



# Chris D. Callen, Insurance Agent

*"Helping Professionals Nationwide"*

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128 County Line Road West, Suite B, Westerville, Ohio 43082

*"Serving Our Clients Since 1981"*

## Protecting Physician Assets: Four Cornerstones of a Successful Group Disability Plan

For Paul Cella, a quick introduction to a doctor by a stock broker turned into dominant position with hospitals and physicians who invest in group disability coverage. In the following article, Cella shares his thoughts about protecting physician income, offering specialized group disability coverage, and building the four cornerstones of a solid physician-focused disability program.

### The Money Machine in the Basement

Of all insurance products, why is disability so important to physicians? Simple. Income is a physician's biggest asset. Most people have life insurance, but if as a physician you're making an income of \$100,000, \$200,000, or \$500,000 per year — and you're going to make that kind of money for the next 20-30 years of your career— I view it as a money machine in your basement. If that money machine gets broken, you're not going to make an income. That's why it's so important to invest in a solid disability program that protects your income and ensures that you can make that income for the rest of your life.

Currently, I work with more than 400 physicians. Plus, I'm talking to more than 20 hospitals nationwide and I have more than 200 advisor partners who come to me for training, education, and distribution. We custom design specialty programs for both individual and group DI. Our group disability plan features guaranteed issue (no underwriting) and it can be layered on top of individual disability plans with no offset.

### A Billboard Product

As far as physicians are concerned, group disability is a marquee product. You can put it on a billboard. Most physicians understand disability; they want it, buy it, and they want to buy more. However, they think they might be capped out or there may be health issues.

Typically, I work with practicing physicians who bought their disability plans during residency or fellowship and they don't think they can get more coverage because of health issues.

Yes, additional coverage is tough to get. On an individual basis, the requirements are even more stringent than life insurance. With life insurance you have health concerns, and you have some of these same concerns with disability coverage.

### Targeting Hospital Affinity Groups

Our current plan includes more than 300,000 physicians and serves more than 10,000 practices nationwide. Hospitals are attracted to this plan because it has a couple of components that are good for them and the physicians they are trying to attract. Because there are so many doctors in this program there is potential for rate stability for the C-level professionals.



Some of the key components of the program benefit hospitals unlike any other plan on the street. Physicians can buy up from a traditional standard plan design to a higher amount based on their income and they are able to actually protect their pension plan on their dime, not the hospital's. So our plan features unique components that are good for both the hospital and the physician employee.

### **Four Cornerstones for a Solid Foundation**

**The first cornerstone** is that for each physician we can get up to \$25,000 of "own occupation" specialty coverage per month in guaranteed issue, which means there is no underwriting. That's a key component because when you have a large group of doctors somebody always has a health issue. A huge advantage of this plan is that it is layered right on top of a physician's individual coverage without offsetting his or her individual plan. So if a doctor becomes disabled, he or she will collect individual coverage as well as the group coverage benefit on top of it.

**The second cornerstone** is the malpractice insurance reimbursement rider, which pays a doctor's malpractice premium up to \$75,000 if he or she is partially disabled (able to work two hours a day, three days a week). This is another unique feature that I helped design and develop.

**The third cornerstone** is the key person rider, which provides \$180,000 to the practice in the event that doctor becomes disabled. That \$180,000 is paid out for two years and it can be used to bring in another doctor, offset expenses, or apply toward a buyout. This rider is very rich and unique in design.

**The final cornerstone**, the pension contribution rider, is the most powerful one. It plays well for doctors because it covers a multitude of contingencies. This rider pays the qualified plan contribution and employer match up to \$51,000 all the way through retirement.

Imagine a rich plan that actually funds retirement during disability. Such a plan covers multiple contingencies. I always tell a doctor, "If you explain to me how you'll become disabled, I'll tell you what to buy. We don't know what is going to happen, so let's design the most effective plan out there." This fourth cornerstone is what catches everyone's eye.

Let's assume you have a 45-year-old doctor with \$500,000 in a 401K profit sharing plan. If the doctor contributes \$50,000 each year for the next 20 years, that investment combined with interest and 401K earnings may grow to a mountain of money for retirement. Let's just say \$1.8 million.

If the doctor becomes disabled, most plans only pay the disability amount, which means the \$50,000 annual contributions would stop and the \$500,000 may grow to \$750,000. Our specialty plan continues to make those \$50,000 payments, so the \$1.8 million retirement fund is still a possibility.

### **Real Story, Real Success**

I have an 82-person anesthesiology group in the Midwest with 15 doctors who are over 58 years of age and multiple doctors under 58. They all had a flat benefit of \$5,000 per month. When you're talking about anesthesiologists, that's not a rich plan and it's not enough.

Typically, the more mature doctors—in this case those over 58—don't want more disability coverage. Yet the younger crowd wants even higher amounts of up to \$15,000 or \$20,000 per month. In short order fashion, we focused on giving everybody the custom plan design they desired. We created three different classes for the group, offering the younger people the higher amounts (up to \$15,000 - \$20,000 instead of \$5,000) while giving the more mature crowd the minimal benefit. We took what the cost would have been if they all would have had the same amount and applied that difference toward long-term care because that was important to them.

### **About Paul Cella**

Nationally recognized among physicians in group benefit planning, Cella is a top producer and group disability expert. With more than 24 years of experience in insurance, benefits, and investments, he is a consulting general agent for top-rated insurance carriers, an advisory board member of Nationwide 401K, a platinum partner of the medical division of Sun Life/MGIS, and a member of the Grand Purpose Network and the Medical Group Management Association (MGMA).

**Written by,**

**Paul Cella**



Managing Principal at The KeyArx Group specializing in Cost Reduction Strategies for Business and Medical Professionals. [www.keyarx.com](http://www.keyarx.com).

Reprinted With Permission: 1-9-15 By Chris D. Callen, Insurance Agent – [cdcallen@cdcallen.com](mailto:cdcallen@cdcallen.com)



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**"Serving Our Clients Since 1981"**

## Medical & Healthcare Professionals

**For more than a decade, The KeyArx Group has focused squarely on helping physicians, group practices, practice management organizations, hospitals and other members of the medical community meet their insurance, retirement, investment and business management needs.**

We are not generalists. Like you, we are specialists by training and experience. Thus we are acutely aware of the unique challenges you face and our comprehensive programs reflect this deep understanding.

Our core programs are designed to achieve both short and long-term personal and business goals. They include:

- Key Advocate Physician Long Term Disability Program
- Key Analytics Medical Practice Opportunity Analysis
- DI and Portfolio Reviews

We believe you will find that not only are these programs among the most innovative and comprehensive available, they are also the most cost-effective. For example, over the past 10 years more than 93% of all physicians participating in our Key Advocate Long Term Disability Program reduced their premium expense by 10-25% on average, while at the same time improving their coverage the majority of times we engage in a review. This long term disability program has provided market leading insurance products and services to more than 300,000 physician and 10,000 practices.

See how the Key Advocate Program helped one physician maintain optimum income and benefits during a disability period covering more than 10 working years. : MGIS Article

### Hospitals

Increasingly, hospital and healthcare systems are pursuing and acquiring private physician practices and small group practices to become a part of their organizations. The ability to provide quality benefit packages are among the most important factors in creating these mutually rewarding associations. To address the specific needs and goals of both hospitals and hospital-employed physicians, The KeyArx Group offers the Key Affinity Hospital-Physician Coordinated Custom Benefits Program

The program provides exceptional advantages to both parties. For the hospital, they include a claims cost design that mitigates future rate increases and enhances ongoing financial control. Key Affinity also provides both malpractice and key man payments to the institution if a physician becomes disabled.

Under the plan hospital-employed physicians have the opportunity to buy up coverage at no cost to the hospital. They may also efficiently protect their retirement plan contributions and long-term disability benefits.

### Advantages for Hospital

- Since 1969, Medical Group Insurance Services (MGIS) has provided market-leading insurance products and services to more than 300,000 physicians and 10,000 physician practices.
- Over the past 5 years, the "pool" has averaged a ZERO percent rate increase and over half of the practices received NO rate increase.
- Potential Rate Stability cost design that benefits the on going cost for hospital.
- Malpractice payment to hospital if physician becomes disabled
- Key Man policy payment to hospital if physician becomes disabled

### Advantages for Hospital-Employed Physicians:

- Buy-Up of coverage opportunity for the physician with no cost to the hospital
- Buy-Up Pension Protection to protect the physicians retirement plan contributions in addition to LTD benefits at no cost to hospital

*Sun Life Financial is one of the leading insurers of group life, group disability, dental and stop-loss coverage in the United States. Sun Life Financial has some of the highest financial ratings from A.M. Best (A+), Moody's, and Standard & Poor's, and was recently named as one of the Global 100 Most Sustainable Corporations in the World (only North American insurance company to make the list).*

*Since 1969, Medical Group Insurance Services (MGIS) has provided market-leading insurance products and services to more than 125,000 physicians and 8,500 physician practices. For 40+ consecutive years MGIS has provided physicians with unique income protection solutions.*









# What Makes Us Different

We have developed a problem-solving process which typically saves 20% or more on financial spend items, improves bottom-line earnings and overall performance of businesses.

We are only paid when cost savings are implemented with our programs, methodologies and strategies.

# How We Deliver The Savings

Exclusive Distribution of 1M Life Benefit Trust

Executive Insurance Review Program

National Discounted Disability & Workers' Comp Programs

Special Pricing on Qualified Plans

Collateral Only Premium Financing Structure



# 3 Step Process

**Uncover and identify (taxes, healthcare & compliance)**

**Provide comprehensive analysis that illustrates cost-reduction**

**Determine how to utilize savings...**



# The KeyArx System



# Healthcare

## Medical Group

16 Partners / 18 Staff  
60% to \$15,000 (1) | \$10,000 (2)  
Current Premium \$59,402

### KeyArx Plan

Premium \$27,000  
Savings \$32,402  
55.29% Savings

## Medical Group

26 Anesthesiologists / 75 Staff  
60% to \$15,000  
Current Premium \$486,105

### KeyArx Plan

Premium \$313,468  
Savings \$172,637  
35.51% Savings

The case study results are for illustrative purposes only and should not be deemed a representation of past or future results. This example does not represent any specific product, nor does it reflect sales charges or other expenses that may be required. No representation is made as to the accurateness of the analysis.



# Professional Companies

## Accounting Firm

34 Partners / 282 Staff  
LTD 60% to \$15,000  
Current Premium \$98,659

**KeyArx Plan**  
**Savings \$34,700**  
**35.17% Savings**

## Law Firm

25 Attorney's / 26 Staff (51)  
LTD 60% to \$10,000  
Current Premium \$28,324

**KeyArx Plan**  
**Savings \$13,896**  
**49.06% Savings**

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## Why Insurance Review

Most people don't review their policies

85%+ success rate

Lower premiums

Increased coverage

Increased cash value 30% or more



# Life Insurance Review

	Current Program			KeyArx Review		
	Annual Premiu	Death Benefit	Income 66 to 86	Annual Premium	Death Benefit	Income 66 to 86
Dr. Age 50						
Term Life	\$1,698	\$1,000,000		\$1,170	\$750,000	
Permanent Life	\$24,000	\$1,289,075	\$70,300	\$17,000	\$1,543,617	\$97,352
Husband		\$2,289,075			\$2,293,617	
Spouse Age 49	\$1,432	\$1,000,000		\$989	\$1,000,000	
<b>Total</b>	<b>\$27,130</b>			<b>\$19,159</b>		
<b>Annual Savings</b>						<b>\$7,971</b>
<b>Savings %</b>						<b>29.38%</b>
<b>Annual Tax-Free Income Increase</b>						<b>\$27,052</b>
<b>Savings Purchased \$876,000 of Long-Term Care Each (\$6,386 per year)</b>						

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# Disability Review

		Existing Program				KeyArx Program				Savings		
		Premium	Benefit	Mths	Total Benefits if Disabled to 65	Premium	Benefit	Mths	Total Benefits if Disabled to 65			
BOE	N (30 Day)	\$5,124	\$30,000	12	\$360,000	→	KA-New BOE (60)	\$30,000	24	\$720,000	\$690	
	<b>Total BOE</b>	<b>\$5,124</b>	<b>\$30,000</b>		<b>\$360,000</b>		<b>Total BOE</b>	<b>\$4,434</b>		<b>\$720,000</b>		
IDI	Co. S.	\$7,149	\$15,000	348	\$5,220,000		Co. S Kept	\$7,149	\$15,000	348	\$5,220,000	
	Co. M	\$6,334	\$9,000	348	\$3,132,000							
	Co. G	\$434	\$1,500	348	\$522,000		KA - New IDI	\$6,675	\$15,000	348	\$5,220,000	
	Co. G	\$3,167	\$4,500	348	\$1,566,000	→						
	<b>IDI Total</b>	<b>\$17,084</b>	<b>\$30,000</b>		<b>\$10,440,000</b>		<b>IDI Total</b>	<b>\$13,824</b>	<b>\$30,000</b>		<b>\$10,440,000</b>	\$3,260
<b>Total DI Benefits</b>		<b>\$22,208</b>	<b>\$60,000</b>		<b>\$10,800,000</b>			<b>\$18,258</b>	<b>\$60,000</b>		<b>\$11,160,000</b>	
		<b>Savings %</b>			<b>17.79%</b>						<b>\$3,950</b>	

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# Premium Financing Structure

## Situation 1

- Age 62 Year Old Male
- Commercial Real Estate Owner
- Uninsurable
- Pays \$18,500 year current \$1M Permanent
- \$2M Term 2 Years Left
- Conversion Cost \$172,000 Per Year 10 Pay

## Solution

- Bond Premium Financing Structure
- Posted \$300,000 Collateral from Building Equity
- \$5.5M Bond Raise Paid for conversion and freed up \$18,500
- Collateral Released 10 Years
- No out of Pocket Cost

## Situation 2

- Age 48 Year Old Male
- Wall Street Bond Trader
- \$1M in Family Trust
- Wants \$23M of Life Coverage for Estate and Family Legacy
- 10 Pay Cost \$819,000 Per Year

## Solution 2

- Bond Premium Financing Structure
- Posted \$952,000 Collateral from Trust
- \$8.7M Bond Raise Paid for 10 Pay
- Collateral Release 8 Years
- No out of Pocket Cost

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# Medical Group Executive Summary

Item	Current Cost	KeyArx Cost	Annual Savings	Delivery Days	Priority Level
Dental	\$52,415	\$46,125	\$6,200		
Short Term Disability	\$19,596	\$13,970	\$5,626	7 to 12	I
Long Term Disability	\$69,000	\$36,480	\$32,520		
Life & AD&D	\$7,920	\$5,760	\$2,160		
<b>Sub-Total</b>	\$148,931	\$102,335	<b>\$46,506</b>	<b>Phase I</b>	
Qualified Plan Design	\$82,134	\$43,500	\$38,634	30 to 60 Days	II
Qualified Plan Provider (\$6,500,000 AUM 30 bps)	\$7,800	\$3,492	\$4,308		
<b>Sub-Total</b>	\$89,934	\$46,992	<b>\$42,942</b>	<b>Phase II</b>	
Property & Casualty	\$124,597	\$85,593	\$39,004		
Bank Loans	\$53,700	\$45,300	\$8,400	90 Days	III
Payroll/HR Service	\$8,400	\$4,370	\$4,030		
Health	\$377,256	\$258,532	\$118,724		
<b>Sub-Total</b>	\$563,953	\$393,795	<b>\$170,158</b>	<b>Phase II</b>	
<b>Total</b>	<b>\$802,818</b>	<b>\$543,122</b>	<b>\$259,606</b>		
<b>Savings % to Client</b>			<b>32.35%</b>		

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## PHYSICIAN GROUPS

# Pension Contribution rider

Most disability plans do not replace contributions to retirement programs, so employees who become disabled may not be able to properly provide for their retirement years. What can physicians, dentists, and other medical professionals do?

