



Credit Insurance Rider **Practical Guide**

Individual Insurance



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Help your clients




take control of their future!

By combining life insurance with the UV Insurance Credit Insurance Rider, your clients won't need to worry about their financial obligations in the event of total disability or death anymore. They'll be able to focus their energy on what really matters: getting better.

At a glance

Eligibility

- ▶ Purchase **term or permanent life insurance** from UV Insurance;
- ▶ Have an eligible occupation;
- ▶ Work at least 20 hours/week, 9 months/year;
- ▶ Pregnancy and parental leave – Pregnant women or on maternity leave are eligible for Regular Underwriting (\$500,000 and more in Term Life Insurance and \$150,001 and more in Permanent Life Insurance) with certain conditions if applicable (example: exclusion, rating, limited duration). Clients on parental leave are eligible.

	 Express Issue	 Immediate Underwriting	 Regular Underwriting
Application	Electronic, interactive (PDF) or paper accepted with PDF eligibility questionnaire		Electronic, interactive (PDF) or paper
Term Life Insurance	\$50,001 to \$150,000	\$150,001 to \$499,999*	\$500,000 and more*
Permanent Life Insurance	\$50,001 to \$150,000	-	\$150,001 and more
Coverage option	2 years Ages 18 to 55	2 and 5 years Ages 18 to 55	2 and 5 years Ages 18 to 55 To age 65 Ages 18 to 60
Waiting period	90 days retroactive to 31 st day or 30 days when total disability results directly from bodily injury, hospitalization or day surgery		90 days

Termination of coverage

65th birthday

Benefit

Cannot exceed 1.5% of the life insurance amount: minimum \$300/month, maximum \$3,500/month

The information presented in this guide is only a summary of the coverage. Certain conditions may apply. Contact us for more details.

*The maximum eligible amount varies according to the age of the insured. Please refer to the underwriting requirements chart.

Definition of total disability

For the insured who is actively employed at the onset of total disability, which total disability must have begun while the coverage is in force:

- ▶ During the waiting period and for the first 24 benefit payments:
Total disability means inability for the insured to perform the duties of his or her own regular occupation, as a result of illness or bodily injury.
- ▶ After the first 24 benefit payments:
Total disability means inability for the insured to perform any gainful occupation, as a result of illness or bodily injury, for which he or she is qualified by education, training or experience, regardless of the availability of work in the area where the insured resides.

For the insured who is not actively employed at the onset of total disability, which total disability must have begun while the coverage is in force:

- ▶ Total disability means inability for the insured to perform any gainful occupation, as a result of illness or bodily injury, for which he or she is qualified by education, training or experience, regardless of the availability of work in the area where insured resides.

Eligibility – Personal loan

To be eligible for the Credit Insurance Rider, the insured must be covered by one of our life insurance product and:

- ▶ Have earned an average annual gross income in the last two years equal to or greater than \$11,000;
- ▶ Be actively employed at the date of application;
- ▶ Have worked a minimum of 20 hours/week for 9 months or more in the last 12 months;
- ▶ Pregnancy and parental leave – Pregnant women or on maternity leave are eligible for Regular underwriting (\$500,000 and more in Term Life Insurance and \$150,001 and more in Permanent Life Insurance) with certain conditions if applicable (example: exclusion, rating, limited duration).
Clients on parental leave are eligible.
- ▶ Have had his or her occupation or the same kind of occupation for at least 1 year, except for a person who is newly graduated from college or university and engaged in an occupation associated with his or her field of study;
- ▶ Be the borrower or co-borrower of eligible loans.

Eligibility – Commercial loan

To be eligible for the Credit Insurance Rider, the insured must be covered by one of our life insurance product and:

- ▶ Must own at least twenty-five percent (25%) of the shares;
- ▶ Must be actively employed by this business; and
- ▶ The business must have a maximum of eight (8) employees.

Benefit

The benefit amount is determined at the onset of total disability and may not be greater than \$3,500 per month. The benefit is payable to the owner monthly at the end of each month. In the event of a claim, the benefit amount is equal to the lesser of the following amounts:

- ▶ The amount shown in the policy summary; or
- ▶ The sum of eligible monthly payments in effect at the onset of total disability, as defined in the section titled “Eligible loans and monthly payments.”

