

# Group Benefits Policy

**Policyholder:** *St. Thomas University*  
**Policy Number:** *G0050234*  
**Policy Effective Date:** *September 1, 2010*  
**Policy Anniversary:** *April 1st*  
**Renewal Date:** *September 1st*

## Table of Contents

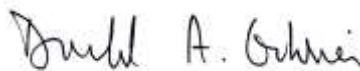
Group Benefits Schedule .....	2
Eligibility for Insurance .....	20
Effective Date of Insurance.....	21
Transfer of Benefits from the Prior Plan .....	22
Termination of Insurance .....	23
Life Insurance Benefit .....	25
Long Term Disability Benefit.....	31
Payment of Claims.....	38
Administration of the Policy .....	40
Payment of Premiums .....	42
The Policy .....	44
POLICY ADDENDUM.....	46

THE MANUFACTURERS LIFE INSURANCE COMPANY  
(hereafter called Manulife Financial) Waterloo, Ontario, Canada N2J 4C6

Manulife Financial agrees to pay benefits subject to the policy's provisions which are set forth on the following pages.

Those provisions are a part of this Policy as fully as if stated over the signature below.

Signed at Waterloo, Ontario, Canada on July 28, 2017.



President &  
Chief Executive Officer

## **2 Group Benefits Schedule**

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**Policyholder:** St. Thomas University

**Policy Number:** G0050234

**Policy Effective Date:** September 1, 2010

**Policy Anniversary:** April 1st

**Renewal Date:** September 1st

**Class Number(s)**

001 St. Thomas University All Employees (Plan A, Plan B, Plan C, Plan D and Plan E)

**Plan Number(s)**

A Full-Time Faculty and Administration

B Support Staff

C Limited Term Appointments

D Part Time Faculty Schedule B

E Retired Employees

**Effective Date for Increases in Insurance**

When first eligible for the increase

**Associated Companies**

None

**Employee Life Insurance**

***Benefit Amount***

\$200,000

***Non-Evidence Limit***

\$200,000

***Benefit Reduction***

the Employee's benefit amount is reduced by 50% on the Employee's 65th birthday.

***Waiver of Premiums***

to age 65

***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to age 65

***Termination Age***

age 70

***Participation Basis***

non-mandatory

***Waiting Period***

none

**Employee Optional Life Insurance**

***Benefit Amount***

\$10,000 or an increment thereof to a maximum of \$300,000

***Non-Evidence Limit***

Evidence of Insurability is required for all amounts of Optional Life Insurance. However, evidence of insurability will be waived for an amount of Optional Life Insurance which is \$50,000 or less if applied for within 31 days of the date eligible.

***Waiver of Premiums***

to age 65

***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to age 65

***Termination Age***

age 65 or retirement, whichever is earlier

## **4 Group Benefits Schedule - Plan A**

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### ***Participation Basis***

non-mandatory

### ***Waiting Period***

none

### ***Exclusions***

If death occurs as a result of suicide, the amount of Employee Optional Life Insurance payable will be limited to the amount of Employee Optional Life Insurance which has been in effect for one or more years.

Misstatement of non-smoker status by the Employee shall constitute fraud, and Manulife Financial will not pay any part of Employee Optional Life Insurance, regardless of the cause of death.

## **Spousal Optional Life Insurance**

### ***Benefit Amount***

\$10,000 or an increment thereof to a maximum of \$300,000

### ***Non-Evidence Limit***

Evidence of Insurability is required for all amounts of Spousal Optional Life Insurance. However, evidence of insurability will be waived for an amount of Spousal Optional Life Insurance which is \$50,000 or less if applied for within 31 days of the date eligible.

### ***Waiver of Premiums***

to the Employee's age 65

### ***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to the Employee's age 65

### ***Termination Age***

Employee's or Spouse's age 65 or retirement, whichever is earlier

### ***Participation Basis***

non-mandatory

### ***Waiting Period***

none

### ***Exclusions***

If death occurs as a result of suicide, the amount of Spousal Optional Life Insurance payable will be limited to the amount of Dependent Optional Life Insurance which has been in effect for one or more years.

Misstatement of non-smoker status by the Employee and/or Spouse shall constitute fraud, and Manulife Financial will not pay any part of Spousal Optional Life Insurance, regardless of the cause of death.

**Long Term Disability**

***Benefit Amount***

70% of monthly Earnings up to a maximum benefit of \$6,500 per month

***Cost of Living Adjustment***

the Change in the Consumer Price Index or 3%, whichever is less

***CPP/QPP Integration***

primary CPP/QPP benefits

***Non-Evidence Limit***

\$6,500 per month

***Qualifying Period***

180 consecutive days prior to age 65

***Maximum Benefit Period***

Up to the 65th birthday. However, if benefit payments commence during the 12 months immediately preceding the Employee's 65th birthday, benefit payments will continue during the Disability up to a maximum of 12 months.

***Survivor Benefit Amount***

3 times the Employee's last monthly benefit payment

***Termination Age***

age 65 less the Qualifying Period or retirement, whichever is earlier

***Earnings***

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay, incentive pay and auto allowance

***Participation Basis***

mandatory

***Waiting Period***

none

## **6 Group Benefits Schedule - Plan B**

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### **Employee Life Insurance**

#### ***Benefit Amount***

\$200,000

#### ***Non-Evidence Limit***

\$200,000

#### ***Benefit Reduction***

The Employee's benefit amount is reduced to \$100,000 on the Employee's 65th birthday.

#### ***Waiver of Premiums***

to age 65

#### ***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to age 65

#### ***Termination Age***

age 70

#### ***Participation Basis***

non-mandatory

#### ***Waiting Period***

none

### **Employee Optional Life Insurance**

#### ***Benefit Amount***

\$10,000 or an increment thereof to a maximum of \$300,000

#### ***Non-Evidence Limit***

Evidence of Insurability is required for all amounts of Optional Life Insurance. However, evidence of insurability will be waived for an amount of Optional Life Insurance which is \$50,000 or less if applied for within 31 days of the date eligible.

#### ***Waiver of Premiums***

to age 65

#### ***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to age 65

#### ***Termination Age***

age 65 or retirement, whichever is earlier

***Participation Basis***

non-mandatory

***Waiting Period***

none

***Exclusions***

If death occurs as a result of suicide, the amount of Employee Optional Life Insurance payable will be limited to the amount of Employee Optional Life Insurance which has been in effect for one or more years.

Misstatement of non-smoker status by the Employee shall constitute fraud, and Manulife Financial will not pay any part of Employee Optional Life Insurance, regardless of the cause of death.

**Spousal Optional Life Insurance**

***Benefit Amount***

\$10,000 or an increment thereof to a maximum of \$300,000

***Non-Evidence Limit***

Evidence of Insurability is required for all amounts of Spousal Optional Life Insurance. However, evidence of insurability will be waived for an amount of Optional Life Insurance which is \$50,000 or less if applied for within 31 days of the date eligible.

***Waiver of Premiums***

to the Employee's age 65

***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to the Employee's age 65

***Termination Age***

Employee's or Spouse's age 65 or retirement, whichever is earlier

***Participation Basis***

non-mandatory

***Waiting Period***

none

***Exclusions***

If death occurs as a result of suicide, the amount of Spousal Optional Life Insurance payable will be limited to the amount of Dependent Optional Life Insurance which has been in effect for one or more years.

Misstatement of non-smoker status by the Employee and/or Spouse shall constitute fraud, and Manulife Financial will not pay any part of Spousal Optional Life Insurance, regardless of the cause of death.

## **8 Group Benefits Schedule - Plan B**

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### **Long Term Disability**

#### ***Benefit Amount***

70% of monthly Earnings up to a maximum benefit of \$6,500 per month

#### ***Cost of Living Adjustment***

the Change in the Consumer Price Index or 5%, whichever is less

#### ***CPP/QPP Integration***

primary CPP/QPP benefits

#### ***Non-Evidence Limit***

\$6,500 per month

#### ***Qualifying Period***

180 consecutive days prior to age 65

#### ***Maximum Benefit Period***

Up to the 65th birthday. However, if benefit payments commence during the 12 months immediately preceding the Employee's 65th birthday, benefit payments will continue during the Disability up to a maximum of 12 months.

#### ***Survivor Benefit Amount***

3 times the Employee's last monthly benefit payment

#### ***Termination Age***

age 65 less the Qualifying Period or retirement, whichever is earlier

#### ***Earnings***

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay, incentive pay and auto allowance

#### ***Participation Basis***

mandatory

#### ***Waiting Period***

none



**Employee Life Insurance**

***Benefit Amount***

\$200,000

***Non-Evidence Limit***

\$200,000

***Benefit Reduction***

The Employee's benefit amount is reduced by 50% on the Employee's 65th birthday.