### Internal Revenue

#### Service requirements

The IRS has requirements that may apply to this rider. Thus, we advise that employers consult with their plan advisor about whether:

- There are any plan qualification tax issues related to payments made under this rider
- The plan must be amended to accept payments under this rider

The Pension Contribution rider is available with Sun Life's Physician Long-Term Disability plans. It protects employees' retirement income by continuing all or a portion of the contributions to the retirement plan. These contributions can be put toward a qualified defined contribution plan or other type of plan approved by Sun Life Financial.

### Key features

- Key features of this option include the following:
  - It replaces up to the lesser of:
    - 5% to 15% of pre-disability earnings,
    - the actual contribution that was deposited monthly into the employer-sponsored plan, or
    - \$2,000 to \$4,000<sup>1</sup> per month.
  - It makes payments to either the trustee or the administrator of the pension plan (if able to accept payments).
  - The pension plan is defined as a qualified defined contribution plan or other plan approved by Sun Life Financial.
  - It includes full payment during Total or Residual Disability.

- The benefit is paid if an employee is receiving a Partial or Total Disability payment and if the employee is a participant in the employer-sponsored plan so long as the employee has been a participant in the plan for at least 12 months prior to the date that the Total or Partial Disability began; and if the individual becomes disabled after having been a participant in the pension plan for 12 months prior to disability, remains disabled during the elimination period, and is receiving a disability benefit under the disability program.
- The benefit will continue until the individual is no longer disabled; fails to provide proof that he or she continues to be Totally or Partially Disabled; reaches the end of the maximum duration of disability benefits in the plan; or dies.



### Example

A group plan covers both a physician's contribution and the employer's contributions. A physician earning \$30,000 a month was making a \$3,000 pre-tax contribution to a defined contribution plan and was eligible for a 15% pension benefit under his Long-Term Disability plan before becoming totally disabled under the contract provisions. After receiving his total disability benefit, Sun Life would replace up to the lesser of:

- the pension percentage (15% of \$30,000 = \$4,500),
- the employee's actual contribution (\$3,000), or
- \$4,000 per month.

The amount payable under the pension benefit for this individual is \$3,000. This amount is paid in addition to the basic Long-Term Disability payment.

To learn more, call your local Sun Life Employee Benefits Representative or MGIS Regional Vice President today.



One Sun Life Executive Park  
Wellesley Hills, MA 02481

[www.sunlife.com/us](http://www.sunlife.com/us)  
877-736-4739

GLTDFL-PHY-117

1. Higher amounts may be available as the federal contribution limits change.

Group insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states, except New York, under Policy Form Series 93P-LH, 98P-ADD, 02-SL, 07-SL, and 01C-LH-PT. In New York, group insurance policies are underwritten by Sun Life Insurance and Annuity Company of New York (New York, NY) under Policy Form Series 93P-LH-NY, 02P-NYSTD, 98P-ADD-NY, 02-NYSL, 07-NYSL, and 01NYC-LH-PT. The disability policies provide disability income insurance only. They do NOT provide basic hospital, basic medical, or major medical insurance as defined by the New York State Insurance Department. Administration for physician products is provided by Medical Group Insurance Services, Inc. (MGIS), in all states, except as follows: in CA by MGIS Insurance Agency, Inc; in NY by MGIS Insurance Agency; in NC by Insurance Administration, Inc., d/b/a MGIS NC. Product offerings may not be available in all states and may vary depending on state laws and regulations.

Sun Life Insurance and Annuity Company of New York ("SLNY") was acquired by Delaware Life Holdings, LLC. Group and voluntary insurance products underwritten through SLNY will continue to be administered by a member of the Sun Life Financial group of companies.

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PHYSICIAN GROUPS

# Malpractice Insurance Reimbursement rider

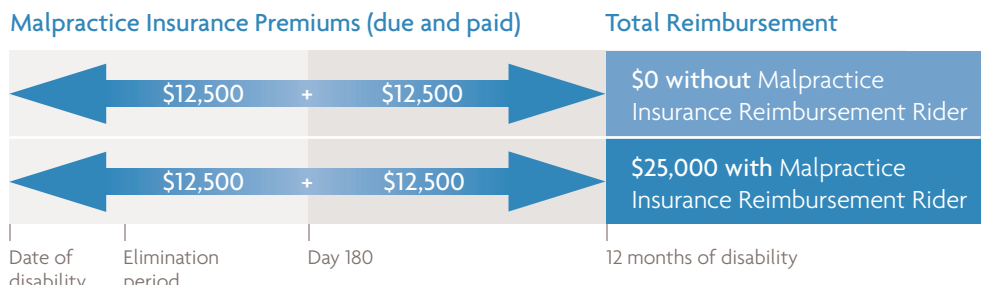
When physicians and dentists are on long-term disability (LTD), paying malpractice insurance bills can be difficult. Our innovative Malpractice Insurance Reimbursement rider, referred to as Professional Liability coverage, provides some financial relief when it's really needed. With this rider, Sun Life will reimburse payments due and paid during a 12-month period while on approved disability—up to a total of \$25,000.

## Get reimbursed up to \$25,000

Once you qualify for LTD benefits, we'll reimburse up to \$25,000 of the actual malpractice insurance payments you make, for either ongoing malpractice premium coverage, extended reporting period coverage, or both during a 12-month period while you're out on approved disability. Reimbursement can start from the onset of partial disability, once the elimination period is met.

### Example

A physician who pays \$2,084 a month for malpractice insurance is partially disabled due to a car accident. She is disabled for a total of 12 months. Let's compare her malpractice reimbursement payments with and without the rider. The difference is significant. Without the Malpractice reimbursement rider, she would receive no reimbursement payments—a total of zero dollars. With the Malpractice Insurance Reimbursement rider, she would be reimbursed \$25,000.



This example is for hypothetical purposes only and shows reimbursement payments under the Malpractice Insurance Reimbursement rider for the first 12 months of a partial disability with a 180-day elimination period and a \$25,000 rider maximum.

What if \$25,000 and 12 months isn't enough? No problem. Upon request, higher maximums and longer durations are available to eligible groups.



## Easy to use – no forms to fill out!

Once the rider is added to a policy, how do you use it? Simple. After you qualify for an LTD benefit and meet the elimination period, just send in proof that you've paid your malpractice insurance. We'll send a reimbursement check. There are no forms to fill out.

### 1. Reimbursement request

MGIS provides administration services for all of Sun Life's Physician Group products. To request a reimbursement, send or fax to MGIS:

- A statement asking for Malpractice Insurance Reimbursement
- Copies of invoices with proof of malpractice insurance coverage dates and payments
- The Sun Life Physician Group LTD policyholder account number

MGIS

Attn: Malpractice Insurance Reimbursement Request

P.O. Box 16110

Salt Lake City, UT 84116

Fax: 801-990-2401

### 2. Reimbursement checks

We'll send the reimbursement checks to the employee or employer, according to the policy.

Plus, we'll match the reimbursement schedule to the payment schedule that the practice, physician, or dentist uses. Checks can be monthly, quarterly, or some other period of time that the policyholder specifies. There's no need to change a business practice to use this rider.

## Protect more income

The Malpractice Insurance Reimbursement rider is a great way for medical practices, doctors, and dentists to protect more of their income. It reduces the financial burden of malpractice insurance costs during disability.

When it comes to protecting assets, a comprehensive approach makes sense. In addition to adding the Malpractice Insurance Reimbursement rider, there are more ways you can increase your protection.

Ask about these innovative offerings:

- Retro Disability Benefits®
- Pension Contribution Benefit rider
- Business Protection rider
- Emergency Travel Assistance<sup>1</sup>
- Identity Theft Protection<sup>1</sup>

To learn more, call your local Sun Life Employee Benefits Representative or MGIS Regional Vice President today.

<sup>1</sup> Emergency Travel Assistance is provided by Assist America® Identity Theft Protection is provided by SecurAssist®, an Assist America program. These services are not insurance and are included in the cost of benefits.

Malpractice insurance refers to professional medical or dental practice liability insurance. For physicians or dentists who retire due to disability from their practices, the rider reimburses costs associated with the extended reporting period. The Malpractice Insurance Reimbursement rider is available to physicians and dentists with Sun Life Physician Group LTD.

Group insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states, except New York, under Policy Form Series 93P-LH, 98P-ADD, 02-SL, 07-SL, and 01C-LH-PT. In New York, group insurance policies are issued by Sun Life Insurance and Annuity Company of New York (New York, NY) under Policy Form Series 93P-LH-NY, 06P-NYDBL, 02P-NYSTD, 98P-ADD-NY, 02-NYSL, 07-NYSL, and 01NYC-LH-PT. The disability policies provide disability income insurance only. They do NOT provide basic hospital, basic medical, or major medical insurance as defined by the New York State Insurance Department. Administration for physician products is provided by Medical Group Insurance Services, Inc. (MGIS), in all states, except as follows: in CA by MGIS Insurance Agency, Inc.; in NY by MGIS Insurance Agency; in NC by Insurance Administration, Inc., d/b/a MGIS NC. Product offerings may not be available in all states and may vary depending on state laws and regulations.

Sun Life Insurance and Annuity Company of New York ("SLNY") was acquired by Delaware Life Holdings, LLC. Group and voluntary insurance products underwritten through SLNY will continue to be administered by a member of the Sun Life Financial group of companies.

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877-736-4739



**Employee Group Benefits**  
UNDERWRITTEN BY  
**SUN LIFE ASSURANCE COMPANY OF CANADA**

**LONG TERM DISABILITY INSURANCE**



This booklet is issued in the State of New Jersey and is subject to the Laws of that jurisdiction.

Welcome to Sun Life Assurance Company of Canada (Sun Life). Sun Life is pleased to be your Employer's insurance carrier for the benefits provided in the Group Policy. The description of Eligible Classes in the Benefit Highlights will help you determine what benefits apply to you.

The booklet is intended to provide a summarized explanation of the current Group Policy Benefits. However, the Group Policy is the document which forms Sun Life's contract to provide benefits. If the terms of the booklet and the Group Policy differ, the Group Policy will govern. In the event of any changes in benefits or Group Policy provisions, you will be provided with a new booklet or a supplement which describes any changes.

Possession of this booklet does not necessarily mean you are insured under the Group Policy. The requirements for becoming eligible for insurance and the dates your insurance begins or ceases are explained within this booklet.

This booklet uses insurance terms and phrases that are listed in the Definitions Section.

For information, call Medical Group Insurance Services (MGIS) toll-free at (800) 969-6447.



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## BENEFIT HIGHLIGHTS

Your specific LTD Benefit plan choices available to you are shown in the Benefit Highlights section on this and the following pages.

The Benefit Highlights form and the following pages form your entire Booklet-Certificate.

The following pages summarize the applicable LTD Benefits available. Certain provisions are only applicable if indicated on your Benefit Highlights form.

### LONG TERM DISABILITY INSURANCE

#### ELIGIBLE CLASSES

As stated on your Benefit Highlights form

#### AMOUNT OF INSURANCE

##### DIRECT OPTION

The lesser of:

- the Benefit Percentage (shown in the Benefit Highlights) of your Total Monthly Earnings, less Other Income Benefits; or
- the Maximum Monthly Benefit (shown in the Benefit Highlights), less Other Income Benefits; or
- the Guaranteed Issue Amount (shown in the Benefit Highlights) plus any amount of insurance over your Guaranteed Issue Amount that Sun Life has approved your Evidence of Insurability, less Other Income Benefits.

##### ALL SOURCE OPTION

The lesser of:

- the Benefit Percentage (shown in the Benefit Highlights) of your Total Monthly Earnings; or
- the Integrated Benefit Percentage (shown in the Benefit Highlights) of your Total Monthly Earnings, less Other Income Benefits; or
- the Maximum Monthly Benefit (shown in the Benefit Highlights); or
- the Guaranteed Issue Amount (shown in the Benefit Highlights) plus any amount of insurance over your Guaranteed Issue Amount that Sun Life has approved your Evidence of Insurability.

The **Minimum Monthly Benefit** is \$100 or 10% of your Gross Monthly Benefit, whichever is greater.

Note: your amount of insurance is also subject to reductions for your employment earnings.

Your Evidence of Insurability, satisfactory to Sun Life, will be required for any amount of insurance over your Guaranteed Issue Amount.

#### Elimination Period

(The period of time you need to be continuously Totally or Partially Disabled before LTD benefits are payable)

As stated on your Benefit Highlights form

## BENEFIT HIGHLIGHTS

### Maximum Benefit Period

(The longest period of time Sun Life will pay you an LTD benefit while you are Totally or Partially Disabled)

One of the following Options as stated on your Benefit Highlights form

### GRADED ADEA OPTION

#### Age at Disability

#### Maximum Benefit Period

Less than age 63	To age 65, but not less than 48 months
64	36 Months
65	30 Months
66	27 Months
67	24 Months
68	21 Months
69 and over	18 Months

### 65/5/70 OPTION

#### Age at Disability

#### Maximum Benefit Period

Less than age 60	To age 65, but not less than 5 years
60 - 68	5 years but not beyond the attainment of age 70
68 or over	24 Months



## **BENEFIT HIGHLIGHTS**

### **SSNRA OPTION**

Your Maximum Benefit Period is the period shown below or your Normal Retirement Age under the 1983 amendments to the Federal Social Security Act, whichever is longer.

