

CREDIT BALANCE INSURANCE –
BUSINESS

Distribution GUIDE



Desjardins
Insurance

LIFE • HEALTH • RETIREMENT

Credit Balance Insurance – Business
is a group balance insurance product.

Desjardins Insurance refers to Desjardins
Financial Security Life Assurance Company.

Notice from the Autorité des marchés financiers du Québec (for residents of Quebec):

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

Notice for residents of other Canadian provinces:

In order to comply with Quebec's *Act respecting the distribution of financial products and services*, the Insurer is required to quote the Act in certain parts of this guide.

Please note that similar regulations exist to protect consumers in the other Canadian provinces, but these regulations are not named since there is no legal obligation to quote them.



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This guide is intended for information purposes. It is not your insurance policy. Refer to your insurance policy for all of the terms and conditions. You may consult the policy at the head office of the *contract holder* during business hours. You can also obtain a copy at your expense.

The following documents are important because they constitute your insurance contract:

- the policy, including any appendices and *riders*;
- the proof of insurance;
- the application for insurance.

For **more information** on Credit Balance Insurance – Business, please contact the *Insurer* at:

1-866-838-7572.

The terms defined in this guide appear in *italics*.
The definitions are shown on pages 8 to 14.

The masculine gender is used for the sake of
readability.

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1- INTRODUCTION

■ What is the purpose of the Distribution Guide?

The Distribution Guide provides all the essential information you need to know about Credit Balance Insurance – Business.

When an insurance representative is not available, it will help answer your questions and show you how Credit Balance Insurance – Business can meet your needs.

We encourage you to read this guide closely, in particular pages **22** to **27** that explain the **exclusions, limitations and reduction in coverage**. The claim procedure is also explained on pages **29** to **31**.

We also invite you to read your proof of insurance and verify the information it contains.

■ Why choose Credit Balance Insurance – Business?

- Because it covers a business owner's *credit account* payments in case of:
 - 1) death;
 - 2) *loss of use* or *dismemberment*;
 - 3) *total disability*; or
 - 4) the first diagnosis of a *critical illness*.
- Because it is reasonably priced, tailor-made coverage.

■ Definitions

All of the terms defined below appear in *italics* in this guide.

Accident: a sudden and unforeseen event due to an external cause and resulting in bodily injury or death. The injury or death must be confirmed by a *physician* and be directly and solely the result of the *accident*.

Accord D financing¹: financing method with a separate credit limit that is different from *regular transactions*. *Accord D financing* includes:

- 1) *level payment financing*; and
- 2) *deferred payment financing*.

Balance: the payment required (excluding any overdue amount and applicable interest) to release the *participant* fully from any financial obligation toward the *contract holder*. The *balance* corresponds to the total *balances* of each type of credit offered by the *contract holder*.

Benefit: amount paid by the *Insurer* under the conditions of the contract.

Cancer: definite diagnosis of a tumour characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. The diagnosis of *cancer* must be made by a *specialist*.

Exclusions: No benefit will be payable for the following non-life-threatening cancers:

- 1) carcinoma “in situ”;
- 2) Stage 1A malignant melanoma (melanoma less than or equal to 1.0 mm in thickness, not ulcerated and without Clark level IV or level V invasion);
- 3) any non-melanoma skin cancer that has not metastasized;
- 4) Stage A (T1a or T1b) prostate cancer.²

1 Trademark owned by the Fédération des caisses Desjardins du Québec.

2 See your *physician* to confirm whether your condition meets the *Insurer’s* definition of *cancer* in this contract.

Cash advance by equal instalments or cash advance: *level payment financing* in the form of a *cash advance* obtained with a VISA Desjardins card. *Cash advances* are repayable in equal and consecutive monthly *instalments* determined when the advance is made. This type of *Accord D financing* is offered in accordance with the conditions stipulated in the Variable Credit Agreement issued by the Fédération des caisses Desjardins du Québec.

Continuing medical care: care the *participant* must receive and that is recognized as effective, appropriate and necessary in the diagnosis or *treatment* of an illness or injury resulting from an *accident*. This care must be reasonable and customary and be administered or prescribed by a *physician*. This care may also be administered by a suitable *health care professional*, if prescribed by a *physician*. In addition, care must not be limited to examinations or tests and must be administered at the frequency required by the *participant's* condition.

Contract holder: the Fédération des caisses Desjardins du Québec.

Credit account: variable credit granted by the *contract holder* to the *credit account holder* and covered by this insurance. The *credit account* includes all transactions carried out using a *credit card*, as well as those carried out using a *line of credit*.

Credit account holder: the individual considered to be the owner of the business in whose name the *credit account* is opened.

