



DISABILITY INCOME REPLACEMENT INSURANCE

Effected with certain Lloyd's Underwriters (hereinafter called the "Insurer", "We", "Us", "Our") through Lloyd's Approved Coverholder HUNTER MCCORQUODALE ("the Coverholder")
1200 - 145 Wellington St. W, Toronto, Ontario M5J 1H8

Disability Income Replacement Insurance (F) - Plan Summary

Disability benefits are available on a monthly benefit and/or lump sum basis. In most cases both will be combined in a single contract i.e. a monthly benefit for an initial period, followed by a lump sum. The maximum total benefit amount on any one life is \$20 million.

Temporary Total Disability (TTD) monthly benefits:

Maximum Monthly Benefit: If benefits are non-taxable we can offer up to 85% of after tax income. If benefits are taxable we can offer 85% of earned income.

Elimination Periods: 30, 60, 90, 120 or 180 days

Periods of disability due to the same or related causes and separated by 60 days or less can be accumulated to satisfy the elimination period.

Benefit Periods: maximum 60 months

The maximum benefit period is cumulative e.g. if the maximum benefit period is 60 months, a maximum of 60 monthly payments will be made for all qualifying periods of disability.

Definition of Total Disability: Inability, due to injury or sickness, to perform the substantial duties of the regular occupation. The claimant must be receiving appropriate physician's care.

Recurrent Total Disability: After the elimination period has been satisfied, if the claimant recovers but suffers a recurrence of disability within six months, due to the same or related causes, benefits will continue without the need to satisfy a new elimination period.

Permanent Total Disability (PTD) lump sum benefit:

Benefit Amount: The maximum benefit available is 5 times annual earned income.

Elimination Period: The PTD lump sum is generally paid after monthly TTD benefits have been paid for the maximum benefit period. When issued on a standalone basis, the minimum elimination period is 6 months and the maximum is 66 months.

Definition of Permanent Total Disability: There is no reasonable expectation of recovery, during the claimant's lifetime, from the effects of a sickness or injury to the extent that they will be able to resume the substantial duties of their regular occupation.

Residual Disability and Recovery Benefit Rider (Optional Rider):

Definition of Residual Disability: Following a period of total disability for which benefits were paid, the person insured is not totally disabled but has a loss of income of at least 20% due to injury or sickness.

Benefit Provisions: Residual benefits are proportionate to the income loss and are payable for up to 12 months. Recovery benefits may be paid for a further period of up to 3 months after return to full-time work, as long as there is a continuing loss of income of at least 20%.

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General:

Policy Terms and Renewability: Policies may be issued for a term of up to three years. Policy provisions and premiums are contractually guaranteed until the end of the policy term. Subsequent renewal is non-contractual, but policies can normally be renewed for a further period(s), subject to underwriting approval. A new application may be required. We reserve the right to request additional underwriting evidence for any renewal.

Premium: For policy terms of one year or more premiums are payable on an annual basis. For policy terms of less than a year the full premium is payable in advance. The minimum premium is \$750. In addition a \$250 policy fee applies in the first year of the term of coverage.

Currency: Contracts may be denominated in either Canadian or United States currency. Benefits and premiums must be in the same currency.

Claim Determination: Verification of qualifying disability is to be made by two physicians, one appointed by the person insured and one by the insurer. Should the two physicians not agree they will name a third physician, whose determination is binding on all parties.

Limited Benefit for Mental Disorders: If total disability results from a mental disorder, monthly benefits will be paid for a maximum of 24 months. No lump sum benefits will be paid for permanent total disability resulting from a mental disorder.
(can be covered at an additional cost, if no prior history).

Exclusions:

- 1) War; military service; riot (can be covered at an additional cost)
- 2) Nuclear, chemical and biological terrorism
- 3) Intentionally self-inflicted injuries; attempted suicide; provoked assault; deliberate exposure to exceptional danger
- 4) Commission or attempted commission of a crime
- 5) Parachuting; hang-gliding; bungee-jumping; rock or ice-climbing; motorized vehicle racing (most hazardous avocations can be covered at an additional cost)
- 6) Flying except as a commercial passenger (other flying risks can be covered at an additional cost)
- 7) Excessive alcohol use; non-prescribed drug use
- 8) Subjective pain (not medically verifiable)
- 9) Normal pregnancy
- 10) Incarceration

IMPORTANT: This is intended as a summary of the important features of the standard policy. Underwriters reserve the right to offer modified coverage based on the specifics of each risk. For example, not all elimination periods and/or benefit periods may be available in a specific situation. Coverage may be issued with additional exclusions or other modifications based on the nature of the risk and information obtained during the course of underwriting, including written answers given as evidence of insurability, and medical and financial information obtained from the applicant or third parties, or other information material to the risk. The actual policy provisions will govern the payment of claims.

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