

THE EQUITABLE LIFE INSURANCE
COMPANY OF CANADA
HEAD OFFICE – WATERLOO, ON
(herein called the Company)

hereby insures those Employees of the Policyholder included herein, subject to the provisions of this Policy.

Consideration: The Policy is issued in consideration of the Policyholder's application therefore, and of the payment when due of the premiums required hereunder.

Policy Number: 813823

Policyholder: CUPE Local 399 and CUPE Local 1048 LTD Program

Effective Date of Policy: January 1, 2020

Policy Anniversaries: Policy anniversaries shall occur on April 1, 2021 following the Effective Date of this Policy and the same day of each subsequent year. Policy years will be determined from these dates

Participation Requirements: Minimum percentage of Eligible Employees: 65% of eligible employees hired on or before the Effective Date of Policy and 100% of all new eligible employees

Premiums: Premiums under this Policy calculated in accordance with the provisions herein are payable as follows: The first premium is due and payable on the Effective Date. Subsequent premiums shall be due and payable at intervals of one month thereafter during the continuance of the Policy.

The provisions printed, written, or endorsed hereon by the Company on this and the following pages of this Policy are a part of this contract as fully as if recited over the signatures affixed hereto.

Signed at Waterloo, Ontario on January 27, 2020



Kare J Gough

Authorized Representative
Non-Participating Group Insurance Policy

Ron Beettam

R.E. Beettam, F.S.A., F.C.I.A.
President and Chief Executive Officer

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I DEFINITIONS

In this Policy:

The masculine pronoun and adjective include the feminine, unless a different meaning is plainly to be taken from the context.

1. An employee is "**actively at work**" on a particular date:
 - (a) after he reports for work on the date in question at his usual place of employment with the Employer, provided he is able to perform all of the usual and customary duties of his occupation for the number of hours regularly scheduled for that day on a regular and continuing basis, or
 - (b) on the date in question if he has not reported for work because of scheduled holiday or leave of absence approved by the Employer, excluding any leave of absence for accident or sickness
2. "**Child**" means a natural child, stepchild, adopted child or child the employee or employee's spouse has been granted final guardianship or custody of by an order of the Court.
3. "**Dependent**" means a person who does not permanently reside outside Canada and who:
 - (a) is the spouse of an employee, or
 - (b) is the child of an employee or employee's spouse, provided such child
 - (i) is under the Maximum Age for Dependent Children shown in the Schedule of Insurance, or has attained this age after being insured under this policy and now continues to be incapable of self-sustaining employment by reason of a permanent developmental or physical disability and chiefly dependent upon the employee for support and maintenance, provided that satisfactory proof that the conditions specified above exist and are submitted to the Company within the 31 day period after the attainment of the Maximum Age for Dependent Children, and
 - (ii) is not engaged in any business or occupation or performing any work for compensation or profit on a full-time basis (30 hours or more per week), and
 - (iii) does not have a spouse or partner, and
 - (c) has provincial health care coverage in the province of residence.
4. "**Dependent Insurance**" means the insurance provided under this policy in respect of the dependents of an insured employee.

I DEFINITIONS (Continued)

5. **"Earnings" or "Gross Earnings"** means:
- (a) "Annual Earnings" means:
 - (i) the usual earnings that an employee earns on a regular basis from the Employer. Any other earnings received on a regular basis, such as shift premiums, overtime and bonuses are additional amounts which would be considered as annual earnings, or
 - (ii) in respect of employees for whom commissions are to be included in the definition of earnings, the employee's actual remuneration from the Employer in the preceding calendar year including commissions, but excluding bonuses, dividends, expense allowance, gratuities, overtime pay, profit-sharing plans, and any other income which is received in fluctuating amounts and on an irregular basis. This amount will be prorated if less than one full calendar year of earnings are available.
 - (b) In the case of weekly earnings or monthly earnings, the "annual earnings" will be adjusted on an exact mathematical basis to reflect the period over which the earnings are to be calculated.
 - (c) For the purpose of determining the amount of an employee's benefit at the time of a claim for a benefit that is earnings related, the employee's "earnings" will be the lesser of:
 - (i) the amount reported by the Employer at the time of claim, or
 - (ii) the amount reported by the Employer to the Company and for which premiums have been paid, or
 - (iii) In respect of Classification 8B only: the amount reported by the Employer to the Company for 12 months prior to the date of disability.
6. **"Employee"** means any person employed by the Employer and:
- (a) who is employed on a full-time or part-time basis and is actively and regularly working for the Employer for at least the Minimum Number of Hours as shown in the Schedule of Insurance, and
 - (b) who is employed on a permanent basis with the Employer, and
 - (c) who permanently resides in and is employed in Canada, and
 - (d) who primarily works at a Canadian location, and
 - (e) who has provincial health care coverage in his province of residence, and
 - (f) who has not attained the Maximum Age for Coverage, or
 - (g) who is a seasonal employee who meets (a), (b), (c), (d), (e), and (f) above.
7. **"Employee Insurance"** means the insurance provided under this policy in respect of an insured employee.
8. **"Employer"** means the Policyholder, and includes any affiliate, subsidiary, or division named in this policy.
9. **"Net earnings"** means the "gross earnings" as defined above, of an insured employee, less all amounts under the Employment Insurance Act Canada, the Canada or Quebec Pension Plan, the Quebec Parental Insurance Plan, the Income Tax Act, Canada, or any pension plan issued to the Employer and under which the employee is covered, that the employee would be required to pay had he been in receipt of his earnings for the full calendar year for which the calculation is made.
10. **"No-evidence limit"** means the maximum amount of insurance that an eligible employee may be covered for before the Company will require that evidence of insurability, prescribed by and satisfactory to the Company, be submitted.
11. **"Pre-existing condition"** in respect of any employee means any condition for which the employee has received medical care or treatment or taken a prescribed drug at any time prior to the effective date of the employee's insurance.

II INSURING PROVISIONS

1. Schedule of Insurance

The coverage for which an employee is eligible shall be in accordance with the following:

Classifications

Classification 8A: All Eligible Regular Full Time Employees of CUPE Local 399 & CUPE Local 1048

Classification 8B: All Eligible Regular Part Time Employees of CUPE Local 399 & CUPE Local 1048

Classification 8C: All Eligible Seasonal Employees of CUPE Local 399 & CUPE Local 1048

Employee Long Term Disability Benefits

60% of monthly earnings to the next higher \$1.00 (if not already a multiple of \$1.00) to a maximum benefit of \$4,000 per month.

Co-Ordination of Benefits Section:

The amount of any Long Term Disability Benefit payable under this Policy shall be reduced by income received or receivable from the following sources:

- (a) Benefits under any Workers' Compensation Act or law or similar legislation
- (b) Primary Canada and Quebec Pension Plan Benefits
- (c) Benefits under the Quebec Parental Insurance Plan

Benefit Commencement and Maximum Benefit Period:

Elimination Period: Following the expiration of the sick banked hours and the expiration of the Short Term Disability benefit with a minimum elimination period of 181 Days and a maximum elimination period of 364 Days

Commencement Date: minimum commencement date of 182 Days and a maximum commencement date of 365 Days

Maximum Benefit Period: to the employee's 65th birthday.

