounts for a total disability.

The client may request up to 5 increases and up to a maximum of 20% of the amount selected (minimum \$100) at any policy anniversary before their 56th birthday without having to provide proof of insurability. For example, the client having selected an amount of \$1,000 could request 5 increases of \$200 each. If the client does not request the full increased amount (\$200), they cannot accumulate it for later.

Exercising the Future Insurability Option:

- The request to exercise this option must be submitted at least 60 days before the policy anniversary.
- The client cannot exercise this option if disabled.

- The client must exercise this option before the policy anniversary nearest their 56th birthday.
- The premium associated with the increased amount will be based on the attained age and the rates in-force with Desjardins Insurance at the time of the request.
- If the disability is due to an accident, the new monthly amount will be in force as soon as the policy anniversary. If the disability is due to an illness, the new monthly amount will be in-force 6 months after the policy anniversary.

Example

The client has SOLO Loan coverage with a monthly amount of \$1,000 and an additional coverage Future Insurability Option of \$500.

On their January 1st policy anniversary, the client wishes to exercise this option and to increase their monthly amount by \$100 (20% x \$500).

Thereafter, on January 31st, the client becomes disabled due to an accident. Since the increase is in effect, the client will receive a monthly amount of \$1,100 (\$1,000 + \$100).

If the client had become disabled due to an illness rather than an accident, the monthly amount would have been \$1,000.

If the client had become disabled due to an illness on September 31st of the same year, the monthly amount would have been \$1,100.

- If the client has more than one monthly amount with the same waiting period, the Future Insurability Option will be added to the monthly amount for a total disability with the longest benefit period.

Example

The client selects two different monthly amounts with the additional coverage Future Insurability Option.

	Monthly amount	Waiting period	Benefit period
Choice 1	\$1,050	30 days	To 65
Choice 2	\$1,300	60 days	To 65

When the client exercises the Future Insurability Option, the new monthly amount will have a waiting period of 60 days and a benefit period to 65.

The client selects two different monthly amounts with the additional coverage Future Insurability Option.

	Monthly amount	Waiting period	Benefit period
Choice 1	\$1,050	30 days	2 years
Choice 2	\$1,300	30 days	At 65

When the client exercises the Future Insurability Option, the new monthly amount will have a waiting period of 30 days and a benefit period to 65 or less.

- If there are exclusions associated with the monthly amount for a total disability, the same exclusions will apply to the increase.
- When the option is exercised, additional coverage added to the initial coverage also apply.
- The exercise of this additional coverage cannot be postponed, even if the client is disabled.

1.16.2 Regular Occupation Period Extender

The definition for a total disability applies to the regular occupation of the client during the first 24 months of the benefit period.

To continue receiving monthly amounts after the 24-month period, the client must not only be unable to perform their regular occupation but also any replacement occupation for which they are qualified by virtue of their education, training and experience.

The additional coverage **Regular Occupation Period Extender** allows the client to extend the regular occupation period based on the definition of total disability beyond the 24-month period. Therefore, the client will continue to receive monthly amounts for 5 years or until age 65, whichever was chosen.

The additional coverage Regular Occupation Period Extender is available for all occupation classes but a client of occupation class B may only extend for 5 years.

This coverage option is not offered to home-based workers who are offered coverage with restrictions.

A client cannot have two different monthly amounts that do not have the same definition of disability under the same policy at the time of the claim.

Example

	Monthly amount	Benefit period	Regular occupation definition
Choice 1	\$1,000	To 65	2 years
Choice 2	\$1,000	To 65	To 65

This option is not available because the client would be in a situation where the first monthly amount ceases to be payable because of the total disability definition applied whereas the second monthly amount is still payable.

	Monthly amount	Benefit period	Regular occupation definition
Choice 1	\$1,000	5 years	5 years
Choice 2	\$1,000	To 65	To 65

This option is available because the first monthly amount ceases to be payable, not because of the regular occupation definition but because of the benefit period.

