

# The Professional Series

## INSURANCE ADVISOR GUIDE

For advisor use only.

### PLAN CODE

964 — level; 965 — step rate

### PRODUCT TYPE

Individual disability income protection

#### SALES TIP

Consider offering your client the choice of two products that provide quality individual income protection using two different approaches. The Retirement Protector policy and rider help your client maintain a retirement savings program in the event of total disability. Benefits are paid to a trust account. The Retirement Protector policy is non-cancellable and guaranteed to continue until age 65.

### PURPOSE AND MARKET

The Professional Series® policy provides long-term individual disability income protection to fee-for-service/non-salaried professionals, consultants as well as other high-income professionals and executives who work in corporate business settings. You can closely match policy coverage to a prospect's particular needs with the extensive benefit options provided by The Professional Series policy.

The step rate version of The Professional Series policy is appropriate for qualified young professionals (including fee-for-service or business owners) who are more comfortable paying lower premiums until they become more established in their profession. The initial premium is payable to age 30 or for five years after the date of issue, whichever is later. After the initial period, the premium increases to the ultimate level. Both premiums are guaranteed at issue.

### RENEWABILITY

The Professional Series policy is non-cancellable to age 65. We cannot alter the provisions or premiums or cancel the policy without the consent of the policyowner. The policy is renewable for life if premiums are paid on time. Rates and benefit periods are subject to change after age 65.

Renewal options after age 65 are as follows:

- while employed full time in a gainful occupation and up to age 75, the insured may choose to continue the policy with a total-disability-only injury and illness benefit period for a maximum of 24 months. After age 75, the maximum benefit period is 12 months; and
- if not employed full time, the insured may elect a \$100 per day benefit payable while hospital-confined for a six-month period.

COMPONENTS OF COVERAGE

- Income protection (total, residual or partial long-term disability)
- Return to work (return to work assistance, recovery benefit)

UNDERWRITING GUIDELINES

Occupational classes:	4A, 3A, 2A			
Minimum monthly benefit:	\$450 (may use a base benefit of \$150 plus AMIs)			
Issue limits:	Age	4A	3A	2A
	18 – 55	\$25,000	\$15,000	\$7,000
	56 – 60	\$10,000	\$6,000	\$3,000
Issue ages and benefit periods:	Ages*	Class	Benefit period	
Level premium (964):	18 – 60	4A, 3A, 2A	Two or five years; to age 65	
Step rate (965):	18 – 35	4A, 3A, 2A	Two or five years; to age 65	

Elimination period: 30, 60, 90, 120, 180, 365 and 730\*\* days

\* Rate quotes are available for ages 61 – 63 from your local sales office.  
\*\* Two-year benefit period is not available with a 730 day elimination period.

DEFINITIONS OF DISABILITY

TOTAL DISABILITY

- Insureds are totally disabled if, due directly to an injury or illness,
1. they are unable to perform the important duties of their regular occupation;
  2. they are not engaged in any other gainful occupation; and
  3. they are receiving the appropriate physician’s care.

Selected 4A professionals can apply for an “own occupation” definition of total disability via our Disability in Your Occupation benefit rider (H897). With the exception of point two (“not engaged in any other gainful occupation”), the “own occupation” definition of total disability is identical to the above preferred definition of total disability.

Please refer to the Optional Benefits section of this profile for more details.

PARTIAL DISABILITY

- Insureds must not be totally disabled and must be engaged in their occupation or any gainful occupation at the time of partial disability. They are considered partially disabled if, due directly to an injury or illness,
1. they are unable to perform one or more of the important duties of their regular occupation; or
  2. they are unable to perform the important duties of their occupation at least one-half of the time normally required; and
  3. they are receiving the appropriate physician’s care.

RESIDUAL DISABILITY

Insureds must not be totally disabled and must be engaged in their occupation or any gainful occupation at the time of residual disability. They are considered residually disabled if they have a loss of earnings of at least 20% and are receiving the appropriate physician’s care. No loss of time or duties is required during either the elimination period or the benefit period.

PHYSICIAN’S CARE REQUIREMENT

Included with our definition of disability is the requirement that the insured be receiving physician’s care that is appropriate for the condition causing disability. This requirement may be waived if written proof acceptable to us is received indicating that further physician’s care would be of no benefit to the insured.

