

Voluntary Personal Accident Insurance

Introduction

This section has been prepared to give you an informal summary of the main features of your voluntary personal accident insurance program. This page is not an insurance policy, and does not grant or confer any contractual rights. All rights under this program shall be governed by the provisions of the master policy and by applicable law.

Eligibility

All permanent, active employees, their spouse and dependent children are eligible for voluntary personal accident insurance as follows on an optional basis and at the employee's own expense.

Plan Coverage

The plan provides coverage for any accident resulting in death, dismemberment, paralysis, loss of use of limbs, sight, speech or hearing - 24 hours per day - 365 days per year - worldwide - accidents on or off the job.

Employee Plan

All eligible employees are able to select for themselves any amount of coverage desired from a minimum of \$10,000 to a maximum of \$300,000 in \$10,000 increments (principal sum). No evidence of insurability is required.

Employee and Family Plan

All eligible employees may elect to insure themselves, their spouse and dependent children, under the Employee and Family Plan. No evidence of insurability is required. The employee selects a desired amount of coverage (Principal Sum) from the employee plan described above.

The employee's spouse is then automatically insured for 50% of the benefit selected by the employee. In addition, each dependent child is insured for 10% of the employee's benefit.

Where there are no dependent children, the spouse is automatically insured for 60% of the benefit selected by the employee. Where there is no spouse, dependent children will be insured for 20% of the benefits.

Enrollment

The monthly cost for the Employee Plan is \$0.195 for each \$10,000 of Principal Sum and the monthly cost for the Employee and Family Plan is \$0.345 for each \$10,000 of

Principal Sum on the employee. Premiums are paid through monthly payroll deductions. (Note rates quoted are as of April 2006 - employees may check with payroll for current cost).

You may enroll in the program or increase your insurance (up to \$300,000) and/or add the family option by completing an application card and returning it to Employee Benefits.

If you are not presently insured, you may enroll in the program by completing an application card and returning it to Employee Benefits.

Coverage will commence on the date your signed application card is received by Employee Benefits. However, if you are absent from active work for any reason other than vacation, coverage will only begin when you return to active work.

Beneficiary

Your voluntary accidental death benefit will be paid to the beneficiary designated on your application card. If there is no such beneficiary designation, such benefit will be paid to your Estate. With the exception of the occupational training, child education, day-care and extension of family coverage benefits, any other benefits payable (which include those payable for dependents) will be paid to you.

Definitions

"Injury" means bodily injury caused by an accident occurring while your coverage is in force under the policy, and resulting directly and independently of all other causes in loss covered by the policy, 24 hours a day, anywhere in the world.

"Principal Sum", when referring to you, means the amount indicated on your application card which you have completed and filed with the employer.

"Principal Sum", when referring to your insured dependents, means the percentages outlined in this booklet.

"Spouse" means an individual under the age of 70.

(a) to whom the employee is legally married;

(b) with whom the employee, though not legally married, has cohabited continuously in a conjugal relationship for at least one year, has been publicly represented as the employee's spouse and whose name is on record with the policyholder.

The term "conjugal relationship" shall be deemed to include a conjugal relationship between parties of the same sex.

Only one individual will qualify as a spouse.

If the employee is legally married but is also cohabiting, the spouse will be the individual to whom the employee is legally married.

"Dependent Children" shall mean persons that are either natural children (legitimate or illegitimate), adopted children, or step-children of an employee, or children to whom the employee is in a parent-child relationship, and who are:

- (a) under 21 years of age and unmarried; or
- (b) under 25 years of age and unmarried and in attendance at an institution of higher learning (includes any university, private college, CEGEP or trade school); or
- (c) by reason of mental or physical infirmity, are incapable of self-sustaining employment, and are totally dependent upon the employee for support within the terms of the Income Tax Act.

Benefit Payment

For any of the following losses, within 365 days after the date of the accident, benefits will be paid according to the following schedule:

For Loss of:	Amount Payable:
Life	Principal Sum
The Entire Sight of One Eye	Principal Sum
Speech	Principal Sum
Hearing in One Ear	1/2 x Principal Sum
All Toes of One Foot	1/4 x Principal Sum
For Loss or Loss of Use of:	
One Arm	Principal Sum
One Leg	Principal Sum
One Hand	Principal Sum
One Foot	Principal Sum
Thumb & Index Finger or at Least Four Fingers of One Hand	1/3 x Principal Sum
For Total Paralysis of:	Amount Payable:
Both Upper and Lower Limbs (Quadriplegia)	2 x Principal Sum
Both Lower Limbs (Paraplegia)	2 x Principal Sum
Upper and Lower Limbs of One Side of Body (Hemiplegia)	2 x Principal Sum

Indemnity provided under this section for all losses sustained by any one insured person as the result of any one accident will not exceed the Principal Sum, with the exception of quadriplegia, paraplegia and hemiplegia (two times the Principal Sum for all losses sustained by an insured person as the result of the same accident, or 100% of the Principal Sum if loss of life occurs within 90 days after the date of the accident).