1.16.3 Partial Disability

The client may continue to work part-time during the disability, or be able to return to work gradually following a total disability, even if it is for a few days a week. In such situations, a disability income plan to provide monthly payments for total disability only would be of no avail.

The additional coverage **Partial Disability** considers the fact that the client could be partially disabled and it helps fill the gap between the income earned before the disability and the income earned during the disability.

Eligibility

The additional coverage Partial Disability is offered to all occupation classes. To qualify for this additional coverage, the client must be working at least 30 hours per week and at least 35 weeks per year at the time of issue.

Definition of partial disability

To be considered partially disabled, the client does not have to go through a period of total disability first.

Client working at least 28 hours per week and at least 35 weeks per year at the onset of disability

The client is considered partially disabled if, as a result of an illness or accident:

- They are unable to perform at least one of the important duties of their regular occupation **or**
- They are unable to work at least 50% of the time they normally spend in their regular occupation **and**
- They are receiving continuous medical care

Client not working at least 28 hours per week and at least 35 weeks per year at the onset of disability

- No monthly amount is paid

Partial monthly amount

During a partial disability period and after the selected waiting period has been satisfied, the client will receive an amount equal to 50% of the pre-selected monthly amount. No financial evidence is required to be eligible to receive a partial monthly amount.

Waiting period

The partial monthly amount is never payable on the first day in the event of hospitalization or day surgery, regardless of the occupation class and waiting period selected by the client.

To consider when applying the waiting period

When a total disability precedes a partial disability:

- The waiting and benefit periods for total disability can be used to reduce the waiting period to be satisfied before receiving a partial monthly amount for a partial disability. Thus, the client who becomes partially disabled after having received monthly amounts for a total disability does not have to satisfy the waiting period again.

When partial disability precedes total disability:

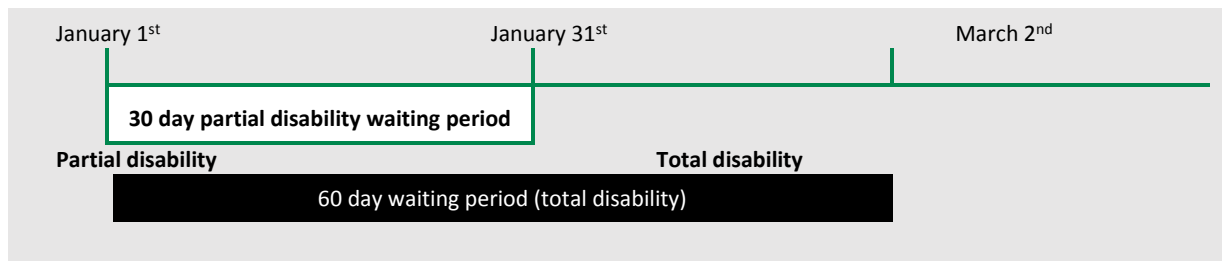
- The waiting period already elapsed for partial disability can be used to reduce the waiting period that the client must satisfy prior to receiving monthly amounts for total disability. Thus, the client who becomes totally disabled after having received monthly amounts for partial disability does not have to satisfy the waiting period again.

Example

The client with a 2A occupation class selects a monthly amount with a 60-day waiting period. The client becomes partially disabled on January 1st. On January 31st, he is no longer considered partially disabled but totally disabled.

As the waiting period for partial disability can be used to reduce the waiting period for total disability, Desjardins Insurance will consider the 30 days already elapsed as part of the 60-day waiting period for total disability.

Desjardins Insurance will pay monthly amounts for total disability starting on March 2nd.



Benefit period

The partial monthly amount is paid for the shortest of the following periods:

- The benefit period selected by the client
- A maximum period of 12 months (for occupation classes 3A and 4A)
- A maximum period of 6 months (for occupation classes B, A and 2A)

When, for the same disability, partial and full monthly amounts are paid, the total benefit period cannot exceed the benefit period selected by the client for total disability.

