



LONG TERM DISABILITY INSURANCE PLAN

Plan Sponsor: Ontario Secondary School Teachers' Federation

OSSTF District 12 Toronto

Teachers Bargaining Unit

Policy Code: TL012-902

Effective: April 1, 2013

Underwritten by: Teachers Life Insurance Society (Fraternal)

President & Chief Executive Officer

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The Insurer agrees to pay Benefits subject to the Policy's provisions which are set forth on the following pages.

Teachers Life Insurance Society (Fraternal), referred to in this document as Teachers Life, the Society, the insurer, we, our or us, was originally incorporated under the laws Ontario on July 21, 1939, and continuance as a corporation under the laws of Canada commencing July 23, 2008. The organization is licensed as a fraternal benefit society under the Insurance Companies Act and is an independent corporation owned and controlled by its members. For insurance purposes, all insurance policies are written on an individual basis.

The policy listed herein provides information on the product, the benefits provided and the restrictions under which such benefits are payable. Premiums (Contributions) for this policy are set forth in a separate document and such premiums have been certified by the Appointed Actuary of Teachers Life prior to the sale of this policy.

TABLE OF BENEFITS

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| Eligible Classes | Teachers Bargaining Unit. |
| Employment Waiting Period | Nil. |
| Enrollment Requirements | 100% of eligible Members must participate in this plan. |
| Member Benefit | 55% of Monthly Earnings. |
| Reduction to Member Benefit | The Member Benefit, together with other integrated income sources, cannot exceed 100% of the Member's indexed pre-disability Take-home Pay. The Member Benefit will be further reduced if it exceeds a Benefit based on a maximum annual Salary of \$150,000. |
| Waiting Period | <ol style="list-style-type: none">1. Benefits are payable for each period of Disability after a waiting period of the later of 80 Working Days or expiration of sick leave.2. Where an insured Member is released from duties for a period equal to halftime or greater in order to perform services for the local association or federation, the insured Member will have the option of reducing the waiting period to 20 Working Days. Teachers Life and/or OTIP must be provided with a list of such Members released from duties by September 30 of each school year. |
| Initial Assessment Period | The Waiting Period plus the next 24 months of Disability. |

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| Cost-of-Living Adjustment / Indexing | On January 1 immediately following the Member's Initial Assessment Period and on each January 1 thereafter, the Member Benefit, including any prior cost-of-living adjustments, will be increased by the lesser of 2% or the actual increase in the All Canada Consumer Price Index for the period from October 1 to September 30 of the prior year as determined by Statistics Canada. |
| Termination / Maximum Benefit Period | <p>LTD coverage and/or Benefits will not continue beyond the earliest of the following dates:</p> <ol style="list-style-type: none"> <li data-bbox="665 525 1427 598">1. the end of the month in which the Member attains age 65; <li data-bbox="665 619 1427 693">2. the date the Member is first entitled to at least a 64% unreduced service pension from OTPPB or OMERS; <li data-bbox="665 714 1427 861">3. the date the Member is first entitled to at least a 64% unreduced service pension from OTPPB or OMERS, if they have taken a present or commuted value pension from OTPPB or OMERS; or <li data-bbox="665 882 1427 1039">4. the date the Member is first entitled to at least a 64% unreduced service pension from OTPPB or OMERS, had early retirement or the disability pension option been waived. |
| Taxability | Benefits under this LTD Policy are non-taxable. |
| Mandatory Early Intervention Program | Early intervention services occur in the early stages of a medically related absence prior to the Benefit Period. The purpose of the program is to provide services to facilitate the Member's earliest possible return to work, thereby, preventing or shortening the Benefit Period. OTIP will assess the appropriateness of services and if medically supported, may fund services that facilitate a return to work. |

DEFINITIONS

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| Actively at Work | <p>means that the Member must be fully capable of performing his regular duties, actually working at the Employer's place of business or a place where the Employer's business requires the Member to work, or is on an approved vacation, including scheduled school breaks, weekends and statutory holidays.</p> <p>If the Member is on an approved Leave of Absence other than for Disability, and premiums are being paid, the Member shall be deemed to be actively at work for the purposes of this Policy.</p> |
| Benefit | means any amount which becomes payable under this Policy. |
| Benefit Period | <p>means:</p> <ol style="list-style-type: none">1. the period of time after the Waiting Period during which the Member is continuously Disabled; plus2. if the Disability is not continuous, any period of time during which the Disability is a Recurrence as defined under the LTD provisions. |
| CPP | means Canada Pension Plan. |
| Disability/Disabled/Disabling | <p>means that during the Initial Assessment Period, the Member is disabled if, because of illness or injury, the Member is unable to perform the significant duties pertaining to his Specific Assignment.</p> <p>means that after the Initial Assessment Period, the Member is disabled if, because of illness or injury, the Member is unable to be Gainfully Employed.</p> |
| Disability Period | <p>means:</p> <ol style="list-style-type: none">1. the Waiting Period; plus2. the Benefit Period |
| Department of National Defence (DND) Assignment | means an assignment with the DND to teach on a military base that is considered permanent, full-time employment with the Employer as long as the Member's permanent Plan Sponsor is participating under this Policy. |
| Employer | means Toronto District School Board. |