Credit card: *credit card* certified for the purposes of this insurance by the *contract holder* and the *Insurer*. The *credit card* can be used for the following types of financing:

- 1) *regular transactions*;
- 2) *Accord D financing*.

Critical illness: *cancer, heart attack, stroke* or *terminal illness* diagnosed by a *specialist*.

Deferred payment financing: *Accord D financing* for the purchase of goods or services:

- 1) obtained using a *credit card*; and
- 2) for which payment is deferred for a period determined on the date of financing.

Health professional: any *health professional* who:

- 1) is a member in good standing of his professional corporation or association; and
- 2) practises within the scope of his discipline as prescribed by law.

Heart attack: definite diagnosis of the death of heart muscle due to obstruction of blood flow, that results in rise and fall of biochemical cardiac markers to levels considered diagnostic of myocardial infarction, with at least one of the following:

- 1) *heart attack* symptoms;
- 2) new electrocardiogram (ECG) changes consistent with a *heart attack*;
- 3) development of new Q waves during or immediately following an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty.

The diagnosis of *heart attack* must be made by a *specialist*.

Exclusions: No *benefit* will be payable under this condition for:

- 1) **elevated biochemical cardiac markers as a result of an intra-arterial cardiac procedure including, but not limited to, coronary angiography and coronary angioplasty, in the absence of new Q waves;**
- 2) **an infarction that does not meet the *heart attack* definition as described above.**

Instalments: equal and consecutive monthly *instalments* that are required to repay *Accord D financing*. The *instalment* is indicated on the statement of account.

Insurer: Desjardins Financial Security Life Assurance Company (Desjardins Financial Security).

Line of credit: variable credit agreement under which the *contract holder* authorizes a person to borrow in accordance with the stipulated conditions and a predetermined credit limit.

Level payment financing: *Accord D financing* for the purchase of goods or services:

- 1) obtained using a *credit card*; and
- 2) payable in equal and consecutive monthly *instalments* determined on the date of financing.

This type of financing also includes any *cash advances by equal instalments*.

Loss of use or dismemberment: permanent severance (accidental loss or dismemberment) or total and irrecoverable loss of use of:

- 1) sight in one eye;
- 2) one hand, including the wrist joint;
- 3) one foot, including the ankle joint.

Minimum payment: minimum monthly payment required by the *contract holder* and specified on the statement of account (excluding any overdue amount).

Paid work: work for which the *participant*:

- 1) receives an income; or
- 2) is compensated as a self-employed worker for the completion of work or provision of services.

Income includes any portion of business income attributable to the *participant*, including salaries, fees, bonuses, wages or commissions.

Participant: any person:

- 1) who meets the 4 following eligibility criteria, i.e. who:
 - a) is a business owner;
 - b) is a *credit account holder*;
 - c) is between the ages of 18 and 64 inclusive at the time of enrolment;
 - d) actively works for his business (minimum 25 hours per week) at the time of enrolment.

- 2) who has enrolled in the Credit Balance Insurance – Business; and
- 3) whose name appears on the proof of insurance.

Physician: any person, apart from the *participant* himself, who is licensed and practising medicine in Canada. The *physician* must not be a family member of the *participant* nor reside with him.

Regular transaction: a *cash advance* or the purchase of goods or services using a *credit card*.

Regular transactions do not include purchases or cash advances subject to Accord D financing.

Rider: document appended to an insurance contract describing and attesting to any amendments made to the contract.

Specialist: person, apart from the *participant*, who practises medicine in Canada and who is authorized by the appropriate authorities. The *specialist* practises in the field related to the covered *critical illness* and must not be a family member of the *participant* nor reside with him.

Statement date: date that appears on the monthly *credit account* statement sent to the *credit account holder*.

Stroke: definite diagnosis of an acute cerebrovascular event caused by intracranial thrombosis or haemorrhage, or embolism from an extracranial source, with:

- 1) acute onset of new neurological symptoms; and
- 2) new objective neurological deficits on clinical examination, persisting for more than 30 days following the date of diagnosis.

These new symptoms and deficits must be confirmed by diagnostic imaging testing. The diagnosis of *stroke* must be made by a *specialist*.

Exclusions: No *benefit* will be payable under this condition for:

- 1) **transient ischaemic attacks;**
- 2) **intracerebral vascular events due to trauma;**
- 3) **lacunar infarcts that do not meet the definition of *stroke* as described above.**

Sum insured: amount used to determine the *benefit* paid if an event covered by the insurance occurs. The “*sum insured*” is defined in this guide for each coverage under the heading “What is the sum insured?” on pages 16 and 17 of this guide.

Terminal illness: any illness other than a *cancer, heart attack, or stroke* diagnosed by a *specialist* and that will likely result in the *participant’s* death within the year of the diagnosis.