In no event will indemnity provided under this section exceed two times the Principal Sum for all losses sustained by an insured person as the result of the same accident.

Cosmetic Disfigurement Benefit - When, as a direct result of participating in the Covered Activities as described in the definition of "Injury", and Insured Person suffers cosmetic disfigurement due to a burn, the Insurer will pay the Cosmetic Disfigurement Benefit, provided that such burn is classified as a 3rd degree burn.

The amount of benefit payable under this section is based on the percentage of the Principal Sum, as shown in the Cosmetic Burn Schedule below, which is determined by the Area Classification Factor times the percentage of body surface actually burned.

The Maximum Allowable Percentage for Body surface Burned, as shown in the following Cosmetic Burn Schedule, is based on 100% of the specific body part that was burned. The attending Physician will determine the actual percentage applicable to each burn.

If an Insured Person suffers burns to more than 1 body part as a result of any accident, benefits payable for all such burns will not exceed 100% of the Principal Sum.

Body Part	Area Classification Factor	Maximum Allowable % for Body Surface Burned	Maximum % of Principal Sum Payable
Face, Neck, Head	11	9.0%	99.9%
Hand & Forearm (Right)	5	4.5%	22.5%
Hand & Forearm (Left)	5	4.5%	22.5%
Upper Arm (Right)	3	4.5%	13.5%
Upper Arm (Left)	3	4.5%	13.5%
Torso (Front)	2	18.0%	36.0%
Torso (Back)	2	18.0%	36.0%
Thigh (Right)	1	9.0%	9.0%
Thigh (Left)	1	9.0%	9.0%
Lower Leg - below knee (Right)	3	9.0%	27.0%
Lower Leg - below knee (Left)	3	9.0%	27.0%

In the event benefits are payable under this section and the sections Benefit Payable of "Permanent total Disability Indemnity", the total benefits payable will not exceed 100% of the Principal Sum or 200% for Paralysis.

Permanent Total Disability Indemnity - When, as the result of injury occurring prior to age 65, an Insured Employee becomes totally disabled within 365 days of the date of the

accident and is prevented from engaging in each and every occupation or employment for compensation or profit for which he is or may become reasonably qualified by reason of his education, training or experience, the Insurer will pay in one (1) sum, provided such disability has continued for a period of twelve (12) consecutive months and is total and permanent at the end of this period, the Principal Sum, less any other amount paid or payable under the Benefit Payable Section, as the result of the same accident.

Identification Benefit - In the event accidental Loss of Life is sustained by an Insured Person whose body requires identification, and indemnity for such Loss subsequently becomes payable in accordance with the terms of this policy, the Insurer will pay the reasonable and necessary expenses actually incurred by a member of the Immediate Family for:

- (1) Lodging and board while en route and/or during the stay in the city or town where the body is located (not to exceed a maximum duration of 3 consecutive nights);
- (2) Transportation by the most direct route from his normal place of residence to such location and return to his normal place of residence, provided the body is located not less than 150 kilometres from the said family member's normal place of residence and the identification of the body is requested by the police or a similar law enforcement agency having authority over such matters.

Payment will not be made for ordinary living, traveling or clothing expenses, other than stated above.

The maximum amount payable under this section will not exceed in the aggregate the amount of \$5,000.

"Member of the Immediate Family" means a person at least 18 years of age, who is the son, daughter, father, mother, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, (all of the above include natural, adopted or step relationship), spouse, grandson, granddaughter, grandfather or grandmother of the Insured Person.

Repatriation Benefit* - If you or your insured dependent(s) sustain accidental loss of life for which becomes payable under the program, repatriation benefits up to \$10,000 will be paid for expenses incurred for the return home of the body (including preparation charges for transportation). The death must occur at least 50 kilometres from the insured's residence.

Rehabilitation Benefit* - If you sustain any loss which becomes payable under the program and such loss requires you to participate in a rehabilitation program in order to qualify to engage in an occupation in which you would not have engaged except for such loss, the insurer will pay the reasonable and necessary expenses actually incurred within 3 years from the date of the accident to a maximum of \$10,000. No payment will be made for room, board or other ordinary living, traveling or clothing expenses.

