General

1) Is the customer obligated to purchase Creditor Insurance on their Loan or Lease plan?
The Co-operators Creditor Insurance is an optional and voluntary product which offers security during times of financial hardship caused by certain life events.

2) Have we considered going to flat rate or bundle pricing rather than having so many tables and variables?
Yes, the Essential and Essential Plus Plans have a bundled product, offering Life (negative equity,) Loss of Employment* and Disability coverage with two premiums based on the term (0 – 48 months, 49 – 96 months).
For Carefree, we simplified the table (with a rate based on term and loan amount) this is similar to MBP.

3) What are the eligibility criteria?
A customer is eligible to enrol for insurance on either a Loan or Lease plan, providing as of the effective date of insurance shown on the Insurance Enrolment they meet the following criteria:

- They are a Canadian resident (living in Canada at least 6 months out of the year).
- They have a legal obligation to repay the Loan or Lease to the Creditor, either as a Borrower or Lessee, Co-Borrower or Co-Lessee, Co-Signer, Guarantor or Endorser.
- They have a legal obligation to repay the Loan or Lease to the Creditor either as a Business owner, key person, or any person associated with the Business who is obligated to the debt;
- The customer must be within the "Minimum/Maximum Eligibility Age" for insurance, as outlined on the Insurance Enrolment.
- They have not made a claim for a living benefit under any Creditor's group insurance policy or certificate of insurance issued by the Co-Operators.

4) When does coverage begin?
The effective date of insurance for single Premium Creditor's Group Insurance coverage begins on the effective date of insurance as stated on the Insurance Enrolment.

5) When does coverage terminate?
All insurance coverage, for which a customer has enrolled, will end on the earlier of the following:

a) The expiry of the "Maximum Term of Insurance" as shown on the Insurance Enrolment;
b) The date in which the customer reaches the Coverage Termination Age as shown on the Insurance Enrolment (age 73)
c) The expiry of insurance, as shown on the Insurance Enrolment;
d) The date we receive a customer's written cancellation request, or, where Insurance Coverage is provided for more than one person, the date we receive a written cancellation request from all Insureds;
e) The date the Insured Loan/Lease is paid in full, refinanced discharged or assumed by another person;
f) The date the Loan or Lease expires or is cancelled;
g) The date the customer is released, by operation of law from their legal obligation to repay the Insured Loan/Lease (whether upon discharge from bankruptcy or otherwise);
h) The date the Loan/Lease is transferred or assigned to a creditor other than the Creditor;
i) The date in which six monthly payments have been missed, whether consecutive or not, on the Loan/Lease;
j) The date a life insurance, critical illness or living benefit has been paid under the Product Guide;

*Loss of Employment coverage not available for products with Ford Financing

k) The date an accidental dismemberment/paraplegia insurance benefit is paid, and the outstanding balance is extinguished by such payment;
l) The date the Group Policy is terminated in accordance with its terms;
m) The customer or estate representative does not provide The Co-operators with notice and proof of claim within the time limits specified in the product guides; and
n) The date of the customer's death.

6) What is the loan amount?
The amount entered here is the total amount of the loan from your DMS including accessories, delivery fees, taxes and the cost of other warranty products (excluding loan protection premium).

7) How do I truncate the coverage?
To truncate a coverage, the FSM can select a shorter term. In addition, for Life and CI, the FSM can manually change the insured loan amount on the HUB.

8) How does truncating the loan amount effect a claim? (Partial Coverage)
If, at time of application, the amount of the Insurance Coverage for which the customer has enrolled is less than the approved loan or lease payment amount, a percentage of coverage is calculated, and the amount of the insurance benefit will be reduced proportionately. The Insurance Premium is based on the requested insurance coverage amount of the Loan/Lease and the benefit paid at time of claim is pro-rated.
Example:
Original Loan or Lease Amount $20,000
Insurance Coverage Amount (At point of sale): $10,000 (50% of the loan)
Outstanding Balance at time of death: $5,000
Benefit payable at Time of Claim: $2,500 ($5,000 x 50%)

9) What does HR – LR mean?
HR = High Rate table. The dealer commission is 50% of the retail price.
LR = Low Rate Table. The dealer commission is 30% of the retail price.
Some dealers may choose between the high and the low table. On the low table, the dealer agrees to lower his commission to reduce the retail price paid by the customer.

10) Is the vehicle purchase price before or after taxes?
The purchase price of the vehicle includes taxes, but excludes F&I product.

