



# Sample Policy Contract

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

**GENERAL PROVISIONS - INCOME PROTECTION**

The following general provisions relate to any benefits which may be in effect under the Income Protection Insurance.

**Claims Procedure**

**Notice of Claim**

Written notice of claim must be received by the Company at its Office no later than 30 days from the date Total Disability began.

**Proof of Claim**

a) **Forms**

The Company will furnish to the Insured Member forms for filing Proof of Claim.

Proof of Claim must cover:

- i) the Injury or Sickness for which the Insured Member is claiming an Income Benefit;
- ii) the date the Injury or Sickness first occurred; and
- iii) the name of the physician who is attending the Insured Member.

b) **Time Limit**

A Proof of Claim form must be filed with the Company within 90 days from the date a claim arises.

c) **Extension of Time Limit**

The time for filing a Proof of Claim will be extended if notice and proof are given to the Company as soon as it is reasonably possible. In any event, Proof of Claim must be given no later than one year after the time proof is otherwise required.

d) **Proof of Continuance of Total or Partial Disability**

Proof, satisfactory to the Company, that the Insured Member is still Totally or Partially Disabled may be requested at reasonable intervals.

The Company at its expense may require the Insured Member to be examined by a physician or other practitioner appointed by the Company.

If a Total or Partial Disability results from a mental disorder, proof may be required from a physician

who is certified in psychiatry by the Royal College of Physicians in Canada, or by the Board of the American Medical Association.

**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 other applicable legislation.

**Misrepresentation and Non-Disclosure**

The Insured Member must disclose:

- a) in the application;
- b) in any written statements given as evidence of insurability; and
- c) on any medical examination;

every fact known to him/her that is material to the insurance. If any material fact has been misrepresented or has not been disclosed, the Company may void the Insured Member's certificate except as stated in the Incontestability or Misstatement of Age or Sex provisions.

**Incontestability**

The Company will not contest the validity of any Unit on the life of an Insured Member after it has been in effect for two years during his/her lifetime, except for fraud or a Total Disability that occurs during this two year period.

**Beneficiary**

There is no right to name a beneficiary under this certificate.

**Misstatement of Age or Sex**

If the age or sex of an Insured Member has been misstated, the amount of insurance and the premium required will be adjusted on the basis of the correct age or sex.

If, at the correct age:

- a) the insurance would have terminated at an earlier date; or
- b) the certificate would not have been issued;

the only amount payable for the period that coverage would not have been in effect will be the premiums paid for that period.

## **Currency and Place of Payment**

All payments made to or by the Company shall be made in the lawful currency of Canada. Payments to the Company shall be made at the Office or elsewhere as may be set by the Company. Payments by the Company shall be made in Canada, or elsewhere if the Company consents.

## **Time of Payments**

The Income Benefit will be payable at the end of each month of Total or Partial Disability. Any Income Benefit payable for a period of less than one month will be paid at a daily rate of one-thirtieth of the monthly rate.

## **Waiver of Premium**

Premiums are waived for an Insured Member during the period when Total Disability benefits are payable, beginning with the first premium which falls due after benefits become payable.

## **Foreign Travel or Residence**

### **a) Prior to Disability**

Coverage under the Policy shall not be in effect if the Total or Partial Disability of an Insured Member results from injuries sustained or sickness contracted at any time after the Insured Member has been outside the limits of Canada or the United States of America for 6 consecutive months, unless coverage for such travel or residence has been specifically granted in writing by the Company.

### **b) After Disability**

Income Benefit shall not be payable for more than 6 months for any period of continuous Total or Partial Disability while the Insured Member is outside the limits of Canada or the United States of America unless such travel or residence has been agreed to in writing by the Company.

## **Date of Termination of Member Insurance**

Insurance on the life of an Insured Member ceases on the earliest of:

- a) the first day of the Policy Year coinciding with or immediately following the date on which:
  - i) the Insured Member no longer qualifies as a Member;
  - ii) the Insured Member attains age 65;

- b) the Premium Due Date coinciding with or immediately following the date on which the Company receives written notice from the Insured Member requesting that all or part of his/her insurance be cancelled. If partial cancellation is requested, only those Units requested will be cancelled.
- c) the date any premium due has not been paid unless premiums are being waived;
- d) the date the Insured Member retires;
- e) the date the Policy is terminated.

