

DISTRIBUTION GUIDE

Name of Insurance Product:

**Scotia® Visa Balance
Protection**

Type of Insurance Product:

Group insurance in case of:

- **Death**
- **Accidental death**
- **Critical illness**
- **Involuntary job loss**
- **Disability**

Insurer's Coordinates:

Name:

ACE INA Life Insurance

Address:

**The Exchange Tower
130 King Street West
12th Floor
Toronto, Ontario
M5X 1A6**

Telephone number of
Client Services:

1 800 461-0285

Fax number of
Client Services:

1 (416) 594-2835

Distributor's Coordinates:

Name:

**Bank of Nova Scotia
Domestic Creditor Insurance**

Address:

**100 Yonge Street, Suite 400
Toronto, Ontario
M5H 1H1**

Responsibility of the Autorité des marchés financiers

The Autorité des marchés financiers does not express any opinion as to the quality of the product described in this Guide. The insurer is solely responsible for any discrepancies between the wording of the Guide and that of the policy.

The sole purpose of this guide is to provide you with certain information about the insurance product. All benefits are paid in accordance with the terms of the relevant group insurance policy.

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DEFINITIONS

- Accident** Sudden and unforeseen event.
- Account** Your Scotia VISA account as shown on the Benefit Schedule. This includes:
- (a) ScotiaGold Passport VISA;
 - (b) No-Fee ScotiaGold VISA;
 - (c) Scotiabank Value VISA;
 - (d) Scotia Moneyback VISA; **or**
 - (e) Scotia SCENE VISA,
- But does not include a VISA Line of Credit account.
- Aircraft** Vehicle used for air transportation.
- Amount of debt** The amount of the debt is the amount of the minimum payment shown on your credit card statement of account. This amount varies depending on the outstanding account balance.
- Benefit Schedule** The Benefit Schedule provides the following information about you and your coverage:
- (a) Effective date of insurance;
 - (b) Name of insured person;
 - (c) Birth date of insured person; **and**
 - (d) Number of the Scotia VISA card covered by this insurance.
- Blindness** Permanent and incurable loss of the sight of both eyes. Corrected visual acuity must be lower than 20/200 for both eyes (i.e., you cannot read distinctly from a distance of 20 feet a letter that is normally read from a distance of 200 feet) or the field of vision must be less than 20 degrees for each eye. Your condition must be considered permanent and incurable.

Bypass surgery

Surgery to correct the narrowing or blocking of one or more coronary arteries using arterial grafts. Surgery must have been carried out following the written recommendations of a physician specialized in cardiology.

Non-surgical procedures such as transluminal percutaneous angioplasty, laser disobstruction or any other intra-arterial procedure are excluded.

Cancer

A malignant tumor characterized by the uncontrolled growth and spread of malignant cells and invasion of tissue. This includes Leukemia, Hodgkin’s Disease and invasive melanoma but does not include:

- (a) Carcinoma in situ;
- (b) Kaposi's Sarcoma or other AIDS related cancers and cancer in the presence of human immunodeficiency virus (HIV);
- (c) Skin cancer or melanoma that is not invasive and has not exceeded .75 millimeters in depth; **or**
- (d) Prostate cancer diagnosed as T1 N0 M0 or equivalent staging.

A Physician certified as an oncologist must confirm diagnosis in writing.

Coma

State of unconsciousness in which external stimulation only produces primitive avoidance reflexes. The state of unconsciousness must go on for a period of at least 96 continuous hours.

Creditor

Person to whom money is owed or to whom one is otherwise obligated.

Deafness

Permanent loss of the hearing of both ears, with a hearing threshold of more than 90 decibels for each ear.

Disabled or disability

Inability to carry out all the essential tasks of your job due to illness or injury.

Health crisis

One of the following illnesses:

- (a) Heart attack;
- (b) Stroke;
- (c) Bypass surgery;
- (d) Cancer;
- (e) Blindness;
- (f) Paralysis;
- (g) Deafness; **and**
- (h) Coma.

Heart attack

The death of a portion of heart muscle as a result of inadequate blood supply to the relevant area. Diagnosis must be confirmed in writing by a Physician who is a certified specialist in internal medicine or a cardiologist and should be based on new electrocardiograph changes consistent with heart attack and at least one of the following: elevation of cardiac biochemical markers or elevation of cardiac enzyme, to levels consistent with heart attack.

Heart attack does not include elevation of cardiac biochemical markets or elevation of cardiac enzymes due to coronary angioplasty unless accompanied by diagnostic changes of a new Q wave infarction of the ECG.

In order

Account whose payments are no more than 60 days late.