11) What information is retrieved by the DMS provider and what information is retrieved from the HUB?
The Loan information section (Loan Term, Payment Frequency, Interest Rate, 1st Payment Date, Loan Amount and Monthly Payment) is provided by the DMS and input by the FSM into the HUB. The HUB provides the premium.

12) What type of questions, regarding coverage, are we supposed to be able to answer? Where do we obtain such answers?
All the questions related to insurance are to be acknowledged. If you cannot answer a question, you should refer to the highlight sheet or the selling dealing guide. If you are still unable to answer the question, contact your product specialist: Maxime Girard.

13) If the DMS provider does not provide a breakdown for, ex: life and disability premiums separately, how can the dealer obtain these individual premiums from the one lump sum "life and disability" premium given to them in their DMS provider?

For Carefree, the premium breakdown is by benefit on the Hub (without taxes) and on the enrolment form (with and without taxes). Essential is a bundled product and only has one premium based on term.

15) Can a customer who is employed by the Armed Forces purchase Loan Protection (Carefree, Essential or Essential) and are they eligible to claim if they lose their life, or become disabled due to war or an act of war?
A customer who is employed by the Armed Forces is eligible to purchase Life, Disability, CI and LOE Loan Protection and is also eligible to submit a claim. There is however an exclusion due to war or acts of war under the Accidental Dismemberment/Paraplegia Insurance Benefit.
EXCLUSIONS: When Your Accidental Dismemberment/Paraplegia Insurance Benefit Will Not Be Paid
We will not pay an accidental dismemberment insurance benefit or paraplegia insurance benefit for a loss caused by or contributed to by:
d) war or any act of war;

Disability

1) What is a Pre-Existing Condition?
A Pre-Existing Condition is any illness, disease, bodily injury, condition or symptom (regardless of whether or not a diagnosis has been made) for which you sought or received, or a prudent person would have sought or received. Medical advice or treatment within the Pre-Existing Condition (PEC) exclusion period (in months) as shown on the Insurance Enrolment, immediately preceding the effective date of insurance.
*It is important to note:
The Co-operators will not pay any insurance benefits or refund a customer's Single Premium if their death, Critical Illness or Total Disability results directly or indirectly from, or is in anyway related to, a Pre-Existing Condition.

2) How does the Pre-Existing Condition (PEC) work?
If you had symptoms or were treated for a medical condition within a specified period of time before your Insurance Coverage began, no insurance benefits will be paid if your death, critical illness or total disability occurs within a specified period of time after your Insurance Coverage began. These specified periods of time are shown together on your Insurance Enrolment as the Pre-Existing Condition exclusion period.
Example:
Your Pre-Existing Condition Exclusion Period shown on your Insurance Enrolment is "6/6". You had symptoms and as a result, you were treated for a heart condition five months before your coverage began. If you died, were diagnosed with a critical illness, or first became totally disabled, because of your heart condition, and your coverage had been in effect for less than six full months, we would not pay insurance benefits.

However, as long as you met all eligibility requirements for enrolment on the effective date of insurance shown on your Insurance Enrolment, we would pay insurance benefits if you died, were initially diagnosed with a critical illness, or first became entirely disabled from your heart condition, any time after your coverage has been in effect for six full months.

3) What is the maximum term of benefits if the customer claims due to a disability?
Essential and Essential Plus: for all disability claims, a customer can receive a maximum of six monthly payments (per occurrence) during the term of the insurance, more information can be found on the enrollment form.
Carefree: for all disability claims, the maximum term of benefits is the loan term.

4) If the customer has a 30 day non-retroactive elimination period and is off work for a total of 65 days on an approved disability, how does it work for payments?
The customer is responsible to make their regular loan or lease payments during the 30 day non-retroactive elimination period and while the claim is under review. Once the 30 day non-retroactive elimination period has been satisfied, if/once the claim is approved, the claim benefit payment is paid directly to the lienholder. It is then the responsibility of the creditor to reimburse the customer for any payments made or to apply the payment directly to the loan/lease.

