

# JUMBO EXTEND PRODUCT GUIDE

**FORM 7394**

**VALID IN: ALBERTA & BC**

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**PROVINCE: Alberta & BC**

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## **PRODUCT GUIDE**

### **JUMBO EXTEND Form 7394**

#### **I. INTRODUCTION**

This product guide provides a detailed description of the Group Life and Disability Insurance product, Jumbo Extend. A clear understanding of the coverages offered not only helps to ensure that the Customer will purchase a product that matches his/her specific needs; but also ensures that all eligibility requirements for the policy have been met at the time of purchase. This will eliminate any surprises if and when a claim is submitted.

Industrial Alliance Insurance and Financial Services Inc. (the "Insurer") offers Group Creditor's Insurance that is sold to customers through Group Policyholders across Canada. These life, critical illness and disability coverages can be sold together or as stand-alone coverages, and are offered only at the time a loan transaction has been completed. Each coverage will earn the Group Policyholder a percentage of the premiums paid by the Customer. This is defined as the Group Policyholder's Expense Allowance.

The purpose of this guide is to describe the insurance product that is being offered to your customers and to help you understand the benefits and limitations of the product. It will enable you to better evaluate if this insurance product meets your customer's needs.

For further information, you can contact your SAL Group District Marketing Representative or our head office at the number noted on the cover of your guide.

This guide is provided as an introduction to the insurance product and is not the certificate of insurance/policy. Please consult the Insurance Application/Certificate of Insurance for full details.

#### **II. CREDITOR GROUP INSURANCE**

Jumbo Extend is the one option your customers shouldn't overlook when entering into a new financial obligation. This is the option that will protect them if there's a financial breakdown. When sickness or injury prevent one from being able to perform the duties of their job, the financial side effects can be substantial. And in the event of death, the family/estate may face overwhelming monetary obligations. Protecting monthly loan/lease payments is a sound choice.

For more than 45 years, SAL Group has been offering Canadians flexible, competitively priced insurance options. And through our group buying power, your customer can protect their investment for just pennies a day.

#### **III. DESCRIPTION OF THE PRODUCT**

##### **A. Nature of Coverage**

This product is designed to provide insurance coverage on the debt, payable in whole or part by installments, resulting from the loan or lease of goods and ancillary services from the financial institution, if one is named. There are three types of insurance coverages available:

- Life insurance (Decreasing term life insurance and residual value insurance)
- Disability insurance (Accident and Sickness insurance)
- Disability insurance (Accidental Disability insurance)

##### **Life Coverage**

Jumbo Extend allows the Debtor and/or Co-Debtor to purchase decreasing term life insurance to cover the loan balance on the purchase. On the first day of coverage, the Customer is insured for the outstanding balance of the loan. The amount

outstanding decreases with each monthly payment made to the financing institution. Thus the face value of the insurance certificate decreases to match the outstanding loan balance.

With a leased vehicle, the amount of insurance is equal to the amount outstanding as per the lease contract. This balance does not include the residual amount. There is the option to purchase further insurance to cover this residual balance.

The maximum amount of coverage is \$500,000 for Customers between the ages of eighteen (18) and fifty-five (55) years , \$400,000 for Customers between the ages of fifty-six (56) to fifty-nine (59), and \$150,000 for Customers between the ages of sixty (60) to sixty-nine (69) inclusive. For a lease contract, the sum total of the present value of the payments (i.e., life benefit), plus the present value of the residual amount (if insured) cannot exceed these coverage limits.

Important: If the insured has more than one active life policy issued by SAL, the combined life benefit payable cannot exceed the maximum allowable life benefit amount as stated on the most recently purchased SAL certificate.

Accidental Dismemberment coverage is an added benefit with Jumbo Extend Life insurance. This coverage provides for the outstanding loan balance to be paid out should injury to the Insured result complete loss of both hands, both feet or the entire sight of both eyes or any combination of two. Loss is considered to be severance at or above the wrist or ankle joint or the irrevocable loss of eyesight.

#### **Accident & Sickness (Disability) Coverage:**

Jumbo Extend gives the Debtor and/or Co-Debtor the option of purchasing accident & sickness disability insurance. This insurance ensures that the monthly auto loan/lease payment is made to the finance institution on behalf of the Insured should the Insured become totally disabled due to injury or sickness and is unable to perform the usual duties of his/her own work. If both the Debtor and the Co-debtor are totally disabled at the same time, the monthly payment will be paid in the Debtor's behalf. No more than one Insured Monthly Payment per month will be made for any benefits claimed under Accident & Sickness insurance.

Important: If the Insured has more than one active disability policy issued by SAL, the combined accident & sickness disability benefit payable cannot exceed the maximum monthly amount of insurance as stated on the most recently purchased SAL certificate.

#### **Accidental Disability Coverage:**

Jumbo Extend gives the Debtor and/or Co-Debtor the option of purchasing accidental disability insurance. This insurance ensures that the monthly auto loan/lease payment is made to the finance institution on behalf of the Insured should the Insured become totally disabled solely due to injury and is unable to perform the usual duties of his/her own work. If both the Debtor and the Co-debtor are totally disabled at the same time, the monthly payment will be paid in the Debtor's behalf. No more than one Insured Monthly Payment per month will be made for any benefits claimed under Accidental Disability Insurance.

Important: If the Insured has more than one active disability policy issued by SAL, the combined accidental disability benefit payable cannot exceed the maximum monthly amount of insurance as stated on the most recently purchased SAL certificate.

## **B. Health Questions, Supplemental Health Questionnaire (SHQ), Review and Underwriting**

Jumbo Extend's maximum amounts of insurance means flexible protection for your customers:

- ✓ Life: \$500,000 for ages 18-55, \$400,000 for ages 56-59, \$150,000 for ages 60-69
- ✓ Accident & Sickness Disability: \$5,000/month for ages 18-59, \$1,800/month for ages 60-65 Aggregate Max.: \$300,000
- ✓ Accidental Disability: \$5,000/month for ages 18-59, \$1,800/month for ages 60-65 Aggregate Max.: \$300,000

These high maximums allow your customers to purchase creditor insurance on their multiple heavy truck and equipment purchases.

For some customers, higher maximum amounts of insurance require that your customers disclose health information by answering the Health questions on the front of the Certificate. Depending on how these questions are answered and the amount of insurance applied for, medical evidence and/or underwriting may also be required.

Note: Your customer is limited to the Maximum Amount of Insurance stated on the certificate. Customers at the oldest age band (ages 60-69) for Life coverage and ages 60-65 for Disability coverage) are not subject to the health questions, SHQ, review or underwriting. Their lower maximum amounts of insurance do not require additional health information.

Note: The maximum amount of Insurance is governed by the age of the eldest Applicant.

**The following table outlines the Jumbo Extend application process including when your customer will need to complete the health questions on the certificate and the separate SHQ:**

**Total Insured Amount (TIA) = Insured Financed Amount plus Insured Residual Amount**

<p>If TIA <u>less all premiums</u> is ≤ \$200,000</p>		<p>Coverage will be in force and the Application is not subject to the health questions, SHQ, review or underwriting. (Note: Coverage is still subject to the Certificates terms, exclusions and limitations).<sup>1</sup></p>
<p>If TIA <u>less all premiums</u> is &gt; \$200,000</p>	 <p>Customer must complete all the Health Questions on the Certificate</p> 	<p style="text-align: center;"><b>If all questions are answered "NO " AND TIA less all premiums ≤ \$300,000 AND Insured Monthly Payment ≤ \$3,500/month:<sup>2</sup></b></p> <p>Coverage will be in force and the Application is not subject to review. (Note: Coverage is still subject to the Certificates terms, exclusions and limitations).</p>
		<p style="text-align: center;"><b>If any questions are answered "YES"<sup>3</sup></b></p> <p>Your customer's Application is subject to the Supplemental Health Questionnaire (SHQ) and the Application will be subject to review and if required, underwriting. Written approval or decline will be sent to both you and your customer.</p>
		<p style="text-align: center;"><b>If the TIA less all premiums &gt; \$300,000 OR Insured Monthly Payment &gt; \$3,500/month<sup>4</sup>:</b></p> <p>Your customer's Application is subject to the SHQ, and IAP's review and underwriting. Written approval or decline will be sent to both you and your customer.</p>

In determining whether your customer will need to answer the Health Questions and/or be subject to the SHQ you should **deduct the insurance premiums** from the Total Insured Amount.

Below are specific examples of the graph above:

Example 1: Insurance premiums (life premium is \$4000, disability premium is \$6000)= \$10,000  
Total Insured Amount (TIA)= \$205,000  
 $\$205,000 - \$10,000 = \$195,000$   
**Health questions on the face of the certificate do not need to be answered and coverages are automatically issued.**

Example 2: Insurance premiums (life premium is \$6000, disability premium is \$9000)= \$15,000  
Total Insured Amount (TIA)= \$310,000  
 $\$310,000 - \$15,000 = \$295,000$   
**Health Questions on the face of the certificate need to be answered. If they answer 'NO' to all health questions AND insured monthly payment is  $\leq$  \$3,500/month, coverages requested are automatically issued.**

Example 3: Insurance premiums (life premium is \$6,000, disability premium is \$9,000)= \$15,000  
Total Insured Amount (TIA)= \$310,000  
 $\$310,000 - \$15,000 = \$295,000$   
**Health Questions on the face of the certificate need to be answered. If they answer 'YES' to any health questions, they must fill out the SHQ. Their application will be reviewed, and if required underwritten by the Insurer. The Insurer will notify customer if coverage has been approved.**

Example 4: Insurance premiums (life premium is \$8,000, disability premium is \$12,000)= \$20,000  
Total Insured Amount (TIA)= \$330,000  
 $\$330,000 - \$20,000 = \$310,000$   
**Health Questions on the face of the certificate and the SHQ need to be filled out. Their application will be underwritten by the Insurer. The Insurer will notify customer if coverage has been approved.**

## C. Description of Benefit

### 1. Life Insurance Benefit

- a) In the event of death due to Sickness or Injury:
  - For a finance contract, the Life Insurance benefit is equal to the outstanding balance of the Insured Loan at the date of death, less any arrears. If residual coverage has been purchased, the present value of the Insured Residual Value is included in the payable benefit. Residual coverage is strongly recommended if there is a remaining balance at the end of the insurance term (see point of sale piece page 28 for the diagram explaining the benefit of insuring the outstanding balance of the financial obligation). The benefit is payable to the Creditor or Financial Institution, if one is named.
  - For a lease contract, the Life Insurance benefit is equal to the present value of the remaining monthly payments to the expiry date of the insurance, less any arrears. If residual value coverage has been purchased, the present value of the insured residual value is included in the payable benefit. The benefit is payable to the Creditor or Financial Institution, if one is named.

b) Accidental Dismemberment:

In the event that Injury causes permanent and complete loss of: both hands; both feet; entire sight of both eyes; or any combination of two of hand, foot and sight of one eye, the Insurer will pay the Life Insurance benefit as described above (see Definitions).

c) The Life Insurance Benefit is subject to the Maximum Amount of Insurance stated on the certificate.

