



SPOUSAL DISABILITY PLAN (SDP)

POLICY # 901107

**Financial Protection for Today...
and Tomorrow!**

SPOUSAL DISABILITY PLAN (SDP)

1. Definitions

The following terms shall have the meanings set forth below:

- a. "Member" shall mean a member of either the Canadian Forces (Regular) or the Canadian Forces (Reserve) while on Class A or B or C reserve service, or the Canadian Forces Cadet Instructor Cadre, or the Canadian Forces Rangers, or a former member of the Canadian Forces or the spouse of a deceased former member of the Canadian Forces who fulfills the eligibility provisions and enrolment requirements of this Policy.
- b. "Dependent" shall include a "spouse" or "child" as defined in this Policy, but shall not include "former spouse."
- c. "Spouse" means a person married to a member as a result of a valid civil or religious ceremony. In addition, the spouse of a member shall include a person for whom the member has made a written declaration that such person is the member's spouse, by virtue of residing continuously with the member and being represented as the member's spouse. If the member has more than one spouse applying the above criteria, only the most recent shall be considered a "spouse" for purposes of this Policy.
- d. "Former Spouse" means a person who was once a spouse of the member, as defined in Sub-section 1(c) and is legally divorced from the member; or, in the case of a spouse who was not married to the member as a result of a valid civil or religious ceremony but resided with the member for at least 12 consecutive months, has ceased to co-habit with the member.
- e. "Child" means a member's natural children, dependent step-children, legally adopted children, and children to whom the member stands in loco parentis. The term shall apply from the time of live birth until the child's 18th birthday, or 25th birthday if a full-time student at a school or university. There shall be no maximum age limit applied if the child has been continuously and wholly dependent on a member and unable to provide for his own maintenance as a result of a physical or mental infirmity.

A child shall be considered a dependent:
 - (i) while unmarried and not employed on a regular full-time basis; and
 - (ii) while ineligible to be insured as a member under this Policy; and
 - (iii) while dependent on a living member.
- f. "Policyowner" means the Chief of the Defence Staff for the Canadian Forces.

- g. "Insured" means a person who is insured under this Policy.
- h. "Evidence of insurability" shall include evidence of medical insurability and evidence that the proposed insured has a financial need for the insurance coverage.
- i. Wherever a masculine noun or pronoun is used in this Policy, it shall be deemed to include the feminine gender.
- j. "Total disability" and "totally disabled" mean the insured has a severe and prolonged disease, injury or health condition diagnosable by accepted medical or psychiatric standards, which disease, injury, or health condition has given rise to impairment(s) that meet all of the following criteria:
 - (i) the impairments are measurable by accepted medical or psychiatric examination, and diagnostic procedure, test and investigation; and
 - (ii) the insured's attending medical specialist has confirmed in writing to the Insurer that:
 - (a) the impairment(s) has existed for a period of at least six consecutive months; and
 - (b) the application of established medical guidelines leads reasonably to the conclusion the impairment(s) may be expected to last a minimum of a further twelve consecutive months; and
 - (iii) the appropriate treatments, medications and/or aids have been prescribed, taken and used properly by the insured and failed to produce sufficient improvement of the impairment(s) to alleviate the total disability; and
 - (iv) where the impairment is a physical impairment it must:
 - (a) prevent the insured from engaging in all of the activities listed in two or more of the "Activity Categories" provided in Section 1(vi); or
 - (b) render the insured a paraplegic, quadriplegic, or hemiplegic; and

- (v) where the impairment is a psychiatric impairment it must:
 - (a) prevent the insured from understanding and processing information that is relevant to making a decision concerning his/her own health care, nutrition, shelter, clothing, hygiene, financial affairs, and prevent the insured from appreciating the reasonably foreseeable consequences of a decision or lack of decision; and
 - (b) meet the diagnostic criteria for a mental condition recognized by the DIAGNOSTIC AND THE STATISTICAL MANUAL OF MENTAL DISORDERS - most current edition.