Total disability or totally disabled:

- 1) for *participants* who have performed at least 80 hours of *paid work* for their business during the 4 weeks immediately preceding the onset of *disability*, *disability* is a state of incapacity that:
 - a) results from an illness or *accident*;
 - b) requires *continuing medical care*; AND
 - c) • for the first 24 months of *disability*, totally prevents the *participant* from performing all the usual duties of his main occupation and,
 - for the following months, totally prevents the *participant* from engaging in any *paid work*.
- 2) for all other *participants* who have **not** performed at least 80 hours of *paid work* for their business during the 4 weeks immediately preceding the onset of *disability*, *disability* is a state of incapacity that:
 - a) results from an illness or *accident*;
 - b) requires *continuing medical care*; and
 - c) prevents the *participant* from performing any of the normal activities of a person of the same age.

The illness or injury resulting from the *accident*, as well as the *participant's* state of incapacity, must be confirmed by a *physician*.

Treatment or treated:

- 1) consultation with a *physician* or other *health care professional* or care received from such a specialist;
- 2) medical examinations or tests;
- 3) use of medication;
- 4) hospitalization.

2- PRODUCT DESCRIPTION

a) Purpose of the product

Credit Balance Insurance – Business is a group insurance product that provides credit insurance coverage for your business' *credit account*. Credit Balance Insurance – Business covers business owners who, like you, hold an account with the *contract holder*.

Credit Balance Insurance – Business covers all the types of credit offered by the *contract holder*. Where applicable, it covers the following types of credit:

- 1) *regular transactions*;
- 2) *line of credit transactions*;
- 3) *Accord D financing*.

There are two types of *Accord D financing*:

- *Deferred payment financing*
This type of financing is used to purchase goods or services from a retailer.
- *Level payment financing*
This type of financing is used:
 - to purchase goods or services from a retailer; or
 - to get *cash advances*.

b) Summary of conditions and features

■ Who is eligible?

You are eligible for Credit Balance Insurance – Business if you meet the following criteria at the time of enrolment:

- 1) you are a business owner;
- 2) you are a *credit account holder*;
- 3) you are between the ages of 18 and 64 inclusive;
- 4) you actively work for your business (minimum 25 hours a week).

The *Insurer* and the *contract holder* reserve the right to decline your application if you do not meet the above criteria.

■ How to enrol?

You can enrol in Credit Balance Insurance – Business by completing the relevant form, at the same time or after you open a *credit account*.

■ Are there any health questions?

You do not have to answer any questions pertaining to your health at the time of enrolment. However, *benefits* may be limited if you have a pre-existing illness or injury (see pages 25 to 27 of this guide).

■ When does the coverage take effect?

You are covered as of the date you enrol in Credit Balance Insurance – Business.

You will receive a proof of insurance shortly after enrolling. This document attests to the fact that you are covered.

■ What coverage is offered?

Credit Balance Insurance – Business consists of **3 types of coverage**, applicable to all types of credit offered by the *contract holder*:

- 1) **Death or Dismemberment coverage** pays *benefits* if you:

- a) die from natural causes;
 - b) die accidentally;
 - c) suffer the *loss of use or dismemberment* of one eye, one hand or one foot as the result of an *accident*;
- 2) **Disability coverage** pays *benefits* if you become *totally disabled*, in accordance with the terms of the contract;
 - 3) **Critical Illness coverage** pays *benefits* for a first diagnosis of a *critical illness* covered by the contract.

■ What is the sum insured?

The *sum insured* is used to determine the amount of the *benefit* paid if an event covered by the insurance occurs.

Death or Dismemberment coverage:

The *sum insured* is equal to the *balance* on the *statement date*:

- 1) immediately preceding the date of death or the date of the *accident* resulting in the *participant's loss of use or dismemberment*; **or**
- 2) coinciding with the date of death or the date of the *accident* resulting in the *participant's loss of use or dismemberment*.

If an *accident* subsequently results in the death of the *participant*, the *Insurer* uses the date of the *accident* to establish the amount of the *sum insured*.

Disability coverage:

The *sum insured* is equal to the *balance* on the *statement date*:

- 1) immediately preceding *the participant's total disability-onset date*; **or**
- 2) coinciding with *the participant's total disability-onset date*.

Critical Illness coverage:

The *sum insured* is equal to the *balance* on the *statement date*:

- 1) immediately preceding the date on which the *participant* is first diagnosed with a *critical illness*; **or**
- 2) coinciding with the date on which the *participant* is first diagnosed with a *critical illness*.

All types of insurance coverage:

The *sum insured* also includes any transactions not shown on the statement, but carried out prior to the *statement date*. These include all *credit card* transactions and all *line of credit* transactions. However, the *Insurer* does not take into account transactions carried out after the *statement date*, any overdue amount and applicable interest.