Occupational Training Benefit* - If you sustain accidental loss of life which becomes payable under the program, this benefit will refund expenses incurred for your spouse to engage in a formal occupational training program in order to upgrade his/her employment qualifications, to a maximum of \$10,000 within 3 years from the date of the accident. No payment will be made for room, board or other ordinary living, traveling or clothing expenses.

Family Transportation Benefit* - If any loss covered under the program confines you or your insured dependent(s) to a hospital or if any injury confines you or your insured dependent(s) to a hospital for a period of at least 4 consecutive days, and such hospital is located more than 150 km from normal residence, this benefit will refund expenses incurred by a member of your immediate family for hotel accommodation and transportation (via the most direct route) to the hospital bedside, up to a maximum of \$1,000. Private transportation expenses are limited to \$0.20 per km traveled.

Home Alteration & Vehicle Modification Benefit* - If you or your insured dependent(s) sustains the loss of or loss of use of both feet or legs or becomes quadriplegic, paraplegic or hemiplegic, for which indemnity is payable under the policy, and subsequently requires the use of a wheelchair to be ambulatory, we will pay the reasonable and necessary expenses actually incurred within 3 years of the date of the accident causing such Loss for:

- (a) the cost of alterations to your principal residence; and/or
 - (b) the cost of modifications to one motor vehicle utilized by you or an insured dependent, when such modifications are approved by licensing authorities where required;
- for the purpose of making them wheelchair accessible.

Payment by the insurer for the total of all expenses incurred by or for any insured person will not exceed \$10,000 as the result of any one accident.

The benefits marked with an asterisk () will only be payable under one of the policies issued to your employer by the insurer.

Child Education Benefit - If you sustain accidental loss of life which becomes payable under the program, up to 5% of your principal sum (maximum \$5,000 is in combination with the education benefit maximum provided under any other policy issued to the policyholder by the insurer) will be payable for each qualifying dependent child for post-secondary education expenses provided the child (i) is already enrolled full-time in an education program or (ii) is at a secondary school level but will enroll, as a full-time student in a post-secondary education program within 365 days of your death. This is payable annually for each year for up to 4 consecutive years. No payment will be made for expenses incurred prior to your death nor will payment be made for room, board or other ordinary living, traveling or clothing expenses.

If your dependent child satisfies the above requirements, any benefits payable will be paid to such child. If none of your dependent children satisfy the above requirements, a

lump sum of \$2,500 will be paid to your beneficiary. This amount will only be paid under one of the policies issued to your employer by the insurer.

Seat Belt Benefit - If, at the time of the accident, you or your insured dependent(s) were wearing a properly fastened seat belt and driving or riding in a vehicle driven by a driver who was neither intoxicated nor under the influence of drugs (unless taken as prescribed by a physician), and a loss becomes payable under the program, the applicable amount of Principal Sum will be increased by 10% for those wearing a seat belt.

"Intoxicated" and "being under the influence of drugs" is as defined by the jurisdiction in which the accident occurs.

"Vehicle" means a passenger car, station wagon, van, jeep-type automobile, truck, ambulance or any type of motorized vehicle used by municipal, provincial or federal police forces.

Hospital Indemnity Benefit - A daily benefit of 1/30th of 1% of your Principal Sum, to a maximum of \$2,500 per month, which maximum is in combination with the hospital indemnity benefit maximum provided under any other policy issued to the policyholder by the insurer, will be payable to you when you or your insured dependent(s) are in hospital and under the care of a physician, but only if the period of hospitalization is uninterrupted, results from an injury and begins while insurance under the policy is in force.

Such daily benefit will be paid from the first day of hospitalization, but in no event for more than 365 days per injury, if hospitalized:

- (a) due to a loss payable under the program; or
- (b) due to an injury which requires hospitalization for at least 4 consecutive days.

Retirement Benefit - Coverage may be continued for you and your insured dependent(s) if you retire on pension or allowance from service with your employer prior to age 65, with payment of premium at the regular rate until the end of the month during which you attain age 65. On or after the date of retirement, your amount of insurance may not be increased.

Child Enhancement Benefit - With the exception of loss of life, the benefit amounts shown under the Schedule of Losses are doubled with respect to your insured dependent children.

This provision is not applicable if loss of life occurs within 90 days after the date of the accident.

Day Care Benefit - If you sustain accidental loss of life which becomes payable under the program, up to 5% of your Principal Sum (maximum \$5,000 which maximum is in combination with the day care benefit maximum provided under any other policy issued to the policyholder by the insurer) will be payable for each qualifying dependent child for

day care expenses provided the child (i) is enrolled in a legally licensed day care centre on the date of the accident, or (ii) is enrolled in a legally licensed day care centre within 365 days after the date of your death.

