



# Sample Policy Contract

This sample policy contract is provided for your information only.  
It is not a valid contract or an offer of insurance.

## Part 1: DEFINITIONS

**We, us, our, the Company and Manulife** refers to The Manufacturers Life Insurance Company, Affinity Markets, P.O. Box 670, Station Waterloo, Waterloo Ontario N2J 4B8.

**You, your and Insured Person** refers to the person named as the Insured Person in the Schedule of Benefits

**Member** means the definition of **Member** in Part 8.

**Owner** means the person or entity named as the owner in the Schedule of Benefits or subsequent amendment.

**Age** means your actual age in completed years.

**Termination Age** is the age at which insurance coverage automatically terminates. The termination age is 70.

**Province of Residence** refers to the province or territory of Canada in which you reside.

**Certificate Year** means the period of insurance commencing on the effective date stated in the Schedule of Benefits and terminating on the first annual renewal premium due date, and any anniversary date thereof.

**Monthly Benefit** is the amount of insurance provided and payable when you become disabled subject to the qualifications, limitations and exclusions set out in these provisions.

**Aggregate Amount Payable** means the maximum benefit payable for any one period of disability. The Aggregate Amount Payable is equal to 12 times the monthly benefit shown on the Schedule of Benefits.

**Maximum Benefit Period** is the maximum period for which benefits will be paid in respect of disability due to injury or sickness. The maximum benefit period is 36 months for any one period of disability.

**Elimination Period** means the number of days during which no benefits are payable. The elimination period is as stated in the Schedule of Benefits.

**Injury** means accidental bodily injury sustained while this insurance is in effect which directly and independently of all other causes, results in a disability within 90 days from the date of the accident. However, an injury that results in disability caused directly or indirectly by:

- a) Any form of sickness, disease, hernia, or degenerative condition; or
  - b) Any infection, other than infection of a visible external accidental cut or wound;
- shall be deemed sickness for the purposes of this insurance.

**Sickness** means a disease or illness which results in disability while the insurance is in force.

**Physician** means a Doctor of Medicine (M.D.) duly licensed to practice medicine within the scope of their license and recognized by the College of Physicians and Surgeons in the province in which the treatment is rendered. The physician must be a person other than you or a member of your immediate family, or anyone who resides with you.

**Regular Care and Attendance** means a planned program of observation and treatment requiring the personal attendance by a currently licensed Physician, which is continued in accordance with existing standards of medical practice for the Injury or Sickness which is the cause of disability.

**Actively at Work** means you are regularly at work for a minimum of 20 hours per week and performing all of the regular and important duties of his or her occupation. You are actively at work on a particular date:

- a) After you report for work on the date in question at your usual place of employment, provided you are able to perform all of the usual and customary duties of your occupation on a regular and continuing basis, or
- b) On the date in question if you have not reported for work because of a holiday or leave of absence, provided the leave of absence is not due to sickness or bodily injury, hospital-confinement or similar cause such that you could not have reported to your usual place of employment and performed all of the usual and customary duties of your occupation on a regular and continuing basis.

**Disability** and **Disabled** means total or partial disability or being totally or partially disabled respectively, as defined.

**Disability Date** means the date on which you are deemed to have been totally or partially disabled.

**Total Disability** means your complete and continuous inability, by reason of injury or sickness, to perform the regular and important duties of your occupation. In no event shall you be deemed totally disabled if you are engaged in any occupation or employment for wage or profit. There must be documented evidence of medical impairments, restrictions and limitations precluding you from performing these duties. The availability of employment will not be considered in the assessment of disability.

**Partial Disability or Partially Disabled** means that as a result of injury or sickness you are engaged in your regular occupation, but are unable to perform one or more of the important duties, or are unable to work for more than half of the time usually spent at that occupation prior to the start of the Injury or Sickness. You will not, however, be considered to be partially disabled if:

- a) You are not under the regular and personal care of a Physician for your disability, unless either you are engaged in an approved rehabilitative employment or have suffered a physical impairment for which no medical treatment or care is needed, or
- b) You are able to work at least 20 hours per week.

