

Appendix II

Guaranteed Insurability Benefit (GIB) rider

The GIB rider is automatically included in your PARA conversion. The question on the PARA conversion application is not whether you want the rider but whether you wish to exercise an option now. The rider allows you to purchase additional disability coverage without having to provide medical evidence of insurability, provided your income qualifies you for the additional coverage. This is an important and valuable feature of your coverage as, without it, it may be difficult to obtain additional coverage if you develop health concerns.

Physicians in their first two years of practice may purchase up to \$7,500/month (for family physicians) or \$11,000/month (for specialists) without proof of income, including all disability insurance coverage in force.

Option periods include the 60 days following successful completion of a residency training program and the month of April each year. The rider terminates at age 55.

Options may be elected in increments of \$100 to a maximum of \$2,500 per option. An exception is at the completion of residency, where you can increase up to your pre-approved maximum, even if it exceeds \$2,500.

Increases are allowed up to our current plan maximum of \$25,000/month (sufficient to cover an annual net income of \$890,000).

You have two options as a completing resident:

- 1) Convert the coverage you had during your final year of residency (see Appendix I) and use your GIB option to increase to your pre-approved maximum.
- 2) Convert the coverage you had during your final year of residency and use your GIB option to top-up existing AMA coverage to your pre-approved limit.

Examples:

Family Medicine (PGY 2)	Example 1	Example 2
PARA Conversion	\$4,100/month	\$4,100/month
Existing disability coverage	\$0	\$4,000/month
GIB increase now	<u>\$3,400/month</u>	<u>N/A</u>
Total	\$7,500/month	\$8,100/month
Specialist (PGY 5)		
PARA Conversion - Option 1	\$5,100/month	\$5,100/month
Existing disability coverage*	\$0	\$4,000/month
GIB increase now - Option 2	<u>\$5,900/month</u>	<u>\$1,900/month</u>
Total	\$11,000/month	\$11,000/month

* Either through AMA or another insurance company

Own Occupation rider

The Own Occupation rider may be added to your disability coverage during conversion without proof of good health.

The rider allows you to be considered totally disabled from your regular occupation* even if you return to work performing different duties or find work in another occupation.

Definition of disability without Own Occupation rider

Total disability means you cannot perform the essential duties of your regular occupation due to sickness or injury, you are under the regular care of a physician, and you are **not engaged in any other gainful occupation**.

Residual disability means that you are not totally disabled but that as a result of sickness or injury, you are under the regular care of a physician and you have a loss of income of at least 20% and are either able to perform one or more duties of your regular occupation or **engaged in another occupation**.

Definition of disability with the Own Occupation rider

Total disability means you cannot perform the essential duties of your regular occupation due to sickness or injury and are under the regular care of a physician. (Note that “engaged in another occupation” has been removed from this definition.)

Example of how Own Occupation can affect your disability benefits?

You carry \$8,000/month coverage and earn \$20,000/month. A sickness or injury prevents you from returning to your occupation, but you can teach at the university and have taken a job there, earning \$5,000/month.

Without the Own Occupation rider, your claim is considered a Residual Disability because you are engaged in another occupation. You are determined to have suffered a 75% loss of income and will be paid 75% of the monthly benefit, or \$6,000. Your total monthly income, therefore, is $\$5,000 + \$6,000 = \$11,000$.

If you have the Own Occupation rider, any money earned doing another occupation is not considered, and your claim will be assessed under the Total Disability provision. You will receive your full monthly disability benefit. Therefore, if you are insured for \$8,000/month, your total monthly disability income will be $\$8,000 + \$5,000 = \$13,000$.

Do I need the Own Occupation rider?

Consider this question: If I become totally disabled from performing the essential duties of my regular occupation, how likely would I be to engage in a different occupation or return to my job performing different duties? If the answer to this question is “not likely,” you probably do not need the Own Occupation rider.

* Your regular occupation is defined as the occupation(s) you were engaged in as of the date of disability.

Retirement Protection rider

The Retirement Protection rider may be added to your disability coverage during conversion without proof of good health.

During a period of total disability, it might be difficult to contribute to your RRSP or other investments while trying to manage the day-to-day expenses of everyday living. The Retirement Protection rider provides a monthly contribution to a locked-in non-registered investment vehicle beginning after 90 consecutive days of total disability and continuing each month you remain totally disabled up to age 65. The monthly contribution is \$500/month.

Premiums for this rider are:

Age	Monthly Premium*
Under 35	\$5.92
35-39	\$8.67
40-44	\$8.67
45-49	\$13.17
50-54	\$13.17
55-60	\$14.08
60-64	\$14.08

Lifetime Accident Total Disability rider

The Lifetime Accident Total Disability rider may be added to your disability coverage without proof of good health.

When insured by this rider, total disability monthly benefits would be paid for your lifetime, provided you remain totally disabled due to an accident. In the absence of this rider, benefits are paid to age 65.

Premiums for this rider are 5% of the base plan premium.

Example, \$7,500/month coverage, 90-day waiting period, age 30, non-smoker: *

- Female - \$4.60/month
- Male - \$2.24/month

*Before 50% AMA Premium Credit for first year in practice members.