Partial Disability:

Maximum Benefit Period for Partial Disability: up to a maximum of 24 months beyond the Commencement Date, but not beyond the "own occupation" period in the definition of "totally disabled" below.

Definition of "totally disabled" in respect of Employee Long Term Disability Benefits:

- (a) During the Elimination Period and for the following 24 months, "totally disabled" means that due to sickness or injury, the employee is unable to perform the essential duties of his own occupation. Availability of the employee's own occupation is not relevant when assessing disability from the employee's own occupation.
- (b) Thereafter, "totally disabled" means that due to sickness or injury, the employee is unable to perform the essential duties of any occupation for which the employee is qualified or could reasonably become qualified based on education, training or experience with earnings equivalent to the benefit provided under this plan. Availability of occupations is not relevant when assessing total disability from any occupation.

Maximums under 10. (f) Retraining and Re-employment Benefits

Family Care Expense Credit per eligible child: \$200 per month

Education Expense Credit per eligible dependent child: \$200 per month

The maximum for the Family Care Expense Credit and Education Expense Credit combined cannot exceed \$1,000 per month.

Number of months for which the Family Care Expense Credit and Education Expense Credit are eligible: 3 months.

Long Term Disability Survivor Benefit:

The amount of the Long Term Disability Survivor Benefit shall be equal to 3 times the amount of the monthly Long Term Disability benefit payment the employee received from the Company immediately prior to the date of his death.

II INSURING PROVISIONS

1. Schedule of Insurance (continued)

Minimum Number of Hours

Classifications 8A and 8C: 18.75 hours per week

Classification 8B: An average of 18.75 hours per week over a 4 month period

II INSURING PROVISIONS (Continued)

2. **Eligibility**

- (a) All Permanent, Full-time or Part-time Employees on the payroll of the Employer on the Effective Date of this Policy are eligible for insurance as follows: on January 1, 2020, or 3 months after the date on which the employee has been placed on the payroll of the Employer as a permanent, full-time or part-time employee, whichever is later.
- (b) All Permanent, Full-time or Part-time Employees of the Employer placed on the payroll of the Employer after the Effective Date of this Policy will become eligible for insurance as follows: 3 months after the date on which the employee has been placed on the payroll of the Employer as a permanent, full-time or part-time employee.
- (c) When an Employee has submitted evidence of insurability and the employee has been declined for coverage, the Employee will not be considered eligible for coverage unless and until the Employee provides satisfactory evidence of insurability, approved by the Company at a future date. Should the Company approve the Employee for coverage, the Company will determine the appropriate date of eligibility for that Employee under the Policy. This clause does not apply to an employee who has been re-employed after a period exceeding one year from the employee's date of termination of insurance.

3. **No-evidence Limit**

Employee Long Term Disability Benefits: \$4,000

4. **Change Date**

The change date shall be the date of change of classification due to a change in the employee's earnings or occupation or other particulars used to determine the employee's classification.

5. **Maximum Age for Coverage** *See 4. Termination of Individual Insurance in III General Insuring Provisions.*

An employee shall cease to be eligible for any benefits or coverage under this policy as follows:
on the employee's 65th birthday less the Elimination Period in respect of the Long Term Disability benefit.

III GENERAL INSURING PROVISIONS

1. **Amount of insurance**

The amount of insurance coverage for each employee insured under this Policy shall, subject to the provisions of this Policy, be in accordance with the Schedule of Insurance shown in the Policy.

2. **Effective Date of Individual Insurance**

An eligible employee shall be covered for insurance hereunder in accordance with the following, provided, however, that the employee is actively at work on a full-time basis on the date on which his insurance coverage is to take effect:

- (a) An employee shall be covered for insurance hereunder on the latest of the following dates:
 - (i) in respect of an employee who makes written application on forms furnished by the Company on or before his date of eligibility, on his date of eligibility
 - (ii) in respect of an employee who makes written application on forms furnished by the Company within 31 days after his date of eligibility, on his date of eligibility
 - (iii) in respect of other employees, including any employee whose insurance has been cancelled at his own request, on the date of approval by the Company of the employee's application and of evidence of the employee's insurability satisfactory to the Company.
- (b) Notwithstanding clause (a) above, for employees who are eligible for amounts of insurance in excess of the No-Evidence Limit, clause (a) above applies only to amounts up to and including the No-Evidence Limit. An employee eligible for amounts of insurance in excess of the No-Evidence Limit shall be covered for the amount in excess of the No-Evidence Limit on the date of approval by the Company of evidence of insurability satisfactory to the Company.
- (c) The insurance on any employee not satisfying the actively at work requirement on the date his insurance would otherwise become effective shall become effective on the next following date on which such requirement is satisfied.

3. **Effective Date of Changes to Individual Insurance**

Changes in the Amount of Insurance shall become effective on the Change Date shown in the Policy except that an increase in insurance coverage shall become effective in accordance with the following, provided, however, that the employee is actively at work full-time on the effective date of increase in insurance coverage. An increase in insurance coverage shall become effective:

- (a) in respect of an employee eligible for an amount of insurance in excess of the No-Evidence Limit, on the date of approval by the Company of evidence of insurability satisfactory to the Company
- (b) in respect of other employees on the Change Date, provided written notice has been given to the Company within 31 days after the Change Date or the employee makes a contribution applicable to the increased amount of insurance within 31 days after the Change Date
- (c) in respect of all other employees, on the date of approval by the Company of satisfactory evidence of insurability
- (d) the increase in insurance coverage in respect of an employee not satisfying the actively at work requirement shall become effective on the next following day on which such requirement is satisfied.

III GENERAL INSURING PROVISIONS (Continued)

