GENERAL TERMS AND CONDITIONS – INDEPENDENT LIVING

1. CONTRACT

The insurance plan, including the Policy Schedule, the attached tables and the application, constitutes the entire contract between the parties.

2. GENERAL DEFINITIONS

Beneficiary at Death	Person who is to receive any Benefit payable on the death of the Insured Person. This person is designated by the Policyowner on the Insurance Application.
Benefit	Amount paid by the Insurer under a coverage, in accordance with the provisions of the contract.
Evidence of Insurability	Information that enables the Insurer to determine whether it can accept an Insurance Application and under what conditions.
Insurance Amount	Amount selected by the Policyowner to be paid as a Benefit by the Insurer. The initial amount of insurance is indicated in the Policy Schedule.
Insurance Application	Request for insurance that the Policyowner submits to the Insurer to issue a policy.
Insured Person	Person covered under this policy for whom the Insurer can pay a Benefit. This person is indicated in the Policy Schedule.
Insurer	Desjardins Financial Security Life Assurance Company.
Policy Anniversary	Anniversary of the effective date of the policy. Anniversaries fall on the dates that constitute the start of each Policy Year.
Policyowner	Owner of the insurance policy signed with the Insurer. The Policyowner may be the same person as the Insured Person. The name of the Policyowner is indicated in the Policy Schedule
Policy Year	Each one-year period that follows the effective date of the policy.

Premium	Amount that the Policyowner is required to pay on a regular basis to the Insurer for the insurance. This amount varies based on the Insured Person's Risk Category, on the effective date of the policy and the features of the policy.
Risk Category	Group to which the Insured Person belongs due to the risk the Insured Person represents for the Insurer. The Insurer determines this risk based on the Insured Person's sex and age and the information provided on the Insurance Application.

3. COMMENCEMENT OF INSURANCE

The effective date of a coverage is the initial date of this coverage, as indicated in the Policy Schedule. This coverage will continue for as long as the Policyowner pays the Premiums.

4. PREMIUMS

a. The annual Premium payable for the first Policy Year is indicated in the Policy Schedule.

b. The Premium is guaranteed for the first 5 Policy Years. The Insurer may subsequently change this Premium on a Policy Anniversary. The Insurer will advise, in writing, the Policyowner of any change prior to the applicable Policy Anniversary.

c. The Insurer cannot change the Premium for a specific Insured Person. Any Premium change applies to every person in the same Risk Category.

d. The dates on which the Policyowner is required to pay the Premium are indicated in the Policy Schedule. The Premiums are payable according to the payment method selected by the Policyowner.

e. The Policyowner has 30 days to pay any Premium due, except for the initial Premium. The policy will remain in-force during this period.

5. FUNDS

The amounts indicated in the policy are in Canadian funds.

6. AGE

a. The Insurer determines the Insured Person's age on the effective date of coverage, subject to the provisions of the coverage.

b. If the date of birth provided by the Insured Person is incorrect and a lower Premium has been paid, the Insurer will, as the case may be, proportionately reduce:

   1) the Insurance Amount;

   2) any Benefit paid.

7. DESIGNATION OF THE BENEFICIARY AT DEATH

a. For all coverage that provide for a death Benefit, the Policyowner designates the Beneficiary at Death on the Insurance Application. The Policyowner may designate more than one person. The Policyowner may also change a Beneficiary at Death by completing the appropriate form and forwarding it to the Head Office of the Insurer. However, the Insurer does not assume any responsibility as to validity of the designation or change of a Beneficiary at Death.

b. On the Insured Person's death, the Insurer pays the Benefit to the designated Beneficiary at Death. If there is more than one Beneficiary at Death, the Insurer pays the Benefit in equal shares to the Beneficiaries at Death, unless contrary instructions are in the Beneficiary at Death designation. If one of the Beneficiaries at Death is deceased, the Insurer pays the Benefit in accordance with rules established by law.

8. RESTRICTION IN THE EVENT OF SUICIDE

The Insurer will not pay the Benefit provided for in the event of death if the Insured Person commits suicide during the first 24 months following:

a. the effective date of a coverage that provides for a death Benefit;

b. the reinstatement date of a coverage that provides for a death Benefit;

c. the effective date of any Increase to the Insurance Amount of an existing coverage that provides for a death Benefit; the suicide restriction then only applies to the portion of the Insurance Amount that was added on this date;

d. the effective date of a coverage issued to replace another coverage.

In these instances, the Insurer reimburses, without interest, the Policyowner for the Premiums collected for this coverage since the date the coverage was added, reinstated, increased or issued to replace another coverage.

