



The Foundation Series

Insurance Advisor Guide



RBC Insurance

PLAN CODE

966 – level; 967 – step-rate

PRODUCT TYPE

Individual disability income protection

SALES TIP

Consider offering your client the choice of two products that provide quality individual income protection using two different approaches. The Bridge Series® policy is a guaranteed renewable policy that offers comprehensive long-term total individual income protection with a wide selection of optional benefits (e.g. long-term and short-term partial disability benefits, FIO, COLA). It also includes cost containment provisions (e.g. limitations, exclusions and integration of benefits) to help keep rates affordable and to provide the possibility for greater flexibility in underwriting.

PURPOSE AND MARKET

The Foundation Series™ policy offers a comprehensive long-term total Individual Disability Income Protection policy with a wide selection of optional benefits (e.g. long-term and short-term partial disability benefits, FIO, COLA).

This modular design and selection of benefits is suitable for a wide variety of clients such as business owners, employees, blue-collar workers, farmers and the middle income market.

The step rate version of The Foundation Series policy is available to those who are more comfortable paying lower premiums until they become more established in their business or profession. The initial premium is payable to age 30 or for five years after the date of issue, whichever is later. After the initial period, the premium increases to the ultimate level. Both premiums are guaranteed at issue. This is available to 4A, 3A, 2A classes.

RENEWABILITY

The Foundation Series policy is non-cancellable to age 65. RBC Insurance® cannot alter the provisions or premiums or cancel the policy without the consent of the policyowner. Rates and benefit periods are subject to change after age 65.

Renewal options after age 65 are as follows:

- while employed full time in a gainful occupation and up to age 75, the insured may choose to continue the policy with a total disability benefit only, due to an injury or sickness, with a maximum benefit period of 24 months. After age 75, the maximum benefit period is 12 months;
- if not employed full time, the insured may elect a \$100 per day benefit payable while hospital confined. The maximum benefit period for any continuous period of hospitalization is six months.

COMPONENTS OF COVERAGE

- Income protection (total disability and optional, short-term or long-term partial disability)
- Return to work (return to work assistance, recovery benefit available with long-term partial rider)

UNDERWRITING GUIDELINES

Occupational classes: 4A, 3A, 2A, A, B

Minimum monthly benefit: \$450 (may use a base benefit of \$150 plus AMIs)

Issue limits:	Age	4A	3A	2A	A	B
	18 – 55	\$25,000	\$15,000	\$8,000	\$5,000	\$4,000
	56 – 60	\$12,000	\$8,000	\$5,000	\$4,000	\$3,000

SPECIAL CONSIDERATION FOR PROPRIETORS OF FARMS

There can be unique aspects to a farmer proprietor’s financial circumstances. In recognition of this fact, the following individual disability issue limits are available for self-employed farmers who work full time on the farm and have at least a minimum of 25% ownership. With the required annual earned income, RBC Insurance will consider a maximum monthly indemnity amount as specified in the charts below with our standard elimination periods (EP) and benefit periods (BP).

Proprietors of farms in all provinces except Quebec and Maritime Provinces:

	Dairy, chicken or egg	Others
Annual earned income:	\$0 – \$47,999	\$0 – \$25,999
Maximum monthly indemnity:	\$2,500	\$1,500
Additional monthly indemnity (AMI):	\$1,250	\$750

Proprietors of farms in Quebec and Maritime Provinces:

	Dairy, chicken or egg	Others
Annual earned income:	\$0 – \$35,999	\$0 – \$15,999
Maximum monthly indemnity:	\$2,000	\$1,000
Additional monthly indemnity (AMI):	AMI not available	\$500

RBC Insurance will consider coverage based on our usual issue limits if the annual earned income is congruent with the amounts listed above.

An additional monthly indemnity (AMI) is available as shown. The EP on the AMI must be equal to or longer than the EP on the basic coverage. The BP on the AMI may be up to 120 days, 180 days, 365 days or 730 days for all categories except “Other” proprietors of farms in Quebec and the Maritime Provinces, where the BP is limited to a maximum of 365 days.

Issue ages and benefit periods	Ages*	Class	Benefit period
Level premium (966):	18 – 60	4A, 3A, 2A	Two or five years; to age 65
	18 – 60	A, B	Two or five or ten years; to age 65
Step rate (967):	18 – 35	4A, 3A, 2A	Two or five years; to age 65
Elimination period:	30, 60, 90, 120, 180, 365 and 730** days		

* Rate quotes are available for ages 61 – 63 from your local sales office.