Injury

Bodily injury whose cause is external, violent and visible. This injury must be solely and directly caused by an accident.

Involuntary job loss	<p>If you are a salaried employee, your employer laid you off or terminated your job.</p> <p>If you are a self-employed worker, a petition in bankruptcy court was filed against you by one of your creditors according to the terms of the Bankruptcy and Insolvency Act.</p>
Job	<p>Work performed:</p> <p>(a) For a salary or other form of remuneration;</p> <p>(b) On a full time basis for at least 180 consecutive days;</p> <p>(c) For one or more employers; and</p> <p>(d) On a continuous basis of at least 20 hours per week and not according to a general average.</p>
Joint Cardholder	<p>Person for whom the Primary Cardholder requested that an additional credit card be issued for the account.</p>
Labour dispute	<p>Any work interruption by a group of employees of which you are a member, in order to limit the activities of one or several employers.</p>
Lockout	<p>Situation in which your employer temporarily closes your place of work or suspends your work without terminating your job.</p>
Loss	<p>Death, health crisis, disability or involuntary job loss.</p>
Member of your immediate family	<p>Your spouse, father, mother, father-in-law, mother-in-law, son, daughter, son-in-law, daughter-in-law, brother, sister, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother or stepsister.</p>

Outstanding
account balance

The amount of outstanding account balance is calculated by adding the following:

(a) Outstanding balance of your Scotia VISA account up to \$20,000, on the day prior to:

- (i) your death or accidental death;
- (ii) your health crisis diagnosis;
- (iii) your disability; **or**
- (iv) your involuntary job loss.

All expenses billed before the date of your death, health crisis, disability or involuntary job loss that are not yet shown on your statement of account are included in the amount of the outstanding balance. Any payment that you made and that is not yet shown on your statement of account is included in the amount of the outstanding balance, **plus**

(b) The interest on this outstanding balance that Scotiabank charges to your Scotia VISA account:

- (i) Between the date of your death or health crisis and the date when we pay the death or health crisis protection benefit or the **90th day** following your death or diagnosis of health crisis protection, **or**
- (ii) Between the date of your disability or involuntary job loss and the date when we cease to pay the monthly benefit.

Paralysis

Complete and permanent loss of the use of two or more of your limbs due to physical paralysis.

Physician

Medical doctor (MD) licensed to practice medicine, or any other qualified practitioner recognized by the College of Physicians and Surgeons of the province or country where treatments are provided. The physician may not be yourself or a member of your immediate family.

Pre-existing condition

Health crisis you suffer from or injury you received for which you:

- (a) Received medical advice;
- (b) Consulted a physician;
- (c) Were evaluated or diagnosed by a physician; **or**
- (d) For which a treatment was necessary or recommended by a physician during:
 - (i) The 12 months that preceded the effective date of your insurance shown on your Benefit Schedule if insurance coverage in case of **death** or in case of **disability** is involved; **or**
 - (ii) The 24 months that preceded the effective date of your insurance shown on your Benefit Schedule if insurance coverage in case a **health crisis** is involved.

Previous disability

Disability:

- (a) For which benefits are paid under this coverage; **and**
- (b) That precedes a recurring disability.

Previous job loss

Involuntary job loss:

- (a) For which benefits are paid under this coverage; **and**
- (b) That precedes a recurring job loss.

Primary Cardholder

Primary holder of the credit card associated with the account. The Primary Cardholder's name is shown on the Benefit Schedule.

Recurring disability	Disability that occurs within 30 days of the end of the payment of the monthly benefits for a Previous disability. This disability had the same cause as, or a cause related to, the Previous disability.
Recurring job loss	Involuntary job loss that occurs within 180 days following the end of the payment of monthly benefits for a previous job loss.
Restricted	Account that has been frozen, closed or otherwise blocked so as to prevent new debits.
Salaried employee	Person who: <ul style="list-style-type: none"> (a) Has a job; (b) Has worked full time for at least 180 consecutive days for one or several employers; (c) Has worked at least 20 hours per week during these 180 consecutive days; and (d) Is remunerated for his/her work.
Scotiabank	The Bank of Nova Scotia
Scotia VISA contract	The “Revolving Credit Agreement” you made with Scotiabank.
Self-employed worker	Person who works to earn an income from his/her own company, business, profession, partnership or any other entity in which he/she holds an asset as owner.
Stroke	A cerebrovascular incident, excluding transient ischemic attack (TIA or mini stroke), producing infarction of brain tissue due to thrombosis, hemorrhage from an intracranial vessel or embolization caused by an extracranial source. There must be evidence of permanent neurological deficit persisting for 30 consecutive days, supported by evidence that the deficit is resulting from the Stroke, confirmed in writing by a Physician who is certified as a neurologist.

