



RBC Life Insurance Company will pay the benefits provided in this Policy to You, the Owner of this Policy.

We have issued this Policy in consideration of the payment of the premium and the statements made in the Application. Your Application is part of Your Policy.

Insured

Policy Number

Date of Issue

Owner

RENEWAL CONDITIONS. This Policy may be continued until the earlier of:

1. The first premium due date after the Insured's 62nd birthday;
2. The date the Insured ends Active Full-Time Employment for any reason other than Total Disability; or
3. The date the Maximum Benefit Period has been reached for any one Total Disability; or
4. The date benefits become payable under section 2.2 Replacement Expense Benefit provision.

This Policy terminates on the earliest of the above dates. We will refund any premium paid for a period beyond that date.

As long as the premium is paid on time, We cannot change the Policy or its premium rate.

YOUR RIGHT TO EXAMINE THE POLICY. If You are not satisfied with Your Policy, You may cancel it. Return the Policy to Us or Our agent by midnight of the tenth day after the date You receive it. If You return the Policy by mail, it must be properly addressed, postage prepaid, and postmarked no later than midnight of that tenth day. Our mailing address is P.O. Box 515, Station A, Mississauga, Ontario L5A 4M3. Within ten days after We receive the Policy, We will refund any premium You have paid. The Policy will be considered to have never been issued.

This policy contains a provision removing or restricting the right of the insured to designate persons to whom or for whose benefit insurance money is to be payable.

READ YOUR POLICY CAREFULLY. It is a legal contract between You and Us.

Rino D'Onofrio
President and Chief Executive Officer

John Carinci
VP & Head, Operations & Client Experience

**THIS POLICY IS ISSUED BY
RBC LIFE INSURANCE COMPANY**

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Specimen

Any added provisions are attached at the back of the Policy

PART 1 DEFINITIONS

THE FOLLOWING WORDS HAVE SPECIAL MEANINGS. THEY ARE IMPORTANT IN DESCRIBING YOUR RIGHTS AND OUR RIGHTS UNDER THE POLICY. REFER BACK TO THESE MEANINGS AS YOU READ YOUR POLICY.

- 1.1** “**Policy**” means the legal contract between You and Us. The Policy, the Application, the Policy Schedule, and any attached papers that We call riders, amendments, or endorsements make up the entire contract between You and Us.
- 1.2** “**You**”, “**Your**”, and “**Owner**” mean the Owner named in the Policy Schedule.
- 1.3** “**Insured**” means the person named in the Policy Schedule.
- 1.4** “**We**” and “**Us**” mean RBC Life Insurance Company. Our mailing address is P.O. Box 515, Station A, Mississauga, Ontario L5A 4M3.
- 1.5** “**Date of Issue**” means the date that the Policy becomes effective. It is shown on the Policy Schedule.
- 1.6** “**Injury**” means accidental bodily injury sustained after the Date of Issue and while Your Policy is in force.
- 1.7** “**Sickness**” means sickness or disease which first manifests itself after the Date of Issue and while Your Policy is in force. It includes Total Disability due to complications of pregnancy or childbirth.
- 1.8** “**Physician**” means any licensed practitioner of the healing arts practicing within the scope of his or her license. A Physician cannot be an owner or employee of the Business Entity.
- 1.9** “**Total Disability**” means that because of Injury or Sickness the Insured:
- a. Is under the regular and personal care of a Physician; and
 - b. Is unable to perform the important duties of his or her regular occupation.
- 1.10** “**Commencement Date**” is the day shown on the Policy Schedule when benefits begin during a continuous period of Total Disability. Periods of Total Disability from the same or related causes, separated by 6 months or less will be accumulated and deemed to be continuous in order to determine the Commencement Date.
- 1.11** “**Active Full-Time Employment**” means the Insured is actively working at least thirty hours a week for the Business Entity.

