

EMPLOYEE BENEFITS BOOKLET



INTRODUCTION

Your employer has entered into an agreement with **Jones DesLauriers** for **The Empire Life Insurance Company (Empire Life)** to provide you with a plan of group insurance benefits.

This information booklet has been prepared in order to give you an informal summary of the benefits and provisions of your Plan. It does not constitute the group Policy and is not a contract of insurance, nor does it confer or grant any contractual or other rights. All rights under this Plan will be governed solely by the provisions of the group Policy and by applicable law.

In the event of any discrepancy between this booklet and the group Policy, the terms and provisions of the group Policy apply.

The booklet contains important information concerning your group insurance coverage. As at the print date, this is the most current version of your group insurance benefits and replaces any previous booklet.

Should you have any questions, please contact the Administrator, Adminplex at:

1-844-994-9989

Sherwin-Williams Company

Policy Number: JDP00001A

SCHEDULE OF BENEFITS

Eligibility Period: One month's continuous employment
Minimum Hours Per Week: 35

BASIC LIFE

Benefit: Two times Annual Salary rounded to the next highest \$1,000, subject to a minimum benefit of \$25,000
Maximum Benefit: \$1,000,000
No Evidence Limit: \$750,000
Reduction: 50% at age 65
Termination: Earlier of age 70 or prior retirement
Waiver of Premium: To age 65 or prior retirement
Own Occupation Period: 2 years from the start of any benefit period for the purposes of the "Total Disability" definition for the Waiver of Premium Benefit.
Elimination Period: For the purposes of the Waiver of Premium Benefit
180 days

Employee Optional Life Insurance Benefit

Benefit: Units of \$10,000 to a maximum of \$250,000 for you or \$200,000 for your spouse
Evidence of Insurability: Evidence of insurability is required for all amounts of insurance
Termination Age: Employee's 65th birthday or prior retirement.

SCHEDULE OF BENEFITS

LONG TERM DISABILITY

Benefit:	60% of monthly earnings rounded to the next higher \$1
Benefit Maximum:	\$10,000
Elimination Period:	180 days
Integration:	Primary CPP/QPP Benefits
Benefit Period:	To age 65, earlier recovery or death
No Evidence Limit:	\$10,000
Own Occupation Period:	24 months
Cost of Living Adjustment:	None
Survivor Benefit:	None
Termination Age:	Age 65 less the Elimination Period or prior retirement
Tax Status:	Benefits payable under this Provision are Non Taxable if the entire Long Term Disability premium is paid by you. Benefits are Taxable if any portion of the Long Term Disability premium is paid by your Employer.

GENERAL PROVISIONS

DEFINITIONS

"Actively at Work" will mean, any day you are actively at work performing all the usual and customary duties of your job for the scheduled number of hours for that day. This includes scheduled non-working days and periods of continuous paid vacation if you were actively working on the last scheduled working day. You are not considered actively at work if you are receiving disability benefits.

"Child" means a Resident who is a natural child, stepchild, or legally adopted child or ward of the Employee or of the Spouse, and who normally resides with the Employee or with the Spouse in a regular parent-child relationship and who is being claimed as a dependant of the Insured Employee or of the Spouse for Income Tax purposes.

"Eligibility Period" means the period of continuous employment with your Employer which you must complete before you are eligible for benefits under this Plan.

"Government Health Insurance Plan" means the provincial or federal legislation and the regulations pursuant to such legislation, as amended from time to time, which provide government sponsored hospital, drug, dental or other medical care benefits for Residents of Canada, including but not limited to provincial Dental Care Plans, provincial Health Insurance Plans, provincial Hospital Insurance Plans, provincial Medicare Plans, federal or provincial medical or dental care and services Acts, and the Canada Health Act.

"Leave of Absence" means a period of absence from work for which the dates are fixed by legislation or by mutual agreement between you and your Employer.

"Person Insured" means you and your insured Dependants.

"Physician" means a physician or surgeon or a specialist medical doctor duly qualified and legally licensed by the jurisdiction in which he operates, who prescribes and administers medical treatment and drugs professionally or performs surgery within the scope of his licence, and who specializes in a particular branch of medicine and who is neither insured for benefits under this Plan nor related by blood or marriage to the Person Insured.