9. INSURED PERSON AND POLICYOWNER STATEMENTS

a. The Insurer cannot contest any statement or omission made by the Insured Person or the Policyowner for a coverage that has been in-force for more than 24 months during the lifetime of the Insured Person. The Insurer may, however, at any time contest a statement or omission made by the Insured Person or the Policyowner in the following instances:

   1) fraud;

   2) misrepresentation of age or date of birth;

   3) State of Major Impairment that commenced in the first 24 months following the effective date of the coverage.

b. The 24-month period stated in article a. above recommences for each:

1) coverage added to the policy. The new 24-month period is then calculated from the date the coverage was added.

2) reinstated coverage. The new 24-month period is then calculated from the date the coverage was last reinstated.

3) existing coverage for which the Insurance Amount was increased. The new 24-month period is then calculated from the date of the Increase and applies only to the Insurance Amount Increase.

4) coverage issued to replace another coverage. The new 24-month period is then calculated from the date the new coverage became effective.

10. BENEFITS

a. Entitlement to Benefits

1) The Insurer agrees to pay the stated Benefits if all the terms and conditions of the policy are satisfied.

2) The event that gives entitlement to a Benefit must occur while the policy is in-force.

3) The required Premiums must have been paid before the Insurer pays any Benefits.

4) The Insurer pays the Benefit in accordance with the terms and conditions of the policy that applied on the date of the event that gives entitlement to this Benefit.

b. Claims

1) Claims must be forwarded in writing to the Insurer within 31 days following the date of the event that could give entitlement to the payment of Benefits.

2) The Insurer may request any information, evidence or document that it deems necessary to examine a claim. The person who submits the claim must provide this information to the Insurer within 90 days following the date of the claim.

3) If a person fails to submit a claim or the evidence and information requested in the prescribed time, the claim will not necessarily be refused. However, the claimant must demonstrate the inability to act within the prescribed time. The required documents must then be forwarded to the Insurer within one year following the date of the event that triggered to the claim. In all instances, these documents must be forwarded, at the latest, within one year after a coverage terminates.

4) When it receives a claim, the Insurer may, at its expense, have the Insured Person examined by a health practitioner of its choice.

5) No Benefits will be paid if a claim contains omissions or misrepresentations, whether or not they are fraudulent. Anyone who has received payments to which they were not entitled must repay them to the Insurer at a reasonable rate of interest determined by the Insurer.

11. POLICYOWNER RIGHTS

a. 10-day policy examination period

The Policyowner has 10 days from receipt of the policy to examine it. If not satisfied, the Policyowner must return the policy to the Insurer. The Insurer will terminate the policy retroactive to the effective date. The Insurer will reimburse the Policyowner for any Premium paid, providing no claims have been submitted.

b. If the policy was sold in Quebec, the Policyowner may dispose of rights without the consent of the Beneficiary at Death, even if the Beneficiary at Death is irrevocable. However, the Policyowner must obtain the consent of an irrevocable Beneficiary at Death to, among other things:

1) assign the policy (transfer ownership);

2) hypothecate the policy (pledge as collateral);

3) change the Beneficiary at Death of the policy.

c. A Policyowner who wishes to exercise any rights under this policy must forward an appropriate written request to the Head Office of the Insurer. The Insurer may also request any other pertinent document. The Insurer does not, however, assume any responsibility as to validity of these documents.

12. TERMINATION OF INSURANCE

a. The following terms and conditions apply to all coverages.

1) The expiry date of each coverage is indicated in the Policy Schedule.

2) In the event of non-payment of Premiums (except the initial Premium), all coverage will terminate after a period of 30 days. This period applies as of the date any Premium is due.

3) Terms and conditions specific to each coverage are also added to these terms and conditions.

b. For any coverage that does not provide for death Benefits, the Insurer will terminate the coverage if it receives a claim that contains fraudulent omissions or statements. In such an instance, the coverage will terminate on the first day of the policy month following the month in which the Policyowner is advised in writing of the termination.

c. When issuing a policy, the Insurer determines a person's Risk Category based on the information received. In the event of misrepresentation or omission by the Policyowner or the Insured Person, the Insurer may terminate the policy. Therefore:

1) if the misrepresentation or omission is fraudulent in nature, the Insurer may terminate the policy at any time;

2) if the misrepresentation or omission is not fraudulent in nature, the Insurer may terminate the policy immediately if it has been in-force for less than 24 months;

If the Insurer terminates the policy, it will refund the Premiums paid for the coverage affected by the misrepresentation or omission since the effective date of the policy.

d. The Insurer applies the procedure specified in article c. above in the following situations:

1) when adding a coverage;

2) when increasing the Insurance Amount;

3) when reinstating a coverage.