General Information



General Information

2.1 Coordination and integration rule

The monthly amount is not integrated or coordinated with any other disability insurance amounts, unless the loans are already covered by another loan insurance policy.

2.2 Limitations and exclusions

2.2.1 Limitations applicable when the client is not actively working prior to the onset of disability

a. Prior to the onset of disability, if the client

- Has been unemployed for 12 months or less **or**
- Has been on maternity or parental leave for 70 weeks or less
- Has been on a leave of absence with or without pay following an agreement with their employer for a period of 12 months or less

The waiting period is automatically 90 days, regardless of the period selected by the client at issue, and the monthly amount is not payable on the first day in the event of hospitalization or day surgery.

No monthly amount will be payable if the disability is due to one of the following disorders or their related treatments or complications:

- Stress
- Anxiety
- Depression
- Neurosis
- Psychosis
- Adjustment disorder
- Fibromyalgia or any chronic pain syndrome
- Chronic fatigue syndrome
- Personality disorder
- Attention deficit disorder
- Any other emotional or psychiatric disorder

b. Prior to the onset of disability, if the client

- Has been unemployed or on a leave of absence without pay following an agreement with their employer for a period over 12 months **or**
- Has been on maternity or parental leave for more than 70 weeks

He will not be eligible to receive monthly amounts under this coverage.

However, the client will once again become eligible to receive amounts if:

- He never stopped paying premiums for the coverage **and**
- He can prove that he is once again employed on a full-time basis.

2.2.2 Limitations applicable to eligible loans and leases

- a. All loans and leases must be submitted to Desjardins Insurance at the onset of the disability. However, any loan taken out by the client after the onset of disability to honour deferred payment arrangements will be considered eligible. However, it must be submitted to Desjardins Insurance at the onset of disability.
- b. Loans or leases must not have been taken out or amended 120 days before the date the client became disabled due to an **illness**. Loans with irregular balance (e.g. credit card or line of credit balances) have no impact on monthly amount payments because this amount is calculated based on the 90-day period preceding those 120 days.

The 120-day restriction does not apply when:

- The client becomes disabled within the 120-day period following the issue date or the reinstatement date of the loan insurance coverage or the date of reinstatement of the monthly amount.

- The interest rate on a loan or a lease is renewed and the balance as well as the term of the loan or lease do not change.
- A lease or loan is taken out to replace another lease or loan:
 - a. The eligible monthly amount is the lesser of:
 - The amount that was payable as per the initial loan or lease
 - The amount that is payable as per the new loan or lease
 - b. The shorter remaining amortization period between:
 - The one of the initial loan or lease
 - The one of the new loan or lease

2.2.3 Exclusions

No monthly amounts will be paid under SOLO Loan Insurance in the following situations:

- When disability results either directly or indirectly from self-inflicted injuries or a suicide attempt, whether the insured person is sane or not.
- When disability results either directly or indirectly from a war, whether war is declared or not, a riot or a revolution whether or not the insured person took part.
- During any period where the insured person is imprisoned or when disability results either directly or indirectly from the insured person's participation in any criminal act or related act.
- When disability results either directly or indirectly from the insured person driving a motor vehicle while under the influence of drugs or with a blood alcohol level equal to or greater than 80 mg of alcohol per 100 ml of blood.
- When disability results either directly or indirectly from the illegal or illicit use of any drug, or the abusive or repeated use of alcohol or marijuana.
- When disability results either directly or indirectly from the insured person's participation in a flight or attempted flight in any form of aircraft as a member of the crew or is performing a duty or taking part in any training whatsoever related to this flight or attempted flight.
- When disability results either directly or indirectly from the insured person's participation in a race, competition or speed contest in a motor vehicle as an amateur or professional on approved raceways or elsewhere.
- When disability results either directly or indirectly from treatments or care received for cosmetic purposes.
- When disability results from pregnancy, childbirth or natural or induced termination of pregnancy.
However, any disability that results from complications due to pregnancy, childbirth or natural or induced termination of pregnancy is covered.
- When disability results either directly or indirectly from the insured person's participation in a sporting activity for which they are paid.
- If the policyowner of this contract is an individual and the insured person declares bankruptcy after the effective date of this coverage.
If the bankruptcy occurs while the insured person is disabled, the Company will cease paying benefits on the date bankruptcy is declared and will terminate the insured person's contract.
- If the policyowner of this contract is a business and that business declares bankruptcy after the effective date of this coverage.
If the bankruptcy occurs while the insured person is disabled, the Company will cease paying benefits on the date bankruptcy is declared and will terminate the insured person's contract.
- If the policyowner is a company and the insured sells their shares while disabled, Desjardins Insurance will cease the payment of a monthly amount at which date the insured sold their shares.
- When the insured person leaves Canada to set up permanent residence in another country.
In this case, if the insured person leaves Canada during the benefit period, the Company will continue paying benefits:
 - as long as the insured person is disabled; and
 - in accordance with the provisions of this coverage.

- When disability results either directly or indirectly from an illness that occurs in the 6 months that follow the effective date of this coverage if this coverage was issued further to the exercise of a future insurability option.
- When disability results either directly or indirectly from one of the following disorders or from related treatment or complications, if the insured person does not hold an occupation or is on maternity or parental leave:
 - stress;
 - anxiety;
 - depression;
 - neurosis;
 - psychosis
 - adjustment disorder;
 - fibromyalgia or any chronic pain syndrome;
 - chronic fatigue syndrome;
 - personality disorder;
 - attention deficit disorder; or
 - any other emotional or psychiatric disorder.

2.3 Restrictions applicable to specific occupations

Benefit periods offered for SOLO Loan Insurance are limited for certain occupations. The table below lists these occupations with their maximum benefit period.

Occupation	Industry	Class	Maximum benefit period
Police officer (others)	Public safety	A	2 years
Policeman/policewoman (others)	Public safety	A	2 years
Detective or other officer	Public safety	B	2 years
Chambermaid (1st class establishments)	Hotel industry (hotels and motels)	B	2 years
Waiter	Hotel industry (hotels and motels)	B	2 years
Waiter (if alcohol sale is not primary purpose)	Food service (restaurants, breweries)	B	2 years
Barman	Restaurants (1 st class establishments)	B	2 years
Personal trainer	Fitness club, reducing salon	B	5 years

2.4 Definitions

2.4.1 Accident

Any bodily injury that is certified by a physician and results directly from a sudden and unforeseen external cause, independently of any illness or other cause. The monthly amount will be paid only for total disability resulting from this said accident and occurring within 90 days afterward.

2.4.2 Age

The age of the client is their age on the closest birthday, as determined on the issue date of coverage.

2.4.3 Attained age

Attained age is the age of the client plus the number of insurance years completed for coverage.

2.4.4 Occupation class

An occupation class is defined by the occupation and the industry in which the client works. The occupation of a client is a risk factor and an important consideration when issuing a disability insurance policy. The risks taken into consideration are relative to the type of occupation and/or sector of activity.

The occupation class is **guaranteed**. Therefore, if the client changes occupation after the policy has been issued and the change increases the occupational risk, the premium will be calculated based on the occupation class determined at issue.