## 2. Disability Insurance Benefit

✓ **Accident and Sickness Disability:**

Covers the Insured Monthly Payment if Total Disability is caused by Injury or Sickness Hospitalization benefit is included. If retroactive waiting period is selected and Total Disability requires Hospitalization (see definition), the Waiting Period will be waived.

✓ **Accidental Disability:**

Covers the Insured Monthly Payment if Total Disability is caused solely by Injury Accidental Disability: Maximum benefit if 6 per event per Insured.

In the event of Total Disability for either disability coverages, the monthly disability insurance benefit is:

- Payable to the creditor and/or financial institution, if one is named;
- Subject to the terms and conditions of the certificate;
- Subject to receipt of supporting documents;
- Equal to the amount of the Insured Monthly Payment for the period of Total Disability. The benefit amount for a fraction of a month is equal to 1/30 of the insured monthly benefit. The residual value is not included in the payable benefit. We will not pay any overdue payments or additional interest charges;
- Subject to the Maximum Monthly Amount of Insurance stated on the certificate; and
- Subject to the Aggregate maximum benefit: \$300,000.

Disability benefits are payable as long as the Insured is Totally Disabled (see Definitions) and the Certificate remains in force (see Termination of Insurance).

## D. Eligibility

**1. To be eligible for JUMBO EXTEND LIFE Insurance, your customer must:**

- be a natural person. A partnership, company or association cannot be named as the Debtor/Insured;
- be over 18 but not yet 70 years of age;
- have a loan repayment/lease term of not more than 120 months. Note: this refers to the finance term, not to the amortization term.

**1. To be eligible for JUMBO EXTEND DISABILITY Insurance your customer must:**

- be a natural person. A partnership, company or association cannot be named as the Debtor/Insured;
- be over 18 but not yet 66 years of age;
- be able to perform the usual duties of their occupation; AND
- be gainfully employed for a minimum of 23 hours per week for the past 4 weeks; OR
- gainfully employed Seasonally (see Definitions) for 13 consecutive weeks during the past 12 months.

**IMPORTANT:**

With a creditor’s group insurance certificate, **the customer** must determine if he/she is eligible for the insurance with respect to the work and health eligibility requirements. If the customer asks you any medical questions you are not qualified to answer them. You can refer them to the Insurer’s Claims Center. By signing the certificate, they confirm that all requirements governing the certificate have been met. Signing also confirms that both the Debtor and the Co-Debtor, if applicable, have read, understood and accepted the limitations and exclusions pertaining to the insurance coverage.

In the event it is subsequently determined that the customer was not eligible to purchase the insurance, the Insurer’s only obligation is to refund any premium which has been paid.

If your customer is unsure whether they are eligible for coverage, please have them call the Insurer’s Eligibility Support Line: 1 800 761.4655.

**E. Waiting Periods for Disability Plans**

**Types of Waiting Periods:**

There are two types of waiting periods: **Retroactive** and **Elimination**. Both **Retroactive** and **Elimination** plans have a mandatory waiting period. The difference between the plans is whether or not a valid claim will pay benefits during the designated waiting period.

- A **Retroactive** plan ensures that the benefit payment will be calculated from the first day of Total Disability once the specified waiting period has been observed.
- An **Elimination** plan does not include the waiting period. Thus the benefit payment will be calculated from the first day of Total Disability after the specific waiting period has been observed.

The insurance premiums increase from a 30-day to a 7-day retroactive policy. The difference in premiums reflect the increased insurance risk. The elimination plan is the least expensive of the disability coverages since the insurance risk is the lowest.

**Waiting periods available for:**

- ✓ **Accident and Sickness coverage:**
  - Retroactive Disability Plans – Your customer may choose a 14-day or 30 day waiting period.
  - Elimination Disability Plans – Your customer may choose a 30-day, 60-day or 90-day waiting period.
- ✓ **Accidental Disability coverage:**
  - Retroactive Disability Plan – 30 day waiting period.

**F. Maximum Amounts of Insurance**

**1. Life**

- \$500,000 for ages 18-55
- \$400,000 for ages 56-59
- \$150,000 for ages 60-69

The Life insurance benefit payable under the Certificate and any other group insurance certificates issued by us cannot exceed the maximum amount of Life insurance stated above. In this event, the liability under the Certificate will be adjusted on a pro-rata basis with the other group insurance certificates.

If the Debtor and Co-Debtor die simultaneously, the life insurance benefit will be paid for the Debtor only.

The maximum amount of Insurance is governed by the age of the eldest Applicant.

## **2. Disability**

- \$5,000/month for ages 18-59
- \$1,800/month for ages 60-65
- Aggregate maximum: \$300,000
- Accidental Disability Insurance: Maximum benefit is 6 monthly payments per event per Insured.

The combined Accident and Sickness Disability Insurance monthly payment payable under the Certificate and any other group insurance certificates issued by us cannot exceed the maximum amount of insurance stated above. In this event, the liability under the Certificate will be adjusted on a pro-rata basis with the other group insurance certificates.

The combined Accidental Disability Insurance monthly payment payable under the Certificate and any other group insurance certificates issued by us cannot exceed the maximum amount of insurance stated above. In this event, the liability under the Certificate will be adjusted on a pro-rata basis with the other group insurance certificates.

If the Debtor and Co-Debtor are Totally Disabled at the same time, the monthly disability insurance benefit will be paid for the Debtor only.

No more than one Insured Monthly Payment per month will be made for any benefit(s) claimed under any Disability plan.

The maximum amount of Insurance is governed by the age of the eldest Applicant.

## **G. Benefits Payable**

Any benefits payable will be paid to the Creditor or Finance Institution, if one is named, to reduce the customer's financial obligation.

## **IV. LIMITATIONS AND EXCLUSIONS**

No insurance is payable in the event a customer's claim is caused or contributed by:

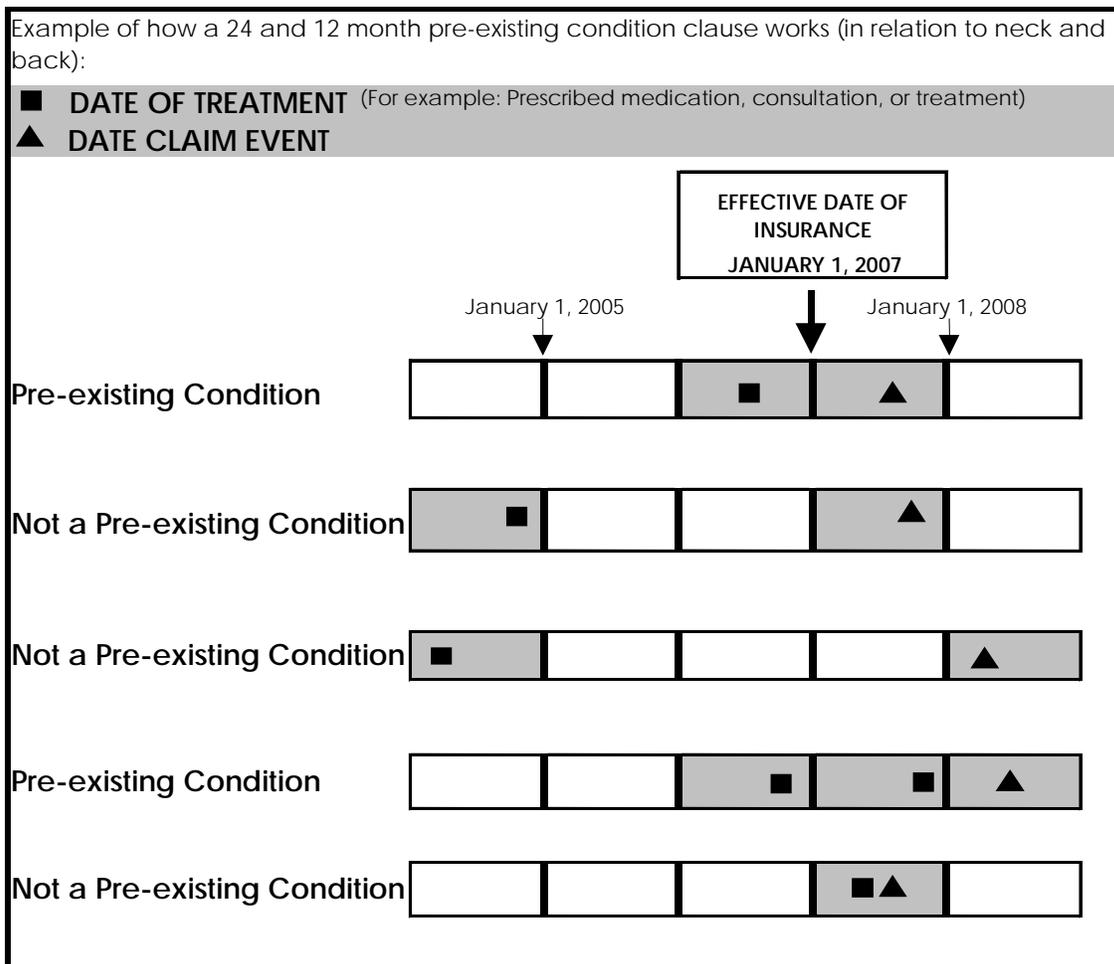
- Pre-existing Condition\* or as a direct or indirect result of a treatment for a Pre-existing Condition\*. This exclusion only applies if death or Total Disability occurs within 24 months of the Effective Date of Insurance; or
- intentionally self-inflicted injury while sane or insane; or
- war or any act of war whether declared or undeclared; or
- suicide; or
- direct or indirect participation in a criminal act, or any attempt to commit a criminal offense, including but not limited to, operating a motor vehicle while the concentration of alcohol in one hundred (100) milliliters of the Insured's blood exceeds eighty (80) milligrams; or
- chronic or excessive use of alcohol; or
- drug or substance use apart from controlled drugs used as legally prescribed by and on the advice of a physician; or
- pregnancy, childbirth or termination of pregnancy; or
- cosmetic or elective surgery.