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| Employment Waiting Period | means a period of continuous active employment with the Employer, as shown in the Table of Benefits, following which the Member becomes eligible for insurance. |
| Evidence of Insurability | means all statements of medical evidence of the Member's health as required by Teachers Life and/or OTIP, affecting such person's acceptability for insurance. All evidence of insurability must be submitted on forms approved by OTIP for that purpose. |
| Gainful Employment/Gainfully Employed | <p>means work:</p> <ol style="list-style-type: none"> 1. the Member is medically able to perform; 2. for which the Member has at least the minimum qualifications; 3. that provides income of at least 60% of the Member's inflation indexed Pre-Disability Earnings; and 4. that exists either in the province or territory where the Member worked when the Disability started or where the Member currently lives. <p>The availability of work alone will not be considered in assessing Disability.</p> |
| Insurable Member | <p>means an individual who is:</p> <ol style="list-style-type: none"> 1. a full-time or part-time teacher as defined in the Ontario Education Act and its regulations, who is not employed as an occasional teacher; or 2. in a Job Protection Plan; or 3. an administrator, manager or non-teaching education staff Member employed on a permanent, non-seasonal basis for at least 15 hours per week; <p>and</p> <p>either resident in Canada or temporarily residing outside Canada on an approved Leave of Absence or an assignment with the Department of National Defence.</p> |
| Insurer | means Teachers Life Insurance Society (Fraternal). |

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| Job Protection Plan | means a formal document mutually agreed to by the Plan Sponsor, the Employer and the Members whereby a Member is temporarily assigned to part-time employment, for any reason other than the Member's request. |
| Leave of Absence | means an approved formal non-medical leave of absence, which includes sabbatical, educational and secondment leaves of absence. |
| LTD | means long term disability. |
| Mandatory Plan | means the Member is required to participate in the plan and is deemed to have applied for coverage as a condition of employment. |
| Member | means an individual who: <ol style="list-style-type: none"> 1. is employed by the Employer; 2. is an Insurable Member; 3. belongs to an Eligible Class, as listed in the Table of Benefits; 4. satisfies the Eligibility Conditions, as outlined in the Insuring Provisions; and 5. satisfies the Effective Date of Insurance provisions, as detailed in the Insuring Provisions. |
| Non-Mandatory Plan | means that participation in the plan is voluntary and that the Member must make application within 31 days of eligibility prior to being able to participate in the coverage. |
| OMERS | means Ontario Municipal Employees' Retirement System. |
| OTIP | means Ontario Teachers Insurance Plan, the administrator of this plan. |
| OTPPB | means Ontario Teachers' Pension Plan Board. |
| Plan Sponsor | means the applicant for this Policy, which is the association, federation or union that represents the Members of the Eligible Classes or the Employer. |
| Pre-Disability Earnings | means the Member's earnings as of the commencement of the Benefit Period, excluding bonus and overtime pay. |
| QPP | means Quebec Pension Plan. |
| Renewal Date | means March 1, 2014, and each subsequent March 1 thereafter. |

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| Salary | means the Member's regular earnings from the Employer, excluding bonus and overtime pay, that were in effect on the last day of the Waiting Period. |
| Specific Assignment | means the type of duties the Member was performing as of the commencement of Disability or immediately preceding the commencement of Disability. |
| Waiting Period | means the period of time that must elapse between the onset of the Disability and the date on which the Insurer begins paying LTD Benefits to the Disabled Member. |
| Working Day | means a day within a work week that is not a public holiday, as established by the Employer and where the Member is normally required to be in attendance at the Employer's place of business. |

INSURING PROVISIONS

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| Application for Insurance | <p>For Non-Mandatory Plans, coverage approval is automatic if an LTD insurance application form is completed and forwarded, within 31 days of a Member's date of eligibility, to:</p> <ol style="list-style-type: none">1. OTIP, for plans administered by OTIP; or2. the Plan Sponsor's plan administrator for self-administered plans. <p>If the Member applies more than 31 days after becoming eligible, the insurance is subject to Evidence of Insurability and takes effect on the date of written approval by the Insurer.</p> <p>Eligible Members must apply for insurance on a form, which has been approved by OTIP.</p> |
| Eligibility Conditions | <p>Members are eligible immediately if they are Insurable Members on the effective date of this Policy. Otherwise, they are eligible on the date their employment as Insurable Members begins.</p> |
| Effective Date of Insurance | <p>For Mandatory Plans</p> <p>The effective date of a Member's coverage will be the later of the following dates:</p> <ol style="list-style-type: none">1. the date of the Member's employment; and2. the date the Member joins an Eligible Class. <p>For Non-Mandatory Plans</p> <p>The effective date of a Member's coverage will be the later of the following dates:</p> <ol style="list-style-type: none">1. the date the Member becomes eligible for coverage; or2. the date the Insurer approves any required Evidence of Insurability. <p>Evidence of Insurability will be required to be submitted at the Member's expense.</p> <p>In any event, if the Member is not Actively at Work on the date coverage is to be effective, it will become effective when the Member returns to active work.</p> |
| Changes in Amounts of Insurance | <p>If the Member's coverage changes due to a change in earnings or classification, or as a result of a plan change, coverage will not be adjusted until the first day, on or after the date of the change, on which the Member is Actively at Work and the appropriate contribution is being made.</p> |

Exceptions

No change in a Member's amount of insurance will take effect during a Disability Period, except an earnings increase occurring during the Waiting Period.

All increases in insurance are subject to the Actively at Work requirement unless they result during the period specified above.

