

FORTIS
BENEFITS PACKAGE
FOR COPE 378 MEMBERS

2006

POLICY SUMMARY

POLICY NUMBER: 961921 **POLICY EFFECTIVE DATE:** September 1, 2000

POLICYHOLDER: FORTISALBERTA INC.

POLICY ANNIVERSARY: January 1, 2001 and annually on January 1 thereafter.

PREMIUM DUE DATES: The Policy Effective Date and the first day of each succeeding calendar month.

This policy is issued in consideration of the Policyholder's application and payment of premiums, and shall take effect on the Policy Effective Date.

This policy is delivered at the Policyholder's head office. The Policy Specifications and the conditions and provisions in this and the following pages, including any amendments or riders included at issue or added thereafter, are part of this policy.

THE MARITIME LIFE ASSURANCE COMPANY has executed this policy as of the Policy Effective Date at Vancouver, Canada.

Countersigned

Amendment No. 12
June 1, 2004

DEFINITIONS

These terms, where used in this policy, shall have the following meanings:

Actively at Work shall mean an employee is actively engaged in the performance of work for the employer. For purposes of this Plan, an Employee shall begin to be Actively at Work on the date the employee actually starts to perform work for the employer. Actively at Work shall include statutory holidays and vacations.

Benefit Year shall mean the 365-day period commencing on each January 1.

Contributory shall mean the employee has to pay part of the insurance premium.

Dependent shall include only the following persons who are residents in Canada:

- a) For B.C. Union Employees (Classes 101, 102, 103 and 104): each child* of an Employee. A dependent child shall include children of the marriage, legally adopted children, and children of the Employee's Spouse. To be considered a dependent, the child must be unmarried, not employed on a regular and full-time basis, and under 19 years of age. A child age 19 to 24 inclusive will be considered a dependent if in full-time attendance at an accredited educational institute, college or university. A student whose normal residence is in Canada will also be considered a Dependent when attending school outside Canada provided the student meets the definition of a Dependent.

For all other classes: each child* of an employee. A dependent child shall include children of the marriage, legally adopted children, and children of the employee's spouse. To be considered a dependent, the child must be unmarried, not employed on a regular and full-time basis, and under 21 years of age. A child age 21 to 24 inclusive will be considered a dependent if in full-time attendance at an accredited educational institute, college or university. A student whose normal residence is in Canada will also be considered a Dependent when attending school outside Canada provided the student meets the definition of a Dependent.

* from live birth with respect to Dependent Life Insurance, where provided under this Policy

A child of the employee's spouse shall be considered a dependent only if:

- i) he/she is also the employee's child; or
- ii) the spouse is living with the employee and has custody of the child.

Dependent (continued)

Any functionally impaired child who was covered as a dependent shall remain covered beyond any limiting age for dependents. For the purposes of insurance, functionally impaired shall mean an unmarried person who was insured as a dependent prior to becoming functionally impaired who is not receiving payments from an aid program and is incapable of self-sustaining employment due to a functional impairment specified in a government regulation and who is wholly dependent upon the employee for support and maintenance.

- b) the spouse of an employee, which includes:
 - i) a person married to the employee as a result of a valid civil or religious ceremony; or
 - ii) a person whose relationship with the employee was for a minimum period of 12 consecutive months immediately prior to the date on which a claim arose, provided the existence of such relationship could be established to the satisfaction of the Insurer
 - iii) a person who lives with the Employee and with whom the Employee has a child

A common law relationship must include continuous cohabitation and public representation of married status. If the employee has been married to more than one person, the term spouse shall mean only the person to whom the employee was most recently married, using the above criteria.

Dependent shall not include:

- a) a person divorced from the employee; or
- b) a person separated from the employee where such separation is pursuant to a court order or a legal separation agreement, or the parties are living separate and apart without benefit of a court order or separation agreement; or
- c) a person cohabiting with the employee without public representation of married status.

Due proof shall mean written evidence of loss satisfactory to the Insurer.

Earnings with respect to all employees excluding salespersons, shall mean the employee's normal earnings and shall not include bonus, overtime, incentive pay and automobile allowance.

Employee shall mean the following persons who are resident in Canada:

- a) An active, full-time salaried, non-union or United Utility Workers' Association (UUWA) Employee whose customary employment with the Employer is for 37.5 or more hours per week.
- b) A part-time employee salaried, non-union or United Utility Workers' Association (UUWA) employee who works a minimum of 15 hours per week.
- c) A temporary term employee with a contract of six months or longer, as defined in the United Utility Workers' Association (UUWA) collective agreement.
- d) An employee of FortisAlberta Inc.* who retires between January 1, 2002 and December 31st, 2009.
- e) An Employee of Aquila Networks Canada (British Columbia) Ltd. or FortisAlberta Inc.* who retires between January 1, 2002 and December 31st, 2009.

* effective June 1, 2004

- f) An IBEW member who is:
 - A regular full-time, regular part-time or term Employee;
 - A member of International Brotherhood of Electrical Workers (IBEW) – Local 213; or
 - A member who is actively at work at least 20 hours per week.

If there is a break in service of 90 days or less, benefits that have been qualified for are reinstated.

Note: A term employee shall mean temporary employee as defined in the collective agreement.

- g) A COPE member who is:
 - A regular full-time, regular part-time or term Employee;
 - A temporary Employee hired for a contract period of 60 days or longer or who exceeds 975 hours in a calendar year;
 - A member of the Canadian Office and Professional Employees' Union (COPE) – Local 378; or
 - A member who is actively at work for at least 20 hours per week.

A temporary COPE Employee is initially given 10% pay in lieu of benefits. After 60 calendar days, the Employee can elect to give up the 10% pay in lieu of benefits and join the benefit plan. After 975 worked hours in a Calendar Year, the Employee must join the benefit plan.

If there is a break in service of 90 days or less, benefits that have been qualified for are reinstated.

Note: A temporary Employee shall no longer be eligible for benefits with the exception of grandfathered employees.

- h) A Retired Employee who is:
 - An employee who retired prior to the effective date;
 - An employee who retires on or after the effective date

Grace period shall be the period that starts on the premium due date and continues for 45 consecutive days inclusive.

Gross earnings shall mean the employee's normal earnings including Federal and Provincial Income Tax.

Injury shall mean a bodily injury caused by external violent and accidental means.

Insured shall mean an employee or dependent who qualifies for Insurance as outlined in the Eligibility section.

Insurance records shall include enrollment cards, beneficiary designations, premium records and the contract.

Leave of Absence shall mean a period of time away from work mutually agreed to by the Employer and Employee. In the case of maternity or parental Leave of Absence, the leave shall begin on the earliest of:

- i) the elected start date of the maternity or parental leave,
- ii) the date of delivery, or
- iii) the date the Employer may require the Leave of Absence to commence if the Employee's performance is affected by the pregnancy. Such leave shall terminate on the later of the date defined by Provincial or Federal Statute, or the date agreed to between the Employer and Employee.

Note: Part iii) may not apply to certain industries in certain provinces, as defined by the prevailing labour law, or Employment Standards Act.

Month shall mean a calendar month.

Net earnings shall mean the employee's normal earnings less Federal and Provincial Income Tax.

Noncontributory shall mean the employer pays all of the insurance premium.

Nonoccupational, with respect to injury, shall mean an injury which does not arise in the course of any employment for wage or profit. With respect to disease, nonoccupational shall mean a disease where a person is not entitled to any benefits under the Workers' Compensation law or similar legislation.

Physician shall mean a fully qualified medical doctor who is duly authorized and licensed to practice medicine in the province in which treatment is rendered, and who is registered and in good standing with the College of Physicians and Surgeons in such province.

Policy Year shall mean the period of time between any two Policy Anniversaries.

Spouse - refer to definition of "Dependent".

ELIGIBILITY AND CLASSIFICATION

Employer - Policyholder

The Policyholder named on the Policy Summary Page and the companies listed below are referred to as the employer in this policy.

Aquila Networks Canada (British Columbia) Ltd.

Employee Eligibility

This section defines the date an employee becomes eligible for insurance, not the date the insurance of an employee becomes effective.

Regular full-time and regular part-time employees of the employer and term employees shall be eligible for coverage on the later of the policy effective date or the date following the completion of the waiting period outlined in the Schedule of Insurance.

