

the  
edge™

Loss of Income **Policy**

“Simply safeguarding your lifestyle.”™



RBC  
Insurance

*simplified living benefit solutions*

# *Index*

	<i>Page</i>
<i>Section 1 ... Definitions .....</i>	<i>3</i>
<i>Section 2 ... Qualifying Insurable Monthly Earnings .....</i>	<i>6</i>
<i>Section 3 ... Loss of Income Benefit .....</i>	<i>8</i>
<i>Section 4 ... Business Overhead Expense Benefit .....</i>	<i>10</i>
<i>Section 5 ... Accidental Death &amp; Dismemberment Benefit .....</i>	<i>12</i>
<i>Section 6 ... Accident Medical Treatment Benefit .....</i>	<i>17</i>
<i>Section 7 ... Exclusions and Limitations .....</i>	<i>18</i>
<i>Section 8 ... General, Termination &amp; Premium Provisions .....</i>	<i>22</i>
<i>Section 9 ... Statutory Conditions .....</i>	<i>26</i>
<i>Privacy Statement .....</i>	<i>28</i>
<i>About RBC Insurance .....</i>	<i>32</i>
<i>About The Edge Benefits .....</i>	<i>32</i>

*Version 006 Sept.05*

**“We” “Us” and “Our” refers to RBC Life Insurance Company**

*We agree to provide insurance coverage and pay benefits as described in this Policy. Our agreement to pay is subject to the provisions on the attached pages, which together with the application, the Schedule of Benefits, and any amendments or endorsements to the Policy, and any other declaration effecting insurability make up the Policy.*

*This is a limited Policy, which provides insurance against losses as defined in the Policy. The insurance coverage is subject to specified exclusions, and certain reductions and limitations of benefits as described in the Policy provisions*

**THIS POLICY IS CANCELLABLE BY YOU OR THE COMPANY**

(Please see the Termination Provisions in Section 8)

**ILLNESS COVERAGE**

*Subject to the Definitions, and the Exclusions and Limitations, this Policy provides coverage for Disability due to illness only if coverage for Disability from Illness is indicated on the Schedule of Benefits. All references in the Policy to benefits for Disability due to Illness only apply if coverage for Disability from Illness is indicated on the Schedule of Benefits*

**24 HOUR OR NON-OCCUPATIONAL INJURY COVERAGE**

*Subject to the Definitions, and the Exclusions and Limitations, this Policy provides coverage for Disability caused or contributed to by an Injury that is Work Related only if "24 Hour" Coverage is indicated on the Schedule of Benefits. If the Schedule of Benefits Page indicates "Non-Occupational" Coverage, there is no coverage for Disability caused or contributed to by an Injury that is Work Related.*

**EFFECTIVE DATE OF COVERAGE**

*Coverage for Disability or other loss due to Injury is effective on the later of the Effective Date specified on the Schedule of Benefits Page or the date the first premium has been received.*

*Coverage for Disability or other loss due to Illness is effective on the later of:*

- 1) the date the first premium has been received;*
- 2) the Effective Date specified on the Schedule of Benefits;*
- 3) if the Company required a signature of the Insured Person, on delivery of the Policy, then the date of said delivery and signature;*



President & CEO

Senior Vice President, Operations

# SECTION 1:

## DEFINITIONS

**Accident or Accidental** means an unexpected and sudden event due exclusively to an external force of a violent nature beyond the Insured Person's control, occurring while the Policy is in force.

**Class Grouping** means a group of Insured Persons by occupation, plan type (which includes, but is not limited to, Elimination Period and Benefit Period), gender and/or province or territory.

**Day**, for the purposes of this Policy, a 'day' is a continuous twenty-four (24) hour period.

**Disability or Disabled** means a state of Total Disability or Partial Disability.

**Effective Date** means any of the date(s) shown on the Schedule of Benefits. These are the date(s) upon which coverage for each specific benefit commences under this Policy. The Effective Date for coverage under each benefit may differ, including a different Effective Date for Illness coverage than for Injury coverage.

**Elimination Period (EP)** means the number of consecutive days of Disability specified on the Schedule of Benefits or in an endorsement or amendment to this Policy that must pass for each period of Disability before the payment of any benefit payments begin. If this Policy provides coverage for Disability resulting from Illness, there may be different Elimination Periods for Disability resulting from Illness and Injury. They will be shown on the Schedule of Benefits.

**Reasonable Occupation** means any occupation in which the Insured Person could earn, or within a reasonable period of time, could expect to earn, an income equal to or greater than 80% of his Qualifying Insurable Monthly Earnings.

**He/his/him** applies to both sexes unless the context clearly indicates otherwise.

**Illness** means a disease or sickness, which is first Manifested while this Policy is in effect. Regardless of the date of first Manifestation, illnesses that result, directly or indirectly, from any of the conditions or activities listed in any of the Exclusions provisions of this Policy are deemed not to be Illnesses and are not covered for the applicable benefits under this Policy.

**Injury** means Accidental physical harm or damage sustained by the Insured Person while this Policy is in effect. No Disability or loss shall be considered as due to Injury if it results, directly or indirectly, from Illness. However, Soft Tissue Injuries are deemed to be an Injury, except for the purpose of Section 5 of this Policy. Physical harm or damage that results, directly or indirectly, from any of the conditions or activities listed in any Exclusions provision of this Policy are deemed not to be Injuries and are not covered for the applicable benefits under this Policy.

**Work Related** means arising out of, or in the course of:

- any employment or business in which the Insured Person was engaged; or
- any other work which the Insured Person was performing for financial gain.

**Insured Person** means the individual named in the Schedule of Benefits, who has applied and been approved for coverage by the Company.

**Manifest (Manifestation, Manifested)** means the disease or sickness does not merely exist, but a symptom or symptoms have appeared, regardless of whether or not any medical treatment or advice has been sought or received or whether a correct diagnosis has been made.

**Month**, for the purpose of this Policy, a 'month' refers to a calendar month.

**Regular Occupation** means the occupation or occupations the Insured Person is actively involved in for compensation at the date he becomes Disabled.

**Partially Disabled or Partial Disability**, unless modified by the Unemployment/Minimal Work or Leave of Absence Provisions in Section 7, means that:

- 1) The Insured Person is not Totally Disabled; and
- 2) The Insured Person is engaged in his Regular Occupation or any gainful occupation; and
- 3) Due directly to continuing Injury or Illness, the Insured Person is unable to perform either:
  - i) One or more important duties of his Regular Occupation; or
  - ii) The important duties of his Regular Occupation at least one-half of the time normally required; and
- 4) The Insured Person is receiving Physician's Care.

No period of Disability shall be considered as due to Injury if it begins more than 90 days after the date of the Accident.

The availability of work does not effect the determination of Partial Disability.

**Physician** means an individual who is not related by blood or marriage to the Insured Person or ordinarily resident with the Insured Person or a business associate of the Insured Person and who is legally licensed to practice medicine or surgery in the jurisdiction where such an individual is practising. Treatment by a chiropractor is acceptable provided the treatment is authorised and monitored by a Physician.

**Physician's Care** means the regular and personal care of a Physician, which under prevailing medical standards is appropriate for the condition(s) causing the Disability.

**Policy** means the insurance coverage described in this document that the Company has issued as evidence of the contract of insurance coverage between it and the Insured Person. Unless otherwise stated in writing to the contrary, the Policy includes insurance coverage under any amendment, rider or endorsement that the Company has issued for intended attachment to this document. It does not refer to any other insurance coverage that has not been issued by the Company.

**Pre-existing Condition** means any Injury in respect of which, at any time during the consecutive twelve (12) months immediately before the later of the applicable Effective Date or the date it was last reinstated after a lapse:

- a) The Insured Person incurred any health-related expenses on the advice of a physician or any other health care practitioner;
- b) The Insured Person took any prescribed medication;
- c) The Insured Person consulted a physician or any other health care practitioner;
- d) The Insured Person received any health-related care, advice or treatment from a physician or any other health care practitioner; or
- e) A reasonably prudent person with such symptom(s) would have consulted a physician or any other health care practitioner.