Waiting period

Period that follows the date of the loss during which no payment of monthly benefits is made.

We, our and us

Means ACE INA Life Insurance (“ACE Life”)

INTRODUCTION

What would happen if you died or suffered a health crisis or disability or became involuntarily unemployed and couldn't make payments to your Scotia Visa account?

Scotiabank and ACE INA Life Insurance ("ACE Life") have developed Scotia Visa Balance Protection to assist with your financial needs in this situation.

This Distribution Guide was prepared to help you better understand the insurance product that is offered to you, i.e., Scotia VISA Balance Protection. It will allow you to see whether this insurance meets your needs without dealing with an insurance representative.

Underlined terms found in this Guide are specifically defined in the "Definitions" Section beginning on page 2.

The level of Scotia Visa Balance Protection that you chose is identified on your Scotia Visa Balance Protection Application or on the Benefit Schedule you receive from Scotiabank confirming your coverage.

This is an important document. Please keep all related documents, including a copy of your Scotia Visa Balance Protection Application or any letters from Scotiabank confirming the kind of Scotia Visa Balance Protection coverage you chose, in the pocket of this Scotia Visa Balance Protection Distribution Guide and put it in a safe place.

The Scotia Visa Balance Protection product is provided by ACE INA Life Insurance under a group insurance policy issued to Scotiabank. All levels of coverage are administered under the policy number TML600015.

The Scotia Visa Balance Protection product has been specifically designed to cover your Scotia Visa account debt. It is not intended to replace any other personal life insurance, health crisis or disability insurance you may already own.

Scotiabank and ACE Life can change the terms of the insurance described in this Scotia Visa Balance Protection Distribution Guide including the premiums charged and the method of calculation. We will inform you in writing before we make any changes. You will be deemed to have received the notice on the fifth business day after we mail it to your last address in Scotiabank's records.

DESCRIPTION OF THE PRODUCT OFFERED

Nature of the coverages

(a) Nature of Coverage

What Is Scotia VISA Balance Protection?

Scotia VISA Balance Protection pays off the balance payable of your Scotiabank VISA credit card in the event of a loss covered by your insurance.

The insurance provides the minimum monthly payment required in the event of a disability or involuntary job loss. In case of death, accidental death or diagnosis of a health crisis, the outstanding account balance, up to \$20,000, is settled in one single payment.

If you are less than 65 years old and you must stop working due to disability or involuntary job loss, the minimum monthly payment payable on your Scotia VISA account is made by us on your behalf. The amount of the minimum monthly payment will vary depending on the outstanding account balance on the date of the onset of your disability or of your involuntary job loss.

When you reach age 70, only accidental death is covered by the insurance.

You may select one of the following coverages:

- (i) Death, accidental death, health crisis, disability and involuntary job loss;
- (ii) Death, accidental death, disability and involuntary job loss;
- (iii) Death, accidental death and involuntary job loss (this coverage is not available for residents of the province of Quebec);
- (iv) Death, accidental death and health crisis;
- (v) Death and accidental death.

The coverage you selected is shown on the Benefit Schedule that is issued to you when your Scotia VISA Balance Protection Application is accepted.

The insurance includes exceptions that are described in the “Exclusions” Section on Page 21 of this Guide.

(b) Summary of Policy Schedule

Who can apply for this insurance?

To be eligible for this insurance, you must meet every one of the following conditions:

- (i) You must be less than 65 years of age;
- (ii) You must hold a ScotiaGold Passport VISA, No-Fee ScotiaGold VISA, Scotiabank Value VISA, Scotia Moneyback VISA, **or** Scotia SCENE VISA;
- (iii) Your VISA account must be in order;
- (iv) Your VISA account must not be restricted;
- (v) You must be a resident of Canada on the date of your insurance application; **and**
- (vi) You must have accepted the terms and conditions of the Scotia VISA contract.

Self-employed workers are also eligible for the insurance. No medical examination is required.

Besides the above conditions, you must be less than 55 years old to be eligible for the coverage in case of a health crisis.

The Primary Cardholder and the Joint Cardholder may each apply for this insurance. The Primary Cardholder and the Joint Cardholder may also apply for joint coverage. Please refer to the Benefit Schedule to determine which persons are insured under this coverage, as well as the coverage offered to you. A copy of the Benefit Schedule is issued to you when your Scotia VISA Balance Protection Application is accepted.

This insurance is optional. You don't have to buy if you don't want it.