1.12 “**Replacement Expense**” means the usual and customary expenses for the items listed below. They must be incurred by the business in securing a permanent replacement for the Insured. Replacement of the Insured must be due to his/her Total Disability. The following expenses will qualify:

- a. The replacement's Basic Monthly Salary during his/her first three months in the Insured's position with the business. (The expense covered will not exceed the average Basic Monthly Salary of the Insured for the 12 month period just prior to the start of the Total Disability. Basic Monthly Salary means the base rate of monthly compensation from the business. It does not include overtime pay, bonuses, and other special compensation);
- b. Employment agency placement fees and executive search organization charges;
- c. Space advertising in newspapers and trade magazines soliciting applicants for the Insured's position;
- d. Travel, food, and lodging of bona fide candidates for the Insured's position between their homes and the Business Entity for the job interviews;
- e. Moving expenses, if the Business Entity deems the move essential, as follows:
 1. Travel, food and lodging of the replacement and his/her spouse for one pre-move trip to search for a new home after being hired;
 2. Expenses to transport household goods and personal effects from the replacement's former home to his/her new home; and
 3. Travel, food and lodging of the replacement and immediate family members in moving from his/her former home to his/her new home.

1.13 “**Business Entity**” means the business in which the Insured is employed as named on the application. It also means the same business with the same ownership under a new name.

PART 2 BENEFITS

2.1 TOTAL DISABILITY BENEFIT

Subject to written proof of loss, We will periodically pay the Total Disability benefit during the Insured's Total Disability. The monthly amount We will pay is shown on the Policy Schedule.

This benefit will begin on the Commencement Date. We will continue to pay it while the Insured remains Totally Disabled. In no event will We pay beyond the Maximum Benefit Period for Total Disability. This period is shown on the Policy Schedule. For periods of less than a month, We will pay 1/30th of this amount for each day of Total Disability.

2.2 REPLACEMENT EXPENSE BENEFIT

We will reimburse You for 80% of the Replacement Expense You incur to replace the Totally Disabled Insured. This benefit is payable:

- a. After the Insured has been Totally Disabled for 6 months; and
- b. For Replacement Expenses incurred during the 18 month period following the date such Total Disability began.

The total payable under this benefit will not exceed the Replacement Benefit Limit shown on the Policy Schedule.

What is the Total Disability benefit?

What happens if You must replace the Key Person due to Total Disability?

2.3 PROOF OF LOSS BENEFIT

We will pay a Proof of Loss Benefit. This benefit is to defray the costs of obtaining the monthly written proof of loss required in Part 5 of the Policy. The monthly amount is shown on the Policy Schedule. This benefit is payable while Total Disability benefits are payable.

2.4 WAIVER OF PREMIUM

After the Insured has been Totally Disabled for 90 days, We will waive any premium that becomes due while the Insured remains Totally Disabled.

We will also refund any premium that became due and was paid during those first 90 days of Total Disability.

PART 3 EXCLUSIONS

We will not pay benefits for Total Disability due to:

- a. Act or accident of war, whether declared or undeclared; or
- b. Normal pregnancy or childbirth, but We will cover complications of either of these.

PART 4 RECURRENT AND CONCURRENT DISABILITY

4.1 RECURRENT DISABILITY

If after the end of a period of Total Disability the Insured becomes Totally Disabled from the same or related cause, We will deem it a separate Total Disability. If such recurrence occurs within 6 months of the end of the prior period, We will deem it a continuation of the Prior Total Disability.

4.2 CONCURRENT DISABILITIES

If a Total Disability is caused by more than one Injury or Sickness, or from both, We will pay benefits as if the Total Disability was caused by only one Injury or Sickness.

Are costs of obtaining Proof of Loss provided for?

When will premiums be waived?

What if Disability results from War or normal pregnancy?

What if Disability recurs?

What if Disability is due to two causes at the same time?

PART 5 CLAIMS

5.1 TIME OF LOSS

All losses must occur while Your Policy is in force. Termination of Your Policy will not affect any claim for Disability that begins within 30 days of the date of an Injury causing such Disability.

5.2 WRITTEN NOTICE OF CLAIM

Written notice of claim must be given to Us within 30 days after a covered loss starts or as soon as reasonably possible. The notice will be sufficient if it identifies You and the Insured and is sent to Our office, mailing address P.O. Box 515, Station A, Mississauga, Ontario L5A 4M3, or is given to Our agent.

5.3 CLAIM FORMS

After We receive the written notice of claim, We will send You Our proof of loss forms within 15 days. If We do not, You will meet the written proof of loss requirements if You send Us, within the time set forth below, a written statement of the nature and extent of Your loss.

5.4 WRITTEN PROOF OF LOSS

Written proof of loss must be sent to Us within 90 days after the end of a period for which We are liable. If that is not reasonably possible, Your claim will not be affected. Unless You are legally incapacitated, written proof must be given within one year.