■ How much is the benefit?

Death or Dismemberment coverage

- Death

The *benefit* is equal to the *sum insured*, up to the maximum permitted under this coverage.

- Accidental death

If the *participant's* death occurs directly and solely as a result of an *accident*, the *benefit* is equal to the *sum insured*, up to the maximum permitted under this coverage. Death must also occur within 365 days of the *accident*. This *benefit* is paid in addition to the *benefit* payable in the event of death.

- Loss of use or dismemberment of one hand, one foot or one eye

The *benefit* is equal to the *sum insured*, up to the maximum permitted under this coverage.

The *loss of use or dismemberment* must result directly and solely from an *accident* and within 365 days of the *accident*.

The *Insurer* pays the same *benefit* whether the *participant* sustains the *loss of use or dismemberment* of one or more parts of the body in a given event.

Disability coverage:

The amount of the *benefit* is equal to the *minimum payment* indicated in the *credit account* statement, up to the maximum permitted under this coverage.

The *credit account* statement used is the one immediately preceding or coinciding with the *disability-onset* date.

During the *benefit* period, the *Insurer* will adjust the monthly *benefit* to take account of the *sum insured*.

For incomplete months of *total disability*, the *Insurer* pays the portion of the *sum insured* that corresponds to the number of days of *total disability* divided by the number of days in the month.

Critical Illness coverage:

The *benefit* amount is equal to the *sum insured*, up to the maximum permitted under this coverage.

The *benefit* is payable following the first diagnosis of a *critical illness*. *Critical illness* means:

- 1) *cancer*;
- 2) *heart attack*;
- 3) *stroke*; or
- 4) *terminal illness*.

The *critical illness* must be diagnosed by a *specialist*.

All coverages:

Only an event that occurs while the insurance is in force can give rise to a *benefit*.

When submitting a *benefit* claim, the *participant* or anyone claiming entitlement to *benefits* must provide the *Insurer* with all the statements of account required to calculate the *sum insured*.

■ What is the maximum coverage provided?

The maximum *sum insured* under the Credit Balance Insurance – Business for all types of coverage combined is \$100,000 per *participant*.

The total *benefits* payable under the Credit Balance Insurance – Business for all types of coverage combined cannot exceed \$100,000 per *participant*.

The maximum monthly *benefit* under the Credit Balance Insurance – Business for all types of coverage combined is \$2,000 per *participant*.

These maximum amounts apply to all *credit accounts* insured by a single *participant* under the Credit Balance Insurance – Business contract. Where several *credit accounts* are insured, priority will be given to those accounts insured first.

Specific conditions apply to *Accord D financing* (refer to this section of the guide on pages 28 and 29).

■ When do benefits start?

- **Death or Dismemberment coverage:**

The *Insurer* pays the *benefit* once the claim has been approved.

- **Disability coverage:**

For *participants* who have performed at least 80 hours of *paid work for their business* during the four weeks immediately prior to the onset of *total disability*:

- The *Insurer* will start paying a *benefit* as of the 31st day of continued *total disability*, if the *participant* is still *totally disabled*. The *benefit* will be retroactive to the first day of *total disability*. The first *benefit* includes the first 30 days of *total disability*.

For *participants* who have not performed at least 80 hours of *paid work for their business* during the four weeks immediately prior to the onset of *total disability*:

- The *Insurer* starts paying a *benefit* as of the 91st day of continued *total disability*, if the *participant* is still *totally disabled*. The *benefit* will then apply as of the 91st day of *total disability*.

Successive periods of total disability:

The *Insurer* considers as a single period of *total disability* two or more periods of *total disability* that are:

- 1) separated by a period of less than 90 days during which the *participant* was not *totally disabled*; **AND**
- 2) caused by the same illness or *accident*.

The waiting period applies only once in this case and the total monthly *benefit* cannot exceed the *sum insured* established for the purpose of the first of these *total disability* periods.

• **Critical Illness coverage:**

The *Insurer* pays no *benefit* for the first 30 days following the first diagnosis of a *critical illness*. After this waiting period, the *Insurer* pays the *benefit* if the *participant* is still alive.

■ **When do benefits terminate?**

For the Disability coverage, *benefits* terminate when:

- 1) the *participant* is no longer *totally disabled*;
- 2) the *participant* is performing *paid work* or is involved in any form of business activity designed to generate a salary or profit;
- 3) the *participant* is receiving training or has returned to school;
- 4) the *sum insured* (excluding accrued interest) has been paid by the *Insurer*;
- 5) the *Accord D financing* or the *regular transactions* are written off by the *contract holder*.

■ How is the cost of the insurance calculated?