This is payable annually for each year for up to 4 consecutive years. No payment will be made for expenses incurred prior to your death nor will payment be made for room, board or other ordinary living, traveling or clothing expenses. If a dependent child does satisfy the requirements indicated above, the day care benefit will be payable to the surviving spouse if the spouse has custody of the child. If there is no surviving spouse or the child does not reside with the spouse, benefits will then be paid to the child's legally appointed Guardian. If none of your dependent children satisfy the above requirements, we will pay an amount of \$2,500 under one of the policies issued to your employer by the insurer to your beneficiary.

Common Disaster Benefit - If you and your insured spouse both sustain accidental loss of life which becomes payable under the program as the result of a "common accident", your spouse's amount of coverage will be increased to the same level as yours to a combined program maximum of \$1,000,000.

"Common accident" means the same accident or separate accidents occurring within the same 24 hour period.

Escalation Benefit - Your Principal Sum will be increased by 1% on each May 1st, provided there is no interruption in coverage. Under no circumstances will the total of such increase exceed 5%. This provision has been in effect since June 1st, 1991.

If you discontinue your coverage and subsequently re-apply, you will be considered as a person becoming insured for the first time in the year you re-apply.

Extended Family Benefit - In the event of your death from any cause, coverage for your insured dependent(s) will be continued without payment of premium for a period of 6 months.

Continuation of Coverage - Coverage may be continued for up to 12 months for you and your insured dependent(s) during any approved leave of absence, temporary lay-offs, maternity leave or disability leave, provided payment of premium is continued and you do not return to work in any capacity with any employer. With respect to disability leave, coverage will terminate upon attainment of age 65, return to work in any capacity or qualification for waiver of premium whichever first occurs. The amount of insurance cannot be increased during a continuation period.

Aircraft Coverage - You and your insured dependent(s) are covered while riding as a passenger, but not as a pilot, operator or member of the crew, in any aircraft provided the aircraft has a current and valid certificate of air worthiness and is flown by a licensed pilot. You and your insured dependent(s) are also covered when boarding or alighting from or struck by any aircraft.

Exposure and Disappearance - If, by reason of an accident covered by this program, an insured person is unavoidably exposed to the elements and such exposure results in a covered loss, such loss will be covered.

If any insured person is not found within one year of the disappearance, sinking or wrecking of a conveyance in which he/she was riding at the time of the accident, it will be presumed the insured person has suffered loss of life resulting from bodily injury caused by an accident.

Exclusions - The program does not cover any loss, fatal or non-fatal, caused or contributed to by:

- intentionally self-inflicted injury while sane or self-inflicted injury while insane;
- declared or undeclared war or any act thereof;
- active full-time service in the armed forces of any country;
- riding as a passenger or otherwise in any vehicle or device for aerial navigation, other than as provided in the section entitled "Aircraft Coverage".

Waiver of Premium

If, due to disability, you receive benefits under your employer's long term disability program, your premium and that of your insured dependent(s) (if any) will automatically be waived until the earlier of your attainment of age 65, or on termination of disability. Your amount of insurance cannot be increased while on waiver.

Termination of Coverage

Your insurance coverage will terminate on the earliest of the following dates:

- on the date the policy is terminated;
- on the premium due date if your employer fails to pay your premiums to the insurer, except as the result of an inadvertent error;
- on the date you give notice of cancellation to your employer;
- on July 1st coincident with or next following the date you reach your 70th birthday, except if you were hired prior to July 1st, 1964 in which case your coverage will terminate on September 1st, coincident with or next following your 70th birthday;
- on the date you cease to be an eligible employee;
- on the date you cease to be an active employee of your employer on account of leave of absence, lay-off, maternity leave, disability, resignation, dismissal, pension or retirement, except as provided under the following clauses:
 - Waiver of Premium
 - Continuation of coverage during approved leaves
 - Retirement

The insurance coverage of your dependent(s), if any, will stop on the earlier of:

- on the date your insurance coverage stops;
- on the date your dependent(s) cease to be eligible.

If your insurance and/or the insurance of your dependent(s) should stop, you can still file a claim under the policy for losses arising from an accident which occurred prior to the termination date.

In The Event of a Claim - You or your beneficiary must notify your employer.

In the case of claim, written notice of injury must be given to the insurer within 30 days after the date of the accident and written proof of loss must be furnished to them within 90 days after the date of such loss. Failure to furnish such notice or proof within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to furnish such notice or proof and that such notice or proof was furnished as soon as was reasonably possible, but in no event later than 1 year after the date of the accident.

Insurance Company

Your voluntary personal accident insurance benefits are underwritten by The Citadel General Assurance Company.

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