"Plan" means the benefits under the group Policy for which your Employer has submitted an application and has been approved by Empire Life and the Administrator.

"Pregnancy/Parental Leave of Absence" means any formal pregnancy or paternal leave taken pursuant to Provincial or Federal Law or pursuant to mutual agreement between you and your Employer.

"Resident" means a person who is legally entitled to be or to remain in Canada and who makes his/her home, and is ordinarily present, in a province or territory of Canada and who is insured under a Government Health Insurance Plan

"Spouse" means a Resident person of the same or opposite sex

- a) who is legally married to you and continuously resides with you, or
- b) who is not married to you but is living in a conjugal relationship and has been continuously residing with you for at least 1 year and in respect of whom written request is made by you to extend the insurance under this Plan. Upon written request by you, the insurance under this Plan will be extended immediately for such named person upon the natural birth or adoption of a Child of this union.

Only one Spouse shall be eligible for coverage under this Plan at any one time.

ELIGIBILITY

You are eligible for coverage under this Plan if you:

- have satisfied the Eligibility Period;
- have not reached the Termination Age of each respective benefit as specified in the Schedule of Benefits;
- are a Resident who is regularly scheduled to work the Minimum Hours Per Week; and
- are Actively at Work.

EVIDENCE OF INSURABILITY

If your written request for coverage is received within 31 days of being eligible, Evidence of Insurability will only be required for any amounts in excess of the respective No Evidence Limits, as specified on the Schedule of Benefits.

After you have become insured under the Plan, if the No Evidence Limit is increased, your coverage will be held at the No Evidence Limit in effect prior to the increase if you previously provided Evidence of Insurability and the evidence provided resulted in coverage being declined.

Should your written request for coverage be received after 31 days of becoming eligible for coverage and the Plan is mandatory, premiums are payable from the date you became eligible. If however, the Plan is non-mandatory, you will be required to submit Evidence of Insurability for all insurance. Coverage will not become effective until evidence has been reviewed and approved. For further information, please contact the Administrator.

LIMITATION OF ACTIONS

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract (the Policy) is absolutely barred unless commenced within the time set out in the Insurance Act (for British Columbia, Alberta and Manitoba), the Limitations Act, 2002 (for Ontario), or other applicable legislation (for all other provinces and territories).

TERMINATION OF COVERAGE

Your benefits will terminate whenever one of the following first occurs:

- termination of employment; or
- premiums are not submitted on your behalf; or
- the group Policy is terminated; or
- you no longer satisfy one or more of the eligibility requirements above.

PAYMENT OF CLAIMS

All claim forms are available from your employer's group plan administrator.

Life Insurance

The beneficiary must contact the Plan Administrator to obtain all required claim forms and submit a claim for the insured amount to the Administrator. You have 90 days to submit the required proof of any death claim. Any death benefit due will be paid to the named beneficiary, if living. Otherwise it will generally be paid to the estate.

Disability Insurance

Benefits are payable to you after expiry of the elimination period provided proof of claim has been received and your claims has been approved. The claim form must be completed by you, the employer and the attending physician and then forwarded to the Administrator as soon as possible. You have 90 days to submit the required proof of any disability claims.

Fraudulent or False Claims

Empire Life reserves the right to audit all claims at any stage even if payment has already been made, and to take any necessary action to detect and investigate fraudulent or false claims under the Policy.

Notwithstanding any other Provision of the Policy, Empire Life may suspend all rights and all benefits of you and your Insured Dependants, without prior notice, upon 1) the initiation of a claim investigation by Empire Life 2) the discovery of a claim discrepancy, or 3) receipt of a claim that includes any false, inaccurate, incomplete or misleading information material to the claim.

If Empire Life reasonably determines that the Person Insured has:

- a) submitted or allowed to be submitted a claim that includes any false, inaccurate, incomplete or misleading information material to the claim, and/or
- b) failed to co-operate in good faith during the claim investigation by Empire Life, and/or
- c) failed to provide evidence to support the claim to the satisfaction of Empire Life,

Empire Life may, at its reasonable discretion and without prior notice, immediately terminate all rights and all benefits of you and your Insured Dependants under this Policy.