Date Insurance of Eligible Employee Becomes Effective

For Contributory coverage the insurance of an eligible employee shall become effective on the first day the employee is actively at work after the employee makes written application for such insurance, unless evidence of insurability is required. Evidence of insurability is required in the circumstances specified on page Eligibility - 3. An eligible employee cannot become insured unless evidence of insurability, where required, is approved by the Insurer. If evidence of insurability is required, the effective date shall be the first day the employee is actively at work after the approval.

For Non-Contributory coverage the insurance of an eligible employee shall become effective on the first day the employee is actively at work, unless evidence of insurability is required. Evidence of insurability is required in the circumstances specified on page Eligibility - 3. An eligible employee cannot become insured unless evidence of insurability, where required, is approved by the Insurer. If evidence of insurability is required, the effective date shall be the first day the employee is actively at work after the approval.

The actively at work requirement shall be modified where this policy is replacing another group insurance policy which terminated within 31 days of the effective date of this policy. In these circumstances the actively at work requirement shall be waived in respect of insurance amounts up to the lesser of the amount of insurance the employee was insured for under the previous policy and the amount of insurance the employee is eligible for under this policy. However no benefit is payable under this policy if the prior Insurer is bound contractually or as a matter of law to provide a benefit under the previous policy.

An increase in the employee's amount of insurance, and changes other than an increase, take effect on the date of such change, whether the employee is actively at work or not (excluding employees on Long Term Disability and Workers' Compensation disability leaves greater than six months in duration).

Dependent Eligibility

This section defines the date a dependent becomes eligible for insurance, not the date the insurance of a dependent becomes effective.

Each person who is a dependent of an employee shall be eligible on the later of the date the employee becomes eligible, or the date the person becomes a dependent as defined in the "Definitions" section.

Date Insurance of Eligible Dependent Becomes Effective

For Contributory coverage the insurance of an eligible dependent shall become effective on the date the employee makes written application for such insurance, unless evidence of the dependent's insurability is required or the dependent is confined. If an employee has one dependent insured under the policy, the employee is not required to make written application to insure additional dependents if no additional premium is required. Evidence of insurability is required in the circumstances specified on page Eligibility - 3. If evidence of insurability is required and/or the dependent is confined, the effective date of insurance shall be the first date the dependent is not confined on or after the date evidence of insurability, if required, is approved by the Insurer. In no event, will the dependent's insurance become effective before the employee's insurance becomes effective.

For Non-Contributory coverage the insurance of an eligible dependent shall become effective on the date the employee's insurance becomes effective, unless evidence of the dependent's insurability is required or the dependent is confined. If an employee has one dependent insured under the policy, the employee is not required to make written application to insure additional dependents if no additional premium is required. Evidence of insurability is required in the circumstances specified on page Eligibility - 3. If evidence of insurability is required and/or the dependent is confined, the effective date of insurance shall be the first date the dependent is not confined on or after the date evidence of insurability, if required, is approved by the Insurer. In no event, will the dependent's coverage become effective before the employee's insurance becomes effective.

Note: If the employer chooses to have full family enrollment under the policy, then the employee must make written application to insure all dependents, even if additional premium is not required.

Confinement shall include both home and hospital confinement. If the dependent is confined at home, confinement shall mean the dependent is unable to carry on any substantial part of the regular and customary duties or activities of a person in good health and of the same age and sex. This shall not postpone the effective date for a child born while the employee's dependents are insured under this policy.

Evidence of Insurability Required

For Classes 003 and 004, employees who do not apply for coverage when first eligible will receive Default coverage as determined by the Employer's Flexible Benefit Program. Default coverage amounts will be maintained on record with the Employer or the Plan Administrator. Please refer to the Schedule of Insurance page for specific evidence of insurability requirements.

For all other classes, the Insurer shall require satisfactory evidence of the employee's and/or dependent's insurability, without expense to the Insurer,

- 1) if any coverage is contributory, and the employee applies in writing for insurance more than thirty-one days after the employee's and/or dependent's date of eligibility; or
- 2) if the employee reapplies for employee and/or dependent insurance after insurance had been discontinued at the employee's request or because the employee did not make the required premium contribution to the employer; or
- 3) if the employee and/or dependent spouse has formerly exercised the conversion privilege under this policy, and the individual life insurance coverage is still in force.

The Insurer shall require satisfactory evidence of the employee's and/or dependent's insurability, at the expense of the Insurer,

- 1) for any amount of insurance in excess of any no-evidence limit specified in this policy.

The Insurer will pay the expense for a medical examination required for such excess amounts of insurance.

An employee who applies for insurance within 31 days of the effective date of this policy, may, in lieu of evidence of insurability, provide evidence that the employee was insured for similar coverage under a group insurance policy (insuring the same group as insured by this policy) which terminated within 31 days of the effective date of this policy. This provision does not apply to any amount exceeding the amount of insurance the employee was insured for under the previous policy. The amount and effective date of insurance will be subject to the same conditions applicable to the submission of evidence of insurability. No amounts of insurance in excess of a no-evidence limit will be effective until approved by the Insurer; or

- 2) if the employee applies for employee and/or dependent Optional Life Insurance, (where provided under this policy). The Insurer will pay the expense for a medical examination required for Optional Life Insurance.

Basis for Insurance

In accordance with the determination made by the employer, insurance shall be provided on a contributory basis for employees and dependents.

Employees in Class 004 shall contribute 100% towards the Long Term Disability coverage.

Employees in Classes 101, 102, 103 and 104 shall contribute 100% towards the Supplemental Life and Optional Life coverage.

Classification of Employees

Employees covered under this policy are classified as follows, subject to any deviation of coverage as chosen by the employee on the enrollment form:

<u>LIFE/LTD</u>	<u>Class Description</u>
003	E*LEX Eligible Employees with Basic Life and taxable LTD
004	E*LEX Eligible Employees with Basic Life and non-taxable LTD
101	Employees of OPEIU – Local 378
102	Temporary Employees of COPE – Local 378
103	Employees of IBEW – Local 213
104	Term Employees of IBEW – Local 213

<u>LIFE</u>	<u>Class Description</u>
105	Retired Out of Scope B.C. Employees
106	Retired Members of COPE – Local 378
107	Retired Members of IBEW – Local 213

LIFE INSURANCE
for Classes 003 and 004

Waiting Period: none

LIFE INSURANCE FOR EMPLOYEES:

Amount of Basic Insurance

1 x annual basic earnings, rounded to the next higher \$1,000 if not already a multiple thereof, subject to a maximum of \$500,000

No-Evidence Limit: \$500,000

Termination of Insurance: The date the employee retires, and as outlined in the Termination of Insurance section.

Amount of Optional Insurance

All employees under age 70 are eligible to apply for Optional Life Insurance in units of \$25,000 subject to a maximum benefit of \$750,000. Combined basic and optional life Insurance cannot exceed \$1,000,000.

No-Evidence Limit: Evidence of Insurability will be required for all amounts of Optional Life Insurance.

Note:

1. On the initial enrollment date, employees can elect the greater of \$150,000 or their amount of insurance in force prior to January 1, 2002, without providing evidence of insurability. The amount of insurance in force prior to January 1, 2002 is equal to the amount of Basic and Optional insurance coverage, less \$10,000.
2. The maximum amount of Optional Life insurance will be \$640,000 for employees that had coverage prior to September 1, 2000 and were covered under the previous grandfather arrangement. All future increases in coverage will be subject to evidence of insurability.

Termination of Insurance: The date the employee attains age 70 or earlier retirement, and as outlined in the Termination of Insurance section.

Waiver of Premium Benefit for Basic and Optional Life Insurance: to age 65

LIFE INSURANCE FOR DEPENDENTS:

Amount of Optional Insurance

Spouse:	All employees under age 70 are eligible to apply for an amount of Optional Life Insurance for their spouse in units of \$25,000 subject to a maximum of \$250,000. Amendment No. 2 January 1, 2002
Child:	All employees under age 70 are eligible to apply for an amount of Optional Life Insurance for their dependent children in units of \$5,000 subject to a maximum of \$25,000.

