

Amendment No. 8
September 1, 2008

Policy Summary

Policy Number: 788100

Policy Effective Date: April 1, 2002

Plan Sponsor: Camosun College
Douglas College
Kwantlen Polytechnic University
Vancouver Island University
College of New Caledonia
Nicola Valley Institute of Technology
North Island College
Northern Lights College
Northwest Community College
College of the Rockies
Selkirk College

Policy Anniversaries: November 1, 2002 and annually on November 1 thereafter.

Premium Due Dates: The Policy Effective Date and the first day of each succeeding calendar month.

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

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

The Manufacturers Life Insurance Company has executed this policy as of the Policy Effective Date at Vancouver, Canada.

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Section I: General Provisions

A. Eligibility

1. All active regular employees and active non-regular employees employed on a continuing basis for at least a four (4) month period with fifty percent (50%) or more of a full-time workload as defined by local provisions shall participate in the plan.

Note: At the inception of the plan, all employees previously entitled to weekly disability income (WDI) income coverage and long term disability (LTD) coverage and who are no longer entitled to WDI and LTD benefit coverage according to the new eligibility provision, will be permitted to continue their benefit coverage under this policy.

2. An employee who is not actively at work because of illness or injury on the work day coincident with, or immediately preceding, the date s/he could otherwise have become eligible for coverage under the plan will not be eligible for coverage under this policy until the date the employee returns to active employment. Active employment means that an employee reports for work at his/her usual place of employment with the employer and is able to perform all the usual and customary duties of his/her occupation on a regular basis.
3. Coverage in the plan is a condition of employment.

Classification of Employees

Employees covered under this policy are assigned to the following Class code designation in order to determine eligibility and entitlement to benefits. An eligible employee will only be covered for those benefits applicable to the employee's assigned Class.

Class No.	Class Description
001	Weekly Disability Income and Long Term Disability coverage for all Plan Sponsors, excluding Selkirk College (<i>Weekly Disability Income for Selkirk College covered under Policy 788216</i>)
002	Long Term Disability coverage only for Selkirk College

B. Effective Date of Coverage

1. An active employee shall become eligible for weekly disability income coverage and long term disability coverage on the later of the policy effective date or the first day of the month coincident with or next following the date of employment with the institution.

C. Proof of Claim and Ongoing Disability

1. Proof of Claim
 - (a) Proof of claim, satisfactory to the Insurer, must be made to the plan within six months of the expiration of the qualifying period.
2. All claims for benefits shall be accompanied by such forms as are required by the Insurer, specifically:
 - (a) An employee statement signed by the employee; and,
 - (b) A physician's statement signed by a physician or specialist, if appropriate; and,
 - (c) An employer statement signed by an official of the employing institution.
3. An employee applying for benefits under the policy may be required to submit to a medical examination by a provider selected by the Insurer.
4. An employee in receipt of benefits will be required by the Insurer to provide, at periodic intervals, medical evidence of continuing disability.
5. An employee, to establish a claim or who is in receipt of benefits, will be required, at the discretion of the Insurer, to provide supporting medical evidence indicating that he/she is receiving appropriate ongoing care and treatment for that disability.
6. Expenses incurred by an employee in obtaining medical certificates or other requested information under this plan to establish his/her claim shall be borne by the employee. Once the claim is accepted, the cost of any ongoing medical information (i.e. follow-up attending physician statements) shall also be borne by the employee. In the event that further medical information is required, and the Insurer contacts the attending physician directly, the cost shall be borne by the Insurer.
7. An employee in receipt of benefits for more than twelve months shall provide proof of application for Canada Pension Plan benefits. If the employee fails to provide such proof, the benefit shall be reduced by an amount equivalent to Canada Pension Plan Disability benefits.

D. Death of a Claimant

In the event of the death of a claimant, unpaid benefits up to the end of the month in which the employee died, shall be paid to the estate.