4. Termination of Individual Insurance

- (a) The insurance of an employee shall automatically terminate on the first day of the following dates:
- (i) on the date the employee ceases to be employed by the Employer, or
 - (ii) on the date the employee ceases to be in a class of employees eligible for insurance under the Policy, or
 - (iii) on the date the employee fails to make any contribution required by the Employer for the insurance, or
 - (iv) on the date the employee requests the Employer to terminate his insurance, or
 - (v) on the date the employee reaches the Maximum Age for Coverage under the policy as shown in the Insuring Provisions, or
 - (vi) on the date of written notice by the Employer to the Company that the insurance of the employee shall terminate, or
 - (vii) on the date of termination of this Policy, or
 - (viii) on the date of the employee's retirement, unless the Schedule of Insurance specifies that any benefit(s) may continue for retired employees, or
 - (ix) on the date that it has been proven to the satisfaction of the Company that the employee has engaged in fraudulent activity with respect to claims under this Policy.
- (b) Cessation of active, full-time work is deemed to constitute termination of employment with the Employer except that:
- (i) If any insured employee is absent from full-time work on account of sickness or injury, (when coverage includes either or both Short Term Disability and/or Long Term Disability see "Definition of 'totally disabled'" as shown on the Schedule of Insurance pages under the Employee Short Term and/or Employee Long Term Disability benefits), he will be considered to be still employed on a full-time basis, provided the Employer, acting on a basis precluding individual selection, continues the employee's insurance, but the insurance shall not be continued beyond the earlier of the date the employee recovers from his sickness or injury and the date the Employer terminates the employee's insurance in a written notice to the Company, or
 - (ii) If any non-seasonal insured employee is absent from full-time work on account of temporary lay-off, he will be considered to be still employed on a full-time basis, provided the Employer, acting on a basis precluding individual selection, continues the employee's insurance but the employee's insurance shall not be continued for a period exceeding 3 months, or
- In respect of seasonal insured employees, if an employee is absent from full-time work on account of temporary or seasonal lay-off, coverage is terminated as of the date of temporary or seasonal lay-off.
- (iii) If any insured employee is absent from full-time work on account of leave of absence other than maternity or parental leave, the employee will be considered to be still employed on a full-time basis, provided the Employer, acting on a basis precluding individual selection, continues the employee's insurance but the employee's insurance shall not be continued for a period exceeding 3 months or such time as determined by provincial legislation, or
 - (iv) If an insured employee is absent from full-time work on account of maternity leave or parental leave, the employee will be considered to be still employed on a full-time basis, provided the Employer, acting on a basis precluding individual selection, continues the employee's insurance during the maternity or parental leave, or

III GENERAL INSURING PROVISIONS (Continued)

4. Termination of Individual Insurance (Continued)

Maternity leave begins on the date the employee and the Employer have agreed will be the start of the employee's leave or the date the child is born, whichever is earlier. Parental leave is the period of time that the employee and the Employer have agreed on.

The leave will end on the date the employee and the Employer have agreed that the employee will return to active, full-time work, the actual date the employee returns to work or the period allowed by the Employment Insurance Act, whichever is earlier.

- (v) If an insured employee is terminated by the Employer and is provided with or the Employer is required to provide a termination of employment package, Health Benefits and Dental Benefits may be extended for the greater of the period required by applicable legislation or up to 180 days, at the discretion of the Employer. All other benefits may only be continued for the period required by applicable legislation.
- (c) Where any employee receives the maximum benefits under any portion of the policy, the applicable insurance of such an employee shall be automatically terminated on the last date to which benefits have been paid.
- (d) If an employee insured hereunder becomes actively engaged as a member of the Military, Naval or Air Forces of any country, the employment of such employee for the purposes of insurance hereunder shall be deemed to have terminated on the date of becoming so engaged and the insurance on such employee shall, notwithstanding anything contained herein to the contrary, automatically cease on such date.

5. Reinstatement of Individual Insurance

- (a) Where any employee's insurance has been terminated because of cessation of active full-time work and the employee returns to active work for the Employer in the position of an employee eligible for insurance under this policy within one year* after the date of termination of his insurance, the employee's insurance may be reinstated on the date of return to active full-time work provided written notice is received from the Employer within 31 days after the date the employee returns to work.

*6 month in respect of seasonal employees.

Where such notice has not been received, or the employee has been re-employed after a period exceeding one year* from his date of termination of insurance, service prior to the date of re-employment shall be ignored, and the employee shall be considered as having entered the employ of the Employer on the date the employee is re-employed, and treated as a new employee for all purposes under this Policy.

*6 month in respect of seasonal employees.

- (b) Where any employee's insurance has been terminated because the employee has received the maximum benefits under a portion of this Policy and the employee returns to active work for the Employer in the position of an employee eligible for insurance under this policy, the employee's insurance may be reinstated on the date of return to active full-time work, provided written notice is received from the Employer within 31 days after the date the employee returns to work.
- (c) Where any employee's insurance has been terminated for any other reason, his insurance will not be reinstated until the premium due date coincident with or immediately following the date on which the Company has approved evidence of insurability satisfactory to the Company.

III GENERAL INSURING PROVISIONS (Continued)

6. General Provisions Respecting Dependent Insurance

- (a) Eligibility: An employee will be eligible for dependent insurance on the date of becoming eligible for employee insurance if on that date the employee has any dependents; otherwise, the employee will become eligible for dependent insurance on the date of first acquiring a dependent.
- (b) Effective Date: Application for dependent insurance shall be made on a form provided by the Company, and the dependent insurance of an employee will become effective:
 - (i) on the date the employee insurance of the employee becomes effective if on that date the employee is eligible for dependent insurance and has made application for both employee and dependent insurance, or
 - (ii) on the date of becoming eligible for dependent insurance if on that date the employee is insured for employee insurance and has made application for dependent insurance, or
 - (iii) on the date of making application for dependent insurance if on that date the employee is insured for employee insurance and the application is made within 31 days after the date of eligibility for dependent insurance, provided the employee is insured for employee insurance on such date of application, or
 - (iv) in respect of each dependent of an employee, on the date of approval by the Company of evidence of insurability of such dependent, provided the employee is insured for employee insurance on such date of approval,

except that where a dependent of an employee, other than a newborn child, is confined in a hospital on the date the employee would otherwise become insured with respect to that dependent, the insurance with respect to that particular dependent will not become effective until the next following day after the dependent's final discharge from the hospital.

- (c) Termination of Insurance
The dependent insurance of an employee shall automatically terminate:
 - (i) in respect of any person, on the date that person ceases to qualify as a dependent of the employee under the terms of this Policy, or
 - (ii) on the date of termination of the employee insurance, or
 - (iii) in respect of any dependent, on the date the employee, by reason of having received the maximum benefits payable with respect to such dependent, is excluded under any and all circumstances from being entitled to further benefits with respect to such dependent, or
 - (iv) in respect of any dependent, on the date that it has been proven to the satisfaction of the Company that the dependent has engaged in fraudulent activity with respect to claims under this Policy.

except that if the employee insurance is terminated in accordance with sub-section (c) of section 4 Termination of Individual Insurance the dependent insurance may, subject to the payment of premiums therefore and the continuance of the policy, be continued in force while the employee remains in the employ of the Employer provided, however, that if the employee insurance be not reinstated within 31 days after the date the employee returns to active work, the Company may, upon written notice to the Employer, cancel the dependent insurance of the employee.

IV PROVISIONS RESPECTING PREMIUMS

1. **Change of Premium Rates**

- (a) The Company may establish new premium rates on the first policy anniversary, any subsequent premium anniversary, or at any time required as a result of legislation changes.
- (b) The Company may establish new premium rates at any other time, such new rates to be effective on the effective date of the event or of the Amendment, as the case may be, under the following conditions:
 - (i) if the Policy is amended to change the classes eligible for coverage, or
 - (ii) if the Policy is amended to change the benefits, or
 - (iii) if employees of a subsidiary, affiliate or division of the Policyholder are no longer eligible or become eligible for insurance under this Policy, or
 - (iv) if the minimum participation requirements are not being met, or
 - (v) if (where applicable) the Dental Fee Schedule changes, or
 - (vi) if there is a change in the expenses or services eligible under any Provincial Health Care Plan which results in such expenses or services becoming eligible under this Policy.