No-Evidence Limit for Optional Dependent Life Insurance: Evidence of Insurability will be required for all amounts of insurance in excess of \$25,000.

Note:

1. On the initial enrollment date, spouses can elect the greater of \$25,000 or their amount of insurance in force prior to January 1, 2002, without providing evidence of insurability.
2. The maximum amount of Optional Life insurance will be \$350,000. for spouses that had coverage prior to September 1, 2000 and were covered under the previous grandfather arrangement. All future increases in coverage will be subject to evidence of insurability.

Waiver of Premium Benefit for Optional Dependent Life Insurance: to the employee's age 65.

Termination of Insurance: The date the employee attains age 70 or earlier retirement, or the spouse attains age 70, whichever is earlier, and as outlined in the Termination of Insurance section.

LONG TERM DISABILITY
for Class 003

Waiting Period: none

Gross Monthly Benefit

70% of monthly earnings, rounded to the next higher \$1 if not already a multiple thereof, subject to a maximum benefit of \$ 15,000 per month.

No-Evidence Limit: \$10,000

Cost of Living Benefit:

The monthly benefit payable, after Reductions of Coverage have been applied, shall be increased annually beginning with the January 1st next following the date benefits commence. The amount of this increase shall be based on the increases in the Consumer Price Index, but shall not exceed 3%.

Qualifying Disability Period: 6 consecutive months prior to age 65

Note - If not continuous, the days the employee is disabled will be accumulated to satisfy the qualifying period provided no interruption is longer than 30 days, and the disability is due to same or related cause.

Reduction of Coverage: Canada/Quebec Pension Plan – Primary Benefits, including other standard reductions

All Source Maximum: 85% of employee's gross earnings

Definition of Disability: initial 24 consecutive months - own occupation; thereafter any occupation

Maximum Benefit Period: Last day of the month the employee turns 65.

Termination of Insurance: The date the employee attains age 65 or earlier retirement, and as outlined in the Termination of Insurance section.

LONG TERM DISABILITY
for Class 004

Waiting Period: none

Gross Monthly Benefit

55% of monthly earnings, rounded to the next higher \$1 if not already a multiple thereof, subject to a maximum benefit of \$ 15,000 per month.

No-Evidence Limit: \$10,000

Cost of Living Benefit:

The monthly benefit payable, after Reductions of Coverage have been applied, shall be increased annually beginning with the January 1st next following the date benefits commence. The amount of this increase shall be based on the increases in the Consumer Price Index, but shall not exceed 3%.

Qualifying Disability Period: 6 consecutive months prior to age 65

Note - If not continuous, the days the employee is disabled will be accumulated to satisfy the qualifying period provided no interruption is longer than 30 days, and the disability is due to same or related cause.

Reduction of Coverage: Canada/Quebec Pension Plan - Primary Benefits, including other standard reductions

All Source Maximum: 85% of employee's net earnings

Definition of Disability: initial 24 consecutive months - own occupation; thereafter any occupation

Maximum Benefit Period: Last day of the month the employee turns 65.

Termination of Insurance: The date the employee attains age 65 or earlier retirement, and as outlined in the Termination of Insurance section.

LIFE INSURANCE
for Classes 101 and 102

Waiting Period: The first of the month following the date of hire

LIFE INSURANCE FOR EMPLOYEES:

Amount of Basic Insurance

1 x annual basic earnings, rounded to the next higher \$1,000 if not already a multiple thereof, subject to a maximum of \$150,000

No-Evidence Limit: \$ 150,000

Reduction: The amount of insurance will reduce by the following amounts:

- (b) At age 65 the benefit will reduce to 80%
- (c) At age 66 the benefit will reduce to 70%
- (d) At age 67 the benefit will reduce to 60%
- (e) At age 68 the benefit will reduce to 50%
- (f) At age 69 the benefit will reduce to 40%
- (g) At age 70 the benefit will reduce to 30%, subject to a maximum benefit of \$45,000.

Note: Reductions are based on the original Life amount prior to reaching age 65

Termination of Insurance: The date the employee retires, and as outlined in the Termination of Insurance section.

Amount of Optional Insurance

All employees under age 65 are eligible to apply for Optional Life Insurance in units of \$10,000 subject to a maximum benefit of \$200,000.

No-Evidence Limit: Evidence of Insurability will be required for all amounts of Optional Life Insurance.

Termination of Insurance: The date the employee attains age 65 or earlier retirement, and as outlined in the Termination of Insurance section.

Waiver of Premium Benefit for Basic and Optional Life Insurance: to age 65

Note: A Supplemental Optional Life benefit is offered to all employees when they are first hired. The employee can elect 1 times annual basic earnings rounded to the next \$1,000 to a maximum of \$150,000. The benefit is 100% Employee paid and medical evidence is not required if the Employee elects this coverage within the first 31 days of the Employee's hire date. The benefit terminates at retirement.

LIFE INSURANCE FOR DEPENDENTS:

Amount of Optional Insurance

Spouse: All employees under age 65 are eligible to apply for an amount of Optional Life Insurance for their spouse in units of \$10,000 subject to a maximum of \$200,000.

No-Evidence Limit for Optional Dependent Life Insurance: Evidence of Insurability will be required for all amounts of Optional Life Insurance.

Waiver of Premium Benefit for Optional Dependent Life Insurance: to the employee's age 65.

Termination of Insurance: The date the employee attains age 65 or earlier retirement, or the spouse attains age 65, whichever is earlier, and as outlined in the Termination of Insurance section.

Note: Amounts of Employee and Spousal Optional Life and Supplemental Life Insurance in effect prior to January 1, 2003 with the prior insurer shall be grandfathered. Future increases in coverage will be subject to evidence of insurability.

LIFE INSURANCE
for Classes 103 and 104

Waiting Period: The first of the month following three months of continuous service

LIFE INSURANCE FOR EMPLOYEES:

Amount of Basic Insurance

3 x annual basic earnings, rounded to the next higher \$1,000 if not already a multiple thereof, subject to a maximum of \$300,000

No-Evidence Limit: Basic and Supplemental Life* have a No-Evidence Limit of \$ 450,000

Reduction: The amount of insurance will reduce to \$2,500 at age 65

Termination of Insurance: The date the employee retires, and as outlined in the Termination of Insurance section.

Amount of Optional Insurance

All employees under age 65 are eligible to apply for Optional Life Insurance in units of \$10,000 subject to a maximum benefit of \$200,000.

No-Evidence Limit: Evidence of Insurability will be required for all amounts of Optional Life Insurance.

Termination of Insurance: The date the employee attains age 65 or earlier retirement, and as outlined in the Termination of Insurance section.

Waiver of Premium Benefit for Basic and Optional Life Insurance: to age 65

*** Note :** A Supplemental Optional Life benefit is offered to all employees when they are first hired. The employee can elect 1 times annual basic earnings rounded to the next \$1,000 to a maximum of \$150,000. The benefit is 100% Employee paid and medical evidence is not required if the Employee elects this coverage within the first 31 days of the Employee's hire date. The benefit terminates at retirement.

LIFE INSURANCE FOR DEPENDENTS:

Amount of Basic Insurance

Spouse	\$10,000
Each Child	\$5,000

Termination of Insurance: The date the employee retires, and as outlined in the Termination of Insurance section.

Amount of Optional Insurance

Spouse: All employees under age 65 are eligible to apply for an amount of Optional Life Insurance for their spouse in units of \$10,000 subject to a maximum of \$200,000.

No-Evidence Limit for Optional Dependent Life Insurance: Evidence of Insurability will be required for all amounts of Optional Life Insurance.

Waiver of Premium Benefit for Optional Dependent Life Insurance: to the employee's age 65.

Termination of Insurance: The date the employee attains age 65 or earlier retirement, or the spouse attains age 65, whichever is earlier, and as outlined in the Termination of Insurance section.

Note: Amounts of Employee and Spousal Optional Life and Supplemental Life Insurance in effect prior to January 1, 2003 with the prior insurer shall be grandfathered. Future increases in coverage will be subject to evidence of insurability.