## **POLICY BENEFITS**

### **TOTAL DISABILITY BENEFIT**

Once the elimination period is satisfied, an insured who is totally disabled will receive a monthly benefit for the duration of the benefit period.

### **RESIDUAL BENEFIT**

Once the elimination period is satisfied, an insured who is residually disabled will receive a payment based on his or her percentage of loss of prior earnings. The insured will receive 100% of the residual benefit if his or her loss of earnings is more than 80%.

### **BUILT-IN LONG-TERM PARTIAL**

Once the elimination period is satisfied, an insured who is partially disabled will receive payments under the long-term partial provision. For the first 24 months, benefits will be 50% of the maximum monthly amount, and thereafter benefits will be 25%.

### **ELECTION TO RECEIVE RESIDUAL DISABILITY**

At any time during partial disability, if the insured is residually disabled, he/she may elect to receive residual disability benefits instead of partial disability benefits. The insured is only entitled to make this election once, and if the election is made it cannot be reversed. We will pay the difference in benefits for the year prior to making the change if the insured would have received more money under the residual benefit. This reimbursement will be paid regardless of when the insured elected to switch to residual benefits.

### **RETURN TO WORK ASSISTANCE BENEFIT**

Starting from the first day of the injury or illness, we may provide some assistance in returning the insured to work or enhancing his/her ability to work. Our assistance may include such services as:

- co-ordination of physical rehabilitation services;
- financial and business planning;
- vocational evaluation;
- education; and
- job placement for a new occupation.

In addition, we may provide work-site modifications, which could include such things as:

- ergonomic furniture and/or equipment;
- mobility enhancing equipment; and
- visual and/or audio devices.

If RBC Insurance® approves the costs, prior to the costs being incurred, we may pay some or all of the costs of these services or approved item(s) provided the insured is not entitled to payment of the costs from any other sources.

### **WAIVER OF PREMIUM**

After the insured has been disabled for 90 days, RBC Insurance will waive premiums that come due while the insured is disabled. RBC Insurance will refund premiums paid during those first 90 days.

### **PRESUMPTIVE TOTAL DISABILITY**

If the insured irrecoverably loses his/her sight, speech, hearing or use of two limbs, the requirement of total disability is waived and an amount equal to the basic monthly indemnity, as specified, is payable for the maximum benefit period.

### **RECOVERY BENEFIT**

When the insured no longer requires the care of a physician and returns to work in a gainful occupation after a period of total or residual disability for which benefits were paid, the insured may receive four months recovery benefit based on the percentage of loss of income. The minimum is a 20% loss. When the insured is back at work in a gainful occupation after recovery from partial disability, the insured will receive two months recovery benefit that will be the same as the partial disability payment previously received.

## **SURVIVOR BENEFITS**

If the insured dies prior to age 65 while receiving total disability benefits, the beneficiary will receive a cheque for three times the maximum monthly benefit payable at the time of death.

## **LONG TERM CARE CONVERSION OPTION**

This option is provided by amendment and is automatically attached at policy issue to qualified **Professional** Series policies without charge. Between ages 55 and 65, qualified insureds may convert all or part of their disability benefit to a new LTC policy. The conversion is dollar for dollar with a \$6,000/month (\$200/day) all RBC policy conversion maximum. The insured must not have made a claim on the disability policy in the 12 months prior to the conversion. Optional riders on the new LTC policy are subject to our conversion rules at the time of conversion.

## **ACCUMULATION OF DAYS**

Periods of disability from the same or related causes, separated by 12 months or less, will be accumulated and considered continuous in order to satisfy the elimination period.

## **PRIOR EARNINGS DEFINITION**

For the computation of residual benefits, we use the greater of:

- the average monthly earnings for any six consecutive months during the 24 months prior to disability. However, in no event can the average monthly earnings for those six consecutive calendar months be greater than 125% of the average monthly earnings from the last fiscal year-end\*; or
- the average monthly earnings from the business's or profession's last fiscal year ending prior to disability; or
- the highest average monthly earnings from any two consecutive fiscal years out of the last three fiscal years ending immediately prior to the disability. The two years selected must occur after the date of issue of the policy.

\* 4A professionals who are eligible for our Student Limits may be eligible for an amendment that removes the 125% cap from this definition. Please refer to the Student Limits section of our Underwriting Guidelines for more details.

