

Group Benefits Policy

City of Surrey

G0038749A

January 1, 2012

June 1st

June 1, 2014

Policyholder

Policy Number

Policy Effective Date

Policy Anniversary

Renewal Date

Table of Contents

Table of Contents

Group Benefits Schedule	2
Definitions	8
Eligibility for Insurance	12
Effective Date of Insurance.	13
Transfer of Benefits from the Prior Plan	14
Termination of Insurance	15
Life Insurance Benefit.	17
Long Term Disability Benefit.	23
Payment of Claims	32
Administration of the Policy	34
Payment of Premiums	36
The Policy	38
POLICY ADDENDUM.	40
Index	i

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 April 27, 2012.



President & Chief Executive Officer

City of Surrey

2 Group Benefits Schedule

Policyholder	City of Surrey
Policy Number	G0038749A
Policy Effective Date	January 1, 2012
Policy Anniversary	June 1st
Renewal Date	June 1, 2014
Class Numbers	Class Numbers 001 CUPE Local 402 (Plans A, B, C2 and C3)
Plan Numbers	Plan Numbers A Full-time Employees of CUPE Local 402 B Part-time Employees of CUPE Local 402 C2 Term Full-time Replacement Employees of CUPE Local 402 C3 Full-time Project Employees of CUPE Local 402
Effective Date for Increases in Insurance	Effective Date for Increases in Insurance When first eligible for the increase

Group Benefits Schedule - Plan A 3

Employee Life Insurance

Benefit Amount

2 x annual Earnings rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$150,000 and a minimum benefit of \$5,000

Non-Evidence Limit

\$150,000

Waiver of Premiums

to age 65

Qualifying Period for Waiver of Premiums

6 months

Termination Age

age 70 or retirement, whichever is earlier

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular commissions

Participation Basis

mandatory

Waiting Period

3 months of continuous employment

Long Term Disability

Benefit Amount

60% of monthly Earnings rounded to the next higher \$1, if not already a multiple thereof, up to a maximum benefit of \$4,500

Minimum Benefit - \$100, or 10% of the Benefit Amount prior to CPP/QPP Integration, whichever is greater

CPP/QPP Integration

primary CPP/QPP benefits

Non-Evidence Limit

\$4,500

Employee Life Insurance

Benefit Amount

- Non-Evidence Limit

- Waiver of Premiums

- Qualifying Period for Waiver of Premiums

- Termination Age

- Earnings

- Participation Basis

- Waiting Period

Long Term Disability

Benefit Amount

- CPP/QPP Integration

- Non-Evidence Limit

4 Group Benefits Schedule - Plan A

- Qualifying Period

Qualifying Period

6 months

- Maximum Benefit Period

Maximum Benefit Period

to age 65. However, if benefit payment commences during the 12 months immediately preceding the Employee's 65th birthday, benefit payments will continue during the Disability until no later than the last day of the month in which benefits have been paid for 12 months.

- Survivor Benefit Amount

Survivor Benefit Amount

3 times the Employee's last monthly benefit payment

- Termination Age

Termination Age

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

- Earnings

Earnings

the Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular commissions

- Participation Basis

Participation Basis

mandatory

- Waiting Period

Waiting Period

3 months of continuous employment

Group Benefits Schedule - Plan B 5

Employee Life Insurance

Benefit Amount

2 x annual Earnings rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$150,000 and a minimum benefit of \$5,000

Non-Evidence Limit

\$150,000

Waiver of Premiums

to age 65

Qualifying Period for Waiver of Premiums

6 months

Termination Age

age 70 or retirement, whichever is earlier

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular commissions

Participation Basis

mandatory

Waiting Period

1,000 working hours

Long Term Disability

Benefit Amount

60% of monthly Earnings rounded to the next higher \$1, if not already a multiple thereof, up to a maximum benefit of \$4,500

Minimum Benefit - \$100, or 10% of the Benefit Amount prior to CPP/QPP Integration, whichever is greater

CPP/QPP Integration

primary CPP/QPP benefits

Non-Evidence Limit

\$4,500

Employee Life Insurance

Benefit Amount

- Non-Evidence Limit

- Waiver of Premiums

- Qualifying Period for Waiver of Premiums

- Termination Age

- Earnings

- Participation Basis

- Waiting Period

Long Term Disability

Benefit Amount

- CPP/QPP Integration

- Non-Evidence Limit

6 Group Benefits Schedule - Plan B

- <i>Qualifying Period</i>	<i>Qualifying Period</i> 6 months
- <i>Maximum Benefit Period</i>	<i>Maximum Benefit Period</i> to age 65. However, if benefit payment commences during the 12 months immediately preceding the Employee's 65th birthday, benefit payments will continue during the Disability until no later than the last day of the month in which benefits have been paid for 12 months.
- <i>Survivor Benefit Amount</i>	<i>Survivor Benefit Amount</i> 3 times the Employee's last monthly benefit payment
- <i>Termination Age</i>	<i>Termination Age</i> age 65 less the Qualifying Period, or retirement, whichever is earlier
- <i>Earnings</i>	<i>Earnings</i> the Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular commissions
- <i>Participation Basis</i>	<i>Participation Basis</i> mandatory
- <i>Waiting Period</i>	<i>Waiting Period</i> 1,000 working hours