What is the insurance amount?

The benefit we pay in case of death, accidental death or a health crisis is equal to **the lower of the following amounts**:

- (i) Outstanding account balance ; **or**
- (ii) \$20,000 per account.

In case of involuntary job loss or disability, the benefit we pay is equal to the amount of debt.

The amount of the insurance will not vary provided you and your Joint Cardholder (to the extent covered under this insurance):

- (i) Die at the same time; **or**
- (ii) Receive a diagnosis of a health crisis at the same time.

However, the amount of the insurance may vary if you and your Joint Cardholder (to the extent covered under this insurance) become disabled or lose your job:

- (i) At the same time; **or**
- (ii) During the same period of time.

To be eligible for the benefits:

- (i) You must be a resident of Canada on the date of your death, accidental death, health crisis, disability or involuntary job loss;
- (ii) You must have accepted the terms and conditions of the Scotia VISA contract signed with Scotiabank;
- (iii) Your account must be in order; **and**
- (iv) Your account must not be restricted.

Furthermore, you must meet the requirements described below.

Benefit in Case of Death

We only pay a benefit in case of death other than accidental death if, at such time:

- (i) you are less than age 70; **and**
- (ii) your insurance is in effect.

However, no benefit is paid if a benefit in case of accidental death or in case of a health crisis has already been paid under this coverage.

Benefit in Case of Accidental Death

We will only pay a benefit in case of accidental death at any age if:

- (i) Your death is due to an accidental injury while your insurance is in effect; **and**
- (ii) Your death occurs within 365 days following the date of the accident.

However, no benefit is paid if a benefit in the case of a death or a health crisis has already been paid under this coverage.

Benefit in Case of a Health Crisis

We will only pay a benefit in case of a health crisis if:

- (i) You suffer from a health crisis while your insurance is in effect;
- (ii) The diagnosis of this health crisis is made before you reach the age of 65; **and**
- (iii) You applied for insurance prior to age 55.

With regard to a stroke, the stroke must have caused a permanent neurological deficit that continued for at least 30 consecutive days. With regard to a coma, the unconscious condition must continue for a period of at least 96 consecutive hours.

However, no benefit is paid if a benefit in case of death or in case of accidental death has already been paid under this coverage.

Benefits in Case of Disability

We will only pay a benefit in case of disability if:

- (i) You become disabled while your insurance is in effect for a period of **30 days or more** due to:
 - o Illness
 - o Injury
- (ii) In the case of disability resulting from an injury, this disability occurs within 12 months following the date of this injury; **and**
- (iii) At the time you become disabled:
 - o You have a job
 - o You are less than 65 years old

The monthly benefit will cease to be paid on the first of the following dates:

- (i) Date of your return to work;
- (ii) Date when the outstanding account balance is fully paid; **or**
- (iii) Date when we have paid a total amount of monthly disability benefits of \$20,000.

A waiting period affects the payment of monthly benefits (See “Is there a waiting period in case of a claim?” Section on Page 19 of this Guide).

If your disability is a recurring disability, the benefit amount is calculated based on the previous disability. In such circumstances, the total amount of benefits may not exceed the maximum amount that would have been paid for the previous disability.

However, no benefit is paid if a benefit in case of death, accidental death or a health crisis was paid under this coverage. In addition, no benefit is paid if benefits in case of involuntary job loss are being paid under this coverage.

Benefit in Case of Involuntary Job Loss

If you lose your job unintentionally while your insurance is in effect, we will pay a monthly benefit starting on the 31st day of this involuntary job loss, equal to the amount of the debt.

The benefit will only be paid if you are:

- (i) A salaried employee; **or**
- (ii) A self-employed worker.

If you are a salaried employee, the benefit will only be paid if:

- (i) The involuntary job loss occurs on or before your 65th birthday;
- (ii) Your employer lays you off or terminates your job; **and**
- (iii) You are registered with the Employment Insurance Commission as long as you are eligible for employment benefits.

We will use the date when you receive a layoff or job termination notice to calculate the outstanding account balance and the amount of the benefit.

If you are a self-employed worker, the benefit will only be paid if:

- (i) The involuntary job loss occurs on or before your 65th birthday;
- (ii) A petition in bankruptcy court is filed against you by one of your creditors; **and**
- (iii) You are declared bankrupt under the terms of the Bankruptcy and Insolvency Act.

The monthly benefit will cease to be paid on the first of the following:

- (i) Date of your return to work or return to your self-employment work;
- (ii) Date when the outstanding account balance is fully paid; **and**
- (iii) Date when we have paid a total amount of monthly involuntary job loss benefits of \$20,000.