**Soft Tissue Injury** means a contusion, a Sprain or a Strain, and it also includes tendonitis, carpal tunnel syndrome, bursitis and plantar fasciitis.

**Sprain** means a joint Injury, in which some fibers of a supporting ligament are ruptured, but the continuity of the ligament remains intact.

**Strain** means an Injury to a muscle caused by over-stretching or over-exertion.

**Totally Disabled or Total Disability**, unless modified by the Unemployment/Minimal Work or Leave of Absence Provisions in Section 7, means that:

- 1) Due directly to Injury or Illness the Insured Person is unable to perform the important duties of his Regular Occupation; and
- 2) The Insured Person is not engaged in any gainful occupation; and
- 3) The Insured Person is receiving Physician's Care.

After Disability benefits have been payable for 36 months during any one period of Disability, then Total Disability means that:

- 1) Due directly to Injury or Illness the Insured Person is unable to engage in any Reasonable Occupation for which the Insured Person is, or may reasonably become, fitted by education, training or experience, and
- 2) The Insured Person is receiving Physician's Care.

No period of Disability shall be considered as due to Injury if it begins more than 90 days after the date of the Accident.

The availability of work does not effect the determination of Total Disability.

**Vehicle** means any form of transportation which is drawn, propelled or driven by any means and includes but is not restricted to an automobile, truck, motorcycle, moped, bicycle, snowmobile or boat.

## SECTION 2:

### DETERMINATION OF QUALIFYING INSURABLE MONTHLY EARNINGS AT TIME OF CLAIM FOR LOSS OF INCOME BENEFIT

#### **DEFINITION OF TERMS USED IN THIS SECTION**

**Employment Income** means the sum of:

- 1) the equivalent monthly amount of the total of the Insured Person's salary, wages, commissions, fees or other remuneration from employment, less any employment expenses that are deductible from employment income under the Income Tax Act of Canada; and
- 2) the equivalent monthly amount of any regular annual or periodic bonus paid to the Insured Person averaged over the prior two (2) year period.

Employment Income is the greater of:

- 1) the average monthly amount of the above Employment Income over the 6 months immediately preceding the date the period of Disability began; or
- 2) the rate of the above Employment Income in effect at the date the period of Disability begins.

**Gross Business Revenue** means the Insured Person's share of business revenue before business expenses and before taxes from an incorporated or unincorporated business, which was partly or wholly owned by the Insured Person and in which the Insured Person was working full or part-time.

Gross Business Revenue is reduced by the sum of the following:

- 1) any deduction for cost of goods sold which may include the cost of materials and supplies but not the cost of labour; and
- 2) any salaries, wages or bonuses paid as employee wages to individuals employed with the business but not including any amounts paid to the Insured Person.

**Net Earned Income** means the Insured Person's share of:

- 1) annual pre-tax profits from an incorporated business; or
- 2) business income, less the Insured Person's share of business expenses that are deductible from income under the Income Tax Act of Canada from an unincorporated business which was partly or wholly owned by the Insured Person and in which the Insured Person was working full or part-time.

**Prior Average Gross Business Revenue** is the greater of:

- 1) the average monthly Gross Business Revenue during the six (6) month period immediately preceding the commencement of Disability; or
- 2) the average monthly Gross Business Revenue during the taxation year immediately preceding the commencement of Disability; or
- 3) the average monthly Gross Business Revenue in any consecutive twenty-four (24) month period within the three (3) year period immediately preceding the commencement of Disability. The twenty-four (24) month period must commence after the applicable Effective Date.

**Prior Average Net Earned Income** means the greater of:

- 1) the average monthly Net Earned Income during the six (6) month period immediately preceding the commencement of Disability; or
- 2) the average monthly Net Earned Income during the taxation year immediately preceding the commencement of Disability; or
- 3) the average monthly Net Earned Income in any consecutive twenty-four (24) month period within the three (3) year period immediately preceding the commencement of Disability. The twenty-four (24) month period must occur after the applicable Effective Date.

**Contract Personnel** means a person who, either through his personal one man corporation, or as a sole proprietor, is engaged by and receives all remuneration, without any source deductions, from a single corporation to which he exclusively provides his services. The amount of his remuneration must be calculated on a per unit payment basis (example: per km, per square foot, per pound or per hour).

**Long Haul Trucker** means a person:

- 1) whose occupation involves driving a truck; and
- 2) whose Occupation Class as shown in the Schedule of Benefits is Class "A"; and
- 3) who is not involved in the loading or unloading of trailers which hold the freight for more than 15% of their loads.

## **QUALIFYING INSURABLE MONTHLY EARNINGS**

Qualifying Insurable Monthly Earnings, if the Insured Person is not a Contract Personnel, means the monthly equivalent of the sum of the following:

- 1) if the Insured Person has earnings from employment, seventy-five percent (75%) of the Insured Person's Employment Income; and
- 2) if the Insured Person has earnings from self-employment, the greater of:
  - a) seventy-five percent (75%) of Prior Average Net Earned Income; and
  - b) seventy-five percent (75%) of fifty percent (50%) of Prior Average Gross Business Revenue.

### **Qualifying Insurable Monthly Earnings for a Contract Personnel**

means the monthly equivalent of seventy-five percent (75%) of Prior Average Gross Business Revenue.

### **Non-Qualifying Insurable Monthly Earnings**

Qualifying Insurable Monthly Earnings do not include investment income, income from government plans, rent, royalties, pension income, annuities, deferred compensation or other forms of income which do not depend on the Insured Person's ability to engage in any occupation or employment.

### **Verification of Qualifying Insurable Monthly Earnings**

The Company will require written evidence of Qualifying Insurable Monthly Earnings which may include, but is not limited to, information from third parties, a true copy of income tax returns, audited income and expense statements or employer's salary statements. Once a method of determining income has been selected for any particular claim that same method will be used throughout the entire period of that claim.

# SECTION 3:

## LOSS OF INCOME BENEFIT

### **DEFINITION OF TERMS USED IN THIS SECTION**

**Loss of Income Benefit** means the amount of Monthly Income Benefit as shown on the Schedule of Benefits, subject to verification of the Insured Person's Qualifying Insurable Monthly Earnings. (See Section 2) The Loss of Income Benefit can never be greater than his Qualifying Insurable Monthly Earnings.

**Maximum Benefit Period** means the maximum length of time for each period of Disability, for which Loss of Income Benefits are payable. The Maximum Benefit Period ends on the earliest of:

- 1) the date the Insured Person ceases to be Disabled according to the definition of Disability as defined in this Policy;
- 2) the date benefits cease in accordance with the Benefit Limitations or Exclusions of this Policy;
- 3) the Insured Person's 70th birthday; or
- 4) the last day of the Benefit Period as shown on the Schedule of Benefits or in any endorsement or amendment to this Policy; or
- 5) the date the Insured Person fails to provide proof of claim in accordance with the requirements of the Proof of Claim provisions in Section 8.

### **BENEFIT PROVISIONS**

#### **Total Disability Benefit**

If an Insured Person is Totally Disabled after the Elimination Period, the Company will pay the Monthly Loss of Income Benefit for each month during which the Insured Person remains Totally Disabled, subject to the Maximum Benefit Period, the Benefit Limitations and Exclusions.

Where the Insured Person is Totally Disabled after the expiry of the Elimination Period for only part of a month, one-thirtieth (1/30<sup>th</sup>) of the Monthly Loss of Income Benefit will be paid for each day the Insured Person is Totally Disabled.

Total Disability Benefits are payable in arrears.

#### **Partial Disability Benefit**

If an Insured Person is Partially Disabled after the Elimination Period applicable to this Loss of Income Benefit, the Company will pay fifty percent (50%) of the Monthly Loss of Income Benefit for each month during which the Insured Person remains Partially Disabled, up to a maximum one hundred and eighty (180) days and subject to the Maximum Benefit Period, the Benefit Limitations and Exclusions.