2. **Payment of Premiums**

Premiums due on and after the effective date of this Policy for benefits provided hereunder shall be payable in accordance with Section 3 hereof. All premiums, including any adjustments thereof are payable on or before the dates when due. The payment of any premium shall not maintain the insurance under this Policy in force beyond the date when the next premium becomes payable, except as provided in the next paragraph.

A grace period of 31 days shall be granted to the Employer for the payment of any renewal premium, during which period the Policy will be continued in full force. If any premium is not paid during the days of grace, the Policy shall be terminated at the end of such period, but the Employer shall nevertheless be liable to the Company for the payment of all premiums then unpaid, together with the premium for the days of grace.

Notwithstanding the foregoing, if the Policyholder has given written notice to the Company that this policy is to be cancelled, this Policy shall terminate on the date of receipt of such notice by the Company or on the date of cancellation specified by the Policyholder, whichever is the later, and the Policyholder shall be liable to the Company for the payment of the pro-rata premium for the period between the last premium due date and the date of termination, together with the payment of any other premiums then unpaid. If the Policyholder has paid a premium covering a period ending after the date of termination of the Policy, the Company shall refund to the Policyholder the unearned portion of such premium, calculated on a pro-rata basis.

IV PROVISIONS RESPECTING PREMIUMS (Continued)

3. Premium Adjustments

The calculation of each premium shall be based on the amount of insurance in effect on the due date of the premium.

Premium adjustments made by reason of changes in the insurance under this Policy shall be made as follows, with the provision that fractional periods of a month shall not be taken into account in making adjustments:

- (a) where new employees become insured or increases in insurance occur, the Employer shall be charged a premium calculated on the pro-rata basis in respect of the period elapsing between the date the new or increased insurance becomes effective and the date when the next premiums falls due
- (b) where the insurance on any insured employee has been terminated or decreased, the Employer shall be credited with the unearned premium paid on account of such insurance, calculated on a pro-rata basis in respect of the period elapsing between the date of termination or decrease of insurance and the date to which premiums have been paid, subject to the provision that no refund of a premium or a portion thereof shall be made for any period which commenced more than 3 months prior to the date on which the Employer has given notice in writing to the Company of the date of termination or decrease.

V GENERAL PROVISIONS

1. **The Contract**

This Policy, including the Policyholder's application, a copy of which is attached, and the employees' applications, including any questionnaires supplementary thereto constitute the entire Contract.

No provisions of this Policy may be altered, waived, or modified except by an Endorsement hereon, signed by an Authorized Representative of the Company, and any additions or alterations must be signed or initialed by an Authorized Representative of the Company. The contract shall not take effect until payment of the first premium has been made to the Company.

2. **Incontestability**

If there is any misrepresentation or failure to disclose any fact which is material to the contract or to the insurance with respect to any insured employee, the insurance is voidable by the Company. However, where the Policy has been in effect continuously for at least 2 years with respect to an insured employee, the insurance on that insured employee shall not, in the absence of fraud or misrepresentation be voidable, except in respect of the amount of any increase made in the employee's insurance within the 2 years preceding the event for which a claim arises, or except where a claim arises for disability beginning before the insured employee has been insured continuously for 2 years.

3. **Misstatement of Age**

Where the date of birth of any employee has been misstated, the true date of birth of the employee shall govern and the benefits, if any, allowed hereunder shall be limited to those which would have been allowed had the employee's true date of birth been stated in his application.

If the date of birth of an employee has been misstated, there shall be an equitable adjustment between the Employer and the Company in regard to the amounts paid on premiums.

4. **Currency**

All payments to or by the Company under this Policy shall be paid in lawful money of Canada.

5. **Non-Waiver**

Any waiver or failure to insist upon performance or observance of any covenant, condition, or provision of this Policy by the Company shall not be construed as a waiver of subsequent breach of the same covenant, condition or provision, and a consent or approval by the Company to or of any act of the Employer or an insured employee requiring the Company's consent or approval shall not be deemed to waive or render unnecessary the Company's consent or approval to or of any subsequent similar act by the Employer or an insured employee.

V GENERAL PROVISIONS (Continued)

6. **Cancellation of the Policy**

The Company reserves the right to cancel this Policy on any premium due date if the number of eligible employees insured under this Policy is less than the Minimum percentage of Eligible Employees as shown on the first page of the Policy, by giving written notice to the Policyholder at least 31 days in advance.

The Company reserves the right to cancel this Policy on any premium due date if the number of eligible employees insured under this Policy is less than the minimum number of eligible employees required under the Company's underwriting guidelines in effect at the time of determination, by giving written notice to the Policyholder at least 31 days in advance.

The Company also reserves the right to cancel this Policy on the first policy anniversary or any subsequent premium due date for any other reason by giving written notice to the Policyholder at least 31 days in advance.

If any premium is not paid before the expiration of the grace period, this Policy shall automatically terminate at the expiration of the grace period, unless the Policyholder has given the Company prior written notice of an earlier date of termination, in which case this Policy shall terminate as of such earlier date.

The Policyholder may terminate this Policy by giving written notice to the Company that the Policy is to be cancelled. If the Policyholder does so, the Policy shall terminate on the date of receipt of such notice by the Company or on the date of cancellation specified by the Policyholder, whichever is later.

7. **Employee Certificates**

The Company will issue to the Employer certificates for delivery to each insured employee. A certificate issued to any employee not entitled to insurance under this Policy shall be of no effect, and such certificate shall not constitute a part of the Policy. In the event of a conflict between a certificate or a booklet or other descriptive material and the terms of the Policy, the terms of the Policy shall prevail.

8. **Employer Administration**

The Employer shall furnish the Company with any information the Company deems necessary to determine the premiums for insurance hereunder and any other matters pertaining to this Policy. The Employer's records shall be open for inspection by the Company at all reasonable times for any purpose relating to the provisions of this Policy.

The Company is entitled to rely on all acts of the Employer in connection with the administration of this Policy and is not obligated to (but may) inquire into the circumstances thereof.

9. **Clerical Error**

A clerical error is a mistake in writing or copying data. Clerical error by the Employer or the Company will not:

- a) invalidate insurance otherwise validly in force, or
- b) continue insurance otherwise validly terminated, or
- c) place in force insurance which would not be validly in force.

V GENERAL PROVISIONS (Continued)

10. **Change of Insurance Carrier**

Where this Policy is replacing a contract of group insurance which is a Prior Policy, an employee who was insured under such Prior Policy on its date of termination, whose insurance terminated solely as a result of the termination of the Prior Policy, and who is eligible for insurance under this Policy shall be subject to the following special provisions in respect of any benefit included under both this Policy and the Prior Policy.