5) The product guide says:
Your disability insurance benefit will not be payable if your Total Disability "began when you were confined as a result of criminal proceedings against you, to a penal institution, government detention facility, hospital or similar institution"
Is a customer eligible to receive claim benefits if they become incarcerated due to a criminal act such as drunk driving or a bar fight?
In the Product Guide, in the event of a criminal act, exclusions are applicable to all benefits. The exclusion reads as follows for Disability coverage:

> EXCLUSIONS:
> The disability insurance benefit will not be payable if your Total Disability:
> is related to you committing or attempting to commit a criminal offence;

In the event that a customer is initially receiving disability or loss of employment* claim payments, benefits will cease in the event of a criminal act:

> When Do Disability Insurance Benefits End?
> Disability benefits will be paid until the earliest of the following:
> • the date you become confined as a result of criminal proceedings against you, to a penal institution government detention facility, hospital or similar institution;
> When Do Loss Of Employment* Benefits End?
> Loss of employment* insurance benefits will be paid until the earliest of the following:
> • the date you become confined, as a result of criminal proceedings against you, to a penal institution government detention facility, hospital or similar institution;

6) Recurring Disabilities - How many days must a customer work between each same or related Total Disability claim for it not to be considered a continuity?
From the Product Guide - A Recurring Disability means if your Total Disability recurs within six months after you recover from the same or related Total Disability, we will consider this to be a continuation of your previous Total Disability.
This means that for a same or related disability, that a customer would need to work 6 months and one day from the last claim paid to date, for it not to be considered a recurring disability.
E.g.
Customer receives a final claim payment as of 03/15/2018 and it pays the claim to 03/31/2018.
The 6 months would start as of 04/01/2018
A the new claim for the same or related total disability would be considered after 10/01/2018.

7) If the 2nd request <u>is</u> considered a continuity, will the customer be required to meet the waiting period in the contract again?
No. If this happens, the Elimination Period shown on their insurance enrolment will not apply for the claim recurrence. The payment will be considered from the incurred date.

8) Does the customer have to go for exams with health specialists every X months?
Each claim is reviewed on its own individual merit. There are no set requirements for Doctor appointments.

9) Is a customer eligible for disability benefits if they are unable to work for 2-3 months due to surgery?

Consideration for benefit payments are made on all claims, however each claim is reviewed on its own individual merit and decisions are made based on the information provided at claim time. In all claim situations, it is difficult to advise whether or not we would consider benefit payments without all the facts of the file.

10) What happens if a customer has a chronic illness that they have had for years, for which they are taking medication regularly, and it is "controlled"? Would they be eligible to claim for disability or critical illness benefits if they have an issue pertaining to that illness, like a flair up, and they have not had one in years and have not seen a doctor in years? Is the claim denied only if it falls into the 6-6 or 12-24 pre-existing condition clauses?

Each claim is reviewed on a case by case basis based on its own individual merit. It is not recommended that we respond to hypothetical questions as without all the details and facts of a claim, an accurate response is not plausible.
Having said that, the Product Guide and Certificate of Insurance will support us in defining what is considered a pre-existing condition:
• A **Pre-Existing Condition** is any illness, disease, bodily injury, condition or symptom (regardless of whether or not a Diagnosis has been made) for which you sought or received, or a prudent person would have sought or received, Medical Advice or Treatment within the specified Pre-Existing Condition Exclusion Period as shown on your Insurance Enrolment, immediately preceding the Effective Date of Insurance.
• **Medical Advice or Treatment** means consultation with a Licensed Physician or registered Health Care Practitioner. This includes, but is not limited to, medical or paramedical treatment and investigative tests, taking pills or any prescription medication, or receiving injections, for any condition related to the illness, disease or bodily injury for which you have made a claim.

For the purposes of this scenario, we are using the 6/6 Pre-Existing Condition Exclusion Period relating to Total Disability:
If the 6 month period has expired at the time the customer becomes totally disabled, we would not investigate the pre-existing condition exclusion. However, if the coverage has been in effect less than 6 months at the time the customer becomes totally disabled, CUMIS would investigate the pre-existing condition period. CUMIS would obtain medical information to determine if the customer received medical advice or treatment, for the disabling condition, within the 6 month period prior to the effective date of coverage. As outlined above, medical advice or treatment includes the taking of pills or any prescription medication, for any condition related to the disabling condition.

Loss of Employment*

1) What significant exclusions, restrictions and limitations need to be clearly disclosed to every customer before selling Loss of Employment* coverage to a customer?
Customers need to be made aware that an individual is only eligible to apply for loss of employment* coverage if that individual has been actively working 20 hours per week for 12 consecutive months (without any break between jobs).
Additionally, they are not eligible to apply if they are self-employed, a seasonal employee or an elected government official.