<b><u>Age at Disability</u></b>	<b><u>Maximum Benefit Period</u></b>
Less than age 63	To age 65, but not less than 48 months
64	36 Months
65	30 Months
66	27 Months
67	24 Months
68	21 Months
69 and over	18 Months

<b><u>Year of Birth</u></b>	<b><u>Normal Retirement Age</u></b>
Before 1938	Age 65
1938	Age 65 and 2 months
1939	Age 65 and 4 months
1940	Age 65 and 6 months
1941	Age 65 and 8 months
1942	Age 65 and 10 months
1943 through 1954	Age 66
1955	Age 66 and 2 months
1956	Age 66 and 4 months
1957	Age 66 and 6 months
1958	Age 66 and 8 months
1959	Age 66 and 10 months
After 1959	Age 67

## BENEFIT HIGHLIGHTS

### 5 YEAR GRADED OPTION

#### Age at Disability

Less than age 61  
61  
62  
63  
64  
65  
66  
67  
68  
69 and over

#### Maximum Benefit Period

60 Months  
54 Months  
48 Months  
42 Months  
36 Months  
30 Months  
27 Months  
24 Months  
21 Months  
18 Months

### 3 YEAR GRADED OPTION

#### Age at Disability

Less than age 64  
64  
65  
66  
67  
68  
69 and over

#### Maximum Benefit Period

36 Months  
30 Months  
24 Months  
21 Months  
18 Months  
15 Months  
12 Months

### 2 YEAR GRADED OPTION

#### Age at Disability

Less than age 66  
66  
67  
68  
69 and over

#### Maximum Benefit Period

24 Months  
21 Months  
18 Months  
15 Months  
12 Months

## **BENEFIT HIGHLIGHTS**

### **WAITING PERIOD**

(The period of time you must be employed in an Eligible Class before you can apply for benefits)

As stated on your Benefit Highlights form

### **CONTRIBUTIONS**

As stated on your Benefit Highlights form

### **APPLICABLE IF COVERAGE IS NON-CONTRIBUTORY**

The cost of your Long Term Disability Insurance is paid for entirely by your Employer. This is your non-contributory insurance.

However, you may elect to contribute to the cost of your Long Term Disability Insurance.

### **APPLICABLE IF COVERAGE IS CONTRIBUTORY**

The cost of your Long Term Disability Insurance is paid for by you. This is your contributory insurance.

### **APPLICABLE IF COVERAGE IS SHARED BY BOTH THE EMPLOYER AND EMPLOYEE**

The cost of your Long Term Disability Insurance is shared by both you and your Employer. This is your contributory insurance.

The following Questions and Answers will help you to better understand your benefits.



## **ELIGIBILITY AND EFFECTIVE DATE**

### **When am I eligible for insurance?**

If you are in an Eligible Class shown in the Benefit Highlights, you are eligible on the later of:

- your Employer's Effective Date of Insurance (shown in the Benefit Highlights); or
- the day after you complete your Waiting Period.

### **When do I need to apply for insurance?**

For contributory insurance, you must apply within 31 days of the date you become eligible.

### **When does my insurance start?**

For non-contributory insurance, your insurance starts on the date you are eligible, if you are Actively at Work on that date.

For contributory insurance, your insurance starts on the later of:

- the date you apply; or
- the date you are eligible;

if you are Actively at Work on that date.

### **What happens if I do not apply within 31 days?**

Your contributory insurance will start on the date Sun Life approves your Evidence of Insurability, if you are Actively at Work on that date.

### **What if I am not Actively at Work on that date?**

If you are not Actively at Work on the date your insurance would normally start, your insurance will not start until you are Actively at Work.

### **What happens if I do not want my contributory insurance?**

You need to sign a form refusing your insurance. This form is available from your Employer.

If you decide later you want to enroll for insurance, Sun Life must first approve your Evidence of Insurability.

### **When do changes in my amount of insurance occur?**

If you may elect to increase your current LTD Benefit, you may elect to do so only during the Annual Enrollment Period shown in the Benefit Highlights.

If your amount of insurance increases due to a change in your salary, your increase will take effect on the January 1<sup>st</sup> following the date of change if your Total Monthly Earnings are based on a calendar year and immediately upon the date of change if your Total Monthly Earnings are not based on a calendar year, as long as:

- you are Actively at Work on that date; and
- Evidence of Insurability is not required for the increase in your amount of insurance.

## **ELIGIBILITY AND EFFECTIVE DATE**

If your amount of insurance increases due to a change in your class, your increase will take effect immediately upon the date of change, as long as:

- you are Actively at Work on that date; and
- Evidence of Insurability is not required for the increase in your amount of insurance.

If your amount of insurance decreases due to a change in your salary, the decrease will take effect on the January 1<sup>st</sup> following the date of change if your Total Monthly Earnings are based on a calendar year and immediately upon the date of change if your Total Monthly Earnings are not based on a calendar year.

If your amount of insurance decreases due to a change in your class, the decrease will take effect immediately upon the date of change.

If Evidence of Insurability is required for any increase in your amount of insurance, the increase in your insurance will not start until Sun Life approves the increase, but you need to be Actively at Work on that date.

If you are not Actively at Work on the date an increase in your insurance would normally start, the increase in your insurance will not start until you are Actively at Work.

## TERMINATION OF EMPLOYEE INSURANCE

### When does my insurance cease?

Your insurance ceases on the earliest of:

- the date the Group Policy terminates.
- the date your Employer ceases to be a participant employer under the United Health Services Employer's Trust..
- the date you are no longer in an Eligible Class.
- the date your class is no longer included for insurance.
- the last day for which any required premium has been paid for your insurance.
- the date you retire.
- the date you request in writing to terminate your insurance.
- the date you enter active duty in any armed service during a time of war (declared or undeclared).
- the date your employment terminates.
- the date you cease to be Actively at Work.

### Are there any conditions under which my insurance can continue?

Yes.

Your insurance will continue during any Elimination Period or any period the premium for your insurance is waived under the Group Policy.

If you are on temporary layoff, approved leave of absence, approved Sabbatical or vacation, your Employer may continue your insurance by paying the required premium for the length of time specified below.

- Layoff - for up to 2 months
- Sabbatical Leave of Absence – for up to 12 months
- All Other Leave of Absences - for up to 2 months
- Vacation - for up to 3 months

If your insurance is continued under a Sabbatical leave of absence, the Sabbatical must be for educational or training purposes and you must submit documentation to Sun Life if the continuation is later than 2 months. Any period in excess of 2 months may only be continued with Sun Life's approval.

### APPLICABLE IF CONVERSION OPTION APPLIES

If your coverage terminates and you are not eligible for any of the described continuations, you may be eligible for a Conversion Privilege. Refer to the "Conversion Privilege" in the LTD Benefit section. Please note that you need to apply for the conversion and pay the required premium within 31 days following your termination of insurance.

You may be eligible to continue your insurance coverage pursuant to the Family and Medical Leave Act of 1993, as amended or continue coverage pursuant to a state required continuation period (if any). You should contact your Employer for more details.

You may be eligible to continue your insurance coverage pursuant to the Uniformed Services Employment and Reemployment Rights Act (USERRA). You should contact your Employer for more details.



## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

#### **What is the Long Term Disability Benefit?**

Long Term Disability Benefits (LTD) partially replace your income if you become Totally or Partially Disabled while insured.

#### **When do LTD benefits become payable?**

Sun Life will pay a monthly LTD benefit after the end of your Elimination Period, if Sun Life receives proof that you are:

- Totally or Partially Disabled due to an Injury or Sickness; and
- under the regular and continuing care of a Physician for your disabling condition.

#### **What conditions must be met for LTD benefits to continue?**

Sun Life will pay you an LTD benefit, up to the Maximum Benefit Period, if you provide proof that you continue to be Totally or Partially Disabled and you require the regular and continuing care of a Physician. You need to provide proof when Sun Life asks for it, but the proof is at your expense. You need to provide Sun Life with proof of your monthly earnings (if applicable) on a quarterly basis.

#### **What is the Total Disability Benefit?**

##### **Extended Own Occupation Option**

If you are Totally Disabled, your Net Monthly Benefit will be calculated based on the Total Disability Benefit formula. You will qualify for this benefit if:

- you are not working or you are working but you are earning less than 20% of your Indexed Total Monthly Earnings; and
- you, because of your Injury or Sickness, are unable to perform one or more of the Material and Substantial Duties of your Own Occupation.

##### **Own Occupation Option**

If you are Totally Disabled, your Net Monthly Benefit will be calculated based on the Total Disability Benefit formula. You will qualify for this benefit if:

- you are not working or you are working but you are earning less than 20% of your Indexed Total Monthly Earnings; and
- during your Elimination Period and the next Own Occupation Period (shown in the Benefit Highlights), you, because of your Injury or Sickness, are unable to perform one or more of the Material and Substantial Duties of your Own Occupation.

After Total or Partial Disability LTD benefits combined have been paid to you for Own Occupation Period (shown in the Benefit Highlights), you will continue to qualify for this benefit if you are unable to perform with reasonable continuity any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience.

## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

#### **How is the Total Disability Benefit calculated?**

##### **DIRECT OPTION**

To determine your Total Disability Benefit:

1. Take the lesser of:
  - a. your Total Monthly Earnings multiplied by the Benefit Percentage (shown in the Benefit Highlights); or
  - b. your Maximum Monthly Benefit (shown in the Benefit Highlights); or
  - c. the Guaranteed Issue Amount (shown in the Benefit Highlights) plus any amount of insurance over your Guaranteed Issue Amount that Sun Life has approved your Evidence of Insurability; then
2. Subtract Other Income Benefits from the amount determined in Step 1.

##### **ALL SOURCE INTEGRATION OPTION**

To determine your Total Disability Benefit:

Take the lesser of:

1. your Total Monthly Earnings multiplied by the Benefit Percentage (shown in the Benefit Highlights); or
2. your Total Monthly Earnings multiplied by the Integrated Benefit Percentage (shown in the Benefit Highlights) and subtract Other Income Benefits; or
3. your Maximum Monthly Benefit (shown in the Benefit Highlights); or
4. the Guaranteed Issue Amount (shown in the Benefit Highlights) plus any amount of insurance over your Guaranteed Issue Amount that Sun Life has approved your Evidence of Insurability.

## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

#### **What is the Partial Disability Benefit?**

##### **Extended Own Occupation Option**

If you are Partially Disabled, your Net Monthly Benefit will be calculated based on the Partial Disability Benefit formula. You will qualify for this benefit if:

- you are working and have Disability Earnings of more than 20% but less than 80% of your Indexed Total Monthly Earnings; and
- you, because of Injury or Sickness, are unable to perform the Material and Substantial Duties of your Own Occupation.

##### **Own Occupation Option**

If you are Partially Disabled, your Net Monthly Benefit will be calculated based on the Partial Disability Benefit formula. You will qualify for this benefit if:

- you are working and have Disability Earnings of more than 20% but less than 80% of your Indexed Total Monthly Earnings; and
- during your Elimination Period and the next Own Occupation Period (shown in the Benefit Highlights), you, because of your Injury or Sickness, are unable to perform the Material and Substantial Duties of your Own Occupation.

After Total or Partial Disability LTD benefits combined have been paid to you for Own Occupation Period (shown in the Benefit Highlights), you will continue to qualify for this benefit if you are unable to perform with reasonable continuity any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience and you have Disability Earnings of less than 80% of your Indexed Total Monthly Earnings.

#### **How is the Partial Disability Benefit calculated?**

##### **ADD IF RETURN TO WORK OPTION APPLIES**

To determine the Partial Disability Benefit for the first Return to Work Period (shown in the Benefit Highlights) of your Partial Disability:

1. add your Disability Earnings and income received from Other Income Benefits to the Total Disability Benefit.
2. if this sum is more than 100% of your Indexed Total Monthly Earnings, subtract the amount in excess of 100% of your Indexed Total Monthly Earnings from your Total Disability Benefit. This result is your Partial Disability Benefit; or

if the sum is less than 100% of your Indexed Total Monthly Earnings, your Partial Disability Benefit is your Total Disability Benefit.

If you continue to be Partially Disabled after Return to Work Period (shown in the Benefit Highlights) of Partial Disability Benefits, your Partial Disability Benefit will be recalculated based on the following formula:

## BENEFIT PROVISIONS

### LONG TERM DISABILITY INCOME INSURANCE

#### PROPORTIONATE LOSS FORMULA

(A divided by B) multiplied by C

where:

A = your Indexed Total Monthly Earnings minus your monthly Disability Earnings.

B = your Indexed Total Monthly Earnings.

C = your Total Disability Benefit.

#### What are Other Income Benefits?

Other Income Benefits are those benefits provided or available to you while your monthly LTD benefit is payable. These Other Income Benefits, other than retirement benefits, must be provided to you as a result of the same Total or Partial Disability payable under the Group Policy. Other Income Benefits include:

1. The amount you are eligible for under:
  - a. Workers' Compensation Law; or
  - b. Occupational Disease Law; or
  - c. Unemployment Compensation Law; or
  - d. Compulsory Benefit Act or Law; or
  - e. any other act or law of like intent.
2. The Railroad Retirement Act (including any dependent benefits).
3. Any labor management trustee, union or employee benefit plans that are funded in whole or in part by your Employer.
4. Any disability income benefits you are eligible for under:
  - a. any other group insurance plan of your Employer;
  - b. any governmental retirement system as a result of your job with your Employer.
5. The Employer-paid benefits you receive under your Employer's Retirement Plan as follows:
  - a. any disability benefits;
  - b. any retirement benefits.

(This applies only if the benefits do not reduce your accrued retirement benefit and does not include any amount rolled over or transferred to any other retirement plan as defined in Section 402 of the Internal Revenue Code.)



## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

#### **FULL FAMILY OFFSETS OPTION**

6. The disability or retirement benefits under the United States Social Security Act, or any similar plan or act, as follows:
  - a. Disability benefits you are eligible to receive.
  - b. Disability benefits your spouse, child or children (who reside with you or you have a legal obligation to provide financial support) are eligible to receive because of your Total or Partial Disability, unless the dependent benefits are paid directly to your divorced spouse or to your children in custody of your divorced spouse.
  - c. Retirement benefits received by you which are received as a direct result of your Total or Partial Disability.
  - d. Retirement benefits your spouse, child or children (who reside with you or you have a legal obligation to provide financial support) receive because of your receipt of retirement benefits, unless the dependent benefits are paid directly to your divorced spouse or to your children in custody of your divorced spouse.

#### **PRIMARY OFFSETS OPTION**

6. The disability or retirement benefits under the United States Social Security Act, or any similar plan or act, as follows:
  - a. Disability benefits you are eligible to receive.
  - b. Retirement benefits received by you which are received as a direct result of your Total or Partial Disability.

If your Total or Partial Disability begins after your Social Security Normal Retirement Age, your Social Security Retirement Benefits will not be offset if, prior to your Total or Partial Disability, you were already receiving Social Security Retirement Benefits.

7. The amount you receive from any accumulated sick leave.
8. Any salary continuation paid to you by your Employer which causes your Net Monthly Benefit, plus Other Income Benefits and any salary continuation, to exceed 100% of your Total Monthly Earnings. The amount in excess of 100% of your Total Monthly Earnings will be used to reduce your Net Monthly Benefit. Available if this Option is elected on your Benefit Highlights Form -- However, for the first 3 months of benefit payments following the Elimination Period, any salary continuation paid to you by your Employer, including non-employment income and any income you earned prior to your Total or Partial Disability, will not be considered Other Income.
9. Any amount you receive from a voluntary separation of employment agreement from your Employer including severance pay or any other income settlement of an employment contract.

#### **What if I receive payment of Other Income Benefits in a lump sum?**

If you receive a lump sum payment for any Other Income Benefits, Sun Life will prorate the lump sum on a monthly basis over the time period specified for the lump sum payment. If no time period is stated, the lump sum payment will be prorated on a monthly basis over a reasonable period of time as determined by Sun Life.