2.4.5 Eligible loan or lease

	Individual	Company
Eligibility of loan or lease	<p>\$1,000 or more at a recognized financial institution in Canada</p> <p>The loan or lease contract must include:</p> <ul style="list-style-type: none"> • Name of the insured or the company, including the borrower or co-borrower if applicable • The periodic payment • The interest rate applicable to the loan or lease • Date of issue • Termination date 	
Eligible lease	<p>Rent (principal residence) Insured must have a signed rental agreement between them and the owner of the rented dwelling.</p> <p>Motorized vehicle Insured must have a signed lease agreement with an authorized financial institution.</p>	<p>Motorized vehicle Company must have a signed lease agreement with an authorized financial institution.</p>

2.4.6 Occupation

Any gainful employment performed by the client (also known as regular occupation).

2.4.7 Full-time occupation

The regular performance of gainful employment of:

- at least 30 hours per week and at least 35 weeks per year **or**
- at least 24 hours per week and at least 40 weeks per year
- at least 21 hours per week on a regular and continuous basis

2.4.8 Replacement occupation

Replacement occupation refers to any job, employment or occupation that the client is reasonably qualified to do and which can provide them with at least 60% of the gross annual income they were earning before becoming totally disabled. To determine the type of replacement occupation the client can perform, Desjardins Insurance considers education, training and experience, but does not factor in the availability of such employment in the region where the client resides.

While evaluating alternatives, if an occupation exists in the region where the client resides but it cannot allow them to earn at least 60% of the gross annual income pre-disability, this occupation does not answer the definition of replacement occupation, even if it does allow them to earn at least 60% in another region.

2.4.9 Hospitalization

If the client must be hospitalized a minimum of 18 hours or more as a bedridden patient due to an illness or an accident or must undergo day surgery, the monthly amount will be paid as of the 1st day if the waiting period is 90 days or less.

If there is no illness or accident, the monthly amount should not be paid, as the client does not meet the definition of total disability. As an example, for a vasectomy or a ligature, there should not be any amount payable unless a medical condition requires this surgery.

2.4.10 Financial institution

An entity legally authorized to do business in Canada, including:

- A Canadian or foreign bank
- A corporation governed by the Trust and Loan Companies Act (or equivalent provincial law)
- A trust, loan or insurance company incorporated by a federal or provincial law
- A cooperative credit society incorporated and governed by a federal or provincial law
- An entity incorporated or formed under a federal or provincial law and whose primary business is primarily the financing of new automobiles
- Any other incorporated entity which has been subject to a written approval by Desjardins Insurance

2.4.11 Regular occupation

Regular occupation means the occupation the client was performing immediately prior to the onset of their disability.

2.5 Premium information

SOLO coverage plans do not require a minimal premium.

2.5.1 Premium frequency coefficient

Desjardins Insurance offers various premium payment frequencies:

- Monthly, by pre-authorized debit: annual premium divided by 12
- Semi-annual: annual premium divided by 2
- Annual

2.5.2 Policy fees

The policy fees are \$25 per annum.

2.5.3 Extra premium

Extra premium is an increase in the premium rate. It is applied in such case where the client, who does not show any symptoms of an immediate disability, could face a state of health that deteriorates to the point of causing a future disability.

The extra premium is applied to the entire contract, including basic coverage and additional coverage. However, when the contract is charged an extra premium, the Future Insurability Option cannot be added.

To illustrate an extra premium, use the “rating” button on the SOLO products screen of the Illustration software and apply the appropriate percentage.

2.6 Taxes

2.6.1 SOLO Loan Insurance

For SOLO Loan Insurance, the monthly amount is tax-free.

2.7 Application

The application form is an important document identifying the client and it indicates the type of coverage and monthly

amounts applied for. It also includes information about other in-force coverage the client may have, their personal finances and their medical history.

The application is divided in two sections:

- First section covers personal information
- Second section covers proof of insurability

For the underwriter, the application is the first source of personal information about the client, which is why it is very important for it to be accurate and reliable. Since it creates a profile of the client, its accuracy and completeness will enable the underwriter to evaluate the risk easily and in a faster way, thereby speeding up the medical underwriting process.

The application is a legal document and part of the contract of insurance. It is very important to complete it with great care as well as taking the time, while in the presence of the client, to ask and record all questions. The client should not sign the application if any portion of the document has not been completed.