- (a) The Effective Date of Insurance of such employee under this Policy shall be the later of the Effective Date of this Policy and the expiration of any extension or continuation of benefits to which he is entitled under the Prior Policy.
- (b) Where the employee is not actively at work on the Effective Date of this Policy, he shall nevertheless be deemed to meet the actively at work requirement on the Effective Date of this Policy. However, the benefits to which he shall be entitled to receive under this Policy shall be limited to the lesser of those applicable under this Policy or those applicable under the Prior Policy until such time as he actually is able to meet the actively at work requirement in this Policy while it remains in force. Notwithstanding this, in no case will any benefits be payable under this Policy for an event for which benefits are payable under the Prior Policy.
- (c) Where the employee is insured under this Policy on its Effective Date and has incurred charges which were applied to meeting a requirement for a deductible amount under the Prior Policy, such charges may be applied towards meeting any similar deductible amounts required under this Policy for similar benefits in the same calendar year.

11. **Compliance with Statutes**

The Employer represents and warrants that it will comply with all applicable statutory and regulatory requirements of the laws in all jurisdictions in Canada where insured employees are employed. With respect to privacy legislation, the Employer represents and warrants that it:

- (a) shall provide all initial and ongoing communications to insured employees and their dependents, in respect of applicable privacy laws;
- (b) has obtained the necessary and proper consents from all insured employees and their dependents authorizing the Employer and/or the Plan Administrator to disclose the insured employees' or dependents' personal information to the Company and/or the Plan Administrator for the purpose of the Company using such information to enrol, underwrite, service, administer (if applicable), process and adjudicate claims, and provide insurance coverages and benefits under this Policy;
- (c) shall be responsible for receiving and dealing with any privacy complaints against the Employer from insured employees and their dependents, and be responsible for all costs and expenses associated with the investigation and resolution of such complaints; and

V GENERAL PROVISIONS (Continued)

11. **Compliance with Statutes** (Continued)

- (d) shall indemnify, defend and save the Company, its affiliates and each of their respective directors, officers and employees harmless from and against all liability arising for any fines, damages, costs and expenses incurred, levied or awarded as a result of the Employer's misuse of insured employees' or dependents' personal information or other privacy errors.

If any clause in this contract is in conflict with any statute in a jurisdiction in Canada where the contract is administered, the statute has precedence over the contract.

12. **Subrogation**

With respect to any benefits payable under this policy (other than Life or Accidental Death and Dismemberment benefits) the Company retains the right to recover benefits paid or to withhold future benefits which may become payable, in respect of any occurrence for which the employee or his dependent has a lawful claim, demand or right against a third party or parties. Payment of benefits by the Company shall entitle the Company to institute action on behalf of the employee or his dependent against a third party, and to participate in any judgement award or settlement made to the employee or his dependent to the extent of its interest.

The employee and his dependents agree to complete any required forms, to co-operate fully with the Company, and to refrain from any action which would prejudice the rights of the Company, including settlement, without prior written consent from the Company.

13. **Limitation of Actions**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* or other applicable legislation.

14. **Conformity with Legislation**

Any provision of this policy which does not adhere to applicable legislation is understood, declared, and acknowledged to be amended only to the extent necessary to conform to such legislation.

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS

1. Definitions

For the purposes of the Long Term Disability Benefits as shown hereunder:

- (a) "Primary" Canada/Quebec Pension Plan benefits means benefits available under the Canada or Quebec Pension Plan to the employee or on his behalf in respect of the employee's disability.
- (b) "Secondary" Canada/Quebec Pension Plan benefits means benefits available under the Canada or Quebec Pension Plan to the employee or on his behalf as a result of the employee's disability in respect of the dependents under age 18 of the employee.
- (c) "Maximum Benefit Period" means the maximum period of time for which disability benefits may be payable to a totally disabled employee.
- (d) "Elimination Period" means a period of consecutive days of total disability, commencing with the first day of such disability, during which no benefits are payable. If, during the Elimination Period, the employee ceases to be totally disabled and returns to work for up to 30 calendar days per return to work attempt, the Elimination Period and Commencement Date shown in the Schedule of Insurance will be extended by the number of days during which the employee was not totally disabled and this disability will be treated as continuous. The Elimination Period and Commencement Date cannot be extended by more than 60 calendar days.

2. Insuring Clause

Upon receipt and approval by the Company that an employee, while insured hereunder, has become totally disabled, as defined in the Schedule of Insurance, a monthly benefit in the amount for which the employee is covered according to the provisions of this Policy less any reduction applicable under Section VI, provision 10 (Co-Ordination of Benefits) shall be paid to the employee in arrears, subject to the limitations and exclusions hereunder for the period commencing with the later of:

the Commencement Date (as shown in the Schedule of Insurance), or

the day following the end of a period during which any Short Term Disability Benefits are payable under a Group Insurance Contract issued by the Company or any other insurance company to the Employer, or

the scheduled return to work date if the employee becomes disabled during a leave of absence (including parental leaves of absence) in which coverage has been continued and premiums have been paid,

and continuing until the earliest of:

- (a) the date the employee ceases to be totally disabled as defined hereunder, or
- (b) the date of death of the employee, or
- (c) the date the Maximum Benefit Period for Long Term Disability (as shown in the Schedule of Insurance) is reached, or
- (d) the date of the employee's 65th birthday, or
- (e) the date the employee retires, or the date the employee intended to retire as specified in the employee's notice to the Employer, or
- (f) the date the employee engages in any occupation for wage or profit, except in any rehabilitative employment or volunteer work approved in writing in advance by the Company, or
- (g) the date the employee refuses to participate in any rehabilitation assessment, programme or employment which is considered by the Company to be appropriate, or
- (h) the date the employee leaves Canada without receiving prior written approval from the Company, or

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS (Continued)

2. **Insuring Clause** (Continued)

- (i) the date the Company deems the employee to have failed to furnish evidence of continuance of total disability satisfactory to the Company, or
- (j) the date the employee ceases to receive regular and personal medical supervision and treatment that is satisfactory to the Company from a physician duly licensed to practice medicine in Canada, unless prior written approval is granted by the Company for a physician or surgeon outside of Canada.

3. **Definition of Totally Disabled**

"Totally disabled" is defined in the Schedule of Insurance.

Loss of a license or failure to pass a periodic examination required by the Ministry of Transport or any other licensing body shall not, in itself, constitute proof of total disability.

4. **Exclusions**

Payment will not be made under this Policy in respect of total disability due to or resulting from any of the following:

- (a) wilfully self-inflicted injury or any attempt at self-destruction,
- (b) active participation in a riot, rebellion or insurrection,
- (c) war or hostilities of any kind, whether war be declared or not,
- (d) commission or the attempt of a commission of a criminal offense by the employee.
- (e) Operation of a motor vehicle while the insured employee is under the influence of alcohol, drugs or other substances and is impaired and/or over the legal limit based on the laws in the location the employee was at the time the offense occurred.