Group Benefits Schedule - Plans C2 and C3 7

Employee Life Insurance

Benefit Amount

2 x annual Earnings rounded to the next higher \$1,000, if not already a multiple thereof, up to a maximum benefit of \$150,000 and a minimum benefit of \$5,000

Non-Evidence Limit

\$150,000

Waiver of Premiums

to age 65

Qualifying Period for Waiver of Premiums

6 months

Termination Age

age 70 or retirement, whichever is earlier

Earnings

The Employee's regular rate of pay, excluding regular bonuses, regular overtime pay and regular commissions

Participation Basis

mandatory

Waiting Period

3 months of continuous employment

Employee Life Insurance

Benefit Amount

- Non-Evidence Limit

- Waiver of Premiums

- Qualifying Period for Waiver of Premiums

- Termination Age

- Earnings

- Participation Basis

- Waiting Period

8 Definitions

Actively at Work

Actively at Work

at work for the Policyholder on a Full-time basis at the Employee's usual place of work.

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.

Consumer Price Index Factor

Consumer Price Index Factor

is the ratio of:

- a) the Consumer Price Index ("CPI") as of September of the year preceding the year for which the calculation is being made; to
- b) the CPI as of September of the year the Employee became Totally Disabled.

The Consumer Price Index means the all-item Consumer Price Index for Canada (not seasonally adjusted) as published by Statistics Canada.

If Manulife Financial determines that there has been a change in the method of calculating the CPI, Manulife Financial reserves the right to use the CPI for the period preceding the change and an appropriate measure of inflation, as determined by Manulife Financial, will be used for the period after the change.

Disability or Disabled

Disability or Disabled

the state of being Totally Disabled.

Drug

Drug

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

Earnings

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 Full-time basis;
- b) is compensated for services by the Employer; and
- c) is residing in Canada.

Employee

Employer

the Policyholder.

Employer

Full-time basis

For Employees in Plans A and C3: scheduled to work at least 35 hours per week.

For Employees in Plan B: scheduled to work at least 21 hours per week for 48 weeks per year.

For Employees in Plan C2: scheduled to work at least 35 hours per week, and replacing a permanent Full-time CUPE Employee on Maternity or Parental Leave, Sick Leave, Workers' Compensation or Long Term Disability.

Full-time as used in this policy can also mean and include Employees working in a Job-Sharing Arrangement, whenever the context requires it.

Full-time basis

- Job-Sharing Arrangement

For Employees in all plans: scheduled to work an average of 17.5 hours per week over a 2 week period, in accordance with the job-sharing schedule.

Job-Sharing Arrangement

Indefinite Lay-Off

a period during which the Employee is laid off work and for which there is no fixed recall date.

Indefinite Lay-Off

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.

Leave of Absence

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; and

Maternity Leave of Absence

10 Definitions

- b) the date the child is born.

Medically Necessary

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

Net Earnings

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

Non-Evidence Limit

Non-Evidence Limit

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

Parental Leave of Absence

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

Physician

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

Prior Plan

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

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

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.

Retirement Date for Totally Disabled Employees

Retirement Date for Totally Disabled Employees

a Totally Disabled Employee's Retirement Date is the Employee's 65th birthday, unless he has retired prior to this.

Temporary Lay-Off

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

Temporary Lay-Off***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.

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

Waiting Period

12 Eligibility for Insurance

Eligibility for Insurance

- Employee

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.

Amount of Insurance

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

How to Become Insured

To become insured under this Policy, an eligible Employee must apply in writing on forms approved by Manulife Financial.

Evidence of Insurability

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.

Effective Date of Insurance

Effective Date of Insurance

Once an application for Employee 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 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.

Increases in Insurance

Increases in Insurance

An increase in insurance on an Employee 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. This restriction is waived for increases in insurance which are the result of a change in basic Earnings and which become effective while the Employee is satisfying the Qualifying Period for Long Term Disability benefits.

Decreases in Insurance

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.