## **Premiums**

### **General**

Premiums are payable on or before each Premium Due Date for all in-force coverage.

- a) **Premium Due Date** means the Policy Anniversary if premiums are paid annually, the first day of each month if premiums are paid by Pre-Authorized Collections (PAC).
- b) **Policy Anniversary** means the policy anniversary as shown on the cover page of this certificate.

### **Grace Period**

Except for the first premium for any Unit, a grace period of 31 days is allowed for payment in full of any premium due.

### **Payment of Premium After Insurance Ceases**

If a premium is paid after the expiry of the grace period, or after insurance ceases for a reason other than non-payment of premium, the Company is not liable for the payment of any benefits under the Policy in respect of the insurance which ceased.

### **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.

### **Application of Special Provision**

If a Special Provision is applied to any insurance on the life of an Insured Member, the Special Provision will be endorsed on the Insured Member's certificate.

**INCOME PROTECTION INSURANCE PROVISION**

**Benefit**

The Company will pay the amount of Income Benefit for which the Member is insured, subject to the provisions of the Policy, if the Insured Member:

- a) is Totally or Partially Disabled as defined; and
- b) the Total Disability began while his/her insurance under the Policy was in force and continued throughout the applicable Elimination Period, and

provided the Total or Partial Disability does not result from one or more of the Risks Not Covered.

**Definitions**

**Eligible Member** means a Member who, at the date his/her application is received by the Company at its Office, is:

- a) resident in Canada; and
- b) under Age 61.

**Insured Member** means an Eligible Member who is insured under the Policy.

**Member** means a member of the Association or an alumnus of the University named in this certificate.

**Injury** means accidental bodily injury sustained while the Member is insured under the Policy.

**Sickness** means illness or disease which occurs while the Member is insured under the Policy.

An Insured Member will be considered Totally or Partially Disabled for a maximum of two years if Sickness results from affective disorder, depression (not bipolar or manic-depressive), anxiety, somatoform (hysteria), nervous exhaustion and Mental Disorders not listed as psychotic in the Diagnostic and Statistical Manual of Mental Disorders, Third Edition.

**Total Disability or Totally Disabled** means:

- a) during the Elimination Period plus the next two years, that due to Injury or Sickness, the Insured Member is unable to work at his/her Own Occupation or Regular Employment and is not engaged in any gainful occupation; and

- b) after the Elimination Period plus two years, that due to Injury or Sickness, the Insured Member is unable to work at any gainful occupation for which he/she is fitted based on education, training or experience and is not engaged in any other gainful occupation; and

- c) the Insured Member is under the regular care and attendance of a licensed physician or surgeon other than himself/herself.

**Partial Disability or Partially Disabled** means:

- a) that, due to Injury or Sickness, the Insured Member is unable to perform the normal duties that occupied at least 50% of his/her Own Occupation or Regular Employment during the 180 days immediately prior to Total Disability; and

- b) the Partial Disability is immediately preceded by a period of Total Disability for which the Insured Member received an Income Benefit; and

- c) the Insured Member is under the regular care and attendance of a licensed physician or surgeon other than himself/herself.

**Earned Income** means all payments directly received by the Insured Member in any and all occupations for the performance of personal services before the deduction of any income taxes but after the deduction of any business or overhead expenses which are deductible for federal income tax purposes.

Earned Income does **not** include:

- a) interest, dividends, rents, royalties, or other investment income;
- b) any income received from annuities, pensions, profit sharing or deferred compensation plans, government plans or salary continuance plans; or
- c) any other income not received directly for services rendered.

Evidence satisfactory to the Company will be required to determine the Earned Income of the Insured Member. A verified copy of one or more of the following may be required.

- i) income tax returns;
- ii) audited statements of income and expenses; or
- iii) employer's statement of employee's earnings.

**Income Benefit** means the number of Units multiplied by the Value per Unit as shown on the Income Protection Insurance Schedule, and is subject to reduction in accordance with the Relation of Earnings to Insurance provision.

**Maximum Benefit Period** means the longest length of time the Income Benefit may be paid and is measured either in years or by reference to age.

**Elimination Period** means the number of consecutive days from the date each period of Total Disability begins to the date the Income Benefit is first payable.

**Own Occupation or Regular Employment** means the work being performed on a regular basis during the 180 days immediately preceding Total Disability.