E. Leave of Absence, Layoff or Strike

1. Employees on approved leaves of absence without pay for a period of more than 30 calendar days will retain coverage under the policy and shall pay the full premium. The employer is required to notify the Insurer of any employees on an approved leave of absence.

Coverage will be permitted for a total of 18 months on an approved leave of absence without pay, except that if the leave is for educational purposes the maximum period will be extended to two years. If an employee on leave of absence without pay or with partial pay becomes disabled, benefits under this policy will be based upon monthly earnings immediately prior to the current leave of absence.

If an employee becomes disabled while on a leave of absence, benefits will commence at the end of the qualifying period. Please note that as soon as an employee becomes disabled, the leave of absence is deemed to be suspended as long as the employee remains eligible for disability benefits. If the employee is not residing in Canada on the date disability commences, the Canadian Residency Requirement provision will apply. It is understood that eligibility and benefit payment will not be jeopardised if, to the satisfaction of the insurer, the employee is medically unable to travel or be transported to Canada.

2. For employees on layoff with no recall date, employment shall be deemed to continue for 31 calendar days, provided the required premiums are paid by the employer.

For employees whose regular employment includes a period of layoff with a predetermined recall date of less than nine months, coverage under this plan will continue during the layoff period with no premium payments. For employees whose regular employment includes a period of layoff with a predetermined recall date of greater than nine months, the employer may apply to the insurer for approval. Any disability benefits payable will be based on the employee's earnings as defined in the WDI and LTD sections of this policy.

E. Leave of Absence, Layoff or Strike (continued)

3.
 - (a) If an employee becomes disabled prior to being given layoff or separation notice, benefits will commence after satisfying the qualifying period and will continue to be paid until the termination of the disability or until the maximum benefit entitlement has been granted, whichever comes first.
 - (b) If an employee has been given layoff or separation notice and becomes disabled within two months of the effective date of the layoff or separation, benefits will cease on the effective date of the layoff or separation.
 - (c) If an employee has been given layoff or separation notice and becomes disabled more than two months prior to the layoff or separation, benefits will commence after satisfying the qualifying period and will continue to be paid until the termination of the disability or until the maximum benefit entitlement has been granted, whichever comes first.

4. For employees on strike or lockout, employment shall be deemed to continue in accordance with the Labour Relations Code. Provided the required premiums continue, coverage shall be deemed to continue and the employees shall be deemed to be actively at work.

Section II: Weekly Disability Income *(applicable to Class 001 only)*

A. Definition of Disability

1. Disability or illness means the inability, because of accident or sickness of a covered employee, to perform the regular duties of his or her own occupation.
2. During a period of disability or illness as defined in item 1, an employee must be under the regular and personal care of a legally qualified doctor of medicine.

B. Qualifying Period

Weekly disability income benefits commence after the employee is disabled because of an injury or sickness for a period of 30 consecutive days.

C. Benefits

1. If an employee becomes disabled or ill he/she will receive a weekly disability income benefit equal to 70% of his/her gross weekly earnings, subject to a maximum benefit of \$1,385 per week.

In no event will the maximum benefit be less than the maximum required for the highest salary scale in the current collective agreement.

An employee may elect to use banked sick leave in replacement of weekly disability benefits for all or a portion of the 21 week disability benefit period provided the application for weekly disability is approved by the Insurer.

2. Gross weekly earnings refer to an employee's normal earnings on the last day of work or sick leave. The gross weekly earnings applicable on the last day of work or sick leave shall be adjusted due to salary increases negotiated retroactively.

For an employee working less than full-time or an employee whose regular employment includes a period of layoff with a predetermined recall date of less than nine months, the gross weekly earnings refers to an employee's hours normally worked per week, as determined by averaging the number of hours he/she actually worked over the 52 week period immediately preceding the date of disability or illness, times his/her regular hourly rate, or the hourly equivalent, which are rates in effect at the date of disability.

C. Benefits (continued)

2. If an employee receiving weekly disability income benefits engages in rehabilitative employment, the employee's earnings from rehabilitative employment plus the weekly disability income benefit and income from other sources specified in Section D cannot exceed 100% of the employee's gross earnings. If total income exceeds 100%, the weekly disability income benefit will be reduced by the amount of such excess.