14 Transfer of Benefits from the Prior Plan

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

Concessions Granted

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

Transfer of Coverage

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

- Eligibility

- 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

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

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;
- 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.

Termination of Employment Exceptions

Termination of Employment Exceptions

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

***- Due to Illness or
Injury***

If an Employee ceases to be Actively at Work due to illness or injury, all insurance coverage may continue until the Policyholder terminates the coverage.

Due to Maternity or Parental Leave of Absence

***- Due to Maternity or
Parental Leave of
Absence***

If an Employee ceases to be Actively at Work due to Maternity or Parental leave of absence, 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 Other Leave of Absence or Lay-Off

***- Due to Other Leave of
Absence or Lay-Off***

If an Employee ceases to be Actively at Work due to a leave of absence other than Maternity or Parental leave, or due to Temporary or Indefinite Lay-off, Employee Life Insurance coverage may continue until the Policyholder terminates it, but in no event for more than 6 months after the Employee was last Actively at Work.

16 Termination of Insurance

- Due to Legal Strike or Lockout

Due to Legal Strike or Lockout

If an Employee ceases to be Actively at Work due to a Legal Strike or Lockout, insurance coverage may continue only if the Policyholder informs Manulife Financial that this is the case, but in no event for more than the duration of the Strike or Lockout.

- Due to Involuntary Severance

Due to Involuntary Severance

If an Employee ceases to be Actively at Work due to an Involuntary Severance, insurance coverage may continue only if the Policyholder informs Manulife Financial that this is the case, but in no event for more than:

- a) the duration of the Severance, for Employee Life Insurance; and
- b) 4 months, for Long Term Disability.

Legislated Benefit Extensions

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 insurance; and
- b) this Policy remains in force.

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 Life Insurance, provided the Employee meets Manulife Financial's Entitlement Criteria.

Definition of Total Disability or Totally Disabled

For Plans A and B

For Employees with 35 or more years of employment:

Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of his own occupation.

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 permit or licence has been withdrawn or not renewed solely for medical reasons, the Employee will be considered to be Totally Disabled for up to 12 months from the end of the Qualifying Period. The Employee cannot be working other than in a rehabilitation program approved by Manulife Financial.

For All Other Employees:

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 2 years immediately following the Qualifying Period; and

The Benefit

Settlement Options

Waiver of Premiums

- Total Disability Definition

18 Life Insurance Benefit

- b) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 2 years 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. However, if the permit or licence has been withdrawn or not renewed solely for medical reasons, the Employee will be considered to be Totally Disabled for up to 12 months from the end of the Qualifying Period. The Employee cannot be working other than in a rehabilitation program approved by Manulife Financial.

For Plans C2 and C3

Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of any occupation for which he is qualified, or may reasonably become qualified by training, education or experience.

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 permit or licence has been withdrawn or not renewed solely for medical reasons, the Employee will be considered to be Totally Disabled for up to 12 months from the end of the Qualifying Period, provided he is not working in a facility other than in a Rehabilitation program approved by Manulife Financial.

- Entitlement Criteria

Entitlement Criteria

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 for at least 30 days without interruption. If the Employee ceases to be Totally Disabled during the Qualifying Period and then becomes Totally Disabled again within 30 days due to the same or related cause, the Qualifying Period will be extended by the number of days during which the Total Disability ceased. However, the Qualifying Period cannot be extended by more than 6 months;
- b) for Employees with 35 or more years of employment in 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 his own occupation;
- c) for All Other Employees in 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 2 years 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 2 years specified in part i) of this provision;
- d) for Plans C2 and C3, 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 any occupation for which he is qualified, or may reasonably become qualified by training, education or experience;
- e) 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

Termination of Waiver of Premiums

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) for Employees with 35 or more years of employment in 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 his own occupation;
- c) for All Other Employees in 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 2 years 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 2 years specified in part i) of this provision;
- d) for Plans C2 and C3, 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 any occupation for which he is qualified, or may reasonably become qualified by training, education or experience;

20 Life Insurance Benefit

- e) 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;
- f) 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;
- g) the date the Employee attains the age shown under Waiver of Premiums in the Benefit Schedule; or
- h) the date the Employee dies.

- Recurrent Disability

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

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

Life Insurance Coverage Continued

While premiums are being waived, Life Insurance in force under this Policy on the Employee 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 and any increases in salary during the Qualifying Period. This continuation of coverage is not affected by a subsequent termination of this Policy or of employment.

- Conversion When Waiver Ceases

Conversion When Waiver Ceases

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

Conversion Privilege

Conversion Privilege

If an Employee'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.

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

- Conditions for Conversion

- 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.

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

- Maximum Amount

- a) \$200,000, or
- b) the amount of insurance that terminated less the amount of insurance under any replacing Group Policy within 31 days of the termination.