Where the Insured Person is Partially Disabled after expiry of the Elimination Period for only part of a month, one-thirtieth (1/30<sup>th</sup>) of the Monthly Partial Disability Benefit will be paid for each day the Insured Person is Partially Disabled.

Partial Disability Benefits are payable in arrears.

### **Return to Work Assistance Benefit**

While the Insured Person is Disabled, We may provide assistance in returning the Insured Person to work. Assistance may include, but will not necessarily be limited to, arranging and/or paying for some or all of the costs of the following services:

- a) medical investigation and/or treatment;
- b) physical rehabilitation;
- c) psychiatric and/or psychological rehabilitation;
- d) vocational evaluation;
- e) education and/or occupational retraining;
- f) job placement;
- g) financial and/or business planning.

In addition, assistance may include, but will not necessarily be limited to, arranging and/or paying for some or all of the costs of the following items used to modify the Insured Person's work-site:

- h) ergonomic furniture and/or equipment;
- i) mobility enhancing equipment;
- j) visual and/or audio equipment.

We will pay, or reimburse the Insured Person, for the costs of these services and/or modifications if:

- a) We have agreed, in writing, to do so before the costs are incurred;
- b) We determine that the services will assist the Insured Person adequately in returning to work; and
- c) The Insured Person is not entitled to payment of the costs from any other sources.

We may review funding of the services and/or modifications from time to time and We may continue funding of them if We determine that they are assisting the Insured Person adequately in returning to work. We may also modify or withdraw funding of the services and/or modifications depending upon the Insured Person's participation and progress in returning to work.

### **Recurrent Disability**

If, within six (6) months of the end of a prior period of Disability for which Loss of Income Benefits were paid, Disability results again from the same or a related medical cause(s) which caused the prior Disability, then any subsequent period of Disability will be deemed to be a continuation of the previous period of Disability in determining the Maximum Benefit Period. A Loss of Income Benefit will be payable from the first day of such subsequent Disability. Each period of Disability separated by six (6) months or more will be considered as a separate Disability, even if such Disabilities are due to the same or related causes.

### **Concurrent Disability**

If a Disability is caused by more than one (1) Injury or Illness or from both causes, the Company will pay benefits as if the Disability was caused by only one (1) Injury or Illness.

### **Exclusions and Limitations**

See Section 7 for the Exclusions and Limitations applicable to benefits under this Section.

# SECTION 4:

## BUSINESS OVERHEAD EXPENSE BENEFIT

There is no coverage under this benefit, unless it is shown on the Schedule of Benefits or any endorsement or amendment to this Policy.

### **DEFINITION OF TERMS USED IN THIS SECTION**

**Business Overhead Expenses** mean the fixed contractual operating expenses of a business, where the Insured Person is the Key Person of that business. If there is no significant financial loss to the business while the Insured Person is Disabled then no reimbursement of expenses will be made. If a premium is accepted for any period during which the Insured Person is no longer responsible for the Business Overhead Expenses, the Policy will remain in effect but the Business Overhead Expense Benefit will be limited to the return of premium accepted during that period for this benefit.

**Business Overhead Expenses are the fixed contractual operating expenses of the business and include:**

- scheduled installment payments of principal of debt allocated to business use;
- rent, leased and rented equipment, business property liability insurance premiums, dues for professional associations, interest on debt, accounting fees;
- other fixed contractual business expenses, which are normal and customary in the operation of the business;
- wages, fees or other compensation for any employee if that employee is involved in administrative support and is not engaged in any revenue producing or sales generating activities for the business and was continuously employed in the business for a period of not less than six (6) months prior to the Insured Person's date of Disability. For Long Haul Truckers, a replacement driver is included as a Business Overhead Expense.

**Business Overhead Expenses Do NOT Include:**

- wages, fees or other compensation payable to staff or any person who generates revenue for the business;
- any expense for which the insured Key Person is not liable, any expenses for which the insured Key Person was not regularly liable before the start of Disability;
- travel and entertainment expenses;
- any business or office supplies, fuel or repairs and maintenance;
- Business Overhead Expenses for which the business is reimbursed through any other source.

**Key Person** means the Insured Person's services are of such a nature that the business would suffer a substantial financial loss if that Insured Person became Disabled. The Insured Person generates the sales or revenue for the business and is involved in the day-to-day operation of the business.

**Maximum Benefit Period** means the maximum length of time for each period of Disability, for which benefits are payable under this Business Overhead Expense Benefit. The Maximum Benefit Period begins on the date benefits become payable and ends on the earliest of:

- 1) the date the Insured Person ceases to be Disabled according to the definition of Disability as defined in this Policy;
- 2) the date benefits cease in accordance with the Benefit Limitations or Exclusions of this Policy;
- 3) the Insured Person's 70th birthday;
- 4) the date the Maximum Total Benefit is paid; or
- 5) the date the Insured Person fails to provide proof of claim in accordance with the requirements of the Proof of Claim provisions in Section 8.

**Maximum Monthly Benefit** means the greatest dollar amount the Company will pay each month while the Insured Person is Disabled subject to the terms of the Policy. The Maximum Monthly Benefit is shown on the Schedule of Benefits or in an endorsement or amendment to this Policy.

**Maximum Total Benefit** means twelve times the Maximum Monthly Benefit. The cumulative total of Monthly Expense Benefits paid for a single claim cannot under any circumstances exceed the Maximum Total Benefit.

**Monthly Expense Benefit** means the dollar amount which is payable while the Insured Person is Disabled. It is equal to the lesser of the actual Business Overhead Expenses incurred for the month or the Maximum Monthly Benefit.

## **BENEFIT PROVISIONS**

### **Total Disability Benefit**

If an Insured Person is Totally Disabled after the Elimination Period applicable to this Business Overhead Expense Benefit, the Company will reimburse to the Owner of this Policy, upon submission of receipts or other proof satisfactory to the Company, the Business Overhead Expenses incurred for each month during which the Insured Person is Totally Disabled, subject to the Monthly Expense Benefit, Maximum Benefit Period, Maximum Monthly Benefit, Maximum Total Benefit and Benefit Limitations and Exclusions. Where the Insured Person is Totally Disabled after expiry of the Elimination Period for only part of a month, one-thirtieth (1/30th) of the Monthly Expense Benefit will be paid for each day the Insured Person is Totally Disabled.

### **Partial Disability Benefit**

If an Insured Person is Partially Disabled after the Elimination Period applicable to this Business Overhead Expense Benefit, the Company will reimburse to the Owner of this Policy, upon submission of receipts or other proof satisfactory to the Company, fifty percent (50%) of the Monthly Expense Benefit for each month during which the Insured Person is Partially Disabled, for up to a maximum of ninety (90) days, subject to the Maximum Benefit Period, Maximum Total Benefit and Benefit Limitations and Exclusions. Where the Insured Person is Partially Disabled after expiry of the Elimination Period for only part of a month, one-thirtieth (1/30th) of the monthly Partial Disability Benefit will be paid for each day the Insured Person is Partially Disabled.

### **Recurrent Disability**

If, within six (6) months of the end of a prior period of Disability for which Business Overhead Expense Benefits were paid, Disability results again from the same or a related medical cause(s) which caused the prior Disability, then any subsequent period of Disability will be deemed to be a continuation of the previous period of Disability in determining the Maximum Benefit Period and Maximum Total Benefit.

A Business Overhead Expense Benefit will be payable from the first day of such subsequent Disability. Each period of Disability separated by six (6) months or more will be considered as a separate Disability, even if such Disabilities are due to the same or related causes.

### **Concurrent Disability**

If a Disability is caused by more than one (1) Injury or Illness or from both causes, the Company will pay benefits as if the Disability was caused by only one (1) Injury or Illness.

### **Exclusions and Limitations**

See Section 7 for the Exclusions and Limitations applicable to benefits under this section.