"Rehabilitative employment" shall mean any occupation or employment for wage or profit or any course or training that entitles the disabled employee to an allowance, provided such rehabilitative employment has the approval of the employee's doctor, the Employer and the Insurer.

If earnings are received by an employee during the weekly disability income period, and if such earnings are derived from employment which has not been approved as rehabilitative employment, then the regular monthly benefit from the plan will be reduced by 100% of such earnings.

D. Integration with other Disability Income

1. In the event a disabled employee is entitled to any other disability income from the employer as a result of the same accident or sickness that caused him/her to be eligible to receive benefits from this plan, the benefits from this plan will be reduced by 100% of such other disability income as well as:
- (a) Primary disability benefits to which the person is entitled on his/her own behalf under the Canada Pension Plan or Québec Pension Plan, or a plan in another country for which there is a reciprocal agreement with the Canada or Québec Pension Plan; except for increases that take effect after the benefit period starts.
 - (b) Benefits under any Workers' Compensation Act or similar law except for:
 - (i) Permanent partial disability awards related to the disability for which the employee is receiving weekly disability income benefit;
 - (ii) Benefits related to any other employment with another employer.

E. Rehabilitation

The Insurer acknowledges and supports the efforts of the Joint Rehabilitation Committees, made up of representatives of the employer and employees established at each of the institutions party to this contract. Rehabilitation provisions and guidelines have been established for the committees by JCBA.

It is the intent of the Insurer to provide support and expertise to such Committees.

The Insurer, however, reserves the right to approve a program of rehabilitation being offered by such a Committee and to recommend a program of rehabilitation for an employee eligible for weekly disability income benefits, where no such program exists and where the Insurer deems appropriate.

When the Insurer becomes involved, the Insurer will notify the employee in writing of its approval of the program with a copy to the Committee, and the extent, if any, of its support during such program.

The Insurer will reimburse reasonable and customary expenses incurred by the employee in connection with an approved program. The Insurer shall not reimburse expenses that are payable through government programs or a third party Insurer.

F. Subrogation

1. The Insurer shall have full rights of subrogation with respect to the full or partial amount of any weekly disability income benefits paid or payable to a claimant where the disability of the claimant is caused or contributed to by the action of any third party.
2. In the case of ICBC Weekly Indemnity payments, integration will apply to the extent that the combination of plan benefits and ICBC Weekly Indemnity payments exceed either:
 - (a) 100% of the employee's gross weekly earnings, or
 - (b) the applicable benefit percentage of the individual average total monthly income in the 12-month period immediately preceding commencement of the disability, whichever is the greater. Where this provision is to apply the employee will be required to provide satisfactory evidence of his/her total monthly income.

F. Subrogation (continued)

3. Where an employee makes a successful wage loss claim against a third party for an injury for which the employee received or would receive weekly disability income benefits, the Insurer will be entitled to recover or decrease plan benefits by an amount equal to the amount that plan benefits in combination with the wage loss claim paid exceed 100% of pay subject to the following:
 - (a) The amount of plan benefit recovered or decreased will be reduced or limited to the legal fees attributed to the Insurer share of total claim recovery.
 - (b) The existence of an action commenced by or on behalf of an employee does not preclude the Insurer from joining the employee's action or commencing an action on its own behalf respecting the benefits paid.
 - (c) Where the Insurer or the employee intends to commence or join such an action, they shall advise the other in writing of that intention.

Note: This Section does not apply to a war disability pension paid under an Act of the Governments of Canada or other Commonwealth countries.

G. Successive Disabilities

1. If an employee who was receiving weekly disability income benefits becomes disabled from the same or related disability within 14 consecutive days after returning to active work, provided it is not considered rehabilitative employment, he/she will be considered to be within the original weekly disability income benefit period. If an employee has returned to active work for one full day and becomes disabled from a new illness or injury unrelated to the illness or injury that caused the previous absence, it will be considered a new period of disability.
2. If the contract or weekly disability income benefit terminates and the employee becomes disabled prior to such termination, the Insurer continues to be liable as though the provision remained in force.