## **Part 2: BENEFITS PAYABLE ON DISABILITY**

1. **Agreement to Pay** Should you become Disabled while this Certificate of Insurance is in effect, we will pay you, or the Owner, if one is named on the Schedule of Benefits, the following benefits, subject to the Exclusions set out in Part 4 and the provisions of this Certificate.
2. **Total Disability Benefit** We will reimburse the Insured Expenses, as defined below, up to the Monthly Benefit shown on the Schedule of Benefit for each month you are Totally Disabled. Benefits commence after the completion of the Elimination Period and cease on the earlier of the date when you are no longer disabled or when the sum of payments equal the Aggregate Amount Payable. Benefits will not be paid beyond the Maximum Benefit Period.  
If the Insured Expenses in any month, while you are receiving benefit payments for total disability, exceed the monthly benefit you purchased, the excess will be carried forward to the expenses of the following month. Should the benefit payable be for a period of less than one month, the amount payable for each day in that period will be one-thirtieth of the monthly benefit. The proportion of the Insured Expenses that are reimbursable will be limited to an amount equal to the average of these Insured Expenses for the 6 months immediately preceding the Date of Disability and 1/12 of the Aggregate Amount Payable, which is less.
3. **Partial Disability Benefits** Following a period of Total Disability equal to the Elimination Period or greater, when you are partially disabled and the disability commences prior to your 60<sup>th</sup> birthday, 50% of the Monthly Benefit will be payable to cover Insured Expenses while you continue to be partially disabled for a period not to exceed 3 months. Benefits commence after the completion of the Elimination Period. No Partial Disability Benefits are payable when disability commences on or after your 60<sup>th</sup> birthday.

4. **Insured Expenses** for a month mean the following specified expenses that are actually incurred in the conduct and operation of your practice either directly or through a personal service corporation (or your share of such expenses if the cost of these expenses are shared with any other person) that are normally deemed to be recoverable from the billable services performed by you, but not exceeding the total amount of such expenses incurred by you or your firm divided by the total number of persons whose billable services normally contribute to the defrayment of such expenses. Insured Expenses shall include the following amounts:
- a) Rent, electricity, heat, water and other utilities;
  - b) Accountants fees or charges for services;
  - c) Salaries and the cost of benefits of employees;
  - d) Taxes (other than personal income tax);
  - e) Equipment depreciation;
  - f) The cost of books, or equipment and supplies of a capital nature, but limited to one-twelfth of the annual amount normally incurred for such items. Any amount for such items will be reduced by the amount of depreciation claimable under e) above.
  - g) Telephone, postage, delivery services;
  - h) Electronic message systems;
  - i) Website related costs and/or internet hosting costs;
  - j) Stationary and normal office supplies used in the normal course of business;
  - k) Lease or instalment purchase agreement payments for equipment or property, limited however to the portion that relates to business use;
  - l) Property and casualty insurance and/or errors and omission insurance;
  - m) Any other expenses as are normal and customary in the conduct and operation of the office plus the monthly pro-rata amount of annual fees and subscriptions.
- Insured Expenses do not include expenses which are recoverable from another source.
5. **Conditions for Payment** The payment of the total disability benefit will be conditional on:
- a) You having paid all premiums that became due for payment prior to becoming totally disabled;
  - b) Your total disability is not due to a risk excluded by Part 4 of these provisions or by the terms of any endorsement or restriction placed on your Certificate of Insurance at the time of issue;
  - c) You having given due notice and having provided the required proof of your total disability and loss, as and when required by Part 7 of these provisions.
6. **Period for Which Disability Benefits Payable** The disability benefit will only be payable while you are disabled except for a period of disability during:
- a) The elimination period;
  - b) Any period for which you fail to provide satisfactory evidence that you are disabled;
  - c) A period longer than the Maximum Benefit Period beyond the elimination period for any one period of disability;
  - d) The disability benefit will not be payable for more than one disability for the same period.
7. **Recurrence of Disability** Successive periods of Disability separated by less than three months of active, continuous full-time employment shall be considered to be one period of Disability unless the subsequent Disability is due to an Injury or Sickness entirely unrelated to the cause of the previous Disability. If the Disability is due to a Sickness and the Benefit Period for Sickness is less than three years, we will consider successive periods of Disability separated by less than three months of active, continuous full-time employment as one period of Disability.
- When separate periods of Disability are treated as a single period, the Elimination Period will only apply once and the period for which benefits are payable will subject be to the Maximum Benefit Period.