\*See Definition and chart

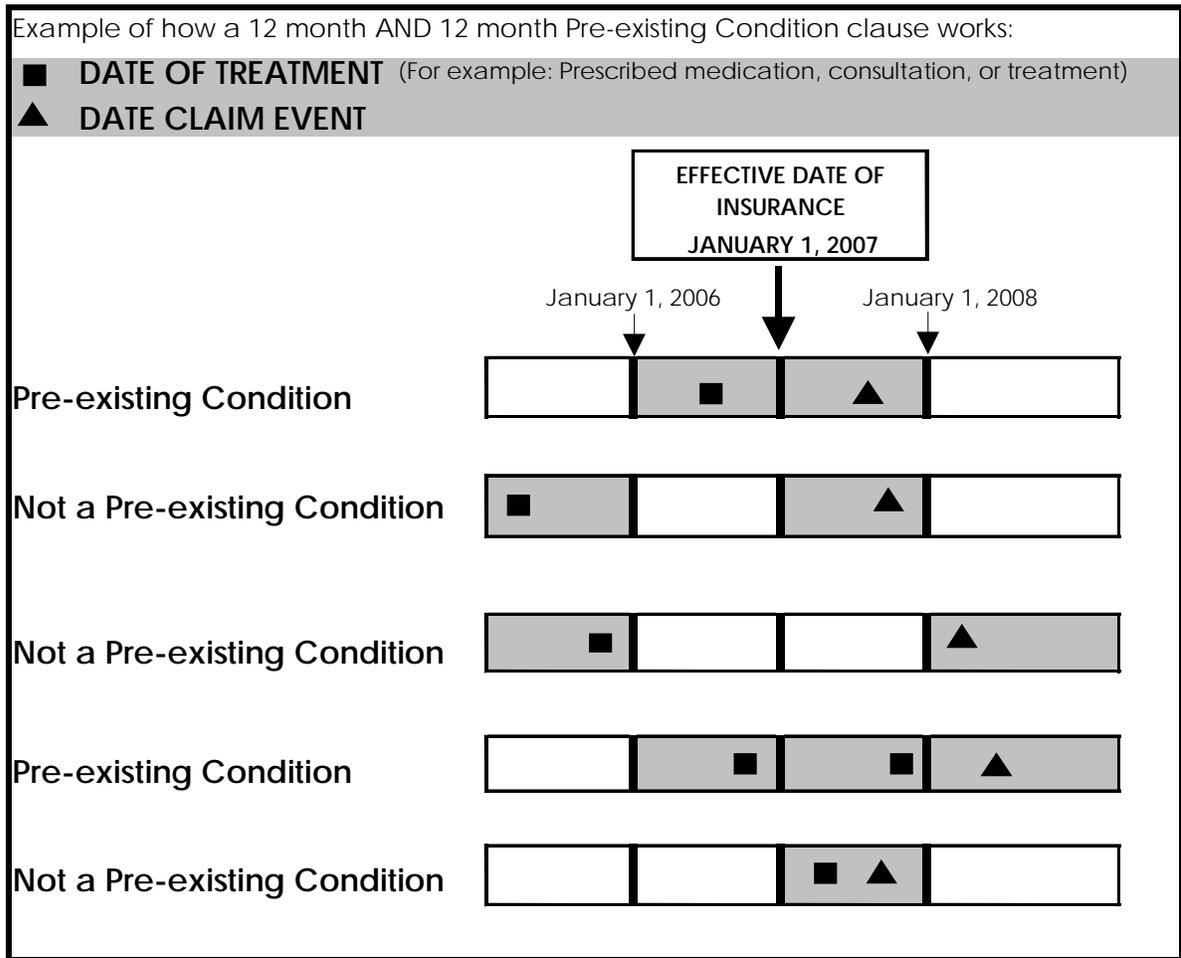
## A. Pre-existing Condition – Definition and chart

“Pre-existing Condition” means:

- A. in relation to the neck and back, an illness, disease, mental, nervous or psychiatric condition or disorder for which any of (i) medical advice (ii) treatment (iii) service (iv) prescribed medication (v) diagnosis or (vi) consultation, including consultation to investigate, follow-up and/or diagnose (where diagnosis has not yet been made) was received by you or would have been received by a prudent individual within both (a) the **24 months** immediately preceding the Effective Date of Insurance and (b) the **12 months** immediately following the Effective Date of Insurance; and



- B. in relation to any other condition, an illness, disease, mental, nervous or psychiatric condition or disorder for which any of (i) medical advice (ii) treatment (iii) service (iv) prescribed medication (v) diagnosis or (vi) consultation, including consultation to investigate, follow-up and/or diagnose (where diagnosis has not yet been made) was received by you or would have been received by a prudent individual within both (a) the **12 months** immediately preceding the Effective Date of Insurance and (b) the **12 months** immediately following the Effective Date of Insurance.



## **B. Summary of Specific features**

### **1. Policy Period**

- a) Coverage takes effect on the Effective Date of Insurance as defined in the Certificate.
- b) Coverage ceases on the earliest of the following dates:
  - On the Expiry Date of Insurance indicated on the Certificate; or
  - Upon Termination of Insurance (See Termination).
- c) Maximum term of life insurance – 120 months.
- d) Maximum term of disability insurance – 84 months.

### **2. Free Look Period**

Participation in creditor's group insurance is made on a voluntary basis. The customer has 20 days after signing the Certificate to decide if he/she still wants the coverage. If not, they may request cancellation within the 20 day period. All premiums paid will be reimbursed to the customer and/or the Financial Institution named on the Certificate.

### **3. Termination of Coverage**

**Coverage terminates for all Insureds when any of the following events occur:**

- upon discharge of the debt in respect of the Financed Amount; or
- upon the Expiry Date of Insurance; or
- the terms of payment, or the amount payable under the Financed Amount have been increased or extended; or
- the Creditor or Financial Institution has demanded payment of the full amount due under the Financed Amount because of default; or
- the property which is the subject of the Financed Amount has been repossessed or become the subject of a court action; or
- upon our receipt of written notice that the Insured(s) wish to cancel the insurance coverage signed by both the Debtor and the Co-Debtor; or
- upon payment of a surrender value/cancellation amount, if any is owing; or
- upon the date of death of the Insured Debtor for single coverage, or both Insured Debtor and Co-Debtor for joint coverage; or
- upon the 73rd birthday of the eldest Insured; or
- upon our payment of the Life Insurance or Accidental Dismemberment benefit.

**Disability benefits cease when one of the following events occurs:**

- the Insured is no longer Totally Disabled; or
- the date the Insured retires from regular or Seasonal employment; or
- on the Expiry Date of Insurance indicated on the Certificate; or

- failure to provide the insurer, within the required period, with satisfactory proof of persistency of the disability; or
- refusal, omission or failure to submit to the medical examination required by the insurer, or to meet with a consultant whose expertise is necessary to the evaluation of a claim; or
- death; or
- Termination of Coverage (See above).

In addition to those above, Accidental Disability coverage benefits also cease when the maximum number of 6 monthly payments per Insured have been paid for each period of Accidental Disability.

## **V. SPECIAL LIMITATIONS**

In addition to the limitations and exclusions above, the following Special Limitations apply to Disability Insurance:

If your customer's Total Disability is caused or contributed to by:

- a. mental, nervous or psychiatric condition or disorder, after a benefit period of three months, payments will only be made if the Insured is regularly attending a licensed psychiatrist, a licensed psychologist or a licensed neurologist;
- b. disease or disorder of the neck or back including but not limited to lumbar, thoracic or cervical spine, after a benefit period of two months, payments will only be made if the Insured is under the care of a licensed medical specialist such as a neurologist, a neurosurgeon, a physiatrist, an orthopaedic surgeon or a rheumatologist.

## **VI. DEFINITIONS**

1. **"Accidental Dismemberment"** means the complete loss of both hands, both feet or the entire sight of both eyes or any combination of two. Loss is considered to be severance at or above the wrist or ankle joint, or the irrevocable loss of eyesight.
2. **"Applicant"** means the Debtor and/or Co-Debtor named on this Application, that
  - a) are debtor(s) under the Financed Amount, and
  - b) satisfy the Eligibility Requirements, and
  - c) are subject to the Supplemental Health Questionnaire (SHQ), and
  - d) have paid the applicable premium for the coverage selected on the Application.
 Upon approval of coverage, the Applicant becomes the Insured. The Applicant must be a natural person, not a partnership, company or association.
3. **"Certificate of Insurance"** or **"Certificate"** means this Application, the SHQ (if applicable) plus any additional documents regarding your coverage issued to you by the Insurer.
4. **"Effective Date of Insurance"** means a) the Requested Effective Date shown on the front of this Certificate, if you are not subject to the Health Questions; or b) the Requested Effective Date, shown on the front of this Certificate, if you are required to complete the Health Questions and i) answered 'NO' to all Health Questions; ii) your Insured Financed Amount plus Insured Residual Value less all premiums is less than or equal to \$300,000; and iii) your Insured Monthly Payment is less than or equal to \$3,500/month; or c) if a) and b) don't apply, the date we notify you in writing that your coverage has been approved. Your Application will be null and void if all underwriting requirements are not satisfied within 90 days of signing this Application.