Benefit example





Profile


Civil status:
Common-law partner

Age:
35 years old

Financial obligations

 **Mortgage**
\$1,100/month

 **Line of credit**
\$150/month

 **Motorized vehicle loan**
\$400/month

Total needs for credit insurance

\$1,650/month

Coverages


Superior + term life insurance
\$200,000


Credit insurance
\$1,000/month each

Scenario 1

At the time of the claim, the amount of financial obligations has **decreased**.

Financial obligations

 **Monthly payment**
\$500

 **Monthly payment**
\$150

 **Monthly payment**
\$0


Total obligations **Monthly payment**
\$650

The amount of monthly benefits will be \$650 per month as it is the insured's real obligation, less than the insured amount.

Scenario 2

At the time of the claim, the amount of financial obligations has **increased**.

Financial obligations

 **Monthly payment**
\$1,100

 **Monthly payment**
\$300

 **Monthly payment**
\$400

Total obligations **Monthly payment**
\$1,800

The amount of monthly benefits will be \$1,000 per month as it is the insured amount.

Should the insured or his or her business no longer have an eligible loan or an eligible monthly payment in effect at the onset of total disability, UV Insurance will pay the owner, as settlement, only the premiums paid for the coverage since the last eligible loan was paid off in full, but for a period not exceeding 24 months prior to the onset of total disability. Each month of premium thus paid is equal to 1 month of benefit in calculating the total number of benefits paid.

This payment applies only if a benefit claim is submitted to UV Insurance and the insured is totally disabled after the end of the waiting period.

In the event of the simultaneous total disability of multiple insureds, regardless of each one's onset of total disability, the total of eligible monthly payments for the totally disabled insureds will be limited to the monthly payment required by the financial institution with respect to the eligible loans taken out either jointly or solidarily, or jointly and severally, by the insureds or their business.

Three coverage options

2 years	5 years	To age 65
<p>Payments for a maximum of 2 years per disability, subject to a maximum of 60 benefit payments over the entire duration of coverage.</p> <ul style="list-style-type: none"> ▶ Available to ages 18-55 ▶ Coverage terminates at the contract anniversary date closest to the insured's 65th birthday 	<p>Payments for a maximum of 5 years per disability, subject to a maximum of 84 benefit payments over the entire duration of coverage.</p> <ul style="list-style-type: none"> ▶ Available to ages 18-55 ▶ Coverage terminates at the contract anniversary date closest to the insured's 65th birthday 	<ul style="list-style-type: none"> ▶ Available to ages 18-60 ▶ Coverage terminates at the contract anniversary date closest to the insured's 65th birthday

Note: If the onset of total disability occurs within 6 months prior to the contract anniversary date closest to the insured's 65th birthday, and he or she is still totally disabled at the end of the waiting period, UV Insurance agrees to pay the owner 6 months of benefits, subject to the limitations and other provisions provided in the coverage.

The benefit is paid to the owner if the insured is totally disabled while the coverage is in force and if the insured is still totally disabled after the waiting period. To claim a benefit, written notice must be sent to UV Insurance along with required proofs within the prescribed periods. For more details, refer to the specific provisions of the Credit Insurance Rider.

Any claim received more than 12 months following awareness that an illness or bodily injury has resulted in the insured's total disability, or the termination of coverage is not accepted.

Duration of premium payments

The initial premium and the duration of premium payments for the coverage are shown in the policy summary and are guaranteed.

Premiums are payable for as long as the coverage is in force.

Premiums remain payable for the entire duration of the insured's total disability, unless they are waived under a waiver of premium in the event of total disability coverage.

For more information, refer to the specific provisions applicable to the waiver of premium in the event of total disability coverage.

Option to increase insured benefit amount

Under this option, the insured benefit amount can be increased without evidence of insurability, subject to the following conditions:

- ▶ The option must be exercised within 60 days after the insured's marriage, birth or adoption of a child, or earns a bachelor's, master's or doctoral degree;
- ▶ The option must be exercised prior to the contract anniversary date closest to the insured's 55th birthday; and
- ▶ The insured must not be totally disabled at the time of exercising this option.

The option may be exercised multiple times. However, the insured benefit amount may never be greater than the lesser of the following amounts:

- ▶ 1.5% of the total life insurance amount at the time of exercising the option; or
- ▶ \$3,500; or
- ▶ 125% of the initial insured benefit amount.

The premium with respect to the increase in the insured benefit amount is calculated based on the insured's attained age at the time of exercising the option and the rate in effect at that date. If the insured is subject to an extra premium or any exclusion whatsoever for the coverage, the same conditions will apply for the increase in the insured benefit amount.

