



CALCULATING AN EMPLOYEE'S MONTHLY LTD PREMIUM AMOUNT

Standard Worksheet

Instructions on calculating an employee's monthly premium:

Example:

Monthly premium for an individual with basic monthly earnings of \$3,000 and a benefit schedule of 66.67% of earnings to a maximum of \$5,000 per month.

$66.67\% \text{ of } \$3,000 = \$2,000$

$\$2,000 \times \$1.20 = \$2,400 \div 100 = \24.00

*Please refer to your group insurance contract for specific plan details.

PREMIUM WORKSHEET	
1. BENEFIT PERCENTAGE (YOUR POLICY/CONTRACT IS THE SOURCE)	%
2. POLICY RATE PER \$100	\$
3. MONTHLY EARNINGS (FROM CLIENT)	\$
4. PLAN MONTHLY MAXIMUM (OR NON-MAXIMUM IF APPLICABLE)	\$
5. TAKE THE BENEFIT PERCENTAGE #(1) AND MULTIPLY IT BY THE EMPLOYEE'S MONTHLY EARNINGS #(3) (THIS EQUALS THE EMPLOYEE'S COVERAGE AMOUNT.) IF THIS DOLLAR AMOUNT EXCEEDS THE POLICY'S MAXIMUM BENEFIT THE COVERAGE AMOUNT WILL BE LIMITED TO THE POLICY MAXIMUM BENEFIT AMOUNT.	\$
6. MULTIPLY THE EMPLOYEE'S COVERAGE AMOUNT AT #(5) BY THE RATE AT #(2)	\$
7. DIVIDE THE AMOUNT IN #(6) BY 100	\$
<i>This equals the employee's monthly LTD premium amount.</i>	

We appreciate your business. If you have any questions, please call your RBC Insurance sales representative.

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