5. **"Financed Amount"** means the debt described on the front of this Certificate, payable in whole or part by installments, resulting from your debt to the Financial Institution, if one is named.
6. **"Hospital"** means a lawfully operated institution under the supervision of a staff of physicians and which provides 24 hour a day nursing service and which is primarily engaged in providing inpatient medical care and treatment of sick and injured persons through, medical, diagnostic and major surgical facilities on its premises. Hospital does not include an establishment which is primarily a clinic, nursing home, rest home, convalescent home, home for the aged or similar establishment, or a facility for the treatment of alcoholics, drug addicts, or the mentally ill.
7. **"Hospitalization"** means the continuous confinement in a Hospital as a resident in-patient for a minimum of 72 hours on the advice of a legally qualified physician or surgeon by reason of Injury.
8. **"Injury"** means bodily injury caused by an accident which occurs after the Effective Date of Insurance. The Injury must result from the accident, directly and independently of any other causes and must solely cause the death, Accidental Dismemberment, or Total Disability.
9. **"Insurance"** means the Life Insurance, and/or Disability Insurance coverage selected on this Certificate.
10. **"Insured"** means the Debtor and Co-Debtor named on this Certificate, who are debtor(s) under the Financed Amount, and have selected Insurance. The Insured must be a natural person, not a partnership, company or association.
11. **"Insured Loan"** means the debt described on the front of this Certificate by the Insured Financed Amount over the Insurance Term in Months at the Interest Rate. If a) the Financed Amount is greater than the Insured Financed Amount or b) your Amortization Term is greater than your Insurance Term, the Insurance benefit may not pay the full outstanding balance of your financial obligation.
12. **"Insurer"** means:
  - A. Industrial Alliance Pacific Insurance and Financial Services Inc. for all Certificates with the Effective Date prior to July 1, 2012; or
  - B. Industrial Alliance Insurance and Financial Services Inc. for all Certificates with the Effective Date on or after July 1, 2012.
13. **"Pre-existing Condition"** means:
  - (A) in relation to the neck and back, a disease or disorder of the neck or back including but not limited to lumbar, thoracic or cervical spine for which any of (i) medical advice, (ii) treatment, (iii) service, (iv) prescribed medication, (v) diagnosis or (vi) consultation, including consultation to investigate, follow-up and/or diagnose (where diagnosis has not yet been made), was received by you or would have been received by a prudent individual within both (a) 24 months immediately preceding the Effective Date and (b) the 12 months immediately following the Effective Date; and
  - (B) in relation to any other condition, an illness, disease, mental, nervous or psychiatric condition or disorder for which any of (i) medical advice (ii) treatment (iii) service (iv) prescribed medication (v) diagnosis or (vi) consultation, including consultation to investigate, follow-up and/or diagnose (where diagnosis has not yet been made) was received by you or would have been received by a prudent individual within both (a) the 12 months immediately preceding the Effective Date of Insurance and (b) the 12 months immediately following the Effective Date of Insurance.
14. **"Rule of 78"** as used with reference to a surrender value, is an industry-standard mathematical formula applied to calculate unearned premium. It is defined as:  $((A-B) \times (A-B+1)) / (A \times (A+1))$ , where "A" is equal to the Insurance Term in Months and "B" is equal to the Months of the Insurance Used.
15. **"Seasonally"** or **"Seasonal"**, as used with reference to work, means work that is limited in frequency by weather or other natural conditions and does not include occupations limited by availability of work.
16. **"Sickness"** means illness, disease or psychiatric disorder which first becomes manifest after the Effective Date of Insurance.

17. **“Specialist”** means a physician licensed and practicing in Canada whose practice is limited to the particular branch of medicine relating to the applicable covered condition and who is not the Insured, a relative or business associate of the Insured.
18. **“Totally Disabled”** or **“Total Disability”** means your inability to perform all the duties of your occupation. After you have been Totally Disabled for 12 continuous months (plus any Elimination Waiting Period), Total Disability means your inability to perform all duties of any occupation for which you are or can become reasonably qualified by virtue of your education, training, or experience. You are not Totally Disabled if you are working full or part time or if you have retired. Lack of work does not constitute Total Disability or entitle you to Insured Monthly Payments.

## **VII. Jumbo Extend Insurance Certificate (Form 7394)**

A sample copy of a Jumbo Extend Application/Certificate of Insurance appears on the next page. The following is a list of the fields on the certificate, along with a brief explanation.

Prior to printing out the certificate of insurance, the Business Manager should ensure that the correct certificate form is being used. Jumbo Extend coverages printed on the Jumbo Ultra Loan Repayment Insurance certificate (or any other certificate) may void the policy since the limitation and exclusions between the two products are different. Thus a new Jumbo Extend certificate will have to be issued.

# Jumbo Extend

Insurance Application and/or Certificate of Insurance



CERTIFICATE NO. JXA	1	FIRST PAYMENT DATE D D M M M M Y Y Y Y	2	STOCK NO.	3	CREDITOR NO.	4	REQUESTED EFFECTIVE DATE OF INSURANCE D D M M M M Y Y Y Y	5	APPROVAL DATE D D M M M M Y Y Y Y	6
								EXPIRY DATE OF LIFE INSURANCE D D M M M M Y Y Y Y	7	EXPIRY DATE OF DISABILITY INSURANCE D D M M M M Y Y Y Y	8

GENERAL INFORMATION	CREDITOR	9		FINANCIAL INSTITUTION	10	
	SURNAME - DEBTOR (ONE PERSON ONLY)	11		FIRST NAME	INITIAL	TELEPHONE NUMBER ( ) 12
	H.O. USE ONLY	13		APT. NO.	STREET ADDRESS	CITY
	PROVINCE	14		POSTAL CODE	15	
	DATE OF BIRTH D D M M M M Y Y Y Y	16		SURNAME - CO-DEBTOR (ONE PERSON ONLY)	17	
	H.O. USE ONLY	18		APT. NO.	STREET ADDRESS	CITY
PROVINCE	19		POSTAL CODE	20		
DATE OF BIRTH D D M M M M Y Y Y Y	21					
H.O. USE ONLY	21					

FINANCE	FINANCED AMOUNT \$	22	RESIDUAL VALUE \$	23	INTEREST RATE	24	%	SOFTWARE COMPANY	25
	MONTHLY PAYMENT \$	26	DEAL TYPE (FINANCE LEASE)	27	FINANCE TERM IN MONTHS	28		AMORTIZATION TERM IN MONTHS	29

INSURANCE COVERAGE	LIFE INSURANCE	<input type="checkbox"/> Debtor Only <input type="checkbox"/> Co-Debtor Only <input type="checkbox"/> Both <input type="checkbox"/> Insurance Declined			30			
	Decreasing Term	INSURED FINANCED AMOUNT \$	31	INSURANCE TERM IN MONTHS MAXIMUM - UP TO 60 MONTHS	32	LIFE PREMIUM \$	33	
	Residual	INSURED RESIDUAL VALUE \$	34	INSURANCE TERM IN MONTHS MAXIMUM - UP TO 60 MONTHS	35	RESIDUAL LIFE PREMIUM \$	36	
	Maximum Amount of Insurance (Insured Financed Amount Plus Insured Residual Value): \$500,000 (ages 18-55), \$400,000 (ages 56-59), \$150,000 (ages 60-69)						Maximum Insurance Term: 120 Months	
	DISABILITY INSURANCE (one only):	<input type="checkbox"/> Debtor Only <input type="checkbox"/> Co-Debtor Only <input type="checkbox"/> Both <input type="checkbox"/> Insurance Declined			37			
	<input type="checkbox"/> Accident & Sickness	WAITING PERIOD	39	DAYS	TYPE OF WAITING PERIOD	40	ELIMINATION (The insurance <b>does not</b> cover the Waiting Period.) RETROACTIVE (The insurance <b>does</b> cover the Waiting Period.)	
	<input type="checkbox"/> Accidental Disability (Max. 6 benefits/claim)	MONTHLY DISABILITY INSURANCE	\$	41	INSURANCE TERM IN MONTHS MAXIMUM - UP TO 60 MONTHS	42	DISABILITY PREMIUM \$	43
	Maximum Amount of Insurance (Insured Monthly Payment): \$5,000 (ages 18-59), \$1,800 (ages 60-65) Aggregate Max.: \$300,000 Maximum Insurance Term: 84 Months						TOTAL PREMIUM \$	44
							SALES TAX OF APPLICATION \$	45
							TOTAL COST \$	46

**PRIVACY NOTICE:**

We will collect and retain all personal information concerning your insurance and claims. The information is used for purposes of underwriting, marketing, administration and cancellation of your Certificate and investigation of claims. We will only access your file on a need to know basis and it will be kept at 2165 West Broadway, Vancouver, BC, V6B 5H6. Your file can be reviewed and/or rectified by written request.

**Important: To be completed by Debtor(s) where the Insured Financed Amount plus Insured Residual Value less all premiums exceeds \$200,000**

HEALTH QUESTIONS	1. In the past five years, have you attended a medical facility for, consulted a physician for, received medical advice or treatment for, or been diagnosed with cancer or tumour, chest pain, shortness of breath, angina, heart attack, coronary heart disease, arrhythmia, heart disorder, blood disorder, high blood pressure, stroke, Transient Ischemic Attack (TIA), diabetes, asthma, emphysema or other respiratory or lung disorder, circulatory disorder, kidney disorder, urinary disorder, liver disorder, hepatitis, seizures, paralysis, Multiple Sclerosis, cerebral or neurological disorder, anxiety, depression or any other psychiatric disorder, stomach disorder, ulcerative colitis, Crohn's disease, neck or back problems, joint disorder, alcohol use, drug abuse, fibromyalgia, chronic fatigue syndrome, positive human immunodeficiency virus (HIV) test or Acquired Immune Deficiency Syndrome (AIDS)?	Debtor YES NO	Co-Debtor YES NO
	2. Within the past 24 months have you: a) Been partially or totally disabled and/or received disability or Worker's Compensation benefits? b) Consulted a physician or other health care professional, been diagnosed with, taken prescribed medication or been treated for: fibromyalgia, fibrositis, osteoarthritis, chronic fatigue syndrome, strains or other disorders of the back, neck, shoulder, elbows, knees, hips or other joints, muscles, ligaments or tendons?		

**STATEMENT BY DEBTOR AND CO-DEBTOR**

I understand that if I answer YES to any of the Health Questions above I must complete a Supplemental Health Questionnaire (SHQ) and this Application will be subject to review and written approval by the Insurer. In addition, if a) the sum of my Insured Financed Amount plus Insured Residual Value less all premiums exceeds \$300,000 (ages 18-59) or b) my Insured Monthly Payment exceeds \$3,500 (ages 18-59) I must complete a SHQ and this Application will be underwritten and requires written approval by the Insurer for the insurance to be in effect.

The Insurer may request a medical examination or tests and any cost for these will be paid for by the Insurer. I understand that once approved, this Application and/or Certificate (collectively this "Certificate") forms part of my contract of insurance and insurance will commence on the Effective Date of the Insurance as described on the reverse. Applications that are subject to the SHQ may be declined by the Insurer via written notification by regular mail to the address shown on this Application. Any premiums paid will be refunded to the Financial Institution.

**ELIGIBILITY REQUIREMENTS, LIMITATIONS AND EXCLUSIONS**

Please read the following and sign below. It is important that you determine whether you are eligible to purchase this insurance.

You are eligible:

- If you have selected Life Insurance, you confirm that you are over 18 but not yet 70 years of age.
- If you have selected Disability Insurance, you confirm that you are:
  - over 18 but not yet 66 years of age;
  - able to perform the usual duties of your occupation; AND
  - gainfully employed, and have been working at least 23 hours per week for the past 4 weeks; OR
  - have been working seasonally, for at least 13 consecutive weeks during the past 12 months.