If UV Insurance approves the increase in the insured benefit amount, it will be in the form of added insurance.

Limitations on benefit payments

UV Insurance stops paying benefits when any of the following events occurs:

- ▶ The coverage terminates;
- ▶ Total disability ends;
- ▶ The insured refuses appropriate medical treatment;
- ▶ The insured ceases to be under the regular and continuous care of a physician;
- ▶ The insured refuses or fails to submit to a medical examination by a physician designated by UV Insurance;
- ▶ The insured refuses, for no valid reason, to actively participate, wholly or partially, in a rehabilitation program that UV Insurance might put in place and pay for to facilitate his or her return to the work force and that UV Insurance's physicians and rehabilitation professionals might deem reasonable and appropriate;
- ▶ The insured is unable or refuses to provide medical proof in support of his or her total disability;
- ▶ The insured is employed on a part-time or full-time basis, makes a gradual return to work or obtains a temporary assignment, whether to perform the duties of his or her regular occupation or any other occupation, including light work, whether or not totally disabled;
- ▶ The insured declares bankruptcy;
- ▶ The insured is incarcerated;
- ▶ The insured stays more than 30 days outside Canada, unless he or she obtains the prior approval of UV Insurance.

UV Insurance will recalculate the benefit amount if any of the following events occurs:

- ▶ The insured no longer owns at least twenty-five percent (25%) of the shares in his or her business. The loan taken out by his or her business will stop being considered an eligible loan;
- ▶ An eligible loan that served to determine an eligible monthly payment is paid off.

It is the owner responsibility to notify UV Insurance if a loan has been paid off.

Waiting period

The waiting period is a continuous period of 90 days, during which UV Insurance is not paying to the owner any benefits and starting from the onset of total disability.

For the 2- and 5-year disability coverage options only:

- ▶ The payment of benefits is retroactive to the 31st day following the onset of total disability;
- ▶ If total disability results directly from a bodily injury, hospitalization or day surgery, the waiting period is reduced to a continuous period of 30 days.

Recurring total disability

If a total disability results from the same or a related cause as a prior total disability for which at least one benefit was paid, it is considered a continuation of the prior total disability and a new waiting period does not apply if less than 6 consecutive months have elapsed since the end of the prior total disability.

However, the total disability is considered a new total disability and a new waiting period applies if:

- ▶ More than 6 consecutive months have elapsed since the end of the prior total disability; or
- ▶ The insured resumed working full-time and at full pay for one day or more, and the total disability is due to a cause entirely independent of the cause of the prior total disability.

Termination of coverage

Coverage terminates at the earliest of the following dates:

- ▶ The insured's date of death;
- ▶ The date on which the owner sends UV Insurance a written and signed request to terminate the coverage or the contract;
- ▶ The date on which there is no longer any basic life insurance coverage is in force under the contract. If a "Reduced paid-up value" section of a specific provision is applied, it is equivalent to the termination of basic life insurance coverage;
- ▶ The date on which the maximum number of benefits has been paid;
- ▶ The contract anniversary date closest to the insured's 65th birthday, unless the onset of total disability occurs within 6 months prior to the contract anniversary date closest to the insured's 65th birthday and he or she is still totally disabled at the end of the waiting period. In that instance, UV Insurance agrees to pay the owner 6 months of benefits, subject to the limitations and other provisions provided in the coverage;
- ▶ The cancellation date of the coverage or the contract.

Eligible loans and monthly payments

The following types of loans are considered eligible if taken out with a financial institution. Proof of eligible loans issued in the insured's name or his or her business will be required in the event of claim.