LONG TERM DISABILITY for Classes 101 and 102

Waiting Period: The first of the month following three months of continuous service

Gross Monthly Benefit: 70% of monthly basic earnings, subject to a maximum benefit of \$5,000 per month

No-Evidence Limit: \$ 5,000

Qualifying Disability Period: 26 consecutive weeks prior to age 65

Note: If not continuous, the days the employee is disabled will be accumulated to satisfy the qualifying period provided no interruption is longer than 30 days, and the disability is due to same or related cause.

Reduction of Coverage: Canada/Quebec Pension Plan - Primary Benefits, including other standard reductions; and Workers' Compensation; employer sponsored salary, pension or disability plans; and Income from Government plans (excluding EI)

All Source Maximum: 80% of Employee's gross earnings

Definition of Disability: Initial 24 consecutive months - own occupation; thereafter any occupation

Maximum Benefit Period as follows:

- For employees who have 5 years or more of service at the time of disability, the benefit will continue until the last day of the month the employee turns age 65.
- For employees who have less than 1 year of service at the time of disability, the maximum benefit period is 2 years.
- For employees who have 1 year but less than three years of service at the time of disability, the maximum benefit period is 4 years.
- For employees who have 3 years but less than 4 years of service at the time of disability, the maximum benefit period is 6 years.
- For employees who have 4 years but less than 5 years of service at the time of disability, the maximum benefit period is 8 years.

Where there is disruption of service of 90 days or less, the prior period(s) of employment will be included in the calculation of service for purposes of Long Term Disability.

Survivor Benefit: If the claimant dies while receiving LTD payments, the benefit will pay 3 times their last monthly payment to the claimant's spouse, dependent children or the Estate. The payment will be made to the spouse if living. If the spouse is deceased, the payment will be made to the dependent children in equal shares. The payment will be made to the Estate if there are no dependents.

Termination of Insurance: The date the employee attains age 65 or earlier retirement, and as outlined in the Termination of Insurance section.

Note: If an Employee becomes totally disabled during a lay-off or approved leave and the coverage continues during that time, the employee will be eligible for benefit payments following the recall date or the scheduled date for return to full-time or part-time work with the employer. The employee must have been totally disabled for an uninterrupted period of 26 weeks and still be totally disabled on the date that they are recalled or scheduled to return to work full-time.

LONG TERM DISABILITY
for Classes 103 and 104

Waiting Period: The first of the month following three months of continuous service

Gross Monthly Benefit: The greater of \$ 2,500 or 70% of monthly basic earnings, subject to a maximum benefit of \$6,000 per month.

No-Evidence Limit: \$ 6,000

Qualifying Disability Period: 26 consecutive weeks prior to age 65

Note: If not continuous, the days the employee is disabled will be accumulated to satisfy the qualifying period provided no interruption is longer than 30 days, and the disability is due to same or related cause.

Reduction of Coverage: **Canada/Quebec Pension Plan - Primary Benefits, including other standard reductions; and** Workers' Compensation; employer sponsored salary, pension or disability plans; and Income from Government plans (excluding EI)

All Source Maximum: 80% of Employee's gross earnings

Definition of Disability: Initial 24 consecutive months - own occupation; thereafter any occupation

Maximum Benefit Period as follows:

- For employees who have 5 or more years of service at the time of disability, the benefit will continue until the last day of the month the employee turns age 65.
- For employees who have less than 5 years of service at the time of disability, the benefit will continue until the last day of the month which equals the employee's length of service with the employer.

Where there is disruption of service of 90 days or less, the prior period(s) of employment will be included in the calculation of service for purposes of Long Term Disability.

Survivor Benefit: If the claimant dies while receiving LTD payments, the benefit will pay 3 times their last monthly payment to the claimant's spouse, dependent children or the Estate. The payment will be made to the spouse if living. If the spouse is deceased, the payment will be made to the dependent children in equal shares. The payment will be made to the Estate if there are no dependents.

Termination of Insurance: The date the employee attains age 65 or earlier retirement, and as outlined in the Termination of Insurance section.

Note: If the employee becomes totally disabled during a lay-off or approved leave and the coverage continues during that time, the employee will be eligible for benefit payments following the recall date or the scheduled date for return to full-time or part-time work with the employer. The employee must have been totally disabled for an uninterrupted period of 26 weeks and still be totally disabled on the date that they are recalled or scheduled to return to work full-time.

LIFE INSURANCE
for Classes 105 and 106

Waiting Period: No waiting period

LIFE INSURANCE FOR RETIREES:

Amount of Basic Insurance

At retirement, 1 x annual basic earnings, rounded to the next higher \$1,000 if not already a multiple thereof, subject to a maximum of \$150,000

No-Evidence Limit: Evidence of insurability is not required.

Reduction: The amount of insurance will reduce by the following amounts:

- (h) At age 65 the benefit will reduce to 80%
- (i) At age 66 the benefit will reduce to 70%
- (j) At age 67 the benefit will reduce to 60%
- (k) At age 68 the benefit will reduce to 50%
- (l) At age 69 the benefit will reduce to 40%
- (m) At age 70 the benefit will reduce to 30%, subject to a maximum benefit of \$45,000.

Note: Reductions are based on the original Life amount prior to reaching age 65

Waiver of Premium Benefit for Basic Life Insurance: None

Conversion Privilege: none

Termination of Insurance:

The date the retiree is no longer eligible, as outlined in the Termination of Insurance section.

LIFE INSURANCE
for Class 107

Waiting Period: No waiting period

LIFE INSURANCE FOR RETIREES:

Amount of Basic Insurance

At retirement, 1 x annual basic earning, rounded to the next higher \$1,000 if not already a multiple thereof, subject to a maximum of \$150,000

No-Evidence Limit: Evidence of insurability is not required.

Reduction: The amount of insurance will reduce to \$2,500 at age 65

Waiver of Premium Benefit for Basic Life Insurance: None

Conversion Privilege: none

Termination of Insurance:

The date the retiree is no longer eligible, as outlined in the Termination of Insurance section.

EMPLOYEE LIFE INSURANCE

Life Benefit

The Insurer will pay the amount of life insurance in force on the employee at the date of death provided that the Insurer receives due proof that the employee died while insured under this coverage. However, a) should the employee die due to self-destruction while sane or insane, the Insurer will not pay any part of Optional Life Insurance which became effective less than one year prior to the date of death and b) misstatement of non-smoker status by the employee shall constitute fraud, and the Insurer will not pay any part of Optional Life Insurance, regardless of the cause of death.

Conversion Privilege

If an employee's insurance ceases because

- i) employment for insurance purposes terminates; or
- ii) the classification changes to one not eligible for life insurance; or
- iii) a disabled employee ceases to be eligible for Waiver of Premium and does not return to active employment,

and the employee is under 65 years of age or has just attained age 65, the employee is entitled to purchase an individual life insurance policy issued by the Insurer.

Note: The conversion privilege does not apply to reduction of life insurance or termination of insurance which become effective at specified ages or upon a member's retirement. However, Optional Life and Supplemental Life can be converted for early retirement.

The conversion privilege is subject to the following conditions:

- 1) The amount of the individual policy shall not exceed the amount of insurance for which the employee was covered when coverage was discontinued, subject to the lesser of:
 - a) the amount of insurance not replaced under a replacing contract of group life insurance, or
 - b) \$200,000 for all contracts of group insurance combined.
- 2) The individual policy shall be, at the employee's option, in the form of a convertible one year term assurance, or a term to age 65 or an ordinary life plan. This individual policy shall be without dividends and without disability waiver or other supplementary benefits.

Conversion Privilege (continued)

- 3) The premium for the individual policy shall be determined by the Insurer according to:
 - a) the Insurer's current rates for the employee's attained age at the birthday immediately prior to the date of issue of the individual policy;
 - b) the class of risk to which the employee then belongs; and
 - c) the form and amount of the individual policy.
- 4) The written application for the individual policy shall be delivered to the Insurer within 31 days after the date on which the employee's insurance was terminated.

NOTE: Non-smoker rates are not available on converted policies.

- 5) Insurance under the individual policy shall be effective at the end of the 31 day period described above.
- 6) Evidence of insurability shall not be required for such individual policy.