A waiting period affects the payment of monthly benefits (See the “Is there a waiting period in case of a claim?” Section on Page 18 of this Guide)

If your involuntary job loss is a recurring job loss, the benefit amount is calculated based on the previous job loss. In such circumstances, the total amount of benefits may not exceed the maximum amount that would have been paid for the previous job loss.

However, no benefit is paid if a benefit in case of death, accidental death or a health crisis was paid under this coverage. As well, no benefit is paid if benefits in case of disability are being paid under this coverage.

Multiple Claims

The following rules apply if we receive more than one claim for the same coverage.

To the extent the Joint Cardholder is also covered under this insurance, payment of the benefit in case of death or in case of accidental death is made on the date of the first death if both the Primary Cardholder and the Joint Cardholder die.

To the extent the Joint Cardholder is also covered under this insurance, payment of the benefit in case of a health crisis is made on the date of the first diagnosis of a health crisis if:

- (i) The Primary Cardholder and the Joint Cardholder are both diagnosed as suffering from a health crisis; **and**
- (ii) Both diagnoses are received during the same 30 day period.

Payment of the benefit in case of involuntary job loss or in case of disability is as follows:

- (i) For the **first claim**, the amount of debt; **and**
- (ii) For the **second claim**, the difference between the following:
 - a. Amount of debt on the date when the second person suffers the loss; **and**
 - b. Value of the amount of debt that was used to calculate the benefit for the **first claim**.

For example (assuming the Joint Cardholder is also covered under this insurance):

You lose your job and file a claim. At the time you lost your job the amount of debt was \$200. Nine days later, the Joint Cardholder also loses his/her job and files a claim. At the time the Joint Cardholder loses his/her job, the amount of debt is \$300.

Payment of the benefit in case of involuntary job loss for the **first claim** is the amount of debt i.e. \$200. Payment of the benefit in case of involuntary job loss for the **second claim** is \$300 minus \$200, i.e. \$100.

The general limit of \$20,000 also applies to multiple monthly claims.

How can I apply for this insurance?

You may apply for this insurance when you ask for your account or after your account is set up. A representative of your Scotiabank branch will be pleased to fill out the Protection Application. You, and your Joint Cardholder (to the extent covered under this insurance), must sign and date the Protection Application.

When does my coverage come into effect?

Your coverage comes into effect at 12:01 AM on the date shown on your Benefit Schedule.

How will I know whether my application was accepted?

We will mail you a copy of the Benefit Schedule within 30 days following receipt of your Protection Application.

What is the cost of this insurance?

The amount of your premiums will depend on the coverage you select.

The coverage details and premium rate are shown on the Benefit Schedule that is issued to you when your Protection Application is accepted. We reserve the right to modify the premium rate from time to time as well as the manner in which premiums are calculated. In such a case, a written notice is sent to you at least 60 days before the premium rate modification date. This notice is mailed to your address, as it appears in our files.

Premiums are calculated according to the following:

- (i) Type of coverage selected i.e., individual or joint coverage; **and**
- (ii) Balance shown on your Scotia VISA statements the previous month.

Premiums are payable for each month involving an outstanding balance on the statement of the previous month.

Premiums are calculated by multiplying the premium rate in effect on the date shown on your monthly statement of account by the balance shown on your statement of account for the previous month.

Premiums are added to your account each month your balance is outstanding. This cost must only be paid by the Primary Cardholder.

The premium rates in effect at the time of publication of this distribution guide are the following:

Rates per \$100 of balance shown on your statement of account

Coverage Level	Single Coverage	Joint Coverage
Death/Accidental Death	0.20	0.32
Death/Accidental Death/Health Crisis	0.40	0.64
Death/Accidental Death/Involuntary Job Loss	0.40	0.64
Death/Accidental Death/Involuntary Job Loss/Disability	0.75	1.20
Death/Accidental Death/Involuntary Job Loss/Disability/ Health Crisis	0.95	1.52

We will add any provincial sales tax on insurance premiums as appropriate.

Is there a waiting period in case of a claim?

With regard to claims for benefits in case of disability and involuntary job loss, the payment of any payable monthly benefit starts on the 31st day following the date of the onset of the disability or involuntary job loss.

If you are disabled or have an involuntary job loss for less than 30 days, no benefit is payable.

Can I designate a beneficiary?

You may not designate a beneficiary. All benefits involving approved claims for benefits are paid directly to Scotiabank. Scotiabank is responsible for applying the payments to your Scotia VISA account.

Do I have to renew this insurance?

