

Owner Operator Payment Protection Plan

Group Policy GC939A

SUMMARY

Sections 22, 28 and 29 of the Regulation respecting Alternative Distribution Methods (A.M., 2019-05)

Insurer: **Chubb Life Insurance Company of Canada (“Chubb Life”)**
199 Bay Street, Suite 2500, P O Box 139, Toronto, Ontario M5L 1E2
AMF Register-Insurer’s Number: 2000737552

Distributor: **LBEL Inc / LBC Capital Inc**
5035 South Service Road Burlington (Ontario) L7L 6M9 Canada

Group Policyholder: **LBEL Inc / LBC Capital Inc**
5035 South Service Road Burlington (Ontario) L7L 6M9 Canada

Claims Agent: **Unity Managing Underwriters Limited**
Customer Service Center
P O Box 1097, Station B, Willowdale, Ontario M2K 3A2
Telephone: 1 888 561-1101
Fax: 416 221-1685
Policy Inquiry: adminSP@umu.net
Claims: claims@umu.net

For additional information regarding the Insurer’s and the Distributor’s obligations to you, please contact the Autorité des marchés financiers

Autorité des marchés financiers

Place de la Cité, tour Cominar
2640 boulevard Laurier, 4e étage
Québec (Québec) G1V 5C1

Québec City: 418 525-0337
Montreal: 514 395-0337
Toll Free: 1 877-525-0337
Fax: 418 525-9512
Website: www.lautorite.qc.ca

This Summary helps you make an informed decision when an insurance product is offered to you by a Distributor. This is not your Certificate of Insurance. The Distributor must also provide you with a fact sheet “Let’s Talk Insurance!” which is to inform you of your rights.

The Policy is available by clicking the following link:

https://www.chubb.com/ca-en/_assets/documents/gc939a-owner-operator-payment-protection-plan-policy.pdf

What is this insurance for? And what are the benefits?

Purchasing a vehicle or equipment and financing it has an important influence on your financial security. When you arrange to finance your vehicle or equipment purchased from the Distributor, you may choose to purchase optional insurance offered to you. If you choose to do so, the Insurer will pay benefits to your creditor to reduce or pay off your outstanding loan balance if you have an unexpected total disability due to injury or sickness, or if you die.

You can apply for coverage if, on the date you apply for insurance, you are:

- resident in Canada; and
- able to perform the usual duties of your livelihood; and
- personally responsible for the payment of the loan or lease arranged by the Distributor or the Group Policyholder.

and in addition

If applying for Life Insurance	<ul style="list-style-type: none"> • You are 18 but not yet 70 years old.
If applying for Life and Total Disability Insurance	<ul style="list-style-type: none"> • No more than 2 borrowers are responsible for the repayment of the loan (if there are 3 or more borrowers responsible for the loan, all borrowers can apply for Life Insurance only); • You are 18 but not yet 65 years old; • You are gainfully employed and actively working at least 25 hours a week for a minimum of 12 weeks immediately prior to the date insurance begins; • You are able to perform the duties of your principal occupation; • If the equipment is a vehicle, your principal occupation must be the operation of the vehicle; • If there are 2 borrowers responsible for the loan and both borrowers' principal occupations involve the operation of the vehicle; both borrowers must apply Total Disability coverage and both applications must be accepted by the Insurer.

If your loan amount is greater than \$200,000, you will need to complete a maximum of 4 medical questions to determine if you are eligible to apply for insurance, or the type of insurance you are eligible to apply.

Coverage is optional and voluntary; and purchasing the coverage is not a condition for you to obtain your loan.

The Owner Operator Payment Protection Plan provides the following coverages:

Life Insurance	<p>Life insurance is a way for you to protect your survivors and dependents against financial hardship by reducing or paying off the outstanding balance of your loan.</p> <ul style="list-style-type: none"> • If your death occurs, the Insurer will pay your outstanding loan or lease up to a maximum of \$500,000 if you are age 18 to 59; \$150,000 if you are age 60 to 69. <p>Coverage expires on your 70th birthday.</p>
Total Disability Insurance	<p>When you are disabled due to a covered illness or injury, your loan payments don't stop.</p> <p>If you select <u>Total Disability Insurance – Injury and Sickness Coverage</u>, Owner Operator Payment Protection Plan will pay a Monthly Benefit to your creditor for the remaining Term of Insurance or until you are no longer totally disabled.</p> <ul style="list-style-type: none"> • Maximum Insured Amount is \$5,000 per month if you are age 18 to 59, \$1,800 per month if you are age 60 to 64, on the date insurance begins. • You must wait 30 days after you become totally disabled before your benefits begin; and you must remain totally disabled throughout this 30-day waiting period. Your benefits will be paid from the date following the end of the waiting period. <p>If you select <u>Total Disability Insurance – Injury Only Coverage</u>, Owner Operator Payment Protection Plan will pay a Monthly Benefit to your creditor for the remaining Term of Insurance, or until you are no longer totally disabled, or to a maximum of 6 months, whichever is less.</p> <ul style="list-style-type: none"> • Maximum Insured Amount is \$5,000 per month if you are age 18 to 59, \$1,800 per month if you are age 60 to 64, on the date insurance begins. • You must wait 30 days after you become totally disabled before your benefits begin; and you must remain totally disabled throughout this 30-day waiting period. Your benefits will be paid retroactively from the date of Total Disability. <p>Coverage expires on your 66th birthday or the date you retire, whichever is earlier.</p>

Determine the type of insurance you need Premiums and other fees including applicable taxes

Owner Operator Payment Protection Plan is to protect your ability to meet your financial obligations by providing a benefit in the event of your death or disability. You determine the type of insurance based on your needs and financial means; below are the options:

Options	
<input type="checkbox"/>	Life Insurance (Injury and Sickness)
<input type="checkbox"/>	Life Plus: Life Insurance (Injury and Sickness) and Total Disability (Injury only) Waiting Period: 30 Day Retroactive, Maximum 6 Monthly Benefit Payments
<input type="checkbox"/>	Life Insurance (Injury and Sickness) and Total Disability (Injury and Sickness) Waiting Period: 30 Day Elimination

You may apply for an insurance term that is less than or equal to the term of loan, but not greater than 84 months. Amount Insured cannot be greater than your loan amount or the plan maximum.

Premium amount is calculated based on the amount insured, term of insurance, the type of coverage selected. Age, gender, health and occupation do not affect your insurance premium. Premium is fixed and will not change over time. Applicable provincial sales tax on insurance premiums will be added to the cost of your insurance.

Please note that Owner Operator Payment Protection Plan may not pay your full outstanding balance of your loan or lease:

- If the loan amount is greater than the amount insured;
- If term of insurance is shorter than your term of loan; or
- If you choose to cover a percentage of your loan; or you are eligible for an insurance term that is shorter than your loan term.

What you should know

Below is a summary of exclusions and limitations; please refer to the Certificate of Insurance for details.

Exclusions and Limitations	
General Limitations and Exclusions - applies to all coverages	<p>Loan payments in arrears, any accrued interest, balloon payments, floating rate adjustments or any payments of residual value are not covered.</p> <p>The Insurer will not pay benefits if your claim results from:</p> <ul style="list-style-type: none"> • Criminal offence • Alcohol consumption while operating any motor vehicle beyond legal limit • War or any act of war or insurrection • Drug use unless prescribed by a doctor. • Use of any poisonous substance, gas or fumes • Nuclear, chemical or biological contamination arising out of a terrorist act • Travelling in any aircraft except as a commercial flight passenger
Life Insurance	<p>The Insurer will not pay benefits if your claim results from:</p> <ul style="list-style-type: none"> • Suicide within first 2 years of the coverage • A Pre-existing Condition
Total Disability Insurance	<p>The Insurer will not pay benefits if your claim results from:</p> <ul style="list-style-type: none"> • A Pre-existing Condition unless Total Disability begins after your coverage remains in force for the first 24 months • Attempted suicide or self-inflicted injury • Pregnancy, abortion, miscarriage or childbirth or parental leave • Cosmetic or elective surgery <p>In addition to the above, if you selected Total Disability Injury Only Coverage, the Insurer will not pay benefits if your claim results from</p> <ul style="list-style-type: none"> • Sickness • Injuries that have no visible wound or contusion except for internal injuries revealed by an x-ray or autopsy • Injuries which results in muscle strains or sprains of the neck and back <p><u>Limitations:</u></p> <ul style="list-style-type: none"> • If you selected Total Disability Injury Only Coverage, maximum Monthly Benefit payments is 6 months in total for the full term of your policy. Your Total Disability coverage will terminate on the date the Maximum Monthly Benefit Payments have been made. • For claims resulting from mental, nervous, psychological, emotional or behavioural conditions, maximum 12 Monthly Benefit payments in total for the full term of your policy will be made if you are under regular care of a licensed psychiatrist/psychologist/neurologist; otherwise, maximum 3 Monthly Benefit payments. • For neck or back disease or disorder, maximum 2 Monthly Benefit payments in total for the full term of your policy unless you are under the regular care of a licensed medical specialist.