5. **Limitations**

- (a) Pre-existing conditions of an employee limit benefits as follows:
 - (i) Where a total disability commences within 12 months after the effective date of the employee's insurance, no benefits are payable for total disability directly or indirectly related to any condition or symptoms (diagnosed or not) for which the employee consulted with a physician, was prescribed or received treatment, used a prescribed drug or was referred to another medical specialist for consultation at any time in the 90-day period ending with the effective date of the employee's insurance, except

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS (Continued)

5. **Limitations** (Continued)

- (b) Where disability is due to or resulting from the abusive use of alcohol, drugs or other addictive substances, benefits are payable only in respect of a period during which the employee is receiving regular and personal medical supervision, treatment, and counselling from one of the following, provided it specializes in addiction treatment and rehabilitation: a rehabilitation centre; a provincially designated institution; or a licensed medical doctor.
- (c) No benefits are payable under this Policy in respect of any period of disability that falls during a strike, lockout, lay-off or leave of absence affecting the employee if the employee becomes disabled after it begins.
- (d) No benefits are payable under this Policy in respect of any period of disability during which the employee is
an inmate in a prison or correctional institution or serving a sentence other than in a prison or correctional institution, including house arrest, or
- (e) No benefits are payable under this Policy in respect of any period of disability during which the employee is absent from Canada for a period of seven or more consecutive days, unless prior written approval has been provided by the Company.

6. **Maternity Leaves of Absence**

Where an employee has requested a maternity leave from the Employer, the leave will begin on the earlier of the date the employee and employer have agreed the leave will begin and the date the child is born. The leave will end on the earlier of the scheduled return to work date and the actual date the employee returns to work.

The Company will determine which period of the maternity leave is health-related and which is non-health-related, if the Employer has arranged for the Company to provide disability benefits during this time period. The health-related period is the time the employee is unable to work for health reasons relating to childbirth or recovery from childbirth, and must be supported with appropriate medical documentation. Benefits will only be payable during the health-related period when required to comply with employment standards, human rights, employment insurance, or any other applicable legislation.

7. **Guaranteed Benefits for Severe Disabilities**

If an employee is determined under Insuring Clause 2 to be totally disabled due to a severe disability described below, benefit payments will continue, subject to the provisions of this Policy, during the guaranteed period defined below, provided:

- (a) such total disability occurs while the employee is insured under this Policy and within 180 days of the date of sustaining the injury or disease, and the employee is not deceased, and
- (b) the employee has completed the Long Term Disability Elimination Period shown in the Schedule of Insurance, and
- (c) satisfactory proof of such total disability is submitted to the Company, and

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS (Continued)

7. Guaranteed Benefits for Severe Disabilities (Continued)

- (d) the disability and payment of Long Term Disability benefits are not excluded or limited by the provisions of this Policy.

"Guaranteed period" means the earlier of

- (i) 24 consecutive months, or
- (ii) the number of months remaining until the Maximum Benefit Period is reached, or
- (iii) the date of death of the employee.

The severe disabilities eligible for Guaranteed Benefits are:

- (a) the total and irrecoverable loss of:
 - (i) sight in both eyes, hearing in both ears or speech
 - (ii) both hands or both legs
 - (iii) one hand and one leg.

"Loss of" shall mean

- (i) with regard to sight, speech, or hearing, the entire and irrecoverable loss beyond remedy by surgical or other means, and
- (ii) with regard to legs, dismemberment by severance through or above the knee joint, and
- (iii) with regard to hands, dismemberment by severance through or above the wrist joint.

"Dismemberment" shall mean the complete and irrecoverable loss of a leg or hand beyond remedy by surgical or other means.

- (b) life-threatening cancer with uncontrolled growth and spread of malignant cells, or
- (c) a severely disabling heart attack or stroke that results in one of the following, which may be expected to continue beyond the end of the guaranteed period or result in death prior to the end of the guaranteed period:
 - (i) a markedly restricted ability in transferring, as described in (iv) below, and the inability to safely and completely perform at least two of the other activities of daily living (ADL) without the assistance or verbal cueing of another person, or
 - (ii) the loss of cognitive ability due to deterioration or loss in intellectual capacity which requires the need for assistance or verbal cueing of another person for the protection of the employee or the protection of others.

"Activities of Daily Living (ADL)" means:

- (i) in respect of bathing: the ability of the employee to wash himself, either in a bathtub or shower or by sponge bath, with or without equipment or adaptive devices, including the task of getting into or out of a bathtub or shower,
- (ii) in respect of dressing: the ability of the employee, with or without the aid of assistive devices, to put on, take off, fasten or unfasten clothing and medically necessary braces or artificial limbs. The employee is not dependent for dressing if reasonable alterations to or changes in the clothing usually worn would enable the employee to dress without substantial physical assistance.
- (iii) in respect of toileting: the ability of the employee to get to and from and on and off the toilet, with or without the aid of assistive devices, and perform associated personal hygiene,

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS (Continued)

7. **Guaranteed Benefits for Severe Disabilities** (Continued)

- (iv) in respect of transferring: the ability of the employee to move in and out of a chair or bed, with or without using equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices, including mechanical or motorized devices,
- (v) in respect of continence: the ability of the employee to either voluntarily control bowel and bladder function or, if incontinent, perform associated personal hygiene, including caring for a catheter or colostomy bag,
- (vi) in respect of feeding: the ability of the employee to get food into his body, with or without the aid of assistive devices, through the mouth, or by a feeding tube. Feeding does not include cooking or preparing meals.

8. **Recurrent Disability**

If an employee returns to active work with the Employer after monthly benefits have become payable, any subsequent period of disability beginning while the employee's insurance continues in full force and effect without interruption since the previous period of disability will be considered a continuation of the previous period of disability unless the two periods are separated by an interval during which the employee was actively at work full-time for not less than 6 months in the case of the two periods of disability being due to the same or related cause or causes.

If an employee returns to active work with the Employer after monthly benefits have become payable, any subsequent period of disability even if it occurs after the date of termination of this Policy will be considered a continuation of the previous period of disability provided the two periods are separated by an interval during which the employee was actively at work on full-time for less than 6 months, and provided the two periods of disability are due to the same or related cause or causes.

During a period of total disability which is considered by the terms of this clause to be a continuation of a previous period of disability, the later period of disability and the earlier period or periods of disability shall be considered for all purposes of this Policy to be one period of total disability, and the amount of benefit payable and the maximum benefit period remaining shall be determined from the earlier period of disability, but the employee will not be required to satisfy a new elimination period, except that no benefits are payable in respect of any period during which any Short Term Disability Benefits are payable under a Group Insurance Contract issued by the Company or any other insurance company to the Employer.

9. **Partial Months of Disability**

The benefit payable for each day of an incomplete month of total disability will be 1/30th of the amount which would have been payable for a complete month of total disability.