# SECTION 5:

## ACCIDENTAL DEATH & DISMEMBERMENT BENEFIT

### **DEFINITION OF TERMS USED IN THIS SECTION**

**Child** means any child of the Insured Person or his Spouse, including any stepchild, adopted child or foster child who is unmarried and dependent on the Insured Person for financial support and who is;

- 1) at least fifteen (15) days of age and less than nineteen (19) years of age; or,
- 2) over eighteen (18) years of age but less than twenty-five (25) years of age if a full-time student attending an Institute For Higher Learning; or,
- 3) incapable of supporting himself because of a mental or physical handicap, subject to proof of his condition and dependence.

**Day-Care Centre** means a facility that is operated according to law, including laws and regulations applicable to day-care facilities and which provides care and supervision for children in a group setting on a regular basis. Day-Care Centre will not include a hospital, the child's home, care provided during normal school hours while a child is attending grades one (1) through twelve (12) or any other day-care facility which does not charge a fee for services rendered.

**Institution For Higher Learning** means an accredited university, college or trade school, including CEGEP.

**Spouse** means a person who is either:

- 1) legally married to the Insured Person; or
- 2) a person who has been living with the Insured Person for at least twelve (12) months and who is publicly represented as the Insured Person's spouse.

If the Insured Person is legally married but is also cohabiting with an individual as described under item 2) above, the Insured Person may elect in writing which one (1) of the individuals will qualify as a spouse under this Policy. This election must be filed with the Company. The Company will not be bound by an election not filed before the event insured against occurs. If an election is not filed, the spouse will be the individual to whom the Insured Person is legally married.

### **BENEFIT PROVISIONS**

If the Insured Person has, sustained an Injury as a result of an Accident and as a direct result suffered any of the losses specified in the Benefit Schedule below, the Company will pay the percentage of the Principal Sum in accordance with the Benefit Schedule below and the provisions of the Policy. The amount of the Principal Sum is stated on the Schedule of Benefits.

### **BENEFIT SCHEDULE**

When any of the losses specified in this section, occurs within 365 days after the date of the Accident, the following benefits will be paid in a lump sum payment:

Loss of:	% of Principal Sum Payable
Life	100%
Both Arms or Both Legs	100%
Both Hands or Both Feet	100%
Sight of Both Eyes	100%
Speech and Hearing in Both Ears	100%
A Hand and a Foot	100%
A Hand or a Foot and Sight of an Eye	100%
An Arm or a Leg	75%
A Hand or a Foot	67%
Sight of an Eye	67%
Speech or Hearing in Both Ears	67%
Thumb and Index Finger of Same Hand	33%
Four (4) Fingers of Same Hand	33%
Hearing in an Ear	25%
All Toes of Same Foot	25%

Loss of Use of:	% of Principal Sum Payable
Both Upper and Lower Limbs (Quadriplegia)	100%
Both Lower Limbs (Paraplegia)	100%
Upper and Lower Limbs on Same Side of Body (Hemiplegia)	100%
Both Arms or Both Legs	100%
Both Hands or Both Feet	100%
A Hand and a Foot	100%
A Hand or a Foot and Sight of an Eye	100%
An Arm or a Leg	75%
A Hand or a Foot	67%

"Loss of" and "Loss of use of", in this section are defined and will be determined as follows:

- 1) "Loss of Use of" any limb(s), or any part(s) thereof, must be medically certified as total and irrecoverable, and it must exist for a continuous period of twelve (12) months.
- 2) "Loss of" sight, speech or hearing must medically certified as total and irrecoverable.
- 3) For hands or feet, "Loss of" means actual severance through the arm or leg, above wrist or ankle joints, respectively.
- 4) For arms or legs, "Loss of" means actual severance through the arm or leg, above elbow or knee joints, respectively.
- 5) For thumbs or fingers, "Loss of" means actual severance through the thumb or finger, above metacarpophalangeal joints, respectively.
- 6) For toes, "Loss of" means actual severance through the toe or foot, above metatarsophalangeal joints.

For quadriplegia, paraplegia or hemiplegia, paralysis shall mean the irrecoverable and permanent loss of use of such limbs.

When more than one (1) of the above losses occurs as a result of the same Accident, only the benefit for the loss providing the greatest benefit will be paid.

## **SUPPLEMENTAL BENEFITS**

### **Education Benefit**

In the event of the death of the Insured Person which results in benefits being payable for Loss of Life in accordance with the above Benefit Schedule and the terms of this Policy, the Company will pay the Education Benefit stated below for each Child of the Insured Person who is enrolled as a full-time student:

- 1) in an Institution For Higher Learning; or
- 2) at the secondary school level but who enroll as a full-time student in an Institution For Higher Learning within three hundred and sixty-five (365) days after the date of death of the Insured Person.

The Education Benefit is five percent (5%) of the Insured Person's Principal Sum, up to a maximum of five thousand dollars (\$ 5,000), for each year that We receive satisfactory proof that the Child is enrolled as a full time student in an Institution for Higher Learning. For each Child described above, the Education Benefit is payable once yearly, but will not be payable for more than four (4) years, which must run consecutively.

The Education Benefit is payable to the Insured Person's designated beneficiary, if any, and if there is no beneficiary designated, to the Insured Person's estate.

### **Day-Care Benefit**

In the event of the death of the Insured Person which results in benefits being payable for Loss of Life in accordance with the above Benefit Schedule and the terms of this Policy, the Company will pay the Day-Care Benefit stated below for each Child, under thirteen (13) years of age, of the Insured Person who:

- 1) is enrolled in a Day-Care Centre on the date of such loss; or
- 2) will enroll in a Day-Care Centre within ninety (90) days after the date of death of the Insured Person.

The Day-Care Benefit reimburses actual costs paid to a Day-Care Centre, subject to a maximum of five percent (5%) of the Insured Person's Principal Sum or five thousand dollars (\$ 5,000), whichever is less. The reimbursement will be paid each year immediately upon receipt of satisfactory proof that the Child is enrolled in a Day-Care Centre but will not be made for expenses incurred prior to the death of the Insured Person. For each Child described above, the Day-care Benefit will not be payable for more than four (4) years, which must run consecutively.

The Day Care Benefit is payable to the Insured Person's designated beneficiary, if any, and if there is no beneficiary designated, to the Insured Person's estate.

### **Home Alteration and/or Vehicle Modification Benefit**

In the event an Insured Person sustains the Loss of or Loss of Use of Both Feet or Both Legs or becomes Quadriplegic, Paraplegic or Hemiplegic, which results in benefits being payable in accordance with the above Benefit Schedule and the terms of this Policy, and he subsequently requires the daily use of a wheelchair to be ambulatory, the Company will reimburse the Insured Person for the reasonable and necessary expenses they actually incur for:

- 1) the cost of alterations to the Insured Person's principal residence by a person or persons experienced in such alternations and recommended by a recognized organization, providing support and assistance to wheelchair users; and/or
- 2) the cost of modifications to one (1) motor vehicle utilised by the Insured Person, when such modifications are carried out by a person or persons experienced in such modifications and the modifications are approved by licensing authorities where required, for the purpose of making them wheelchair accessible.

Reimbursement by the Company for the total of all expenses incurred by or for any Insured Person will not exceed a maximum of ten thousand dollars (\$ 10,000) combination for both items 1) and 2) above.

#### **Rehabilitation Benefit**

If the Insured Person suffers a loss for which a benefit is payable in accordance with the above Benefit Schedule and the terms of this Policy, and as a result of this loss the Insured Person is required to participate in a rehabilitation program in order to be qualified to engage in an occupation in which he would not have engaged except for such loss, the Company will reimburse the Insured Person for the reasonable and necessary rehabilitation expenses actually incurred, within two (2) years from the date of the Accident, by the Insured Person for any such program approved by the Company prior to the expenses being incurred. Reimbursement by the Company for the total of all expenses incurred by any Insured Person will not exceed ten thousand dollars (\$ 10,000) and will not be made for room, board or other ordinary living, traveling or clothing expenses.