H. Duration of Benefits

1. Benefits shall continue as long as a claimant remains disabled in accordance with the terms of the definition of disability or illness, and shall cease being eligible for benefits on the earliest of:
 - (a) the end of 21 weeks of continuous disability following satisfaction of the Qualifying Period; or
 - (b) the end of the month in which the employee retires or dies; or
 - (c) the date of layoff or separation, subject to continuation of benefit as outlined in Section I.E.2 and Section I.E.3.
2. If a repayment is owed to the Insurer, the employee shall make immediate repayment or repayment in a schedule approved by the Insurer

I. Canadian Currency

All monies payable to or from the plan shall be payable in Canadian currency.

J. Exclusions and Limitations

1. No benefits shall be payable:
 - (a) for a disability resulting from substance abuse, including alcoholism and drug addiction, unless the employee is participating in a recognised substance withdrawal program; and,
 - (b) for a disability resulting from participation in the commission of a criminal offense; and,
 - (c) for the portion of a period of disability during which the employee is imprisoned in a penal institution.
2. The weekly disability income benefit does not cover a disability or illness resulting from:
 - (a) war, insurrection, rebellion, or service in the Armed Forces of any country after the commencement of this plan;
 - (b) voluntary participation in a riot or civil commotion except while an employee is in the course of performing the duties of his/her regular occupation.

Section III: Long Term Disability (applicable to Classes 001 and 002)

A. Definition of Disability

1. Total disability, means the complete inability because of an accident or sickness of a covered employee to perform all the duties of his/her own occupation during the qualifying period plus the next two years of disability.

After the qualifying period plus the next two years of total disability, the employee's ability by reason of education, training or experience to perform the duties of a gainful occupation for which the rate of pay is not less than 75% of the current rate of pay of his/her regular occupation at the date of disability will not be considered totally disabled and will therefore not be eligible for benefits under this long term disability plan.

2. During a period of total disability, an employee must be under the regular and personal care of a legally qualified doctor of medicine.

B. Qualifying Period

1. The qualifying period starts when an employee first becomes totally disabled and ends after the earlier of:
 - (a) the end of the benefit period provided under the Weekly Disability Income benefit; or
 - (b) 180 consecutive days of disability;

C. Benefits

1. If an employee becomes totally disabled, s/he will receive a long term disability benefit equal to 70% of his/her gross monthly earnings, subject to a maximum benefit of \$6,000 per month. In no event will the maximum benefit be less than the maximum required for the highest salary scale in the current collective agreement.
2. Gross monthly earnings refer to an employee's normal earnings on the last day of work or sick leave. The gross monthly earnings applicable on the last day of work or sick leave shall be adjusted due to salary increases negotiated retroactively.

C. Benefits (continued)

For an employee working less than full-time or an employee whose regular employment includes a period of layoff with a predetermined recall date of less than nine months, the gross monthly earnings refers to an employee's hours normally worked per month, as determined by averaging the number of hours he/she actually worked over the 12 month period immediately preceding the date of disability, times his/her regular hourly rate, or the hourly equivalent, which are rates in effect at the date of disability.

3. If an employee becomes totally disabled and, during this period of total disability engages in rehabilitative employment, the employee may earn in combination with benefits from this plan up to 100% of his/her gross earnings at the date of disability. In the event that income from rehabilitative employment and the benefit paid under this plan exceed 100% of the employee's gross earnings at date of disability, the benefit from this policy will be further reduced by the excess amount.

"Rehabilitative employment" shall mean any occupation or employment for wage or profit or any course or training that entitles the disabled employee to an allowance, provided such rehabilitative employment has the approval of the employee's doctor, the Employer and the Insurer. The rehabilitative employment of a disabled employee will continue until such time as the employee's earnings from rehabilitative employment exceed 100% of the employee's earnings at the date of disability, but in no event for a period longer than 24 months from the date benefit payments commence, unless mutually agreed to by all parties.