Benefit for Death During Conversion Period

If the employee dies within the 31 day period during which the employee could have converted, the Insurer shall pay the maximum amount of insurance the employee could have converted. If an individual policy has already been issued through conversion, no payment shall be made through this provision unless the individual policy is surrendered without payment of claim. Upon surrender the Insurer shall refund premiums paid on the individual policy. A beneficiary designated in any conversion application shall be the beneficiary under this provision.

Waiver of Premium Benefit

If while insured under this coverage an employee becomes totally disabled for at least 6 consecutive months before attaining age 65, the Insurer will waive the payment of life insurance premiums for such an employee. If not continuous, days the employee is disabled will be accumulated to satisfy the qualifying period provided no interruption is longer than 30 days, and the disability is due to same or related cause.

Totally Disabled shall mean for the first 24 consecutive months the employee is incapacitated to the extent that the employee is not able to perform the essential duties of the employee's own occupation or employment. After such 24 months, Totally Disabled shall mean the employee is incapacitated to the extent that the employee is unable to work at any occupation for which the employee is, or may reasonably become, fitted by education, training or experience and which prevents the employee from earning at least 50% of pre-disability earnings. Such incapacity must result from a medically determinable physical or mental impairment.

In order to qualify for the waiver of premium benefit, the employee must notify the Insurer within 12 months of the last active day at work and must furnish due proof of disability, satisfactory to the Insurer, within 18 months of that last active working day.

Premiums will be waived starting with the date the required proof is approved by the Insurer. Premiums shall not be waived beyond the earlier of:

- 1) the employee's attainment of age 65; or
- 2) the date the employee ceases to be totally disabled.

From time to time during the first 2 years that premiums are waived, the Insurer shall have the right to require proof of continuance of the employee's total disability. After 2 years, proof shall be required no more than once a year. The employee may be required to be examined by a medical examiner designated by the Insurer, at the Insurer's expense.

No benefits shall be provided for an employee under this benefit if the employee fails to submit proof of disability when required.

The amount of life insurance for which premiums shall first be waived shall be the amount in force on the employee's date of disability. If the amount of insurance would have reduced at a later date based on the Schedule of Insurance in force on the employee's date of disability then the amount of insurance for which premiums are being waived will be reduced in a like manner.

If the employee dies while insurance is being continued in accordance with this provision, the amount of insurance that the Insurer will pay will be the amount of insurance for which premiums are being waived at the time of death.

Waiver of Premium (continued)

No further benefit shall be provided for the employee under this provision if:

- 1) the employee ceases to be totally disabled; or
- 2) the employee fails to submit proof of continuance of disability when required; or
- 3) the employee fails to be examined by a qualified physician when required; or
- 4) the employee attains age 65.

If the employee does not return to active work within 31 days after this benefit ceases, the employee may convert the amount of insurance that was subject to this provision as though insurance had ceased on that date due to termination of employment.

If a benefit is payable under "Benefit for Death During Conversion Period", the amount of insurance payable under this provision shall be reduced by the amount of that benefit.

If an individual policy has been issued in accordance with the Conversion Privilege no payment shall be made under this provision if the individual policy is not surrendered, to the Insurer, without payment of claim. If the policy is surrendered, the Insurer will refund any premium paid on the individual policy.

If this contract or waiver of premium provision terminates, the Insurer remains liable to provide waiver of premium benefits for a continuous disability caused by an accident or sickness that occurred prior to termination provided a claim is submitted within 12 months of the employee's last active day at work and due proof of disability, satisfactory to the Insurer, is furnished within 18 months of the last active working day.

However, the Insurer shall not be liable for waiver of premium benefits after termination of the contract or waiver of premium provision if a replacing insurer is bound contractually or as a matter of law.

At the end of any 90 day period during which the employee was not disabled the Insurer ceases to be liable for any future waiver of premium benefit for disability caused by an accident or sickness that occurred prior to termination.

Beneficiary

An employee may designate a beneficiary for life insurance. Such a designation must be in writing and entered in the insurance records. If there is no designated beneficiary living at the death of the employee, then the Insurer shall pay the benefit to the estate of the employee.

Beneficiary Changes

An employee may only change the beneficiary designation by doing so in writing. Only when entered in the insurance records shall it be deemed that the Insurer is notified. When recorded, the designation shall relate back to the date of signature, however the Insurer shall not be prejudiced by payments made or actions taken prior to the date of the Insurer's knowledge of a new designation.

Optional Methods of Settlement

Any amount of insurance proceeds payable for life insurance shall normally be payable in a lump sum. However, an insured employee or personal beneficiary may elect a settlement option which must be agreed to and acknowledged by the Insurer. No settlement options are available to an executor, administrator, trustee, corporation, partnership, or association. The Insurer shall determine the interest rate applicable for settlement options in the year the employee dies.

DEPENDENT LIFE INSURANCE

Life Benefit

The Insurer will pay the employee the amount of life insurance in force on the dependent at the date of death provided that the Insurer receives due proof that the dependent died while insured under this coverage. If the employee is not living, the insurance shall be paid to the employee's estate. However, a) should the dependent die due to self-destruction while sane or insane, the Insurer will not pay any part of Optional Dependent Life Insurance which became effective less than one year prior to the date of death and b) misstatement of non-smoker status by the employee and/or the spouse shall constitute fraud, and the Insurer will not pay any part of Optional Dependent Life Insurance, regardless of the cause of death.

Conversion Privilege For The Spouse

1. An individual life insurance policy issued by the Insurer may be purchased on the life of a spouse who is under age 65 or has just attained age 65 if the insurance ceases due to
 - a) termination of the employee's employment; or
 - b) a change in the employee's classification or the dependent status of the spouse, or
 - c) death of the employee.

The individual policy shall be subject to the conditions set out under the Conversion Privilege in the Employee Life Insurance section. However, the age and class of risk shall be those of the spouse and the amount of the individual life policy shall be the amount for which the spouse was insured when coverage was discontinued.

2. The owner of the individual policy shall be the employee. If the employee is not living then the owner will be the spouse. The beneficiary of the individual policy shall be designated by the owner.

Benefit for Death During Conversion Period

If the spouse dies within the 31 day period during which the spouse's life insurance could have been converted, the Insurer will pay the maximum amount of insurance that could have been converted. If an individual policy has already been issued through conversion, no payment shall be made through this provision unless the individual policy is surrendered without payment of claim. Upon surrender the Insurer shall refund premiums paid on the individual policy.

Waiver of Premium

If while insured for this coverage, an employee becomes disabled and qualifies for the Waiver of Premium Benefit under his/her Insurance coverage, the Insurer will also waive the payment of dependent life insurance premiums for such employee.

The amount of dependent life insurance for which premiums shall first be waived shall be the amount in force on the employee's date of disability. If the amount of insurance would have reduced at a later date based upon the Schedule of Insurance in force on the employee's date of disability, then the amount of dependent life insurance for which premiums are being waived will be reduced in a like manner.

An employee's entitlement to Waiver of Premium Benefit ceases on the date the Waiver of Premium for Life Insurance ceases.

LONG TERM DISABILITY INCOME BENEFIT FOR EMPLOYEES

Qualifying Disability Period

The qualifying disability period starts when an employee first becomes totally disabled and ends after the period outlined in the Schedule of Insurance, provided the disability is continuous and the employee is under age 65. If the disability is not continuous, the days the employee is disabled will be accumulated to satisfy the qualifying disability period provided:

- 1) no interruption is longer than 30 days;
- 2) the disabilities arise from the same or related disease or injury.

The qualifying disability period will be the greater of the period outlined in the Schedule of Insurance.

Maximum Benefit Period

The maximum benefit period shall be as outlined in the Schedule of Insurance for the different employee classifications.

Benefits may be payable after the employee's attainment of age 65 if the employee satisfies the Qualifying Disability Period while age 64, in which case the maximum benefit period shall be 12 consecutive months. In no event shall benefits be payable after the employee's death, recovery, or attainment of age 66.

Subrogation

If an employee is entitled to recover compensation for loss of income from a third party as a result of the incident which caused or contributed to the disability, for which benefits are paid or payable, the Insurer will be subrogated to all the rights of recovery of the employee for loss of income, to the extent of the sum of benefits paid or payable by the Insurer. The employee shall execute such documents as required by the Insurer.