The premium is withdrawn from your *credit account* every month. To calculate the amount to be withdrawn, the premium rate is applied to each \$100 of insured *balance*. Where applicable, tax is added to this amount.

A *participant* who receives a *disability benefit* is entitled to a refund of a portion of the monthly premium. The amount of the refund is equal to the premium calculated based on the *sum insured* used to determine the *benefit payable*. Therefore, during a *disability benefit* period, the *Insurer* refunds this amount each month.

The premium rate is not guaranteed. In the event of a change in the premium rate, the *Insurer* will notify the *contract holder* in advance.

■ Who is the beneficiary of the insurance?

Any *benefits* approved by the *Insurer* are paid in your name to the *contract holder*. The *contract holder* then credits this amount to your *credit account*.

■ Can the Insurer modify the contract?

The *Insurer* can modify the contract by notifying the *contract holder* in writing. Such notice must be sent at least 30 days before the modifications take effect. The *Insurer* and the *contract holder* may also agree to modify the contract.

■ What happens if the contract holder changes some of the conditions?

If the *contract holder* makes changes to variable credit contracts or *credit account* statements that affect the scope of coverage under this contract, the insurance will continue to apply as before. In order for these changes to apply to the Credit Balance Insurance – Business contract, the *Insurer* must add a *rider* to the contract.

CAUTION

■ Exclusions, limitations and reduction in coverage

EXCLUSIONS

In the following circumstances, the *Insurer* does not pay the amounts set out in the contract for the coverage marked by an X.

A- Death or Dismemberment			
B- Disability			
C- Critical Illness			
A	B	C	
X			1. If the <i>participant</i> commits suicide within the first two years of coverage. The <i>Insurer</i> then refunds the premiums paid under this contract.
X	X	X	2. If the direct or indirect cause of the <i>participant's</i> condition is an act committed voluntarily or an attempted suicide, whether or not he was aware of his actions.
X	X	X	3. If the direct or indirect cause of the <i>participant's</i> condition is one of the following: <ul style="list-style-type: none"> • a war, whether declared or not; • public confrontation; • riot; • revolt; • insurrection or, • act of terrorism. This exclusion applies whether or not the <i>participant</i> participates in these events.
X	X	X	4. If the direct or indirect cause of the <i>participant's</i> condition is his participation or attempted participation in: <ul style="list-style-type: none"> • a criminal act or, • any attack.

A- Death or Dismemberment**B- Disability****C- Critical Illness**

A	B	C		
		X	5.	If the condition of the <i>participant</i> results directly or indirectly from the use of any medication, intoxicants, drugs or narcotics, unless they are prescribed or recommended by a <i>physician</i> .
		X	6.	For any <i>cancer</i> or <i>terminal illness</i> that existed before the effective date of coverage, or that was diagnosed prior to or within 90 days of the effective date of coverage.*
		X	7.	If the medical symptoms or problems that gave rise to the first diagnosis of <i>cancer</i> or <i>terminal illness</i> appeared prior to or within 90 days of the effective date of coverage.*
		X	8.	If the <i>participant</i> dies within 30 days of the first diagnosis of a <i>critical illness</i> .
		X	9.	For health problems not specifically covered by the Critical Illness coverage.

* With regard to *Accord D financing*, the time period is calculated based on the earlier of the following dates: the date of each financing and the coverage effective date.

BENEFIT LIMITATIONS

- 1) *Benefits* can never exceed the maximum *sum insured* stipulated in the “What is the maximum coverage provided?” section of this guide (page 19).
- 2) Monthly *benefits* payable to a *participant* can never exceed the maximum monthly *benefits* stipulated in the “What is the maximum coverage provided?” section of this guide (page 19).

- 3) If the *participant* dies within 365 days of an *accident*, the *Insurer* pays no *loss of use or dismemberment benefits*. Only the *benefit* provided in case of accidental death will be payable.
- 4) If a *participant* has already received a *critical illness benefit* for a *terminal illness*, no *benefit* is payable under the Death or Dismemberment coverage.
- 5) The total *benefits* payable to a *participant* for the duration of the contract can never exceed the maximum *sum insured* stipulated in the “What is the maximum coverage provided?” section of this guide (page 19).
- 6) While a *disability benefit* is being paid, the *Insurer* cannot accept any other *disability* claims for the same *participant*. This condition applies to the *balance of regular transactions* as long as the monthly *benefit* related to the first claim is being paid. However, for *Accord D financing*, the *Insurer* can approve another *disability* claim for the same *participant*. This must be *Accord D financing* for which no *benefit* is already being paid and which was obtained before the onset date of a new *total disability*.
- 7) The *critical illness benefit* can only be paid once per participant.

PRE-EXISTING ILLNESS OR INJURY

If a *claim* is for an illness or injury that existed prior to enrolling in the insurance, the *Insurer* may refuse to pay it.