### **Payment of Income Benefit**

After completion of the Elimination Period, the Company will pay the Income Benefit monthly while an Insured Member is Totally or Partially Disabled, until the earliest of the date:

- a) the Insured Member ceases to be Totally or Partially Disabled;
- b) the Maximum Benefit Period expires;
- c) the Company asks for proof that the Insured Member is still Totally or Partially Disabled if proof is not given within 31 days;
- d) the Company asks the Insured Member to be examined by a physician or other practitioner named by the Company if the Insured Member does not submit to such examination within 31 days; or
- e) the Insured Member attains the age limit, if any, shown on the Income Protection Insurance Schedule.

### **Relation of Earnings to Insurance**

Where the monthly Income Benefit, either alone or plus any Earned Income and other loss of time benefits to which the Insured Member is entitled, exceeds the Insured Member's average monthly Earned Income over the 24 months immediately preceding Total Disability, the Company will pay monthly, during continuation of the Total Disability, an amount equal to:

- a) the average monthly Earned Income over the previous 24 months; multiplied by
- b) the monthly Income Benefit; divided by
- c) the monthly Income Benefit plus the monthly Earned Income and other loss of time benefits.

For the purposes of this Section, other loss of time benefits shall include any benefits payable to the Insured Member on account of disability under:

- a) the Canada Pension Plan or similar social security plan;
- b) any legislated Unemployment Insurance plan or similar wage replacement plan;
- c) any benefit plan provided by any association or union to which the Insured Member belongs;
- d) any salary continuance, pension, group life insurance or other employee benefit plan sponsored by an employer by whom the Insured Member is employed;
- e) any income continued by the Insured Member's partnership as a result of a partnership agreement;
- f) any other contract, including a life insurance contract providing disability benefits or a disability insurance contract.

### **Risks Not Covered**

No Income Benefit will be paid under the Policy if Total or Partial Disability of an Insured Member results directly or indirectly from:

- a) intentionally self-inflicted injury, while sane or insane;
- b) war, whether declared or not;
- c) participation in a riot or civil commotion;
- d) committing or attempting to commit a criminal offence;
- e) uncomplicated pregnancy and childbirth.

### **Recurrent Total Disability**

All periods of Total Disability for which an Income Benefit is payable, resulting from the same or related Injury or Sickness, shall be one period of Total Disability, unless separated by at least six consecutive months during which time no Income Benefit was payable.

**Rehabilitation Program**

If an Insured Member who is receiving an Income Benefit enters into a Rehabilitation Program supervised by his physician and approved by the Company, Total Disability shall be deemed to continue during the period of rehabilitation but not in any event

for a period of more than 24 months following the commencement of such program. If the Insured Member is receiving remuneration under the Rehabilitation Program the amount of Income Benefit being paid to the Insured Member will be reduced by 50% of the amount of that remuneration.

SAMPLE

**INCOME PROTECTION INSURANCE SCHEDULE**

The Coverage Summary page of the certificate indicates the number of Units of Income Protection Insurance held and the applicable Elimination Period(s) for those Units.

Age *	Annual Premium Per \$100 Of Income Protection Insurance Elimination Periods					
	30 Days		120 Days		180 Days	
	Male	Female	Male	Female	Male	Female
Under 30	\$18.00	\$18.60	\$12.00	\$12.60	\$11.40	\$12.00
30-34	20.40	25.80	15.00	18.00	13.80	16.20
35-39	25.20	32.40	18.60	22.80	16.80	20.40
40-44	32.40	49.20	27.00	39.60	25.80	37.80
45-49	51.60	69.00	39.60	52.80	37.80	49.80
50-54	77.40	84.60	63.00	68.40	62.40	67.80
55-59	109.80	89.40	88.20	72.00	87.00	70.80
60-64	95.40	73.20	73.20	57.00	72.60	56.40

\* **Age** means the attained age of the Member at the beginning of each Policy Year.

**Payment**

Payment per Unit of Income Protection Insurance for:

- a) Total Disability \$100 per month
- b) Partial Disability \$ 50 per month

- b) Partial Disability for 6 months, but not beyond attained age 65-1/2.

**Maximum Benefit Period**

The Maximum Benefit Period for which Income Benefits will be paid is:

- a) Total Disability to attained age 65 if Totally Disabled before Age 63; otherwise 24 months.

**Premium Rates**

The premium rates shown above are not guaranteed and could change on any Policy Anniversary, in accordance with the terms of the Policy.