In the event that the insured employee provides proof to the Insurer that the said employee has not recovered full compensation for loss of income, the Insurer shall determine the proportion of damages actually recovered and share pro rata in that amount.

Should the employee choose to settle the matter prior to judicial determination, the employee understands that the sum reached in settlement will be deemed to be full compensation for loss of income, and the Insurer's right of subrogation will apply.

The term compensation shall include any lump sum or periodic payments which the employee receives or is entitled to receive on account of past, present or future loss of income.

Waiver of Premium

The Insurer will waive the payment of premiums for the Long Term Disability insurance for each employee who is receiving benefits under this coverage. Premiums will be waived beginning with the premium for the first full policy month for which benefits became payable and continuing for each full policy month for which benefits are payable.

Extension of Benefits

If the contract or Long Term Disability Income benefit terminates and the employee is totally disabled at such termination, the Insurer continues to be liable as though the coverage remained in force.

If a disability recurs within six continuous months after termination of this benefit, the Insurer will continue to pay benefits to the employee but only for the remainder of the original maximum benefit period. Such disability must have been caused by an accident or sickness that occurred before termination. The Insurer shall not be liable for benefits after termination of either the contract or long term disability income benefit if a replacing Insurer is bound contractually or as a matter of law.

Benefit in Event of Total Disability

If an employee becomes totally disabled before age 65 because of a disease or an accidental injury, the Insurer will pay a monthly benefit during the applicable benefit period. The amount of the monthly benefit will be the Gross Benefit specified in the Schedule of Insurance, less any income and benefits payable under Reductions of Coverage, subject to the All Source Maximum (where applicable). Due proof must be submitted to the Insurer that the employee became totally disabled while insured under this coverage and has been continuously disabled for the qualifying disability period.

The benefit for a period which is less than a full calendar month shall be 1/30th of the applicable Gross Monthly Benefit, less any Reductions of Coverage, multiplied by the number of days in said period.

Totally Disabled, for the first 24 consecutive months of benefit payment, shall mean the employee is incapacitated to the extent that the employee is not able to perform the essential duties of the employee's own occupation. After such 24 months, Totally Disabled shall mean the employee is incapacitated to the extent that the employee is unable to work at any occupation for which the employee is, or may reasonably become, fitted by education, training or experience and which prevents the employee from earning at least 50% of pre-disability earnings. Such incapacity must result from a medically determinable physical or mental impairment.

Benefits will be payable for each month or partial month that such total disability continues beyond the applicable qualifying disability period. Benefits will not be payable for more than the applicable maximum benefit period specified in the Long Term Disability section.

Benefit in Event of Partial Disability

If, after qualifying for benefits under Long Term Disability, a disabled employee is able to return to his own occupation or any other occupation on a part-time basis, or a lesser paid occupation on a full-time basis, a benefit will be paid by the Insurer, provided that the employee is not able to return to his own occupation on a full-time basis. The amount of the monthly benefit will be the Gross Benefit specified in the Schedule of Insurance, less any income and benefits payable under Reductions of Benefit, subject to the All Source Maximum.

Benefits will be payable for each month or partial month that such partial disability continues, subject to the following maximum benefit period restrictions.

Benefits will not be payable:

- 1) for more than the applicable maximum benefit period specified on page Long Term Disability –1
- 2) beyond the date the Insurer determines the employee can return to his own occupation on a full-time basis;
- 3) beyond the end of the forty-eighth month following termination of the Qualifying Disability Period, or the end of the twenty-third month following the first month for which the employee receives a Partial Disability benefit, whichever is later.

Reductions of Coverage

The amount of the gross benefit specified in the Schedule of Insurance shall be reduced as follows. The monthly benefit may also be reduced subject to the All Source Maximum described in this section.

- 1) by the amount of income payable to the employee under a pension or retirement plan of the employer, or any plan or arrangement resulting in the payment of any salary, wage or other payment by the employer to the employee during the total disability;
- 2) by the amount of any income or benefit payable under:
 - a) any other plan or program provided to the employee by or through the employer. Such plan or program includes any permanent and total disability benefit of group life insurance for which the employee could have elected not to apply;
 - b) any Workers' Compensation law or similar law;
 - c) the Canada Pension Plan or Quebec Pension Plan primary benefits;
 - d) any other plan or program of any government or the Crown or of any subdivision or agency of the government or the Crown, including any plan or program established pursuant to a provincial automobile insurance act. The Insurer shall not reduce the monthly benefit in respect of benefits payable by the Employment Insurance Commission.

An employee must apply for all benefits or income for which he/she may be or may become eligible under any of the preceding sources.

If an employee is receiving any income or benefit payable under any government plan or program for an injury or disease totally unrelated to the injury or disease that caused the current disability, the Insurer shall not reduce the gross monthly benefit by that amount.

Reduced Monthly Benefit: If a disabled employee, eligible for full benefits, elects a different and

lesser paid occupation not related to the Program of Rehabilitation described on the next page, the gross benefit less reductions shall be further reduced by 50% of the earnings from the lesser paid occupation elected, subject to the All Source Maximum described in this section.

All Source Maximum

For Classes 101, 102, 103 and 104 an employee's total monthly income while disabled cannot exceed 80% of gross monthly earnings as of the date disability commences. If total income exceeds 80%, the Long Term Disability Income benefit will be reduced by the amount of such excess.

For all other classes an employee's total monthly income while disabled cannot exceed 85% of net monthly earnings if the benefit is non-taxable or 85% of gross monthly earnings if the benefit is taxable, as of the date disability commences. If total income exceeds 85%, the Long Term Disability Income benefit will be reduced by the amount of such excess.

With respect to a disabled employee participating in a Program of Rehabilitation, total monthly income while disabled cannot exceed 100% of net monthly earnings if the benefit is non-taxable or 100% of gross monthly earnings if the benefit is taxable, as of the date disability commences. If total income exceeds 100%, the Long Term Disability Income benefit will be reduced by the amount of such excess.

Total monthly income includes:

- a) Long Term Disability benefits under this plan;
- b) income or benefits specified under Reductions of Coverage including any income or benefit from a different or lesser paid occupation;

With respect to a disabled employee participating in a Program of Rehabilitation,

- c) income from the Program of Rehabilitation.

Benefits During Program of Rehabilitation

The Insurer may recommend that a program of rehabilitation be appropriate for an employee eligible for Long Term Disability Benefits. The Insurer will notify the employee in writing of its approval of the program, and the extent, if any, of its support during such program.

Any of the following may be eligible for consideration as a rehabilitation program:

- 1) the employee's regular occupation on a part-time basis;
- 2) a formal vocational training program; or
- 3) any other training program deemed suitable by the Insurer.

Long Term Disability benefits will continue to be payable to an employee participating in a rehabilitation program approved by the Insurer for a maximum of 24 consecutive months.

Expenses incurred by the employee in connection with the program and for which the employee has received prior approval from the Insurer will be reimbursed by the Insurer provided that, in the Insurer's opinion, they are reasonable and customary. Expenses which are payable through government programs or a third party insurer shall not be reimbursed by the Insurer.

Benefits During Program of Rehabilitation (continued)

An employee's involvement in a rehabilitation program will cease on the earliest of the following dates:

- 1) the date the employee ceases to be Totally Disabled;
- 2) the date the employee completes the rehabilitation program; or
- 3) the date it is determined by the Insurer that the employee is not participating in the rehabilitation program to the extent previously agreed upon by the employee and Insurer.

Frozen Benefits

The employee's monthly benefit shall not be reduced due to a government plan or program cost-of-living adjustment occurring after the date on which benefits became payable.

Continuous Period of Disability

If an employee becomes disabled from the same or related causes within six month(s) after return to active work, he will be considered disabled for one continuous period. If an employee has returned to active work for one full day and becomes disabled from different and unrelated causes, he will begin a new period of disability.

Appeal Procedure

If an employee appeals the denial/termination of a Long Term Disability claim, he/she must submit to the Insurer, a written notice of appeal. The notice must be submitted to the Insurer within 60 days of the date of the Insurer's denial/termination notice. Medical or other supportive documentation must be submitted to the Insurer within six months of the date of the denial/termination notice. Expenses incurred in connection with obtaining the supportive documentation are the responsibility of the employee.