Termination of a Member's Insurance

A Member's coverage will terminate on the earliest of the following dates:

1. the date employment with the Employer terminates;
2. the date the Member ceases to be a Member of any Eligible Class;
3. the date the Member ceases to be an Insurable Member;
4. the date the Member is laid-off by the Employer;
5. the due date of the first premium for which the required contribution is not made;
6. the date this Policy is terminated;
7. the date the Member retires;
8. the end of the month in which the Member attains age 65, less the length of the Waiting Period;
9. the date the Member is first entitled to at least a 64% unreduced service pension from OTPPB or OMERS, less the length of the Waiting Period;
10. the date the Member is first entitled to at least a 64% unreduced service pension from OTPPB or OMERS, if they have taken a present or commuted value pension from OTPPB or OMERS;
11. the date the Member is first entitled to at least a 64% unreduced service pension from OTPPB or OMERS, had early retirement or the disability pension option been waived;

12. the date the Member is dismissed, or the date the Employer is required by law to extend insurance;
13. the date the Member ceases to satisfy the Actively at Work requirement and starts to work in another job more than 20 hours per week, except in a Rehabilitation Plan or Program; or
14. the date the Member ceases to satisfy the Actively at Work requirement, except as set out in the Continuation of Coverage During Absence from Work provision.

Continuation of Coverage
During Absence from Work

A Member's coverage will be continued subject to payment of premiums, while the Member is absent from work due to:

1. a Disabling illness or injury for which the Member no longer qualifies for Benefits, for 31 calendar days;
2. a non-Disabling illness or injury for which the Member does not qualify for Benefits, for the later of the end of the Waiting Period that the Member had previously selected in the Member's application for Benefits or 60 Working Days after written notice is sent to the Member. In no event will coverage be extended longer than 60 Working Days after the end of the Waiting Period;
3. a strike, lock-out or work stoppage, up to six months after the strike, lock-out or work stoppage starts;
4. an approved maternity or parental leave of absence, for the duration of the period stipulated under any federal or provincial employment standards legislation, whether or not benefits are payable under the Employment Insurance Act of Canada; or
5. an approved Leave of Absence, to a maximum of 24 consecutive months, or the number of years negotiated under the collective bargaining agreement. An additional approved Leave of Absence where the Member does not return to work is considered a continuation of the original approved Leave of Absence. If the Member becomes Disabled during this time, no Benefits are payable for the scheduled duration of the Leave of Absence.

A part-time absence due to illness or injury is not considered an approved Leave of Absence.

A part-time Leave of Absence beyond 24 consecutive months is considered to be elected part-time employment and not an approved Leave of Absence.

Reinstatement

A Member's insurance will be automatically reinstated if:

1. it terminated because of illness, injury, Leave of Absence, strike, lock-out, work stoppage or lay-off; and
2. the Member returns to work within 60 Working Days after the insurance terminated, or within any period during which the Employer is required by law to reinstate the insurance.

In this event, this Policy's Pre-existing Conditions limitation will continue to apply to the Member's reinstated insurance, but only to the extent that the Pre-existing Conditions limitation had not been satisfied prior to the termination.

If, due to a clerical error by the Plan Sponsor or the Employer, a Member's insurance is terminated because the premiums were not being paid upon the Member's return to work, insurance will be automatically reinstated, provided:

1. the Member qualified for automatic reinstatement,
2. the error is corrected within three months of the first missed premium, and
3. all missed premiums are paid.

If a Member chose not to make premium contributions required to maintain insurance coverage during a Leave of Absence, insurance will nevertheless be automatically reinstated upon the Member's return to work. Reinstatement under this circumstance is not subject to the Application for Insurance provision but Benefits will be subject to this Policy's Pre-existing Conditions limitation as if the insurance first took effect on the reinstatement date.

If a Member's insurance terminated as a result of a dismissal, it shall be automatically reinstated retroactively to the date of termination if a dismissal appeal has resulted in the Member being reinstated to the Member's position and premiums have been paid retroactively to the date of the termination.

A Member who does not qualify for automatic reinstatement will be treated as a new Member upon the Member's return to work and subject to this Policy's Pre-existing Conditions limitation.

All other Members will be subject to the Application for Insurance provision.

CLAIMS PROVISIONS

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| Notice of Claim | <p>To permit prompt assessment and early participation in Rehabilitation Plans or Programs, initial notice of claim should be submitted to Teachers Life and/or OTIP no later than six months after Disability starts.</p> <p>Except where the failure of the Member to file the initial notice of claim within six months after Disability starts is a direct consequence of the Member's Disability, the Insurer will not be liable for claims for which initial notice is submitted more than six months after the earlier of:</p> <ol style="list-style-type: none">1. the end of the Waiting Period; or2. the date this Policy terminates. |
| Proof of Claim | <p>Benefits under this Policy will only be payable for periods for which Teachers Life and/or OTIP has received satisfactory proof that the Member is entitled to Benefits.</p> <p>The Member must provide information required proving entitlement to Benefits and must also authorize Teachers Life and/or OTIP to obtain information from other sources for this purpose. Whenever Teachers Life and/or OTIP request information or authorization, it must be submitted within six months. If it is not submitted within this time, the Insurer will not be liable for any further Benefits.</p> |
| Notice of Assessment | <p>Teachers Life and/or OTIP will give the Member a written notice of assessment showing:</p> <ol style="list-style-type: none">1. whether or not Benefits have been approved;2. whether or not further information is required; and3. if Benefits have not been approved, or are terminated, the reason for denial or termination and the procedures the Member may follow for appeal. |
| Notice of Benefit Termination | <p>If Benefits are being paid and then terminate, Teachers Life and/or OTIP must provide one month's written notice to the Member before Benefits terminate.</p> |
| Arbitration | <p>Where a Member, after appeal, disputes a decision of Teachers Life and/or OTIP to deny or terminate Benefits, the Plan Sponsor that represents the Member may, with the consent of the Member, elect to submit the dispute to binding arbitration in accordance with the arbitration procedure established between the Insurer and the Plan Sponsor.</p> |