- (vi) Activity Categories include:
 - Category A: personal care - eating, dressing, and personal hygiene as those terms are defined; and
 - Category B: mobility - the ability to walk, using an aid, if necessary, at least 50 m on a level ground; and
 - Category C: household activities - child care, home care, and food preparation as those terms are defined.

- (vii) Dressing means the ability to get clothes from the closets and drawers and put them on and take them off including undergarments, outer garments, and the use of fasteners and braces, if worn. Included is the ability to put on and take off any artificial limbs.

- (viii) Eating means the ability to feed oneself once the meal has been prepared and made available. Feeding oneself is specifically the ability to bring food, including beverages, to the mouth, and the ability to chew and swallow food. Eating does not include the preparation of food.

- (ix) Personal Hygiene means the ability to maintain oneself in a reasonably clean and sanitary condition. Also included is the ability to maintain continence, which means the ability to maintain control of urination and bowel movements, including one's ability to use incontinence and ostomy supplies or other devices such as catheters.

- (x) Child Care means the ability to provide physical support and maintenance, such as dressing, feeding, clothing and bathing, to a child unable to maintain himself or herself.

- (xi) Home Care means the ability to perform general housekeeping type functions, including but not limited to shopping for food, vacuuming, dusting, washing dishes, and laundry.
- (xii) Food Preparation means the ability to prepare and serve basic meals.
- k. "Impairment" means a loss or abnormality of body structure or of a physiological or psychological function.

2. Eligibility

- a. The Spousal Disability Plan (SDP) is available to a member and/or spouse provided:
 - (i) the insured is less than 65 years of age; and
 - (ii) the insured is a member or spouse as those terms are defined in Sections 1(a) and (c); and
 - (iii) the insured is not a member of the Canadian Forces (Regular) or the Canadian Forces (Reserve) while on Class A or B or C reserve service.
- b. Spousal Disability Plan coverage may be maintained by a member on a former spouse, as that term is defined in Section 1(d), only if:
 - (i) the coverage was acquired while the former spouse was a spouse;
 - (ii) there are dependent children for which the member has a legally enforceable financial responsibility; and
 - (iii) the member does not maintain coverage for a spouse.

In the event premium is paid for Spousal Disability Plan coverage on an insured when he is no longer eligible to maintain such coverage or a portion of such coverage, and such insured becomes totally disabled or dies during that ineligible period, the Insurer's sole liability shall be to refund all premiums paid in excess of the premiums required for coverage during the eligible period.

3. How An Eligible Member or Spouse Becomes Insured

A member may apply for SDP coverage on an eligible spouse and/or, if eligible, on self, by filing the following with the Policyowner or Insurer:

- a. a written application for the coverage;
- b. evidence of the proposed insured's insurability satisfactory to the Insurer; and
- c. the required premium through pay allotment authorization or such other payment form or forms acceptable to the Insurer and the Policyowner.

4. Effective Date of Coverage

The insurance coverage shall be effective on the date of approval by the Insurer. There is no interim coverage under the SDP prior to approval by the Insurer.

5. Amount of Benefit and Conditions of Payment

The Plan provides for a one time, lump sum benefit of \$100,000.00. In the event of disability, the Insurer shall pay to the insured a one time, lump sum benefit provided he/she is totally disabled as that term is defined in Section 1(j) of this Policy. Written proof of claim in a form satisfactory to the Insurer, covering the occurrence, character and extent of loss for which a claim for benefit is made, must be furnished to the Insurer within 120 days after the insured becomes totally disabled. Where the insured has been declared by court order to be mentally incompetent to endorse cheques and use the proceeds, payment will be made to the person or persons appointed to handle the property of the insured in such court order. Where no such court order exists and the insured has appointed a person or persons to handle their property through a Power of Attorney payment will be made to such attorney.