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS (Continued)

10. Retraining and Re-employment Benefits

Where an employee is receiving Long Term Disability benefits for total disability under this Policy and agrees to participate in a rehabilitation programme which the Company has determined will assist the employee to return to the work force, and for which the Company has given prior approval, the following provisions will apply:

- (a) Monthly benefit payments will continue during the period of the rehabilitation programme agreed to by the Company to a maximum of 24 months from the date the rehabilitation programme commences. In unusual circumstances, the Company may consider a maximum period longer than 24 months. In no case, however, will monthly payments continue past the date that the benefits would have ceased if the employee had remained totally disabled.
- (b) The Company may reimburse the employee up to the following amounts for rehabilitation expenses, including, but not limited to:
 - (i) \$5,000 for schooling and retraining,
 - (ii) \$2,000 for occupational assessment, skills analysis and job search,
 - (iii) \$5,000 for special assistive devices and equipment, and
 - (iv) \$5,000 for relocation.

In each case, reimbursement is conditional upon the Company determining that the expenses are necessary to enable the employee to return to the work force, the expenses are pre-approved in writing by the Company, and the expenses are paid or payable by the employee and not eligible for payment or reimbursement through any other source. The Company shall have the discretion to reimburse additional amounts and additional rehabilitation expenses, subject to the above conditions.

- (c) The Company may assist the Employer to make reasonable accommodations to facilitate the employee's return to work by reimbursing the Employer up to \$4,000 for all or part of any accommodation expenses that are incurred by the Employer in making reasonable accommodations, conditional in each case upon:
 - (i) The employee is participating in a rehabilitation programme approved by the Company, and
 - (ii) The Employer incurs the accommodation expenses in making reasonable accommodations for the employee, and
 - (iii) The reasonable accommodations are accepted by the Company as necessary to enable the employee to return to the Employer's place of work and approved in writing by the Company prior to their implementation and prior to the accommodation expenses being incurred.

The Company shall have the discretion to reimburse additional amounts, subject to the above conditions.

"Reasonable accommodations" means changes made to the employee's work environment, or to the way the employee's work is performed, which allow the employee to return to work for the Employer.

"Accommodation expenses" means the costs the Employer incurs in making reasonable accommodations for the employee, which can include costs incurred by the Employer for tools, equipment, furniture, computer software, or other items necessary for the employee to return to work.

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS (Continued)

10. Retraining and Re-employment Benefits (Continued)

- (d) If, while participating in the approved rehabilitation programme, the employee again becomes totally disabled due to a recurrence of the condition that originally caused the long term disability claim, the later period of disability will be considered to be a continuation of the earlier period of disability (which ended with the commencement of the approved rehabilitation programme) and the employee will be deemed to have returned to work for the Employer while he was in the approved rehabilitation programme for the purposes of the Recurrent Disability provision in this Policy.
- (e) The Co-ordination of Benefits clause shall apply, subject to the following special provisions:
 - (i) Monthly benefits payable under this Policy plus any income the employee receives from rehabilitation employment earnings and all other sources (including any increases due to cost of living escalations, merit increases or other increases in income) will be subject to an all source maximum that will not exceed 100% of the employee's pre-disability gross earnings from the Employer if Long Term Disability Benefits are taxable under the Income Tax Act, Canada or 100% of the employee's pre-disability net earnings from the Employer if the Long Term Disability Benefits are not taxable under the Income Tax Act, Canada.
 - (ii) The maximum level used in computing 100% of the employee's pre-disability gross or net earnings from the Employer shall be increased by the amount equal to the change in the Consumer Price Index for Canada for the period from the date of commencement of total disability to the following January 1st. In any year after that the maximum level used in computing 100% of the employee's gross or net pre-disability earnings shall be increased by the amount of increase allowed under the Canada Pension Plan as a result of the escalation provisions of that plan related to the Consumer Price Index for Canada.
- (f) To assist the employee to return to work in the rehabilitation programme, commencing on the date the employee starts the rehabilitation programme and continuing for the number of months set out in the Schedule of Insurance, the all source maximum will be increased by up to the amount set out in the Schedule of Insurance for Family Care Expenses and Education Expenses for the employee's eligible dependent children as follows:
 - (i) a monthly Family Care Expense Credit for each eligible child, and
 - (ii) a monthly Education Expense Credit for each eligible dependent child.

The amount of the Family Care Expense Credit and Education Expense Credit and the maximum number of months for which these are eligible are shown on the Schedule of Insurance.

"Family Care Expense" means expenses actually incurred by the employee for care of a child in order for the employee to participate in a rehabilitation programme approved by the Company. To be eligible, the child must be under age 15, or dependent on the employee for support and maintenance by reason of a permanent developmental or physical disability. The child must be cared for by a child-care provider who is not ordinarily resident in the home of the insured person, or related to the insured person by birth or marriage, or related to the insured person through the spouse of the insured person.

The "Education Expense will apply to a dependent child in full-time attendance at an accredited post-secondary school, college or university.

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS (Continued)

11. Co-Ordination of Benefits

- (a) For the purposes of the following clauses, the "all source maximum" shall include, but is not limited to:
- (i) benefits received or receivable from the Canada or Quebec Pension Plan in respect of the employee and any dependents
 - (ii) benefits under the Workers' Compensation Act or similar legislation
 - (iii) benefits under the Quebec Parental Insurance Plan
 - (iv) remuneration from any employer, including monies paid as a result of termination or severance from employment
 - (v) loss of income or disability benefits provided under a group insurance contract
 - (vi) retirement income and pension earnings
 - (vii) loss of income damages from any completed or pending legal action
 - (viii) loss of income or disability benefits provided under any government or regulatory body
 - (ix) automobile income replacement insurance benefits, where permitted by legislation
 - (x) loss of income or disability benefits from any other third parties not listed above, excluding loss of income or disability benefits from an individual disability insurance contract, bank loan insurance contract and mortgage insurance contract.
- (b) Benefits payable under this Policy in accordance with the Insuring Clause will be reduced by income received or receivable from the sources listed in the Co-Ordination of Benefits Section of the Schedule of Insurance.
- (c) After the operation of clause (b) above, a calculation shall be made of the benefits received or receivable from all sources, and the benefits payable under this Policy shall be further reduced so that the benefits payable under this Policy plus benefits from all other sources, excluding any benefits received or receivable under any individual insurance contract, do not exceed the all source maximum of 85% of the employee's gross earnings from the Employer if the Long Term Disability Benefits are taxable under the Income Tax Act, Canada or 85% of the employee's net earnings from the Employer if the Long Term Disability Benefits are not taxable under the Income Tax Act, Canada.
- (d) The Company reserves the right to reduce the amount of an employee's monthly Long Term Disability Benefit according to the Company's estimate of the amount of benefits from other sources to which the employee would be entitled if his application for such benefits were made and approved. However, any such reduction will cease and the amount of any reductions already made will be reimbursed if Proof is submitted to the Company that, after final determination, the employee's application for such benefits has been disallowed. If the employee's application for such benefits is approved for an amount other than that previously estimated by the Company, the employee's monthly Long Term Disability Benefit will be retroactively adjusted to the benefit payable on the basis of the amount approved. Where the Company determines that the employee may be eligible for CPP or QPP Disability, the employee is required to pursue an application for CPP or QPP Disability. Should the employee's CPP or QPP Disability application be declined, and provided the Company is providing Long Term Disability benefits to the employee, the employee will pursue an appeal of the decline. If the employee was disentitled to benefits from another source due to his not having applied for them within time limits required, the Company shall be entitled to include its estimate of such benefits as benefits from another source when calculating the reduction to the amount of the employee's Long Term Disability Benefit.