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| Legal Actions | <p>No legal action to recover Benefits under this Policy can be introduced:</p> <ol style="list-style-type: none"> 1. where a matter in dispute has been appealed and subsequently submitted to binding arbitration; 2. for 60 calendar days after notice of claim has been submitted; or 3. more than 2 years after a Benefit has been denied. |
| Overpayment | <p>If a Member's Benefits are overpaid, the Member is responsible for repayment within six months, or within a longer period agreed to by Teachers Life and/or OTIP. If the Member fails to fulfill this responsibility, further Benefits will be withheld until the overpayment is recovered. This does not limit the Insurer's right to use other legal means to recover the overpayment.</p> |
| Subrogation and Right of Recovery | <p>Where permitted by law, the Insurer has full rights of subrogation with respect to damages for loss of income when responsibility for a Member's Disability may be attributable to another party. The Insurer also has the right to recover from the Member any Benefits paid under this Policy for loss of income for which the other party has indemnified the Member. However, the Insurer has no obligation under this Policy to exercise its rights of recovery and subrogation.</p> |

PREMIUM PROVISIONS

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| Payment | The first premium is due on the effective date of this Policy. After that, premiums are due on the first day of each month. The Plan Sponsor must pay premiums to Teachers Life and/or OTIP for remittance to the Insurer's Head Office or as it shall direct. Premiums not paid on time will be in default. |
| Grace Period | After the first premium has been paid, 45 days of grace are allowed to pay a premium in default. During this time, the Policy will stay in force. If the premium is not paid by the end of the grace period, this Policy will terminate. The Plan Sponsor is liable for a pro-rata premium for the time this Policy is in force during the grace period and for all other unpaid premiums. |
| Premium Calculation | The amount of each premium is the sum of the premiums for each insured Member, calculated at the rate last established by the Insurer. |
| Waiver of Premium | No premium is payable for a Member during a Benefit Period or, if the Member is not Actively at Work after the Benefit Period ends. |
| Premium Payment Not a Guarantee of Coverage | Payment of premium will not cause insurance to take effect or continue if it would not do so according to this Policy's Insuring Provisions. |
| Adjustments | The premium will be adjusted retroactively to reflect changes in insurance amounts. Credits will be given only for the four months preceding receipt of notice. |
| Rate Changes – Renewal Changes | The Insurer can change the premium rates on the Renewal Date. Written notice will be sent to the Plan Sponsor prior to a change being made. Once a change is made, the Insurer cannot make another renewal change for 12 months or such other period as may be agreed to by the Plan Sponsor. |
| Rate Changes – Other Changes | A rate change can be made at any time if: <ol style="list-style-type: none">1. the Policy provisions are changed at the request of the Plan Sponsor;2. the introduction, revision or repeal of a government law or regulation results in a change in:<ol style="list-style-type: none">(a) the Benefits payable under this Policy; or(b) taxes payable to a government authority; or3. there is a change in the number of Members insured under this Policy which exceeds 25% since the last renewal. |

GENERAL PROVISIONS

The Policy

This policy, the Act or instrument of incorporation of the society, its constitution, by-laws and rules, and the amendments made from time to time to any of them, the application for the contract and the medical statement of the applicant (if applicable), constitute the entire contract, and no agent has authority to change the contract or waive any of its provisions.

This Policy can be changed only by written agreement between the Plan Sponsor and the Insurer.

On request from the Plan Sponsor, Teachers Life and/or OTIP will provide the Plan Sponsor with an electronic copy of the text in this Policy. The electronic copy is provided for information purposes only and does not create or confer any contractual rights or obligations. All rights and obligations of the Policyholder, the Plan Sponsor and the Insurer are governed by the paper version of this Policy. In the event of a discrepancy between the paper version and the electronic copy of the Policy, the paper version will govern. No alteration of the Policy is permitted by any person, except by an authorized representative of the Insurer.

Termination of the Policy

The Plan Sponsor may terminate this Policy at any time by giving 30 days advance written notice to the Insurer.

Termination by the Plan Sponsor will take effect on the later of:

1. the date of termination stated in the written notice; or
2. the date the Insurer receives the written notice.

If the Plan Sponsor fails to pay the due premium within the Grace Period, Benefits will be suspended for all claims incurred after the expiration of the Grace Period, and this Policy will terminate at the end of the Grace Period. However, if the Plan Sponsor makes written request in advance for an earlier termination date, this Policy will terminate on the date requested.

The Insurer may terminate this Policy on any Renewal Date provided written notice of intent to terminate has been given to the Plan Sponsor at least 90 days in advance.

The Policyholder may terminate this Policy on any premium due date if the number of Members covered then totals less than the minimum participation, as shown in the Table of Benefits and written notice of intention to terminate has been given to the Plan Sponsor at least 90 days in advance.

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| Misstatement of Age | Teachers Life and/or OTIP may request proof of a Member's age at any time. If the age has been misstated, entitlement to insurance and Benefits will be determined according to the Member's true age. |
| Member's Certificate or Booklet | Teachers Life and/or OTIP will provide a certificate or booklet to the Plan Sponsor for delivery to each Member or may provide access through a Web site. This certificate or booklet will state the coverage to which the Member is entitled and to whom these Benefits are payable. In the event of a conflict between the terms of the certificate or booklet and the terms of this Policy, the terms of this Policy will govern. |
| Gender | In this Policy, unless the context requires otherwise, reference to the masculine gender will also include the feminine gender. |
| Furnishing of Information | <p>The Plan Sponsor, the Employer or the Insurer, as mutually agreed by the Plan Sponsor and the Insurer, will keep a record of the covered Members containing the essential particulars of coverage. The Employer, on behalf of the Plan Sponsor will forward the information periodically as required by the Insurer in order to administer this Policy and to determine rates. All records of the Plan Sponsor, or Employer, which bear on the coverage, must be open to Teachers Life and/or OTIP for inspection at any reasonable time.</p> <p>The Employer or Plan Sponsor may correct wrong data given to the Insurer. A Member's Benefit under a coverage will not be made invalid by failure of the Plan Sponsor or Employer, due to clerical error, to record or report the Member for the coverage.</p> |
| Access to Records | <p>Upon request, the Plan Sponsor or Employer must forward to Teachers Life and/or OTIP:</p> <ol style="list-style-type: none"> 1. required information on the eligibility of Members; 2. Member applications; 3. details relating to changes in insurance; and 4. information required for assessment of claims, including job information. <p>Teachers Life and/or OTIP may inspect the records of the Plan Sponsor or Employer relating to Members' insurance. Inspections can take place while this Policy is in force and during the first year after it terminates.</p> <p>Teachers Life and/or OTIP has the right to have representatives visit a Member's work site to obtain information about the Member's Specific Assignment.</p> |