5.5 TIME OF PAYMENT OF CLAIMS

After We receive written proof of loss, We will pay the benefit then due starting from the Commencement Date.

5.6 PAYMENT OF CLAIMS

All benefits will be paid to You.

5.7 ASSIGNMENT

All benefits under Your Policy are payable to You and benefits under Your Policy cannot be assigned to anyone.

5.8 PHYSICAL EXAMINATIONS

At Our expense, We can have a Physician examine the Insured as often as reasonably required while a claim is pending.

5.9 MISSTATEMENT OF AGE

If the Insured's age has been misstated, the benefits under the Policy will be those that the premium paid would have purchased at the correct age.

When must losses occur?

When must written notice be given?

Is there a form for proof of loss?

When must written proof of loss be submitted?

When will benefits be paid?

To whom will benefits be paid?

Can the Policy be assigned?

Can there be an independent medical exam performed?

What if there is a misstatement of age?

**PART 6
PREMIUM AND REINSTATEMENT**

6.1 PAYMENT OF PREMIUM

The first premium on Your Policy is payable on the Date of Issue. After that, premiums are payable in the amount and mode shown on the Policy Schedule. Payment may be made at Our office, P.O. Box 515, Station A, Mississauga, , Ontario L5A 4M3 or to Our agent.

Premiums may be paid annually or semi-annually. If Our rules permit it, You can pay the premium quarterly or monthly. We will allow You to change this by written request. But We will not allow a change while the Insured is Disabled.

6.2 GRACE PERIOD

After the first premium has been paid, a grace period of 31 days is allowed for late payment of premium. Your Policy will remain in force during the grace period.

If the premium is not paid when it is due or within the grace period, the Policy will lapse.

6.3 REINSTATEMENT

If Your Policy lapses because the premium is not paid when due or within the grace period, it will be reinstated if We or Our agent accepts payment of the premium without requiring a reinstatement application.

If We receive the premium due at our office within 57 days from the date the premium was due, We will not require evidence of insurability.

If We receive the premium after 57 days, We will require a reinstatement application. We will issue You a conditional receipt for the premium. If We approve the application, the Policy will be reinstated as of the date of Our approval. If We disapprove the application, We must do so in writing within 45 days of the date of the conditional receipt or the Policy will be reinstated on the 45th day.

The reinstated Policy will cover only loss due to:

- a. Injury sustained after the date of reinstatement; or
- b. Sickness that begins more than ten days after such date.

Except for this and any new provisions that are added to the reinstated Policy, Your rights and Our rights will be the same as before the Policy lapsed.

**PART 7
THE CONTRACT**

7.1 CHANGE TO THE POLICY

No one, including Our agent, has the right to change or waive any part of this Policy unless the change is approved in writing on the Policy by one of Our officers.

When are premiums due?

What happens if a premium payment is late?

How can a lapsed Policy be reinstated?

Can the Policy be changed?

For how long is the Policy contestable?

What if the Policy differs with provincial requirements?

When can legal action be brought under this Policy?

7.2 INCONTESTABLE

- a. After Your Policy has been in force for two years, excluding any time which the Insured is Disabled, We cannot contest it. This does not apply if a material fact has been fraudulently misrepresented or not disclosed to Us.
- b. No claim for loss incurred or Disability beginning after two years from the Date of Issue will be reduced or denied because a disease or physical condition existed before the Date of Issue unless it is excluded by name or specific description.

7.3 CONFORMITY WITH PROVINCIAL STATUTES

Any provision in this Policy which, on its Date of Issue, conflicts with the laws of the province in which the Insured resides on that date is amended to meet the minimum requirements of such laws.

7.4 LEGAL ACTION

You cannot bring legal action within 60 days from the date written proof of loss is given. You cannot bring it after three years from the date written proof of loss is required to be given.

PART 8 STATUTORY CONDITIONS

8.1 1. THE CONTRACT

The application, this Policy, any document attached to this Policy when issued, and any amendment to the contract agreed upon in writing after the Policy is issued, constitute the entire contract, and no agent has authority to change the contract or waive any of its provisions.

2. WAIVER

The Insurer shall be deemed not to have waived any condition of this contract, either in whole or in part, unless the waiver is clearly expressed in writing signed by the Insurer.

3. COPY OF APPLICATION

The Insurer shall, upon request, furnish to the Insured or to a claimant under the contract a copy of the application.