#### **Am I required to apply for Other Income Benefits?**

You must apply for any Other Income Benefits for which you may be eligible. If such benefits are denied, you must appeal the denial to all administrative levels that Sun Life deems necessary. Sun Life has the right to receive from you written documentation of your pursuit of Other Income Benefits.

#### **What is the Social Security Disability Income Assistance Program?**

## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

At your request, Sun Life will assist you (if appropriate) through the various levels of the Social Security claims process. Sun Life will assist you with your application and also through the appeals process.

## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

#### **Are any of my Other Income Benefits estimated?**

Sun Life has the right to estimate the amount of any Other Income Benefits you are eligible to receive during your Total or Partial Disability, and to reduce the LTD benefit payments by the estimated amount. Sun Life will estimate the amount if, at the time of calculating any LTD benefit payments, the Other Income Benefit you may be eligible to receive has not been awarded nor denied, or if the Other Income Benefit has been denied and is being appealed. This estimate will be used to reduce the amount of your monthly LTD benefit payments until the Other Income Benefit has been awarded or denied. Sun Life will not reduce your LTD benefit payment by an estimated amount of Social Security Benefits unless you make a written request to Sun Life.

#### **What happens when the Other Income Benefits have been awarded or have been denied?**

You must notify Sun Life in writing, within 31 days of receipt of notice, of the amount of Other Income Benefits when it is approved or if the amount is adjusted (other than for cost of living increases). Sun Life will make an adjustment to the Net Monthly Benefit when Sun Life receives written notice of the amount of the Other Income Benefit.

If after Sun Life makes an adjustment to your Net Monthly Benefit you have been underpaid, Sun Life will immediately make a lump sum refund to you of the amount that has been underpaid.

If after Sun Life makes an adjustment to your Net Monthly Benefit you have been overpaid, you must reimburse Sun Life the amount of the overpayment within 31 days of the award. Sun Life has the right to reduce or eliminate your future LTD benefit payments until the amount of the overpayment has been repaid.

#### **What happens if I receive increases in my Other Income Benefits?**

After the first deduction for each of your Other Income Benefits, Sun Life will not reduce your monthly LTD benefit payments due to cost of living increases you receive from any sources described as Other Income Benefits. This does not apply to any increase in earnings you receive from employment.

## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

#### **When does my monthly LTD benefit cease?**

Your monthly LTD benefit will cease on the earliest of:

- the date you are no longer Totally or Partially Disabled.
- the date you die.
- the end of your Maximum Benefit Period.
- the date you do not provide adequate employment earnings information or proof that you continue to be Totally or Partially Disabled as requested.

#### **Extended Own Occupation Option**

- the date your Disability Earnings are more than 80% of your Indexed Total Monthly Earnings.
- the date Sun Life determines you are able to perform on a full-time basis, the Material and Substantial Duties of your Own Occupation, even if you choose not to work.

**Full-time basis** means you are able or have the capacity to perform the Material and Substantial Duties of your Own Occupation for the number of hours you normally performed your Own Occupation prior to your Total or Partial Disability.



## BENEFIT PROVISIONS

### LONG TERM DISABILITY INCOME INSURANCE

#### Own Occupation Option

- the date your Disability Earnings are more than 80% of your Indexed Total Monthly Earnings.
- for the first Own Occupation Period (shown in the Benefit Highlights) of Total or Partial Disability, the date Sun Life determines you are able to perform on a full-time basis, the Material and Substantial Duties of your Own Occupation, even if you choose not to work.
- after the first Own Occupation Period (shown in the Benefit Highlights) of Total or Partial Disability, the date Sun Life determines you are able to perform on a full-time basis any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience, even if you choose not to work.

**Full-time basis** means for the first Own Occupation Period (shown in the Benefit Highlights) of Total or Partial Disability, you are able or have the capacity to perform the Material and Substantial Duties of your Own Occupation for the number of hours you normally performed your Own Occupation prior to your Total or Partial Disability. After Own Occupation Period (shown in the Benefit Highlights) of Total or Partial Disability, you are able or have the capacity to perform any Gainful Occupation for the number of hours you normally performed your Own Occupation prior to your Total or Partial Disability.

#### What happens if I return to full-time work and become disabled again?

Sun Life will treat this new Total or Partial Disability as part of your prior Total or Partial Disability if you returned to work and were Actively at Work for less than:

- six months, if due to the same or related causes;
- one day, if due to an entirely unrelated cause.

You will not have to complete a new Elimination Period.

Your monthly LTD benefit will be subject to the same terms and conditions as were applicable to the original Total or Partial Disability.

Your monthly LTD benefit will not continue if:

- you become eligible for coverage under any other group LTD policy after you return to full-time work; or
- the Group Policy terminates.

If your new disability begins later than the time periods specified, you will need to complete a new Elimination Period.

## BENEFIT PROVISIONS

### LONG TERM DISABILITY INCOME INSURANCE

#### What are the Rehabilitation Services?

If you become Totally or Partially Disabled, Sun Life may determine that you are a suitable candidate to receive vocational Rehabilitation Services. In order for you to be eligible for such services, you must have the functional capacity to successfully complete a Rehabilitation Program. These services include, but are not limited to:

- job modification;
- job placement;
- retraining;
- other activities reasonably necessary to help you return to work.

You decide whether to participate in a Rehabilitation Program (with your Physician's approval). If you choose to participate in a rehabilitation assessment or a Rehabilitation Program, it is at Sun Life's expense. Sun Life will work with you, your employer, your Physician and others, as appropriate, to develop a Rehabilitation Program.

Eligibility for vocational Rehabilitation Services is based on your education, training, experience and physical/mental capabilities. Sun Life determines whether you are eligible for vocational Rehabilitation Services.

The Rehabilitation Program may, at Sun Life's sole discretion, allow for payment of your medical expense, education expense, moving expense, accommodation expense or family care expense while you are participating in the Rehabilitation Program.

**Rehabilitation Program** means a written agreement between you and Sun Life in which Sun Life agrees to provide, arrange or authorize vocational, physical or psychiatric rehabilitation services and you agree to participate in the Rehabilitation Program.

#### What happens if I participate in a Rehabilitation Program?

If you participate in a Sun Life approved Rehabilitation Program, you will receive the greater of:

- your Benefit Percentage (as shown in the Benefit Highlights) multiplied by 1.10; or
- your current Net Monthly Benefit payable multiplied by 1.10.

To calculate the increased benefit:

1. Take your current Benefit Percentage and multiply by 1.10. Then calculate your Total or Partial Disability benefit including any deductions for Disability Earnings or Other Income Benefits.
2. Take your current Net Monthly Benefit payable and multiply by 1.10.

The greater of 1 or 2 is your Rehabilitation increased amount.

This increased amount will cease on the earliest of:

- the date you complete the Rehabilitation Program; or
- the date you cease to participate in the Rehabilitation Program; or
- the date your LTD benefits cease; or
- 12 months after your Rehabilitation Program began.

## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

#### **What happens to my LTD benefit if I die?**

A Survivor Benefit equal to 3 times your last Gross Monthly Benefit is payable in a lump sum to your Eligible Survivor if Sun Life receives satisfactory proof that you died:

- after your Total or Partial Disability had continued for 180 or more consecutive days; and
- you were eligible to receive a monthly LTD benefit.

If you do not have an Eligible Survivor, the Survivor Benefit will be payable to your estate.

#### **Who are my Eligible Survivors?**

Your spouse, if living, or your children under age 25.

#### **COLA OPTION**

##### **What is the Cost of Living Adjustment Benefit?**

Sun Life will pay an additional benefit to you to help against increases in costs due to inflation.

##### **When am I eligible for a Cost of Living Adjustment Benefit?**

You are eligible for a Cost of Living Adjustment Benefit on the first anniversary of your Total Disability Benefit payments and each following anniversary thereafter, as long as you are receiving a Total Disability Benefit.

##### **How is my Cost of Living Adjustment Benefit calculated?**

To determine your Cost of Living Adjustment Benefit multiply your Total Disability monthly LTD benefit by COLA Percentage (shown in the Benefit Highlights).

Your monthly LTD benefit adjusted by the Cost of Living Adjustment Benefit is not subject to the Maximum Monthly Benefit.

Your monthly LTD benefit will include any prior years Cost of Living Adjustments.

##### **When does my Cost of Living Adjustment Benefit terminate?**

Your Cost of Living Adjustment Benefit will terminate on the earliest of:

- the date you no longer receive Total Disability Benefits; or
- the date you die; or
- the end of your Maximum Benefit Period; or
- the date you do not provide proof that you continue to be Totally Disabled as requested; or

##### **ADD IF COLA IS LIMITED**

- the date you have received COLA Limit (shown in the Benefit Highlights) Cost of Living Adjustment Benefits.

## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

#### **CONVERSION OPTION**

##### **What is the LTD Conversion Privilege?**

If your LTD insurance ceases due to termination of your employment, you may be eligible to participate in an LTD conversion policy.

##### **How am I eligible for the LTD Conversion Privilege?**

You are eligible if:

- your LTD insurance ceases because of termination of your employment; and
- you have been insured for at least 12 consecutive months immediately before your LTD insurance under the Group Policy terminated.

##### **How do I apply for the LTD Conversion Privilege?**

You apply by making a written application to Sun Life to participate in the LTD conversion policy along with payment of the first premium, within 31 days after the date your employment terminates.

##### **When is the Conversion Privilege not available?**

The Conversion Privilege is not available to you if:

- the LTD insurance under the Group Policy has terminated.
- you have retired.
- you have reached age 70.
- you are not in an Eligible Class under the Group Policy.
- the Group Policy has been amended to exclude your Eligible Class.
- you have failed to make any required premium contributions.
- you are Totally or Partially Disabled under the terms of the LTD Benefit Provision.
- you become insured for LTD insurance under another employer's LTD plan within 31 days after your insurance terminates under the Group Policy.

##### **What are the Limitations?**

No LTD benefit will be payable to you for any Total or Partial Disability during any of the following periods:

- any period you are no longer under the regular and continuing care of a Physician providing appropriate treatment and regular examination and testing in accordance with your disabling condition, unless you have reached your maximum point of recovery and are still Totally or Partially Disabled.
- any period you do not submit to any medical examination or clinical assessment requested by Sun Life.



## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

- any period of your Total or Partial Disability that is due to Mental Illness, unless you are under the continuing care of a specialist in psychiatric care.

After you complete your Elimination Period, LTD benefits are payable for 24 months.

Benefits after the first 24 months are payable only if you are confined in a Hospital or Institution licensed to provide psychiatric treatment.

If you continue to be Totally or Partially Disabled when discharged from a Hospital or Institution licensed to provide psychiatric treatment, Sun Life will continue your LTD Benefit payment for up to 90 days. If you become reconfined in a Hospital or Institution during the 90 day period and remain confined for at least 14 consecutive days, Sun Life will continue your LTD benefit payments during your reconfinement. Upon discharge, you will be eligible for up to an additional 90 days of LTD benefit payments if you continue to be Totally or Partially Disabled.

- any period of your Total or Partial Disability that is due to Drug and Alcohol Illness, unless you are actively supervised by a Physician or rehabilitation counselor and are receiving continuing treatment from a rehabilitation center or a designated institution.

After you complete your Elimination Period, LTD benefits are payable for 24 months if, during the Elimination Period you:

- become confined in a Hospital or Institution licensed to provide Drug or Alcohol treatment; or
- begin participation in a drug or alcohol rehabilitation program.

Benefits after the first 24 months are payable only if you are confined in a Hospital or Institution licensed to provide Drug or Alcohol treatment.

#### **What are the Exclusions?**

No LTD benefit is payable for any Total or Partial Disability that is due to:

- intentionally self-inflicted injuries.
- war, declared or undeclared, or any act of war.
- your active participation in a riot, rebellion or insurrection.
- your commission of a felony.
- a Pre-Existing Condition.

## BENEFIT PROVISIONS

### LONG TERM DISABILITY INCOME INSURANCE

#### 3/3/12 PRE-EXISTING CONDITION OPTION

**Pre-Existing Condition** means during the 3 months prior to your Effective Date of Insurance, you received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

**Pre-Existing Condition for increases in amounts of insurance means** during the 3 months prior to your Effective Date of any increase in your amount of insurance, you received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

#### **Pre-Existing Condition Exclusion Exception**

The Pre-Existing Condition Exclusion will not apply if your Total or Partial Disability begins later than 12 months after your Effective Date of Insurance or later than 12 months after your Effective Date of any increase in your amount of insurance.

The Pre-Existing Condition Exclusion also will not apply to the initial amount of insurance or for any subsequent increases if you have been insured under the Group Policy for the immediately preceding 3 months prior to your Total or Partial Disability and during that period you have not received any medical treatment, consultation, care or services, including diagnostic measures, or taken prescribed drugs or medicines for the disabling condition.

However, the Pre-Existing Condition Exclusion for increases does not apply to cost of living, contract or periodic salary review increases.

If you were insured under a previous Sun Life group LTD policy, an LTD benefit would be payable if you had received benefits for that Total or Partial Disability under the previous Sun Life group LTD policy.

## BENEFIT PROVISIONS

### LONG TERM DISABILITY INCOME INSURANCE

#### 6/6/12 PRE-EXISTING CONDITION OPTION

**Pre-Existing Condition** means during the 6 months prior to your Effective Date of Insurance, you received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

**Pre-Existing Condition for increases in amounts of insurance means** during the 6 months prior to your Effective Date of any increase in your amount of insurance, you received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

#### **Pre-Existing Condition Exclusion Exception**

The Pre-Existing Condition Exclusion will not apply if your Total or Partial Disability begins later than 12 months after your Effective Date of Insurance or later than 12 months after your Effective Date of any increase in your amount of insurance.

The Pre-Existing Condition Exclusion also will not apply to the initial amount of insurance or for any subsequent increases if you have been insured under the Group Policy for the immediately preceding 6 months prior to your Total or Partial Disability and during that period you have not received any medical treatment, consultation, care or services, including diagnostic measures, or taken prescribed drugs or medicines for the disabling condition.

However, the Pre-Existing Condition Exclusion for increases does not apply to cost of living, contract or periodic salary review increases.

If you were insured under a previous Sun Life group LTD policy, an LTD benefit would be payable if you had received benefits for that Total or Partial Disability under the previous Sun Life group LTD policy.

## BENEFIT PROVISIONS

### LONG TERM DISABILITY INCOME INSURANCE

#### 12/12/24 PRE-EXISTING CONDITION OPTION

**Pre-Existing Condition** means during the 12 months prior to your Effective Date of Insurance, you received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

**Pre-Existing Condition for increases in amounts of insurance means** during the 12 months prior to your Effective Date of any increase in your amount of insurance, you received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

#### **Pre-Existing Condition Exclusion Exception**

The Pre-Existing Condition Exclusion will not apply if your Total or Partial Disability begins later than 24 months after your Effective Date of Insurance or later than 12 months after your Effective Date of any increase in your amount of insurance.