If earnings are received by an employee during a period of total disability, and if such earnings are derived from employment which has not been approved as rehabilitative employment, then the regular monthly benefit from the plan will be reduced by 100% of such earnings.

4. In the event that an employee has been classified as totally disabled from all occupations and engages in approved rehabilitative employment, the provisions of point 3. above apply, except that the rehabilitative employment may continue for 24 months from the date rehabilitative employment commenced.

D. Integration with other Disability Income

1. In the event a totally disabled employee is entitled to any other disability income as a result of the same accident or sickness that caused him/her to be eligible to receive benefits from this policy, the benefits from this plan will be reduced by 100% of such other disability income. In the event that income from all other sources related to the employee's specific disability for which s/he is receiving disability benefits and the benefit paid under this plan exceed 100% of the employee's gross earnings at the date of disability, the benefit from this plan will be further reduced by the excess amount.

Other disability income shall include, but not limited to:

- (a) ✓ any amount payable under the Workers' Compensation Act or Law or any other legislation of similar purpose; and
- (b) ✓ any amount the disabled employee receives from any group insurance, wage continuation or pension plan of the Employer that provides disability or retirement income; and
- (c) ✓ any amount of disability income provided by any compulsory act or law; and
- (d) ✓ any periodic primary disability benefit payment from the Canada or Quebec Pension Plans or other similar social security plan of any country to which the disabled employee is entitled; and
- (e) ✓ any amount of disability income provided by any group or association disability plan to which the disabled employee might belong or subscribe.
- (f) ✓ Any amount of Guaranteed Available Income for Need (GAIN) benefits received for the same period, except where the GAIN benefits received for that period are repaid to GAIN. Where the employee has been deemed eligible for GAIN benefits, which exceed the LTD benefits level, LTD benefits will not be subject to reduction for that additional amount.

Note: Any secondary CPP/QPP income an employee is receiving as a result of the specific disability for which s/he is receiving disability benefits shall not be considered a direct offset.

The amount by which the disability benefit from this plan is reduced by other disability income will normally be the amount to which the disabled employee is entitled upon becoming first eligible for such other disability income. Future increases in such other disability income resulting from increases in the Canadian Consumer Price Index or similar indexing arrangements will not further reduce the benefit from this Plan.

D. Integration with other Disability Income (continued)

2. ✓ Notwithstanding the above, in the case of ICBC Weekly Indemnity payments, integration will apply to the extent that the combination of plan benefits and ICBC Weekly Indemnity payments exceed either:
- (a) 100% of the employee's gross monthly earnings; or
 - (b) the applicable benefit percentage of the individual average total monthly income in the 12-month period immediately preceding commencement of the disability, whichever is the greater. Where this provision is to apply the employee will be required to provide satisfactory evidence of his/her total monthly income.
3. Notwithstanding the above, where an employee makes a successful wage loss claim against a third party for an injury for which the employee received or would receive long term disability benefits, the Insurer will be entitled to recover or decrease plan benefits by an amount equal to the amount that plan benefits in combination with the wage loss claim paid exceed 100% of pay subject to the following:
- (a) The amount of plan benefit recovered or decreased will be reduced or limited to the legal fees attributed to the Insurer share of total claim recovery.
 - (b) The existence of an action commenced by or on behalf of an employee does not preclude the Insurer from joining the employee's action or commencing an action on its own behalf respecting the benefits paid.
 - (c) Where the Insurer or the employee intends to commence or join such an action, they shall advise the other in writing of that intention.

Note: This Section does not apply to a war disability pension paid under an Act of the Governments of Canada or other Commonwealth countries.

E. Subrogation

The Insurer shall have full rights of subrogation with respect to the full or partial amount of any long-term benefits paid or payable to a claimant where the disability of the claimant is caused or contributed to by the action of any third party.