** Two-year benefit period is not available with a 730-day elimination period.

DEFINITIONS OF DISABILITY

TOTAL DISABILITY

FIRST 24 MONTHS — Insureds are totally disabled if, due to an injury or illness,

- they are unable to perform the important duties of their regular occupation;
- they are not engaged in any other gainful occupation; and
- they are receiving the appropriate physician’s care.

This is often referred to as a “regular occupation” definition of disability.

AFTER 24 MONTHS — An insured continues to be totally disabled if, as a result of an injury or illness, the insured is:

- unable to engage in any gainful occupation for which the insured is reasonably fitted by education, training or experience, considering their prior economic status;
- not working in a gainful occupation; and
- under the appropriate physician’s care.

OPTIONAL ENHANCED DEFINITION OF DISABILITY BENEFIT (H884)

This option allows insureds to extend the regular occupation definition of total disability from 24 months to the end of the benefit period.

PHYSICIAN’S CARE REQUIREMENT

Included with the definition of disability is the requirement that the insured be receiving physician’s care that is appropriate for the condition causing the disability. This requirement may be waived if written proof acceptable to RBC Insurance is received indicating that further physician’s care would be of no benefit to the insured.

POLICY BENEFITS

TOTAL DISABILITY BENEFIT

Once the elimination period is satisfied, an insured who is and remains totally disabled will receive a monthly benefit for up to the maximum benefit period. Benefits paid are subject to the limitations and exclusions set out in the policy.

RETURN TO WORK ASSISTANCE BENEFIT

Starting from the first day of the injury or illness, RBC Insurance may provide some assistance in returning the insured to work or enhancing his/her ability to work. Our assistance may include such services as:

- co-ordination of physical rehabilitation services;
- financial and business planning;
- vocational evaluation;
- education; and
- job placement for a new occupation.

In addition, RBC Insurance may provide work site modifications, which could include such things as:

- ergonomic furniture and/or equipment;
- mobility enhancing equipment; and
- visual and/or audio devices.

If we approve the costs, prior to the costs being incurred, RBC Insurance may pay some or all of the costs of these services or approved item(s) provided the insured is not entitled to payment of the costs from any other sources.

WAIVER OF PREMIUM

After the insured has been disabled for 90 days, RBC Insurance will waive premiums that come due while the insured is disabled. RBC Insurance will refund premiums paid during those first 90 days.

PRESUMPTIVE TOTAL DISABILITY

If the insured irrecoverably loses his/her sight, speech, hearing or use of two limbs, the requirement of total disability is waived and an amount equal to the basic monthly indemnity, as specified, is payable for the maximum benefit period.

SURVIVOR BENEFITS

If the insured dies prior to age 65 while receiving total disability benefits, the beneficiary will receive a cheque for three times the maximum monthly benefit payable at the time of death.

LONG TERM CARE CONVERSION OPTION

This option is provided by amendment and is automatically attached at policy issue to qualified Foundation Series policies without charge. Between ages 55 and 65, qualified insureds may convert all or part of their disability benefit into a new LTC policy. The conversion is dollar for dollar with a \$6,000/month (\$200/day) all RBC policy conversion maximum. The insured must not have made a claim on the disability policy in the 12 months prior to conversion. Optional riders on the new LTC policy are subject to our conversion rules at the time of conversion.

ACCUMULATION OF DAYS

Periods of disability from the same or related causes, separated by 12 months or less, will be accumulated and considered continuous in order to satisfy the elimination period.

TOTAL DISABILITY BECAUSE OF COSMETIC OR TRANSPLANT SURGERY

After the policy has been in force for six months, benefits are payable for a total disability resulting from cosmetic surgery or from the transplant of part of the insured's body to another person.

RECURRENT DISABILITY

After a period of disability ends and the insured becomes disabled again from the same or related causes within 12 months, it will be considered a continuation of the previous disability.

CO-ORDINATION WITH AUTOMOBILE ACCIDENT INSURANCE

Any monthly disability benefit that is paid out will be reduced by the monthly benefit or by the amount or monthly equivalent the insured receives under any automobile accident insurance coverage.

EXCLUSIONS

RBC Insurance will not pay benefits:

- for a disability due to an act or accident of war, whether declared or undeclared; or
- for normal pregnancy or childbirth, but RBC Insurance will cover disabling complications of pregnancy or childbirth; or
- during any period that the insured is incarcerated.