8.2 MATERIAL FACTS

No statement made by the Insured or person insured at the time of application for this contract shall be used in defence of a claim under or to avoid this contract unless it is contained in the application or any other written statements or answers furnished as evidence of insurability.

8.3 1. NOTICE AND PROOF OF CLAIM

The Insured or a person insured, or a beneficiary entitled to make a claim, or the agent of any of them, shall

- a. give written notice of claim to the Insurer
 - i. by delivery thereof, or by sending it by registered mail to the head office or chief agency of the Insurer in the province; or
 - ii. by delivery thereof to an authorized agent of the Insurer in the province, not later than thirty days from the date a claim arises under the contract on account of an accident, sickness or disability;

- b. Within ninety days from the date a claim arises under the contract on account of an accident, sickness or disability, furnish to the Insurer such proof as is reasonably possible in the circumstances of the happening of the accident or the commencement of the sickness or disability, and the loss occasioned thereby, the right of the claimant to receive payment, his age, and the age of the beneficiary if relevant; and
- c. if so required by the Insurer, furnish a satisfactory certificate as to the cause or nature of the accident, sickness or disability for which claim may be made under the contract and as to the duration of such a disability.

2. FAILURE TO GIVE NOTICE OF PROOF

Failure to give notice of claim or furnish proof of claim within the time prescribed by this statutory condition does not invalidate the claim if the notice or proof is given or furnished as soon as reasonably possible, and in no event later than one year from the date of the accident or the date a claim arises under the contract on account of sickness or disability if it is shown that it was not reasonably possible to give notice or furnish proof within the time so prescribed.

8.4 INSURER TO FURNISH FORMS FOR PROOF OF CLAIM

The insurer shall furnish forms for proof of claim within fifteen days after receiving notice of claim, but where the claimant has not received the forms within that time he may submit his proof of claim in the form of a written statement of the cause or nature of the accident, sickness or disability giving rise to the claim and of the extent of the loss.

8.5 RIGHTS OF EXAMINATION

As a condition precedent to recovery of insurance moneys under this contract,

- a. The claimant shall afford to the Insurer an opportunity to examine the person of the person insured when and so often as it reasonably requires while the claim hereunder is pending, and:
- b. in the case of death of the person insured, the Insurer may require an autopsy subject to any law of the applicable jurisdiction relating to autopsies.

8.6 WHEN MONEYS PAYABLE OTHER THAN FOR LOSS OF TIME

All moneys payable under this contract, other than benefits for loss of time, shall be paid by the insurer within sixty days after it has received proof of claim.

8.7 WHEN LOSS OF TIME BENEFITS PAYABLE

The initial benefits for loss of time shall be paid by the Insurer within thirty days after it has received proof of claim and payment shall be made thereafter in accordance with the terms of the contract but not less frequently than once in each succeeding thirty days while the Insurer remains liable for the payments if the person insured when required to do so furnishes before payment proof of continuing disability.

8.8 LIMITATION OF ACTIONS

An action or proceeding against the Insurer for the recovery of a claim under this contract shall not be commenced more than three years after the date insurance money became payable or would have become payable if it had been a valid claim.

Provincial amendments

This policy contract is amended by adding the following provisions:

Limitation of Actions:

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act (for actions or proceedings governed by the laws of Alberta and British Columbia), The Insurance Act (for actions or proceedings governed by the laws of Manitoba), the *Limitations Act, 2002* (for actions or proceedings governed by the laws of Ontario), or in other applicable legislation in your province of residence. For those actions or proceedings governed by the laws of Quebec, the prescriptive period is set out in the Quebec Civil Code.

Beneficiary restriction:

Your policy contains a provision restricting or removing your right to designate a beneficiary to receive any insurance money payable under the contract if,

- this coverage was purchased over the telephone*;
- this coverage was purchased on-line*;
- a Child Term Rider was or will be added to the policy contract;
- this coverage is a Critical Illness policy which contains a Return of Premium rider;
- this coverage is a Disability Buy/Sell Insurance policy;
- this coverage is a Key Person Disability Insurance policy;
- this coverage is a Retirement Protector Insurance policy; or
- this coverage includes a Retirement Protector Rider.

**You can designate a beneficiary or beneficiaries of your choice without restriction once your policy has been delivered to you by completing a Beneficiary Change form.*