***Waiver of Premiums***

to age 65

***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to age 65

***Termination Age***

age 70

***Participation Basis***

non-mandatory

***Waiting Period***

none

**Employee Optional Life Insurance**

***Benefit Amount***

\$10,000 or an increment thereof to a maximum of \$300,000

***Non-Evidence Limit***

Evidence of Insurability is required for all amounts of Optional Life Insurance. However, evidence of insurability will be waived for an amount of Optional Life Insurance which is \$50,000 or less if applied for within 31 days of the date eligible.

***Waiver of Premiums***

to age 65

***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to age 65

***Termination Age***

age 65 or retirement, whichever is earlier

## **10 Group Benefits Schedule - Plan C**

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### ***Participation Basis***

non-mandatory

### ***Waiting Period***

none

### ***Exclusions***

If death occurs as a result of suicide, the amount of Employee Optional Life Insurance payable will be limited to the amount of Employee Optional Life Insurance which has been in effect for one or more years.

Misstatement of non-smoker status by the Employee shall constitute fraud, and Manulife Financial will not pay any part of Employee Optional Life Insurance, regardless of the cause of death.

## **Spousal Optional Life Insurance**

### ***Benefit Amount***

\$10,000 or an increment thereof to a maximum of \$300,000

### ***Non-Evidence Limit***

Evidence of Insurability is required for all amounts of Spousal Optional Life Insurance. However, evidence of insurability will be waived for an amount of Optional Life Insurance which is \$50,000 or less if applied for within 31 days of the date eligible.

### ***Waiver of Premiums***

to the Employee's age 65

### ***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to the Employee's age 65

### ***Termination Age***

Employee's or Spouse's age 65 or retirement, whichever is earlier

### ***Participation Basis***

non-mandatory

### ***Waiting Period***

none

### ***Exclusions***

If death occurs as a result of suicide, the amount of Spousal Optional Life Insurance payable will be limited to the amount of Dependent Optional Life Insurance which has been in effect for one or more years.

Misstatement of non-smoker status by the Employee and/or Spouse shall constitute fraud, and Manulife Financial will not pay any part of Spousal Optional Life Insurance, regardless of the cause of death.

**Long Term Disability**

***Benefit Amount***

70% of monthly Earnings up to a maximum benefit of \$6,500 per month

***Cost of Living Adjustment***

the Change in the Consumer Price Index or 5%, whichever is less

***CPP/QPP Integration***

primary CPP/QPP benefits

***Non-Evidence Limit***

\$6,500 per month

***Qualifying Period***

180 consecutive days prior to age 65

***Maximum Benefit Period***

Up to the 65th birthday or 24 months, whichever is less. However, if benefit payments commence during the 12 months immediately preceding the Employee's 65th birthday, benefit payments will continue during the Disability up to a maximum of 12 months.

***Survivor Benefit Amount***

3 times the Employee's last monthly benefit payment

***Termination Age***

age 65 less the Qualifying Period or retirement, whichever is earlier

***Earnings***

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay, incentive pay and auto allowance.

***Participation Basis***

mandatory

***Waiting Period***

none

## **12 Group Benefits Schedule - Plan D**

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### **Employee Life Insurance**

#### ***Benefit Amount***

\$200,000

#### ***Non-Evidence Limit***

\$200,000

#### ***Benefit Reduction***

The Employee's benefit amount is reduced to \$100,000 on the Employee's 65th birthday.

#### ***Waiver of Premiums***

to age 65

#### ***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to age 65

#### ***Termination Age***

age 70

#### ***Participation Basis***

non-mandatory

#### ***Waiting Period***

none

### **Employee Optional Life Insurance**

#### ***Benefit Amount***

\$10,000 or an increment thereof to a maximum of \$300,000

#### ***Non-Evidence Limit***

Evidence of Insurability is required for all amounts of Optional Life Insurance. However, evidence of insurability will be waived for an amount of Optional Life Insurance which is \$50,000 or less if applied for within 31 days of the date eligible.

#### ***Waiver of Premiums***

to age 65

#### ***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to age 65

#### ***Termination Age***

age 65 or retirement, whichever is earlier

***Participation Basis***

non-mandatory

***Waiting Period***

none

***Exclusions***

If death occurs as a result of suicide, the amount of Employee Optional Life Insurance payable will be limited to the amount of Employee Optional Life Insurance which has been in effect for one or more years.

Misstatement of non-smoker status by the Employee shall constitute fraud, and Manulife Financial will not pay any part of Employee Optional Life Insurance, regardless of the cause of death.

**Spousal Optional Life Insurance**

***Benefit Amount***

\$10,000 or an increment thereof to a maximum of \$300,000

***Non-Evidence Limit***

Evidence of Insurability is required for all amounts of Spousal Optional Life Insurance. However, evidence of insurability will be waived for an amount of Optional Life Insurance which is \$50,000 or less if applied for within 31 days of the date eligible.

***Waiver of Premiums***

to the Employee's age 65

***Qualifying Period for Waiver of Premiums***

180 consecutive days prior to the Employee's age 65

***Termination Age***

Employee's or Spouse's age 65 or retirement, whichever is earlier

***Participation Basis***

non-mandatory

***Waiting Period***

none

***Exclusions***

If death occurs as a result of suicide, the amount of Spousal Optional Life Insurance payable will be limited to the amount of Dependent Optional Life Insurance which has been in effect for one or more years.

Misstatement of non-smoker status by the Employee and/or Spouse shall constitute fraud, and Manulife Financial will not pay any part of Spousal Optional Life Insurance, regardless of the cause of death.

## **14 Group Benefits Schedule - Plan D**

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### **Long Term Disability**

#### ***Benefit Amount***

70% of monthly Earnings up to a maximum benefit of \$6,500 per month

#### ***Cost of Living Adjustment***

the Change in the Consumer Price Index or 3%, whichever is less

#### ***CPP/QPP Integration***

primary CPP/QPP benefits

#### ***Non-Evidence Limit***

\$6,500 per month

#### ***Qualifying Period***

180 consecutive days prior to age 65

#### ***Maximum Benefit Period***

Up to the 65th birthday or 24 months, whichever is less. However, if benefit payments commence during the 12 months immediately preceding the Employee's 65th birthday, benefit payments will continue during the Disability up to a maximum of 12 months.

#### ***Survivor Benefit Amount***

3 times the Employee's last monthly benefit payment

#### ***Termination Age***

age 65 less the Qualifying Period or retirement, whichever is earlier

#### ***Earnings***

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay, incentive pay and auto allowance.

#### ***Participation Basis***

mandatory

#### ***Waiting Period***

none

**Employee Life Insurance**

***Benefit Amount***

\$200,000

***Non-Evidence Limit***

\$200,000

***Benefit Reduction***

the Employee's benefit amount is reduced by 50% on the Employee's 65th birthday.

***Waiver of Premiums***

not applicable

***Qualifying Period for Waiver of Premiums***

not applicable

***Termination Age***

age 70

***Participation Basis***

non-mandatory

***Waiting Period***

not applicable

## **16 Definitions**

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### ***Actively at Work***

at work for the Policyholder or any Associated Company shown in the Benefit Schedule on a Full-time basis at the Employee's usual place of work and is able to perform all of the usual and customary duties of the job.

If an Employee does not customarily so report, or if the usual place of employment is not outside the home, an Employee shall be considered Actively at Work if at any time on the date in question the Employee is neither:

- a) hospital confined; nor
- b) disabled to a degree that the Employee could not have reported to a place of employment outside the home and performed all usual duties of their job on a regular full-time basis.

On weekends or holidays, or when on vacation, an Employee is deemed to be Actively at Work if he was Actively at Work on his last normal working day or on his last scheduled shift.

### ***Change In the Consumer Price Index***

the change in the Consumer Price Index for Canada as published by the Government of Canada for the 12 month period ending September 30th of each year.

### ***Dependent***

an Employee's Spouse who is insured under the Provincial Plan and who is resident in Canada.

### ***- Spouse***

the Employee's legal Spouse, or the person who has, for at least 12 months, been continuously living with the Employee in a common law relationship. A common law relationship must include continuous cohabitation and public representation of the married status. A spouse shall not include:

- a) a person divorced from the Employee;
- b) a person separated from the Employee where such separation is pursuant to a court order or legal separation agreement or the parties are living separate and apart without benefit of a court order or separation agreement; or
- c) a person cohabitating with the Employee without public representation of married status.