RBC Insurance will not pay benefits:

- for any injury sustained; or
- for any illness which first manifests itself before the insured's policy becomes effective or while the insured's policy is not in force.

OPTIONAL BENEFITS

FAMILY COMPASSIONATE CARE BENEFIT

The Family Compassionate Care benefit allows insureds to purchase additional coverage where it provides for payment equal to the monthly benefit should the insured's family member (spouse or child) be diagnosed with a terminal illness. The benefit will begin on the date the family member is diagnosed with a terminal illness and will be paid in arrears. The family member limit is 12 times the monthly benefit with a total benefit limit of 24 times.

The premiums will be waived while the benefits are payable under this rider.

Issue ages: 18 – 60

Terminates on the insured's 65th birthday

Not available with Wage Loss Replacement Plans

FUTURE INCOME OPTION BENEFIT (H899)

This benefit allows insureds to purchase additional coverage in the future, regardless of their health or occupation, as long as they have adequate income to qualify for the increased amount at the time they decide to exercise the option.

This benefit is issued to ages 18 to 50.

The maximum total option amount of FIO benefit is automatically calculated by our proposal system. Please refer to the Maximum Total Option Amount section for more details.

On each policy anniversary, up to age 55, the insured may exercise all or part of a unit of increase. Up to one unit of increase may be carried over to the next anniversary date if all or part of it is not exercised. However, no more than two units can be exercised at one time. One additional unit of increase may be purchased on any anniversary date up to age 50. The total amount of all of the units of increase exercised cannot exceed the maximum total option amount. Increases are available in \$100 to \$3,000 unit amounts (in multiples of \$50), depending on the class.

In addition to the annual options, a special LTD (long term disability) increase is available if the insured has lost group LTD coverage because this coverage has terminated or because the insured has left their employment. The insured may apply for this increase within 91 days of this loss of group LTD coverage. The maximum amount of increase that may be applied for is the lesser of:

- the lost LTD coverage; or
- the remaining Future Income Option benefit amount.

This special option amount can only be exercised once and is subject to the other terms of this rider.

While disabled, an insured may exercise an increase that is equal to the lesser of 50% of the FIO unit of increase or \$750. This increase will be effective on the 91st day of disability following the date of purchase.

When options are exercised, the premiums for the additional amount will be based on the insured's attained age and our current rates.

All increases are subject to financial verification and our maximum issue and participation limits. Financial verification will be based on the insured's earned income for the last complete tax year.

MAXIMUM TOTAL OPTION AMOUNT

The maximum total option amount (increase) available by class under the Future Income Option benefit is equal to the lesser of:

- 2.5 times the monthly base and AMIs with a minimum one-year benefit period (not applicable to class 4A);
- 55 less the insurance age (age nearest) x the FIO option amount chosen; and
- class maximums (4A – \$25,000, 3A – \$15,000, 2A – \$8,000, A – \$5,000, B – \$4,000) less the base and long-term AMI.

MAXIMUM OPTION AMOUNTS

Class	Option amount
4A	\$3,000
3A	\$2,000
2A	\$1,000
A/B	\$500

COST OF LIVING ADJUSTED BENEFITS (H1002)

This rider increases the amount of benefit payable on each anniversary of an insured's continuing total or partial disability.

Benefits begin on the 366th day of disability. The benefit is adjusted by the change in the Consumer Price Index over the period of disability. We guarantee that this cumulative adjustment is not less than 2% compounded per year since the start of the disability. The maximum cumulative adjustment per year is 10% compounded. There is no cap on the total increase.

Prior to age 60 and within 90 days from the date of recovery, the insured has the option to purchase the increased amount of the monthly benefit applied during the disability without medical or financial evidence. This occurs provided the insured is working full time and total coverage is not greater than the published maximum limits for the insured's class. Rates for the increased coverage are based on the insured's attained age and the table of premiums then in effect.

This benefit is issued to age 55.

ENHANCED DEFINITION OF DISABILITY BENEFIT (H884)

This rider changes the definition of "total disability" to say: "Due to injury or sickness, the insured is unable to perform the important duties of his/her regular occupation, is not engaged in any other gainful occupation and is receiving appropriate physician's care." This benefit extends the definition of "total disability" from 24 months to the entire benefit period.

This benefit is issued to age 60.

PARTIAL DISABILITY BENEFIT

The partial disability benefit provides either short- or long-term disability benefits. The definition of "partial disability" is: "You are receiving appropriate physician's care and are not able to perform:

- the regular daily duties of your occupation at least one-half the time usually required; or
- one or more important duties of your occupation."