The Pre-Existing Condition Exclusion also will not apply to the initial amount of insurance or for any subsequent increases if you have been insured under the Group Policy for the immediately preceding 12 months prior to your Total or Partial Disability and during that period you have not received any medical treatment, consultation, care or services, including diagnostic measures, or taken prescribed drugs or medicines for the disabling condition.

However, the Pre-Existing Condition Exclusion for increases does not apply to cost of living, contract or periodic salary review increases.

If you were insured under a previous Sun Life group LTD policy, an LTD benefit would be payable if you had received benefits for that Total or Partial Disability under the previous Sun Life group LTD policy.

#### 3/12 PRE-EXISTING CONDITION OPTION

**Pre-Existing Condition** means during the 3 months prior to your Effective Date of Insurance, you received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

**Pre-Existing Condition for increases in amounts of insurance means** during the 3 months prior to your Effective Date of any increase in your amount of insurance, you received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines for the disabling condition.

#### **Pre-Existing Condition Exclusion Exception**

The Pre-Existing Condition Exclusion will not apply if your Total or Partial Disability begins later than 12 months after your Effective Date of Insurance or later than 12 months after your Effective Date of any increase in your amount of insurance.

However, the Pre-Existing Condition Exclusion for increases does not apply to cost of living, contract or periodic salary review increases.

If you were insured under a previous Sun Life group LTD policy, an LTD benefit would be payable if you had received benefits for that Total or Partial Disability under the previous Sun Life group LTD policy.



## **BENEFIT PROVISIONS**

### **LONG TERM DISABILITY INCOME INSURANCE**

#### **What happens when my Employer transfers Insurance Carriers to Sun Life?**

In order to prevent losing your insurance, Sun Life will provide the following coverage.

If you are not Actively at Work on your Employer's Effective Date of Insurance, you will be insured if:

- you were insured under the prior insurer's group LTD policy at the time of the transfer; and
- you are a member of an Eligible Class; and
- premiums for you are paid up to date; and
- you are not receiving or eligible to receive benefits under the prior insurer's group LTD policy.

If you continue to be not Actively at Work and subsequently become Totally or Partially Disabled, any LTD benefit payable will be the lesser of:

- the LTD benefit payable under the Group Policy; or
- the LTD benefit payable under the prior insurer's group LTD policy, had it remained in force.

#### **Are Disabilities due to a Pre-existing Condition covered?**

LTD benefits may be payable for a Total or Partial Disability if you were:

- insured under the prior insurer's group LTD policy at the time of transfer; and
- Actively at Work and insured under the Group Policy on your Employer's Effective Date of Insurance.

Any benefit payable will be determined as follows:

1. if you have satisfied the Pre-Existing Condition Exception under the Group Policy, the LTD benefit will be based on the Group Policy's benefit provision.
2. if you cannot satisfy the Pre-Existing Condition Exception under the Group Policy, the prior insurer's pre-existing condition provision will be applied.
  - a. if you would have satisfied the prior insurer's pre-existing condition provision, considering time insured under both group policies, any benefit payable will be the lesser of:
    - i. the LTD benefit payable under the Group Policy; or
    - ii. the LTD benefit payable under the prior insurer's group LTD policy had it remained in force.
  - b. if you cannot satisfy the Pre-Existing Condition Exception of the Group Policy or if the pre-existing condition provision under the prior insurer's group LTD policy would apply, no LTD benefit will be paid.

All other provisions of Sun Life's Group Policy will apply.

## CLAIM PROVISIONS

### **How is a claim submitted?**

To submit a claim, you or someone on your behalf must send Sun Life written Notice and Proof of Claim within the time limits specified. Your Employer has the Sun Life Notice and Proof of Claim forms.

### **When does written Notice of Claim have to be submitted?**

**for Long Term Disability** - written notice of claim must be given to Sun Life no later than 30 days before the end of your Elimination Period.

If notice cannot be given within the applicable time period, Sun Life must be notified as soon as it is reasonably possible.

When Sun Life has received written notice of claim, Sun Life will send the forms for proof of claim. If the forms are not received within 15 days after written notice of claim is sent, proof of claim may be sent to Sun Life without waiting to receive the proof of claim forms.

### **When does written Proof of Claim have to be submitted?**

**for Long Term Disability** - proof of claim must be given to Sun Life no later than 90 days after the end of your Elimination Period.

If proof cannot be given within these time limits, proof must be given as soon as reasonably possible.

### **What is considered Proof of Claim?**

Proof of Claim must consist of at least the following information:

- a description of the disability;
- the date the disability occurred; and
- the cause of the disability.

Proof of Claim may include, but is not limited to, police accident reports, autopsy reports, laboratory results, toxicology results, hospital records, x-rays, narrative reports, or other diagnostic testing materials as required.

Proof of Claim for disability must include evidence demonstrating the disability including, but not limited to, hospital records, Physician records, Psychiatric records, x-rays, narrative reports, or other diagnostic testing materials as appropriate for the disabling condition.

Sun Life may require as part of the Proof, authorizations to obtain medical and non-medical information.

Proof of your continued disability and regular and continuous care by a Physician must be given to Sun Life within 30 days of the request for proof.

Proof must be satisfactory to Sun Life.

Your rights to any disability benefits are determined on the date your disability begins. These rights are subject to the terms of the Group Policy and will not be affected by subsequent amendment or termination of the Group Policy.

### **When are benefits payable?**

Benefits are payable when Sun Life receives satisfactory Proof of Claim.

## CLAIM PROVISIONS

### When will a decision on my claim be made?

Sun Life will send you a written notice of decision on your claim within a reasonable time after Sun Life receives the claim but not later than 45 days after receipt of the claim. If Sun Life cannot make a decision within 45 days after receiving your claim, Sun Life will request a 30 day extension as permitted by U.S. Department of Labor regulations. If Sun Life cannot render a decision within the extension period, Sun Life will request an additional 30 day extension. Any request for extension will specifically explain:

1. the standards on which entitlement to benefits is based;
2. the unresolved issues that prevent a decision on the claim; and
3. the additional information needed to resolve those issues.

If a period of time is extended because you failed to provide necessary information, the period for making the benefit determination is tolled from the date Sun Life sends notice of the extension to you until the date on which you respond to the request for additional information. You will have at least 45 days to provide the specified information.

### What if my claim is denied?

If Sun Life denies all or any part of your claim, you will receive a written notice of denial setting forth:

1. the specific reason or reasons for the denial;
2. the specific Group Policy provisions on which the denial is based;
3. your right to receive, upon request and free of charge, copies of all documents, records, and other information relevant to your claim for benefits;
4. a description of any additional material or information needed to prove entitlement to benefits and an explanation of why such material or information is necessary;
5. a description of the appeal procedures and time limits;
6. your right to bring a civil action under ERISA, §502(a) following an adverse determination on review;
7. the identity of an internal rule, guideline, protocol or other similar criterion, if any, that was relied upon to deny the claim and a copy of the rule, guideline, protocol or criterion or a statement that a copy is available free of charge upon request; and
8. the identity of any medical or vocational experts whose advice was obtained in connection with the claim, regardless of whether the advice was relied upon to deny the claim.

## CLAIM PROVISIONS

### **Can I request a review of a claim denial?**

If all or part of your claim is denied, you may request in writing a review of the denial within 180 days after receiving notice of denial.

You may submit written comments, documents, records or other information relating to your claim for benefits, and may request free of charge copies of all documents, records, and other information relevant to your claim for benefits.

Sun Life will review the claim on receipt of the written request for review, and will notify you of Sun Life's decision within a reasonable time but not later than 45 days after the request has been received. If an extension of time is required to process the claim, Sun Life will notify you in writing of the special circumstances requiring the extension and the date by which Sun Life expects to make a determination on review. The extension cannot exceed a period of 45 days from the end of the initial review period.

If a period of time is extended because you failed to provide information necessary to decide your claim, the period for making the decision on review is tolled from the date Sun Life sends notice of the extension to you until the date on which you respond to the request for additional information. You will have at least 45 days to provide the specified information.

### **What if my claim is denied on review?**

If Sun Life denies all or any part of your claim on review, you will receive a written notice of denial setting forth:

1. the specific reason or reasons for the denial;
2. the specific Group Policy provisions on which the denial is based;
3. your right to receive, upon request and free of charge, copies of all documents, records, and other information relevant to your claim for benefits;
4. your right to bring a civil action under ERISA, §502(a);
5. the identity of an internal rule, guideline, protocol or other similar criterion, if any, that was relied upon to deny the claim and a copy of the rule, guideline, protocol or criterion or a statement that a copy is available free of charge upon request;
6. the following statement: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State Insurance regulatory agency."; and
7. the identity of any medical or vocational experts whose advice was obtained in connection with the appeal, regardless of whether the advice was relied upon to deny the appeal.

### **Who are benefits payable to?**

Survivor Benefits are payable to your Eligible Survivor as defined in the Long Term Disability Income Benefit Provision.

All other benefits payable during your lifetime are payable to you.

If a benefit is payable to your estate, if you are a minor, or you are not competent, Sun Life has the right to pay an amount of the benefit up to \$500 to any of your relatives that Sun Life considers entitled. If Sun Life pays benefits in good faith to a relative, Sun Life will not have to pay those benefits again.

## GENERAL PROVISIONS

### **How can statements made in any application for insurance be used?**

All statements made in any application are considered representations and not warranties. No representation by you in applying for insurance under the Group Policy will be used to reduce or deny a claim unless a copy of your written application for insurance is or has been given to you or to your Beneficiary, if any.

No statement made by you relating to Evidence of Insurability for an initial, increased or additional amount of insurance, will be used in contesting the validity of that insurance, after such initial, increased or additional amount of insurance has been in force for a period of two years during that individual's lifetime. This statement must be contained in a form signed by that individual.

### **What happens if facts are misstated?**

If relevant facts about you are not accurate:

- an equitable adjustment of premium will be made; and
- the true facts will be used to determine if and in what amount insurance is valid under the Group Policy.

If the amount of benefit depends on your age, the benefit will be the amount you would have been entitled to if your correct age were known.

### **What are Sun Life's examination rights?**

Sun Life, at its own expense, has the right to have any person, whose Injury or Sickness is the basis of a claim:

- examined by a Physician, other health professional or vocational expert of its choice; and/or
- interviewed by an authorized Sun Life representative.

This right may be used as often as reasonably required.

### **What are the time limits for legal proceedings?**

No legal action may start:

- until 60 days after Proof of Claim has been given; nor
- more than 3 years after the time Proof of Claim is required.

### **Do these group benefits affect Workers' Compensation?**

The Group Policy is not in lieu of, and does not affect, any requirement for coverage by Workers' Compensation Insurance.

### **Can the Policyholder act as a Sun Life agent?**

For all purposes of the Group Policy, the Policyholder acts on its own behalf or as your agent. Under no circumstances will the Policyholder be deemed a Sun Life agent.

## DEFINITIONS

**These are some of the general terms you need to know.**

**Actively at Work** means that you perform all the regular duties of your job for a full work day scheduled by your Employer at your Employer's normal place of business or a site where your Employer's business requires you to travel.

You are considered Actively at Work on any day that is not your regular scheduled work day (e.g., you are on vacation or holiday) as long as you were Actively at Work on your immediately preceding scheduled work day, and you:

- are not hospital confined; or
- are not disabled due to an injury or sickness.

You are considered Actively at Work if you usually perform the regular duties of your job at your home as long as you can perform all the regular duties of your job for a full work day and could do so at your Employer's normal place of business, if required, and you:

- are not hospital confined; or
- are not disabled due to an injury or sickness.

**Eligibility Date** means the date or dates you become eligible for insurance under the Group Policy. Classes eligible for insurance are shown in the Benefit Highlights.

**Employee (You)** means a person who is employed by the Employer, scheduled to work at least the number of hours shown in the Benefit Highlights, and paid regular earnings.

The following is added to the definition of Employee, if this Option is elected on your Benefit Highlights Form:

For the purposes of the Group Policy, Employee (You) also means a person who receives an IRS 1099, as well as any physician, if applicable, to the extent the individual is scheduled to work for the Employer at least the number of hours shown in the Benefit Highlights, and is paid regular earnings from the Employer.

**Employer** means an Eligible Employer as stated in your Benefit Highlights.

**Evidence of Insurability** means a statement or records of your medical history upon which acceptance for insurance will be determined by Sun Life. In some cases, Sun Life may require that you submit to a paramedical examination, at Sun Life's expense, as part of the Evidence of Insurability.

**Guaranteed Issue Amount** means the maximum amount of insurance available to you without Evidence of Insurability.

**Injury** means bodily impairment resulting directly from an accident and independently of all other causes. Any Injury must occur and Disability must begin while you are insured under the Group Policy.

**Physician** means an individual who is operating within the scope of his license and is either:

- licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
- legally qualified as a medical practitioner and required to be recognized, under the Group Policy for insurance purposes, according to the insurance regulations of the governing jurisdiction.

The Physician cannot be you, your spouse or the parents, brothers, sisters or children of you or your spouse.

**Pregnancy** means childbirth, miscarriage, abortion or any disease resulting from or aggravated by the pregnancy.

**Retirement Plan** means a program which provides retirement benefits to you and is not funded entirely by your contributions. The term does not include a 401(k) plan, a profit sharing plan, a thrift plan, an individual retirement account (IRA), a tax sheltered annuity (TSA), a stock ownership plan, or a nonqualified plan of deferred compensation.



## DEFINITIONS

Your Employer's Retirement Plan will include any Retirement Plan:

- which is part of any federal, state, county, municipal or association retirement system; and
- you are eligible for as a result of your employment with your Employer.

**Sickness** means illness, disease or pregnancy. A Disability, because of Sickness, must begin while you are insured under the Group Policy.

**Waiting Period** means the length of time immediately before your Eligibility Date during which you must be employed in an Eligible Class. Any period of time before the Group Policy Effective Date that you were Actively at Work for your Employer as a full-time Employee will count towards completion of your Waiting Period. The Waiting Period is shown in your Benefit Highlights.

## DEFINITIONS

**These are Long Term Disability insurance terms you need to know.**

**Disability Earnings** means the employment income you receive while Partially Disabled or income you receive while participating in an approved Rehabilitation program. Disability Earnings does not include income you receive from work performed prior to your Total or Partial Disability, nor income that is not derived from work performed.

**Drug and Alcohol Illness** means an illness which results from the abuse of alcohol, drugs or derivatives.

**Elimination Period** means a period of continuous days of your Total or Partial Disability when no LTD benefit is payable. Your Elimination Period is shown in the Benefit Highlights and begins on your first day of Total or Partial Disability.

If you return to work for Trial Work Day Period (shown in the Benefit Highlights) or less during your Elimination Period and cannot continue working, your Total or Partial Disability will be treated as continuous. Only those days that you are Totally or Partially Disabled will count toward satisfying your Elimination Period.

**Family Social Security** means benefits that are paid under the Federal Social Security Act to your eligible spouse and/or children as a result of your Total or Partial Disability.