The following table indicates whether or not the *participant* is eligible for a *benefit* when his state of health is related to a pre-existing illness, to symptoms associated with this illness or to a pre-existing injury. The table applies to the Death or Dismemberment coverage and the Disability coverage.

Did the death, <i>dismemberment</i> or <i>total disability</i> occur in the first year of coverage?			
NO		YES	
<i>Benefit payable</i>	Was the <i>participant</i> treated for the same illness, for the symptoms associated with this illness or for the injury that caused the death, <i>dismemberment</i> or <i>total disability</i> in the six months prior to the effective date of coverage?		
	NO	YES	
<i>Benefit payable</i>	Was there a period of six consecutive months, which terminated after the insurance came into effect, during which the <i>participant</i> did not receive any <i>treatment</i> for this illness, for the symptoms associated with this illness or this injury?		
	NO	YES	
	No <i>benefit payable</i>	NO	YES
		No <i>benefit payable</i>	<i>Benefit payable</i>

With regard to *Accord D financing*, the time period is calculated based on the earlier of the following dates: the date of each financing and the coverage effective date.

If no *benefit* is payable for a death due to a pre-existing illness or injury, the *Insurer* will reimburse any premiums paid by the *participant*.

Amount of benefit payable

1) Death or Dismemberment coverage

When a *benefit* is payable and the death or *dismemberment* is due to an illness, to the symptoms associated with this illness or to an injury *treated* during the 6 months preceding death or *dismemberment*, the *benefit* is equal to the lesser of the following amounts:

a) the *sum insured*; or

b) the average *balance* of the *credit account* during the following period:

- the 6-month period immediately prior to the date of the first *treatment*, if the first *treatment* took place LESS than 6 months prior to the date of death or *dismemberment*;
- the 6-month period immediately prior to the 6-month period before death or *dismemberment*, if the first *treatment* took place MORE than 6 months prior to the date of death or *dismemberment*.

2) Disability coverage

When the *participant* is entitled to *benefits* and his *total disability* is due to an illness, to the symptoms associated with this illness or to an injury *treated* during the 6 months preceding the onset of *total disability*, the *benefit* is equal to the lesser of the following amounts:

a) the *minimum payment* as indicated on the *credit account* statement preceding the onset of *total disability*; or

b) the *minimum payment* that would be required by the *contract holder* based on the average *balance* of the *credit account* during the following period:

- **the 6-month period immediately prior to the date of the first *treatment*, if the first *treatment* took place LESS than 6 months prior the onset of total disability;**
- **the 6-month period immediately prior to the 6-month period before the onset of *total disability*, if the first *treatment* took place MORE than 6 months prior to the onset of total disability.**

■ Cancellation

The *participant* may cancel his insurance at any time.

If the *participant* terminates his insurance within the first 30 days, all premiums paid will be refunded. To cancel his insurance, the *participant* must notify the *Insurer* by phone at the number shown on page 3 of this guide or use the “Notice of cancellation of an insurance contract” on page 35.

The *participant* can also ask the *Insurer* to terminate his insurance any time after this 30-day period. His insurance will then end on the *statement date* of the account produced immediately after his request.

■ When does the insurance expire?

The coverage expires on the earliest of the following:

- the *statement date* following the date of the *participant's* 65th birthday;
- the date on which the *participant* dies;
- the date on which the *participant* is no longer the business owner;
- the date on which the *participant* declares bankruptcy;

- the *statement date* following the date the *participant* notifies the *Insurer* that he wishes to terminate his coverage;
- the date of termination of the Credit Balance Insurance – Business contract, as agreed by the *contract holder* and the *Insurer*;
- the date on which the *contract holder* revokes the rights and privileges it has granted to the *participant*.

c) Specific conditions applicable to Accord D financing

Unless identified as replacement conditions, the specific conditions described in this section should be considered as complementary to the conditions described in the other sections of the guide.

In addition to regular credit card transactions, the insurance covers the following types of *Accord D financing* if specified on the *participant's* statement of account:

- 1) *Deferred payment financing*
This type of financing is used to purchase goods and services from a retailer.
- 2) *Level payment financing*
This type of financing is used to:
 - purchase goods and services from a retailer; or
 - obtain *cash advances*.

The monthly *total disability benefit* is equal to the monthly *instalment* owing on these types of *Accord D financing*. The total monthly *benefit* therefore includes this *instalment* plus the *benefit* payable for *regular transactions*.

When the *contract holder* offers all types of credit, the *balance* used to determine the *sum insured* corresponds to the total *balance* of the following:

- 1) the *regular credit card transaction balance*;
plus
- 2) the *line of credit transaction balance*; **plus**
- 3) the *Accord D financing balance*.