As an advisor, you are responsible for fully completing the application. You are the primary contact with the client and have the required training and knowledge to perform this task.

The Life, Health and Disability Insurance application form can be used for disability, life and critical illness insurance. This application form is called "A step towards peace of mind #07002E". It is also available in an electronic format for an expedited submission.

2.8 Possible changes after policy issue

Type of change	At any time	On anniversary only	Proof of insurability	Forms to complete
Monthly amount				
Increase (minimum of \$400 except if the Future Insurability Option is exercised)	New sale Based on attained age, medical and financial evidence of insurability required			Life, Health and Disability insurance application
Reduction	Based on age at issue	N/A	No	Request for change without evidence
Waiting period				
Reduction	New sale Based on attained age, medical and financial evidence of insurability required.			Life, Health and Disability insurance application
Increase	Based on age at issue	N/A	No	Request for change without evidence
Benefit period				

Reduction	Based on age at issue	N/A	No	Request for change without evidence
Increase	New sale Based on attained age, medical and financial evidence of insurability required			Life, Health and Disability insurance application
Change of premium structure				
T10 to T65	N/A	Based on attained age	No (if there is no increase in the risk for Desjardins Insurance)	Request for change without evidence
T65 to T10	New sale Based on attained age, medical and financial evidence of insurability required			Life, Health and Disability insurance application
Occupation class upgrade	New sale Based on attained age, medical and financial evidence of insurability required			Life, Health and Disability insurance application
Occupation class improvement following a change of occupation (Note 1)	Based on age at issue	N/A	Yes (financial & medical)	Life, Health and Disability insurance application
Change from regular/smoker to preferred/non-smoker	Based on age at issue	N/A	Yes (financial & medical)	Life, Health and Disability insurance application
Exchange privilege (SOLO Loan to SOLO Disability Income)	N/A	Based on issue age (during the first 7 years only)	No	Request for change without evidence
Additional coverage				
Addition (except for Return of Premium and Future Insurability Option, which can only be added at issue)	N/A	Must be done on an anniversary and attained age	Yes (financial & medical)	Life, Health and Disability insurance protection
Removal	Must be done on a monthly anniversary		No	Request for changes without evidence
Exercising the Future Insurability Option (Note 2)	N/A	Must be done at least 60 days before the	Financial evidence only	Request for changes without evidence

Note 1: The occupation class is guaranteed, meaning that if the client change employment after the policy has been issued and there is an increase in risk at the new employment, the premium will be calculated based on the occupation class initially determined at issue.

Note 2: The minimum premium the Illustration software can generate is a \$400 monthly amount. For a monthly amount less than \$400, an email request must be sent to illustrations@dsf.ca with the following details:

- Policy number
- The requested monthly amount

2.8.1 Documents to provide for changes with proof of insurability

To request a change with proof of insurability, the advisor must send the completed form 07002E "A step towards peace of mind" plus the Illustration software chart to the head office.

2.8.2 Documents to provide for changes without proof of insurability

To request a change without proof of insurability, the advisor must send the completed form 09219E "Request for change without evidence" plus the illustration software chart to the head office.

2.9 Underwriting

2.9.1 Financial evidence

Monthly amount	Financial evidence
\$3,000 and less (including the in-force amount of credit insurance)	<ul style="list-style-type: none"> • Approved, no financial evidence is required • Possible reduction in certain cases such as employment in a new field
\$3,001 and over (including the in-force amount of credit insurance)	Financial evidence may be required: <ul style="list-style-type: none"> • Copy of federal tax returns (last 2 years)

The monthly amount offered could be reduced and even be lower than \$3,000 to reduce the risk of over-insurance of the debt.

2.9.2 Preferred/non-smoker status

To get preferred rates, the client must not have used tobacco in any form (cigarettes, cigars, cigarillos), including nicotine substitutes (patch, gum or other) or marijuana and its derivatives (hash, pot, etc.) in the last 12 months.