#### **Spousal Occupational Training Benefit**

In the event of the death of the Insured Person which results in benefits being payable for Loss of Life in accordance with the above Benefit Schedule and the terms of this Policy, the Company will pay the reasonable and necessary expenses actually incurred, within three (3) years from the date of such loss, by the Spouse of the Insured Person who engages in a formal occupational training program in order to become specifically qualified for active employment in an occupation for which he would not otherwise have sufficient qualifications. Reimbursement by the Company for the total of all expenses incurred will not exceed ten thousand dollars (\$ 10,000) and will not be made for room, board or other ordinary living, traveling or clothing expenses.

In order to qualify for this benefit, the Spouse of the Insured Person shall:

- 1) not be employed in a full-time occupation on the date of death of the Insured Person;
- 2) obtain the approval of the Company for the program prior to incurring the expense;
- 3) enroll as a full-time student in an Institute For Higher Learning or a school for vocational training for the purpose of preparing for full-time employment; and
- 4) be under the age of seventy (70).

The Spousal Occupational Training Benefit is payable to the Insured Person's Spouse.

#### **Repatriation Benefit**

In the event of the death of the Insured Person which results in benefits being payable for Loss of Life in accordance with the above Benefit Schedule and the terms of this Policy and the death occurs more than fifty (50) kilometres from the Insured Person's normal place of residence, the Company will reimburse the reasonable and customary expenses actually incurred for the transportation of the body of the deceased Insured Person to the first resting place (including but not limited to a funeral home or the place of interment) in proximity to the normal place of residence of the deceased, including charges for the preparation of the body for such transportation, not to exceed in the aggregate the amount of ten thousand dollars (\$ 10,000) for all such expenses.

### **DUPLICATION OF COVERAGE**

If the Insured Person is insured under more than one (1) Policy with the Company for any of the Supplemental Benefits named in this Policy, benefits will only be payable under one (1) of the policies issued to the Insured Person by the Company.

## **PAYMENT OF BENEFITS and BENEFICIARY DESIGNATION**

Benefits under Section 5 of the Policy are payable in accordance with the following provisions.

In the event of Loss of Life of the Insured Person, the Loss of Life benefit will be payable to his estate, unless the Company has received from the Insured Person a beneficiary designation, in written form satisfactory to the Company, designating a beneficiary. The Insured Person's beneficiary designation may be changed by written request in a form satisfactory to the Company. Any such request takes effect on the date it is received by the Company. All other benefits, including Supplemental Benefits, are payable to the Insured Person, unless otherwise indicated in the specific benefit provision. Any benefits payable and accrued to the Insured Person at the time of his death will be payable in accordance with his beneficiary designation, if any, and if there is no beneficiary designation, to his estate.

## **EXPOSURE / DISAPPEARANCE**

Losses resulting from exposure are treated like those resulting from any other Injury. Disappearance of at least twelve (12) months is treated as Loss of Life, when resulting from the disappearance, forced landing, stranding, sinking, or wrecking of a common conveyance in which the Insured Person was a fare-paying passenger at the time of the Accident.

## **EXCLUSIONS**

Please see Section 7 of the Policy.

# SECTION 6:

## ACCIDENT MEDICAL TREATMENT BENEFIT

### **BENEFIT PROVISIONS**

In the event an Insured Person sustains an Injury as a result of an Accident which results in the Insured Person incurring any of the following expenses, subject to the Exclusions and Limitations below, the Company will reimburse, up to ten thousand dollars (\$10,000), the Insured Person for the expenses upon proof of payment thereof.

- 1) Qualified Physician (including surgeon and anesthetist) fees;
- 2) necessary care and services from a hospital, including x-rays and medicines, but not including room ward, semi-private or private) charges;
- 3) services from a registered graduate nurse who is not related by blood or marriage to the Insured Person or ordinarily resident with the Insured Person or a business associate of the Insured Person;
- 4) ambulance fees;
- 5) services of a qualified physiotherapist, osteopath, chiropractor or podiatrist;
- 6) rental of a wheel chair or other approved durable equipment for temporary therapeutic treatment, but not to exceed the purchase price prevailing at the time such rental became necessary;
- 7) purchase of hearing aids, crutches, trusses, braces, casts and splints, but not including the cost of replacements;
- 8) orthopaedic appliances; or
- 9) drugs or medicines dispensed by a licensed pharmacist, which requires the prescription from the attending Physician.
- 10) services by a qualified dentist for dental treatment to natural teeth or replacement of natural teeth, but not to exceed the cost of the least expensive treatment that will provide a professionally adequate treatment.

### **EXCLUSIONS**

Please see Section 7 of the Policy.

### **LIMITATIONS**

Benefits are subject to the following limitations:

- 1) Expenses covered by any governmental health insurance plan in the Insured Person's province or territory of residence will not be covered.
- 2) Expenses covered by any other insurance Policy will not be covered.
- 3) Expenses must be solely and directly as a result of an Accident and the first such expense must be incurred within thirty (30) days of the Accident, all other expenses must occur within three hundred and sixty-five (365) days of the Accident.

## SECTION 7:

### EXCLUSIONS AND LIMITATIONS FOR LOSS OF INCOME, BUSINESS OVERHEAD EXPENSE, ACCIDENTAL DEATH & DISMEMBERMENT and ACCIDENT MEDICAL TREATMENT BENEFITS \*Important please review\*

#### EXCLUSIONS

A. Benefits are not payable under Section 5 of this Policy for any losses resulting directly or indirectly from Soft Tissue Injuries.

B. The following exclusion applies to claims for benefits provided under Section 5 and Section 6 of this Policy. In addition, if this Policy does not provide coverage for Disability resulting from Illness, then the following exclusion applies to claims for benefits under Section 3 and Section 4 of this Policy:

Benefits are not payable or provided under this Policy, and no premiums will be waived, for any portion of any period of Disability, nor for any other loss covered by this Policy, that results, directly or indirectly, from any disease or sickness (including any medical or surgical treatment thereof)

This exclusion does not apply however to Disability, or any other loss covered by this Policy, that results directly from a septic infection caused through a wound Accidentally sustained.

C. The following exclusions apply to claims for all benefits provided under this Policy:

I. Benefits are not payable or provided under this Policy, and no premiums will be waived, for any portion of any period of Disability, nor for any other loss covered by this Policy, that results, directly or indirectly, from, any Injury which occurs while the Insured Person:

- 1) is traveling or flying in (including the descent from) any kind of aircraft, other than as a fare paying passenger in a certified passenger aircraft provided by a commercial airline on a regular scheduled or non-scheduled special or chartered flight, operated by a properly certified pilot, flying between duly established and maintained commercial airports;
- 2) participates, in any type of professional athletics activity, or professional underwater activities, including scuba diving;
- 3) Engages in any of the following activities: mountaineering, rock climbing, caving, parachuting, sky diving, hang gliding, bungee jumping, racing (for example, but not limited to automobile, motorcycle, or horse) or racing of any water device (e.g. seadoo);
- 4) Is operating a Vehicle while under the influence of any drugs (other than as prescribed and taken in accordance with the instructions of a physician), or while his or her blood alcohol level is greater than eighty (80) milligrams per hundred (100) millilitres of blood (0.08);

II. Benefits are not payable or provided under this Policy, and no premiums will be waived, for any portion of any period of Disability, nor for any other loss covered under this Policy, that results, directly or indirectly, from:

- 5) the Insured Person's intentionally self-inflicted harm, or attempted suicide, including inhaling gas or absorbing fumes, whether the Insured Person is sane or insane;
- 6) the Insured Person's committing or attempting to commit a criminal offence whether inside or outside Canada, under the laws in the jurisdiction where the offence took place;
- 7) the use of any drug, poisonous substance, intoxicant or narcotic, other than as prescribed by and taken in accordance with the instruction of a Physician;
- 8) engaging in an illegal occupation, a riot or insurrection or any form of public disturbance or an act of declared or undeclared war;
- 9) normal pregnancy and childbirth; however, Disability due to complications of pregnancy that are life threatening to the mother or fetus will be covered for the term the complications alone directly cause Disability or loss to the mother. These complications include but are not limited to Toxaemia, Pernicious vomiting, Postpartum haemorrhage, and Extra-uterine pregnancy;
- 10) any type of opportunistic infection or sickness if the Insured Person had Acquired Immune Deficiency Syndrome (AIDS) and/or has tested positive for Human Immunodeficiency Virus (HIV or any subtypes) or had symptoms of the above which were diagnosed or Manifested themselves prior to the applicable Effective Date;
- 11) **Subjective Conditions:** including, but not limited to, chronic fatigue syndrome, chronic pain syndrome, fibromyalgia, Epstein Barr syndrome or any other subjective syndrome or condition;
- 12) **Mental Disorders and Substance Use Disorders:** any psychiatric, psychological or emotional disorder including but not limited to, depression, anxiety, stress, burnout, or any Mental Disorder or Substance Use Disorder. Such disorders include psychotic, emotional or behavioral disorders and disorders related to substance abuse or dependency;
- 13) The Insured Person's service in the armed forces, the reserves, or any other military organisation.

#### **Exclusions for Pre-existing Conditions**

No benefits will be payable or provided under this Policy, and no premiums will be waived, for any portion of any period of Disability, nor for any other loss covered under this Policy, which results, directly or indirectly, from any Pre-existing Condition as defined in this Policy.

However, this Pre-existing Condition exclusion shall not apply to any claim that arises from a period of Disability that begins more than twelve (12) consecutive months after the later of the applicable Effective Date and the date the Policy was last reinstated after a lapse.

#### **Exclusions for Named Exclusions**

No benefits will be payable or provided under this Policy, and no premiums will be waived, for any portion of any period of Disability, nor for any other loss covered by this Policy, which result, directly or indirectly, from conditions the Company has excluded by name or specific description in an endorsement or amendment to this Policy.

## **Territorial Exclusions and Limitations**

### **1) Illnesses and Injuries which are Not Covered**

No benefits will be payable, and no premiums will be waived, for any Disability or other loss under this Policy that results, directly or indirectly, from an Injury that occurs, or an Illness which commences, while:

- a) and after the Insured Person has been traveling or residing for more than 31 days outside of Canada, the United States of America or the United Kingdom; or,
- b) the Insured Person is incarcerated.

### **2) Suspension of Benefits and Premium Waiver**

No benefits will be payable, and no premiums will be waived, for any portion of any period of Disability during which the Insured Person:

- a) travels or resides outside of Canada, the United States of America or the United Kingdom; or,
- b) is incarcerated.

### **3) Elimination Period Limitation**

An Elimination Period will neither start, nor continue, during any periods of time when the Insured Person is residing or traveling outside of Canada, the United States of America, or the United Kingdom.

## **BENEFIT LIMITATIONS**

### **Back and Neck Injuries**

Benefits for back and neck injuries will be considered for payment only where substantiated by diagnostic medical tests. Benefits for Soft Tissue Injuries of the back, neck and surrounding tissues will be limited as described in the Soft Tissue Injuries Limitation below.

### **Degenerative Disc Disease**

Degenerative Disc Disease is deemed to be an Illness, and is subject to the Illness Elimination Period, as shown on the Schedule of Benefits or in any endorsement or amendment to this Policy. Benefits for portion of any period of Disability that results, directly or indirectly, from degenerative disc disease will be limited to twenty (20) days per period of Disability up to a Policy lifetime maximum of one hundred and twenty (120) days.

### **Soft Tissue Injuries**

If any portion of any period of Disability results, directly or indirectly, from a Soft Tissue Injury, benefits will be limited as follows:

- 1) If the Insured Person's Occupational Class as shown on the Schedule of Benefits is Class "BB", benefits are limited to twenty (20) days for each period of Disability.
- 2) If the Insured Person's Occupational Class as shown on the Schedule of Benefits is Class "B", benefits are limited to forty (40) days for each period of Disability.
- 3) If an Insured Person's Occupation Class as shown on the Schedule of Benefits is Class "A", benefits are limited to sixty (60) days for each period of Disability.

When the Insured Person has received payments for a total of one hundred and eighty (180) days for all such periods of Disability, no further benefits will be payable for any other periods of Disability resulting, directly or indirectly, from Soft Tissue Injuries.

If the Insured Person's Occupational Class as shown on the Schedule of Benefits, is Class "AA", benefits due to Soft Tissue Injuries are not limited for each period of Disability. However, when the Insured Person has received payments for a cumulative total of thirty-six (36) months for all such periods of Disabilities, no further benefits will be payable for Soft Tissue Injuries.

### **Unemployment / Minimal Work**

If, at the beginning of a period of Disability, the Insured Person is unemployed or not actually working at least 20 hours per week on a regular basis and at least 35 weeks per year, then Total Disability means that:

- 1) Due directly to Injury or Illness the Insured Person is unable to engage in any Reasonable Occupation for which the Insured Person is, or may reasonably become, fitted by education, training or experience; and
- 2) The Insured Person is receiving Physician's Care.

For a Disability due to Illness, the Maximum Benefit Period will be 60 months.

### **Leave of Absence**

If, at the beginning of a period of Disability, the Insured Person is a seasonal worker between specified working seasons, or on a specified leave of absence with a specific return date agreed to with their employer, then until the date the Insured Person was scheduled to return to work, Total Disability means that:

- 1) Due directly to Injury or Illness the Insured Person is unable to engage in any Reasonable Occupation for which the Insured Person is, or may reasonably become, fitted by education, training or experience; and
- 2) The Insured Person is receiving Physician's Care.

If benefits are still payable on the date the Insured Person is specifically scheduled to return to work, then the definition of Total Disability in Section 1 will apply as of that date. Any benefits paid under the modified definition of Total Disability indicated above will be counted in the 36 month Regular Occupation period of the standard definition of Total Disability found in Section 1.

### **INTEGRATION OF BENEFITS PROVISION**

The Loss of Income Benefit provided by this Policy is intended to cover a loss of income due to a qualifying Disability. If the Monthly Benefit shown on the Schedule of Benefits, plus any benefits received from the Workers' Compensation Act or similar legislation; automobile accident insurance plan; Canada Pension Plan (Primary only) or Quebec Pension Plan (Primary only), Employment Insurance Plan or similar legislation; or, any other insurance plan including other individual, group and mortgage creditor insurance; or any employer salary continuance or severance allowance, exceeds the Insured Person's Qualifying Insurable Monthly Earnings, the Company will reduce the benefits payable under this Policy by the excess amount.

The amount payable will not be less than the Minimum Monthly Benefit, which is twenty-five percent (25%) of the Monthly Income Benefit purchased. The Minimum Monthly Benefit will be payable while the Insured Person continues to be Disabled and eligible for Disability benefits for up to eighteen (18) months subject to the Limitations of this Policy. After this eighteen (18) month period, the benefits payable will be reduced by the full excess amount and there will be no Minimum Monthly Benefit payable.

# SECTION 8:

## GENERAL, TERMINATION & PREMIUM PROVISIONS

### **TEN DAY RIGHT TO EXAMINE POLICY**

*Within ten (10) days after receipt by the Owner, this Policy may be returned to our Head Office or to the agent from whom it was bought. We will cancel the Policy from the Effective Date and any premium paid will be returned in full.*

### **GENERAL PROVISIONS**

#### **Owner**

The Owner is the individual named in the Schedule of Benefits. All rights and privileges under this Policy belong to the Owner, including the right to receive payment of any benefits, unless otherwise expressly stated in this Policy.

#### **Changes**

Changes to the Policy may be requested in writing by the Owner and submitted to the Company for consideration. Any such change may be subject to payment of a service fee as well as the submission of other requirements, which the Company may deem necessary for the approval of such a change.