**Gainful Occupation** means employment that is or can be expected to provide you with an income of at least 80% of your Indexed Total Monthly Earnings.

**Gross Monthly Benefit** means your monthly LTD benefit before any reduction of Other Income Benefits and before any reduction of Disability Earnings.

**Indexed Total Monthly Earnings** means your Total Monthly Earnings prior to the date your Total or Partial Disability began adjusted on the first of the month following 12 calendar months of Partial Disability Benefit payments, and each annual anniversary thereafter. Each adjustment to the Indexed Total Monthly Earnings is 5%.

**Material and Substantial Duties** means, but is not limited to, the essential tasks, functions, skills or responsibilities required by employers for the performance of your Own Occupation. Material and Substantial Duties does not include any tasks, functions, skills or responsibilities that could be reasonably modified or omitted from your Own Occupation.

**Maximum Monthly Benefit** means the largest amount payable monthly to you. The Maximum Monthly Benefit is shown in the Benefit Highlights. If Evidence of Insurability has not been approved for amounts over your Guaranteed Issue Amount, your Maximum Monthly Benefit is the maximum amount of insurance approved in writing by Sun Life or the Guaranteed Issue Amount shown in the Benefit Highlights, whichever is greater.

**Mental Illness** means mental, nervous, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, dysfunction or syndrome regardless of cause, including any biological or biochemical disorder or imbalance of the brain. Mental Illness includes, but is not limited to, bipolar affective disorder, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders and any other mental and nervous condition classified in the Diagnostic and Statistical Manual (DSM) of the American Psychiatric Association, in effect on the date of Total or Partial Disability or a comparable manual if the American Psychiatric Association stops publishing the (DSM).

**Own Occupation** means the usual and customary employment, business, trade, profession or vocation that you performed as it is generally recognized in the national economy immediately prior to the first date Total or Partial Disability began. Own Occupation is not limited to the job or position you performed for the Employer or performed at any specific location.

## DEFINITIONS

### Extended Own Occupation Option

**Partial Disability or Partially Disabled** means you, because of your Injury or Sickness, are unable to perform the Material and Substantial Duties of your Own Occupation and you have Disability Earnings of less than 80% of your Indexed Total Monthly Earnings.

The loss of your professional, occupational or Pilot's license or your inability to obtain or qualify for a license for any reason does not, in itself, constitute Partial Disability.

To qualify for benefits, you must satisfy your Elimination Period with the required number of days of Total Disability, Partial Disability or a combination of days of Total and Partial Disability.

### Own Occupation Option

**Partial Disability or Partially Disabled** means during the Elimination Period and the next Own Occupation Period (shown in the Benefit Highlights), you, because of your Injury or Sickness, are unable to perform the Material and Substantial Duties of your Own Occupation and you have Disability Earnings of less than 80% of your Indexed Total Monthly Earnings. After Total or Partial Disability benefits combined have been paid to you for Own Occupation Period (shown in the Benefit Highlights), you will continue to be Partially Disabled if you are unable to perform with reasonable continuity any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience and you have Disability Earnings of less than 80% of your Indexed Total Monthly Earnings.

The loss of your professional, occupational or Pilot's license or your inability to obtain or qualify for a license for any reason does not, in itself, constitute Partial Disability.

To qualify for benefits, you must satisfy your Elimination Period with the required number of days of Total Disability, Partial Disability or a combination of days of Total and Partial Disability.

**Social Security** means the Federal Social Security Act which provides social insurance on a national scale.

### Extended Own Occupation Option

**Total Disability or Totally Disabled** means you, because of your Injury or Sickness, are unable to perform one or more of the Material and Substantial Duties of your Own Occupation.

The loss of your professional, occupational or Pilot's license or your inability to obtain or qualify for a license for any reason does not, in itself, constitute Total Disability.

To qualify for benefits, you must satisfy your Elimination Period with the required number of days of Total Disability, Partial Disability or a combination of days of Total and Partial Disability.

## DEFINITIONS

### Own Occupation Option

**Total Disability or Totally Disabled** means during your Elimination Period and the next Own Occupation Period (shown in the Benefit Highlights), you, because of your Injury or Sickness, are unable to perform one or more of the Material and Substantial Duties of your Own Occupation. After Total or Partial Disability benefits combined have been paid to you for Own Occupation Period (shown in the Benefit Highlights), you will continue to be considered Totally Disabled if you are unable to perform, with reasonable continuity, any Gainful Occupation for which you are or become reasonably qualified for by education, training or experience.

The loss of your professional, occupational or Pilot's license or your inability to obtain or qualify for a license for any reason does not, in itself, constitute Total Disability.

To qualify for benefits, you must satisfy your Elimination Period with the required number of days of Total Disability, Partial Disability or a combination of days of Total and Partial Disability.

**Total Monthly Earnings** means the monthly earnings you were receiving from your Employer prior to the first date your Total or Partial Disability begins. The type of earnings your benefit is based upon are shown in your Benefit Highlights.

## SUN LIFE ASSURANCE COMPANY OF CANADA

### ENDORSEMENT

This Endorsement is made part of the Booklet-Certificate to which it is attached.

#### **I. The following is added to the definition of Own Occupation in the LTD Definitions Section:**

Own Occupation, if you are a Physician, means the general or sub-specialty in which you are practicing for which there is a specialty or sub-specialty recognized by the American Board of Medical Specialties. If the sub-specialty in which you are practicing is not recognized by the American Board of Medical Specialties, you will be considered practicing in the general specialty category.

Own Occupation for a Dentist means the general or sub-specialty in which you are practicing for which there is a specialty or sub-specialty recognized by the American Dental Association. If the sub-specialty in which you are practicing is not recognized by the American Dental Association, you will be considered practicing in the general specialty category.

“Material and Substantial Duties” for a Physician or Dentist means the actual procedures you are regularly and continuously performing during the 12 consecutive months immediately prior to the first date of Total or Partial Disability.

#### **II. The following is added to the Partial Disability Benefit in the LTD Benefit Provisions Section and to the definition of Partial Disability in the LTD Definitions Section:**

The phrase “the Material and Substantial Duties” is substituted with “one or more of the Material and Substantial Duties”.

**III. The following provision is added to the Partial Disability Benefit in the LTD Benefit Provisions Section:**

After Return to Work Period (shown in the Benefit Highlights), of Partial Disability Benefits have been paid, you will continue to receive a Partial Disability Benefit if you continue to be Partially Disabled and earn more than 20% of your Indexed Total Monthly Earnings. The higher result of the following proportionate loss formula and 50% benefit formula will be used to determine the Net Monthly Benefit:

Proportionate Loss Formula

(A divided by B) multiplied by C where:

- A = your Indexed Total Monthly Earnings minus your monthly Disability Earnings
- B = your Indexed Total Monthly Earnings
- C = the Total Disability Benefit

50% Benefit Formula

The Total Disability Benefit will be reduced by 50% of your monthly Disability Earnings.

If the sum of your Partial Disability Benefit, your monthly Disability Earnings and Other Income Benefits exceeds 100% of your Indexed Total Monthly Earnings, your Partial Disability Benefit will be further reduced by the excess amount.

**IV. The following provision replaces Offset No. 4 in the LTD Benefit Provisions Section:**

- 4. Any disability income benefits you are eligible for under:
  - a. any other group insurance plan of your Employer, except for one or more individual disability insurance policy(ies) for which you are the policyholder, owner or beneficiary where premiums are wholly or partially paid by your Employer;
  - b. any governmental retirement system as a result of your job with your Employer.

**V. The following provision is added to the Pre-Existing Condition Exclusion in the LTD Benefit Provisions Section:**

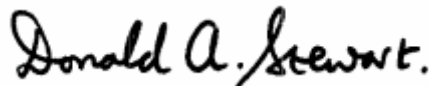
If you were insured under a previous Sun Life group LTD policy, an LTD benefit would be payable if you had satisfied the pre-existing condition provision under the previous Sun Life group LTD policy or would satisfy the pre-existing condition provision under the current Sun Life group LTD policy, giving consideration for continuous time insured under both policies.

You will be given credit for the time you were insured under the previous Sun Life group LTD policy, if the previous coverage was continuous to a date not more than 30 days prior to your first date of employment.

Any LTD benefit payable will be the lesser of:

- a. the LTD benefit payable under the Group Policy; or
- b. the LTD benefit payable under the prior Sun Life group LTD policy had you remained insured under that policy.

SUN LIFE ASSURANCE COMPANY OF CANADA



Chief Executive Officer



## SUN LIFE ASSURANCE COMPANY OF CANADA

### ASSISTED LIVING BENEFIT RIDER

Effective if this Option is elected on your Benefit Highlights Form

#### **What is an Assisted Living Benefit?**

An Assisted Living Benefit may be payable if you are receiving a Total Disability Benefit and you are also Cognitively Impaired or you are unable to safely and completely perform 2 or more of the Activities of Daily Living without another person's assistance or verbal cueing. Your Cognitive Impairment, or your inability to perform 2 or more of the Activities of Daily Living must begin on or after your date of Total Disability and be expected to continue for 90 or more days.

#### **How is the Assisted Living Benefit Calculated?**

The monthly Assisted Living Benefit is the lesser of:

- ALB Percentage (shown in the Benefit Highlights) of your Total Monthly Earnings; or
- the Maximum Monthly Benefit as shown in the Benefit Highlights; or
- \$5,000.

The Assisted Living Benefit is payable in addition to the Total Disability Benefit and is not reduced by Other Income Benefits.

#### **When does the Assisted Living Benefit cease?**

The Assisted Living Benefit ceases on the earliest of:

- the date you are no longer eligible to receive Total Disability Benefits; or
- the date you are no longer Cognitively Impaired or you are able to perform all of the Activities of Daily Living without another person's assistance or verbal cueing; or
- the date you die.

Sun Life may require periodic proof of the continuance of your Cognitive Impairment or your inability to perform 2 or more of the Activities of Daily Living.

## Definitions

### Activities of Daily Living means:

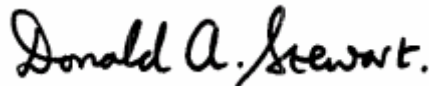
- Bathing - the ability to wash, either in the tub or shower or by sponge bath, with or without equipment or adaptive devices.
- Dressing - the ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn.
- Toileting - the ability to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene, and to care for clothing.
- Transferring - the ability to move in and out of a chair or bed with or without equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices including mechanical or motorized devices.
- Continence - the ability to either:
  - voluntarily control bowel and bladder function; or
  - if incontinent, be able to maintain a reasonable level of personal hygiene.
- Eating - the ability to get nourishment into the body.

**Cognitively Impaired** means an individual has a deterioration or loss in intellectual capacity resulting from injury, sickness, advanced age or Alzheimer's disease and similar forms of irreversible dementia and the individual needs another person's assistance or verbal cueing for the individual's protection or for the protection of others.

The extent of Cognitive Impairment is determined by clinical evidence and standardized tests which reliably measure the deterioration or loss in the following areas:

- short or long term memory
- orientation as to:
  - person
  - place
  - time; and
- deductive or abstract reasoning

## SUN LIFE ASSURANCE COMPANY OF CANADA



Chief Executive Officer

**SUN LIFE ASSURANCE COMPANY OF CANADA**

**EXTENDED EARNINGS PROTECTION BENEFIT RIDER**

Effective if this Option is elected on your Benefit Highlights Form

**What is the Extended Earnings Protection Benefit?**

The Extended Earnings Benefit protects your earnings level after you have returned to work following a period of Total or Partial Disability.

If you return to full-time work following a period of Total or Partial Disability and continue to have an earnings loss, an Extended Earnings Benefit may be payable.

To qualify for the Extended Earnings Benefit, you must:

- have been Totally or Partially Disabled under the Group Policy and received at least one Net Monthly Benefit from Sun Life; and
- have returned to full-time work for your Employer; and
- be performing all of the Material and Substantial Duties of your Own Occupation; and
- be currently earning less than Extended Earnings Percentage (shown in the Benefit Highlights), of your Indexed Total Monthly Earnings.

**How is the Extended Earnings Benefit calculated?**

The Extended Earnings Benefit will be calculated as follows:

(A divided by B) x C, where:

A = your Indexed Total Monthly Earnings minus your current monthly earnings from employment

B = your Indexed Total Monthly Earnings

C = the Total Disability Benefit that would be payable if you were Totally Disabled

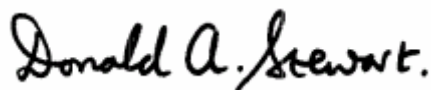
The Extended Earnings Benefit is not subject to the Minimum Monthly Benefit.

**How long will the Extended Earnings Benefit be payable?**

The Extended Earnings Benefit will cease on the earliest of:

- the date you receive Extended Earnings Period (shown in the Benefit Highlights), Extended Earnings Benefits; or
- the date you are earning at least Extended Earnings Percentage (shown in the Benefit Highlights), of your Indexed Total Monthly Earnings; or
- the date you fail to provide adequate monthly employment earnings information as requested by Sun Life; or
- the date you are eligible for Total or Partial Disability benefits under the Group Policy; or
- the date the Group Policy terminates; or
- the date you cease to be an Employee of the Employer.

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**FAMILY CARE CREDIT BENEFIT RIDER**

Effective if this Option is elected on your Benefit Highlights Form

**What is the Family Care Credit Benefit?**

If you participate in a Sun Life approved Rehabilitation Program, Sun Life will deduct a portion of your cost of Family Care from your earnings received from employment.

**What is considered Family Care?**

Family Care means the care or supervision of:

- a. your child or children under age 13; or
- b. a member of your household who is mentally or physically handicapped and dependent upon you for support and maintenance.

Family Care does not include care provided by someone related to you or related to the person receiving the care. Related means a person's spouse or other adult living with the individual, brothers, sisters, parent, step-parent, grandparent, aunt, uncle, niece, nephew, child, grandchild or similar relationship in law.

**What deduction will be allowed?**

The maximum monthly deduction allowed for each qualifying child or family member is:

- a. \$200 during the first 6 months you participate in a Rehabilitation Program; and
  - b. \$100 thereafter;
- but in no event may the deduction exceed the amount of your Total Monthly Earnings.

The Maximum Family Care deduction may not exceed a total of \$2,500 during a calendar year.

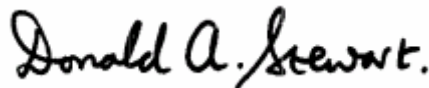
Family Care charges must be documented by a receipt from the caregiver.

**When does the Family Care Deduction Cease?**

The Family Care deduction will cease on the earliest of:

1. the date you no longer participate in a Rehabilitation Program; or
2. the date you receive 12 months of Family Care deductions; or
3. the date you cease to be Totally or Partially Disabled under the Group Policy.