If the claim has been paid to you, Empire Life may exercise any rights available under the Policy and it may recover any overpaid amounts from any amounts owed to you under any Provision of the Policy.

Empire Life also reserves the right to undertake criminal prosecution and/or pursue civil action.

ACCESS TO PERSONAL INFORMATION

At Empire Life and the Administrator, we create enrollment, medical and claims files in order to determine the amount of coverage you and/or your dependants (if applicable) are eligible for and to process any claims you or your dependants may incur. The information contained in these files, which is used by various departments, may allow you and/or your dependants to be identified. However, any file containing your medical status is accessible only to authorized individuals within our Medical Underwriting and Claims Departments.

Subject to the exceptions established by applicable law, you may request access to your files either in person, by showing proper identification at our Head Office, or by contacting our Head Office in writing with your request. You have the right to rectify any information which is incorrect (dependent on the circumstance, proof may be required) in your file and also to have any information reproduced and transmitted to you for a reasonable charge. If you prefer, you may contact the Administrator with your request and they will communicate your request to the Head Office of Empire Life in Kingston, Ontario. Telephone numbers and mailing addresses for the Empire Life Head Office can be obtained from the Administrator.

You may request a copy of your group insurance enrollment form or application and any record or written statement not otherwise part of the application that you provided to the Administrator or Empire Life as evidence of insurability. On reasonable notice you may also request a copy of the group Policy. First copies will be provided at no cost to you but a fee may be charged for subsequent copies.

LIFE INSURANCE BENEFIT

AMOUNT OF INSURANCE

The amount of your Basic Life Insurance coverage is described on the Schedule of Benefits page. You may be required to submit Evidence of Insurability. If you are, you will only be insured for the No Evidence Limit until the evidence is approved.

You may, at your option, purchase Optional Life Insurance as outlined on the Schedule of Benefits page. Your Plan administrator can tell you the cost of this optional coverage.

If you are interested, you will be asked to complete a statement of health form and your optional insurance will only be effective when Empire Life approves the evidence of health you have provided.

ANNUAL SALARY

Where used in this Provision and on the Schedule of Benefits with respect to you, means the regular annual fixed gross remuneration or its annual equivalent you receive from your employer but will not include, unless otherwise approved by Empire Life, overtime pay, commissions, overridings, bonuses, allowances, dividends or any form of remuneration which is not predetermined.

Notwithstanding the above, and subject to approval by Empire Life, if your Annual Salary is derived in whole or in part from commission and/or bonus, Annual Salary will also include the average annual commission and/or bonus (based on your employer's bonus program) received over the preceding 2 calendar year(s) by you from your employer. Commissions and/or bonuses will be verified by your employer along with satisfactory T4 and/or T4A tax forms provided to Empire Life.

In the event that you have not been employed by your employer, and have not received commissions and/or bonus over the preceding 2 calendar year(s), your income will be calculated based on estimates provided by your employer, from time to time, as approved by Empire Life in writing.

The estimate, to be verified with your employer when a claim is submitted, must reflect a reasonable expectation of the total income to be earned, including commission and/or bonus, if applicable. The benefit payable will be based on the lesser of:

- a) actual earnings, and
- b) estimated level of earnings on which premiums were paid.

A premium refund will be made to your employer if actual earnings at time of claim are less than the estimated earnings.

DEATH BENEFIT

The amount of life insurance for which you are covered will be payable upon your death to your last named beneficiary.

APPOINTMENT OF BENEFICIARY

Your beneficiary will be as designated in your individual group enrolment form filed with your Employer and/or the Administrator, or, if applicable, as designated under your previous carrier's coverage. The group enrolment form may be electronically signed and transmitted by you using a process pre-approved in writing by Empire Life. If your designation is carried over from your previous carrier's coverage we recommend you review the existing designation to ensure it reflects your current intention. The most recent designation will apply.

You may name anyone you please as your beneficiary, and you may change your beneficiary at any time, subject to the laws of your province by filing written notice with the Administrator. If you do not appoint a beneficiary, or if your beneficiary predeceases you, the death benefit will be payable to your estate.