All requests, notices, applications and claims must be made to Teachers Life and/or OTIP in writing. The Insurer will not be liable for the Employer's and/or Plan Sponsor's failure to supply required information or records.

Medical and Vocational Assessments

Teachers Life and/or OTIP have the right to conduct necessary investigations relating to applications or claims, and to obtain independent medical or vocational assessments if required. Teachers Life and/or OTIP must also be given the opportunity to examine the person for whom an application or claim is made as often as it may reasonably require during the course of an investigation or assessment.

The Insurer will not assume the cost of assessment or investigation in connection with a late application. The Insurer may assume the cost of assessments or investigations according to its administrative practices at the time of application or claim.

Conformity to Legislation

If this Policy does not conform to legislation that governs it, it is considered automatically amended to comply with the minimum requirements of the legislation.

Disclosure Provisions

This Policy will be available through the Plan Sponsor for review by Members. Teachers Life and/or OTIP, at their discretion, may release a copy of this Policy in order to settle claims.

If asked to do so within two years after notification of a decision concerning insurance or Benefits, OTIP and/or the insurer will disclose to the Member the name of each person or organization that provided medical information concerning the Member's application or claim.

If a Member submits written authorization from a person or organization that provided medical information, OTIP and/or the Insurer will disclose the information to the Member or, at OTIP's and/or the Insurer's discretion, to the Member's doctor.

Information involving an independent medical examiner will be disclosed only with the approval from and at the discretion of Teachers Life and/or OTIP.

OTIP and/or the Insurer may, without specific authorization, disclose information about a Member's claim to another insurer or benefits administrator if:

1. the information could be relevant to assessment of the Member's entitlement to other disability benefits for the same period of time; and
2. the information is given in confidence with the stipulation that it may not be released to another party.

Currency Any amount payable to or by the Insurer under this Policy will be payable in Canadian funds.

Non-Waiver The failure, at any time, by Teachers Life and/or OTIP to require from any covered Member that the Member respect one of the provisions of this Policy will not affect in any way Teachers Life and/or OTIP's right to require that the Member respect the provision in the future. The determination by Teachers Life and/ or OTIP to waive any provision of this Policy will not be deemed to be a waiver of Teachers Life and/or OTIP's right to require compliance with such provision in the future.

A consent by Teachers Life and/or OTIP to, or of, any act by the Plan Sponsor, Employer or a covered Member which requires the Insurer's consent will not be deemed to waive or render unnecessary, the Insurer's consent to, or of, any subsequent similar act by the Plan Sponsor, Employer or the Member.

Appeals A Member has the right to appeal a denial of all or part of the insurance or Benefits described in this Policy as long as the Member does so within two years after the denial. An appeal must be in writing and must include the Member's reasons for believing the denial to be incorrect.

Open Contract As a method of maintaining on-going solvency of a society, all fraternal benefit societies have "maintenance of solvency" provisions in their contracts of insurance (often referred to as "open contract insurance"). If Teachers Life is unable to meet its obligations under its contracts of insurance, Teachers Life, with the direction and approval of the appointed actuary and the government regulators may alter conditions and benefits of this Policy on a temporary or permanent basis in order to meet solvency requirements. Such provisions that could affect benefits are only invoked under catastrophic conditions.

Limitation of Actions An action or proceeding against Teachers Life for the recovery of a claim under the Policy will not be commenced more than one year after the date the insurance money became payable or would have become payable if it had been a valid claim.

TRANSFER PROVISIONS

Policy Dividends, Bonus Insurance

Extra insurance, benefits, or cash dividends, may be declared by the Board of Directors from time to time reflecting the surplus position and the well-being of the non-profit Fraternal Benefit Society, in accordance with the recommendation of the appointed actuary or the regulators of Teachers Life and within any guidelines set forth under the Insurance Companies Act.

Transfer of Insurance

The following provisions apply when insurance for any class of Members under this Policy takes effect during the 31 days after coverage ends for that class under another group LTD income insurance policy.

1. Any Member who was covered in the terminating class under the previous policy when insurance for that class ended will be insured on the effective date of insurance for that class under this Policy, as long as the Member is then an Insurable Member.
2. Any Member whose insurance has not been interrupted will be entitled to Benefits under this Policy for a Pre-existing Condition if:
 - (a) no benefits are payable for that condition under the previous policy because of termination of insurance for the Member's class under that policy; but
 - (b) benefits would have been payable under the previous policy if insurance for the terminating class had remained in force.
3. No Benefits are payable under this Policy for a Disability Period that is covered as a recurrence under a previous policy.

Replacement of Insurance

The following provisions apply when this Policy is issued to replace insurance under another policy provided by the Insurer.