13. REINSTATEMENT

a. It is possible to reinstate a policy that has been terminated due to non-payment of the Premiums. However, the Policyowner must submit a written request to this effect within the 2 years following the termination date. The Insurer will then reinstate the policy on the date it accepts the in writing the request from the Policyowner. The following terms and conditions must also be satisfied:

   1) The Policyowner must provide Evidence of Insurability satisfactory to the Insurer for all proposed Insured Persons.

   2) The Policyowner must pay all the unpaid Premiums up to the reinstatement date together with any applicable interest. The interest rate will be determined by the Insurer and cannot exceed that established under government regulations.

b. If the policy is reinstated, the Insurer will not pay any Benefits for an event that occurred while the contract was not in-force.

c. If the policy is reinstated, the 24-month period stated in the following sections of the GENERAL TERMS AND CONDITIONS starts over:

   1) RESTRICTION IN THE EVENT OF SUICIDE; and

   2) INSURED PERSON AND POLICYOWNER STATEMENTS.

14. MODIFICATION

This policy may be modified upon written request from the Policyowner only if the Insurer approves this request in writing. This approval must be signed by one of its officers.

INDEPENDENT LIVING

1. PURPOSE OF THE INSURANCE

This coverage provides for the payment of a monthly Benefit to the Policyowner if the Insured Person is in a State of Major Impairment. The Policyowner can use this Benefit to cover any expenses related to the Insured Person's State of Major Impairment.

2. DEFINITIONS

Assistive Device	Object, instrument or apparatus used to help individuals in a State of Major Impairment with their activities of daily living.
Cognitive Impairment	Defined in article 3.
Maximum Benefit Period	Maximum period during which the Policyowner can receive monthly Benefits. This maximum period may take the form of one continuous Benefit period or the combination of several separate Benefit periods. It is selected by the Policyowner when the policy is issued. If the Policyowner selected lifetime Benefits, no Maximum Benefit Period applies.
Organic	Relating to the structural change of an organ or tissue.
Period of Major Impairment	Any period during which the Insured Person is in a State of Major Impairment.
State of Major Impairment	Defined in article 4.
Waiting Period	Defined in article 5.

3. COGNITIVE IMPAIRMENT

Cognitive Impairment is defined as the loss of mental capacity demonstrated by the Insured Person's inability to think, perceive, reason or remember. Such impairment:

a. results in the Insured Person's inability to care for oneself without on-going supervision from another person; and

b. is due to a mental condition with an Organic cause.

Determination of Cognitive Impairment will be made on the basis of clinical data and a valid standardized measure of such impairments.

4. STATE OF MAJOR IMPAIRMENT

The Insured Person is in a State of Major Impairment:

a. if the Insured Person is unable to perform 2 of the following 6 activities of daily living without the help of another person:

1) **bathing**: the ability to wash oneself in a bathtub, shower or by sponge bath, with or without Assistive Devices;

2) **dressing**: the ability to put on and remove necessary clothing and any braces, artificial limbs or other surgical appliances;

3) **toileting**: the ability to do all of the following, with or without Assistive Devices:

- to get to and from the toilet;
- to get on and off the toilet; and
- to perform associated personal hygiene;

4) **continence**: the ability to maintain control of the bowel or bladder function, or when unable to control bowel or bladder function, the ability to perform associated personal hygiene, including handling a catheter or a colostomy bag;

5) **transferring**: the ability to move in and out of a bed or a chair, including a wheelchair. If the Insured Person can move with the help of equipment such as a cane, walker, crutches, grab bars or other support devices, the Insured Person is then considered able to transfer positions;

6) **eating**: the ability to consume food that has already been prepared and made available, with or without the use of adaptive utensils. "Eating" does not mean the ability or inability to prepare food;

or

b. if the Insured Person is suffering from a Cognitive Impairment that is endangering the Insured Person's health or safety.

5. WAITING PERIOD

The Waiting Period is the period during which the Insured Person must be in a State of Major Impairment before the Insurer pays the Benefits. The Policyowner does not receive any Benefits during the Waiting Period.

a. The Insurer considers two successive Benefit periods to be a single Benefit period if:

1) they are separated by 180 days or less; and

2) the Insurer deems they are as a result of the same cause.