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

Plan of Insurance

- 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.

Issue of Individual Policy

- 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 Accidental Death & Dismemberment 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

22 Life Insurance Benefit

- 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

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

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

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

The Benefit

Plans A and B

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

Total Disability Definition

For Employees with 35 or more years of employment:

Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of his own occupation.

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 permit or licence has been withdrawn or not renewed solely for medical reasons, the Employee will be considered to be Totally Disabled for up to 12 months from the end of the Qualifying Period. The Employee cannot be working other than in a rehabilitation program approved by Manulife Financial.

For All Other Employees:

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 2 years 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 2 years 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. However, if the permit or licence has been withdrawn or not renewed solely for medical reasons, the Employee will be considered to be Totally Disabled for up to 12 months from the end of the Qualifying Period, provided he is not working in a facility other than in a Rehabilitation program approved by Manulife Financial.

24 Long Term Disability Benefit

Entitlement Criteria

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 for at least 30 days without interruption. If the Employee ceases to be Totally Disabled during the Qualifying Period and then becomes Totally Disabled again within 30 days due to the same or related cause, the Qualifying Period will be extended by the number of days during which the Total Disability ceased. However, the Qualifying Period cannot be extended by more than 6 months;
- b) for Employees with 35 or more years of employment, 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 his own occupation;
- c) for All Other Employees, 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 2 years 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 2 years specified in part i) of this provision;
- 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

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, strike or lockout during which the Employee becomes Totally Disabled;
- d) on leave of absence during which the Employee becomes Totally Disabled, unless the Employer 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);

Long Term Disability Benefit 25

- 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 provision;
- g) incarcerated in a prison, correctional facility, or mental institution by order of authority of a criminal court; or
- h) absent from Canada, for any reason, for a period of more than 4 months. However, this restriction will be waived if Manulife Financial provides written agreement in advance to pay benefits during the period of absence.

Amount of Disability Benefit

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) Workers' Compensation or similar coverage;
- b) Quebec Parental Insurance Plan;
- c) Short Term Disability, Loss of Income or other salary continuation plan;
- d) any group plan provided by the Employer for approved Sick Leave; and
- e) Canada or Quebec Pension Plans, excluding dependent benefits.

The benefit amount payable will be further reduced so that the Employee's total income from All Sources does not exceed 80% of the Employee's pre-disability Earnings if this Benefit is taxable, or 80% 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) any group, association or franchise plan;
- b) any retirement or pension plan of the Employer payable as a result of disability or medical condition;
- c) earnings or payments from any employer, including vacation pay and severance payments (excluding severance payments received from the Policyholder);
- d) self-employment;
- e) any government motor vehicle automobile insurance plan or policy, unless prohibited by law;
- f) any government plan, excluding Employment Insurance Benefits;

26 Long Term Disability Benefit

- g) any Workers' Compensation or similar law for another disability excluding automatic cost-of-living increases that occur after benefits begin, and
- h) any Criminal Injuries Compensation Act or similar law, where allowed by law.

- Benefit Calculation Rules

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.

- Subrogation

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

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

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.

Long Term Disability Benefit 27

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. 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 Adjusted Pre-Disability Earnings, if this Benefit is taxable; or
- b) 100% of his Adjusted Pre-Disability Net Earnings, if this Benefit is non-taxable.

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.

**- Adjusted
Pre-Disability Earnings**

Adjusted Pre-Disability Earnings

For Employee's who are receiving Disability Benefits, each January, the Employee's pre-disability Earnings will be adjusted using the Consumer Price Index Factor for the preceding year for the purposes of assessing the Employee's Disability Benefit while in a Rehabilitation Assistance program.

28 Long Term Disability Benefit

- Vocational Rehabilitation Expense Benefit

Vocational Rehabilitation Expense Benefit

If while receiving monthly disability benefits, an Employee becomes involved in Vocational Rehabilitation approved by Manulife Financial, covered expenses reasonably associated with the rehabilitation will be payable provided:

- a) the charges are reasonable;
- b) they have been pre-approved by Manulife Financial; and
- c) they are not eligible for payment or reimbursement through any other source.

The following are covered expenses under this benefit:

- a) rehabilitation assessment, including work capacity assessment;
- b) placement assistance;
- c) vocational counselling;
- d) re-training or education; and
- e) non-medical vocational rehabilitative devices.

Termination of Benefit Payments

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 Employees with 35 or more years of employment, 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 his own occupation;
- c) for All Other Employees, 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 2 years 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 2 years 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;
- f) the last day of the month the Employee dies; or
- g) the last day of the month the Employee retires on pension with the Employer or is eligible to retire with full pension or a full pension equivalent if the Employee is disabled prior to age 64.