If the above provision is in conflict with the applicable law of the employee's province of residence, the provision shall be deemed amended to conform with the minimum requirements of that law.

Exclusions and Limitations

With respect to Classes 003 and 004 only, no benefits are payable to an insured employee for any total disability commencing within six months of the insured employee's effective date of insurance if the disability is caused or contributed to by, or is a consequence of, a sickness or injury for which the employee has received medical treatment or services or has taken a prescribed drug or drugs or medicine at any time or times within ninety days before the effective date of insurance.

In the event that this is a replacing contract, then for purposes of the above paragraph only, the effective date of insurance (for an employee insured under a previous contract covering this group) will be deemed to be the last date from which the employee has been continuously insured.

No benefit shall be payable

- 1) for any portion of a period of disability unless the employee is receiving ongoing supervision/treatment by a physician deemed appropriate by the Insurer for the impairment which is causing the disability. The employee will not be paid for any portion of a period of disability during which he/she does not participate in the treatment program recommended by said physician;
- 2) for any portion of a period of disability during which the employee is receiving treatment by a therapist unless such treatment is recommended by a physician deemed appropriate by the Insurer;
- 3) for any portion of a period of disability resulting from substance abuse, including alcoholism and drug addiction, unless the employee is participating in a recognized substance withdrawal program;
- 4) for disability resulting from injury or disease which occurred while the employee is on active duty in the armed forces of any country, state or international organization or for disability resulting from war or act of war, whether declared or undeclared;
- 5) for disability resulting from participation in the commission of a criminal offence;
- 6) for the portion of a period of disability during which the employee is
 - a) imprisoned in a penal institution; or
 - b) confined in a hospital, or similar institution, as a result of criminal proceedings;
- 7) for a disability resulting from an accident which occurs while the employee is operating a motor vehicle while over the blood alcohol legal limit;
- 8) for disability resulting from intentionally self-inflicted injury or disease or attempted suicide, whether the employee is sane or insane;

Exclusions (continued)

- 9) during any leave of absence (including maternity leave) as defined in the Definitions section;
- 10) for a disability which commences on or after the date a strike or layoff begins, subject to any provincial Employment or Labour Standards Act;
- 11) to an insured individual who refuses to participate in a rehabilitation program which is deemed appropriate by the Insurer, the attending physician or on the advice of independent medical opinion;
- 12) for disability resulting from elective cosmetic treatment*.

* Note: If cosmetic treatment is medically required, (e.g. breast reconstruction due to cancer, breast reduction where it is medically necessary, or cosmetic surgery resulting from an accidental injury) a disability resulting from such treatment will be covered.

Canadian Residency Requirement

No benefits are payable if the employee resides outside Canada for any period exceeding 90 consecutive days or a total of 180 days in any 365 day period, unless:

- i) the employee has previously notified and received approval in writing from the Insurer, and;
- ii) the employee remains under the regular care of a licensed physician deemed appropriate by the Insurer, and;
- iii) proof of the ongoing disability can be determined on evidence satisfactory to the Insurer in English or French within 30 days of request.

GENERAL POLICY PROVISIONS

Dual Coverage Excluded

Eligible children, if covered, shall be insured as dependents of only one employee even though both parents may be insured as eligible employees.

If an employee's or dependent's insurance under a particular coverage is discontinued and the employee or dependent later becomes insured under a similar coverage, any benefits that might become payable during the period that benefits are extended under the prior coverage shall be determined in accordance with the coverage providing the greater benefits.

Data Required

The Policyholder and/or the Administrator shall furnish to the Insurer all information which the Insurer may require to enable it to administer the insurance and to determine the premiums.

The records with respect to insurance under this policy shall be maintained by the Policyholder. The insurance records must be sufficient to identify each employer having employees insured. The records must also establish the insurance status of each person who is insured under any coverage provided by this policy.

All records of the Policyholder which have a bearing on this policy shall be open to inspection by the Insurer at all reasonable times.

A clerical error made by the Policyholder or the Insurer will not invalidate insurance otherwise in force, or continue insurance otherwise terminated under the terms of this policy. Such clerical error shall not prejudice the rights of the Insurer or of any person having a beneficial interest in this insurance.

Assignment

Neither this policy nor any rights or benefits may be assigned except for benefits that may become payable under this policy for hospital, medical or dental expenses.

Amendment and Renewal

This policy may be amended at any time by written agreement between the Insurer and the Policyholder.

This policy shall renew for a further term of one policy year, on each policy anniversary to which premiums have been paid in full. However, this policy shall not renew following the date of termination.

No amendment or renewal of this policy shall require the consent of any employee or beneficiary or other person having a beneficial interest.

Only the President, a Vice-President, the Secretary or the Actuary, has power on behalf of the Insurer to make or change this policy. No agent has the authority to change this policy or to waive any of its provisions.

Non-Waiver of Policy Provisions

Failure of the Insurer to insist upon compliance with any provision of this policy at any given time shall not be construed to waive or modify such provision or to render it unenforceable as to any other time or occurrence in which circumstances are similar.

Policyholder Not Insurer's Agent

The Policyholder shall not be considered the agent of the Insurer for any purpose under this policy.

Entire Contract

This policy, the application of the Policyholder and the individual applications, if any, of the employees insured shall constitute the entire contract.

In the absence of fraud, all statements of the Policyholder or individual employees shall be considered representations and not warranties.

Employee's Booklet

The Insurer shall issue a booklet or other document setting forth a summary of the essential features of the insurance. This booklet or document shall be issued to the Policyholder for delivery to each insured employee.

Misstatement of Age

If the age of any person insured under this policy has been misstated, there shall be an equitable adjustment of premiums. If the amount of insurance depends on age, the amount of insurance shall be adjusted to that determined by the correct age.

Non-Smoker Status (Applicable only to plans which contain smoker/non-smoker premium rates)

To qualify as a non-smoker, the individual must:

- i) submit evidence satisfactory to the Insurer that the individual has totally abstained from using any form of tobacco or cannabis within the one-year period preceding the date the individual applies for Non-Smoker Status or the date the Insurer requests evidence of Non-Smoker Status;
- ii) submit evidence of insurability satisfactory to the Insurer if the individual has previously been classified as a smoker.

The Insurer reserves the right to request evidence of Non-Smoker Status at any time.

The Insurer reserves the right to change the qualifications required for Non-Smoker Status at any time, without notice to the policyholder.

Incontestability

Except for fraud or the nonpayment of premiums, this policy shall not be contested after 2 years have elapsed from the effective date.

In the absence of fraud, no statement relating to insurability may be used to contest the validity of the portion of the insurance to which it applies after it has been in force for a period of 2 years during the insured's lifetime.

Conformity with Applicable Law

If any provision of this policy is in conflict with the applicable law of the employee's province of residence, the provision shall be deemed amended to conform with the minimum requirements of that law.

If the Insurer determines that persons who are residents of a particular province or other political subdivision are excluded from being insured by the laws and regulations of that jurisdiction, such persons shall not be included for coverage under this policy.

Physical Examination and Autopsy

At its own expense, the Insurer shall have the right and opportunity to have an individual, whose injury or disease is the basis of a claim, examined by a physician when and as often as it may reasonably require during the continuation of a claim under this policy. Such physician shall be designated by the Insurer. The Insurer shall also have the right to make an autopsy in case of death, where it is not forbidden by law.

Legal Action

No action at law or in equity may be brought to claim benefits under this policy until 30 days have elapsed from the date written proof of loss has been furnished to the Insurer. Any such action must be brought within the earlier of one year after filing such proof of loss, or six years after the date of death of the life insured.

The time limitations expressed above shall be deemed extended to agree with the minimum limitation period for such claims in the province in which an employee resides.

Workers' Compensation

This policy is not in place of and does not affect any requirement for coverage by Workers' Compensation Insurance.

Canadian Currency

All money payable to or by the Insurer under this policy shall be in the lawful money of Canada.

Governing Law

The rights and obligations of the Employer and Insurer under this Policy shall be governed by the law of Alberta and all questions pertaining to the validity and construction of such rights and obligations shall be determined in accordance with such law.