#### **Proof of Claim**

To make or continue a claim for benefits under this policy, the Insured person will have to provide proof of claim by:

- 1) fully completing claim forms requested by us;
- 2) providing information we request which may be relevant to the claim (including the Person Insured's health, income and activities) and cooperating in the release of information from others that may be relevant to the claim, (including the Person Insured's present or past health care providers);
- 3) if we request it, being interviewed by a representative of the Company, by telephone or in person; and,
- 4) if we request it, participating in examinations, assessments or interviews by health care or other professionals of our choosing.

During a claim, we can ask the Insured Person for further proof, in the manner described above, that the claim remains payable. If we do, the Insured Person must provide the requested information or documentation within 30 days (except that if what we request cannot be provided within 30 days of our request, it must be provided as soon as reasonably possible). If such continuing proof is not provided within the time required, any further benefits in respect of the claim will be forfeit.

These obligations regarding proof of claim are specifically intended to continue even if there has been a breach of the terms of this Policy.

#### **Incontestability**

The statements made in the application, in any subsequent application, or in any application for reinstatement, except for fraudulent misstatements and statements erroneous as to Age or Sex, shall be incontestable after this Policy has been in effect for two (2) years from the applicable Effective Date, or the effective date of an endorsement or amendment to the Policy, or from the effective date of the latest reinstatement.

### **Policy Years and Anniversaries**

Policy Years and Policy Anniversaries shall be computed from the applicable Effective Date.

### **Currency**

Amounts payable under this Policy, either to or by the Company, shall be payable in the lawful currency of Canada.

### **Age**

In this Policy when we refer to the Insured Person's age on any date, we mean his age on their last birthday

### **Misstatement of Age or Sex**

If the Insured Person's date of birth or sex has been misstated in the application for coverage under this Policy, all benefits payable under this Policy will be those that the premiums paid would have purchased at the correct Age or sex but shall not exceed the Company's issue or qualifying limits in effect at that time. If, because of the misstatement, the Company accepts a premium for a period or periods beyond the date coverage would have ceased according to the correct Age or sex, or if at the correct Age or sex the coverage would not have become effective, the Company's liability will be limited to the refund of all premiums paid for the period during which coverage would not have been in effect. In no event will any adjustment under this provision cause the amount of any benefit to increase over the amount shown on the Schedule of Benefits.

### **Non-participating**

This Policy does not participate in the Company's profits or surplus.

### **Conformity with Law**

This Policy is subject to all applicable laws of Canada or any of its provinces or territories.

## **TERMINATION PROVISIONS**

### **Termination by the Company**

The Policy of any one (1) Insured Person cannot be singled out for cancellation, however, the Company may terminate the policies issued to a Class Grouping.

If the Insured Person changes his occupation or province or territory to a Class Grouping that is not an acceptable risk, the Company reserves the right to terminate this Policy, on an individual basis.

The Company will provide written notice at the most recent address on the records of the Company to the Owner no less than thirty-one (31) days prior to the termination will be effective

### **Termination by Owner**

The Owner may terminate this Policy at any time by giving advance written notice of termination to the Company by registered mail to its Head Office or chief agency in the Province, or by delivery thereof to an authorized agent of the Company in the Province. The Company shall upon surrender of this Policy refund the amount of premium paid in excess of the earned premium calculated to the date of receipt of such notice in accordance with the Company's normal practices in effect at the time of the termination.

### **Termination of Coverage**

An Insured Person's coverage under this Policy terminates on the earliest of the following dates:

- 1) the date the Company receives written notice from the Owner to terminate this Policy;
- 2) the date the Company terminates this Policy;
- 3) the date the Grace Period expires;
- 4) the date the Insured Person ceases to be a permanent resident of Canada;
- 5) the date of the Insured Person's death; or
- 6) the insured person's 70th birthday.

## **PREMIUMS PROVISIONS**

### **Premiums Payable**

The Premium shown on the Schedule of Benefits, or on any subsequent endorsements or amendments to this Policy, is payable to the Company via the Plan Administrator's Head Office, during the life of this Policy. The first premium is due and payable on the applicable Effective Date and thereafter, as shown on the Schedule of Benefits. If any cheque or other instrument given for payment is not honored, the premium will be considered unpaid.

Premiums continue to be payable while benefits for the Insured Person are being paid under this Policy unless and until we have notified the Owner that we have approved a waiver under a Waiver of Premium Benefit

### **Change in Premium**

The Policy of any one (1) Owner cannot be singled out for a premium change, however, the Company reserves the right to change the premium from time to time for policies, including this one, in any Class Grouping.

The Company will not change the premium during the first twelve (12) months from the date any coverage under this Policy first became effective and thereafter, no more than once during any twelve (12) month period.

If the Company finds it necessary to change the premium on a Class Grouping, it will give at least thirty-one (31) days prior written notice to the Owner at the most recent address as shown on the Company's records. The written notice will state the new premium amount and the effective date of the change.

The Owner must notify the Company in writing of any change in occupation or province or territory of residence of the Insured Person and the date the change occurred.

The Company also reserves the right to change the premiums for this Policy individually, in the following circumstances:

- a change in Class Grouping of the Insured Person;
- upon discovery of any misstatement, misrepresentation or omission relative to the Insured Person's insurability.

**Premium Mode**

Premiums are payable monthly unless prior approval is obtained in writing from The Company.

**Additional Fees**

The Company may charge a fee for services requested by the Owner and for any payment transaction, which is denied for reason of non sufficient funds (NSF) in accordance with its then current fee schedule. The Company will notify the Owner of the fee and its due date. Failure to pay the fees as requested will be deemed to be a non-payment of premium.

**Grace Period**

Thirty-one (31) days of grace will be allowed for payment of each overdue premium after the first premium during which time this Policy will continue in effect. If any premium or any Additional Fees are wholly or partially unpaid at the end of the Grace Period, this Policy will then lapse. There will be no Grace Period if the Owner has already given the Company notice to terminate this Policy.

**Reinstatement**

If this Policy lapses because the premium is not paid when due or within the Grace Period, but We receive payment in full within sixty (60) days from the date that the premium was due, the Policy will be reinstated without evidence of the Insured Person's insurability. This does not apply if we have received notice of termination of the Policy from the Owner.

If we receive payment of the premium more than (60) days but less than 180 days after the date the premium was due, the policy will be reinstated if:

- 1) evidence of the Insured Person's insurability is submitted as required; and
- 2) the application for reinstatement is approved

The reinstated Policy will cover Disability or loss that results from an Injury sustained after the date of reinstatement or if an Illness benefit is purchased, for an Illness, which starts more than ten (10) days after such date. In all other respects, the rights of the Owner and the Company will remain the same, subject to any provisions noted on or attached to the reinstated Policy.

In no event will we reinstate this policy more than 180 days after the date the premium was due.

**Waiver of Premium Benefit**

After the Insured Person has been Disabled for 30 continuous days and benefits have become payable, premiums falling due thereafter while the Insured Person is Totally Disabled will be waived until the earliest of:

- 1) the date the Insured Person ceases to be Totally Disabled;
- 2) the end of the Maximum Benefit Period for which Total Disability Benefits are payable;
- 3) the Insured Person's 70th birthday; or
- 4) the last day of the Benefit Period as shown on the Schedule of Benefits or in any endorsement or amendment to this Policy.

Premiums will not be waived during periods of Partial Disability. Premiums must be paid when due, until the Company specifically approves a claim for waiver of premium under this Policy. If a period of Disability starts during the Grace Period, the overdue premium must be paid before the Company will approve any claim.

## **SECTION 9: STATUTORY CONDITIONS**

It is a legal requirement that these conditions be reproduced in this Policy in the following form. In these statutory conditions loss means a benefit for which a claim is made under this Policy.

### **The Contract**

This Policy, the application, the Schedule of Benefits, any document attached to this Policy when issued, and any amendment or endorsement to this Policy agreed upon in writing after this Policy was issued, constitute the entire contract, and no agent has authority to change the contract or waive any of its provisions.