WAIVER OF PREMIUM

If you become Totally Disabled, as defined below, you may qualify to have your life insurance continue until you reach age 65 without payment of any premiums. To be eligible, you must be disabled before your 65th birthday or your retirement, whichever occurs first, and you must have been unable to work throughout the Elimination Period as shown in the Schedule of Benefits before the premium will be waived.

"Total Disability/Totally Disabled" means during the Elimination Period and the Own Occupation Period, if any, as shown on the Schedule of Benefits page, such a continuous state of incapacity resulting from injury or sickness that you will be completely prevented from performing the essential duties of your own occupation at your own or any workplace. After the expiration of the Own Occupation Period, if any, it means such a continuous state of incapacity resulting from injury or sickness that you will be completely prevented from engaging in any gainful occupation or from performing any work for remuneration or profit for which you are reasonably fitted by education, training or experience.

The availability of work will not be considered by Empire Life in assessing your Total Disability.

If you must hold a permit or licence, including a driver's licence, to perform your duties, you will not be considered Totally Disabled solely because such a permit or licence has been withdrawn or not renewed.

LIVING BENEFIT

If you are under age 62 and suffer a terminal illness from which death is expected within 24 months and you have been approved for the Waiver of Premium Benefit above, you may qualify for a Living Benefit. A Living Benefit is an advance payment of a portion of the amount of your Basic Life coverage described on the Schedule of Benefits page.

The Living Benefit consists of 50% of the amount of your Basic Life coverage to a maximum of \$50,000.

Upon your death, the Death Benefit will equal the sum insured on your date of death less the Living Benefit paid and the interest accrued on the Living Benefit.

CONVERSION PRIVILEGE

Should you leave your Employer's service while the group Policy is in force and before you turn 65 years old, you may arrange to convert that portion of your Life Insurance, without medical examination, to an individual policy of any one of the standard level premium Life, Term to Age 65 or One Year Term plans then being issued by Empire Life, provided application for the converted policy is made within 31 days of termination of employment. The amount will be limited to the lesser of:

- a) the amount of your Life Insurance to a maximum of \$200,000 (or the amount required by provincial legislation, if applicable); and
- b) the difference between your amount of Life Insurance in effect upon termination and the amount of life insurance for which you are or become eligible for within the 31 day conversion period.

EXCLUSIONS

If your death results from suicide or any self-inflicted injury or illness, whether or not you are of sound mind at the time, the Employee Optional Life Insurance under this Provision will not be payable if such death occurs:

- a) within two years of the effective date of the Employee Optional Life Insurance, or
- b) within two years of the effective date of each increase in the amount of Employee Optional Life Insurance.

OPTIONAL SPOUSAL LIFE

If you have elected optional insurance for your Spouse and satisfactory evidence has been sent to and approved by Empire Life, then your Spouse is insured for Optional Spousal Life insurance described on the Schedule of Benefits. If your Spouse dies, this amount will be payable to you. However, if death occurs within two years of the effective date of the Optional Spousal Life insurance or within two years of the effective date of each increase in the amount of Optional Spousal Life insurance, and death resulted from suicide or any self-inflicted injury or illness, whether or not the Spouse is of sound mind at the time, then the Optional Spousal Life insurance will not be payable.

EXCLUSIONS

Optional Spousal Life insurance does not include waiver of premium or conversion privilege.

LONG TERM DISABILITY BENEFIT

AMOUNT OF MONTHLY BENEFIT AND COVERAGE

Long Term Disability Insurance provides you with regular income to replace salary or wages lost because of a lengthy disability due to an injury or sickness. The amount of your Long Term Disability Benefit, the date that benefits commence, and the maximum duration of benefits, are as indicated on the Schedule of Benefits page.

If you become disabled due to Injury or Sickness, Empire Life will pay you in accordance with the foregoing or until you recover, whichever occurs first. Benefits will be directly reduced by (i) the amount of any benefits you are entitled to under the Canada/Quebec Pension Plan as outlined on the Schedule of Benefits page (ii) any disability benefit you are entitled to under an automobile insurance plan deemed to be first payor of benefits, and, (iii) any disability payment you are entitled to under any workplace safety legislation (e.g. Workplace Safety and Insurance Act, 1997) or similar legislation. Benefits may be further reduced to the extent that your income from all sources exceeds 85% of either:

- a) your pre-disability earnings if benefits are taxable as stated on the Schedule of Benefits; or
- b) your pre-disability Take-Home pay (i.e. income less income tax) if benefits are not taxable as stated on the Schedule of Benefits.