Personal Loan (loan contracted by an insured when the owner of the contract is an individual)	
Type of loan	Eligible monthly payment
Mortgage loan	Amount required by the financial institution at the onset of total disability.
Mortgage or personal line of credit	<p>A bank account that gives the insured or his or her business access to funds up to an amount authorized by a financial institution, subject to the payment of interest.</p> <p>If the line of credit requires interest payments only, the eligible monthly payment is the minimum amount of interest required by the financial institution at the onset of total disability plus 0.5% of the outstanding balance at the onset of total disability.</p> <p>Maximum of 120 benefits for the entire duration of coverage.</p> <p>If the line of credit requires the payment of capital and interest, the eligible monthly payment is the lesser of:</p> <ul style="list-style-type: none"> ▶ 1.5% of the outstanding balance at the onset of total disability; or ▶ The amount required by the financial institution at the onset of total disability. <p>In any case, the amount so determined will remain fixed throughout the insured's total disability.</p>
Personal loan	
Loan to purchase or lease an automobile, motorcycle, boat or recreational vehicle	Amount required by the financial institution at the onset of total disability.
Student loan	Maximum of 60 benefits for the entire duration of coverage.
Investment loan	
Lease	<p>Amount of rent divided by the number of signatories to the lease at the onset of total disability. In the event that the total amount of rent is shared with the insured's spouse, the eligible monthly payment will be equal to the total amount of rent paid by the spouses.</p> <p>Maximum of 24 benefits for the entire duration of coverage.</p>

Commercial Loan (loan contracted by an insured's business when the owner of the contract is such insured's business)

This type of loan will be considered eligible if:

- ▶ The insured owns at least twenty-five percent (25%) of the shares;
- ▶ The insured is actively employed by this business; and
- ▶ The business has a maximum of eight (8) employees.

Type of loan	Eligible monthly payment
<p>Commercial mortgage loan – For a residential rental building</p> <p>This type of loan will be considered eligible if:</p> <ul style="list-style-type: none"> ▶ The insured or his or her business owns the building; ▶ The insured occupies the building; and ▶ The building has no more than 5 units, including the insured's. 	<p>Amount required by the financial institution at the onset of total disability based on the share owned by the insured in the business or the residential rental building.</p>
<p>Commercial mortgage loan – For a building housing the insured's business</p> <p>This type of loan will be considered eligible if:</p> <ul style="list-style-type: none"> ▶ The insured's business occupies at least 50% of the building's living space; and ▶ The insured's business income arises from occupancy at this location. 	<p>Maximum of 60 benefits for the entire duration of coverage.</p>
<p>Commercial line of credit</p>	<p>If the line of credit requires interest payments only, the eligible monthly payment is the minimum amount of interest required by the financial institution at the onset of total disability plus 0.5% of the outstanding balance at the onset of total disability.</p> <p>If the line of credit requires the payment of capital and interest, the eligible monthly payment is the lesser of:</p> <ul style="list-style-type: none"> ▶ 1.5% of the outstanding balance at the onset of total disability; or ▶ The amount required by the financial institution at the onset of total disability based on the share owned by the insured in the business. <p>In any case, the amount so determined will remain fixed throughout the insured's total disability.</p> <p>Maximum of 60 benefits for the entire duration of coverage.</p>
<p>Commercial equipment loan</p>	<p>Amount required by the financial institution at the onset of total disability based on the share owned by the insured in the business.</p>
<p>Car purchase or rental loan</p>	<p>Maximum of 60 benefits for the entire duration of coverage.</p>
<p>Agricultural loan</p>	

Exclusions

No benefit is paid if total disability results directly or indirectly from any of the following causes:

- ▶ Participation in, or perpetration or attempted perpetration of, a criminal offence by the insured;
- ▶ Participation by the insured, actively or not, in a riot, insurrection or military operation, whether or not war has been declared;
- ▶ Service by the insured in the armed forces, engaged in surveillance, training, peacekeeping or war, whether or not war has been declared;
- ▶ Treatment or surgery for cosmetic purposes only;
- ▶ Self-inflicted injury or attempted suicide, whether or not the insured is aware of his or her actions;
- ▶ Participation by the insured in a flight or attempted flight in any capacity other than as an individual fare-paying passenger on a regularly scheduled or chartered flight;
- ▶ Participation by the insured in motorized land or water vehicle races, underwater diving, gliding or hang-gliding, mountain-climbing, parachuting, skydiving, whether free fall or not, or any other hazardous sport or similar activity;
- ▶ Participation in any sport on a professional basis;
- ▶ Bodily injury sustained by the insured when driving a vehicle (air, water or land) while impaired by alcohol and/or recreational drugs, or if his or her blood alcohol and/or drug level was greater than the legally prescribed limit;
- ▶ Voluntary poisoning, inhalation or administration of any gas;
- ▶ Voluntary absorption of prescription drugs, recreational drugs, steroids, narcotics or toxic substances, other than as prescribed by a physician and at the prescribed dosage;
- ▶ Alcoholism, drug addiction, and use of hallucinogens or recreational drugs. However, benefits may be paid while the insured is being treated as an in-patient.