I confirm that I have read the above and understand that no coverage will be available in part or at all if I do not meet the applicable Eligibility Requirements. I also confirm that the information given above is correct and understand that any incorrect answer or misrepresentation may render this Certificate void.

**I UNDERSTAND THAT TOTAL DISABILITY, ACCIDENTAL DISMEMBERMENT OR DEATH ARISING FROM, OR CAUSED OR CONTRIBUTED TO BY PRE-EXISTING CONDITIONS, AS DESCRIBED ON THE REVERSE, WILL NOT BE COVERED IF SUCH EVENT OCCURS WITHIN 24 MONTHS OF THE EFFECTIVE DATE OF INSURANCE.**

I understand that the Insurance payable under this Certificate is subject to the Eligibility Requirements, Limitations and Exclusions, general terms, conditions, Definitions, and Special Limitations as described herein. I HAVE BEEN ADVISED TO READ THIS CERTIFICATE IN FULL INCLUDING THE REVERSE SIDE AND UNDERSTAND THAT COVERAGE IS VOLUNTARY. I HAVE READ THE "PRIVACY NOTICE" AND "STATEMENT BY DEBTOR AND CO-DEBTOR" AND CONSENT TO USE AND DISCLOSURE OF MY PERSONAL INFORMATION. I am aware that no party is authorized to waive or modify the terms of this Certificate and the Creditor is not an agent of the Insurer. I understand that the Creditor, as group master policyholder contracted with the Insurer, will receive an administration fee in respect of the transaction and that there is no obligation for me to transact this or any other business with the Insurer. I am aware of the 20 Day Free Look on the reverse.

Please be aware this Certificate excludes coverage for certain pre-existing conditions. We urge you to review the definition of Pre-existing Condition provided on the reverse. For questions regarding Pre-existing Conditions, eligibility, limitations and exclusions, call 1-800-761-4655. For all other inquiries, please see the number contained on the reverse.

X DEBTOR	DATE (DD/MMM/YYYY)	X CO-DEBTOR	DATE (DD/MMM/YYYY)
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FORM 7394 (JAN/2012)

## A. How to complete the certificate:

**Form 7394, "JXA" Prefix:** Valid for use in Alberta and British Columbia only.

1. CERTIFICATE NO.: is the pre-printed unique certificate number
2. FIRST PAYMENT DATE: the date on which the first loan payment is due to the Financial Institution. All date formats are DD-  
MMM-YYYY as in 31-JAN-2007.
3. STOCK NO.: a field that allows dealers to reference the sale
4. CREDITOR NO.: is the dealership's designated master group policy number held with the Insurer (maximum 8 chars, alpha-  
numeric)
5. REQUESTED EFFECTIVE DATE OF INSURANCE: the date on which Loan/Lease coverage begins. This date should coincide  
with the date on which the funds are advanced. All date formats are DD-MMM-YYYY as in 31-JAN-2007.
6. APPROVAL DATE: If underwriting is required, the date the application has been approved. PLEASE LEAVE THIS FIELD BLANK  
AS IT WILL BE COMPLETED MANUALLY.
7. EXPIRY DATE OF LIFE INSURANCE: is calculated from Requested Effective date of insurance using Insurance Term. All date  
formats are DD-MMM-YYYY as in 31-JAN-2007.
8. EXPIRY DATE OF DISABILITY INSURANCE: is calculated from Requested Effective date of insurance using Insurance Term.  
All date formats are DD-MMM-YYYY as in 31-JAN-2007.

### GENERAL INFORMATION

9. CREDITOR: is the name of the dealership from whom the insurance certificate was purchased.
10. FINANCE INSTITUTION: is the full name of the financial institution financing the loan/lease.
11. SURNAME, FIRST NAME, INITIAL (DEBTOR): is the full name of the Debtor, if insured under the certificate.
12. TELEPHONE NUMBER: is the primary phone number of the Debtor.
13. H.O. USE ONLY: Please leave this H.O. Use Only box empty.
14. APT. NO., STREET ADDRESS, CITY, PROVINCE, POSTAL CODE: is the complete mailing address of the Debtor.
15. DATE OF BIRTH: the birthdate of the Debtor. All date formats are DD-MMM-YYYY as in 31-JAN-2007.
16. SURNAME, FIRST NAME, INITIAL (CO-DEBTOR): is the full name of the Co-debtor, if insured under the certificate
17. TELEPHONE NUMBER: is the primary phone number of the Co-debtor.
18. H.O. USE ONLY: Please leave this H.O. Use Only box empty.
19. APT. NO., STREET ADDRESS, CITY, PROVINCE, POSTAL CODE: is the mailing address of the Co-debtor.
20. DATE OF BIRTH: the birthdate of the Co-Debtor, if insured. All date formats are DD-MMM-YYYY as in 31-JAN-2007.
21. H.O. USE ONLY: This is equal to Monthly Payment x Insurance Term.

## Finance information

22. FINANCED AMOUNT: This is equal to principal amount of the loan/lease, including all insurance premiums, applicable fees and taxes.
23. RESIDUAL VALUE: this is equal to the remaining balance on the loan/lease payable to the Finance Institution at the end of the Finance Term (28).

For lease deals, this should include all fees and taxes due to the Finance Source at the end of the lease term so as to pay out the vehicle.

24. INTEREST RATE: the annual percentage interest rate charged by the Finance Institution.
25. SOFTWARE COMPANY: is the full name of the software company providing services to this dealership.
26. MONTHLY PAYMENT: the monthly loan/lease payment payable to the Finance Institution, including all insurance premiums, applicable fees and taxes. **Important:** If the actual payment frequency of the loan is not monthly, the deal must be converted to an accurate monthly loan payment amount.
27. DEAL TYPE (FINANCE/LEASE): indicates whether the deal is a FINANCE deal or a LEASE
28. FINANCE TERM IN MONTHS: equal to loan/lease term. Must be less than or equal to Amortization Term in Months (29)
29. AMORTIZATION TERM IN MONTHS: equal to the amortization term of the loan. Must be greater than or equal to Finance Term in Months (28).

## INSURANCE COVERAGE

### Life Insurance

Minimum Age: 18 years

Maximum Age: 69 years

Maximum Term of Insurance: 120 months or until age 73

Maximum Amounts of Insurance: \$500,000 ages 18-55, \$400,000 ages 56-59, \$150,000 ages 60-69

Life insurance: Insured Finance Amount (31) + Insured Residual Value (34)]

30. Select only one of:
- mark DEBTOR ONLY box only if Debtor is to be insured; OR
  - mark CO-DEBTOR ONLY box only if Co-Debtor is to be insured; OR
  - mark BOTH box only if both the Debtor and Co-Debtor are to be insured.
  - If none of the above apply, and Insurance coverage is being declined mark INSURANCE DECLINED box only and have the Debtor and/or the Co-Debtor initial in the space provided.
31. LIFE INSURED FINANCED AMOUNT: is equal to the portion of the Financed Amount (22) payable to the Finance Institution over the Insurance Term (35).
32. INSURANCE TERM IN MONTHS: the number of months, from the Requested Date of Insurance (5), for which insurance is to be in-force. Must be less than or equal to Finance term (28).
33. LIFE PREMIUM: the premium paid for Monthly Decreasing Term Life coverage. Minimum premium is \$60.00. If no insurance coverage was purchased, this field should be left blank; or equal to "0.00".

34. **INSURED RESIDUAL VALUE:** the portion of the Residual Value (23) insured. If a lease deal, this value should include any applicable sales taxes.

**Important:** If the loan is a finance deal AND insurance Term is less than the Finance Term in Months (28), there will be a balance due at the end of the shorter insurance term. This balance is NOT to be included as part of the Insured Financed Amount for Monthly Decreasing Term Life Insurance. If this portion is to be insured, it must be insured as a Residual Value Life Insurance Coverage.

35. **INSURANCE TERM IN MONTHS:** the number of months, from the Requested Effective date of Insurance (4), for which Residual Value Life coverage is to be in effect. Must be equal to Insurance Term in Months for Decreasing Term Life Insurance (32). Must be less than or equal to Finance Term in Months (28).

36. **RESIDUAL LIFE PREMIUM:** the premium paid for Residual Value Life Insurance coverage. Minimum premium is \$60.00. If no insurance coverage was purchased, this field should be left blank; or equal to "0.00".

#### Disability Insurance

Minimum Age: 18 years

Maximum Age: 65 years

Maximum Term of Insurance: 84 months or until age 73

Maximum Insured Monthly Payment: \$5,000 for ages 18-59, \$1,800 for ages 60-65. (Aggregate Maximum \$300,000)

37. Select only one of the following disability coverages:

- Accident & Sickness Disability
- Accidental Disability (Max. 6 benefits/event)

38. Select only one of:

- Mark DEBTOR ONLY box only if Debtor is to be insured; OR
- Mark CO-DEBTOR ONLY box only if Co-Debtor is to be insured; OR
- Mark BOTH box only if both the Debtor and Co-Debtor are to be insured.
- If none of the above apply, and Insurance coverage is being declined mark INSURANCE DECLINED box only and have the Debtor and/or the Co-Debtor initial in the space provided.

39. **WAITING PERIOD:** must specify number of days for the waiting period: 7, 14, or 30.

40. **TYPE OF WAITING PERIOD:** must specify type either RETROACTIVE or ELIMINATION.

41. **INSURED MONTHLY PAYMENT:** can be less than or equal to MONTHLY PAYMENT (26).

42. **INSURANCE TERM IN MONTHS:** is the number of months from the Requested Effective date of Insurance (5) that disability coverage is to be in-force. Must be less than or equal to Finance term in Months.

43. **DISABILITY PREMIUM:** is equal to the premium paid for the disability coverage. Minimum premium is \$60.00. If no Insurance coverage was purchased, this field should be left blank; or equal to "0.00".

44. **TOTAL PREMIUM:** equal to fields [33+36+43], representing the total cost of all insurance coverages purchased.

45. **SALES TAX (IF APPLICABLE):** sales tax is applicable in Ontario only.

46. **TOTAL INSURANCE COST:** equal to fields [44+45], representing the total cost of all insurance coverages purchased, plus applicable sales tax.

### Health Questions

47. Health questions:

Customers must complete the questions if: the Insured Financed Amount plus Insured Residual Value less all premiums exceeds \$200,000. If they answer "yes" to any of these health questions they must fill out a Supplemental Health Questionnaire. If their Financed Amount plus Insured Residual Value exceeds \$300,000 (ages 18-59) or their Insured Monthly Payment exceeds \$3,500 (ages 18-59) the customer will also be required to fill out a Supplemental Health Questionnaire. The customer's application will be underwritten and will require written approval by the Insurer for the insurance to be in effect.