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**Chief Executive Officer**

## SUN LIFE ASSURANCE COMPANY OF CANADA

### INFECTIOUS AND CONTAGIOUS DISEASE BENEFIT RIDER

Effective if this Option is elected on your Benefit Highlights Form

#### **What is the Infectious and Contagious Disease Benefit?**

You may be eligible to receive an Infectious and Contagious Disease Benefit if you have been insured for LTD benefits under the Group Policy for 6 months and you provide verification that:

1. you carry an Infectious and Contagious Disease; and
2. you first tested positive for the Infectious and Contagious Disease after your Effective Date under this LTD benefit and after the Effective Date of this Rider; and
3. you are not Totally or Partially Disabled under the Group Policy, but one or more of the following has occurred:
  - a. your license to practice your Own Occupation has been revoked; or
  - b. you or your license has limitations or restrictions imposed and, as a result, you are unable to perform all of the Material and Substantial Duties of your Own Occupation; or
  - c. you lose patients as a result of voluntary or involuntary disclosure of your Infectious and Contagious Disease; and
4. throughout a period of time equal in length to the Elimination Period, you have suffered a loss of earnings in excess of 20% of your Indexed Total Monthly Earnings immediately prior to disclosure; and
5. you have never refused to be immunized against the Infectious and Contagious Disease for which you are claiming a benefit.

#### **What is an Infectious and Contagious Disease?**

To qualify as an Infectious and Contagious Disease, a disease must be:

1. categorized by the Centers for Disease Control as Infectious and Contagious; and
2. life threatening to you or to persons with whom you may come in contact.

#### **What is the monthly benefit payable?**

If you qualify for an Infectious and Contagious Disease Benefit, the benefit is payable in accordance with the following formula:

(A divided by B) X C where:

A = your Indexed Total Monthly Earnings minus your Disability Earnings

B = your Indexed Total Monthly Earnings

C = your Maximum Monthly Benefit payable under the Group Policy if you were Totally Disabled

### **OPTION I**

#### **When does the Infectious and Contagious Disease Benefit cease?**

The monthly Infectious and Contagious Disease Benefit will cease on the earliest of:

1. the date you die;
2. the date you become eligible for a Total or Partial Disability benefit under the terms of the Group Policy;
3. the date Sun Life determines you have not made every effort to continue to work in your Own Occupation on a full-time basis;
4. the date you no longer participate with Sun Life in seeking and applying for suitable alternate work based on your training, education, experience and comparable income;
5. the Maximum Benefit Period of the Group Policy; or
6. the date you receive 60 monthly benefit payments.

### **OPTION II**

#### **When does the Infectious and Contagious Disease Benefit cease?**

The monthly Infectious and Contagious Disease Benefit will cease on the earliest of:

1. the date you die;
2. the date you become eligible for a Total or Partial Disability benefit under the terms of the Group Policy;
3. the date Sun Life determines you have not made every effort to continue to work in your Own Occupation on a full-time basis;
4. the date you no longer participate with Sun Life in seeking and applying for suitable alternate work based on your training, education, experience and comparable income;
5. the Maximum Benefit Period of the Group Policy; or
6. the date you receive 120 monthly benefit payments.

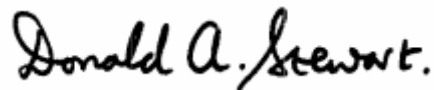
### **OPTION III**

#### **When does the Infectious and Contagious Disease Benefit cease?**

The monthly Infectious and Contagious Disease Benefit will cease on the earliest of:

1. the date you die;
2. the date you become eligible for a Total or Partial Disability benefit under the terms of the Group Policy;
3. the date Sun Life determines you have not made every effort to continue to work in your Own Occupation on a full-time basis;
4. the date you no longer participate with Sun Life in seeking and applying for suitable alternate work based on your training, education, experience and comparable income; or
5. the Maximum Benefit Period of the Group Policy.

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**Chief Executive Officer**



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**ACCIDENTAL DISMEMBERMENT AND LOSS OF SIGHT BENEFIT RIDER**

Effective if this Option is elected on your Benefit Highlights Form

**What is the Monthly Benefit for a Specific Loss?**

If Sun Life receives Notice and Proof of Claim that while insured you:

- sustain an Accidental Bodily Injury; and
- incur one of the following losses within 90 days of the date of the Accidental Bodily Injury;

Sun Life will pay a Monthly Benefit to you for the number of months specified for that loss.

<b>Type of Loss</b>	<b>Number of Monthly Benefit Payments</b>
Loss of both hands	46 months
Loss of both feet	46 months
Loss of the entire sight of both eyes	46 months
Loss of one hand and the entire sight of one eye	46 months
Loss of one foot and the entire sight of one eye	46 months
Loss of one hand and one foot	23 months
Loss of the entire sight of one eye	15 months
Loss of thumb and index finger of the same hand	12 months

Loss of hand or foot means severance at or above the wrist or ankle joint. Loss of sight must be total and irrecoverable. Loss of thumb and index finger means severance through or above the metacarpophalangeal joints.

**Accidental Bodily Injury** means bodily harm caused solely by external, violent and accidental means which is sustained directly and independently of all other causes.

If you incur more than one of the above losses from any one accident, only the loss with the greatest amount of months will be payable.

**How is the Monthly Benefit calculated?**

To determine your Monthly Benefit for the specific loss, take the lesser of:

- your Total Monthly Earnings multiplied by the Benefit Percentage (shown in the Benefit Highlights); or
- the Maximum Monthly Benefit (shown in the Benefit Highlights).

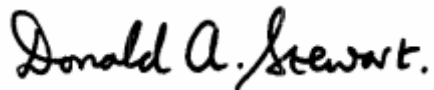
This amount is not subject to reductions from sources referred to as Other Income.

No LTD benefit is payable for Total or Partial Disability during any period Sun Life is paying a Monthly Benefit for the specific loss. If you are Totally or Partially Disabled after the expiration of the Monthly Benefit for the specific loss, an LTD benefit may be payable according to the terms of the Group Policy. Any period you have received a Monthly Benefit for the specific loss will counts towards satisfaction of the Maximum Benefit Period and Total or Partial Disability benefit period.

**What happens if I die before receiving all of the monthly benefit payments?**

If you die while receiving a Monthly Benefit for the specific loss, the remaining amount of monthly payments, if any, will be payable in a lump sum to your estate. No Monthly Benefit for a specific loss is payable beyond the number of months specified above.

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A handwritten signature in black ink that reads "Donald A. Stewart." The signature is written in a cursive, flowing style.

**Chief Executive Officer**

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**PROGRESSIVE ILLNESS BENEFIT RIDER**

Effective if this Option is elected on your Benefit Highlights Form

**What is the Progressive Illness Benefit?**

If, while insured, you are diagnosed with a Progressive Illness and you provide Sun Life with satisfactory proof from your Physician of a Progressive Illness, you will be eligible for this Progressive Illness Benefit.

**Progressive Illness** means a non-infectious disease or disorder of indefinite duration that causes the afflicted person to gradually become Totally or Partially Disabled as the disease or disorder becomes more severe or the symptoms of the disease become more frequent and impact the afflicted person's ability to perform his or her Own Occupation.

**How will my Earnings be determined?**

If you are diagnosed with a Progressive Illness, your Total Monthly Earnings will be the greater of:

1. your Total Monthly Earnings at the time you provide Sun Life with satisfactory proof from your Physician of your Progressive Illness; or
2. your Total Monthly Earnings at the time you become Totally or Partially Disabled under the Group Policy.

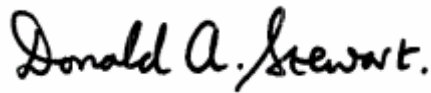
If you become Totally or Partially Disabled from a Progressive Illness, any benefits payable will be calculated using your Total Monthly Earnings as determined above. All other terms of the Group Policy will apply.

**Are Premiums Payable if I have a Progressive Illness?**

Until such time you become Totally or Partially Disabled under the Group Policy and you receive a monthly LTD benefit, premium will need to be paid to Sun Life. The premium payment will be calculated based on Total Monthly Earnings shown above

Premium payments will cease when you receive a monthly LTD benefit under the Group Policy.

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**Chief Executive Officer**

## SUN LIFE ASSURANCE COMPANY OF CANADA

### BUSINESS PROTECTION BENEFIT RIDER

Effective if this Option is elected on your Benefit Highlights Form

#### What is the Business Protection Benefit?

Sun Life will pay a monthly Business Protection Benefit to your Employer if you:

1. are actively engaged on a full-time basis in the business of your Employer and are a member of Class identified in your Benefit Highlights as eligible; and
2. become Totally or Partially Disabled while you are insured under the Group Policy and insured under this Business Protection Benefit; and
3. remain Totally or Partially Disabled for longer than the Elimination Period; and
4. are receiving an LTD Monthly Benefit for the same Total or Partial Disability payable under the Group Policy.

If you are Totally Disabled or Partially Disabled and earning less than 20% of your Indexed Total Monthly Earnings, the monthly Business Protection Benefit payable to your Employer is the lesser of:

1. Business Protection Percentage (shown in the Benefit Highlights) of your Total Monthly Earnings; or
2. Business Protection Maximum Benefit; or
3. the Maximum Monthly Benefit (shown in the Benefit Highlights).

If you are Partially Disabled and earning 20% or more of your Indexed Total Monthly Earnings, the monthly Business Protection Benefit is payable according to the following formula:

(A divided by B) X C where:

A = Your Indexed Total Monthly Earnings minus your Disability Earnings

B = Your Indexed Total Monthly Earnings

C = the Business Protection Benefit payable if you were Totally Disabled or Partially Disabled and earning less than 20% of your Indexed Total Monthly Earnings.

#### When does the monthly Business Protection Benefit cease?

##### OPTION I

The monthly Business Protection Benefit will cease to be paid to your Employer on the earliest of:

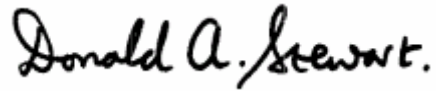
1. the date you cease to be Totally or Partially Disabled; or
2. the date 12 monthly Business Protection Benefits have been paid to your Employer; or
3. the date you cease to be a member of an Eligible Class for this Rider; or
4. the date you die; or
5. the date you cease to receive an LTD Monthly Benefit under the Group Policy.

## **OPTION II**

The monthly Business Protection Benefit will cease to be paid to your Employer on the earliest of:

1. the date you cease to be Totally or Partially Disabled; or
2. the date 24 monthly Business Protection Benefits have been paid to your Employer; or
3. the date you cease to be a member of an Eligible Class for this Rider; or
4. the date you die; or
5. the date you cease to receive an LTD Monthly Benefit under the Group Policy.

### **SUN LIFE ASSURANCE COMPANY OF CANADA**

A handwritten signature in black ink that reads "Donald A. Stewart." The signature is written in a cursive, flowing style.

**Chief Executive Officer**

# SUN LIFE ASSURANCE COMPANY OF CANADA

## PENSION CONTRIBUTION BENEFIT RIDER

Effective if this Option is elected on your Benefit Highlights Form

### What is the Pension Contribution Benefit?

Sun Life will pay an additional benefit to the Plan Administrator for deposit into your Employer Sponsored 401(k) or other approved qualified deferred compensation plan. Sun Life will make payments in accordance with the rules and regulations of the Internal Revenue Service and the provisions of your Pension Plan. Any payment that cannot be made to the trustee or Plan Administrator of your Pension Plan will be made to a qualified deferred annuity account that you designate.

### When am I eligible for a Pension Contribution Benefit?

You are eligible if:

- you are receiving Total or Partial Disability Benefit Payments; and
- you are a participant in your Employer Sponsored Plan; and
- you have been a participant in your Employer Sponsored Plan for at least 12 months before your Total or Partial Disability began.

### How much is my Pension Contribution Benefit?

Your Pension Contribution Benefit is the lesser of:

- Pension Percentage (shown in the Benefit Highlights); or
- The actual contribution percentage that you deposited monthly in your Employer Sponsored Plan; or
- \$2,500.

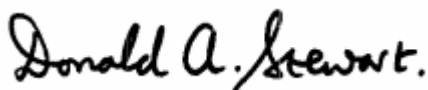
### When does my Pension Contribution Benefits Terminate?

Your Pension Contribution Benefit will terminate on the earliest of:

- the date you are no longer eligible to receive Total or Partial Disability Benefits;
- the end of your Maximum Benefit Period; or
- the date you die; or
- the date you do not provide proof that you continue to be Totally or Partially Disabled as requested.

Pension Plan for the purpose of this Pension Contribution Benefit means a qualified defined contribution Pension Plan, profit sharing plan or other qualified plan approved by Sun Life, in which you are participating as a result of your employment with your Employer.

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## SUN LIFE ASSURANCE COMPANY OF CANADA

### CHILD CARE BENEFIT RIDER

Effective if this Option is elected on your Benefit Highlights Form

#### **What is the Child Care Benefit?**

If you participate in a Sun Life approved Rehabilitation Program, a Child Care Benefit is payable if:

- you are receiving a monthly LTD benefit; and
- your Dependent Child is enrolled in a legally licensed Child Care Center; and
- your Dependent Child is under age 13.

Dependent Child means your natural, adopted or step child who is under age 13, dependent upon you for 50% or more of his/her support and living with you in a parent-child relationship.

#### **What is the amount of the Child Care Benefit?**

The monthly Child Care Benefit is the lesser of:

1. 50% of the actual charges by the Child Care Center incurred by you for your Child Care expenses; or
2. \$750.

The Child Care Benefit is payable upon receipt of satisfactory proof of paid expenses and that you have a Dependent Child enrolled in a legally licensed Child Care Center.

Child Care expenses do not include:

- charges for room and board; or
- charges for ordinary living, traveling or clothing expenses.

Child Care Center means a provider which is duly licensed, certified or accredited by the jurisdiction in which it is located, is run according to the laws and regulations applicable to child care facilities and which provides child care and supervision for children in a group setting on a regular basis. Child Care Center does not include a hospital, the child's home or care provided during the child's normal school hours.

#### **When does my Child Care Benefit cease?**

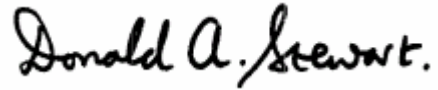
The Child Care Benefit will cease on the earliest of:

- the date you cease to be Totally or Partially Disabled;
- the date you cease to participate in a Sun Life approved Rehabilitation Program;
- the date you have received 24 monthly Child Care Benefit payments;
- the end of your Maximum Benefit Period;
- the date you become eligible for any Group Long Term Disability coverage with another Employer;
- the date you die; or
- the date you do not provide proof to Sun Life that you continue to be Totally or Partially Disabled; or
- the date you no longer have a Dependent Child under age 13; or
- the date you fail to provide proof to Sun Life that you have an eligible Dependent Child enrolled in a Child Care Center.

**What happens when my Child Care Benefits cease?**

If you cease to be eligible for a Child Care Benefit, any amounts due to you or to Sun Life will be calculated based on 1/30<sup>th</sup> of the monthly benefit for each period of Total or Partial Disability which is less than a full month.