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS (Continued)

11. **Co-Ordination of Benefits** (Continued)

- (e) Nothing in this Policy shall prevent the Company from recovering any overpayment of benefits under the Policy which may arise as a result of a lump sum payment or any other benefit which, if it had been paid in installments or had been paid beginning at the date the employee became eligible to receive such benefits would have resulted in a reduction or cessation of benefits hereunder.
- (f) If benefits from other sources are paid in one or more lump sum payments in lieu of installments or other periodic income, the amount of monthly benefit from such other sources for the purpose of this Policy will be calculated on the basis of the installments that would otherwise have been paid. If no period of time for such a lump sum payment is payable is expressed in the award of it, it shall be deemed to consist of 60 equal monthly installments and deemed to be payable commencing with the date a monthly benefit becomes payable under this Policy, or would have been payable except for the application of this section.
- (g) Where an employee was in receipt of benefits from another source other than remuneration from any employer prior to the date of becoming disabled, only increases in such benefits which occur as the result of the disability for which benefits are provided under this Policy shall be considered to be a benefit from another source.
- (h) The amount of any increases paid or payable to the employee under the Canada and/or Quebec Pension Plan, any war disability benefit provided under the Pension Act, Canada or under any other government plan which arises as a result of the escalation provisions of those plans related to the Consumer Price Index for Canada shall not be included in determining the amount of benefit from another source except where specified otherwise.

12. **Premium Waiver**

Any Long Term Disability premiums payable in respect of a particular employee and falling due in respect of a period during which the employee is in receipt of Long Term Disability benefits under this Policy will be waived.

13. **Claims**

- (a) Proof of claim on forms provided by the Company shall be submitted to the Company by the employee within 90 days after the commencement of any period of disability for which benefits are payable, except
 - (i) if insurance terminates under this Policy due to termination of the employee's insurance, termination of the Long Term Disability Benefit, or termination of this Policy, all claims incurred prior to the date of termination must be submitted to the Company within 90 days of the date of termination.
- (b) The claim must be submitted within 90 days of the date the employee becomes disabled, even if a Worker's Compensation claim has been submitted, or a claim for benefits under an automobile insurance policy or any other concurrent claim for wage loss benefits, based on the same illness or injury.
- (c) The Company has the right, and the employee shall afford to the Company an opportunity to have physicians designated by it to examine the person of the insured when and as often as it may reasonably require while a claim in respect of that person is being made.

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS (Continued)

13. **Claims** (Continued)

- (d) Any benefits hereunder will be payable to the employee. Any accrued benefits unpaid at the date of the employee's death will be payable to the beneficiary named by the employee. If the employee has not named a beneficiary, the accrued benefits will be paid to his estate. Any payment made by the Company in good faith pursuant to this provision shall fully discharge the Company to the extent of such payment.

14. **Partial Disability**

Where an employee is receiving Long Term Disability benefits for total disability under this Policy and returns to the work force, but in a reduced capacity, such that he is able to earn 80% or less of his pre-disability earnings, the following provisions will apply:

- (a) Monthly benefit payments will continue while the employee earns 80% or less of his pre-disability earnings. In no case, however, will monthly benefit payments continue past the earlier of:
 - (i) the date that benefits would have ceased if the employee had remained totally disabled, or
 - (ii) the date the Maximum Benefit Period for Partial Disability shown in the Schedule of Insurance is reached.
- (b) The Co-Ordination of Benefits provision shall apply, subject to the following special provisions:
 - (i) Monthly benefits payable under this Policy plus any income the employee receives from employment earnings and all other sources (including any increases due to cost of living escalations, merit increases or other increases in income) will not exceed 90% of the employee's pre-disability gross earnings from the Employer if Long Term Disability benefits are taxable under the Income Tax Act, Canada or 90% of the employee's pre-disability net earnings from the Employer if the Long Term Disability benefits are not taxable under the Income Tax Act, Canada.
 - (ii) For the purposes of Partial Disability Benefits, the employee's pre-disability gross or net earnings from the Employer shall be increased by the lesser of 5% or the amount equal to the change in the Consumer Price Index for Canada for the period from the date of commencement of total disability to the following January 1st. In any year after that, the employee's pre-disability gross or net earnings shall be increased by the lesser of 5% or the amount of increase allowed under the Canadian Pension Plan as a result of the escalation provisions of that plan related to the Consumer Price Index for Canada.
 - (iii) In no case will the amount of partial monthly benefits payable under this section exceed the amount of monthly disability benefits that would have been payable if the employee had remained totally disabled.
 - (iv) The employee is required to provide proof of employment income satisfactory to the Company on a monthly basis in order to receive benefits for Partial Disability.

15. **Appeal of Notice of Decline or Termination**

If the employee receives a notice of decline or termination, and disagrees with the decision, the employee may appeal the decline or termination by submitting additional medical information within 60 days of the date of the notice.

VI BENEFIT PROVISIONS

EMPLOYEE LONG TERM DISABILITY BENEFITS (Continued)

16. Long Term Disability Survivor Benefit

If an employee dies while receiving Long Term Disability benefit payments under this Policy, the Company will, subject to the provisions set forth in this Policy, pay a Long Term Disability Survivor Benefit. Such payment shall be subject to receipt by the Company at its Head Office of satisfactory written proof of such death.

The amount of the Long Term Disability Survivor Benefit is shown in the Schedule of Insurance. Payment will be made to the beneficiary or beneficiaries named by the employee to receive the proceeds of the Employee Life Insurance under this Policy, provided such beneficiary or beneficiaries meet the definition of Dependent in this Policy. If the employee has not named an eligible dependent as the beneficiary, the Long Term Disability Survivor Benefit will be paid to the estate of the employee.

The employee may be eligible to receive the Long Term Disability Survivor Benefit prior to his death, subject to the maximum payment (as shown in the Schedule of Insurance) of Long Term Disability benefit payments, provided the following is submitted to and approved by the Company:

- (a) a written request that the Company consider paying the employee the Long Term Disability Survivor Benefit, and
- (b) a Physician's Statement indicating that, in the opinion of the employee's physician, the employee has 12 or less months to live.

If paid to the employee, any balance of the Long Term Disability Survivor Benefit will be payable to the applicable beneficiary upon the death of the employee.