## **B. Copy Distribution**

Distribute copies as follows:

1. Remit first page (white) to the Insurer with remittance report
2. Give the 2<sup>nd</sup> copy (pink) to the Insured. It will be their only copy of the policy. It is important that it be retained for future reference should the Insured ever need to submit a claim or request for cancellation. The terms and conditions of the certificate appear on the reverse side.
3. Attach the 3<sup>rd</sup> copy (blue) to the conditional sales contract and send to the finance institution in the event that the company ever needs to request a cancellation of the certificate.
4. The 4<sup>th</sup> copy (yellow) is to be retained by the creditor.

## **C. Administration fee for Jumbo Extend 7394**

The administration fee is applicable only as a one-time fee upon customer cancellation. For example, if the certificate bears life and disability coverage, and the Insured has requested the cancellation of only one coverage, then the fee is deducted from the first cancellation request. If at a later date, the Insured requests cancellation of the other coverage, there will be no administration fee deducted.

The administration fee for Jumbo Extend 7394 is \$50.

## **D. Chargeback period for Jumbo Extend 7394**

Creditor Insurance earns the Creditor a percentage of the Customer's total premium amount. This same percentage is used in the calculation of a chargeback amount for certificates cancelled within a certain period after the Effective Date.

For Jumbo Extend 7394: Chargebacks calculated at EA rate against the refunded premium if cancelled within 30 days of the Effective Date.

**VIII. List of Jumbo Extend Related Forms**

Number	Name
7394	Jumbo Extend Certificate of Insurance (used in Alberta and BC)
7194	Supplemental Health Questionnaire
Point of Sale Materials:	
7379	Jumbo Extend: Graph & Statistics
7407DP	Jumbo Extend: Limitations & Exclusions/Waiting Periods
7405DP	Jumbo Extend: Eligibility/ PEX and Good Health Definitions
7408	Jumbo Extend: Residual/Application Process
7250	Jumbo Extend: Loan Repayment Insurance Brochure

**IX. APPENDICES**

**A. Supplemental Health Questionnaire (SHQ)**

A sample copy of the SHQ of Insurance appears below. Please refer to table on page 4 to determine whether it is required for your customer to complete.

 <p><b>INDUSTRIAL ALLIANCE</b> INSURANCE AND FINANCIAL SERVICES INC.</p>	<p><b>SUPPLEMENTAL HEALTH QUESTIONNAIRE</b></p> <p style="text-align: right;"><i>Please print in ink</i></p>
<p>You are being asked to complete this Questionnaire because either a question on the Group Insurance Application was answered 'YES', or the amount of insurance for which you have applied for requires additional information for further consideration of your Application. If required, this Application may be underwritten by Industrial Alliance Insurance and Financial Services Inc. ("Industrial Alliance").</p> <p>Is the Insurance Application attached? <input type="checkbox"/> Yes <input type="checkbox"/> No      If 'No', give date Insurance Application was completed (MM/DD/YYYY): <input style="width: 100px;" type="text"/></p>	
<p><b>1 Please Tell Us About Yourself</b></p>	
<p><b>Applicant 1 Information</b></p> <p>Surname <input style="width: 150px;" type="text"/> First Name(s) <input style="width: 150px;" type="text"/></p> <p>Gender <input type="checkbox"/> Male <input type="checkbox"/> Female      Smoker <input type="checkbox"/> Yes <input type="checkbox"/> No      Height <input style="width: 40px;" type="text"/> <input type="checkbox"/> in <input type="checkbox"/> cm      Weight <input style="width: 40px;" type="text"/> <input type="checkbox"/> lbs <input type="checkbox"/> kg</p> <p>Date of Birth (MM/DD/YYYY) <input style="width: 100px;" type="text"/> Place of Birth <input style="width: 150px;" type="text"/></p> <p>Phone Number (Home) ( <input style="width: 20px;" type="text"/> ) <input style="width: 100px;" type="text"/> Occupation <input style="width: 150px;" type="text"/></p> <p><b>Application Number</b> <input style="width: 100px;" type="text"/>      <b>Administrator Use Only</b> <input style="width: 100px;" type="text"/></p>	<p><b>Applicant 2 Information</b></p> <p>Surname <input style="width: 150px;" type="text"/> First Name(s) <input style="width: 150px;" type="text"/></p> <p>Gender <input type="checkbox"/> Male <input type="checkbox"/> Female      Smoker <input type="checkbox"/> Yes <input type="checkbox"/> No      Height <input style="width: 40px;" type="text"/> <input type="checkbox"/> in <input type="checkbox"/> cm      Weight <input style="width: 40px;" type="text"/> <input type="checkbox"/> lbs <input type="checkbox"/> kg</p> <p>Date of Birth (MM/DD/YYYY) <input style="width: 100px;" type="text"/> Place of Birth <input style="width: 150px;" type="text"/></p> <p>Phone Number (Home) ( <input style="width: 20px;" type="text"/> ) <input style="width: 100px;" type="text"/> Occupation <input style="width: 150px;" type="text"/></p> <p><b>Application Number</b> <input style="width: 100px;" type="text"/>      <b>Administrator Use Only</b> <input style="width: 100px;" type="text"/></p>
<p><b>2 Personal Physician Information</b></p>	
<p><b>Applicant 1 Information</b></p> <p>A. Name, address and phone number of your personal physician <input style="width: 100%; height: 40px;" type="text"/></p> <p>B. Date and reason last consulted <u>ANY</u> doctor Date (MM/DD/YYYY) <input style="width: 100px;" type="text"/> Reason <input style="width: 100%; height: 40px;" type="text"/></p> <p>C. Diagnosis, treatment and/or medication prescribed <input style="width: 100%; height: 40px;" type="text"/></p>	<p><b>Applicant 2 Information</b></p> <p>A. Name, address and phone number of your personal physician <input style="width: 100%; height: 40px;" type="text"/></p> <p>B. Date and reason last consulted <u>ANY</u> doctor Date (MM/DD/YYYY) <input style="width: 100px;" type="text"/> Reason <input style="width: 100%; height: 40px;" type="text"/></p> <p>C. Diagnosis, treatment and/or medication prescribed <input style="width: 100%; height: 40px;" type="text"/></p>
FORM 7397 LTR (JUL/2012)	Page 1 of 3

Applicant 1 Surname

Applicant 2 Surname

**3 Please Answer These Health/Lifestyle Questions**

If you answer "Yes" to any of the questions below, please provide details in the space provided. If you require more space, please attach a separate sheet of paper, signed and dated.

**HAVE YOU EVER HAD, BEEN TOLD YOU HAVE, BEEN TREATED, TESTED OR COUNSELLED FOR:**

	Applicant 1		Applicant 2		Particulars of "Yes" Answers with dates, duration, type of disease, disorder or injury and names and addresses of all doctors, hospitals, etc.
	Yes	No	Yes	No	
1) Coronary artery disease, abnormal electrocardiogram (ECG), chest pain, palpitations, high blood pressure, heart murmur, heart attack, aneurysm, stroke, Transient Ischemic Attack (TIA), embolism, phlebitis or any other disease or disorder of the heart or blood vessels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2) Shortness of breath, persistent hoarseness or cough, spitting of blood, asthma, bronchitis, emphysema, pleurisy, tuberculosis or any other disease or disorder of the lungs or respiratory tract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3) Dizziness, fainting spells, convulsions, epilepsy, paralysis, numbness, multiple sclerosis, a neurological disorder or disease, persistent headaches, stress, anxiety, depression or any other mental illness?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4) Cancer, tumor, cyst, growth or abnormal mole?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5) Ulcerative colitis, Crohn's disease, ulcer or any other disease or disorder of the stomach, intestines or gall bladder?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6) Jaundice, hepatitis B or C, hepatitis carrier state, cirrhosis or any other disease or disorder of the liver?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7) Kidney disease or disorder, venereal or any other sexually transmitted disease?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8) Diabetes, goiter, disorder of the thyroid, pancreatitis or other endocrine disorder?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9) Frequent or difficult urination, protein, sugar, blood or pus in urine or any other disorder of the bladder, prostate or reproductive organs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10) Anemia or any other disease or disorder of the blood?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11) Any disease or disorder of the skin, muscles, spine, bones or joints including pain in the back or neck, arthritis or deformity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12) Acquired Immune Deficiency Syndrome (AIDS), Human Immune Deficiency Virus (HIV), enlargement of lymph nodes, chronic diarrhea, unexplained infections, weight loss or any other immunological disorder?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13) Systemic lupus, rheumatoid arthritis or any other auto-immune disorder?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
14) Any disease, disorder, ailment or injury not already mentioned?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15) Females only: Abnormal mammogram or PAP smear or any other disease, disorder or surgery on breast, ovary or uterus? If pregnant, please provide due date.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
16) Have you been treated for or advised to seek treatment for drug and/or alcohol usage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
17) Have you been a patient in a hospital or other medical facility?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18) Are you currently under observation, having any special examinations or tests, have pending surgery or taking prescribed medication?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19) In the last 10 years have you used drugs that were not prescribed by your doctor? (Includes marijuana, LSD, cocaine, heroin, barbiturates or other narcotics.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20) Have you ever applied for any insurance which was declined, modified or rated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
21) Within the past 24 months have you: a) Been partially or totally disabled and/or received disability or Worker's Compensation benefits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b) Consulted a physician or other health care professional, been diagnosed with, taken prescribed medication or been treated for: fibromyalgia, fibrositis, osteoarthritis, chronic fatigue syndrome, strains or other disorders of the back, neck, shoulder, elbows, knees, hips or other joints, muscles, ligaments or tendons?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
22) Have any of your natural parents, brothers or sisters ever suffered from any of the following conditions: heart disease, stroke, high blood pressure, diabetes, cancer or tumor, systemic lupus, polycystic kidney disease, Huntington's chorea, or any inherited disease? Please provide the relationship of the family member (mother, father, sister, brother), and the nature of the disease including their age when diagnosed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
23) During the next 12 months do you intend to travel or live outside Canada or the United States for more than one month?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**4 Authorization**

I acknowledge receipt of the Disclosure Notice (page 3) describing the operation of the Medical Information Bureau. I authorize:

- i) any licensed physician, medical practitioner, hospital, clinic or other medical or medically related facility, insurance company, the Medical Information Bureau, or other organization, institution or person, that has any records or knowledge of me or my health, to give to Industrial Alliance Insurance and Financial Services Inc. ("Industrial Alliance") or their reinsurers any such information. A copy of this authorization shall be as valid as the original.
- ii) Industrial Alliance to test and evaluate a specimen of my blood, urine or saliva for the purpose of assessing me as an insurance risk. This analysis includes testing for HIV infection.
- iii) Industrial Alliance to release any abnormal test results to my personal physician.