8. **Extended Monthly Benefit** for Approved Obligations Provided you did not cease to be totally disabled at any time during the period which commenced from your date of disability to the date the sum of payments equal the Aggregate Amount Payable, an Extended Monthly Benefit for Approved Obligations will be payable, subject to the following:
- a) You continue to be totally disabled;
  - b) The Extended Monthly Benefit will not exceed 40% of the monthly benefit as shown on the Schedule of Benefits in any one month;
  - c) The Extended Monthly Benefit will reimburse the regular monthly payments due under the terms of an Approved Obligation as defined below;
  - d) The Extended Monthly Benefit will be paid beyond the Maximum Benefit Period but not beyond 60 months from the elimination date or your 65<sup>th</sup> birthday, if earlier;
  - e) Proof of the Approved Obligation must be provided to Manulife.

**Approved Obligation** means the regular monthly payment due under a business lease, rental agreement, instalment purchase agreement or similar financial contract, provided such obligation was:

- i) Entered into or assumed prior to the date on which you became disabled;
- ii) Entered into or assumed by you individually or jointly with other persons in the normal course of business to obtain property or equipment for use in your business or practice by you or your employees; and
- iii) Granted at arms length by an independent third party. For this purpose a partner of yours, or a relative (by blood or marriage) of either you or a partner, or any corporation in which any such partner or relative individually or collectively with other partners or relatives had a significant financial interest will not be deemed to be an independent third party.

Further, this obligation will continue to be qualified as an approved obligation only if you can establish from time to time to the mutual satisfaction of Manulife that you are unable to obtain a release from such obligation on reasonable terms **and** no person or persons, other than you (and of course the lessor or grantor of the obligation), was or were obtaining any benefit from or having the use of property or equipment being leased, rented or purchased by installment.

9. **Waiver of Premium** When you are Disabled and benefits are payable for a period longer than three months, we will refund the premiums paid during the Elimination Period. Manulife will continue to waive premiums as they become due, on a monthly basis, while you receive benefits and continue to be Disabled.

### Part 3: OTHER BENEFITS

1. **Guaranteed Re-Entry Benefit** This benefit is applicable if you have been insured for two consecutive years under the Certificate of Insurance. To qualify for this benefit, you must cancel your current coverage in favour of an employer-sponsored group program and exercise the option to re-entry the program within 10 years from the date of cancellation. In this circumstance, you may rejoin the program of the Association without submitting proof of insurability, if at the time of re-entry:
- a) The program of the Association is in force with Manulife;
  - b) You are under the age of 55;
  - c) Application for re-entry is made within 90 days of your termination from the employer's group plans. You must furnish appropriate proof of prior employer's coverage;
  - d) You are not currently on claim under the employer's group plan;
- The coverage at re-entry may not exceed the coverage previously carried under the program of the Association.
2. **Death Benefit** If death occurs prior to the termination age and you were in receipt of monthly disability benefits, we will pay an amount equal to three times the monthly benefit to the designated beneficiary or to your estate, if no named beneficiary has been filed with the Company.
3. **Continuation of Coverage** Should the Policy be terminated and neither Engineers Canada nor any affiliate organization have arranged for the individual coverage in force under the current Policy to be replaced by insurance granted by another insurer, then Manulife would be prepared to continue the disability coverage on no less favourable terms than the following:

- i) Individual guaranteed renewable insurance policies would be made available to you irrespective of your state of health;
- ii) The premiums for each plan would be determined by Manulife, but in no case would they exceed rates available on similar existing products;
- iii) The initial premium would not exceed 150% of the then existing Engineers Canada plan premium for the coverage.  
This maximum premium would be guaranteed for 2 years;
- iv) All limitations and waivers under the Engineers Canada plan would form part of the individual contracts;
- v) If you are age 65 or older on the termination date, insurance coverage would be continued, but not beyond his or her 70<sup>th</sup> birthday. However, the aggregate of the benefits payable would be limited to 12 monthly benefit payments.

#### **Part 4: EXCLUSIONS AND LIMITATIONS**

##### **1. Exclusions** Your insurance does not cover:

- a) Any period of disability, including throughout the elimination period, during which you are not under continuing medical treatment, supervision and following the appropriate treatment considered satisfactory to Manulife;
- b) Any period of disability while you are outside Canada for a period of more than six months;
- c) Any loss or disability resulting from intentionally self-inflicted injuries, unless medical evidence establishes that the injuries are related to a mental health illness;
- d) Any injuries sustained or disease contracted as a direct result of service in the armed forces of any country;
- e) Disabilities due to bodily injury resulting directly or indirectly from declared or undeclared war or any act of war, insurrection, or participation in a riot or civil commotion;
- f) Pregnancy (excluding complications thereof);
- g) Any loss or disability resulting directly or indirectly and wholly or partially from committing or attempting to commit an assault or criminal offence;
- h) Disability as the result of alcoholism, drug addiction, substance abuse, or other addiction, unless you are participating in a therapeutic program, recognized as such by Manulife, and is under continuous medical supervision by a specialist in this field; and/or;
- i) Disability as the result of a mental or nervous condition, unless you are under the care of a clinical psychologist or psychiatrist;
- j) Any period of Disability while you are on a maternity leave as required by law, or during a Leave of Absence;
- k) Any period of Disability during incarceration in prison or mental institution by authority of a criminal court;
- l) Any loss or Disability resulting from the operation of any kind of aircraft for profit or reward.  
If you must hold a government permit or license to perform your regular duties, you will not be considered Totally Disabled solely because such permit or license has been withdrawn or not renewed.

##### **2. Limitation in Benefits** Any benefit amount payable will be reduced by the amount of any expense included therein which you are entitled to recover from another source.

## Part 5: PREMIUMS

1. **The Consideration** The insurance granted by your Certificate of Insurance is in consideration of your paying the premiums when due.
2. **When Due** The premium for this insurance is payable in advance and is due and payable on the effective date of the coverage and thereafter on each renewal premium due date.  
Premiums may be paid in instalments in accordance with the terms, conditions and arrangements currently in force for such payments at the time they become due.
3. **Days of Grace** To give you time to pay your premiums, 31 days of grace are allowed counting from the due date of each premium or instalment. During this period, the insurance will remain in force subject to the subsequent payment of the premium within the days of grace.
4. **Amount of Premium** The amount of each premium will be determined according to your attained age on the premium due date, the plan of insurance which has been granted and the then current premium rates in effect under the terms of the Policy subject to any adjustment to the standard premium rate specified in your Certificate of Insurance. The premiums so determined, or the instalment amount thereof, will be billed by Manulife.
5. **Errors in the Billings** Should the amount billed by Manulife be subsequently determined to be incorrect, the error shall be rectified and if any balance is owing by you, an amended billing will be issued and the amount of the adjustment will be due for payment within 31 days of the date of that billing. We will not, however, request a balance owing from you for a period greater than six months, unless the error was due to incorrect information supplied by you or on your behalf.
6. **Late Payments of Premiums** Your coverage ceases to be in force if any premium is not paid by the due date or within the subsequent days of grace.
7. **Absence of the Receipt of a Billing Notice** Should you fail to receive a billing notice within five days of a premium due date, you should nevertheless make a conditional payment to us within the days of grace, in an amount not less than the amount of premium that you were billed on the preceding premium due date.  
Should you not receive a billing, you should notify Manulife.  
The conditional payment will be subject to adjustment, if necessary when the error in the billings has been rectified.
8. **Variations in Premiums** The annual premium rates may vary based on your age, and change as you enter a new age bracket. Also, we have reserved the right to change the premium rates but if we increase them, then we will notify you of such an increase.
9. **Notice of Change of Address** You have the obligation to inform Manulife of any change of address without delay. Where no notice of change of address has been received, the last address given by you to us will be presumed accurate for all purposes of this Certificate of Insurance.