Conditions applicable to deferred payment financing (Accord D financing)

If the *participant* dies during the deferment period, the *Insurer* pays a *benefit* equal to the *deferred payment balance*.

In addition, the *participant* will not be billed for the premium applicable to the *balance* during this time. This constitutes additional coverage provided free of charge by the *Insurer*.

If a *minimum payment* is required after the onset of *total disability*, it will be covered by the insurance. However, you must have obtained the *deferred payment financing* prior to the onset of *total disability* to be entitled to a *benefit*.

Conditions applicable to cash advances by equal instalments (Accord D financing)

Credit Balance Insurance – Business also covers the *balance* of financing in the form of *cash advances by equal instalments* obtained on or after January 20, 2013. This financing is covered in the event of the *participant's* accidental death, *loss of use or dismemberment*, and *total disability*. Accidental death coverage pays a *benefit* equal to the *sum insured*. Moreover, no premium for the *balance* of these *cash advances* is billed to the *participant*.

3- BENEFIT CLAIMS

a) Submitting a claim

To submit a claim, the *participant*, or his legal heirs in the event of his death, must contact the *Insurer* by telephone at:

1 866 838-7532.

The *Insurer* will then ask the claimant for the documents proving the event that entitles the *participant* to a *benefit*.

You must provide all the documents required by the *Insurer* to examine your claim, as soon as reasonably possible, but not beyond one year after the event that entitled the *participant* to *benefits*.

Beyond this one-year period, in cases of *total disability*, the *Insurer* will consider only the year prior to the claim's date of receipt. For example, if you submit a claim to the *Insurer* 18 months after the onset of a *total disability*, the *Insurer* will pay *benefits* only for the 12-month period immediately preceding the claim's date of receipt.

The *Insurer* may, where applicable, ask the *participant* for additional information in order to process the claim.

b) Insurer's reply

If the *Insurer* approves the claim, it will pay the *benefit* within **30 days** of receiving the proof required.

If the *Insurer* declines the claim or pays only a portion of the *benefit*, the *participant* will receive a letter explaining the reasons for the *Insurer's* decision. The *Insurer* will send this letter within 30 days of receiving the documents requested to process the claim.

All *benefits* are paid to the *contract holder*.

Disability claims:

The *participant* is responsible for submitting satisfactory proof of his *total disability* to the *Insurer*. Proof may include a medical specialist's opinion or copies of examination results.

The *Insurer* may at any time require the *participant* to:

- 1) provide satisfactory proof of continued *total disability*;
- 2) be examined by one or more *physicians* or *health professionals* selected by the *Insurer*.

c) Appeal of Insurer's decision and recourse

If the *Insurer* does not approve the claim, you may submit additional pertinent information and request that your file be reviewed.

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or any applicable law. The law provides for a maximum of 3 years (period of prescription) within which to contest the *Insurer's* decision in Quebec and 2 years in Ontario.

For more information about your rights, contact your province's regulatory agency or your legal advisor.

4- SIMILAR PRODUCTS

While similar insurance products are available on the market, you have made a wise decision in doing business with the Desjardins Financial Security Life Assurance Company. We are one of Canada's biggest life and health insurers.

5- REGULATORY AGENCIES

To learn more about the insurance product described in this guide, please call the *Insurer* at the number shown on page 3 of the guide.

For more information about the obligations of the *Insurer* and the distributor, please contact the appropriate provincial regulatory agency responsible for overseeing the application of insurance legislation.

a) Autorité des marchés financiers (Quebec residents only)

Autorité des marchés financiers
Place de la Cité, Tour Cominar
2640, boul. Laurier, bureau 400
Québec (Québec) G1V 5C1
Phone: 418-525-0337 or 1-877-525-0337
Fax: 418-525-9512
Webiste: www.lautorite.qc.ca

b) Financial Services Commission of Ontario (Ontario residents only)

Financial Services Commission of Ontario
5160 Yonge Street
P.O. Box 85
Toronto ON M2N 6L9
Phone: 416-250-7250 or 1-800-668-0128
Fax: 416-590-7070
Email: contactcentre@fsco.gov.on.ca
Website: www.fsco.gov.on.ca

6- OTHER INFORMATION

■ Personal Information Management

Desjardins Financial Security Life Assurance Company (DFS) handles the personal information it has on you in a confidential manner. DFS keeps this information on file so that you can benefit from the financial services (insurance, annuities, credit, etc.) it offers. This information is consulted solely by DFS employees who need to do so in the course of their work.

You have the right to consult your file. You may also have information corrected if you demonstrate that it is inaccurate, incomplete, ambiguous or not useful. To do so, you must send a written request to the following address: Privacy Officer, Desjardins Financial Security Life Assurance Company, 200, rue des Commandeurs, Lévis, Québec, G6V 6R2.