We recommend you take the following steps when discussing LOE coverage for the Carefree Plan:

a) Proactively ask the customer for his/her current employment status.
b) Ask the customer the LOE eligibility question – "Has each applicant applying for coverage been working 20 hours per week for 12 consecutive months.

c) If an applicant says “no”, then LOE coverage cannot be sold to them.
d) An applicant must say “yes” for LOE coverage in order for them to be sold this particular coverage option. The dealer Business Manager must click the check box in the HUB confirming that the customer is eligible to receive this coverage at the point of sale

2) Do both plans have the same eligibility requirements for Loss of Employment*?
No, there is a slight difference between plans.
For Carefree, the customer must meet the eligibility requirement of working 20 hours per week for 12 consecutive months at time of enrolment and time of claim.

For Essential and Essential Plus the member only needs to meet the eligibility requirement at time of claim.

3) Why is LOE not sold standalone in the province of Quebec?
The regulator in the province of Quebec, the AMF, does not allow LOE to be sold as a stand-alone benefit.

4) The 60 day non-retroactive elimination period does not apply if the involuntary loss of employment* recurs within six months after a previous period of involuntary loss of employment* for which benefits have been paid. When do we count the six months from?
The six-month recurrent period is determined from the last benefit paid through date to the new date of loss.

5) Union employees are hired for one job, they complete it, then are hired for another job, etc. If there has been a lapse of 2 weeks over the past 12 months in employment due to a brief wait between union jobs, are they eligible for LOE?
They are not eligible. To be eligible to claim, receive and continue receiving loss of employment* insurance benefits, the customer must have been employed and have been continuously working at their principal occupation for a minimum of 20 hours per week for 12 consecutive months as of the effective date of their voluntary loss of employment*.

6) If the customer must be employed for 60 days from policy enrollment, plus the 60 day elimination period (for claims), does this mean that someone who loses their job on day 61 would effectively not be able to benefit from a claim payment on the policy until four months from its effective date?
That is correct. The policy states we will not pay loss of employment* insurance benefits if the involuntary loss of employment* begins within 60 days of the Effective Date of Insurance shown on the Insurance Enrolment.
If the involuntary loss commences within 60 days of the effective date of coverage, the customer may:
• cancel their loss of employment* insurance coverage and receive a full refund of Premium paid for this coverage. Their cancellation request must be made within 30 days of their loss of employment*; or
• they may keep their loss of employment* insurance in force for the future. This means that they will be eligible to claim loss of employment* insurance benefits when they have once again been Employed for a minimum of 20 hours per week for
12 consecutive months.
However, should a customer’s involuntary loss of employment* occur on day 61 following the effective date of insurance, if all other eligibility requirements are met, the benefits would commence after the 60-day elimination period.

7) A salesperson has a target of 10 sales a month and misses the target a couple of months in a row and is let go by the employer. Does this individual qualify for loss of employment* coverage?
We would rely on the information provided by the employer to clarify the reason for the termination of employment.

Additionally, to qualify for loss of employment* benefit and to continue to receive these benefits, the customer must:
• have been Actively at Work;
• upon experiencing an Involuntary Loss of Employment*, immediately register with the appropriate federal (and, where applicable, provincial) government department or agency in order to qualify for and receive Unemployment Compensation;
• provide us with evidence, which we consider satisfactory, of their registration for and receipt of Unemployment Compensation;
• be actively seeking Employment; and
• remain unemployed.

8) Does the customer have to have 12 consecutive months at the same job to qualify? Or could they have changed jobs within that year?
A customer can have a job change during the 12 month period as long as there is no break in employment and they have continuously worked 12 consecutive months at 20 hours per week.

9) A customer lost their employment, involuntarily, as of November 2017 and has received a severance package from their employer representing X amount of employment income. Are they still eligible to receive Loss of Employment* benefits?
We will pay loss of employment* insurance benefits if a customer experiences an involuntary loss of employment* and remains unemployed throughout the elimination period shown on their insurance enrolment.
The elimination period is like a waiting period and is counted as a consecutive number of days beginning on the later of:
A: the effective date of your involuntary loss of employment*; and
B: if applicable, the end of the period of time for which any severance payments apply.
E.g.
Loss of Employment: November 1, 2017
Severance Package: Last severance payment received February 1, 2018 paying through to March 1, 2018
Elimination Period: 60 days
Loss of employment benefits will be considered as of May 1, 2018

10) Seasonal employees are not eligible to apply for Loss of Employment* coverage. What if the customer has 2 seasonal jobs (one in winter, one in summer), as such, they theoretically work continuously the whole year for more than 20 hours per week. Would they then be eligible to apply?
Regardless of the number of jobs, or the number of hours worked, if a customer is seasonally employed, they are not eligible to apply for loss of employment* coverage.