## **INDEXING OF PRIOR EARNINGS**

After each year of continuing disability, an inflation adjustment is made based on the greater of the percentage of change in the Consumer Price Index or 2% compounded minimum. The maximum adjustment per year is 10% compounded.

## **TOTAL DISABILITY BECAUSE OF COSMETIC OR TRANSPLANT SURGERY**

After the policy has been in force for six months, benefits are payable for total disability resulting from cosmetic surgery or from transplant of part of the insured's body to another person.

## **RECURRENT DISABILITY**

After a period of disability ends and the insured becomes disabled again from the same or related causes within 12 months, we will consider it a continuation of the previous disability.

## **EXCLUSIONS**

We will not pay benefits:

- for disability due to an act or accident of war, whether declared or undeclared; or
- for normal pregnancy or childbirth, but we will cover disabling complications of pregnancy or childbirth; or
- during any period that the insured is incarcerated.

## **OPTIONAL BENEFITS**

### **FUTURE INCOME OPTION (FIO) BENEFIT (H899)**

This benefit allows insureds to purchase additional coverage in the future, regardless of their health or occupation, as long as they have adequate income to qualify for the increased amount at the time they decide to exercise the option.

This benefit is issued to ages 18 to 50.

The maximum total option amount of the FIO benefit is automatically calculated by our proposal system. Please refer to the Maximum Total Option Amount chart on the next page for more details.

On each policy anniversary, up to age 55, the insured may exercise all or part of a unit of increase. Up to one unit of increase may be carried over to the next anniversary date if all or part of it is not exercised. However, no more than two units can be obtained at one time. One additional unit of increase may be purchased on any anniversary date up to age 50. The total amount of all of the units of increase exercised cannot exceed the maximum total option amount. Increases are available in \$100 to \$3,000 unit amounts (in multiples of \$50), depending on the class.

In addition to his/her annual options, a special LTD (long term disability) increase is available if the insured has lost group LTD coverage because this coverage has terminated or because the insured left his/her employment. The insured may apply for this increase within 91 days of this loss of group LTD coverage. The maximum amount of increase that may be applied for is the lesser of:

- the lost LTD coverage; or
- the remaining Future Income Option benefit amount.

This special option amount can only be exercised once and is subject to the other terms of this rider.

While disabled, an insured may exercise an increase option that is equal to the lesser of 50% of the FIO unit of increase or \$750. This increase will be effective on the 91st day of disability following the date of purchase.

When options are exercised, the premiums for the additional amount will be based on the insured's attained age and our current rates.

All increases are subject to financial verification and our maximum issue and participation limits. Financial verification will be based on the insured's earned income for the last complete tax year.

#### **MAXIMUM TOTAL OPTION AMOUNT**

The maximum total option amount (increase) available by class under the Future Income Option benefit is equal to the lesser of:

- 2.5 times monthly base and AMIs with a minimum one-year benefit (not applicable to class 4A);
- 55 less insurance age (age nearest) times FIO option amount chosen; and
- class maximums (4A — \$25,000, 3A — \$15,000, 2A — \$7,000) less base and long-term AMI.

#### **MAXIMUM OPTION AMOUNTS**

<b>Class</b>	<b>Option amount</b>
4A	\$3,000
3A	\$2,000
2A	\$1,000

#### **FUTURE INCOME OPTION BENEFIT FOR YOUNG PROFESSIONALS (H1145)**

The Future Income Option for Young Professionals is available to those professionals (classes 4A and 3A) who qualify for our Student Limits as indicated in our Underwriting Guidelines.

This rider is identical in design to our standard Future Income Option except that it does not have a factor of 2.5 times the monthly benefit to determine the maximum total option amount that is available under this rider. This allows individuals who qualify for our Student Limits to maximize the future insurability of their total earning potential.

#### **MAXIMUM TOTAL OPTION AMOUNT**

The maximum total option amount (increase) available by class under the Future Income Option for Young Professionals benefit is equal to the lesser of:

- 55 less insurance age (age nearest) times FIO option amount chosen; and
- class maximums (4A — \$25,000, 3A — \$15,000) less base and long-term AMI.

This benefit is issued to age 40. Please refer to the Future Income Option benefit for more details on how this rider works.

## **COST OF LIVING ADJUSTED BENEFITS (H1001)**

This rider increases the amount of benefit payable on each anniversary of an insured's continuing total, partial or residual disability.