1. Any Member who was insured under the previous policy on the day before the effective date of this Policy will be insured under this Policy on its effective date, as long as the Member is then an Insurable Member in an Eligible Class.
2. A Member's period of coverage under the previous policy will be considered in applying any Pre-existing Conditions limitations under this Policy
3. Increases in Benefits resulting from the replacement are subject to this Policy's Actively at Work requirement.
4. Any basic insurance that would have been subject to underwriting under the previous policy on the day before the effective date of this Policy will continue to apply as if the replaced insurance were still in force.
5. Any transfer of insurance provision applicable to a Member under the previous policy on the day before the effective date of this Policy will continue to apply as if the replaced insurance were still in force.

Transfer of Claims

If the Plan Sponsor transfers responsibility for the continuing assessment of existing claims:

1. to the Insurer, the Insurer has the right, without the claimant's authorization, to obtain claim records from the previous insurer or benefits administrator.
2. from the Insurer, the Insurer has the right, without the claimant's authorization, to disclose claim information to the party assuming responsibility for existing claims.

BENEFIT PROVISIONS

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| Assessment Responsibility | Teachers Life and/or OTIP have full responsibility for the assessment of a Member's entitlement to Benefits. |
| Disability | The Benefits under this Policy are for Disability Periods that commence while the Member is insured. |
| During the Initial Assessment Period | <p>During the initial assessment period, as shown in the Table of Benefits, a Member is considered Disabled if, because of illness or injury, the Member is unable to perform the significant duties pertaining to his Specific Assignment.</p> <p>If illness or injury prevents the Member from performing a duty, it will also be considered to prevent the Member from performing:</p> <ol style="list-style-type: none">1. other duties that are performed only in order to complete that duty; and2. other duties that can only be performed after that duty is completed. |
| After the Initial Assessment Period | After the initial assessment period, a Member is considered Disabled if illness or injury prevents the Member from being Gainfully Employed. |
| Notification | Teachers Life and/or OTIP will notify the Member of the change of definition in Disability no later than four months prior to the end of the Initial Assessment Period. |
| Waiting Period | <p>The Waiting Period starts when the Member first becomes Disabled and lasts, if Disability is continuous, for the period shown in the Table of Benefits.</p> <p>If Disability is not continuous, the days the Member is Disabled will be accumulated to satisfy the Waiting Period as long as:</p> <ol style="list-style-type: none">1. no interruption is longer than 20 consecutive Working Days; and2. the Disability arises from the same illness or injury. |
| Recurrence | <p>After the Waiting Period, a Disability is considered a recurrence if it arises from the same illness or injury and starts:</p> <ol style="list-style-type: none">1. within 100 Working Days after the previous Disability ends; or2. within 24 months after the end of an approved Rehabilitation Program. |
| Monthly Earnings | Monthly earnings for Benefit calculations and in assessing a Member's ability to be Gainfully Employed are, subject to the Actively at Work requirement related to the Changes in the Amounts of Insurance, 1/12 th of the Member's annual Salary in effect on the last day of the Waiting Period. |

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| First Year Benefits | Benefits payable prior to the August 31 following the end of the Waiting Period will be paid based on the number of Working Days remaining in the Member's work year multiplied by the per diem Benefit. Benefits will be paid in equal monthly instalments until the end of August. |
| Salary Hold Back | Members on a Leave of Absence with a salary hold back program will have their earnings during the years of the salary hold back program calculated according to their full Salary before the Leave of Absence starts. During the year of the Leave of Absence, the Member's earnings, for premium purposes, will be those in effect the year before the Leave of Absence began. |
| Part-time Leave | <p>If a Member is on an approved part-time Leave of Absence, the Member must elect prior to the Leave of Absence, to have earnings calculated based on either the reduced work schedule or the full-time work schedule.</p> <p>If Disability occurs during the part-time Leave of Absence, Benefit payments will be made based on the reduced work schedule Salary. When the Leave of Absence ends, Benefit payments will be based on the level of earnings that the Member had elected to insure prior to the commencement of the Leave of Absence.</p> |
| Insured Earnings | <p>Insured earnings are the portions of a Member's earnings, which, upon application of the Benefit formula, yield the Member Benefit.</p> <p>For Members on a Leave of Absence or participating in a Job Protection Plan, insured earnings are the reduced or full earnings as chosen before the Leave of Absence or Job Protection Plan began.</p> |
| Take-home Pay / Net Earnings | <p>Take-home pay or net earnings means the Member's gross Salary less the Member's deductions for:</p> <ol style="list-style-type: none"> 1. OTPPB; 2. Employment Insurance (EI); 3. CPP/QPP; and 4. federal and provincial income taxes. |

The deduction for taxes is the amount the Employer would be required to withhold from a Member's gross Salary assuming:

1. taxable income equals gross Salary less payments made by the Member for OTPPB, EI and CPP/QPP; and
2. taxes equal taxable income multiplied by the applicable tax rates, less personal tax credits. The personal tax credits and tax rates used are those in effect at the end of the Waiting Period.

Disability Benefits

A Disabled Member is entitled to Disability Benefits after the Waiting Period ends and for as long as the Benefit Period lasts. No Disability Benefits are payable for the Waiting Period itself.

True-ups

If Benefits cease, an adjustment will be made to account for Insured Earnings actually lost during Disability.

Amount Payable

The amount payable is the sum of:

1. the Member Benefit less the reduction, if any, required under the Offset and/or All Source Maximum provisions; and
2. any Employment Subsidy forming part of the Rehabilitation Benefits.

All Benefits are payable monthly in arrears.

Other Income

The income used in the Offset and All Source Maximum provisions is the income payable for the same period as the Member Benefit under this Policy.