6. Insurer's Right to Require Examination

The Insurer reserves the right to require, at its discretion, examination of the insured, as applicable, by an independent medical examiner selected by the Insurer in all applications for benefits under this Policy.

7. Lifetime Benefit

The maximum lifetime amount payable under this Policy is \$100,000.00.

8. Exclusions and Limitations

No benefit shall be payable for a disability:

- a. commencing during the first twelve months of coverage from disease, injury or health condition for which the insured consulted a physician during the 24 month period immediately prior to the date of receipt of the application for coverage by the Insurer or the Policyowner;
- b. resulting from substance abuse, including but not limited to alcoholism and drug addiction;
- c. resulting from committing or attempting to commit or participate in the commission of a criminal offence;
- d. resulting from an intentionally self-inflicted injury or disease, or attempted self-destruction whether the insured is sane or insane; or
- e. for which there is no clear objective medical evidence to confirm an identifiable underlying disease, injury, or health condition.

Where a claim for benefits has been denied on the basis that it does not fall within the definition of disability on the basis that it falls within the exclusions and limitations of coverage, no further claim for benefits will be considered by the Insurer for the same impairment, no matter what degree of further degeneration has occurred, until the expiry of three (3) years from the date of the denial of the previous claim for benefits. Nothing within this section prevents a claim for benefits within that three (3) year period for total disability caused by an impairment that is neither directly nor indirectly related to the impairment on which the claim was denied.

9. Appeal Process

If an insured wishes to appeal a denial of a disability claim, he/she must submit to the Insurer written notice of the appeal setting out, in full, the grounds of appeal within sixty (60) days of the date of the denial notice. Medical and other documentation in support of the grounds of appeal must be submitted to the Insurer within six months of the date of the denial notice. All expenses incurred in connection with such appeal and in obtaining the supporting documentation are the responsibility of the insured.

10. Discontinuance of Insurance

Spousal Disability Plan coverage on an insured terminates automatically on the earliest of the following dates:

- a. the death of the insured; or
- b. the insured's 65th birthday; or
- c. the date the insured becomes a member of the Canadian Forces (Regular) or Canadian Forces (Reserve) on Class A or B or C reserve service; or
- d. the end of the term for which the premium has been paid; or
- e. the date the Policyowner or Insurer receives written notice from the insured requesting termination; or
- f. the date of termination of this Policy; or
- g. the date an insured ceased to be a spouse (unless covered as a former spouse);
or
- h. for a former spouse, the date the member's spouse becomes insured under this Policy; or
- i. the date benefits are paid under this Policy.

11. Conversion Privileges

There are no conversion privileges associated with SDP.

12. Data Required

- a. The Policyowner shall furnish to the Insurer all available information which the Insurer may require to enable it to administer the Policy to underwrite applications, to adjudicate claims and to determine the premiums required.
- b. The Policyowner or the Insurer shall maintain insurance records sufficient to establish the insurance status of each insured under this Policy.
- c. All records of the Policyowner relating to this Policy or any insurance under this Policy shall be open to inspection by the Insurer at all reasonable times, and vice versa.
- d. Clerical error shall not prejudice the rights of the Insurer.

13. Certificates

Certificates will be issued to insureds.

14. Misstatement of Age

If the age classification of any insured has been misstated there shall be an equitable adjustment of premiums for the insurance of the insured, provided the insured is less than 65 years of age. If the misstatement of age is discovered at the time of a claim and the equitable adjustment of premiums results in additional premium being owed, such additional premium will be deducted by the Insurer from the benefit payable.

15. Contestability

Where the insurance coverage has been in effect for two years during the lifetime of the insured, a failure to disclose or a misrepresentation of a fact material to the risk does not, in the absence of fraud, render the contract voidable by the Insurer.