I understand that no coverage will be in effect until my Application, this Questionnaire and any other medical information required is approved by Industrial Alliance. I confirm that the foregoing answers, forming part of an application for group insurance to Industrial Alliance, are true, complete and correctly recorded. I understand that any group insurance arising from this application may not be valid if there is any incorrect answer or misrepresentation in this application or if there is any change in my insurability between the date of this application and the effective date of coverage. I acknowledge that it is my responsibility to notify Industrial Alliance of any change in my health or insurability.

Applicant 1 Signature

Date (MM/DD/YYYY)

Applicant 2 Signature

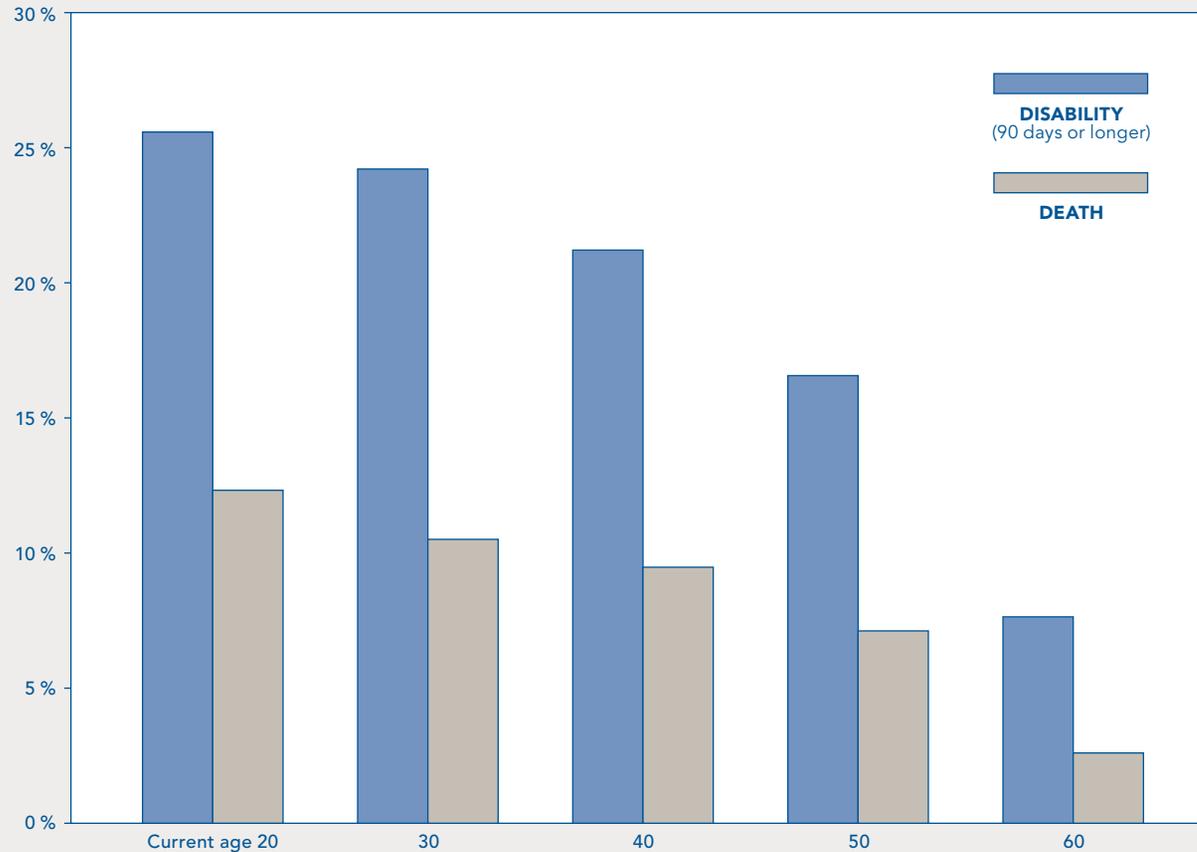
Date (MM/DD/YYYY)

# Jumbo Extend Loan Repayment Insurance



## Probability Chart

Probability of becoming disabled or dying before age 65



Source: Canadian Institute of Actuaries

# Jumbo Extend Loan Repayment Insurance



## Statistics on Death & Disability

- **Of all loans that become delinquent in Canada, 3% are due to the unexpected death of the main household income earner, and 50% are due to loss of income related to a disabling accident or illness**
- **Canadians between the ages of 20 & 65 have a 50% chance of having a disability that lasts longer than 3 months**
- **55% of working adult Canadians have no disability coverage**
- **Accidents are the leading cause of death for Canadians 45 years of age and under**
- **Canadian insurers pay more than \$230 million per year in disability benefits under loan insurance plans**

Sources: Statistics Canada, I.C.B.C., CLHIA

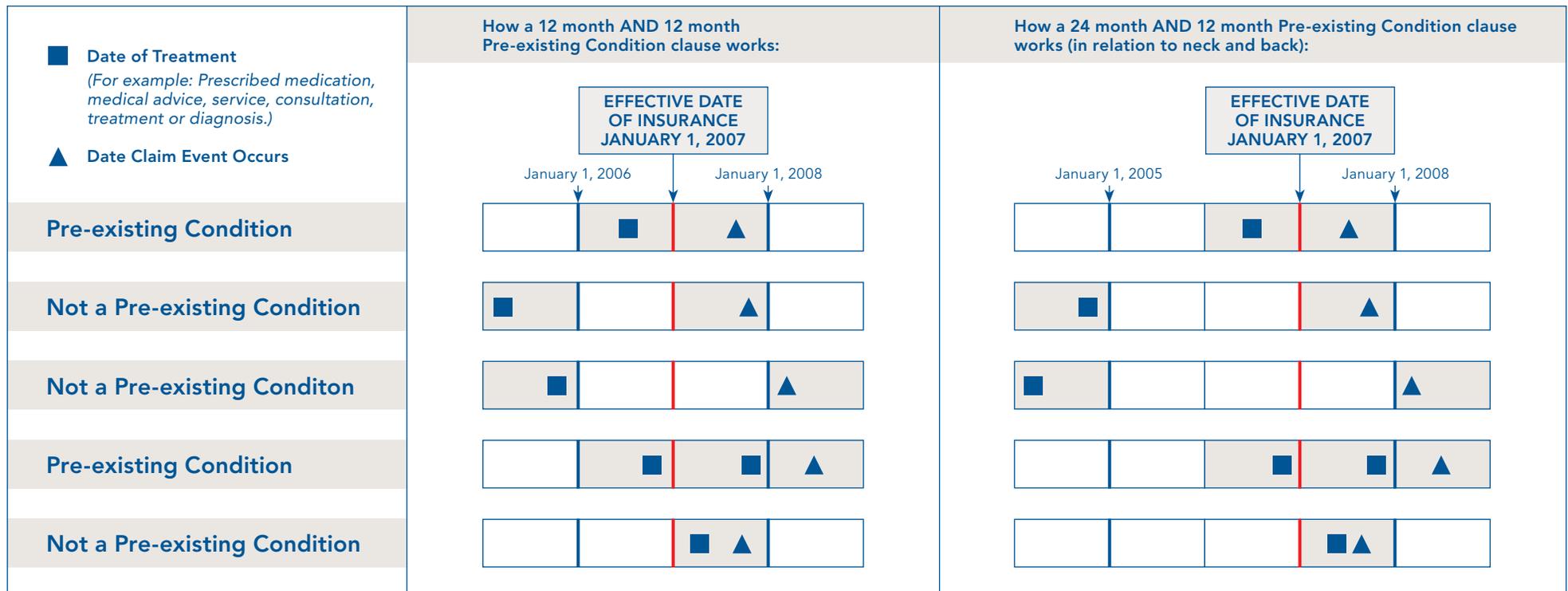
# Jumbo Extend: Limitations & Exclusions



Certain limitations and exclusions apply to Jumbo Extend creditor insurance. No insurance will be paid in the event that a death, accidental dismemberment or disability claim is caused by or contributed to by:

- a Pre-existing Condition, or as a direct or indirect result of treatment for a Pre-existing Condition\* (This exclusion only applies if the event claimed for occurs within 24 months of the Effective Date of insurance.)
- self-inflicted injuries
- an act of war
- suicide
- a criminal act
- the chronic or excessive use of alcohol
- drug or substance abuse
- pregnancy, child birth or termination of pregnancy
- cosmetic or elective surgery

\* A Pre-Existing Condition is any disease, disorder or condition that the Insured has (or has had Treatment for) within a specific timeframe prior to AND following the Effective Date of insurance. (Please consult the Jumbo Extend certificate for **full definition** of Pre-Existing Condition).



# Jumbo Extend: Waiting Periods for Disability



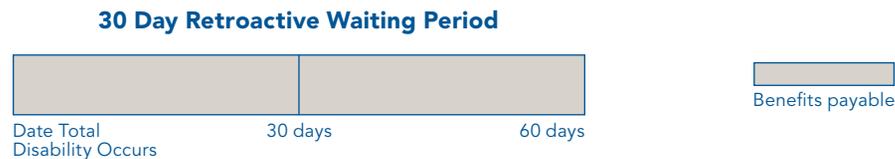
There are a variety of options you can choose from to add extra power to your disability protection. An important choice is to determine the waiting period that will best suit your needs.

## THERE ARE TWO TYPES OF WAITING PERIODS:

### 1) RETROACTIVE:

Payment of benefits start from the **first day of disability once the required waiting period has elapsed.**

*EXAMPLE: 30 days Retroactive, Totally Disabled 60 days*



### 2) ELIMINATION:

Payment of benefits start to accrue **after the required waiting period has elapsed.**

*EXAMPLE: 30 days Elimination, Totally Disabled 60 days*



## JUMBO EXTEND WAITING PERIODS:

### Accident & Sickness:

14 day or 30 day Retroactive  
30 day, 60 day or 90 day Elimination

### Accidental Disability:

30 Day Retroactive

This reference sheet is not a contract and the contents are limited by its size, please refer to your [Application/Certificate](#) for the Specific terms, conditions, limitations and exclusions that apply to your coverage.