What is a “Pre-existing Condition”?

A Pre-existing Condition is a health condition(s) that you have and you received Treatment or Advice within both the 12-month period before your insurance begins and the first 12 months of your coverage; any Total Disability or death related to this condition that arise after you take out the policy will not be covered.

If the health condition(s) is related to disease or disorder of the neck or back, any Total Disability or death related to this condition that arise after you take out the policy will not be covered if you have received Treatment or Advice for such condition(s) within both the 24-month period before your insurance begins and the first 12 months of your coverage.

Pre-existing Condition for Life and Total Disability Insurance



If the health condition(s) is related to disease or disorder of the neck or back, and if you received Treatment or Advice for such condition(s) within both the 24-month period immediately before your insurance begins and the first 12 months of your coverage, you have a Pre-existing Condition.



Filing a claim

You or someone acting on your behalf should call the customer service, toll free at 1 888-561-1101 to obtain a claim form. A customer service representative will go through the procedures with you. You must return the completed claim forms and required documents within 90 days after the date of loss. While the Insurer is processing your claim, you are responsible for all scheduled loan payments.

You will receive a claim decision in writing within 10 business days once we have received all of the information required to evaluate your claim. When your claim is approved, you will receive a letter indicating the benefit paid to your creditor.

If your claim is denied, you will receive a letter indicating the reason for the denial; which you can appeal the decision in writing. You will receive a response in writing within 30 days following receipt of your request to review.

Misrepresentation or failure to disclose

Any misrepresentation, inaccurate representation or failure to disclose could lead to the Policy being cancel *ab initio*, coverage being denied or benefits being refused or reduced. Should you have any questions, please contact the Distributor or the Insurer.

Complaint to the Insurer and complaint resolution process

To make a complaint and access the Insurer's policy on handling complaints, please go to:

<https://www.chubb.com/ca-en/complaint-resolution-process.aspx>

Cancellation of Insurance

If you change your mind, there is a Satisfaction Review Period - If you find the insurance to be unsatisfactory, you may cancel coverage within 30 days of purchase; any premium you have paid will be refunded. To do this, you must contact customer service, toll free at 1 888-561-1101 to obtain a cancellation request form.

After the Satisfaction Review Period - You may cancel coverage at any time by calling the customer service to obtain a cancellation request form. If you provide proof that the loan was paid, the Insurer will issue the premium refund to you, otherwise, the Insurer will issue the refund to the creditor for credit to your account.

Refund amount is calculated using the following formula:

$$\left(\left[\frac{R \times (R+1)}{T \times (T+1)} \right] \times \text{Premium} \right)$$

Where R = number of remaining months left on insurance and
T = Term of Insurance in full months

Example:

Term of Insurance is 60 months	T = 60
You decided to cancel the coverage after 10 months	R = 50
Premium	\$2,000
$\left(\left[\frac{50 \times (50+1)}{60 \times (60+1)} \right] \times \$2,000 \right) = \$1,393.44$	

If the term of insurance is different for Life Insurance than for Total Disability Insurance, then a premium refund will be calculated separately for each and summed to determine the total refund amount.

If the Insurer declined your application to enroll or the Insurer determined that you were not eligible for coverage when you purchase the coverage, the Insurer will refund the full premium as if your insurance has never been in force.

If the cost of the insurance is added to the financing amount and you cancel the insurance, your monthly financing payments might not change. Instead, the refund could be used to shorten the financing period.