### **Waiver**

The Company shall be deemed not to have waived any condition of this contract, either in whole or in part, unless the waiver is clearly expressed in writing and signed by an officer of the Company.

### **Copy of Application**

The Company shall upon request furnish to the Insured Person or to a claimant under this contract a copy of the application.

### **Material Facts**

No statement made by the Owner or any Insured Person at the time of application for this contract shall be used in defense of a claim or to void this contract unless it is contained in the application or any other written statements or answers furnished as evidence of insurability.

### **Changes in Occupation**

If after the contract is issued the Insured Person engages for compensation in an occupation that is classified by the Company as more hazardous than that stated in the contract, the Company's liability under this contract is limited to the amount that the premium paid would have purchased for the more hazardous occupation according to the limits, classification of risks and premium rates in use by the Company at the time the Insured Person engaged in the more hazardous occupation.

If the Insured Person changes his occupation from that stated in this contract to an occupation classified by the Company as less hazardous and the Company is so advised in writing, the Company shall either:

- 1) reduce the premium rate; or
- 2) issue a Policy for the unexpired term of this contract at the lower rate of premium applicable to the less hazardous occupation,

according to the limits, classification of risks, and premium rates used by the Company at the date of receipt of advice of the change in occupation, and shall refund to the Insured Person the amount by which the unearned premium on this contract exceeds the premium at the lower rate for the unexpired term.

**Notice and Proof of Claim**

The Owner, the Insured Person, or a beneficiary entitled to make a claim, or the agent of any of them, shall give written notice of claim to the Company, by delivery thereof, or by sending it by registered mail to the Head Office of the Company, not later than thirty (30) days from the date the claim arises under this contract.

The Owner within ninety (90) days from the date a claim arises under this contract on account of a Disability, must furnish to the Company such proof as it reasonably possible in the circumstances of the happening of the Injury, or the commencement of the Illness (if the Illness coverage has been purchased and approved), and the resulting disability or loss.

The Owner must also provide evidence of the right of the claimant to receive payment, the Insured Person's Age, and the Age of the beneficiary, if relevant, and if so required by the Company, a satisfactory certificate as to the cause, nature and duration of the Injury or Illness (if the Illness coverage has been purchased and approved) for which claim may be made under the contract.

**Failure to Give Notice or Proof**

Failure to give notice or proof of claim within the time prescribed by this statutory condition does not invalidate the claim if the notice is given as soon as reasonably possible, though in no event later than one (1) year from the date of the Disability giving rise to the claim, if it is shown that it was not reasonably possible to give notice or furnish proof within the time so prescribed.

**Insurer to Furnish Forms for Proof of Claim**

The Company shall furnish forms for proof of claim within fifteen (15) days after receiving notice of claim. If the claimant has not received the forms within that time, proof of claim may be submitted in the form of a written statement of the cause or nature of the Injury or Illness, giving rise to the claim and to the extent of the loss.

**Rights of Examination**

As a condition precedent to recovery of insurance moneys under this contract:

- 1) the Insured Person shall supply to the Company an opportunity to examine the Insured Person when and so often as is reasonably required while the claim hereunder is pending; and
- 2) in the case of death of the Insured Person, the Company may require an autopsy subject to any law of the applicable jurisdiction relating to autopsies.

**When Loss of Time Benefits Payable**

The initial benefits for loss of time shall be paid by the Company within thirty (30) days after receiving proof of claim. Payment shall be made thereafter in accordance with the terms of the contract but not less frequently than once in each succeeding sixty (60) days while the Company remains liable for the payments, providing the Insured Person when required to do so, furnishes proof of continuing Disability.

**When Monies Payable Other Than Loss of Time**

All moneys payable under this contract other than benefits for loss of time, shall be paid by the Company within sixty (60) days after it has received proof of claim.

**Limitation of Actions**

Any action or proceeding against the Company for the recovery of a claim under this contract shall not be commenced more than one (1) year [three (3) years in Quebec] after the date the insurance money became payable or would have become payable if it had been a valid claim.

# PRIVACY STATEMENT

## **Your Privacy Matters To Us**

At RBC Insurance® and The Edge Benefits Inc., we're committed to protecting your privacy. We respect your privacy and want you to understand how we safeguard your personal information.

## **How we collect your information**

We collect and keep information about you, which is needed to provide the products and services you request. We collect information from you, either directly or through our representatives. We may also need to collect information about you from sources such as hospitals, doctors and other health care providers, the Medical Information Bureau, the government (including government health insurance plans) and other governmental agencies, other insurance companies, financial institutions, motor vehicle reports, and your current and former employer.

## **How we use your information**

We use your information to provide the products and services you request, which includes using it to evaluate insurance risk and manage claims. We may also share your information with others who work for RBC Insurance or other RBC Financial Group® companies, or with third parties, when it is necessary for the services we provide to you. Third parties may include other insurance companies, the Medical Information Bureau, financial institutions, third party administrators, and any references you provide.

We may use your information internally, to prepare statistical reports that help us understand the needs of our customers and that help us understand and manage our business.

If you have given us your social insurance number, we will use it for taxation purposes and to help identify you with Citizenship and Immigration Canada, when necessary.

## **Other ways we may use your information**

*Please note that this paragraph is not applicable if this application is submitted by an independent representative or a representative that is attached to a firm other than RBC Insurance.*

When you request products and services directly from RBC Insurance, there are other ways we may use your information. For example, we may use or share some of your information to help you find out about other products and services from RBC Insurance and other RBC Financial Group Companies. However, we will never use or share your health information for these purposes. To better manage your relationship with other RBC Financial Group Companies, and where the law allows us, we may consolidate the information we have about you with the information held by the other member companies.

If, at any time, you decide that you do not want us to use your information as described here, under "Other ways we may use your information", please let us know by calling us at 1-800-663-0417.

**Your right to access your information**

You have a right to access the personal information that we have about you in your file. If we have information that is not correct, you can have it corrected.

To access your information or to ask us to correct information, you can contact us at:

RBC Life Insurance Company  
P.O. Box 515, Station A  
Mississauga, Ontario  
L5A 4M3

Tel: (800) 663-0417 Fax: (905) 813-4816.

The Edge Benefits Inc.  
17665 Leslie Street, Suites 42-44  
Newmarket ON  
L3Y 3E3

Tel: (800) 908-9917 or (905) 836-7133 Fax: (866) 273-5557.

**If you would like more information about client privacy**

RBC Financial Group publishes a brochure on client privacy. If you would like a copy of the brochure, you can contact us and we would be pleased to send one to you.





## **About RBC Insurance**

In Canada, these products and services are marketed under the RBC Insurance brand and underwritten by RBC Life Insurance Company. We provide a range of insurance solutions designed to help people balance their work and personal lives, return to work after a disability, and protect their assets from the financial effects of illness or injury.

## **About The Edge Benefits Inc.**

The Edge Benefits<sup>®1</sup> design, distribute and administrate insurance plans that provide simplified solutions to the consumer. We introduced conditionally renewable disability plans into the Canadian insurance market in 1993, and since that time have led the industry with innovative solutions that provide affordable “lifestyle protection” for all Canadians.

Examples of the many features that make the plans unique in the marketplace are; providing loss of Income coverage, for the Self-Employed, based on Gross Revenue; having a low price Quality Guarantee and providing a North America toll free number to assist our clients in answering questions and act as intermediary with the Insurer in the event of a claim; examples of why you can have confidence in the plans that you carry with The Edge Benefits.

The Edge<sup>™</sup> and The Roadside Edge<sup>®1</sup> policies are underwritten by RBC Life Insurance Company, marketed under the brand RBC Insurance.

Visit our website at [www.edgebenefits.com](http://www.edgebenefits.com)

®Registered trademark of Royal Bank of Canada. Used under license.

©1/™ Trademarks of The Edge Benefits Inc.

*Version 006 Sept.05*