Benefits begin on the 366th day of disability. Benefit increases will match the actual rise in the Consumer Price Index over the period of disability. We guarantee that this cumulative adjustment is not less than 2% compounded per year since the start of the disability. The maximum cumulative adjustment per year is 10% compounded. There is no cap on the total increase.

Prior to age 60 and within 90 days from the date of recovery, the insured has the option to purchase the increased amount of the monthly benefit applied during disability without medical or financial evidence. This occurs provided the insured is working full time and total coverage is not greater than the published maximum limits for the insured's class. Rates for the increased coverage are based on the insured's attained age and the table of premiums then in effect.

This benefit is issued to age 55.

## **DISABILITY IN YOUR OCCUPATION BENEFIT (H897)**

The Disability in Your Occupation benefit begins on the commencement date for total disability. It changes the definition of "total disability" to mean, as a result of an injury or illness, the insured is unable to perform the important duties of his/her occupation and is receiving appropriate physician's care. This benefit is available to age 55 to the following selected class 4A professionals: accountants (CA, CMA, CGA only), actuaries, architects, attorneys, chiropractors, professional engineers, lawyers, notaries (Quebec), optometrists, osteopaths, pharmacists, physicians and surgeons (including acupuncturists and psychiatrists), podiatrists and psychologists with a Ph.D.

This benefit is issued to age 55.

## **ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT (H702)**

This benefit provides for specific losses due to accidental bodily injuries sustained by the insured and resulting in continuous total disability as follows:

- full benefit — death, loss of two limbs, loss of sight in both eyes;
- half benefit — loss of either a hand or foot; and
- one-third benefit — loss of sight in one eye.

The specific loss must have occurred within six months of the accident. Accidental Death and Dismemberment benefits are available in units of \$10,000 for every \$100 of disability income monthly benefit. The maximum Accidental Death and Dismemberment benefit is listed below:

<b>Class</b>	<b>Issue limit</b>	<b>Participation limit</b>
4A/3A	\$300,000	\$300,000
2A	\$225,000	\$250,000

This benefit is issued to age 60.

## **FIRST DAY OF HOSPITALIZATION BENEFIT (H880)**

Provides for payment of the total disability benefit from the first day of hospitalization as long as the insured satisfies the definition of "total disability" and has been hospitalized for 72 hours. The elimination period must be equal to or less than 90 days.

This benefit is issued to age 60.

## **HEALTH CARE PROFESSION BENEFIT (H1134 OR H1135 — WITH DISABILITY IN YOUR OCCUPATION RIDER H897)**

The Health Care Profession benefit is mandatory (unless declined for underwriting reasons) for the following health care professionals: medical doctors, dentists, dental surgeons, chiropractors/podiatrists, professional lab technicians, dental hygienists, dental assistants, denture therapists, denturists, denturologists, acupuncturists (MD and non-MD), nurses (RNs, RNAs, LPNs, including nursing directors, instructors and nurse practitioners), respiratory therapists, respirologists, massage therapists doing acupuncture, physiotherapists doing acupuncture and paramedics.

As a qualified health care professional the insured may be at risk of exposure to HIV or hepatitis B and C. Under this benefit, if the insured meets one of the following conditions, he/she is not required to be under the care of a physician in order to qualify for disability benefits provided he/she is HIV-impaired or hepatitis-impaired, and due to his/her impairment,

- he/she is restricted or prohibited from performing the important duties of his/her occupation; or
- his/her patients refuse treatment from him/her because he/she must disclose to his/her patients his/her impairment as required by law or by a written policy of general application of a medical regulatory body or medical licensing body.

For the purpose of this rider, “your occupation” means the occupation or occupations in which the insured is regularly engaged at the time that he/she becomes disabled.

The premium for the Health Care Profession benefit can be changed at any time; however once changed, the premium is locked in for five years.

If the Future Income Option or the Future Income Option for Young Professionals is included in the insured’s policy, the Health Care Profession benefit amount will increase automatically as this benefit is applied.

**H1135** — This version of the Health Care Profession benefit is used if the insured has purchased the Disability in Your Occupation benefit rider. This version is the same as the above except, for the purposes of the Health Care Profession benefit, the “own occupation” definition of total disability is replaced with a “regular occupation” definition of total disability.