"Your occupation" means the occupation in which the insured is engaged at the time of disability.

If the Enhanced Definition of Disability rider is purchased, then this definition of "your occupation" applies for the entire benefit period. If the Enhanced Definition of Disability rider is not purchased, then after a disability benefit has been payable for 24 months, "your occupation" means any gainful occupation for which the insured is reasonably fitted by education, training or experience, considering the insured's prior economic status.

The partial disability benefit is equal to 50% of the base indemnity, plus AMIs with benefit periods of five years or longer. In the case of the long-term partial benefit rider, this percentage is reduced to 25% after 24 months for the remainder of the benefit period. The partial disability benefit will never be greater than the base indemnity.

SHORT-TERM PARTIAL DISABILITY BENEFIT (H892)

Partial disability does not have to follow a period of total disability. It can start when an injury or illness occurs. This benefit is payable for 6, 12 or 24 months (class 4A, 3A, 2A) or for 6 or 12 months (class A, B).

LONG-TERM PARTIAL DISABILITY BENEFIT (H893)

Partial disability does not have to follow a period of total disability. It can start when an injury or illness occurs. This benefit is payable for five years or to age 65 (class 4A, 3A, 2A), or for 5 or 10 years or to age 65 (class A, B). The long-term partial benefit period cannot be longer than the benefit period of the policy.

BUILT-IN RECOVERY BENEFIT — An insured will be eligible for up to two additional months of partial disability benefits by returning to work in any occupation after a period of partial disability. Physician’s care is not required.

Both the short-term and long-term partial disability benefits are issued to age 60.

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT (H702)

This benefit provides for specific losses due to accidental bodily injuries sustained by the insured and resulting in continuous total disability as follows:

- Full benefit: Death, loss of two limbs, loss of sight in both eyes
- Half benefit: Loss of either a hand or a foot
- One-third benefit: Loss of sight in one eye

The specific loss must have occurred within six months of the accident.

Accidental Death and Dismemberment benefits are available in units of \$10,000 for every \$100 of disability income monthly benefit. The maximum AD&D benefit is listed below:

Class	Issue limit	Participation limit
4A/3A	\$300,000	\$300,000
2A	\$225,000	\$250,000
A	\$100,000	\$150,000
B	\$50,000	\$150,000

This benefit is issued to age 60.

FIRST-DAY OF HOSPITALIZATION BENEFIT (H880)

Provides for payment of the total disability benefit from the first day of hospitalization as long as the insured satisfies the definition of total disability and has been hospitalized for 72 consecutive hours. The elimination period must be equal to or less than 90 days.

This benefit is issued to age 60.

HEALTH CARE PROFESSION BENEFIT (H1134)

The Health Care Profession benefit is mandatory (unless denied for underwriting reasons) for the following health care professionals: medical doctors, dentists, dental surgeons, chiropodists/podiatrists, professional lab technicians, dental hygienists, dental assistants, denture therapists, denturists, denturologists, acupuncturists (MD and non-MD), nurses (RNs, RNAs, LPNs, including nursing directors, instructors and nurse practitioners), respiratory therapists, respirologists, massage therapists doing acupuncture, physiotherapists doing acupuncture and paramedics.

As a qualified health care professional, the insured may be at risk of exposure to HIV or hepatitis B and C. Under this benefit, if the insured meets one of the following conditions, he/she is not required to be under the care of a physician in order to qualify for disability benefits provided he/she is HIV impaired or hepatitis impaired, and due to his/her impairment,

- he/she is restricted or prohibited from performing the important duties of his/her occupation; or
- his/her patients refuse treatment from him/her because he/she has to disclose to his/her patients his/her impairment as required by law or by a written policy of general application of a medical regulatory body or medical licensing body.

For the purpose of this rider, “your occupation” means the occupation or occupations in which the insured is regularly engaged at the time that he/she becomes disabled.

The premium for the health care profession benefit can be changed at any time; however once changed, the premium is locked in for five years. If the FIO is included in the insured’s policy, the health care profession benefit amount will increase automatically as this benefit is applied.