Proof of Loss

Written proof of loss must be furnished to the Insurer within the following time periods:

- 1) for a disability income claim: 6 months after termination of the first month following the qualifying disability period. Written proof of the continuance of disability must be furnished to the Insurer at such intervals as it may reasonably require. As part of the proof, the Insurer shall have the right to require satisfactory evidence that the employee has made application for all benefits referred to in the reductions provision and that he has furnished all required proofs for such benefits. If the employee did not make such application, he must provide satisfactory evidence that he was not eligible for such benefits. The Insurer shall also have the right to require satisfactory evidence of the amount of such benefits payable;
- 2) for a claim for any other loss: the earliest of:
 - i) 15 months following the date the loss is incurred
 - ii) 90 days following the date of termination of an individual's insurance
 - iii) 90 days following the date of termination of a coverage or the policy.

Written proof must cover the occurrence, character and extent of loss.

Failure to furnish such proof within the time required shall not invalidate or reduce any claim, if it is not reasonably possible to furnish such proof within the required time, and if proof is given as soon as is reasonably possible.

Payment of Claim

Upon receipt of written proof of loss, claims shall be paid as follows, if covered under this policy:

- 1) with respect to life insurance, a claim for loss of life shall be payable in accordance with the beneficiary provision of this policy and the optional method of settlement provision which may be effective at the time of payment;
- 2) with respect to long term disability income benefits, the claims for loss shall be payable to the employee each month.

After the death of an employee, unpaid life benefits shall be paid in accordance with the beneficiary designation; other unpaid and unassigned insurance benefits shall be paid to the employee's estate. In the event there is extension of coverage for dependents following the death of the employee, unpaid and unassigned benefits for the surviving spouse and dependent children shall be paid to the surviving spouse. Benefits payable for an incompetent claimant shall be paid to the public trustee until the appointment of an attorney for the claimant.

TERMINATION OF INSURANCE

Termination of Policy

The policy will terminate for nonpayment of premium at the end of the grace period.

The Policyholder may terminate this policy at any time by giving written notice of termination to the Insurer. The date of termination shall not be less than 31 days after the Insurer receives such notice, unless an earlier date is mutually agreeable to the Insurer and to the Policyholder.

By giving 31 days notice, the Insurer may terminate, as of the last day of any month,

- a) any coverage provided under this policy on a contributory basis if fewer than 75% of the eligible employees are then insured for that coverage, or with respect to a dependent coverage, if fewer than 75% of employees with eligible dependents have their dependents insured for that coverage;
- b) any coverage provided under this policy on a noncontributory basis if fewer than 100% of the eligible employees are then insured for that coverage, or with respect to a dependent coverage, if fewer than 100% of employees with eligible dependents have their dependents insured for that coverage;
- c) this entire policy, if the Insurer determines that fewer than 75 employees are then insured under this policy.
- d) this entire policy if the Policyholder does not perform in good faith its obligations under this policy;
- e) this entire policy for any other reason as of any policy anniversary.

Termination of this policy shall not require the consent of or notice to any employee or beneficiary or other person having a beneficial interest in this policy.

Termination of an Employee's Insurance

An employee's insurance for one or more coverages shall terminate on the earliest of the following dates:

- 1) the date the Policyholder or Insurer terminates the coverage or the policy;
- 2) the date the employee is no longer eligible including the date the employee (or partner) no longer meets the minimum requirement with respect to hours of employment (or hours of participation in the business of the partnership with respect to partners). Coverage also ceases when an insured individual's primary occupation is other than the business of the policyholder;
- 3) the date coinciding with the end of the period for which the required premium for the employee was last paid to the Insurer;
- 4) the date the employer no longer qualifies as an Employer;
- 5) the date specified in the Schedule of Insurance;
- 6) the date employment terminates or later date as specified by the Employer for involuntary termination with severance situations. Please note that extension of coverage in severance situations and leaves of absences that are greater than a period of 3 months requires prior approval of Maritime Life. Less than 3 months will not require the approval of Maritime Life but the only extension of coverage will be for Employee Life Insurance with no Premium Waiver. Coverage in these situations will cease on the earlier of i) Policy/Benefit cancellation, ii) re-employment, and iii) the date premium is not paid.

For insurance purposes, employment shall be deemed to terminate on the date the employee ceases active work with an employer, subject to any provincial Employment or Labour Standards Act. However, such employment shall be deemed to continue under the circumstances described below until the earliest of a) the end of the specified period or b) the date the employer terminates the employee's employment for insurance purposes; c) the date the policy or coverage terminates.

If the employee is absent from work due to sickness or injury, employment shall be deemed to continue for one year for life insurance and indefinitely for all other coverages, provided the required premiums are paid to the Insurer.

If the employee is absent from work due to temporary layoff or strike, employment shall be deemed to continue for coverage purposes in accordance with the applicable collective agreement and/or the negotiated terms at the time of strike, provided the insurer approves continued coverage and the required financial charges are paid to the insurer.

Termination of an Employee's Insurance (continued)

If the employee is absent from work due to a leave of absence, employment shall be deemed to continue for insurance purposes until the end of the leave of absence if required by any applicable provincial or federal statute. In the case of legislated continuation of coverages, premium is required to be paid during the leave of absence. For provinces without applicable legislation, employment is deemed to continue for insurance purposes until the end of the leave of absence, provided the required premium is paid to the Insurer. Continuation of such coverage is at the option of the employer and is subject to approval by the Insurer.

If the employee is absent from work due to a compassionate care leave of absence, in Provinces or Territories with compassionate care legislation or the employee is employed by a federally regulated company, employment is deemed to continue for insurance purposes until the end of the legislated leave of absence. The leave of absence must qualify according to the terms of the legislation and premium is required to be paid during the leave of absence. If the leave of absence extends beyond the legislated period then any extension is subject to approval by the Insurer.

Employment shall be deemed to terminate on the date on which the employee commences active duty in the armed forces of any country, state or international organization.

Termination of a Dependent's Insurance

A dependent's insurance for one or more coverages shall terminate on the earliest of the following dates:

- 1) the date the Policyholder or Insurer terminates the coverage or the policy;
- 2) the date of termination of the employee's insurance;
- 3) the date the dependent ceases to be a dependent, as defined;
- 4) the date the dependent commences active duty in the armed forces of any country, state or international organization;
- 5) the date coinciding with the end of the period for which the required premium for the dependent was last paid to the Insurer;
- 6) the date specified in the Schedule of Insurance.

PREMIUMS

Premium Payment

Premiums are payable to the Insurer in advance on each premium due date. Unless the Insurer specifies in writing otherwise, the premiums are to be paid at the Insurer's head office. The payment of any premium shall not keep this policy in force beyond the date when the next premium becomes payable, except as specified in the grace period provision.

Premium for Changes in Insurance

Premium for additional or increased insurance becoming effective during a month shall be charged from the premium due date corresponding to or next following the date such insurance becomes effective.

Premium shall cease, at the end of the premium due date after the date the insurance discontinues, for insurance discontinuing during a month.

If premiums are payable other than monthly, premium charges or credits for a fraction of a premium paying period shall be made on a pro-rata basis for the number of months between the date premium charges commence or cease and the end of each premium paying period.

Grace Period

A grace period, without interest, shall be granted to the Policyholder for any premium not paid on the premium due date, provided that this policy has not terminated. If any premium is not paid in full before the end of the grace period, this policy shall terminate when the grace period ends. The grace period is defined in the Definitions section.

The Policyholder shall be liable to the Insurer for all premiums outstanding on the date of termination, including pro-rata premium for the days of grace during which the policy remains in force.

Premium Rates

The initial basis of premium calculations for coverages provided under this policy as of the policy effective date shall be the rates agreed to by the Insurer and Policyholder.

The Insurer shall not fix new rates to be effective on any date which is less than 12 months after the policy effective date unless the new rate is agreed to by the Policyholder.

Notice of any new premium rates shall be given to the Policyholder before the effective date of the new rates.

The Insurer shall not increase the premium rate for a coverage effective more often than once during a policy year unless the increase is due to a change agreed to by the Policyholder.

Notwithstanding the above, the Insurer reserves the right to make, on 30 days notice, special interim premium rate adjustments for any coverage in connection with a change in Federal or Provincial legislation.

Nonparticipating Policy

This policy is a nonparticipating policy.