No. This insurance remains in effect:

- (i) Until the date provided in the “When does my insurance coverage end?” Section on Page 23 of this Guide; **or**
- (ii) Until we receive a Cancellation Notice for your insurance.

Can ACE Life or Scotiabank modify this insurance program?

ACE Life and Scotiabank may modify the terms of this insurance from time to time, including the premium rates and premium calculation.

In this case, you will receive a 60 day advance notice of any modification to this insurance. This notice is mailed to your address, as it appears in our files.

COVERAGE EXCLUSIONS, LIMITATIONS AND REDUCTIONS

CAUTION

General Exclusions:

No benefit is paid if the death, accidental death, a health crisis or disability is caused directly or indirectly by any of the following:

- War whether declared or not;
- Nuclear, chemical or biological contamination arising out of a terrorist act;
- Commission or attempted commission of a criminal offense;
- Flying as a pilot or member of the crew of any aircraft;
- Intentional consumption of drugs, except when prescribed by a physician and taken as prescribed;
- Intentional administration, absorption or inhalation of any toxic substances, gases or toxic fumes;
- Consumption of alcohol that exceeds the legal limit to drive in the province where the death, accidental death, a health crisis or disability occurs;
- Self-inflicted injury, suicide or attempted suicide, whether you are sane or insane. However, for death and disability insurance, this exclusion only applies to the first two years that follow the effective date of your policy.

Furthermore, no benefit is paid if death is caused directly or indirectly by one of the following:

- During the first two years of insurance, any deliberately self-inflicted injury, suicide or attempted suicide, whether you are sane or insane;
- Pre-existing condition if your death occurs within 12 months from the effective date of your insurance.

Furthermore, no benefit is paid if the accidental death results from the following:

- Natural causes, a health crisis or any condition or medical or surgical treatment thereof.

Furthermore, no benefit is paid if the health crisis is caused directly or indirectly by one of the following:

- Pre-existing condition during the first 24 months of the insurance;
- Transient ischemic attack (TIA), often referred to as “ministroke”;
- Non-surgical procedure, such as transluminal percutaneous angioplasty, laser disobstruction or any other intra-arterial procedure;
- One of the following conditions or cancer types:
 - Carcinoma in situ;
 - Kaposi's Sarcoma or other AIDS related cancers and cancer in the presence of human immunodeficiency virus (HIV);
 - Skin cancer or melanoma that is not invasive and has not exceeded .75 millimeters in depth; or
 - Prostate cancer diagnosed as T1 N0 M0 or equivalent staging.
- Cancer diagnosis or any investigation leading to cancer diagnosis made within 90 days following the effective date of the insurance;
- Paralysis, if such paralysis was diagnosed in the first 180 days of the effective date of the insurance.

Furthermore, no benefit is paid if the disability is caused directly or indirectly by one of the following:

- During the first two years of insurance, self-inflicted injury or attempted suicide, whether you are sane or insane;
- Normal pregnancy or delivery, except if a complication that is due to an abnormal pregnancy or delivery is involved;
- During the first 12 months of insurance, pre-existing condition.

Furthermore, no benefit is paid if the involuntary job loss is caused directly or indirectly by one of the following situations:

- Involuntary job loss within 45 days following the effective date of your insurance;
- Your knowledge, at the time of submitting the insurance application, that you were soon going to lose your job;
- Your resignation or retirement;
- Your dismissal for cause by your employer;
- Disability covered by this insurance;
- Labour dispute or lockout.

INSURANCE CANCELLATION AND TERMINATION

Coverage Termination

How can I terminate this insurance coverage?

You may end your insurance coverage at any time by contacting our Client Services Department, toll-free 1-800-461-0285 or sending a letter or the Cancellation Notice to the following address:

ACE INA Life Insurance
The Exchange Tower
130 King Street West
12th Floor
Toronto, Ontario
M5X 1A6

Please make sure you include your certificate number, as shown on the Benefit Schedule that was issued to you when your Insurance Application was accepted.

If you cancel your insurance within 10 days following receipt of your Benefit Schedule, we will consider that your coverage was never in effect. All collected premiums will be credited to your Scotia VISA account.

If you cancel your coverage more than 10 days after receiving the Benefit Schedule, no premium will be reimbursed.

Your coverage will end on the date when we receive your Cancellation Notice.

When does my insurance coverage end?