Only one Spouse will be eligible for insurance under this Policy, and will be as indicated by the Employee on his application for insurance under this Policy. Where this information is not contained on the Employee's application, the person who qualifies last under this Policy's definition of Spouse will be the eligible Spouse.

### ***Disability or Disabled***

the state of being Totally Disabled.

### ***Drug***

a medication that has been approved for use by the Federal Government of Canada and has a Drug Identification Number.



***Earnings***

for a benefit which is earnings-related, the definition of earnings is shown in the Benefit Schedule. An Employee's earnings may also include other income as agreed to in writing by the Policyholder and Manulife Financial, and which is reported periodically by the Policyholder to Manulife Financial.

For the purposes of determining the amount of an Employee's benefit at the time of claim, an Employee's Earnings will be the lesser of:

- a) the amount reported on the benefit claim form; or
- b) the amount reported by the Policyholder to Manulife Financial and for which premiums have been paid.

***Employee***

a person who:

- a) is directly employed by the Employer on a permanent and Full-time basis;
- b) is compensated for services by the Employer; and
- c) is resident in Canada.

For the purposes of those Benefits which continue beyond retirement, the term Employee also means Retiree.

***- Retiree***

a person who was an Employee immediately prior to his retirement.

***Employer***

the Policyholder or any Associated Company shown in the Benefit Schedule.

***Full-time basis***

For Full-time Employees: normal work schedule of at least 25 hour(s) per week.

Full-time as used in this policy can also mean and include 9-month contract Employees, Part-time faculty Staff, Support Staff and Limited Term appointment whenever the context requires it.

***Leave of Absence***

a period of absence from work for which the dates are fixed by legislation or by mutual agreement between the Employer and the Employee. Leave of Absence includes Maternity and Parental Leave of Absence.

## **18 Definitions**

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### ***Maternity Leave of Absence***

the period of formal maternity leave to which an Employee is entitled by legislation governing the Employer, or a longer period, if the Employer's normal practice permits.

For the purposes of this Policy, Maternity Leave of Absence will be deemed to commence on the earlier of:

- a) the date fixed by mutual agreement between the Employee and the Employer;
- b) the date the Employer may require the Leave of Absence to commence if the Employee's performance is affected by the pregnancy; and
- c) the date the child is born.

### ***Medically Necessary***

broadly accepted and recognized by the Canadian medical profession as effective, appropriate and essential in the treatment of a sickness or injury in accordance with Canadian medical standards.

### ***Net Earnings***

the employee's Earnings, less deductions normally made for federal and provincial income tax.

### ***Non-Evidence Limit***

satisfactory medical evidence must be submitted to Manulife Financial for Benefit Amounts greater than this amount.

### ***Parental Leave of Absence***

the period of formal child care leave to which an Employee is entitled by legislation governing the Employer, or a longer period, if the Employer's normal practice permits.

### ***Physician***

a doctor of medicine, licensed to practice medicine in the place where the services are provided.

### ***Prior Plan***

a previous Group Policy which insured all or some of the persons insured under this Policy and which terminated within 31 days prior to the Effective Date of this Policy.

### ***Provincial Plan***

any plan which provides hospital, medical, or dental benefits established by the government in the province where the insured person lives.

### ***Qualifying Period***

a period of continuous Total Disability, starting with the first day of Total Disability, which must be completed by the Employee in order to qualify for benefits. The Qualifying Period is shown in the Benefit Schedule.

### ***Temporary Lay-Off***

a period during which the Employee is laid off work and for which there is a fixed recall date.

***Vocational Plan (Vocational Rehabilitation)***

a training or job placement program that is expected to facilitate a Disabled Employee's return to his own job or other gainful employment.

***Waiting Period***

a period of continuous active employment with the Employer, as shown in the Benefit Schedule, following which the Employee becomes eligible for insurance.

## **20 Effective Date of Insurance**

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### ***Eligibility for Insurance***

#### ***Employee***

An Employee is eligible for insurance under this Policy if he:

- a) is a member of a Classification which is eligible for insurance, as set out in the Benefit Schedule;
- b) is younger than the Termination Age shown in the Benefit Schedule; and
- c) has continuously been an Employee, as defined, for a period as long as the Waiting Period shown in the Benefit Schedule.

#### ***Re-hired Employees***

If an Employee is re-hired within 6 months of termination of insurance under this Policy due to termination of employment, he must re-apply for insurance under this Policy, but will not be required to satisfy another Waiting Period.

#### ***Dependent***

An Employee's Dependent becomes eligible for insurance at the same time that the Employee does. However, the Employee must apply for the Employee coverage in order for the Dependent to be eligible. A person who becomes a Dependent after the Employee becomes insured is eligible on the date that person becomes a Dependent.

#### ***Amount of Insurance***

The amount of insurance for which a person is eligible under any Benefit will be determined in accordance with the Benefit Schedule.

#### ***How to Become Insured***

To become insured under this Policy, an eligible Employee must apply in writing on forms approved by Manulife Financial. Coverage for Dependents must also be applied for on approved forms.

#### ***When Evidence of Insurability is Required***

Evidence of insurability is required for all amounts of insurance in excess of any Non-Evidence Limit shown in the Benefit Schedule. Manulife Financial will bear the cost of supplying this evidence.

#### ***Additional Evidence Requirements***

For all benefits, evidence of insurability is also required whenever an Employee makes a Late Application for insurance on any person.

In this case, the Employee will bear the cost of supplying evidence which conforms to Manulife Financial's rules.

#### ***Late Application***

For non-mandatory benefits, an application is considered late when an Employee:

- a) applies for insurance on any person after having been eligible for more than 31 days; or
- b) re-applies for insurance on any person whose insurance had earlier been cancelled.

### ***Effective Date of Insurance***

Once an application for Employee or Dependent insurance has been completed, this insurance becomes effective as follows, if the Employee is then Actively at Work:

- a) for all insurance which does not require evidence of insurability, on the date the Employee or Dependent becomes eligible for this insurance; and
- b) for all insurance which does require evidence of insurability, on the date this evidence is approved by Manulife Financial.

If the Employee is not Actively at Work when insurance would otherwise take effect, this insurance will take effect on the next day on which he is again Actively at Work.

An Employee who is not Actively at Work on the Effective Date may still be eligible for insurance under this Policy through a Transfer of Benefits from the Prior Plan.

Dependent Insurance will not take effect prior to the Effective Date of the Employee's insurance. However Spousal Optional Life Insurance may still become effective if the Employee is declined for Employee Optional Life.

### ***Increases in Insurance***

An increase in insurance on an Employee or Dependent will take effect as follows, if the Employee is then Actively at Work:

- a) if evidence of insurability is not required, on the Effective Date for Increases in Insurance shown in the Benefit Schedule; and
- b) if evidence of insurability is required, on the date this evidence is approved by Manulife Financial.

If the Employee is not Actively at Work when an increase in insurance would otherwise take effect, this increase in insurance will take effect on the next day on which he is again Actively at Work.

### ***Decreases in Insurance***

A decrease in the amount for which any person is insured takes effect when the person is first eligible for the decreased amount.

## **22 Transfer of Benefits from the Prior Plan**

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This Section applies only if this Policy replaces a Prior Plan.

### ***Concessions Granted***

Manulife Financial grants the following concessions to persons who were insured under the Prior Plan when it terminated:

- a) a Transfer of Coverage for Employees not Actively at Work; and
- b) Coverage for Pre-Existing Conditions.

These concessions are as described below.

### ***Transfer of Coverage***

#### ***Eligibility***

An Employee who is not Actively at Work on the Effective Date is still eligible under this Policy if he:

- a) was insured under the Prior Plan when that Plan terminated; and
- b) would be eligible for insurance under this Policy if Actively at Work on its Effective Date.

#### ***Amount Transferred***

An Employee eligible to transfer benefits will be eligible under this Policy for the lesser of:

- a) the amount for which he was insured under the Prior Plan when it terminated; and
- b) the amount of insurance for which he would be eligible under the Policy if Actively at Work on its Effective Date.

#### ***Effective Date of Transfer***

Insurance under a transferred benefit will become effective on the later of:

- a) the date insurance provided under the Prior Plan would terminate in the absence of this provision;  
and
- b) the Effective Date of this Policy.

### ***Coverage for Pre-Existing Conditions***

If the Prior Plan did not have a limitation on Pre-existing Conditions, the limitation contained in the Long Term Disability Benefit section of this Policy will not apply to Employees insured under this Transfer of Benefits provision.