## Part 6: CONTRACTUAL ARRANGEMENTS

1. **The Legal Contract** Your Certificate of Insurance has been issued in consideration of the statements made by you in your application, a copy of which should be attached to this Certificate of Insurance. The Policy, any endorsement thereto, your application and this Certificate of Insurance, subject to any amendments thereto made in accordance with the terms set out in these provisions, shall constitute the entire contract between you and Manulife.  
A copy of the Policy under which this Certificate of Insurance is issued may be examined at the office of the Association at any time during regular business hours.  
Only the President, a Vice-President, Secretary or Treasurer of Manulife has the power to make or modify the contract of insurance.
2. **Effective Date of Insurance** The insurance described herein takes effect on the effective date specified in the Schedule of Benefits.  
All periods of insurance shall begin and end at 12:01AM Standard Time at the resident address of the Insured Person.

3. **Renewal, Amendment or Termination of the Policy** The terms and conditions of the Policy may, at any time, be amended by agreement between Engineers Canada and us without requiring your consent or without notice being given to you, except that if such amendment modifies the terms and conditions of your insurance, then we will provide endorsements or amending documents to Engineers Canada for issuing to you.
- We guarantee to renew the coverage, however, we reserve the right to review the adequacy of the rates and adjust them as required.
- Unless explicitly provided for in this Certificate of Insurance, we may only amend or terminate the Policy if we have done so for all other individuals insured under the same plan within a province. No amendment to the Policy that adversely affects your insurance will be applied to a current or pending claim.
4. **Termination of Your Insurance** Your insurance will terminate on the earliest of the following dates:
- a) On the date the Policy is terminated, or on the premium due date following the date the Policy is terminated;
  - b) On the premium due date coinciding with or next following your attainment of the termination age;
  - c) On the expiration of the days of grace;
  - d) On the first of the month following receipt of a written request from you to terminate this Certificate of Insurance;
  - e) On the renewal premium due date coinciding with or next following the date you retire or cease to be Actively at Work. It is your responsibility to notify us immediately if retire or cease to be Actively at Work. In the event of late notification, no refund of any premium shall be made by us for an amount greater than the premium for a three month period;
  - f) On the date you enter the armed forces of any country on a full-time basis. It is your responsibility to notify us immediately if you enter the armed forces of any country on a full-time basis. In the event of late notification, no refund of any premium shall be made by us for an amount greater than the premium for a three month period;
  - g) On the date of your death.
5. **Misstatement of Age** If your date of birth has been misstated, the true date of birth shall govern and the benefits, if any are allowed hereunder, will be adjusted to those which would have been allowed had the true date of birth been stated on the application.
6. **Non-Waiver** Any waiver or failure to insist upon performance or observance or any covenant, condition, or provision of this Certificate of Insurance by Manulife shall not be construed as a waiver or a subsequent breach, in whole or in part, of the same covenant, condition or provision.
7. **Currency** All amounts payable under this insurance either to or by Manulife shall be payable in Canada in lawful Canadian currency.
8. **Governing Laws** Your insurance is subject to the laws of your usual province of residence.
9. **Non-Participating** The insurance is a non-participating contract and is not entitled to share in the surplus earnings of the Company.
10. **Reinstatement** This Certificate may be reinstated at any time within six months from the date of the lapse, on the following conditions:
- a) Receipt by Manulife of satisfactory proof of your good health and insurability determined on the same basis as when the coverage was issued;
  - b) Receipt by Manulife of all overdue premiums;
  - c) Written confirmation by Manulife.
11. **Disclosure** You must disclose in the application for this Certificate of Insurance or in any application for reinstatement, every fact which is material to the contract. Subject to the incontestability provisions, failure to disclose or misrepresenting any material fact in the application will entitle us to cancel the coverage during the contestability period, with a refund of all premiums paid.