Life

1) Can the life insurance be in the name of a company & individual?
The life insurance coverage must be under the name of an individual.

2) What is a living benefit?
If one has enrolled for life insurance coverage, then they are eligible for the living benefit. If diagnosed with a terminal illness (life expectancy is 12 months or less) as determined by a Licensed Physician, Co-operators considers appropriate to make such a diagnosis, the customer is eligible to make a living benefit claim (we will consider a life claim benefit immediately).

3) Is it possible to sell to the same customer three years of life coverage and six years of disability?
Yes, each coverage is independent with the Carefree plan. Essential and Essential Plus plans are bundled and therefore the term of insurance coverage cannot vary between benefits.

4) Life coverage currently terminates on the customer's 73rd birthday. Will we consider extending it past this age?
No.

5) A customer has had a heart attack several years before taking the auto loan. Medical advice by their doctor is to take baby aspirin for life. A customer has consistently taken the baby aspirin since their heart attack and dies ten months after their life protection enrollment. Will their claim be denied as they were considered to be receiving "medical advice" within the pre-existing period (i.e. the baby aspirin)?
In the case described above, if the Pre-Existing Exclusion Period is '6/6', and death occurs after six months from the date the insurance coverage began, the pre-existing condition exclusion would not be applicable.

6) How long does it take (on average) from claim inception to the claim being paid?
The current average cycle time of a life claim for LGM is 62 days. The above cycle time includes the date from when the Co-operators receives notification of claim (usually by telephone call) through to the date in which proof of claim details are received and reviewed by the Co-operators. Once a decision on the claim has been reached, it takes two days to process the payment. To note, information received on behalf of a claim will be reviewed within five working days, as this Co-operators service standard.

7) An option that can significantly reduce the lease rate is by making up to nine additional refundable security deposits. The monthly payments are less, and the customer will get all of the security deposits back at the end of the lease*.
BENEFITS

- **Lower interest rates.**
- **Lower monthly payments.**
- **Security deposit fully refundable at maturity.**
- **Great alternative to a down payment.**

***Refundable amount may be reduced by the amount of any outstanding charges on your account.**

Will the deposit be excluded from the Negative Equity calculation?
The security deposits are not considered a down payment so they do not affect the outstanding balance on a lease. A security deposit does not affect the monthly lease payment by itself, but if the lender is willing to lower the interest rate as noted below or change any other lease parameters then the monthly payment would be affected.
The security deposits is excluded the loan balance and the negative equity calculation.

Critical Illness – For Carefree

1) Do self-employed individuals qualify to purchase this coverage?
Yes, Critical Illness coverage is available for self-employed customers.

2) If there was a diagnosis or apparent signs of cancer before the effective date of insurance, would this result in a Critical Illness claim being rejected?
Pre-Existing Cancer Exclusion
We will not pay a critical illness insurance benefit for a Diagnosis of Cancer if you had Any Cancer at any time before the Effective Date of Insurance.

If at any time prior to the Effective Date of Insurance:
• you were Diagnosed with Any Cancer; or
• if you were not yet Diagnosed with Any Cancer, but:
a) you had apparent signs or symptoms of Any Cancer; or
b) you sought or received, or a prudent person would have sought or received, Medical Advice or Treatment relating to the apparent signs or symptoms of Any Cancer;
Then we will not pay a critical illness insurance benefit for:
• your Diagnosis of a Covered Cancer;
• any recurrence of that Covered Cancer; or
• any future Diagnosis of any other Covered Cancer.
For the purposes of this pre-existing Cancer exclusion:
• **Any Cancer** means any form of Cancer (not just a form of Cancer covered by critical illness insurance under the Product Guide).
• **Covered Cancer** means a form of Cancer covered by critical illness insurance under the Product Guide, subject **to this pre-existing Cancer exclusion.**
• Non-Covered Cancer means a form of Cancer that is not covered by critical illness insurance under the Product Guide.

3) If a customer had a mole checked five years before taking out their auto loan and it was found to be benign/noncancerous (no medical treatment or advice required thereafter for that mole) would a Critical Illness benefit be considered?
If the test results confirm the mole is benign, then the pre-existing cancer exclusion will not apply to this specific scenario.

4) Is there a specific timeframe from the effective date where a Cancer claim will not be covered?
Yes. If a customer has been diagnosed with cancer within 90 days following the "Effective Date of Insurance" shown on the insurance enrolment, a critical illness benefit will not be covered. If this happens, we will cancel your critical illness insurance and provide a full refund of any premium paid during this period.