If the Prior Plan had a limitation on Pre-Existing Conditions, the length of time the Employee's Long Term Disability Benefit was in effect under the Prior Plan will be taken into account to determine if the limitation under this Policy is applicable.

### ***Termination of Employee Insurance***

An Employee's insurance terminates on the earliest of:

- a) the date the Employee no longer satisfies the definition of Employee;
- b) the date the Employee ceases to be Actively at Work; unless he ceases to be Actively at Work due to retirement;
- c) the date the Employer terminates the Employee's coverage;
- d) the date the Employee enters the armed forces of any country on a full-time basis;
- e) the date this Policy terminates or insurance on the classification to which the Employee belongs terminates;
- f) the date the Employee reaches the Termination Age, as shown under each Benefit in the Benefit Schedule; or
- g) the date the Employee dies.

### ***When Employment Terminates Due to Retirement***

This Policy provides coverage for some benefits for Retirees. Retiree coverage is as indicated in the Schedule pages. Insurance for those benefits which are not indicated in the Schedule pages terminates when the Employee retires.

### ***Exceptions to Termination of Employment not due to Retirement***

If an Employee ceases to be Actively at Work, his insurance will normally terminate as specified under the Termination of Employee Insurance provision. However, Manulife Financial will waive this rule and continue insurance under the conditions set out below. An Employee's insurance can only be continued on a basis that does not discriminate against another Employee.

#### ***Due to Illness or Injury***

If an Employee ceases to be Actively at Work due to illness or injury, insurance coverage will continue for one year for Employee Life or until the Policyholder terminates coverage for all other benefits.

#### ***Due to Maternity, Parental or other Mandated Leave of Absence***

If an Employee ceases to be Actively at Work due to Maternity, Parental or other leave of absence that is mandated by legislation, all insurance coverage may continue for the period of leave to which the Employee is entitled by legislation governing the Employer.

In jurisdictions where the continuation of insurance is mandated by legislation, a copy of the Employee's written and signed notice to discontinue any required premium contribution must also accompany the request for termination.

#### ***Due to Temporary Lay-Off, Sessional Leave or Other Leave of Absence***

If an Employee ceases to be Actively at Work due to Temporary Lay-Off, Sessional Leave or a leave of absence other than Maternity or Parental leave, all insurance coverage may continue until the Policyholder terminates it.

Continuation of such coverage is at the option of the Employer and subject to approval by Manulife Financial.

## **24 Termination of Insurance**

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### ***Due to Indefinite Lay-Off or Strike***

If an Employee ceases to be Actively at Work due to Indefinite Lay-Off or Strike, all insurance coverage will cease for Long Term Disability and will continue until the end of the month next following the month in which the layoff or strike began for all other coverages.

### ***Disability Insurance During Leave of Absence, Sessional Leave and Temporary Lay-Off***

If while insured for disability benefits under this Policy, an Employee becomes disabled on or after the date Leave of Absence, Sessional Leave or Temporary Lay-Off commences, the Qualifying Period for disability benefits will start as of the date of disability. Benefits will become payable on the later of:

- a) the date the Qualifying Period is satisfied; or
- b) the date the Employee is scheduled to return to work.

### ***Legislated Benefit Extensions***

If legislation mandates that employee benefits continue for a limited period after an Employee's employment terminates, Manulife Financial will extend each insurance benefit for the minimum period required by law, provided that:

- a) the Policyholder continues to pay premiums for Employee and Dependent insurance; and
- b) this Policy remains in force.

### ***Termination of Dependent Insurance***

Insurance on an Employee's Dependent terminates on the earliest of:

- a) the date the Dependent is no longer eligible for insurance under the provisions of this Policy;
- b) the date written notification is received from the Employee to cease his Dependent coverage because his Dependents are covered under another insurance plan for benefits similar to the ones in this Policy;
- c) the date a required contribution is due but not paid; or
- d) the date the Employee's insurance terminates or would have ceased if the Employee had been covered. However, an Employee can terminate his Employee Optional Life coverage and still maintain his Spousal Optional Life coverage.



### ***The Benefit***

If a person dies while insured for this Benefit, Manulife Financial will pay the amount for which that person was insured at the time of his death.

### ***Settlement Options***

The lump sum payable on the death of an Employee may be applied to purchase any type of annuity then being offered by Manulife Financial.

### ***Who May Choose an Option***

The insured Employee may elect the type of annuity to be purchased upon his death. If the Employee does not elect an annuity, the beneficiary may elect one when the benefit becomes payable.

### ***Waiver of Premiums***

If an Employee becomes Totally Disabled while insured for this Benefit and prior to age 65, Manulife Financial will waive the premiums required to continue that Employee's and his Dependents' Life Insurance, provided the Employee meets Manulife Financial's Entitlement Criteria.

### ***Exception***

If the Employee is not insured under this Policy for Employee Optional Life, this Waiver of Premiums provision will not apply to his Spouse's Dependent Optional Life Insurance in effect under this Policy, unless:

- a) at the time the Dependent Optional Life Insurance was applied for on his Spouse, the Employee provided Manulife Financial with evidence of insurability on himself; and
- b) Manulife Financial approved the Employee's evidence of insurability.

### ***Definition of Total Disability or Totally Disabled***

*For Plans A and B:*

Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of:

- a) his own occupation, during the Qualifying Period and the 36 months immediately following the Qualifying Period; and
- b) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 36 months specified in part a) of this provision.

*For Plan C and D*

Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of:

- a) his own occupation, during the Qualifying Period and the 24 months immediately following the Qualifying Period; and
- b) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 24 months specified in part a) of this provision.

## **26 Life Insurance Benefit**

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*For all Plans:*

The availability of work will not be considered by Manulife Financial in assessing the Employee's Disability.

An Employee who must hold a government permit or licence to perform his duties will not be considered Totally Disabled solely because such permit or licence has been withdrawn or not renewed.

However, if the Employee is receiving benefit payments under the Long Term Disability benefit, he will be deemed to be Totally Disabled with respect to the Waiver of Premium benefit.

### **Entitlement Criteria**

*For Plans A and B:*

Manulife Financial will apply the following criteria in determining an Employee's entitlement to Waiver of Premiums:

- a) the Employee has been continuously Totally Disabled throughout the Qualifying Period. If the Employee ceases to be Totally Disabled during this period and then becomes Totally Disabled again within 2 weeks due to the same or related cause, the Qualifying Period will be extended by the number of days during which the Total Disability ceased;
- b) the Employee is receiving benefit payments under the Long Term Disability benefit, or Manulife Financial receives medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:
  - i) his own occupation, during the Qualifying Period and the 36 months immediately following the Qualifying Period; and
  - ii) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 36 months specified in part i) of this provision; and
- c) the Employee is receiving from a Physician, regular, ongoing care and treatment appropriate for the disabling condition, as determined by Manulife Financial.

At any time, Manulife Financial may require the Employee to submit to a medical, psychiatric, psychological, functional, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial.

*For Plan C and D:*

Manulife Financial will apply the following criteria in determining an Employee's entitlement to Waiver of Premiums:

- a) the Employee has been continuously Totally Disabled throughout the Qualifying Period. If the Employee ceases to be Totally Disabled during this period and then becomes Totally Disabled again within 2 weeks due to the same or related cause, the Qualifying Period will be extended by the number of days during which the Total Disability ceased;
- b) the Employee is receiving benefit payments under the Long Term Disability benefit, or Manulife Financial receives medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:
  - i) his own occupation, during the Qualifying Period and the 24 months immediately following the Qualifying Period; and

## **Life Insurance Benefit 27**

- ii) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 24 months specified in part i) of this provision; and
- c) the Employee is receiving from a Physician, regular, ongoing care and treatment appropriate for the disabling condition, as determined by Manulife Financial.

At any time, Manulife Financial may require the Employee to submit to a medical, psychiatric, psychological, functional, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial.

### ***Termination of Waiver of Premiums***

*For Plans A and B:*

Waiver of Premiums will cease on the earliest of:

- a) the date the Employee ceases to meet this Benefit's definition of Totally Disabled;
- b) the date the Employee does not supply Manulife Financial with appropriate medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:
  - i) his own occupation, during the Qualifying Period and the 36 months immediately following the Qualifying Period; and
  - ii) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 36 months specified in part i) of this provision;
- c) if premiums were waived because the Employee was receiving benefit payments under Long Term Disability, the date the Employee is no longer receiving benefit payments under the Long Term Disability benefit;
- d) the date the Employee is no longer receiving from a Physician, regular, ongoing care and treatment appropriate for the disabling condition, as determined by Manulife Financial;
- e) the date the Employee does not attend a medical, psychiatric, psychological, functional, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial;
- f) the date the Employee attains the age shown under Waiver of Premiums in the Benefit Schedule;
- g) for Spousal Optional Life, the date this Policy or coverage terminates; or
- h) the date the Employee dies.