F. Successive Disabilities

If an employee who was receiving long term disability benefits becomes disabled from the same or related disability within 6 months after returning to active work, provided it is not considered rehabilitative employment, s/he will be considered disabled for one continuous period.

G. Duration of Benefits

1. Benefits shall continue as long as a claimant remains disabled in accordance with the terms of the definition of disability, and shall cease being eligible for benefits on the earliest of:
 - (a) the end of the month in which the employee attains age 65, or
 - (b) the end of the month in which the employee retires or dies; or
 - (c) the date of layoff or separation, subject to continuation of benefits as outlined in Section I: E.2 and Section I.E.3.

2. If a repayment is owed to the Insurer, the employee shall make such repayment forthwith or in a repayment schedule approved by the Insurer.

H. Exclusions and Limitations

1. No benefits shall be payable:
 - (a) for a disability resulting from substance abuse, including alcoholism and drug addiction, unless the employee is participating in a recognised substance withdrawal program; and,
 - (b) for a disability resulting from participation in the commission of a criminal offense; and,
 - (c) for the portion of a period of disability during which the employee is imprisoned in a penal institution.

2. The long term disability benefit does not cover total disabilities resulting from:
 - (a) war, insurrection, rebellion, or service in the Armed Forces of any country after the commencement of this plan;
 - (b) voluntary participation in a riot or civil commotion except while an employee is in the course of performing the duties of his/her regular occupation.

I. Pre-existing Conditions

This plan will not cover any disability caused by, contributed by, or resulting from a pre-existing condition and which begins in the first 12 months after an employee's date of hire.

A "pre-existing condition" means a sickness or injury for which the employee received medical care in the three months prior to the employee's date of hire. Medical care is considered to be obtained when an employee consults a doctor, uses medication on the advice of a doctor, or received other medical services or supplies.

J. Adjudication of Claims

1. Long term disability claims will be adjudicated and paid by the Insurer.
2. In the event a covered employee disputes the decision of the Insurer regarding a claim for benefits under this policy, the employee may arrange to have his/her claim reviewed by a Claims Review Committee composed of three medical doctors: one designated by the claimant, one by the employer from a list of doctors provided by Manulife Financial and a third agreed to by the first two. Written notice of a disputed claim or an appeal under this policy shall be sent to the Employer and the Insurer.
 - (a) Written notice of an appeal must be submitted to the Employer within 60 days from the date the Insurer rejected the claim. Due to extenuating circumstances, the time frame may be extended by the Insurer.
 - (b) Where the Insurer denies benefits due to insufficient medical evidence being provided, an employee will have 60 days in which to provide satisfactory medical evidence to support his/her claim. Members of the Claims Review Committee may not consider medical reports, which were not provided by the Insurer unless the reports were initiated by the Claims Review Committee.
 - (c) In such circumstances the 60-day appeal period in (a) above will not commence until the Insurer renders its decision based on the medical evidence provided. Where the employee fails to provide further satisfactory medical evidence within the 60-day period, the claim will be deemed to have been denied and the appeal period in (a) above shall commence.
 - (d) The expenses incurred by the Claims Review Committee shall be paid for by the institution.
 - (e) Where an employee has disputed the decision of the Insurer and is awaiting the outcome of a review or an appeal, the employee will be considered to be on leave of absence without pay during the portion of the waiting period when s/he is not receiving pay or benefit allowance. During the waiting period an employee will continue to be covered by group life, extended health, dental and medical plans.

There will be no Long Term Disability coverage, nor LTD premiums payable, on behalf of an employee during the period that the claim is under appeal.
 - (f) The Insurer shall continue payment of benefits to a covered employee based on the majority decision of the Claims Review Committee.

K. Canadian Currency

All monies payable to or from the plan shall be payable in Canada in Canadian currency.

L. Rehabilitation

The insurer acknowledges and supports the efforts of the Joint Rehabilitation Committees, made up of representatives of the employer and employees established at each of the institutions party to this contract. Rehabilitation provisions and guidelines have been established for the committees by JCBA.