DFS can send promotional information or offer new products to individuals whose names appear on its client list. DFS may also give its client list to another component of the Desjardins Group for the same purposes. If you do not want to receive such offers, you may have your name removed from the list by sending a written request to the Privacy Officer at DFS.

DFS uses service providers located outside of Canada to perform certain specific activities in its normal course of business. As such, personal information may be transferred to another country and be subject to the laws of that country. For information about DFS's policies and practices regarding the transfer of personal information outside of Canada, visit the DFS Website at desjardinslifeinsurance.com or write to the DFS Privacy Officer at the address indicated above. The Privacy Officer can also answer any questions about the transfer of personal information to service providers located outside of Canada.

■ Notice of cancellation of an insurance contract

Notice given by a distributor

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

The Act respecting the distribution of financial products and services gives you important rights.

- The Act allows you to rescind or cancel an insurance contract you have just signed when you sign another contract. The *Insurer* gives you 30 days to do so without penalty. To cancel your contract, you must notify the *Insurer* by registered mail within this 30-day period. You may use the attached “Notice of cancellation of an insurance contract” template for this purpose.
- Even though it was cancelled, the first contract remains in force. Note that you may lose the favourable conditions that were extended to you under this insurance contract; contact your distributor or consult your contract.
- After this 30-day period has expired, you may cancel the insurance at any time; however, penalties may apply.

For further information about the Act and your rights, contact your province’s regulatory agency.

Note: the following notice can be used by insureds in all provinces.

Notice of cancellation of an insurance contract

As per section 441 of the *Act respecting the distribution of financial products and services*, I am cancelling my enrolment in the Credit Balance Insurance – Business contract with the following *Insurer*:

Desjardins Financial Security
Life Assurance Company
200, rue des Commandeurs
Lévis (Québec) G6V 6R2

Date
(date notice sent)

Credit card number

Client name

Client signature

Date
(date contract signed)

At
(place contract signed)

This notice must be sent to the *Insurer*.

EXCERPT FROM THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES

439. A distributor may not subordinate the making of a contract to the making of an insurance contract with the insurer specified by the distributor.

The distributor may not exercise undue pressure on the client or use fraudulent tactics to induce the client to purchase a financial product or service.

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

441. A client may rescind an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered or certified mail.

Where such an insurance contract is rescinded, the first contract retains all its effects.

442. No contract may contain provisions allowing its amendment in the event of rescission or cancellation by the client of an insurance contract made at the same time.

However, a contract may provide that the rescission or cancellation of the insurance contract will entail, for the remainder of the term, the loss of the favourable conditions extended because more than one contract was made at the same time.

443. A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the debtor may subscribe for insurance with the insurer and representative of the

debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds. The distributor may not subordinate the making of the contract of credit to the making of an insurance contract with the insurer specified by the distributor.

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

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

■ Dissatisfied? Let us know.

As a responsible company attentive to the needs of its clients, Desjardins Financial Security strives to offer products and services that meet your expectations. However, if you are dissatisfied with any of our products or services, please let us know by following the steps below.

1. Contact the person or establishment from whom you purchased the product.

The telephone number should be in the documentation you received when you enrolled. Ask for an explanation. In most cases, a simple call is all it takes to get the answers you need.

2. Call our Customer Service Centre.

If you are not fully satisfied with the explanation you received in step 1, contact our Customer Service Centre at 1-866-838-7584. Our CSC agents know our products well and should be able to help you.

3. Write to our Dispute Resolution Officer.

If you are not satisfied with the answer you received from our Customer Service Centre, you may file a complaint with Desjardins Financial Security's Dispute Resolution Officer. The role of the Dispute Resolution Officer is to assess the merits of the company's decisions and the soundness of its practices when clients feel they have not received the service they were entitled to.

Please write to:

Dispute Resolution Officer
Desjardins Financial Security
200, rue des Commandeurs
Lévis (Québec) G6V 6R2

Or email: disputeofficer@dfs.ca

You can also call the Dispute Resolution Officer at 1-877-838-8185.

For more information on the procedure to follow in the event of a problem or complaint, please visit our website at www.dfs.ca/complaint, where you can also find complaint forms.

Your satisfaction is our priority!

Helpful hints

- Make sure you have all the documents and information you need to provide a detailed explanation of the problem (account statements, names of employees in question, dates, etc.).
- Write down the names of the individuals with whom you have spoken, and the dates of your conversations.
- Include your name, address and telephone number in all correspondence.

For **more information** on Credit Balance Insurance – Business, please contact the personnel of Desjardins Financial Security Life Assurance Company at:

1 866 838-7572.



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