*For Plan C and D:*

Waiver of Premiums will cease on the earliest of:

- a) the date the Employee ceases to meet this Benefit's definition of Totally Disabled;
- b) the date the Employee does not supply Manulife Financial with appropriate medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:
  - i) his own occupation, during the Qualifying Period and the 24 months immediately following the Qualifying Period; and

## **28 Life Insurance Benefit**

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- ii) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 24 months specified in part i) of this provision;
- c) if premiums were waived because the Employee was receiving benefit payments under Long Term Disability, the date the Employee is no longer receiving benefit payments under the Long Term Disability benefit;
- d) the date the Employee is no longer receiving from a Physician, regular, ongoing care and treatment appropriate for the disabling condition, as determined by Manulife Financial;
- e) the date the Employee does not attend a medical, psychiatric, psychological, functional, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial;
- f) the date the Employee attains the age shown under Waiver of Premiums in the Benefit Schedule;
- g) for Spousal Optional Life, the date this Policy or coverage terminates; or
- h) the date the Employee dies.

### *For all Plans:*

From time to time during the first 2 years that premiums are waived, Manulife Financial shall have the right to require proof of continuance of the Employee's Total Disability. After 2 years, proof shall be required no more than once a year. The Employee may be required to be examined by a medical examiner designated by Manulife Financial, at Manulife Financial expense.

### ***Recurrent Disability***

Where an Employee becomes Totally Disabled again from the same or related causes as those for which premiums were waived under this Benefit and such Disability recurs within 6 months of cessation of the Waiver of Premiums, Manulife Financial will waive the Qualifying Period.

All such recurrences will be considered a continuation of the same Disability. The Employee's amount of insurance on which premiums were previously waived will be reinstated.

If the same Disability recurs more than 6 months after cessation of the Waiver of Premiums, such Disability will be considered a separate Disability.

Two Disabilities which are due to unrelated causes are considered separate Disabilities if they are separated by a return to work of at least one day.

### ***First Premium Waived***

If the Waiver of Premiums is approved, premiums will be waived from the premium due date coincident with or next following the end of the Qualifying Period.

### ***Life Insurance Coverage Continued***

While premiums are being waived, Life Insurance in force under this Policy on the Employee and on his Dependents will continue to be in force. The amount of such Life Insurance will be the amount of insurance that was in effect on the date of commencement of the Disability, subject to any age reduction or termination shown in the Policy at that time. This continuation of coverage is not affected by a subsequent termination of this Policy or of employment.

If this contract or Waiver of Premium provision terminates, Manulife Financial remains liable to provide Waiver of Premium benefits, for a continuous disability caused by an accident or sickness that occurred prior to termination provided a claim is submitted within 12 months of the Employee's last active day at work and due proof of disability, satisfactory to the Manulife Financial, is furnished within 18 months of the last active working day.

### ***Conversion When Waiver Ceases***

If an Employee is not eligible for Life Insurance under this Policy when the Waiver of Premiums ceases, that Employee and his Spouse may exercise the Conversion Privilege under this Benefit.

### ***Conversion Privilege***

If an Employee's or a Spouse's Life Insurance under this Policy terminates or reduces and the conditions outlined below are satisfied, that person will be eligible to continue all or part of the insurance by converting to an Individual Policy, provided the insured person is under age 66.

The insured person must satisfy the following conditions to be eligible for an Individual Policy:

- a) application for the Individual Policy must be received by Manulife Financial, within 31 days after insurance under the Group Policy terminates or reduces; and
- b) the first premium must be enclosed with the application.

### ***Maximum Amount***

The maximum amount that may be converted is the lesser of:

- a) \$200,000;
- b) the amount of insurance that was covered when coverage was terminated within 31 days; or
- c) if the Policy terminates and an Employee has been continuously insured with the same group for at least 5 years, the Employee now has the same conversion as others but the maximum amount of insurance they can convert shall be 3 times the year's maximum pensionable Earnings, as determined by CPP, less any amount of insurance the Employee becomes eligible for under another group Policy within 31 days of the date of termination.

The Maximum Amount refers to all amounts of group life insurance for which the Employee is insured with Manulife Financial.

### ***Plan of Insurance***

The Individual Policy may be:

- a) non-convertible term insurance to age 65;
- b) a permanent plan that Manulife Financial offers to the public at the time of conversion; or
- c) 1-year non-renewable term insurance which may be converted while it is in force to any plan described above.

## **30 Life Insurance Benefit**

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### ***Issue of Individual Policy***

Manulife Financial will apply the following rules in issuing an Individual Policy:

- a) no evidence of insurability will be required;
- b) the premium will be based on Manulife Financial's then current standard premium rates and will take into account the plan of insurance, the amount of insurance, the person's sex and attained age;
- c) no Waiver of Premium or other supplementary benefits will be included;
- d) the effective date of the Individual Policy will be the 32nd day after the date of termination of the Group Insurance under this Benefit; and
- e) if the person elects to convert a lesser amount than that which he is entitled to convert, the Individual Policy cannot be less than the current minimum for which Manulife Financial will issue the Policy.

### ***Death during Conversion Period***

If a person dies within 31 days of the date his Group Insurance terminates, on receipt of due proof, Manulife Financial will pay the maximum amount the person was eligible to convert. This will be done even if the person did not apply for an Individual Policy. If the person had applied for the Individual Policy, any premium paid will be refunded.

### ***Subsequent Eligibility Under this Policy***

If a person obtains an Individual Policy through this Privilege and later becomes eligible for insurance under this Group Policy, the amount for which he is eligible will be reduced by the amount of insurance remaining in force under the Individual Policy.

### ***Conversion for Residents of Quebec***

Please see the *Policy Addendum - Life Insurance conversion privilege for Insured persons who reside in Quebec* in this policy for details about administration of conversion privileges for residents of Quebec.

### ***The Benefit***

If an Employee becomes Totally Disabled while insured for this Benefit, Manulife Financial will pay a Disability Benefit as outlined below, provided the Employee meets Manulife Financial's Entitlement Criteria.

Benefits are payable from the end of the Qualifying Period. Benefits are not payable for or during the Qualifying Period.

### ***Definition of Total Disability or Totally Disabled***

Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of:

*For Plans A and B:*

- a) his own occupation, during the Qualifying Period and the 36 consecutive months immediately following the Qualifying Period; and
- b) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 36 consecutive months specified in part a) of this provision;

*For Plans C and D:*

- a) his own occupation, during the Qualifying Period and the 24 consecutive months immediately following the Qualifying Period; and
- b) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 24 consecutive months specified in part a) of this provision;

The availability of work will not be considered by Manulife Financial in assessing the Employee's Disability.

An Employee who must hold a government permit or licence to perform his duties will not be considered Totally Disabled solely because such permit or licence has been withdrawn or not renewed.

### ***Entitlement Criteria***

Manulife Financial will apply the following criteria in determining an Employee's entitlement to Disability Benefits:

- a) the Employee has been continuously Totally Disabled throughout the Qualifying Period. If the Employee ceases to be Totally Disabled during this period and then becomes Totally Disabled again within 2 weeks due to the same or related cause, the Qualifying Period will be extended by the number of days during which the Total Disability ceased;
- b) for Plans A and B, Manulife Financial receives medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:
  - i) his own occupation, during the Qualifying Period and the 36 consecutive months immediately following the Qualifying Period; and

## **32 Long Term Disability Benefit**

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- ii) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 36 consecutive months specified in part i) of this provision;
- c) for Plans C and D, Manulife Financial receives medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:
  - i) his own occupation, during the Qualifying Period and the 24 consecutive months immediately following the Qualifying Period; and
  - ii) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 24 consecutive months specified in part i) of this provision; and
- d) the Employee is receiving from a Physician, regular, ongoing care and treatment appropriate for the disabling condition, as determined by Manulife Financial.

At any time, Manulife Financial may require the Employee to submit to a medical, psychiatric, psychological, functional, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial.