Other sources include CPP/QPP, any other group or franchise insurance plan providing benefits for disability, any salary continuation, retirement or disability plan of your employer, any workplace safety legislation (e.g. Workplace Safety and Insurance Act, 1997, or similar legislation), any other government-sponsored insurance or pension plan, or any salary replacement cash dividend income received from your employer while receiving Long Term Disability benefits from Empire Life, if your Monthly Earnings includes salary replacement cash dividend income.

DEFINITION OF DISABILITY AND EARNINGS

Benefits paid under this Plan are taxable if your employer pays any portion of the premium for this benefit.

"Total Disability" means during the Elimination Period and the Own Occupation Period shown on the Schedule of Benefits page, such a continuous state of incapacity resulting from Injury or Sickness that you will be completely prevented from performing the essential duties of your own occupation, at your own or any workplace. After the expiration of the Own Occupation Period, if any, it means such a continuous state of incapacity resulting from Injury or Sickness that you will be completely prevented from engaging in any gainful occupation or from performing any work for remuneration or profit for which you are reasonably fitted by education, training or experience. In no event will any benefits be paid for any period in which you are not under the continuing care of an appropriate licensed physician qualified to treat the specific ailment or if you fail to cooperate and participate in an appropriate treatment program satisfactory to Empire Life, unless the payment of benefits in such circumstances has been pre-arranged by Empire Life.

The availability of work will not be considered by Empire Life in assessing your Total Disability.

If you must hold a permit or licence, including a driver's licence, to perform your duties you will not be considered Totally Disabled solely because such a permit or licence has been withdrawn or not renewed.

"Accident" shall mean a single, sudden, violent, unintended, unexpected, external event that causes a disability, independent of any other cause.

"Earnings" mean your regular monthly rate of income received from your employer excluding commissions, overtime pay, bonuses, dividends or other special allowances.

Subject to approval by Empire Life, Earnings will also include the average monthly commission and/or bonus received from your employer over the preceding 2 calendar year(s). If applicable, commission and/or bonus will be verified by your employer and Empire Life will be provided with satisfactory T4 and/or T4A forms.

Any changes in Earnings must be submitted in writing by your Employer to our Head Office as your insured benefit is based on Earnings reported to our Head Office prior to the date of disability, and will determine the amount of disability benefit you will receive if you become disabled.

"Elimination Period" means the initial period of your continuous Total Disability during which no Long Term Disability Benefit is payable. The duration of the Elimination Period is shown on the Schedule of Benefits.

"Injury" means accidental bodily injury sustained by you, while this Provision is in force, which directly and independently of all other causes results, within 90 days of the date of the Accident, in Total Disability as hereinafter defined.

"Medical Care" will mean any necessary medical investigation, tests, diagnosis, treatment, services, care, attendance, consultation, medical advice, planned or pending surgery, drugs and medicines (either prescription or non-prescription), or referral to another health care professional, as a result of a diagnosed or undiagnosed medical condition. Medical Care must be ordered by a Physician or other authorized health care professional in the treatment of the Sickness or Injury.

"Motorized Vehicle" means a vehicle that is drawn, propelled or driven by any means other than muscular power, including but not limited to an automobile, motorcycle, boat, snowmobile, all-terrain vehicle, personal watercraft or farm equipment.

"Sickness" means any illness or disease not specifically excluded elsewhere in this Provision, which causes Total Disability as defined above, while this Provision is in force. Any disability which is caused by, or is contributed to by, accidental bodily injury and which commences more than 90 days after the date such Injury is sustained, will be deemed to be resulting from Sickness. Any infection, other than a pyogenic infection, occurring through and at the time of an accidental cut or wound, will also be deemed to be as resulting from Sickness.