Recurrent Disability

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.

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.

Interrupted Periods of Total Disability During the Qualifying Period

Interrupted Periods of Total Disability During the Qualifying Period

Interrupted periods of Total Disability occurring prior to the completion of the Qualifying Period will be considered to be one period of Disability and will be accumulated to complete the Qualifying Period, provided each of the following conditions are met:

- a) this Long Term Disability benefit is still in force;
- b) the initial period of Total Disability lasts for at least 30 days without interruption;
- c) after the initial period, there is no interruption of more than 30 days;
- d) each period of Total Disability is due to the same or related cause(s); and
- e) each period of Total Disability is completed within 12 months from the commencement of the Qualifying Period, or as approved by Manulife Financial in advance in cases where the Qualifying Period is 365 days or more.

The difference between the Employee's normal number of scheduled hours and the number of hours actually worked will be credited towards the Qualifying Period. If this Long Term Disability benefit is terminated, any balance of the Qualifying Period must subsequently be satisfied by an uninterrupted period of Total Disability.

30 Long Term Disability Benefit

Waiver of Premiums

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

Survivor Benefit

If an Employee dies after a disability had continued for 180 or more consecutive days and 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.

Continuation of Insurance

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.

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

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.

Long Term Disability Benefit 31

Disabilities Not Covered

Disabilities Not Covered

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

- a) self-inflicted injuries or illnesses, whether the Employee is sane or insane;
- b) war, insurrection, the hostile actions of any armed forces or participation in a riot or civil commotion;
- c) medical or surgical care which is not Medically Necessary;
- d) the committing of or the attempt to commit an assault or criminal offence, except for injuries sustained by the Employee while operating a motor vehicle with a blood alcohol content over the permissible level stipulated in the Criminal Code at the time of injury;
- e) abuse of addictive substances, including Drugs and alcohol, unless the Employee:
 - i) is actively participating and co-operating in a medical treatment program for substance abuse which has been approved by Manulife Financial; or
 - ii) has an organic disease which would cause Total Disability even if substance abuse ceased;
- f) a Pre-Existing Condition which causes Disability within the first 12 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.

32 Payment of Claims

Payees

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 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

Payment of Small Amounts

If any amount up to \$10,000 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

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

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 within:

- a) 90 days from the date of the loss, for claims for Life benefits; or
- b) 180 days from the end of the Qualifying Period, for claims for disability benefits.

Continuing Proof

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. No such action may be brought more than two years after the last day on which proof of claim would be accepted under the terms of this Policy.

***Examination by
Manulife Financial***

Subrogation

***Time Limit on Legal
Action***

34 Administration of the Policy

Method of Administration

Method of Administration

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

- Participation Requirements

Participation Requirements

100% of eligible Employees must be insured for the mandatory benefits under this Policy.

Notice of New Employees

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

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 cannot be recovered from the Employee on whose behalf they were paid.

Uniform Practices

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

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

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

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

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

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.

36 Payment of Premiums

Time of Payment

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

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

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

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

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;
- d) at any time 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; or
 - ii) the taxability of premiums or benefits.

Premium Payment Deemed Acceptance

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

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

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.

38 The Policy

The Entire Contract

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

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

Termination of the Policy

The Policyholder may terminate this Policy by giving 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.

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 the Policy

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.

Contesting a Person's Insurance

Assignment of Insurance

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

Assignment of Insurance

Non-Participation

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

Non-Participation

Gender

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

Gender

Currency of Payment

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

Currency of Payment

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.

Conformity with the Law

40 POLICY ADDENDUM

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:

- a) for the Employee, \$10,000, and
- b) 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:

- a) \$400,000; or
- b) 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.

A

- Actively at Work
 - Definitions - 8
- Adjusted Pre-Disability Earnings
 - Long Term Disability Benefit - 27
- Administration of the Policy
 - Booklets - 35
 - Clerical Error and Misstatement - 34
 - Employee Contributions - 35
 - Method of Administration - 34
 - Naming a Beneficiary - 35
 - Notice of New Employees - 34
 - Notice of Terminated Employees - 34
 - Participation Requirements - 34
 - Right of Verification - 34
 - Uniform Practices - 34
- Amendments
 - The Policy - 38
- Amount of Disability Benefit
 - Long Term Disability Benefit - 25
- Amount of Insurance
 - Eligibility for Insurance - 12
- Amount of Premium
 - Payment of Premiums - 36
- Amount Transferred
 - Transfer of Benefits - 14
- Assignment of Insurance
 - The Policy - 39