### ***Periods for Which the Employee is Not Entitled to Benefits***

The Employee is not entitled to benefit payments for any period that he is:

- a) not receiving from a Physician, regular, ongoing care and treatment appropriate for the disabling condition, as determined by Manulife Financial;
- b) receiving Employment Insurance maternity or parental benefits;
- c) on lay-off during which the Employee becomes Totally Disabled;
- d) on leave of absence during which the Employee becomes Totally Disabled, unless Manulife Financial is required to pay benefits during this period as a result of legislation, regulation or case law (in some provinces, Employers with a benefit plan are required to provide benefits to an Employee during the health-related portion of a Maternity Leave of Absence);
- e) receiving benefits under an employer-sponsored salary continuance or short term wage loss replacement plan;
- f) working in any occupation, except as provided for under the Rehabilitation Assistance / Reduced Monthly Benefit provisions; or
- g) incarcerated in a prison, correctional facility, or mental institution by order of authority of a criminal court.

### ***Amount of Disability Benefit***

The Amount of Disability Benefit payable is the Benefit Amount shown in the Benefit Schedule, less any amount of benefits the Employee receives, or is entitled to receive, from the following sources for the same or related Disability:

- a) Canada or Quebec Pension Plans, excluding dependent benefits
- b) Workers' Compensation or similar coverage
- c) any government motor vehicle automobile insurance plan or policy, unless prohibited by law



## **Long Term Disability Benefit 33**

- d) any group, association or franchise plan
- e) any retirement or pension plan
- f) earnings or payments from any employer, including severance payments and vacation pay
- g) any government plan, excluding Employment Insurance Benefits
- h) 50% of the earnings from the lesser occupation elected, if an employee elects a different or lesser paid occupation not related to the Rehabilitation Assistance.

The benefit amount payable will be further reduced so that the Employee's total income from All Sources does not exceed 85% of the Employee's pre-disability Earnings if this Benefit is taxable, or 85% of the Employee's pre-disability Net Earnings if this Benefit is non-taxable.

All Sources include those stated above and any benefit the Employee is entitled to receive from:

- a) Canada or Quebec Pension Plans' dependent benefits
- b) self-employment

### ***Benefit Calculation Rules***

Manulife Financial will apply the following rules in determining the Employee's Disability Benefit:

- a) benefits from other sources which began before the commencement of the Employee's current Disability will not be taken into account;
- b) benefits payable from other sources will not be adjusted to take into account any difference between the tax status of those benefits and the benefit payable by Manulife Financial;
- c) subsequent changes in benefits from other sources, other than cost of living increases, will be taken into consideration and a new benefit amount may be established;
- d) benefits payable under individual disability income insurance will not be taken into account;
- e) for benefits payable other than on a monthly basis, a monthly equivalent of such benefit will be estimated by Manulife Financial; and
- f) if an Employee does not apply for a benefit for which he is eligible, the amount of such benefit will be estimated by Manulife Financial and assumed to be paid.

### ***Cost of Living Adjustment***

Commencing with the first January payment after Long Term Disability benefit payments commence, and with each subsequent January payment, the Employee's Amount of Disability Benefit will be adjusted by the Cost of Living Adjustment shown in the Benefit Schedule. In no event will the Employee's benefit be reduced as a result of the Cost of Living Adjustment.

When the Employee's Amount of Disability Benefit increases as a result of the Cost of Living Adjustment, the Employee's pre-disability Earnings will be deemed to increase by the same amount.

The Amount of Disability Benefit payable as a result of the Cost of Living Adjustment will not be subject to the Benefit Amount maximum shown in the Benefit Schedule.

## **34 Long Term Disability Benefit**

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### ***Subrogation***

Conditional monthly payments shall be made to an Employee with a potential loss of income claim against a third party who caused or contributed to the Disability. Any such payments are subject to Manulife Financial's subrogation right to reimbursement when the Employee is indemnified through a judgement or settlement.

### ***Payment of Disability Benefits***

Disability benefit payments will be made monthly in arrears. Any payment for a period of less than one month will be made at a daily rate of one-thirtieth of the Employee's monthly benefit amount.

### ***Rehabilitation Assistance***

Once Manulife Financial determines that an Employee is Totally Disabled, where appropriate and at Manulife Financial's discretion, the Employee may be offered rehabilitation to assist him in returning to gainful employment, either to his pre-disability occupation or to another occupation.

In partnership with the Employer and the Employee, Manulife Financial will provide the Employee with a structured Vocational Plan that will prepare the Employee for a return to work:

- a) with the Employer;
- b) with an alternate employer; or
- c) in a self-employed capacity.

In considering whether Rehabilitation Assistance is appropriate for an Employee, Manulife Financial will take into account:

- a) the nature, extent and expected duration of the Employee's Disability;
- b) the Employee's level of education, training or experience; and
- c) the nature, scope, objectives and cost of the Vocational Plan.

An Employee will continue to be entitled to Disability Benefits while participating in the Vocational Plan. Benefits will be paid for a maximum of 24 months. The Employee's Disability Benefit will be reduced by 50% of the Employee's rehabilitation income. The Employee's Disability Benefit will be further reduced by earnings received from any employment if the Employee's total income from all sources exceeds:

- a) 100% of his pre-disability Earnings, if this Benefit is taxable; or
- b) 100% of his pre-disability Net Earnings, if this Benefit is non-taxable.

Expenses incurred by the Employee in connection with the program and for which the Employee has received prior approval from Manulife Financial will be reimbursed by Manulife Financial provided that, in Manulife Financial's opinion, they are reasonable and customary. Expenses which are payable through government programs or a third party insurer shall not be reimbursed by Manulife Financial.

If an Employee ceases to participate in a Vocational Plan because of a change in his medical status, Manulife Financial will require medical evidence documenting how the Employee's medical condition has deteriorated such that the Employee's inability to continue with the Vocational Plan is due to an increase in restrictions or lack of ability.

If the Employee is not available or does not co-operate or participate in the Vocational Plan, the Employee will no longer be entitled to Disability Benefits.

### **Reduced Monthly Benefit**

If a disabled Employee, eligible for full benefits, elects a different and lesser paid occupation not related to the Program of Rehabilitation described above, the gross benefit less reductions shall be further reduced by 50% of the Earnings from the lesser paid occupation elected, subject to the All Source Maximum described above.

### **Termination of Benefit Payments**

Disability benefit payments will cease on the earliest of:

- a) the date the Employee ceases to meet this Benefit's definition of Totally Disabled,
- b) for Plans A and B, the date the Employee does not supply Manulife Financial with appropriate medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:
  - i) his own occupation, during the Qualifying Period and the 36 consecutive months immediately following the Qualifying Period; and
  - ii) any occupation for which the Employee is qualified, or may reasonably become qualified, by training, education or experience, after the 36 consecutive months specified in part i) of this provision;
- c) for Plans C and D, the date the Employee does not supply Manulife Financial with appropriate medical evidence documenting how the Employee's illness or injury causes restrictions or lack of ability, such that the Employee is prevented from performing the essential duties of:
  - i) his own occupation, during the Qualifying Period and the 24 consecutive months immediately following the Qualifying Period; and
  - ii) any occupation for which the Employee is qualified, or may reasonably become qualified, by training, education or experience, after the 24 consecutive months specified in part i) of this provision;
- d) the date the Employee does not attend a medical, psychiatric, psychological, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial;
- e) the date on which benefits have been paid up to the Maximum Benefit Period shown in the Benefit Schedule; or
- f) the date the Employee dies.

### **Recurrent Disability**

Where an Employee becomes Totally Disabled again from the same or related causes as those for which Long Term Disability benefits have been paid under this Policy and such Disability recurs within 6 months from the end of the period for which benefits were paid under this Policy, Manulife Financial will waive the Qualifying Period.

All such recurrences will be considered a continuation of the same Disability. The benefit payable will be based on the Employee's Earnings as at the original date of Disability. Benefits for all recurrences will not be paid for a combined period longer than the Maximum Benefit Period shown in the Benefit Schedule.

If the same Disability recurs more than 6 months after the end of the period for which benefits were paid, such Disability will be considered a separate Disability.

## **36 Long Term Disability Benefit**

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Two Disabilities which are due to unrelated causes are considered separate Disabilities if they are separated by a return to work of at least one day.

### ***Waiver of Premiums***

Premiums required on behalf of an Employee for this Benefit will be waived during any period for which Long Term Disability Benefits are payable.

### ***Survivor Benefit***

If an Employee dies while Long Term Disability benefits are payable, Manulife Financial will pay the Survivor Benefit Amount shown in the Benefit Schedule, less the amount of any Long Term Disability Benefit overpayments which have not been recovered.