"Substance Abuse" includes, but is not limited to: (i) the abuse of medication (prescribed or non-prescribed), drugs or alcohol; (ii) the use of illegal or experimental drugs or products; (iii) any other drug addiction or substance abuse disorder; and (iv) any condition arising from the abuse of such medication, drugs or alcohol.

"Take-home Pay" means your Earnings less the federal and provincial income taxes payable on such income.

WAIVER OF PREMIUM

If you are receiving benefits, premiums for the Long Term Disability Benefit will be waived.

YOUR RESPONSIBILITIES

During any period of Total or Partial Disability, you must make reasonable efforts to:

- a) facilitate recovery from the Injury or Sickness that caused the Total Disability,
- b) participate in any reasonable Medical Care and/or rehabilitation program,
- c) accept any reasonable offer of modified duties from your employer,
- d) return to your own occupation, or prepare to return to work in another occupation if it becomes apparent that you will not be able to return to your own occupation, and
- e) obtain any benefits that may be available from other sources.

If you fail to comply with any of these responsibilities, Empire Life may withhold or discontinue benefits.

RECURRENCE OF DISABILITY

If you return to active full-time employment, and while the group Policy is in force you again become disabled within 180 days due to the same cause, the benefits will commence immediately without any further waiting period. If such disability commences after 180 days of active full-time employment, the second disability will be subject to a new waiting period before you can again receive benefits.

REHABILITATION

If you receive Long Term Disability benefits you may be required to participate in a rehabilitation program to assist you in returning to gainful employment, either to your pre-disability occupation or to another occupation. Benefit payments will only be reduced by half of the income received from the program.

The decision to approve or discontinue a rehabilitation program will be made solely by Empire Life, which is under no obligation to approve or continue rehabilitation.

Any Long Term Disability Benefit payable may be further reduced so that the income received from such rehabilitation program together with the total income received from all sources does not exceed 100% of your Indexed Pre-Disability Earnings.

Indexed Pre-Disability Earnings means:

- a) In the first year of your disability the average of:
 - Monthly Earnings, if the Long Term Disability Benefit is taxable, or
 - Take-home Pay if the Long Term Disability Benefit is non-taxable, during the 12 month period immediately prior to commencement of Total Disability.
- b) After the first year of your disability:
 - the previous year's Indexed Pre-Disability Earnings will be increased on each anniversary of the date of disability only if you are participating in a paid return to work program approved by Empire Life.

The amount of each annual increase will equal the lesser of (a) the rate of the annual increase in the annual Consumer Price Index as published by Statistics Canada (or similar index published by a government agency succeeding Statistics Canada) for the preceding calendar year or (b) 10 percent.

Any expenses associated with a rehabilitation program approved by Empire Life, other than normal employment expenses such as transportation, will be paid by Empire Life as long as Empire Life approves the expenses in advance. Expenses will not be covered if Empire Life notifies you that the rehabilitation program is no longer approved or that it will no longer accept previously approved expenses

If you cease to be available, co-operate or participate in a rehabilitation program approved by Empire Life, you will no longer be entitled to Long Term Disability Benefits. If you are not participating in a rehabilitation program because of a change in your medical status, Empire Life will require medical evidence documenting how your inability to continue with the rehabilitation program is due to a covered Injury or Sickness.

PARTIAL DISABILITY

Partial Disability occurs when, as a result of your Total Disability, you:

- a) are able to perform one or more, but not all of the essential duties of your own occupation on a full-time or part-time basis; or
are able to perform all of the essential duties of your own occupation on a part-time basis; and
- b) still require the regular attendance of a Physician; and
- c) earn greater than 15% of your Indexed Pre-Disability Earnings.

Payment and Duration of the Partial Disability Benefit

Payment of a Partial Disability Benefit will be made if (i) Partial Disability (for the same or related cause) follows a period of Total Disability equal to the Elimination Period shown on the Schedule of Benefits, plus one day or more, and (ii) you earn more than 15% of your Indexed Pre-Disability Earnings.

The Partial Disability Benefit will be equal to the Long Term Disability Benefit less 50% of the income earned during the same period and is payable only during the Own Occupation Period shown on the Schedule of Benefits.