In this instance, the Waiting Period does not apply again.

b. In other instances, the Insurer considers successive Benefit periods to be two separate Benefit periods and the Waiting Period then reapplies.

6. AGE OF THE INSURED PERSON

The age of the Insured Person on the effective date of this coverage **is the age at the nearest birthday**. This age is indicated in the Policy Schedule. The attained age at any coverage year is equal to the age at the effective date plus the number of completed Policy Years for this coverage.

7. BENEFITS

a. If the Insured Person is in a State of Major Impairment, the Insurer pays the Policyowner the monthly Benefit provided for under the policy. This Benefit is equal to the Insurance Amount indicated in the Policy Schedule.

b. The Insurer pays the Benefit one month following the end of the Waiting Period. The Waiting Period that applies is indicated in the Policy Schedule. The monthly Benefit is adjusted by the Insurer for the last month of a Benefit period. The Benefit payable is proportional to the number of days in the month during which the Insured Person was in a State of Major Impairment.

c. The Insurer pays the monthly Benefit for as long as the Insured Person is in a State of Major Impairment. However, if a Maximum Benefit Period applies under the policy, no Benefit is payable once this period expires.

8. TERMINATION OF BENEFITS

The payment of Benefits for this coverage terminates on the earliest of the following dates:

a. the date the Insured Person is no longer in a State of Major Impairment;

b. the date the Maximum Benefit Period ends, where applicable;

c. the date the Insured Person dies.

9. TERMINATION OF INSURANCE

The insurance provided for under this coverage, including the Refund of Premiums at Death option, where applicable, terminates on the earliest of the following dates:

a. the date the Insured Person dies;

b. the date the Maximum Benefit Period ends, where applicable;

c. In the event of non-payment of Premiums (except the initial Premium), 30 days after the date a Premium is due. However, if this coverage is then changed to paid-up insurance, only the Refund of Premiums at Death option terminates, where applicable;

d. the date the Insurer receives a written request from the Policyowner to terminate this coverage.

10. PAID-UP INSURANCE

Once the Policyowner has paid the Premiums for the first 10 Policy Years or longer, the Policyowner can stop paying the Premiums and obtain reduced insurance. In this instance, the Insurer modifies this coverage. The following conditions apply:

a. This coverage is paid-up.

b. The amount of the monthly Benefit and the Waiting Period are the same as those provided for under this coverage.

c. The duration of the Benefit payment is reduced. This reduced duration is calculated as a number of months. The number of months is calculated using the following formula:

   1) the total amount of all the Premiums paid by the Policyowner for this coverage since the policy was issued;

      divided by

   2) the amount of the monthly Benefit provided for under this coverage.

This reduced duration becomes the new Maximum Benefit Period for this coverage.

The Insurer modifies this coverage only if the reduced Maximum Benefit Period has not already elapsed.

11. REFUND OF PREMIUMS AT DEATH

a. If the Refund of Premiums at Death option has been elected by the Policyowner, this option will be indicated in the Policy Schedule.

b. If the Insured Person dies while the Refund of Premiums at Death option is in-force, the Insurer reimburses the following amount to the Beneficiary at Death:

   1) all Premiums paid for this coverage from the effective date of this coverage until the date of death, without interest;

      less

   2) the total Independent Living Benefits already paid, if applicable.

12. WAIVER OF PREMIUMS IN THE EVENT OF MAJOR IMPAIRMENT

While receiving Independent Living Benefits, the Policyowner is not required to pay the Premiums for this coverage.

13. EXCLUSIONS

a. No Benefits will be paid for a State of Major Impairment that results directly or indirectly from:

1) injuries that were intentionally self-inflicted by the Insured Person or result from a suicide attempt. This exclusion applies whether the Insured Person is sane or insane;

2) injuries that occur while the Insured Person is driving a vehicle after having abused alcohol. Abusive use of alcohol is that which results in a blood alcohol level equal to or above the legal limit for driving a vehicle. That limit is the one in-force in the Insured Person's province of residence. If there is no such limit in-force in the province in question, abusive use is that which results in a blood alcohol level equal to or above 80 mg of alcohol per 100 ml of blood;

3) intoxication related to the abusive and repeated use of medication, alcohol or narcotics;

4) the intentional taking of any toxic substance;

5) the Insured Person's active participation in a war, whether war be declared or not, a riot, uprising, revolution or act of terrorism;

6) the Insured Person's participation in any criminal act or related act;

7) mental or nervous disorders with no Organic origin.

b. No Benefits will be paid for a State of Major Impairment while the Insured Person is outside Canada or the United States.