List of occupations eligible for monthly benefits not exceeding 24 months

Sector	Description
Building maintenance	Janitor not working full-time, exterior window cleaner (higher than second floor)
Construction	Demolition, dams, bridges, wells (drilling), electric pylons, steel structures, underground, roofing, building relocation, excavation, steel structure erector, heavy equipment operator, unskilled worker
Electrical industry	Pylon erection and maintenance (steel frame), powerline technician
Fisheries	Fishers who return to port every evening
Garbage, removal of	Garbage collector
Home-based personal services (separate entrance with a visible sign and coming and going of clients)	Hairstyling, beauty treatments (excluding manicure), registered massage therapist
Mines, quarries, mineral concentration and purification	Except blaster, shot firer or underground worker
Security (unarmed)	
Trucking	Truck owner (with or without driving) and non-owner
Wood industry	Individual living in camps (e.g. cook, maintenance worker)

List of ineligible occupations*

Sector	Description
Alcohol	See "Bar employee"
Arcade, concession, amusement park	Other than owner
Armed forces	All personnel
Artist	Actor, craftsman, author, singer, stunt performer, comedian, composer, speaker, dancer, disc jockey, writer, make-up artist, painter, screenwriter, sculptor
Athletics	See "Sports and leisure"
Aviation	Air traffic controller, pilot instructor, commercial pilot, pilot assigned to forest fire control or crop spraying, flight attendant
Bar employee	Bar, club, tavern or any other establishment where the primary business is the sale of alcohol (all workers)
Booking agency	Employees working from home part-time
Booking agency	Owner, employee (seasonal work)
Casino	All employees, professional gamblers
Chimney	Erection, maintenance and repair
Childcare	See "Domestic or childcare"
Circus, rides	Employees, circus workers
Collection agency	Employees with duties other than strictly office or supervision work
Correctional services	Correctional officer, primary worker
Domestic or childcare	All home-based workers for other than a recognized facility
Driver	Taxi, limousine, transportation of explosive or hazardous materials, hauling of logs
Explosives, manufacture, warehousing and handling	All plant workers other than office and clerical workers
Farm	All seasonal workers
Fish market/packing plant	See "Meat-packing plant"
Garbage, removal of	See "Incineration"
Guard	Forest ranger conducting aerial flights, armed security guard, bodyguard
Horse racing	Racing buggy driver, trainer, horse groom, jockey
Hunter, trapper	
Incineration	Other than manager or office employee
Marine industry	Port – dockworkers and employees other than manager or supervisor Ships – (ocean-going or Great Lakes) – other than manager or captain
Meats	See "Meat-packing plant"
Meat-packing plant	Worker other than manager, supervisor and employee
Mines, quarries, mineral concentration and purification	<ul style="list-style-type: none"> ▶ Blaster ▶ Shot firer ▶ Underground worker

List of ineligible occupations* (continued)

Sector	Description
Moving industry (residential)	Truck driver, goods packer, handler
Musician (if it's the sole occupation)	Other than orchestra conductor, concert musician, theatre, TV studio, member of symphony orchestra
Oil and natural gas	Any worker handling explosives, heavy equipment operator, platform worker
Personal services	<ul style="list-style-type: none"> ▶ Manicurist or any self-employed worker in the personal service industry, who does not have a separate entrance with a visible sign and coming and going of clients ▶ Non-registered massage therapist, Tattoo artist
Physical fitness	Other than manager or office employee
Police	Member of riot or bomb squad
Residential housekeeping	Self-employed worker with no employees
Retail	Home-based or door-to-door workers
Sandblasting	Cleaning of materials other than metal or glass
Sewing	Home-based employees
Sports and leisure (amateur and/or professional)	<ul style="list-style-type: none"> ▶ Professional athlete, trainer or referee in professional sports ▶ Racing (car, boat, motorcycle, bike) ▶ Rodeo – competitor ▶ Skiing – employee at a ski centre not open year-round ▶ Martial arts – other than manager or office employee ▶ Professional diver ▶ Diver assistant
Toxic product manufacturing	Maintenance, day worker, cleaner, firefighter, unskilled worker
Wood industry	Forest worker, logger, log driver, chainsaw operator, skidding operator
Zoo	Animal attendant

*Certain occupations may not be included in the above list but be ineligible for the Credit Insurance Rider.

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