Like all other declarations on the application form, if this declaration is made incorrectly, the contract will be null and void.

2.9.3 Residency

The client must be a resident of Canada for at least one year (refer to Webi for more details).

2.9.4 Alcohol and drugs

These elements are very important in assessing the insurance risks. These questions must be answered correctly on the application and the required questionnaires must be provided to help assess the risk.

2.9.5 Driving record

In some cases, the driving record of the client is required to assess the insurance risk (*see table in appendix 4.1*). It is

important to have the authorization form signed and attached to the insurance application to avoid delays.

2.9.6 Bankruptcy

Disability insurance is not available in the case of undischarged bankruptcies. Individual Consideration (IC) applies in other cases and longer waiting periods or shorter benefit periods may be considered.

2.9.7 Sports and leisure

Professional athletes are not eligible for disability insurance. In the case of dangerous sports, the appropriate questionnaire must be completed and attached to the insurance application. In some cases, a specific sport exclusion may be applied.

2.9.8 Aviation

Participation in flights, other than as a passenger on a commercial airline, must be declared and an exclusion generally applies. Loan insurance is not available to commercial pilots.

2.9.9 Travelling and living abroad

Trips abroad may represent an additional disability risk. The application has questions to cover this situation. It is important to provide all the information required to assess the risk, such as places visited, the length and reason for the trip, etc.

In certain specific cases, exclusions will be applied to limit the risks inherent to travelling or living abroad. In some cases, disability coverage will not be granted (frequency of trips, high-risk countries, etc.).

2.9.10 Exclusions

After assessing the risk, some health conditions, sports or trips abroad may be excluded, thereby allowing disability coverage to be offered for situations other than the one excluded. Disability coverage will not be granted, however, in the case of a more severe illness.

2.9.11 Exclusion review

In cases where the health condition of a client has greatly improved and has been stable for at least 2 years with no chance of relapse, a request for another assessment may be submitted.

2.10 Claims

How does a disability claim work?

Desjardins Insurance will support the advisor and the client at every step of the claim process to make sure everything goes smoothly.

Desjardins Insurance recommends that the client consult a doctor as soon as possible to confirm their condition. The date of the first medical consultation following the medical leave certifies the disability onset date. Starting medical investigations and treatment quickly will help speed up the recovery process to get the client back to work as soon as possible.

Next, Desjardins Insurance recommends that the client contact their advisor for assistance with the following steps of the process. Disability claims must be sent to Desjardins Insurance within 30 days following the date of the event in order to be eligible for a monthly amount.

Which claims forms need to be completed?

To make a claim, the client must complete various forms and documents:

- 1) Disability Claim – Disabled person's statement (form n° 17001E)

Both the client and their employer must complete sections (form Disability claim – Employer or self-employed individual's statement n° 17002E). Please note that the "Authorization for the Collection and Communication of Personal Information – Disability" section needs to be signed.

- 2) RACQ – Physical Illnesses – Original request (form n° 02025A)

This form needs to be completed by a doctor. Please note that many doctors charge a fee for completing, which the

client must cover.

If the waiting period is more than 30 days, a copy of the attending physician case notes on the current disability must be attached to the medical report.

- 3) If the disability occurs in the first 2 years after the policy is issued or reinstated, the client must complete the form Authorization to RAMQ.

Which financial proof needs to be provided?

To calculate the maximum amount payable, proof of income will be required. The client must provide the following paperwork depending on their employment status:

- Monthly amount of \$1,200 or less:
 - Provincial tax returns from the previous year or tax returns from the 3 most profitable years out of the last 5 may be required.
- Monthly amount over \$1,200:
 - Provincial tax returns from the previous year or tax returns from the 3 most profitable years out of the last 5 may be required.

Additional information may also be required.