B

- Benefit Amount
 - Employee Life Insurance - 3, - 5, - 7
 - Long Term Disability - 3, - 5
- Benefit Calculation Rules
 - Long Term Disability Benefit - 26
- Booklets
 - Administration of the Policy - 35

C

- Class Numbers
 - Group Benefits Policy Schedule - 2
- Clerical Error and Misstatement
 - Administration of the Policy - 34
- Concessions Granted
 - Transfer of Benefits - 14
- Conditions for Conversion
 - Conversion Privilege - 21
- Conformity with the Law
 - The Policy - 39
- Consumer Price Index Factor
 - Definitions - 8
- Contesting a Person's Insurance
 - The Policy - 39
- Contesting the Policy
 - The Policy - 39
- Continuation of Insurance
 - Long Term Disability Benefit - 30
- Continuing Proof
 - Payment of Claims - 32
- Conversion for Residents of Quebec
 - Conversion Privilege
 - Life Insurance Benefit - 22
- Conversion Privilege
 - Conversion for Residents of Quebec
 - Life Insurance Benefit - 22

- Conditions for Conversion - 21
- Death during Conversion Period
 - Life Insurance Benefit - 22
- Issue of Individual Policy
 - Life Insurance Benefit - 21
- Maximum Amount - 21
- Plan of Insurance
 - Life Insurance Benefit - 21
- Subsequent Eligibility Under this Policy
 - Life Insurance Benefit - 22
- Conversion When Waiver Ceases
 - Waiver of Premiums
 - Life Insurance Benefit - 20
- CPP/QPP Integration
 - Long Term Disability - 3, - 5
- Currency of Payment
 - The Policy - 39

D

- Death during Conversion Period
 - Conversion Privilege
 - Life Insurance Benefit - 22
- Decreases in Insurance
 - Effective Date of Insurance - 13
- Definition of Total Disability or Totally Disabled
 - Life Insurance Benefit - 17
 - Long Term Disability Benefit - 23
- Disabilities Not Covered
 - Long Term Disability Benefit - 31
- Disability or Disabled
 - Definitions - 8
- Drug
 - Definitions - 8
- Due to Illness or Injury
 - Termination of Employment Exceptions - 15
- Due to Involuntary Severance
 - Termination of Employment Exceptions - 16
- Due to Legal Strike or Lockout
 - Termination of Employment Exceptions - 16
- Due to Maternity or Parental Leave of Absence
 - Termination of Employment Exceptions - 15
- Due to Other Leave of Absence or Lay-Off
 - Termination of Employment Exceptions - 15

E

- Earnings
 - Definitions - 8
- Earnings
 - Employee Life Insurance - 3, - 5, - 7
 - Long Term Disability - 4, - 6
- Effective Date
 - Effective Date of Transfer
 - Transfer of Benefits - 14
- Effective Date for Increases in Insurance
 - Group Benefits Policy Schedule - 2
- Effective Date of Insurance
 - Decreases in Insurance - 13
 - Effective Date of Insurance - 13
 - Increases in Insurance - 13
- Eligibility
 - Transfer of Benefits - 14
- Eligibility for Insurance
 - Eligibility for Insurance - 12
 - How to Become Insured - 12
- Employee

ii Index

- Definitions - 9
- Eligibility for Insurance - 12
- Termination of Employee Insurance
 - Termination of Insurance - 15
- Employee Contributions
 - Administration of the Policy - 35
- Employee Life Insurance
 - Benefit Amount - 3, - 5, - 7
 - Earnings - 3, - 5, - 7
 - Non-Evidence Limit - 3, - 5, - 7
 - Participation Basis - 3, - 5, - 7
 - Qualifying Period for Waiver of Premiums - 3, - 5, - 7
 - Termination Age - 3, - 5, - 7
 - Waiting Period - 3, - 5, - 7
 - Waiver of Premiums - 3, - 5, - 7
- Employer
 - Definitions - 9
- Entire Contract(The)
 - The Policy - 38
- Entitlement Criteria
 - Life Insurance Benefit - 18
 - Long Term Disability Benefit - 24
- Evidence
 - Evidence of Insurability
 - Eligibility for Insurance - 12
- Examination by Manulife Financial
 - Payment of Claims - 33

F

- First Premium Waived
 - Waiver of Premiums
 - Life Insurance Benefit - 20
- Full-time basis
 - Definitions - 9

G

- Gender
 - The Policy - 39
- Grace Period
 - Payment of Premiums - 36
- Group Benefits Schedule
 - Employee Life Insurance - 3, - 5, - 7
 - Long Term Disability - 3, - 5