### **WORKERS’ COMPENSATION OFFSET AMENDMENT (A700)**

Policies issued to applicants in the following occupations will not include a Workers’ Compensation offset amendment even if they are eligible for Workers’ Compensation coverage or similar coverage:

- actuaries (ASA, FSA)
- acupuncturists (MD)
- architects
- attorneys
- chartered accountants (CA, CMA, CGA)
- chiroprodists
- chiropractors
- dentists (including third and fourth year dental students, residents)
- lawyers (including last year law students, articling)
- medical doctors (including students, externs, interns, residents)
- notaries (Quebec)
- optometrists (including last year students)
- osteopaths, pharmacists, podiatrists, psychologists (Ph.D)
- professional engineers (including final year of school)
- veterinarians (including final year of school)

The Workers’ Compensation offset amendment will be included on any policy issued to an applicant who is eligible for Workers’ Compensation benefits or similar benefits. This offset has a relation-to-earnings approach. At claim time, if the insured is entitled to receive Workers’ Compensation benefits or similar benefits, a calculation is done comparing his/her pre-disability income with the sum of his/her Workers’ Compensation benefit, monthly benefit and current earnings. The total of the sum cannot exceed a percentage of the client’s pre-disability income as indicated on the amendment. If it does exceed this limit, then the benefit is reduced by this excess amount. Please refer to the Workers’ Compensation Offset Amendment section in the Underwriting Guidelines for more details.

### **GROUP/ASSOCIATION OFFSET AMENDMENT (A670)**

The insured has the choice to top up group or association benefits or apply for a larger benefit with a Group or Association Offset Amendment. The insured may top up group or association benefits provided the combination of the group and association benefits and individual coverage does not exceed the maximum benefit that the insured’s income allows in our current issue limits. In the event that this combination exceeds our current issue limits, this amendment will be applied to only the excess portion as specified in the policy. A 10% premium discount is applied to the policy if the excess portion of coverage is at least \$1,000 of the monthly benefit or the full amount of the policy, whichever is less. If the insured’s policy has a 10% discount, the onus is on the insured to inform us if his/her group or association coverage is terminated. If we do not receive notification and benefits become payable, the benefit will be reduced by 10%.

## **ADDITIONAL MONTHLY INDEMNITY (AMI)**

Additional coverage may be added to the base coverage with longer or the same elimination periods and shorter or the same benefit periods as the basic coverage. This benefit is used to program around other benefits the insured may receive such as Employment Insurance. AMIs are also available up to the 120th, 180th and 365th day.

## **LIFESTYLE PROTECTION PRODUCTS**

If the insured suffers from a catastrophic injury or illness, he/she may incur substantial additional expenses. Lifestyle protection products are the perfect complement to income protection coverage and provide for the insured's independence and dignity.

## **RETIREMENT PROTECTOR BENEFIT**

This benefit helps the insured maintain deposits to a retirement savings program while totally disabled. Issued to age 55, benefits range from \$300 to \$1,500 but may not exceed 20% of the insured's monthly earned income.

## **CRITICAL ILLNESS RECOVERY PLAN™ POLICY**

(available as a separate policy; please refer to the Critical Illness Recovery Plan fact sheet or Insurance Advisor Guide for full details)

Critical illness coverage is an excellent complement to any disability insurance program. While disability income protection insurance seeks to cover ongoing living expenses, critical illness coverage provides lifestyle protection that pays a lump sum benefit if your client is diagnosed with and survives one of the insured covered conditions as defined in the policy. There are no rules regarding how benefits may be used — seeking medical treatment, securing nursing care, paying down debt — it's your client's decision.

## **BUSINESS PROTECTION PRODUCTS**

Business owners should consider how a disability may impact all facets of their business. In addition to Individual Disability Income Protection, consider the RBC Insurance portfolio of business products including:

### **DISABILITY BUY SELL**

Disability Buy Sell coverage is designed to provide funding for the remaining owner(s) to purchase the business interest from the disabled owner(s).

### **BUSINESS OVERHEAD EXPENSE**

Business Overhead Expense is a reimbursement policy designed to cover fixed office expenses during a period of total or partial disability.

### **KEY PERSON PROTECTOR**

This plan has been developed to provide coverage for a financial loss to an employer due to the disability of a key person.

### **BUSINESS LOAN PROTECTOR**

Business Loan Protector makes funds available to pay outstanding business loans and loan interest when the business owner becomes totally disabled.

For more information on our lifestyle protection or business products, please refer to the applicable Insurance Advisor Guides.



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