What is the incontestability clause?

If the disability occurs in the first 2 years after the policy is issued or reinstated, Desjardins Insurance must apply the incontestability clause. The claim department may proceed with a stronger study of the file, which will create a delay as they will have to verify the list of all doctors consulted by the client in the past years, and then analyze each file. To do so, a list of all doctors consulted must be provided by the client for the claim department to communicate with each one of them.

What is the delay for a claim request?

Once Desjardins Insurance has received these documents, 7 business days are required to analyze the file. To be eligible to receive a monthly amount for total disability, the client must satisfy the eligibility criteria as well as the definition of total disability. If the client added the additional coverage Partial Disability or Residual Disability to their policy, they will not have to be considered totally disabled to be eligible to receive monthly amounts.

Once the claim has been approved and the waiting period has been satisfied, the insurance amount will be paid monthly by either direct deposit or cheque. If the client recovers during the course of a month, they will receive a prorated amount for each day they were unable to work.

If you have any questions about the status of a claim, contact Claims at 1-877-838-7750.

Sales tools and marketing material

Here is a list of sales tools and marketing material available. These documents are available in a digital format on Webi or within the Illustration software.

3.1 Sales tools

3.1.1 Financial Needs Analysis

The purpose of the Financial Needs Analysis (FNA) is to determine the needs of the client. This tool will help you assess the monthly amount, the waiting period and benefit period. It also complies with the requirements of the Autorité des marchés financiers (AMF) and it will help you get all the information you need to produce an illustration.

3.1.2 Preliminary evaluation of the occupation class

Preliminary evaluation forms are designed to help you be more efficient by asking your client the right questions before submitting an application (to use in case you have any doubts about their occupation class).

3.2 Marketing material

3.2.1 Reference guide SOLO Loan Insurance (18052E03)

Overview of the main features and benefits of each SOLO coverage for the advisor to refer to.

3.2.2 Client sheet SOLO Loan Insurance (18052E04)

Explains how loan insurance can come to a clients' aid in case of a disability.

3.2.3 Client brochure Financial Health and Well-Being (19121E01)

Details the complimentary assistance services offered to all policyowners as of June 18, 2018, which are the health and well-being platform and phone assistance services.



Appendix

Appendix

4.1 Underwriting Requirements

Underwriting Requirements – SOLO Loan Insurance			
Monthly amount	Ages 18-45	Ages 46-55	Ages 56 +
\$0 to \$2,000	1	1	1
\$2,001 to \$3,999	1	2	3
\$4,000 to \$5,999	3	3	4
\$6,000 or more	3 + INS + MVR + AUM	3 + INS + MVR + AUM	4 + INS + MVR +AUM

1. Non-medical
2. Non-medical, Paramedical and Urine
3. Non-medical, Paramedical and Blood profile and urine
4. Non-medical, Paramedical, Blood profile, Urine and Resting Electrocardiogram

INS Inspection Report

MVR Motor Vehicle Report

AUM Access Authorization for Motor Vehicle Report (Quebec only)

Note

- Inspection report and/or a Medical report can be requested at our discretion at any time.
- For individuals aged 65 and under, medical requirements are valid for 12 months.

4.2 Occupation class upgrade

Eligibility for upgrades applies only to SOLO Disability Income or SOLO Loan Insurance.

To be eligible for an occupation class upgrade, the client must:

- Have an eligible occupation or trade (indicated by a * in the occupation list)
- Have a minimum amount of income in the last two calendar years
- Have been performing in the current occupation for 3 years

The occupation class can only be upgraded ONE level regardless of annual income.

Occupation classes available for an upgrade are 3A, 2A, A and B.

Initial occupation class	Minimum annual income for the past 2 calendar years	Minimum of experience	Upgrade class
3A	\$65,000	3 years in the current occupation	4A
2A	\$55,000		3A
A	\$45,000		2A
B	\$40,000		A