12. **Incontestability** Statements made in the application for this Certificate of Insurance or in any application for reinstatement, other than fraudulent statements, will be considered incontestable for any coverage after that coverage has been in force during your lifetime for a period of two years from either the effective date of that coverage or the date of a certificate of reinstatement.
13. **Limitation Period** 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 in the *Limitation Act 2002*, for Ontario or other applicable legislation.
14. **Beneficiary** The right of any person to designate persons to whom or for whose benefit insurance money is to be payable is restricted to money payable in event of death.
15. **Right to obtain copies of documents** On request, the insurer will furnish to a claimant or insured person a copy of the applicable individual's application and any written document provided to the insurer as evidence of insurability, to the extent required by law.

## Part 7: CLAIMS

1. **Notice of Claim** Should you become disabled due to Injury or Sickness you must notify Manulife within 30 days of the commencement of the Disability.
2. **Proof of Claim** Proof of claim includes the initial claim forms and all medical, psychiatric, psychological, educational, vocational, financial, or other information Manulife considers necessary to assess the claim.  
Manulife must receive the initial claim forms within 3 months after the commencement date of Disability.  
Manulife may, at any time whether before or after the claim is approved, request from you further medical, psychiatric, psychological, educational, vocational, financial or other information we consider necessary for the assessment or re-assessment of the claim.
3. **Proof of Loss** Proof that you have been Disabled must be submitted no later than three months following the Date of Disability. Failure to do so, however, will not invalidate your claim nor reduce the amount of the benefits payable, provided it was not reasonably possible to give such proof within the stipulated time and provided the proof is furnished as soon as is reasonably possible, but in no event later than 12 months following the Date of Disability unless you are legally incapacitated. Should you be unable to give notice of claim or proof of claim due to the nature of your Disability then someone acting on your behalf may do so.
4. **Insurer to Furnish Forms for Proof of Claim** Manulife shall furnish forms for proof of claim within 15 days after receiving notice of claim.
5. **Supplementary Evidence** We reserve the right to be provided with reasonable supplementary evidence as to the nature and degree of your Disability and also to have you medically examined from time to time by a physician appointed by us and at our expense.  
We also reserve the right to obtain such evidence as may be reasonable concerning your income prior to your Disability and the income being received by you while Disabled.
6. **When Loss of Time Benefits Payable** The initial benefits for loss of time shall be paid by Manulife within 31 days after it has received satisfactory proof of claim. Thereafter, payments shall be made on a monthly basis.
7. **Legal Action** Any action or proceeding against you shall be commenced within one year after the cause of action arose or as specified in your province of residence.
8. **Arbitration** In the event you and the Company shall disagree as to the facts or the amount of indemnity due to any claim, at your written request the matter in dispute may be submitted to three competent arbitrators to be chosen as follows: one by you, one by the Company, and the other to be mutually agreed upon by the two chosen, and any decision agreed upon by the arbitrators shall be final and binding. The fee of the mutually agreed upon arbitrator will be shared equally.