H

- How to Become Insured
 - Eligibility for Insurance - 12

I

- Increases in Insurance
 - Effective Date of Insurance - 13
- Indefinite Lay-Off
 - Definitions - 9
- Interrupted Periods of Total Disability During the Qualifying Period
 - Long Term Disability Benefit - 29
- Issue of Individual Policy
 - Conversion Privilege
 - Life Insurance Benefit - 21

J

- Job-Sharing Arrangement
 - Definitions - 9

L

- Leave of Absence
 - Definitions - 9
- Legislated Benefit Extensions
 - Termination of Insurance - 16
- Life Insurance Benefit
 - Conversion Privilege - 21
 - Conversion for Residents of Quebec - 22
 - Death during Conversion Period - 22
 - Issue of Individual Policy - 21
 - Plan of Insurance - 21
 - Subsequent Eligibility Under this Policy - 22
 - Definition of Total Disability or Totally Disabled - 17
 - Entitlement Criteria - 18
 - Group Benefit Schedule - Employee Life Insurance - 3, - 5, - 7
 - Recurrent Disability - 20
 - Settlement Options - 17
 - Termination of Waiver of Premiums - 19
 - The Benefit - 17
 - Waiver of Premiums - 17
 - Conversion When Waiver Ceases - 20
 - First Premium Waived - 20
 - Life Insurance Coverage Continued - 20
- Life Insurance Coverage Continued
 - Waiver of Premiums
 - Life Insurance Benefit - 20
- Long Term Disability
 - Earnings - 4, - 6
 - Non-Evidence Limit - 3, - 5
 - Qualifying Period - 4, - 6
 - Survivor Benefit Amount - 4, - 6
 - Taxability - 30
 - Termination Age - 4, - 6
- Long Term Disability Benefit
 - Subrogation - 26
 - Adjusted Pre-Disability Earnings - 27
 - Amount of Disability Benefit - 25
 - Benefit Amount - 3, - 5
 - Continuation of Insurance - 30
 - CPP/QPP Integration - 3, - 5
 - Definition of Total Disability or Totally Disabled - 23
 - Disabilities Not Covered - 31
 - Entitlement Criteria - 24
 - Interrupted Periods of Total Disability During the Qualifying Period - 29
 - Maximum Benefit Period - 4, - 6
 - Participation Basis - 4, - 6
 - Payment of Disability Benefits - 26
 - Periods for Which the Employee is Not Entitled to Benefits - 24
 - Recurrent Disability - 29
 - Rehabilitation Assistance - 26
 - Survivor Benefit - 30
 - Termination of Benefit Payments - 28
 - The Benefit - 23
 - Vocational Rehabilitation Expense Benefit - 28
 - Waiting Period - 4, - 6
 - Waiver of Premiums - 30

M

- Maternity Leave of Absence
 - Definitions - 9
- Maximum Amount
 - Conversion Privilege - 21
- Maximum Benefit Period

Long Term Disability - 4, - 6
 Medically Necessary
 Definitions - 10
 Method of Administration
 Administration of the Policy - 34

N

Naming a Beneficiary
 Administration of the Policy - 35
 Net Earnings
 Definitions - 10
 Non-Evidence Limit
 Definitions - 10
 Employee Life Insurance - 3, - 5, - 7
 Long Term Disability - 3, - 5
 Non-Participation
 The Policy - 39
 Notice of New Employees
 Administration of the Policy - 34
 Notice of Terminated Employees
 Administration of the Policy - 34

P

Parental Leave of Absence
 Definitions - 10
 Participation Basis
 Employee Life Insurance - 3, - 5, - 7
 Long Term Disability - 4, - 6
 Participation Requirements
 Administration of the Policy - 34
 Payees
 Payment of Claims - 32
 Payment of Small Amounts - 32
 Payment of Claims
 Continuing Proof - 32
 Examination by Manulife Financial - 33
 Payees - 32
 Requirement of Proof - 32
 Subrogation - 33
 Time Limit on Legal Action - 33
 Payment of Disability Benefits
 Long Term Disability Benefit - 26
 Payment of Premiums
 Amount of Premium - 26
 Grace Period - 36
 Premium Adjustments - 37
 Premium Due on Termination of Policy - 37
 Premium for Each Insured Person - 36
 Premium Payment Deemed Acceptance - 37
 Time of Payment - 36
 Payment of Small Amounts
 Payment of Claims - 32
 Periods for Which the Employee is Not Entitled to Benefits
 Long Term Disability Benefit - 24
 Physician
 Definitions - 10
 Plan Numbers
 Group Benefits Policy Schedule - 2
 Plan of Insurance
 Conversion Privilege
 Life Insurance Benefit - 21
 Policy Addendum
 Life Insurance Conversion Privilege for Insured persons who reside in Quebec - 40
 Policy Anniversary - 1, - 2