Except for retirement benefits and CPP/QPP benefits, all income is considered payable when a Member is entitled to it, whether or not it has been awarded or received. If it has not been awarded, the Insurer will have the right to estimate it according to the terms of any plans or legislation involved. CPP/QPP benefits are considered payable when they are actually received or six months after the start of the Benefit Period if application for benefits has not been made within that time. Retirement benefits are considered payable when they are actually received.

If income is payable in a lump sum, the amount used will be the portion payable for loss of income during the Benefit Period. If the award does not specify the period it represents for loss of income, the Insurer will consider this period to be 60 months.

Special Treatment of Taxable
Income for Non-Taxable
Plans

Before the Amount Payable is calculated under a non-taxable plan, income will be reduced by multiplying it, by the ratio of the Member's pre-disability Take-home Pay/Net Earnings to the Member's monthly Pre-Disability Earnings. This does not apply to CPP/QPP benefits.

Offset Provision

Under this provision, the Member's Benefit is reduced by the following income:

1. Disability or retirement benefits to which the Member is entitled on the Member's own behalf under:

- (a) CPP;
- (b) QPP; or
- (c) a plan in another country for which there is a reciprocal agreement with CPP or QPP,

except for increases that take effect after the Benefit Period starts.

2. Benefits under any Workplace, Safety and Insurance Act or similar law, except for:

- (a) permanent partial disability awards that were payable before a Disability Period; and
- (b) benefits related to employment with another employer.

3. Sick leave credits paid during the Benefit Period.

All Source Maximum

The Member's Benefit shall be further reduced if necessary so that the Amount Payable together with payments from the following sources will not exceed 100% of the Member's net pre-disability Take-home Pay:

1. Disability or retirement benefits to which the Member is entitled on the Member's own behalf under:
 - (a) CPP;
 - (b) QPP; or
 - (c) a plan in another country for which there is a reciprocal agreement with CPP or QPP.
2. Benefits under any Workplace, Safety and Insurance Act or similar law, except for:
 - (a) permanent partial disability awards that were payable before a Disability Period; and
 - (b) benefits related to employment with another employer.
3. Sick leave credits paid during the Benefit Period.
4. Benefits the Member is entitled to on the Member's own behalf under Old Age Security, excluding benefits that were payable before a Disability Period.
5. Disability benefits available through legislation to which the Member is entitled on the Member's own behalf, except for Employment Insurance benefits. Automobile insurance benefits are included under this provision where permitted by law.
6. Disability benefits under another plan of insurance available as a result of the Member's affiliation with an association, except for benefits that were payable before a Disability Period.
7. Pension benefits from OTPPB or OMERS.

8. Employment income that is not part of a rehabilitation plan or program, disability benefits or retirement benefits related to any employment except for:
 - (a) disability benefits that are prepayments of life insurance;
 - (b) any amount that is related to employment other than with the Employer and that was payable before a Disability Period;
 - (c) benefits from early retirement incentive plans or sick leave gratuities;
 - (d) retirement benefits unrelated to any employment; or
 - (e) a present or commuted value pension from OTPPB or OMERS.

Rehabilitation Incentive Provision

Earnings received from a Rehabilitation Plan or Program are not used to reduce a Member's Benefit unless those earnings, the Member's income from this Policy and the income described under the Offset and/or All Source Maximum provisions would exceed 100% of the Member's indexed pre-disability Take-home Pay.

If it does, the Member's Benefit is reduced by the amount in excess of 100% of the Member's indexed pre-disability Take-home Pay.

Inflation Protection – Recalculation / Indexing

The Amount Payable will be recalculated for inflation protection each January 1 immediately following the Member's Initial Assessment Period as follows:

1. the Member Benefit will be increased by the Cost-of-Living Adjustment Factor;
2. the following amounts will be increased by the Consumer Price Index Factor:
 - (a) the All Source Maximum;
 - (b) the maximum Member Benefit;
 - (c) the Member's Pre-Disability Earnings; and
 - (d) the income limit under the Rehabilitation Incentive provision.

Inflation Protection – Cost-of-Living Adjustment Factor

The Member Benefit will be increased by the cost-of-living adjustment factor.

The cost-of-living adjustment factor will be 2% or, if less, the actual increase in the All-items Consumer Price Index for Canada reported for the prior year (during the period October 1 through September 30), as determined by Statistics Canada.

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| Inflation Protection – Consumer Price Index Factor | The Consumer Price Index factor will be the actual increase in the All-items Consumer Price Index for Canada reported for the prior year (during the period October 1 through September 30), as determined by Statistics Canada. |
| Inflation Protection – Changes to the Consumer Price Index | <p>If there is a change in the method of calculating the All-items Consumer Price Index for Canada:</p> <ol style="list-style-type: none"> 1. the All-items Consumer Price Index for Canada will be used for the period preceding the change; and 2. an appropriate measure of inflation will be used for the period after the change, as determined by Teachers Life and/or OTIP. |
| Rehabilitation Benefits | <p>Rehabilitation involves a training strategy or work-related activity that:</p> <ol style="list-style-type: none"> 1. can be expected to facilitate a Disabled Member’s return to his job or other Gainful Employment; and 2. is recommended and approved by Teachers Life and/or OTIP. <p>In considering whether or not a rehabilitation proposal is appropriate, Teachers Life and/or OTIP will assess such factors as the expected duration of the Disability, and the level of activity required to facilitate the earliest possible return to employment.</p> <p>The Insurer recognizes the individual needs of Members with disabilities by making a distinction between a Rehabilitation Program and a Rehabilitation Plan.</p> |
| Rehabilitation Program | <p>To be classified as a rehabilitation program, the goal must be:</p> <ol style="list-style-type: none"> 1. to return the Member to work in a different job that requires extensive or prolonged training; or 2. to return the Member to work in a self-employed capacity. <p>Training is considered extensive or prolonged if it lasts longer than 12 consecutive months.</p> |
| Rehabilitation Plan | <p>To be classified as a rehabilitation plan, the goal must be:</p> <ol style="list-style-type: none"> 1. to return the Member to work in the same job; 2. to return the Member to work in a modified job with the same Employer; or 3. to return the Member to work in a different job that capitalizes on transferable skills. |
| Participation Commitment | If a Member does not participate or cooperate in a Rehabilitation Plan or Program that has been recommended and approved by Teachers Life and/or OTIP, the Member will no longer be entitled to Benefits. |