Payment of the Survivor Benefit will be made to the Employee's surviving Spouse or, if there is no surviving Spouse, to the surviving Dependent Children. If there are no surviving Dependents, the benefit will be paid to the Employee's estate. In the event the Dependent Children are under age 18, the benefit will be payable to the duly appointed guardian of the Children.

### ***Continuation of Insurance***

If an Employee's insurance terminates for reasons other than reaching the Termination Age for this Benefit, as shown in the Benefit Schedule, Manulife Financial will continue insurance under this Benefit if the Employee is Totally Disabled and:

- a) entitled to receive benefits; or
- b) fulfilling the Qualifying Period.

If a disability recurs within 6 continuous months after termination of this plan, Manulife Financial will continue to pay benefits to the Employee but only for the remainder of the original Maximum Benefit Period. Such Disability must have been caused by an accident or sickness that occurred before termination. Manulife Financial shall not be liable for benefits after termination of either the Policy or the Long Term Disability Benefit once a replacing Insurer is bound contractually or as a matter of law.

The Employee must satisfy Manulife Financial's Entitlement Criteria in order for the Disability Benefit to be payable.

The insurance continued is subject to all the provisions of this Policy.

### ***Taxability***

The Policyholder must notify Manulife Financial in writing 31 days prior to a change in the tax status of this Benefit. Manulife Financial reserves the right to adjust the amount of insurance and the premium rates if such a change occurs, whether or not notification has been given. The effective date will be the date of change.

### ***Disabilities Not Covered***

No benefits are payable for any Disability directly or indirectly related to:

- a) self-inflicted injuries, unless medical evidence establishes that the injuries are related to a mental health illness
- b) the committing of or the attempt to commit an assault or criminal offence;
- c) injuries sustained while operating a motor vehicle, either while under the influence of any intoxicant or if the Employee's blood contained more than 80 milligrams of alcohol per 100 millilitres of blood at the time of injury;

## **Long Term Disability Benefit 37**

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- d) abuse of addictive substances, including Drugs and alcohol, unless the Employee is actively participating and co-operating in an in-patient medical treatment program for substance abuse which has been approved by Manulife Financial;
- e) a Pre-Existing Condition which causes Disability within the first 6 months of insurance under this Benefit. A Pre-Existing Condition is any injury or illness (whether diagnosed or not) for which an Employee was treated or attended by a Physician, or for which Drugs were prescribed, within 90 days prior to the date the Employee's insurance under this Benefit became effective;
- f) the portion of the period of Disability during which the Employee is imprisoned in a penal institution or confined to a hospital, or similar institution, as a result of criminal proceedings;
- g) the portion of the period of Disability during any leave of absence (including Maternity Leave as defined in the Definitions section); and
- h) the portion of the period of Disability which commences on or after the date a strike or lay-off begins, subject to any provincial Employment or Labour Standards Act.

## **38 Payment of Claims**

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### ***Payees***

Benefits payable due to the death of an Employee are payable to the Employee's beneficiary or, if no such beneficiary is alive or has been designated, to the Employee's estate. All other benefits for an Employee and such Employee's Dependents are payable to the Employee, unless the Employee has previously authorized payment to be made to the person and/or corporation which has rendered services, treatment or supplies. If the Employee is not alive, these benefits are payable to such Employee's estate.

### ***- Payment of Small Amounts***

If any amount up to \$2,000 is payable to a person who is not alive or who cannot give a valid discharge for such payment, Manulife Financial may pay the amount to:

- a) any relative of that person; or
- b) any person or institution incurring expenses for the care, maintenance or burial of that person.

### ***Requirement of Proof***

No claim for benefits will be paid until Manulife Financial receives satisfactory proof in writing that such benefits are payable under the terms of this Policy.

Manulife Financial reserves the right to request any additional information necessary, as determined by Manulife Financial, to validate the eligibility of a claim for benefits under this Policy. The Employee is responsible for any expenses incurred for obtaining this additional information.

### ***Submission of Proof***

Proof that benefits are payable must be submitted by or on behalf of the Employee and received by Manulife Financial at its Head Office for Canadian Operations or one of its Group Claims Offices as follows:

- a) within 15 months from the date of the loss, for claims for Life benefits, while insurance under this Policy is in force. Upon termination of a person's insurance under this Policy, proof of loss must be submitted within:
  - 90 days from the date of termination of an individual's insurance; or
  - 90 days from the date of termination of a coverage or the Policy;
- b) in order to qualify for waiver of premiums under Life Insurance benefits, the Employee must notify Manulife Financial within 12 months of his last active day at work and proof of disability must be submitted within 18 months of the date the Employee became Totally Disabled;
- c) within 6 months after termination of the first month following the Qualifying Period, for claims for Disability benefits.

### ***Continuing Proof***

If benefits are being paid or coverage continued on an insured person because of disability, Manulife Financial may require written proof that this person remains Disabled under the terms of this Policy. This proof will be required as often as may reasonably be necessary.

### ***Examination by Manulife Financial***

Manulife Financial reserves the right to have any person in respect of whom a claim is being made under this Policy submit to a medical, psychiatric, psychological, functional, educational and/or vocational examination or evaluation by an examiner selected by Manulife Financial, as often as may reasonably be required. No benefits will be payable if, without reasonable cause, the insured person fails to undergo such examination. If benefits are claimed for loss of life, Manulife Financial may require that an autopsy be performed. Manulife Financial will use the results of any such examination or autopsy to determine whether benefits are payable under this Policy.

### ***Subrogation***

If an insured person suffers personal injury or loss for which he has a right to bring action for damages against a third party, Manulife Financial shall be subrogated to the insured person's rights to recover damages to the extent that it may be obligated to pay benefits to the insured person. In such case, Manulife Financial will require the insured person to complete a subrogation reimbursement agreement. Manulife Financial has the right to suspend payment of benefits until the completed agreement is received.

Upon judgement or settlement for damages, the insured person shall reimburse Manulife Financial for benefits paid or payable. Unless notified to the contrary, the insured person's solicitor shall also represent Manulife Financial's interests in such a recovery.

### ***Time Limit on Legal Action***

No legal action against Manulife Financial may be commenced less than 60 days after proof has been filed in accordance with the above requirements. Every action or proceeding against Manulife Financial for the recovery of benefits payable under this Policy is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

## **40 Administration of the Policy**

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### ***Method of Administration***

This Policy must be administered in accordance with Manulife Financial's instructions.

### ***Participation Requirements***

100% of eligible Employees must be insured for the mandatory benefits under this Policy. For the benefits which are non-mandatory, at least 75% must be insured. In addition, a minimum of 20 Employees must be covered at all times.

For non-mandatory benefits under this Policy, eligible Employees must either:

- a) apply for all the non-mandatory benefits; or
- b) refuse coverage for all the non-mandatory benefits.

For Optional Life Insurance, a minimum of 10% or 10 plan members, whichever is greater must be insured at all times.

### ***Basis for Insurance***

In accordance with the determination made by the Employer, insurance will be provided on a contributory basis for Employees and Dependents with respect to Basic Life and Optional Life Insurance and non-contributory basis with respect to Long Term Disability Insurance.

### ***Notice of New Employees***

The Policyholder must supply enrolment material to eligible Employees and inform Manulife Financial of the addition of new Employees as they become eligible for insurance.

### ***Notice of Terminated Employees***

The Policyholder must inform Manulife Financial of the termination of insurance on Employees on or before the date on which this insurance terminates. Payments made with respect to ineligible persons because of the late receipt of termination notice will be recovered from the Policyholder if they can not be recovered from the Employee on whose behalf they were paid.

### ***Uniform Practices***

Options available to the Policyholder must be chosen and administered by the Policyholder on a uniform basis without prejudice to any Employee.

### ***Right of Verification***

Manulife Financial shall have the right to inspect, as often as may reasonably be required, those books and records of the Policyholder or any person or organization that may have a bearing on the insurance in force under this Policy. Manulife Financial may require any insured person to provide proof of age.

### ***Clerical Error and Misstatement***

A clerical error is a mistake in writing or copying data. A clerical error made by the Policyholder or Manulife Financial will not invalidate insurance otherwise in force, or continue insurance otherwise terminated under the terms of this Policy.



If an insured person's age has been misstated, his true age will be used to determine:

- a) the effective date or termination date of insurance;
- b) the amount of insurance; and
- c) any other rights or benefits under this Policy.

Manulife Financial will adjust the insurance in force where this is affected by a clerical error or a misstatement of age.

A premium adjustment which reflects the adjustment in insurance will be made on a subsequent premium due date.