Policy Effective Date - 1, - 2
 Policy Number - 1, - 2
 Policyholder - 1, - 2
 Pre-existing Conditions
 Transfer of Benefits - 14
 Premium Adjustments
 Payment of Premiums - 37
 Premium Due on Termination of Policy
 Payment of Premiums - 37
 Premium for Each Insured Person
 Payment of Premiums - 36
 Premium of Each Insured Person
 Premium Rates - 36
 Premium Payment Deemed Acceptance
 Payment of Premiums - 37
 Premium Rates
 Premium of Each Insured Person - 36
 Prior Plan
 Definitions - 10
 Provincial Plan
 Definitions - 10

Q

Qualifying Period
 Definitions - 10
 Long Term Disability - 4, - 6
 Qualifying Period for Waiver of Premiums
 Employee Life Insurance - 3, - 5, - 7

R

Recurrent Disability
 Life Insurance Benefit - 20
 Long Term Disability Benefit - 29
 Rehabilitation Assistance
 Long Term Disability Benefit - 26
 Renewal Date - 1, - 2
 Requirement of Proof
 Payment of Claims - 32
 Submission of Proof - 32
 Retirement Date for Totally Disabled Employees
 Definitions - 10
 Right of Verification
 Administration of the Policy - 34

S

Settlement Options
 Life Insurance Benefit - 17
 Who May Choose an Option - 17
 Submission of Proof
 Payment of Claims - 32
 Subrogation
 Long Term Disability Benefit - 26
 Payment of Claims - 33
 Subsequent Eligibility Under this Policy
 Conversion Privilege
 Life Insurance Benefit - 22
 Survivor Benefit
 Long Term Disability Benefit - 30
 Survivor Benefit Amount
 Long Term Disability - 4, - 6

T

Taxability
 Long Term Disability - 30
 Temporary Lay-Off
 Definitions - 11

iv Index

- Termination Age
 - Employee Life Insurance - 3, - 5, - 7
 - Long Term Disability - 4, - 6
- Termination of Benefit Payments
 - Long Term Disability Benefit - 28
- Termination of Employee Insurance
 - Termination of Insurance - 15
- Termination of Employment Exceptions
 - Due to Illness or Injury - 15
 - Due to Involuntary Severance - 16
 - Due to Legal Strike or Lockout - 16
 - Due to Maternity or Parental Leave of Absence - 15
 - Due to Other Leave of Absence or Lay-Off - 15
 - Termination of Insurance - 15
- Termination of Insurance
 - Legislated Benefit Extensions - 16
 - Termination of Employee Insurance - 15
 - Termination of Employment Exceptions - 15
- Termination of the Policy
 - The Policy - 38
- Termination of Waiver of Premiums
 - Life Insurance Benefit - 19
- The Policy
 - Amendments - 38
 - Assignment of Insurance - 39
 - Conformity with the Law - 39
 - Contesting a Person's Insurance - 39
 - Contesting the Policy - 39
 - Currency of Payment - 39
 - Gender - 39
 - Non-Participation - 39
 - Termination of the Policy - 38
 - The Entire Contract - 38
- Time Limit on Legal Action
 - Payment of Claims - 33
- Time of Payment
 - Payment of Premiums - 36
- Transfer of Benefits
 - Amount Transferred - 14
 - Concessions Granted - 14
 - Coverage for Pre-existing Conditions - 14
 - Effective Date of Transfer - 14
 - Eligibility - 14
 - Transfer of Coverage - 14
- U**
- Uniform Practices
 - Administration of the Policy - 34
- V**
- Vocational Plan (Vocational Rehabilitation)
 - Definitions - 11
- Vocational Rehabilitation Expense Benefit
 - Long Term Disability Benefit - 28
- W**
- Waiting Period
 - Definitions - 11
 - Employee Life Insurance - 3, - 5, - 7
 - Long Term Disability - 4, - 6
- Waiver of Premiums
 - Conversion When Waiver Ceases
 - Life Insurance Benefit - 20
 - Definition of Total Disability or Totally Disabled - 17
 - Employee Life Insurance - 3, - 5, - 7
 - Entitlement Criteria - 18
 - First Premium Waived
 - Life Insurance Benefit - 20
 - Life Insurance Benefit - 17
 - Life Insurance Coverage Continued
 - Life Insurance Benefit - 20
 - Long Term Disability Benefit - 30
 - Recurrent Disability - 20
 - Termination of Waiver of Premiums - 19
- Who May Choose an Option
 - Life Insurance Benefit - 17