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| Time Duration | <p>Teachers Life and/or OTIP must approve the duration of a Rehabilitation Plan or Program. Once approved, a Member's Benefit Period is for that duration as long as the Member continues to participate and cooperate in the Rehabilitation Plan or Program.</p> <p>Where a Member is involved in a Rehabilitation Plan or Program and Benefits are to be terminated due to recently submitted medical information or change of definition, Benefits will end on the later of:</p> <ol style="list-style-type: none"> 1. the previously approved Rehabilitation Plan or Program end date; 2. the first teaching day of the next term or semester as it applies to the Member's assignment; or 3. any earlier date as may be agreed to by the Member and Teachers Life and/or OTIP. |
| Rehabilitation Program – Re-Employment Benefit | <p>If the Member is participating in a Rehabilitation Program that involves employment, the Benefit Period will be at least until the end of the Initial Assessment Period.</p> |
| Rehabilitation Retraining Period Benefit | <p>If the Member is participating in a Rehabilitation Program that involves training rather than employment, the Benefit Period will be extended up to six months after training ends. This extension is provided for purposes of job search.</p> |

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| Employment Income | Employment income earned during a rehabilitation period will be considered under the Rehabilitation Incentive provision. |
| Expense Benefit | <p>The Insurer will pay for reasonable expenses, other than usual employment expenses, associated with a Rehabilitation Program.</p> <p>Expenses claimed under this provision must be pre-authorized by Teachers Life and/or OTIP.</p> |
| Employment Subsidy | <p>If a Rehabilitation Program involves the Member's return to work with the same or another employer, the Insurer will subsidize the employer by 50% of the Salary paid to the Member during the first 3 months of the program.</p> <p>The subsidy must be pre-authorized by Teachers Life and/or OTIP.</p> |
| Termination of Benefit Payments | <p>When an insured Member becomes Disabled according to the terms of this Benefit provision and Teachers Life and/or OTIP has begun making Benefit payments, then the Benefit payments will cease, unless specifically extended elsewhere in this Policy, on the earliest of:</p> <ol style="list-style-type: none"> 1. the date the Member ceases to be Disabled as defined in this Policy; 2. the date the maximum Benefit Period as specified in the Table of Benefits has been reached; or 3. the date the Member dies. |
| Termination of Benefits | Where a medical statement confirms that the Member's condition has stabilized so as to permit the Member's return to his own occupation, the Benefit Period may continue to the end of the current term or semester. |
| Extension of Benefits | If this Policy terminates, Benefits will continue during the period of Disability, provided that such Disability occurred before the termination date and is reported to Teachers Life and/or OTIP no later than six months after its commencement. |

General Limitations

No Benefits will be paid:

Pre-existing Conditions

1. for a Disability arising from an illness or injury for which the Member obtained medical care before he became insured. Medical care is considered to be obtained when a person consults a doctor, uses medication on the advice of a doctor or receives other medical services or supplies.

This exclusion does not apply if Disability starts after:

- (a) the Member has been continuously insured for 1 year;
or
- (b) the Member has not had medical care for the illness or injury for a continuous period of 90 calendar days ending on or after the date the insurance took effect.

Reasonable and Customary Treatment in the Benefit Period

2. for any part of the Benefit Period in which the Member does not participate or cooperate in a reasonable and customary treatment program.

A reasonable and customary treatment program is systematic treatment that:

- (a) is performed or prescribed by a legally licensed doctor of medicine; and
- (b) is of the nature and frequency usually required for the condition involved.

Where considered appropriate by Teachers Life and/or OTIP for the severity of the condition, the treatment must be prescribed by, and if appropriate, performed or supervised by a certified specialist for the condition involved.

If substance abuse contributes to the Member's Disability, the Member's treatment program must include participation in a recognized substance withdrawal program.

3. for any part of the Benefit Period in which the Member is no longer under continuing medical supervision and treatment considered satisfactory by the physician(s) designated by Teachers Life and/or OTIP.
4. as of the date the Member fails to furnish satisfactory proof of continuance of Disability, or fails to submit to an examination requested by Teachers Life and/or OTIP.

Rehabilitation Plans or Programs

5. for any period when the Member fails to participate or cooperate in a rehabilitation plan or program that has been recommended and approved by Teachers Life and/or OTIP.

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| Leave of Absence | 6. for the scheduled duration of a Leave of Absence, if Disability starts after the Leave of Absence began. |
| Maternity or Parental Leaves | 7. for any period the Member is on a maternity or parental leave. |
| Canadian Residency | 8. for any 12-month period in which the Member does not reside in Canada for at least 6 months, unless the Member is on an assignment with the Department of National Defence or medical treatment is not available in Canada for the condition for which the Member is receiving Benefits. |
| Prison Confinement | 9. for a period of confinement in a prison or similar institution, including the Member's home. |
| War, Insurrection, Riots | 10. for a Disability arising from war, insurrection or voluntary participation in a riot. |