WORKERS’ COMPENSATION OFFSET AMENDMENT (A700)

Policies issued to applicants in the following occupations will not include a Workers’ Compensation Offset Amendment even if they are eligible for Workers’ Compensation coverage or similar coverage:

- actuaries (ASA, FSA)
- acupuncturists (MD)
- architects
- attorneys
- chartered accountants (CA, CMA, CGA)
- chiroprodists
- chiropractors
- dentists (including third and fourth year dental students, residents)
- lawyers (including last year law students, articling students)
- medical doctors (including students, externs, interns, residents)
- notaries (Quebec)
- optometrists (including last year students)
- osteopaths, pharmacists, podiatrists, psychologists (PhD)
- professional engineers (including final year of school)
- veterinarians (including final year of school)

The Workers’ Compensation Offset Amendment will be included on any policy issued to an applicant who is eligible for Workers’ Compensation benefits or similar benefits. This offset has a relation-to-earnings approach. At claim time, if the insured is entitled to receive Workers’ Compensation benefits or similar benefits, a calculation is done comparing his/her pre-disability income with the sum of his/her Workers’ Compensation benefit, monthly benefit and current earnings. The total of the sum cannot exceed a percentage of the client’s pre-disability income as indicated on the amendment. If it does exceed this limit, then the RBC Insurance benefit is reduced by this excess amount. Please refer to the Workers’ Compensation Offset Amendment section in the Underwriting Guidelines for more details.

GROUP/ASSOCIATION OFFSET AMENDMENT (A670)

The insured has the choice to top up group or association benefits or apply for a larger benefit with a group or association offset amendment. The insured may top up group or association benefits provided the combination of the group and association benefits and individual coverage does not exceed the maximum benefit that the insured’s income allows in our current issue limits. In the event that this combination exceeds our current issue limits, this amendment will be applied to only the excess portion as specified in the policy. A 10% premium discount is applied to the policy if the excess portion of coverage is at least \$1,000 of the monthly benefit or the full amount of the policy, whichever is less. If the insured’s policy has a 10% discount, the onus is on the insured to inform us if his/her group or association coverage is terminated. If we do not receive notification and benefits become payable, the benefit will be reduced by 10%.

ADDITIONAL MONTHLY INDEMNITY (AMI)

Additional coverage may be added to the base coverage with longer or the same elimination periods and shorter or the same benefit periods as the basic coverage. This benefit is used to program around other benefits the insured may receive such as employment insurance. AMIs are also available up to the 120th, 180th and 365th day.

LIFESTYLE PROTECTION PRODUCTS

Income protection will cover daily living expenses. But what about protecting the insured's lifestyle? Would your client be able to continue making his/her RSP contributions in the event of total disability? If your client suffers from a catastrophic injury or sickness he/she may incur substantial additional expenses. Lifestyle protection products are the perfect complement to income protection coverage and provide for your client's independence and dignity.

RETIREMENT PROTECTOR BENEFIT

This benefit helps the insured maintain deposits to a retirement savings program while totally disabled. Issued to age 55, benefits range from \$300 to \$1,500 but may not exceed 20% of the insured's monthly earned income.

CRITICAL ILLNESS RECOVERY PLAN™ POLICY

(available as a separate policy; please refer to the Critical Illness Recovery Plan fact sheet or Insurance Advisor Guide for full details)

Critical illness coverage is an excellent complement to any disability insurance program. While disability income protection insurance seeks to cover ongoing living expenses, critical illness coverage provides lifestyle protection that pays a lump sum benefit if your client is diagnosed and survives one of the insured covered conditions as defined in the policy. There are no rules regarding how benefits may be used — seeking medical treatment, securing nursing care, paying down debt — it's your client's decision.

BUSINESS PROTECTION PRODUCTS

Business owners should consider how a disability may impact all facets of their business. In addition to personal income protection, consider the RBC Insurance portfolio of business products including:

DISABILITY BUY SELL — designed to provide funding for the remaining owner(s) to purchase the business interest from the disabled owner(s).

BUSINESS OVERHEAD EXPENSE — a reimbursement policy designed to cover fixed office expenses during a period of total or partial disability.

KEY PERSON PROTECTOR — provides coverage for a financial loss of an employer due to the disability of a key person.

BUSINESS LOAN PROTECTOR — makes funds available to pay outstanding business loans and loan interest when the business owner becomes totally disabled.

For more information on our lifestyle protection or business products, please refer to the applicable Insurance Advisor Guides.

For advisor use only. Not intended for client distribution.



RBC Insurance

Underwritten by RBC Life Insurance Company

© / ™ Trademark(s) of Royal Bank of Canada. Used under licence.

VPS104135

83258 (04/2019)