16. Conformity With Applicable Law

Any provision of this Policy which is in conflict with the applicable law of the jurisdiction of issue (Province of Ontario) is hereby amended to conform with the minimum requirements of that law, where possible, and where not possible is severed from the rest of the Policy without affecting the validity of the remaining provisions of the Policy.

17. Amendment, Renewal and Termination

- a. This Policy may be amended at any time by a written agreement of the Insurer and the Policyowner;
- b. Written agreement(s) between the Insurer and the Policyowner which are in place prior to and subsequent to amendments of this Policy continue in effect unless canceled or otherwise amended by mutual agreement or in accordance with the terms of the agreement(s);
- c. The Policyowner may terminate this Policy (in accordance with the Amended Terminal Accounting Agreement effective 01 January 1990 as amended) at any time by giving written notice of termination to the Insurer at its Head Office, but the date of termination shall not be less than 180 days after the date the Insurer receives such notice unless an earlier date is mutually agreed to in writing by the Insurer and the Policyowner;
- d. The Insurer may terminate this Policy effective the last day of any policy month. Termination shall be by written notice to the Policyowner delivered at least 180 days prior to the date of termination;

- e. This Policy shall automatically renew for a further term of one policy year, on each policy anniversary, unless the Policyowner or the Insurer has given written notice of termination to the other in accordance with the foregoing paragraphs;
- f. No amendment, renewal or termination of this Policy shall require the consent of, or notice to, any member, beneficiary or other person;
- g. Only the President, a Vice President, the Secretary or the Actuary has power on behalf of the Insurer to amend or terminate this Policy. No agent has authority to change this Policy or to waive any of its provisions; and
- h. Only the President of SISIP FS, or a more senior authority specifically authorized by the Policyowner, has power on behalf of the Policyowner to amend or terminate this Policy. No agent has authority to change this Policy or to waive any of its provisions.

18. Subrogation

Where the total disability of the insured giving rise to benefits under this Policy is caused by any actionable wrong of a third party, the insured subrogates his or her right of action against such third party to the Insurer and agrees to execute any documents required to perfect the subrogation.

19. Assignment

No insured has the right to assign, alienate, encumber, or commute any payments under this Policy.

20. Legal Action

No action at law or in equity shall be brought to recovery on this Policy prior to the expiration of thirty (30) days after written proof of total disability has been furnished in accordance with the requirements of this Policy. No such action shall be brought after the expiration of one year after the time written proof of total disability has been furnished in accordance with the requirements of this Policy or more than six (6) years after the happening of the event upon which the insurance money becomes payable, whichever period first expires.

If any time limitation of this Policy with respect to bringing an action at law or in equity to recover on this Policy is less than that permitted by the law of the jurisdiction in which the insured resides at the time the disability on which the claim is based commences that limitation is hereby extended to agree with the minimum period permitted by that law.

21. Canadian Funds

All amounts payable under this Policy shall be payable in Canadian currency.

22. Non-Waiver of Policy Provisions

Failure of the Insurer to insist upon compliance with any provision of this Policy at any time shall not operate to waive or modify such provision, or in any manner render it unenforceable at any other time.

23. Policyowner Not Insurer's Representative

The Policyowner is not the representative or agent of the Insurer for any purpose under this Policy. The Insurer is not the Policyowner's representative or agent for any purpose under this Policy.

24. Annual Experience Rating

On each policy anniversary, and in accordance with procedures agreed to by the Policyowner and Insurer regarding "experience rating," the Insurer may declare an experience credit in such amount as the Insurer may determine. The amount of each experience credit declared by the Insurer will be left on deposit with the Insurer and earn interest in accordance with the Insurer's regulations concerning such deposits in effect at that time or, with ninety (90) days prior written notice from the Policyowner, will be refunded to the Policyowner. The payment of such credit by the Insurer to the Policyowner shall completely discharge the Insurer of any responsibility with respect to the amount so paid.

25. Entire Contract

This Policy and the individual applications of the insureds shall constitute the entire contract between the Policyowner and the Insurer.