It is the intent of the insurer to provide support and expertise to such Committees.

The Insurer, however, reserves the right to approve a program of rehabilitation being offered by such a Committee and to recommend a program of rehabilitation for an employee eligible for Long Term Disability benefits, where no such program exists and where the insurer deems appropriate.

When the Insurer becomes involved, the Insurer will notify the employee in writing of its approval of the program with a copy to the committee, and the extent, if any, of its support during such program.

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

An employee's involvement in a rehabilitation program will cease on the earliest of the following dates: the date the employee ceases to be Totally Disabled; the date the employee completes the rehabilitation program; or the date it is determined by the Insurer that the employee is not participating in the rehabilitation program to the extent previously agreed upon by the employee and Insurer.

Long term disability benefits will continue to be paid to an employee following participation in a rehabilitation program if the employee continues to meet the definition of disability.

The Insurer will reimburse reasonable and customary expenses incurred by the employee in connection with an approved program. The Insurer shall not reimburse expenses that are payable through government programs or a third party insurer.

Section IV: General Policy Provisions

A. Employer Eligibility

The Plan Sponsors named on the Policy Summary Page are also referred to as the Employer in this policy.

B. Basis for Insurance

In accordance with the determination made by the Employer, insurance shall be provided on a non-contributory basis for the employees.

C. Definitions

1. Earnings shall mean the employee's regular rate of pay and shall not include bonus, overtime, incentive pay and automobile allowance.
2. Employee shall mean a person who is employed by the employer and is resident in Canada at the time of eligibility.
3. Gross Monthly Earnings shall mean the employee's normal monthly earnings including Federal and Provincial Income Tax.
4. Leave of Absence shall mean a period of time away from work mutually agreed to by the employer and the employee. In the case of maternity leave of absence, the leave shall begin on the earliest of i) the elected start date of the maternity leave, ii) the date of delivery or iii) the date the employer may require the leave of absence to commence if the employee's performance is affected by the pregnancy. Such leave shall terminate on the later of the date defined by Provincial or Federal Statute, or the date agreed to between the employer and employee.

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

D. Canadian Residency Requirement

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

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

E. Policy Provisions

1. The Policyholder shall not be considered the agent of the Insurer for any purpose under this policy.
2. This policy, the application of the Policyholder and the individual applications, if any, of the employees insured shall constitute the entire contract.
3. In the absence of fraud, all statements of the Policyholder or individual employees shall be considered representations and not warranties.
4. The Insurer shall issue a booklet or other document setting forth a summary of the essential features of the insurance. This booklet or document shall be issued to the Policyholder for release to each insured employee in electronic format.
5. If the age of any person insured under this policy has been misstated, there shall be an equitable adjustment of premiums. If the amount of insurance depends on age, the amount of insurance shall be adjusted to that determined by the correct age.
6. Except for fraud or the non-payment of premiums, this policy shall not be contested after two years have elapsed from the effective date. In the absence of fraud, no statement relating to insurability may be used to contest the validity of the portion of the insurance to which it applies after it has been in force for a period of two years during the insured's lifetime.
7. If any provision of this policy is in conflict with the applicable law of the employee's province of residence, the provision shall be deemed amended to conform with the minimum requirements of that law.

E. Policy Provisions (continued)

8. If the Insurer determines that persons who are residents of a particular province or other political subdivision are excluded from being insured by the laws and regulations of that jurisdiction, such persons shall not be included for coverage under this policy.
9. At its own expense, the Insurer shall have the right and opportunity to have an individual, whose injury or disease is the basis of a claim, examined by a physician when and as often as it may reasonably require during the continuation of a claim under this policy. Such physician shall be designated by the Insurer.
10. This policy is not in place of and does not affect any requirement for coverage by Workers' Compensation Insurance.
11. The rights and obligations of the Employer and Insurer under this Policy shall be governed by the law of British Columbia and all questions pertaining to the validity and construction of such rights and obligations shall be determined in accordance with such law.
12. Failure of the Insurer to insist upon compliance with any provision of this policy at any given time shall not be construed to waive or modify such provision or to render it unenforceable as to any other time or occurrence in which circumstances are similar.