### ***Employee Contributions***

Manulife Financial is not responsible for the collection of any employee contributions required for insurance under this Policy. However, the Policyholder may not require any contribution in respect of a person's insurance under any Benefit while the corresponding premium is being waived.

### ***Booklets***

Manulife Financial will produce a booklet for each Employee insured under this Policy, unless Manulife Financial and the Policyholder have otherwise agreed. The booklet will set out the main features of insurance coverage and state to whom benefits are payable. These booklets will be distributed by the Policyholder to each insured Employee.

Possession of a booklet alone does not entitle an Employee to insurance under this Policy. This Policy must be in effect and the Employee must satisfy all the requirements of this Policy. The booklet is not a contract of insurance, nor does it create or confer any contractual or other rights. The provisions of this Policy will govern if they are in conflict with anything stated or implied in a booklet.

If an Employee receives a booklet from the Policyholder that has not been approved by Manulife Financial, and if any claim that would otherwise be limited or denied by the provisions of this Policy, is increased or paid as a result of information included in, or missing from such booklet, the Policyholder will be responsible for reimbursing Manulife Financial for the amount of such increase or payment plus expenses and administration costs.

### ***Naming a Beneficiary***

The Employee may name a beneficiary, subject to governing law, while applying for group insurance under this Policy or by filing notice in accordance with instructions provided by Manulife Financial. An existing beneficiary may be changed by the Employee, subject to governing law, by filing notice in accordance with instructions provided by Manulife Financial. Once notice has been filed, it takes effect as of the date it was signed with respect to any payment made after the time it was filed.

Manulife Financial does not accept beneficiary designations for any benefits other than Employee Life Insurance and Employee Optional Life Insurance under this Policy.

## **42 Payment of Premiums**

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### ***Time of Payment***

The initial premium is due on the Effective Date and subsequent premiums are due on the first day of every month thereafter. Premiums are payable by the Policyholder to Manulife Financial at Manulife Financial's Head Office for Canadian Operations or any of its Field Offices.

### ***Amount of Premium***

The amount of premium payable by the Policyholder on each premium due date will be the aggregate of the amounts, including any retroactive premium adjustments, payable in respect of each person insured on that date.

### ***Grace Period***

After the first premium is paid, 45 days of grace are allowed for the payment of any premium. If a premium is paid during the grace period, the insurance under this Policy continues in force. However, if the premium is not paid during this time, Manulife Financial reserves the right to:

- a) apply a service charge to all overdue premiums;
- b) withhold payments for all claims incurred after the grace period until all monies due Manulife Financial are paid; and
- c) automatically cancel this Policy at the end of the grace period.

### ***Premium for Each Insured Person***

The amount payable in respect of any insured person shall be determined according to the benefits for which that person is insured and the premium rates then applicable to those benefits.

### ***Premium Rates***

Manulife Financial may set new rates:

- a) on any premium due date after the first Renewal Date, but not more than once in any policy year;
- b) upon amendment of this Policy at the Policyholder's request;
- c) upon amendment or termination of any other plan which provides benefits which are offset against benefits under this Policy; or
- d) at any time, with 30 days notice, after the passage of Provincial or Federal law or regulation which results in a change to:
  - i) the liability for provision of benefits under this Policy;
  - ii) the taxability of premiums or benefits.

### ***Premium Payment Deemed Acceptance***

Payment towards the first premium due on or after the date on which an amendment or a premium rate change takes effect is deemed to constitute acceptance of the amendment or premium rate change and all written terms and conditions attached to such a change. All such terms and conditions are deemed to become a part of this Policy.

### ***Premium Adjustments***

A premium adjustment will be made for each of the following changes to the amount of insurance in force under this Policy:

- a) changes due to an amendment of the Policy;
- b) retroactive changes made to correct the effect of a clerical error or age misstatement;
- c) retroactive changes required due to the late reporting of the addition or termination of Employees;  
and
- d) any other changes that take effect more than one month prior to the next premium due date.

Retroactive adjustments which result in a credit to the Policyholder will be limited to the lesser of:

- a) 6 months; or
- b) the number of complete months since the last Renewal Date.

However, this will in no way affect the actual effective date of the termination or reduction in an Employee's coverage.

### ***Premium Due on Termination of Policy***

The Policyholder shall remain liable for all premiums due and unpaid on the date this Policy terminates. If this date is not a premium due date, the last premium will be reduced to reflect the period between the date it was due and the date of termination.

## **44 The Policy**

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### ***The Entire Contract***

This Policy, the Policyholder's application, the individual Employee's applications, and any document which supports or alters the information or effect of any such applications constitute the entire contract. A copy of the Policyholder's application is included with this Policy.

On request from the Policyholder, Manulife Financial will provide the Policyholder with an electronic copy of the text in this Policy. The electronic copy is provided for information purposes only and does not create or confer any contractual rights or obligations. All rights and obligations of the Policyholder and Manulife Financial are governed by the paper version of this Policy. In the event of a discrepancy between the paper version and the electronic copy of the Policy, the paper version will govern. No alteration of the Policy is permitted by any person, except by an authorized representative of Manulife Financial.

### ***Amendments***

No provision of this Policy may be waived, changed or modified unless this is done in writing and signed by an authorized representative of Manulife Financial.

### ***Termination of the Policy***

The Policyholder may terminate this Policy by giving at least 31 days written notice to Manulife Financial. The Policy will terminate on the latest of:

- a) the date such notice is received at Manulife Financial's Head Office;
- b) the end of the period for which premiums have been paid; and
- c) the date specified by the Policyholder.

Manulife Financial may terminate this Policy or a benefit under this Policy if:

- a) the number of insured Employees, or
- b) the percentage of insured Employees,

is less than the minimum Participation Requirements specified in this Policy.

Manulife Financial may also terminate this Policy or any benefit under this Policy on any Policy Anniversary or Renewal Date by giving at least 31 days written notice to the Policyholder.

Manulife Financial has the right to terminate this Policy at the end of the Grace Period, if premium is not paid.

The Policyholder is responsible for informing Employees when this Policy terminates.

Termination of this Policy will not require the consent of or notice to any Employee or beneficiary or other person having a beneficial interest in this Policy.

### ***Contesting the Policy***

In the absence of fraud, the validity of this Policy will not be contested if it has been in force for two years from its issue date and all the premiums due in that time have been paid.

***Contesting a Person's Insurance***

In the absence of fraud, no statement made in respect of the insurability of a person may be used in contesting the validity of that person's insurance after such insurance has been in force for two years during the person's lifetime.

***Assignment of Insurance***

The rights or interests of an Employee under this Policy are not assignable.

***Non-Participation***

This Policy will not share in any surplus distributed by Manulife Financial.

***Gender***

In this Policy, unless the context requires otherwise, reference to the masculine gender will also include the feminine gender.

***Currency of Payment***

All amounts payable under this Policy, to or by Manulife Financial, are payable in Canadian currency.

***Conformity with the Law***

If a provision of this Policy is contrary to any law to which it is subject, this provision will be deemed to conform to the minimum requirements of such law.

## **46 POLICY ADDENDUM**

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### ***Life Insurance Conversion Privilege for Insured persons who reside in Quebec***

In accordance with the Quebec Regulation under the Act respecting Insurance (S. 62,63,66), the Dependent, Minimum, Maximum and Death during Conversion Period provisions of the Life Insurance conversion privilege for Insured persons who reside in Quebec will be administered as outlined in this Addendum.

If a provision of the Policy or Addendum is, in full or in part, contrary to the Regulation or any other law or regulation replacing it, that provision, or the part that is deemed to be contrary will be presumed to be amended to comply with the minimum requirements of the applicable laws and regulations.

### ***Conversion of Dependent coverage***

If the Employee's life Insurance under this Policy terminates and the Employee had coverage for a Dependent, the Employee will be eligible to continue all or part of the life insurance by converting to an Individual Policy subject to the same terms and conditions as the Employee.

### ***Minimum/Maximum Amount***

For a Group Policy of a person residing in Quebec, the minimum amount of the life insurance that may be converted is:

1. for the Employee, \$10,000, and
2. for the Employee's Dependents, \$5,000.

For a Group Policy of a person residing in Quebec, the maximum amount that may be converted is the lesser of:

1. \$400,000; or
2. the amount of insurance that terminated less the amount of insurance under any replacing Group Policy within 31 days of the termination if any.

### ***Death during Conversion Period***

If a person dies within 31 days of the date his Group Insurance terminates, on receipt of due proof, Manulife Financial will pay the amount of coverage under their terminated insurance. This will be done even if the person did not apply for an Individual Policy. If the person had applied for the Individual Policy, any premium paid will be refunded.