Any Long Term Disability Benefit payable may be further reduced so that the income received from all sources does not exceed 100% of your Indexed Pre-Disability Earnings.

SURVIVOR BENEFIT

A survivor benefit will be paid in a lump sum to your beneficiary if you die while receiving benefits under the group Policy provided that your current disability has continued for a period of six months beyond the Elimination Period indicated on the Schedule of Benefits and your Long Term Disability premiums are being waived.

You may appoint a beneficiary at the time you submit your Long Term Disability claim; however, if a beneficiary is not appointed at that time, the Survivor Benefit will be paid to the last recorded beneficiary for any other death benefits that may be payable under the group Policy.

This benefit will be equal to the Long Term Disability Benefit times the number of months indicated on the Schedule of Benefits.

COST OF LIVING ADJUSTMENT

The Long Term Disability Benefit will be increased by a Cost of Living Adjustment (COLA) equal to the lesser of the percentage shown on the Schedule of Benefits and the average rate of increase in the Consumer Price Index (CPI) for the 12 month period ending 3 months prior to the anniversary of the first benefit payment.

No reduction will be made to your benefit if there is a decrease in the CPI.

The COLA will be applied to your benefit on each anniversary of the first benefit payment.

LIMITATIONS

- 1) No Long Term Disability Benefit is payable for disabilities that result from Substance Abuse, unless you are receiving and complying with continuous treatment for such Total Disability from a rehabilitation centre, a provincially designated institution, or you are actively involved in and following a program of rehabilitation which is supervised by a Physician and approved by Empire Life.
- 2) No Long Term Disability Benefit is payable for any period during which you are serving a sentence

for a criminal offence and are confined in a prison or other place of detention including but not limited to, a hospital, mental institution, a halfway facility or private residence (under house arrest).

PRE-EXISTING CONDITIONS

No benefit is payable if, during the first 12 months of Long Term Disability coverage under this Plan, total disability results from a pre-existing condition. A pre-existing condition is one for which you received Medical Care by a Physician or other health care professional, or for which medication (either prescription or non-prescription) was recommended by a Physician or other authorized health care professional, during the 90 day period immediately prior to the effective date of your insurance.

Empire Life reserves the right to request clinical notes and records from your primary care Physician or any other health care professional who provided Medical Care to you.

Generally, the twelve month period will have to be fully satisfied from the reinstatement date upon reinstatement of coverage. However, if the reinstatement immediately follows a leave of absence or lay-off of which Empire Life has been notified in advance, then the periods before and after the leave of absence or lay-off will be combined to satisfy the twelve month requirement.

EXCLUSIONS

No benefit is payable if your disability results directly or indirectly from:

- any self-inflicted injury or illness, unless medical evidence establishes that such injury or illness resulted from a mental health illness;
- the voluntary or intentional inhalation or administration of drugs, poison, poisonous substances, gas or fumes;
- insurrection, war, invasion, enemy acts, civil war, rebellion, revolution, military power, usurped power or hostilities of any kind, whether war is declared or not;
- any armed conflict or service in the armed forces;
- voluntary participation in a riot or any disturbance of the public order;
- the participation in, or attempt to participate in, a criminal offence, under any applicable law whether or not convicted with such offence;
- treatments rendered for cosmetic purposes (as determined by Empire Life) except when such treatment is necessitated by accidental injury; or
- the operation of a Motorized Vehicle while your ability to drive is impaired as a direct result of Substance Abuse or while your drug or alcohol levels exceed the maximum levels allowable by law in the jurisdiction where the Accident occurred.

For any disability incurred prior to or during a Pregnancy/Parental Leave of Absence, the Elimination Period may commence or continue during the period:

- of formal Pregnancy or Parental Leave taken pursuant to Provincial or Federal law or pursuant to mutual agreement between you and your Employer; or
- for which Employment Insurance pregnancy or parental benefits are paid; or
- commencing on the earlier of the elected date of a formal Pregnancy or Parental Leave or the delivery date; however,

no payment will commence or continue until the later of the completion of the Elimination Period and the scheduled return to work date.

No benefits commence or continue during any period you are not a resident of Canada for a minimum of 6 months in any 12 month period.

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www.empire.ca info@empire.ca