The coverage provided by this insurance ends automatically at 12:01 AM **on the first of the following dates:**

- (i) Date of your death or accidental death. However, in case of joint coverage, the insurance is kept in force for the survivor, until coverage ends as provided in this section;
- (ii) Date when your claim in case of a health crisis is approved;
- (iii) Date of your 65th birthday, with regard to health crisis, disability and involuntary job loss coverage;

- (iv) Date of your 70th birthday, with regard to insurance coverage in case of death. This does not apply to insurance coverage in case of accidental death;
- (v) 30 days after the due date of an insurance premium, if it remains outstanding. Please note that should this happen, it will not be possible to reinstate your coverage;
- (vi) Date when any payment for your account is more than 60 days late;
- (vii) Date when your account is restricted;
- (viii) Date shown in any Cancellation Notice that we or Scotiabank send to you in writing to your address, as shown in our or Scotiabank files. The cancellation date will be at least 31 days following the notice mailing date;
- (ix) Date when we receive your Cancellation Notice; **or**
- (x) Date of group insurance policy termination by us or by Scotiabank.

ADDITIONAL INFORMATION

Who can I call to obtain additional information concerning this insurance?

For further information, please call our toll-free number 1-800-461-0285.

You may contact one of our Client Services Representatives Monday – Friday, 8:00 AM to 8:00 PM (E.S.T.)

CLAIMS

How do I file a claim?

Notice of Loss

You or your representative must notify ACE INA Life Insurance within **30 days** following the date of your death, health crisis diagnosis, disability or involuntary job loss.

The notice may be sent in writing to the following address:

ACE INA Life Insurance
The Exchange Tower
130 King Street West
12th Floor
Toronto, Ontario
M5X 1A6

Attention: Claims

Any written notice must include the Group Policy Number that is shown on your Benefit Schedule. A copy of the Benefit Schedule was issued to you when your Protection Application was accepted. As soon as we receive a notice of loss, we send you or your representative a claim form as well as the procedure for filing a claim.

You may also call Client Services using our toll-free number 1-800-461-0285. A representative will take the necessary steps to send you a claim form and specify any other information that must be provided with your form when it is filled out.

Claim

You or a person acting in your name must send us a written proof of loss at the address you will find in the previous section, i.e.,

- (i) Filled out copy of the claim form
- (ii) Supporting documentation specified on the claim form

The proof of loss must be provided within **90 days** following your death, diagnosis of a health crisis, disability or involuntary job loss.

If we do not receive the proof of loss within this deadline, we will only deal with the claim if you have a valid reason for the delay. However, we will accept no claim more than one year from the date of your death, diagnosis of a health crisis, disability or involuntary job loss.

If the age given is inaccurate, we will use your correct age to determine your eligibility to benefits.

Right to Medical Examination

If a death or accidental death claim is filed, we reserve the right to request an autopsy, if the Law allows it.

If you file a disability claim, we may ask to have you examined by a physician of our choice.

When will ACE Life let me know if my claim is accepted?

ACE Life will respond by mail within **5 business days** following receipt of all documentation necessary to review your claim. We will notify you or your representative of the amount of benefits payable under the terms of this insurance.

How can I appeal the decision of ACE Life?

If your claim is rejected, you will be provided with the reason for the decision. If you wish to appeal this decision, you may send us, within **30 days** following the date shown on the original refusal letter, a written request to have your file reexamined. We will examine the initial assessment and send you a written response within 30 days following receipt of your request for review.

For Quebec Residents: You may also consult the L'Autorité des marchés financiers or your own legal advisor.

Do I have to continue paying the premiums while benefits are paid?

You don't have to pay the premiums while we are paying monthly disability or involuntary job loss benefits and you will not have to pay the premiums that apply to the outstanding account balance covered by your claim.

We will continue however to collect the premiums for all new charges debited to your Scotia VISA account after the date of your disability or involuntary job loss.

When do my monthly benefits end?

Your monthly disability benefits end on the **first** of the following:

- (i) Date when you cease to be disabled; **or**
- (ii) Date when we pay the whole outstanding account balance covered by your claim.

Your monthly benefits in case of involuntary job loss cease on the first of the following:

- (i) Date when you get a job;
- (ii) Date when you start working again as a salaried worker or as a self-employed worker; **or**
- (iii) Date when we pay the whole outstanding account balance covered by your claim.

Can I file a new claim?

You may file a new claim for monthly benefits in case of disability if:

- (i) You cease to be disabled for at least 30 consecutive days
- (ii) We cease to pay the monthly benefits

You may file a new claim for monthly benefits in case of involuntary job loss if:

- (i) You are employed for at least 180 consecutive days by one or more employers;
- (ii) You lose your job unintentionally while you are covered by this insurance;
- (iii) You become, or become again, a self-employed worker for at least 180 consecutive days; **or**
- (iv) A petition in bankruptcy is filed against you under the terms of the Bankruptcy and Insolvency Act while you are protected by this insurance coverage. This petition must be filed by one of your creditors.