13. Data Required

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

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

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

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

14. Amendment and Renewal

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

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

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

No provision of this Policy shall be waived, changed or modified, unless this is done in writing and signed by an authorized representative of Manulife Financial.

15. Legal Action

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

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

F. Termination of Policy

1. The policy will terminate for nonpayment of premium at the end of the grace period. The grace period starts on the premium due date and continues for 31 consecutive days inclusive.
2. The Policyholder may terminate this policy at any time by giving written notice of termination to the Insurer. The date of termination shall not be less than 31 days after the Insurer receives such notice, unless an earlier date is mutually agreeable to the Insurer and to the Policyholder.
3. By giving 31 days notice, the Insurer may terminate, as of the last day of any month,
 - a) any coverage provided under this policy on a non-contributory basis if fewer than 100% of the eligible employees are then insured for that coverage;
 - b) this entire policy, if the Insurer determines that fewer than 75 employees are then insured under this policy.
 - c) this entire policy if the Policyholder does not perform in good faith its obligations under this policy;
 - d) this entire policy for any other reason as of any policy anniversary.
4. Termination of this policy shall not require the consent of or notice to any employee or beneficiary or other person having a beneficial interest in this policy.

G. Termination of Employee's Insurance

An employee's insurance shall terminate on the earliest of the following dates:

- 1) the date the Policyholder or Insurer terminates the coverage or the policy;
- 2) the date the employee is no longer eligible including the date the employee no longer meets the minimum requirement with respect to hours of employment. Coverage also ceases when an insured individual's primary occupation is other than the business of the policyholder;
- 3) the date coinciding with the end of the period for which the required premium for the employee was last paid to the Insurer;
- 4) the date the employer no longer qualifies as an Employer.
- 5) the date the employee retires.
- 6) the date the employee attains age 65.

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

H. Premium Payment

1. Premiums are payable to the Insurer in advance on each premium due date. Unless the Insurer specifies in writing otherwise, the premiums are to be paid at the Insurer's head office. The payment of any premium shall not keep this policy in force beyond the date when the next premium becomes payable, except as specified in the grace period provision.
2. Premium for additional or increased insurance becoming effective during a month shall be charged from the premium due date corresponding to or next following the date such insurance becomes effective.
3. Premium shall cease, at the end of the premium due date after the date the insurance discontinues, for insurance discontinuing during a month.
4. If premiums are payable other than monthly, premium charges or credits for a fraction of a premium paying period shall be made on a pro-rata basis for the number of months between the date premium charges commence or cease and the end of each premium paying period.
5. A grace period, without interest, shall be granted to the Policyholder for any premium not paid on the premium due date, provided that this policy has not terminated. If any premium is not paid in full before the end of the 31-day grace period, this policy shall terminate when the grace period ends.
6. The Policyholder shall be liable to the Insurer for all premiums outstanding on the date of termination, including pro-rata premium for the days of grace during which the policy remains in force.

H. Premium Payment (continued)

7. Premium Rates

- a) The initial basis of premium calculations for coverages provided under this policy as of the policy effective date shall be the rates agreed to by the Insurer and Policyholder.
- b) The Insurer shall not fix new rates to be effective on any date which is less than 12 months after the policy effective date unless the new rate is agreed to by the Policyholder.
- c) Notice of any new premium rates shall be given to the Policyholder before the effective date of the new rates.
- d) The Insurer shall not increase the premium rate for a coverage effective more often than once during a policy year unless the increase is due to a change agreed to by the Policyholder.

8. Notwithstanding the above, the Insurer reserves the right to make, on 30 days notice, special interim premium rate adjustments for:

- a) Weekly Disability Income benefit coverage in connection with any change to the Employment Insurance Act
- b) any coverage in connection with a change in Federal or Provincial legislation.

I. Non-participating Policy

This policy will not participate in the distribution of the surplus of the Insurer.