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**Chief Executive Officer**

**SUN LIFE ASSURANCE COMPANY OF CANADA**  
**COBRA CONTINUANCE PREMIUM BENEFIT RIDER**

Effective if this Option is elected on your Benefit Highlights Form

**What is the COBRA Continuation Premium Benefit?**

Sun Life will pay you a COBRA Continuation Premium Benefit if you are receiving Total or Partial Disability benefits and you elect to continue your Medical and /or Dental insurance as required by the Consolidated Omnibus Reconciliation Act of 1985, as amended, including changes made by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

**When am I eligible for the COBRA Continuation Premium Benefit?**

You are eligible to receive the COBRA Continuation Premium Benefit if you satisfy all of the following conditions:

1. you are Totally or Partially Disabled and are receiving a monthly LTD Benefit; and
2. you have elected the COBRA Continuation under the Medical and/or Dental insurance plan sponsored by your Employer; and
3. you provide Sun Life with satisfactory proof on a quarterly basis that you are making premium payments to your Employer for the COBRA Continuation of Medical and /or Dental insurance.

**What is the amount of the COBRA Continuation Premium Benefit?**

The COBRA Continuation Premium Benefit is the lesser of:

4. \$400 per month; or
5. The actual amount you pay to your Employer to continue your Medical and/or Dental insurance pursuant to COBRA.

Payment of the COBRA Continuation Premium Benefit will not result in a reduction of your Monthly LTD Benefit.

**When does my COBRA Continuation Benefit cease?**

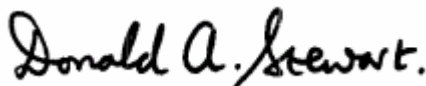
The COBRA Continuation Benefit will cease on the earliest of:

1. the date you are no longer Totally or Partially Disabled; or
2. the end of your Maximum Benefit Period; or
3. the date your COBRA Continuation under your Employer sponsored Medical and/or Dental plan ends; or
4. the date you fail to give Sun Life the required proof that you are making premium payments to your Employer for the COBRA Continuation of your Medical and/or Dental insurance.

**What happens when my COBRA Continuation Benefit ceases?**

If you discontinue making premium payments to your Employer to continue your Medical and/or Dental insurance pursuant to COBRA, any amounts due to you or refundable to Sun Life will be calculated based on 1/30<sup>th</sup> of the monthly benefit for each day of a period of Total or Partial Disability that is less than a full month.

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## SUN LIFE ASSURANCE COMPANY OF CANADA

### DEPENDENT CHILD CONTINUING EDUCATION RIDER

Effective if this Option is elected on your Benefit Highlights Form

#### **What is the Dependent Child Continuing Education Benefit?**

If you are Totally or Partially Disabled or participating in a Sun Life approved Rehabilitation Program, you may be eligible for a Dependent Child Continuing Education Benefit.

#### **When am I eligible for a Dependent Child Continuing Education Benefit?**

You are eligible for a Continuing Education Benefit if:

- you have been a participant in a Sun Life approved Rehabilitation Program; and
- you have a Dependent Child who is enrolled as a full-time student at a post-secondary school.

Dependent Child means your natural, adopted or step child who is under age 25, dependent upon you for 50% or more of his/her support and living with you in a parent-child relationship.

#### **What is the Dependent Child Continuing Education Benefit?**

Your monthly Dependent Child Continuing Education Benefit is the lesser of:

- a) \$250 for each full-time student; or
- b) \$500 if you have 2 or more full-time students.

After the first monthly Dependent Child Continuing Education Benefit, you may elect in writing an alternative payment method. The alternative payment method will pay the Dependent Child Continuing Education Benefit twice a year. The payments will be paid at the start of the semester and represent 3 months in arrears and 3 months in advance from the start of the semester. A semester starts on February 1<sup>st</sup> and August 1<sup>st</sup>.

Sun Life will require proof each semester that you have an eligible Dependent Child prior to payment of the benefit.

#### **When does my Dependent Child Continuing Education Benefit cease?**

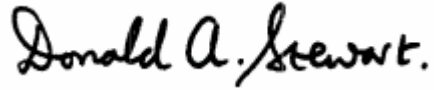
The Dependent Child Continuing Education Benefit will cease on the earliest of:

- the date you cease to be Totally or Partially Disabled; or
- the date you cease to participate in a Sun Life approved Rehabilitation Program; or
- the end of your Maximum Benefit Period; or
- the date you become eligible for Group Long Term Disability coverage with another Employer; or
- the date you die; or
- the date you do not provide proof that you continue to be Totally or Partially Disabled; or
- the date you do not have a child who is a full-time student attending a post-secondary school; or
- the date you no longer have a Dependent Child; or
- the date 48 Dependent Child Continuing Education Benefit payments have been paid.

**What happens when my Dependent Child Education Benefit ceases?**

If you cease to be eligible for a Dependent Child Continuing Education Benefit, any amounts due to you or to Sun Life will be calculated based on 1/30<sup>th</sup> of the monthly benefit for each period of Total or Partial Disability which is less than a full month.

**SUN LIFE ASSURANCE COMPANY OF CANADA**

A handwritten signature in black ink that reads "Donald A. Stewart." The signature is written in a cursive style with a large initial 'D' and 'S'.

**Chief Executive Officer**

**SUN LIFE ASSURANCE COMPANY OF CANADA  
RELOCATION EXPENSE BENEFIT RIDER**

Effective if this Option is elected on your Benefit Highlights Form

**Relocation Expense Benefit**

If you are able to return to active full-time employment, but not with your Employer, a Relocation Expense benefit may be payable.

**Eligibility**

You are eligible for a Relocation Expense Benefit if:

1. you are receiving a Total or Partial Disability Benefit; and
2. you are unable to return to work for your Employer, work for another employer, or work on a self-employment basis within 50 mile radius of your residence; and
3. you have the opportunity to return to active full-time employment at another job or on a self-employment basis more than 50 miles from your residence; and
4. Sun Life approves in writing the relocation expense, prior to the date it is incurred.

Sun Life reserves the right to determine whether relocation will enable you to return to active full-time employment or become self-employed for the purposes of this Benefit Rider.

**Benefit**

The Relocation Expense Benefit is the lesser of:

1. \$5,000; or
2. 3 times your Gross Monthly Benefit.

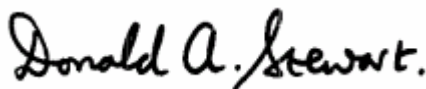
If Relocation Expenses are approved by Sun Life in writing and paid by an employer on your behalf, Sun Life will pay the Relocation Expense Benefit to that employer.

Payment of a Relocation Expense Benefit will not reduce the Net Monthly Benefit amount for which you are eligible.

Relocation Expense means an expense you incur in the process of relocating your primary residence due to a change in your employment. Relocation Expenses are limited to the following expenses:

1. Temporary living, house hunting, and relocation travel.
2. Closing costs for home purchase and sale, including real estate agent commissions, attorneys fees, documentation of real estate tax and property title, lender mortgage fees, tax on property transfer levied by the state or local tax authority, and lender-imposed penalty for mortgage prepayment.
3. Shipment and storage of household goods.
4. Release from a lease payment on your current residence, if required.

**SUN LIFE ASSURANCE COMPANY OF CANADA**



**Chief Executive Officer**

**SUN LIFE ASSURANCE COMPANY OF CANADA**

**RETRO DISABILITY BENEFIT**

Effective if this Option is elected on your Benefit Highlights Form

**What is a Retro Disability Benefit?**

If you are receiving a Total Disability Benefit, an additional Retro Disability Benefit may be payable if Sun Life receives proof that you had a Retro Disability that was due to the same Injury or Sickness that caused your Total Disability.

**What is the amount of the Retro Disability Benefit?**

The Retro Disability Benefit is your Gross Monthly Benefit multiplied by the number of months (each 30 days) in your Elimination Period. This amount is not subject to reduction due to Other Income.

**When is the Retro Disability Benefit Paid?**

If Sun Life receives proof within 90 days following completion of your Elimination Period of your Retro Disability, the Retro Disability Benefit will be paid immediately to you in a single lump sum amount.

Any Long Term Disability Benefits payable after completion of your Elimination Period will be subject to the terms of the Group Policy, including reductions by any Other Income.

**Definitions**

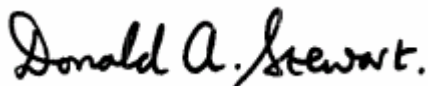
**Retro Disability** means an Injury or Sickness that results in:

1. Hospital Confinement that begins on the date you become Totally Disabled or within 48 hours of the date your Total Disability begins; and
2. such Hospital Confinement continues for at least 14 consecutive days; and
3. your Total Disability remains continuous throughout your Elimination Period.

**Hospital Confinement** means admission to a Hospital as a registered inpatient due to an Injury or Sickness. The confinement must be on the advice of a Physician and medically necessary according to generally accepted medical standards. Confinement to an emergency room, outpatient treatment room, or observation unit is not considered a Hospital Confinement.

**Hospital** means a facility licensed in the applicable jurisdiction that provides medical care and treatment to sick and injured persons on an inpatient basis with 24 hour nursing service by or under the supervision of a Physician. Hospital does not include a rest home, a place of convalescence, rehabilitative care, custodial care or a place primarily for the treatment of drug addicts or alcoholics.

**SUN LIFE ASSURANCE COMPANY OF CANADA**



**Chief Executive Officer**



**SUN LIFE ASSURANCE COMPANY OF CANADA**

**RECURRENT DISABILITY ENDORSEMENT**

This Endorsement is made part of the Booklet-Certificate to which it is attached.

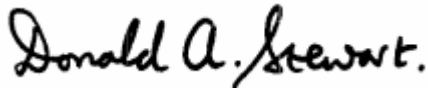
The following is added to the “What happens if I return to full-time work and become disabled again?” provision of the LTD Benefit Section:

If you received a monthly Total or Partial Disability benefit under your Employer’s prior LTD plan; and

- you returned to work as an active Full-Time Employee prior your Employer’s Effective Date of Insurance (shown in the Benefit Highlights); and
- within 6 months of your return to active Full-Time employment, you have a recurrence of the same Total or Partial Disability payable under the prior LTD policy; and
- there are no benefits available for that recurrence under the prior LTD policy;

then the Elimination Period under the Group Policy will be waived if the recurrent Total or Partial Disability would have been paid without any further Elimination Period if the prior LTD policy had remained in force.

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**Chief Executive Officer**

**SUN LIFE ASSURANCE COMPANY OF CANADA**

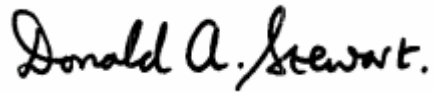
**SOCIAL SECURITY INCENTIVE ENDORSEMENT**

Effective if this Option is elected on your Benefit Highlights Form

The following is added to the Social Security Offset in “What are Other Income Benefits?” of the LTD Benefit Section:

For the first 12 months following the first date your Total or Partial Disability begins, any Social Security disability benefits you or your dependent spouse, child or children receive, will not be considered Other Income.

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A handwritten signature in black ink that reads "Donald A. Stewart." The signature is written in a cursive style.

**Chief Executive Officer**

**SUN LIFE ASSURANCE COMPANY OF CANADA  
PROFESSIONAL LIABILITY PREMIUM BENEFIT**

Effective if this Option is elected on your Benefit Highlights Form

**PROFESSIONAL LIABILITY PREMIUM BENEFIT**

**What is the Professional Liability Premium Benefit?**

The Professional Liability Premium Benefit reimburses you for Professional Liability Extended Reporting Period (ERP) Premium and Professional Liability Insurance Premium that is incurred and paid on your behalf after you become Totally or Partially Disabled.

**When am I eligible for the Professional Liability Premium Benefit?**

You are eligible for the Professional Liability Premium Benefit if you:

1. are Totally or Partially Disabled, with respect to the Professional Liability Extended Reporting Period (ERP) Premium;
2. are Partially Disabled, with respect to the Professional Liability Insurance Premium;
3. are Totally or Partially Disabled and receiving a monthly LTD benefit; and
4. you provide Sun Life with satisfactory Proof that:
  - a) Professional Liability ERP Premium and/or Professional Liability Insurance Premium costs were incurred and paid by you or your employer or on your behalf after you became Totally or Partially Disabled; and
  - b) you notified your professional liability carrier of your Total or Partial Disability.

**What is the amount of the Professional Liability Premium Benefit?**

The benefit payable is the lesser of:

1. Professional Liability Insurance Premium Rider Maximum Benefit (as shown in the Benefit Highlights) per Total or Partial Disability; or
2. The actual total premium paid for Professional Liability ERP Premium and Professional Liability Insurance Premium.

In no event will the sum of all Professional Liability ERP Premium Benefits and Professional Liability Insurance Premium Benefits combined exceed the maximums noted above.

Payment of a Professional Liability ERP Premium Benefit or the Professional Liability Insurance Premium Benefit will not reduce the Net Monthly Benefit for which you are eligible.

**How is the benefit paid?**

The benefit is payable as a lump sum or in installments dependent upon how you are or your Employer is paying the premium.

**SUN LIFE ASSURANCE COMPANY OF CANADA  
PROFESSIONAL LIABILITY PREMIUM BENEFIT**

For purposes of this benefit:

**Professional Liability Insurance Premium** means:

the premium paid by you or your Employer on your behalf for insurance to protect against claims made for professional negligence by act or omission by you in which care provided deviates from accepted standards of practice in the medical community and causes injury or death to the patient. The premium paid must be as a result of an endorsement made to an insurance policy that was in force at the onset of Total or Partial Disability and the endorsement must be a result of your Partial Disability.

**Professional Liability Extended Reporting Period (ERP) Premium** means:

the premium paid by you or your Employer on your behalf to endorse the professional liability insurance policy that is in force at the onset of Disability. Such endorsement is made in order to extend the reporting period required after the expiration of a claims made basis professional liability coverage policy.

**Proof** means proof that is satisfactory to Sun Life of:

1. paid Professional Liability Insurance Premium; and
2. paid Professional Liability ERP Premium; and
3. Notification to your professional liability carrier of your Total or Partial Disability

It may include but is not limited to:

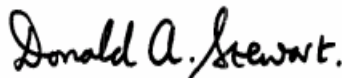
1. a copy of the professional liability insurance policy;
2. all endorsements made to the professional liability insurance policy; and
3. invoices from the insurance carrier that is providing the professional liability insurance policy.

**When does the Professional Liability Premium Benefit cease?**

The Professional Liability Premium Benefit ceases on the earliest of:

- with respect to the Professional Liability (ERP) Premium, the date you are no longer Totally or Partially Disabled;
- with respect to the Professional Liability Insurance Premium, the date you are no longer Partially Disabled;
- the end of the Maximum Benefit Period;
- the date you become eligible for Group Long Term Disability benefits with another employer;
- the date you die;
- the date you are no longer eligible for a monthly LTD benefit;
- the date you or your Employer are no longer responsible for payment of Professional Liability ERP Premium and Professional Liability Insurance Premium; or
- Professional Liability Insurance Premium Rider Maximum Duration number of months (as shown in the Benefit Highlights) from the date the Professional Liability Premium Benefit begins.

**SUN LIFE ASSURANCE COMPANY OF CANADA**



Donald A. Stewart, Chief Executive Officer

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