# Jumbo Extend Loan Repayment Insurance



## Eligibility Requirements

**It is important that YOU determine whether you are eligible to purchase this insurance:**

You are eligible:

- ➔ If you have selected Life Insurance, you confirm that you are over 18 but not yet 70 years of age.
- ➔ If you have selected Disability Insurance, you confirm that you are:
  - ✓ over 18 but not yet 66 years of age;
  - ✓ able to perform the usual duties of your occupation; AND
  - ✓ gainfully employed, and have been working at least 23 hours per week for the past 4 weeks; OR
  - ✓ have been working Seasonally, for at least 13 consecutive weeks during the past 12 months.

Total Disability, Accidental Dismemberment or death arising from, or caused or contributed to by **PRE-EXISTING CONDITIONS**, as described in your Certificate, will **not** be covered if such event occurs within 24 months of the Effective Date of insurance.

The Insurance payable under your Certificate is subject to the Eligibility Requirements, Limitations and Exclusions, general terms, conditions, Definitions and Special Limitations as described in your Certificate.

If you are unsure whether you are eligible for coverage, please call Customer Service: 1 800 761.4655.

# Jumbo Extend Loan Repayment Insurance



## **“Pre-existing Condition” means:**

- (A) in relation to the neck and back, a disease or disorder of the neck or back including but not limited to lumbar, thoracic or cervical spine for which any of (i) medical advice, (ii) treatment, (iii) service, (iv) prescribed medication, (v) diagnosis or (vi) consultation, including consultation to investigate, follow-up and/or diagnose (where diagnosis has not yet been made), was received by you or would have been received by a prudent individual within both (a) 24 months immediately preceding the Effective Date and (b) the 12 months immediately following the Effective Date; and
- (B) in relation to any other condition, an illness, disease, mental, nervous or psychiatric condition or disorder for which any of (i) medical advice (ii) treatment (iii) service (iv) prescribed medication (v) diagnosis or (vi) consultation, including consultation to investigate, follow-up and/or diagnose (where diagnosis has not yet been made) was received by you or would have been received by a prudent individual within both (a) the 12 months immediately preceding the Effective Date of Insurance and (b) the 12 months immediately following the Effective Date of Insurance.

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# Jumbo Extend: Residual Life Insurance



Your Life Insurance benefit **will not** pay the full outstanding balance of your financial obligation if:

**Amortization Term of your loan is greater than your Insurance Term.**

Residual Life insurance provides the added protection you need where there is a remaining balance at the end of the Insurance Term. It is strongly recommended that Residual Life is purchased in conjunction with Decreasing Term Life Insurance because together, the coverages will pay the full outstanding balance of your financial obligation for the duration of your Insurance Term.

The graph below illustrates the importance of Residual Life Insurance when the Amortization Term or Loan Term is greater than your Insurance Term:

Example: You have a \$125,000 loan (10% interest) amortized over 60 months, but opted to purchase Life Insurance for a term of only 36 months. You need to be aware that although your loan continues after 36 months, your Insurance coverage does not.



- 1 The point where the striped area and orange line intersect is the remaining loan balance at 36 months (the residual loan balance at the end of Insurance Term) which in this example is \$57,555 and where the Life Insurance coverage terminates.
- 2 The area between the orange line above the striped area is the insurance benefit decreasing over the Insurance Term. This represents the decreasing loan balance as a result of monthly loan payments. It equals the benefit amount payable for a qualified life claim, if you were to pass away during the Insurance Term.
- 3 The striped area represents the Residual Value. If you purchase Residual Life Insurance, this portion of the loan would also be covered. If you do not purchase Residual Life Insurance, your family will be responsible for this portion of the loan if you pass away during the Insurance Term.

# Jumbo Extend: Application Process



When customers will need to complete the Health Questions and the Supplemental Health Questionnaire (SHQ):

<p>If TIA* <u>less all premiums</u> is ≤ \$200,000</p>		<p>Coverages are automatically issued.</p>
<p>If TIA* <u>less all premiums</u> is &gt; \$200,000</p>	 <p><b>Customer must complete all the Health Questions on the Certificate</b></p> 	<p><b>If all questions are answered "NO" AND TIA less all premiums ≤ \$300,000 AND Insured Monthly Payment ≤ \$3,500/month: Coverages are automatically issued.</b></p>
		<p><b>If any questions are answered "YES": Must fill out SHQ. SHQ will be reviewed, and if required, application will be underwritten. The customer will be notified when approved or if declined.</b></p>
		<p><b>If the TIA less all premiums &gt; \$300,000 OR Insured Monthly Payment &gt; \$3,500/month: Must fill out SHQ. Application will be underwritten. The customer will be notified when approved or if declined.</b></p>

\* Total Insured Amount (TIA) = Insured Financed Amount plus Insured Residual Amount

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## SAL Group Division Headquarters

1 800 663.9498  
www.salgroup.com

## Regional Offices

### British Columbia

1 877 882.8220

### Alberta

1 888 435.1833

### Saskatchewan

1 800 667.2920

### Manitoba

1 866 227.7446

### Ontario

1 800 668.4702

### Quebec

1 888 465.0630

### Atlantic

(902) 468.8698

## Options, features and benefits

- Financial assistance during life's unexpected challenges
- Higher Insurance limits for your multiple Heavy Truck and Equipment purchases
- Preserves your savings and credit rating
- Affordable peace of mind
- Leaves your family unburdened by your financial obligation
- All benefits are tax-free and used to pay off your financial obligation
- Complements your other life or disability benefits
- Disability coverage allows you to focus on getting better and back to work
- Flexible disability options:
  - Accidental Disability (covers disability due to injury)
  - Accident & Sickness (covers disability due to injury or sickness)



## Trust a company that's covered a lot of miles.

Jumbo Extend is developed by SAL Group, which is a division of Industrial Alliance Insurance and Financial Services Inc., a member of the Industrial Alliance Group of companies (IAG), and has been protecting our customers and their families for over 45 years.

Leading independent financial rating agencies that assess life insurance companies based on financial strength, earnings and capital positions have rated IAG with high marks:



IAG earned the Issuer Credit and Financial Strength Rating of "A+" for its overall financial capacity to pay its financial obligations\*.



IAG earned the "A" (Excellent) rating assigned for achieving excellent overall performance and a strong ability to meet policyholder obligations over a long period of time.\*

As an IAG customer, you can enjoy the peace of mind that comes with proven corporate integrity, sound financial backing and a solid track record.

\* Ratings as of April 2007.



www.salgroup.com



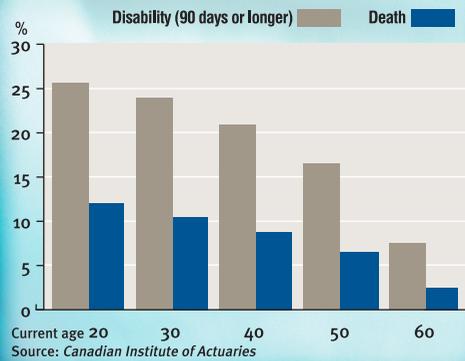
This brochure is not a contract and the contents are limited by its size. Please see your Certificate of Insurance for the specific terms, conditions, limitations and exclusions that apply to your coverage.

## Loan Repayment Insurance



## Protection from Life's Winding Roads

Probability of becoming disabled or dying before age 65



## Protection from Life's unexpected obstacles.

Your recent heavy truck or equipment purchase is a great financial commitment but one that is necessary for your livelihood and your family's financial well being. But sometimes the road of life can throw unexpected challenges your way. What would you do if roadblocks suddenly prevented you from getting behind the wheel and earning a living? The financial strain during times of crisis could put a huge strain on your business and family, drain your resources and damage your credit rating.

Loan repayment protection is the best and most affordable way to ensure your loan payments are made when you are not in the driver's seat. It's a financial safety net for you and the people who depend on you, when there's a financial breakdown.

Through our group buying power, you can protect yourself and your investment for pennies a day.



There are those who feel that even at a low price, loan repayment insurance is an unnecessary "luxury". The "it could never happen to me" attitude is understandable when your health is good and you're in the prime of life. Nevertheless, the statistics on disability and death cannot be ignored.

## Reducing the impact on your family.

The best way to achieve peace of mind is to plan for the long haul. So it's good to know that the insurance coverage you choose will reduce the financial impact on your loved ones if anything should happen to you:

If you were to suffer a fatal injury or illness, life coverage will pay off the insured portion of your loan, leaving the people that depend on you most, your family, unburdened by your financial obligation.

If you become totally disabled and are unable to work, disability coverage will take care of your insured monthly loan payments, allowing you to focus on getting back on the road. You can choose the type of disability plan that works best for you. If you are totally disabled due to injury or sickness, Accident & Sickness coverage pays your loan payments. Or if you prefer, if you are totally disabled due to injury alone, Accidental Disability coverage pays your loan payments. The choice is yours.

- Of all loans that become delinquent in Canada, 3% are due to the unexpected death of the main household income earner, and 50% are due to loss of income related to a disabling accident or illness
- Canadians between the ages of 20 & 65 have a 50% chance of having a disability that lasts longer than 3 months
- 55% of working adult Canadians have no disability coverage
- Accidents are the leading cause of death for Canadians 45 years of age and under
- Canadian insurers pay more than \$230 million per year in disability benefits under loan insurance plans

Sources: Statistics Canada, I.C.B.C., CLHIA

# JUMBO EXTEND

## G. Sample rate calculation – Jumbo Extend (45% rates) AB & BC

Loan Amount \$125,000

Amortization Term: 60 months

Insurance Term: 60 months

10% interest

Initial monthly loan payment = \$2,655.88

Customer is 48 years old

### For Single Credit Life Only:

- ➔ Monthly payment x manual rate factor = life insurance premium
- ➔ \$2,655.88 (including all applicable taxes) x 2.282 = \$6,060.72

### For Single Disability- Accident & Sickness Coverage Only:

Waiting Period chosen: 30 Day Elimination

- ➔ Monthly payment x manual rate factor = disability insurance premium
- ➔ \$2,655.88 (including all applicable taxes) x 3.624 = \$9,624.91

### Total Amount to be financed including insurance premiums:

- ➔ \$125,000 + \$6,060.72 + \$9,624.91 = \$140,685.63
- ➔ New Insured monthly loan payment of principle and interest = \$2,989.15

\* The sample calculations above are based on manual rates. Manual rates assume the purchase of a single coverage only. Manual rates should be used for illustrative purposes only.

Computer rates are the industry norm and should be used to calculate premiums. Please ask your SAL Group District Representative for details on the Jumbo Extend Financial Calculator.