To find out what the amount of monthly benefits in case of disability or involuntary job loss will be in such circumstances, please refer to the “What is the insurance amount?” Section, on Page 12 of this Guide.

REFERRAL TO THE AUTORITÉ DES MARCHÉS FINANCIERS

For Quebec residents: For any additional information on the obligations of ACE Life or Scotiabank towards you, please contact the Financial Markets Authority at the following address:

Autorité des marchés financiers
Place de la Cité, Tour Cominar
2640, boul. Laurier, 4th Floor
Sainte-Foy, Québec
G1V 5C1

Toll-free number: 1-877-525-0337

Québec City: (418) 525-0337

Montreal: (514) 395-0337

Email: renseignements-consommateur@lautorite.qc.ca

Website: www.lautorite.qc.ca

CONFIDENTIALITY

In conjunction with the administration of this insurance, we will establish the following files about you:

- (i) an underwriting file, if we have to review medical information to determine your eligibility for the insurance, **or**
- (ii) a life, health crisis or terminal illness claim file when we are notified of such a claim.

To ensure the confidentiality of your personal information, we will keep your file(s) at our offices and only the following persons will have access to your file:

- (i) our employees;
- (ii) representatives who are responsible for underwriting, administration, investigation and claims; as well as
- (iii) any other person or body **you authorize**.

If you wish to have access to your file and, if applicable, have it corrected, send a written request to the following address:

Ombudsman Liaison Officer
ACE INA Life Insurance
130 King Street West, 12th Floor
Toronto, Ontario M5X 1A6

If we receive a request for access or correction, we will reply to you within 30 days. We may require a reasonable charge, in advance, for reproduction and transmission of any information we provide.

CONTACTING US

If you have any questions about your Protection Application or claims, or for general information, please call our toll-free number 1 800 461-0285.

Or write to us at the following address:

ACE INA Life Insurance
The Exchange Tower
130 King Street West
12th Floor
Toronto, Ontario
M5X 1A6

(For Quebec Residents)

NOTICE OF INSURANCE CONTRACT CANCELLATION

NOTICE GIVEN BY DISTRIBUTOR

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

THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS.

- The Act allows you to terminate the insurance contract that you just signed at the same time as another contract, **without penalty, within 10 days of signing it**. For this, you must give the insurer a notice by registered or certified mail within this deadline. You may use the attached model to do this.
- Despite the cancellation of the insurance contract, the original contract made will remain in effect. Please be careful, you could possibly lose the attractive conditions that were granted to you under this coverage; get further information from the representative or check your contract.
- After the 10-day period has expired, you may still cancel the insurance at any time, but penalties may apply.

For further information, you may contact the Financial Markets Authority at (418) 525-0337 (Québec City Region), (514) 395-0337 (Montreal Region) or 1 877 525-0337 (everywhere else in the province of Quebec).

NOTICE OF INSURANCE CONTRACT CANCELLATION

TO: **ACE INA LIFE INSURANCE**
The Exchange Tower
130 King Street West, 12th Floor
Toronto, ONTARIO M5X 1A6

Date: _____
(Mailing date of this notice)

In accordance with Section 441 of the *Act respecting the distribution of financial products and services*, I hereby cancel insurance contract No. _____ (Insurance Policy No. TML600015)
(Insurance Certificate number)

Signed on: _____
(Date of Insurance Certificate signature)

In: _____
(Place of Insurance Certificate signature)

(Client's name)

(Client's signature)

The Distributor must first fill out this section. This document must be sent by registered mail. Sections 439, 440, 441, 442 and 443 of the Act must appear at the back of this notice.

Reproduction of Sections 439 to 443 of the *Act respecting the distribution of financial products and services*.

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

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

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

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

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

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

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

443. A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the debtor may subscribe for insurance with the insurer and representative of the debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds. The distributor may not subordinate the making of the contract of credit to the making of an insurance contract with the insurer specified by the distributor.

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

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

(For Quebec Residents)

ACKNOWLEDGEMENT OF RECEIPT

You, the insured client, hereby acknowledge receipt of the Distribution Guide upon receipt of your TML600015 Insurance Certificate.

Certificate No.: _____

Date: _____
(Date of receipt)

Distributor: _____
(Distributor's name)

Client: _____
(Client's signature)

(Client's name)

(Client's Address)

This acknowledgement of receipt will be kept by the Distributor as a proof that the client received a copy of the Distribution Guide.