

Evaluating disability income protection plan designs



RBC Insurance®



Today, many employers are re-examining their benefit packages with an eye toward maximizing total value for their employees and themselves. We believe that when comparing long term disability (LTD) income protection insurance plans, it pays to look beyond the benefit cheque.

We invite you to use this checklist to compare the features of our plans with those of other plan providers. It's a simple way to illustrate our approach. First, we help employees and their families cope with illness or injury so they can get back to their usual lifestyle. Next, we provide effective services and tools that help companies contain costs and maximize productivity.

Standard features	RBC Insurance group contract ¹		Competitor contract
	Issued before Feb. 9, 2002	Issued on or after Feb. 9, 2002	
Accumulation of elimination period (EP): Designed to allow a claimant to return to work during the EP. The EP will not have to be restarted if the disability stops for 30 days or less.	✓	✓	
Partial benefits: Once the EP is satisfied, the contract provides disability benefits while the claimant is working at reduced capacity (part time). Prior total disability is not required once the EP is satisfied.	✓	✓	
Work incentive benefit (WIB): Disability payment calculation that allows the claimant, while disabled and working at reduced capacity, to replace up to 100% of their pre-disability indexed monthly earnings during the first 12 months of part-time work. Earnings test includes gross disability payment plus disability (part-time) earnings from employer, along with direct and indirect deductible sources of income.	✓	✓	
Proportionate loss benefit: Disability payment calculation applied after the first 12 months of payments while working. Proportionately decreases the benefit payment as the insured's disability earnings increase.	✓	✓	
Gainful occupation definition: Any occupation earnings test of 80% of indexed monthly earnings if working or 60% of indexed monthly earnings if not working.		✓	
Rehabilitation and return to work assistance benefit: Additional benefit (equal to 10% of the gross disability payment to a maximum of \$1,000 per month) claimant can receive when participating in an RBC Insurance® approved rehabilitation and return to work assistance program. It also provides up to three months of payments if, after the disability ends, the claimant is unable to find employment.		✓	
Dependant care expense benefit: Additional benefit (\$350 per eligible dependant to maximum monthly benefit of \$1,000) to help offset eligible dependant care expenses when claimant is participating in an RBC Insurance approved rehabilitation and return to work assistance program.		✓	
Total benefit cap: Included to accommodate the new return to work and family-focused benefits. Ensures that a claimant participating in an RBC Insurance approved rehabilitation and return to work assistance program receives as much of the additional benefit(s) as possible, without exceeding 110% of monthly earnings (includes all benefits provided under the RBC Insurance group policy). If a claimant is not participating in an RBC Insurance approved rehabilitation and return to work assistance program, the total monthly benefit payable shall not exceed 100% of monthly earnings.		✓	
Survivor benefit: Lump sum payment equal to three times the claimant's gross monthly benefit; paid to survivor upon death of the claimant.	✓	✓	
Accelerated survivor benefit: Claimant can access survivor benefit early if claimant is diagnosed with a terminal illness, has a life expectancy of less than 12 months and is receiving benefits.		✓	
Work-site modification benefit: Additional benefit reimburses policyholder for expenses to modify an insured's work site to enable them to remain at work or return to work. The insured is not required to be on claim for policyholder to access this benefit.	✓	✓	

Standard features	RBC Insurance group contract ¹		Competitor contract
	Issued before Feb. 9, 2002	Issued on or after Feb. 9, 2002	
<p>Best Doctors[†] service: Provides insured employees and their eligible spouse and dependants[†] with a combination of information and access to the best medical knowledge when it matters most.</p> <p>[†] Children under the age of 26</p>	✓	✓	
<p>Work-Life Employee Assistance Program: Offers employees and their families a complete range of work-life services as they relate to emotional well-being, everyday issues, financial and/or legal matters, addiction and recovery, at-work issues, parenting and childcare, care for older adults, education, and health and wellness.</p>	✓	✓	
<p>Early intervention services: Services designed to identify potential LTD claims and to determine if early intervention measures during the LTD elimination period are appropriate.</p>	✓	✓	
Optional features			
<p>Conversion privilege: Enables employee to continue insurance coverage — without medical underwriting — if employment ends.</p>	✓	✓	
<p>Cost of living adjustment (COLA): Enables benefit payment to keep pace with inflation, particularly beneficial in the event of a longer duration claim.</p>	✓	✓	
<p>Disability Plus[®] benefit: Additional monthly benefit (beyond LTD benefit) for a disability that results in the loss of two or more activities of daily living (ADL)² and/or cognitive impairment after the effective date of coverage.</p>	✓ ³	✓	
<p>Education benefit: Additional monthly benefit (\$200 or \$400) to help offset education expenses for an eligible child(ren) enrolled in or attending an accredited post-secondary school while insured is disabled and receiving disability benefits.</p>		✓	
<p>Extended recurrent disability: Provides added protection in the event an insured's disability recurs after returning to work full time with a new employer.</p>		✓	
<p>Recovery income protection benefit: Provides continued income protection when the insured is no longer disabled, but their income loss is still more than 20% after returning to work full time with the same employer. This benefit is paid for up to four months (cumulatively) and gives the employee time to focus on rebuilding their income stream.</p>		✓	
<p>Residual (definition of disability): Does not require insured to be totally disabled during the EP. As long as the insured is limited in performing the material and substantial duties of their regular occupation and has an earnings loss between 20% and 80% of indexed monthly earnings, these days of disability will count toward satisfying the EP.</p>	✓	✓	
<p>Retirement income protection: Provides payment to an insured's company-sponsored registered pension plan (RPP) while insured is disabled and receiving benefits.</p>	✓	✓	
<p>Revenue protection: Key person protection covering a percentage of the insured's earnings to a maximum of 60%.</p>	✓	✓	
<p>Spouse disability benefit: Provides a monthly benefit when an insured's spouse suffers the loss of two or more ADL² and/or cognitive impairment after the effective date of coverage. Spouse does not need to be working outside the home to be eligible for coverage.</p>	✓ ³	✓	
<p>24-month survivor benefit: A benefit equal to 66.6667% of the claimant's last monthly payment will be paid to eligible survivor for 24 months upon the death of the claimant.</p>	✓	✓	

¹ Former UnumProvident group contracts underwritten by Provident Life and Accident Insurance Company.

² The activities of daily living (ADL) are bathing, dressing, eating, toileting, transferring and continence.

³ Not available with RBC Insurance XLL contract series.

About RBC Insurance

RBC Insurance, through its operating entities, including RBC Life Insurance Company, provides a wide range of life, health, travel, home, auto and reinsurance products as well as creditor and business insurance services to more than five million North American clients. As a leading provider of individual living benefits and life insurance products in Canada, RBC Insurance offers a comprehensive portfolio of individual and group life and health insurance solutions, including term and universal life insurance, group benefits, disability, critical illness, and long term care insurance as well as segregated funds. These products are distributed through more than 17,000 independent brokers affiliated with producer groups, financial planning firms and stock brokerage firms, as well as through direct sales and a network of career sales representatives.

For more information, speak with your Benefits Advisor or call 1-866-235-4332.



RBC Insurance®

Underwritten by RBC Life Insurance Company

® Registered trademarks of Royal Bank of Canada. Used under licence.

† BEST DOCTORS and other trademarks shown are trademarks of Best Doctors, Inc. Used under licence.

All plan designs are subject to underwriting approval. Limitations and exclusions apply. Please refer to the policy document for full details. Policy descriptions are for illustrative purposes only.