



Bridge Series

Insurance Advisor Guide

FOR ADVISOR USE ONLY



Insurance

Product type

Individual lifestyle protection

Sales tip

Consider offering your client the choice of two products that provide quality individual income protection using two different approaches. The Foundation Series policy is a non-cancellable policy that offers comprehensive long-term total disability protection with a wide selection of optional benefits (e.g. long-term and short-term partial disability benefits, FIO, COLA).

Purpose and market

The Bridge Series® policy closes the gap between traditional disability insurance products, such as The Foundation Series™ policy, and non-traditional products, such as The Edge® product. It offers comprehensive long-term total disability protection, priced by occupational class and 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 (i.e. limitations, exclusions and integration of benefits) to help keep rates affordable and to provide the possibility for greater flexibility in underwriting.

This means that in addition to the Bridge Series policy being available to full-time employees, established business owners and individuals with traditional working arrangements, the Bridge Series policy is also available to insureds working part-time hours (20 – 29 hours per week) and to newly self-employed individuals with no prior industry experience (subject to certain criteria — please refer to the Underwriting Guidelines).

The Bridge Series modular design and selection of benefits are suitable for a wide variety of occupations and may be especially appealing as a low cost alternative for business owners, employees, blue-collar workers, farmers and the middle income market.

Renewability

The Bridge Series policy is guaranteed renewable until age 65. RBC Insurance® cannot alter or cancel the policy without the consent of the policyowner. However, at our discretion, we may change the amount of future renewal premiums provided we do so for an entire group of policyowners sharing a certain common characteristic(s). If the insured is actively employed full time, after age 65 he/she may be eligible for a limited total disability benefit. Rates and benefit periods are subject to change after age 65.

Renewal option after age 65: while employed full time in a gainful occupation, the insured may choose to continue the policy with a total-disability-only injury and sickness benefit period for a maximum of 24 months.

Components of coverage

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

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

The Bridge Series policy contains an integration of benefits provision that ensures income from all sources including the Bridge Series policy does not exceed 85% of pre-disability earnings. Please refer to the Limitations and Exclusions section of this profile for more details. When designing a policy for your client, we suggest that you pick a monthly benefit that does not exceed 85% of his/her current earnings.

Special consideration for proprietors of farms

There can be unique aspects to a farm proprietor's financial circumstances. In recognition of this fact, the following issue limits are available for self-employed farmers applying for income protection insurance. With the required annual earned income, RBC Insurance will consider a maximum monthly indemnity amount as specified in this chart with our standard elimination periods (EP) and benefit periods (BP).

	Proprietors of farms
Annual earned income:	\$0 – \$15,999
Maximum monthly indemnity:	\$1,500

RBC Insurance will consider coverage based on our usual issue limits if the annual earned income is above these amounts. Our Farmer Amendment will be issued with the policy to ensure that the minimum benefit amount payable is not less than \$1,500 for total disability and \$750 for partial disability.

Issue ages and benefit periods	Ages*	Class	Benefit period
Level premium:	18 – 60	4A, 3A, 2A, A, B	Two or five years; to age 65
Elimination periods:	30, 60, 90, 120, 180, 360 and 730** days		

* Rate quotes are available for ages 61 – 63 from your local sales office (some restrictions apply).

** Not available to class A or B. Two-year benefit period is not available with a 730-day elimination period.

Financial documentation

There are no routine financial requirements unless the inforce and applied for coverage exceeds \$3,000 per month (provided this documentation is not required for any type of coverage applied for concurrently). Proof of earnings is required at claim time. Please refer to the Underwriting Guidelines for more details.

Definitions of disability

First 24 months — subject to the policy limitations, insureds are totally disabled if, even with any reasonable assistance or modification of job duties, due to an injury or sickness, they are:

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

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

After 24 months — subject to the plan's limitations, insureds are totally disabled if, even with any reasonable assistance or modification of job duties, due to an injury or sickness, they:

- are unable to engage in any gainful occupation for which they are reasonably fitted by education, training or experience considering prior average earnings; and
- continue to be under the appropriate physician's care.

This is often referred to as an “any occupation” definition of disability.

“Gainful occupation” means that the insured is earning at least 60% of their pre-disability income through any work for wage or profit.

Optional regular occupation extension rider

This option allows the insured 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 from time to time 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 continues to be totally disabled will receive a monthly benefit for the duration of the 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 sickness, RBC Insurance may provide some assistance in returning the insured to work or enhancing his/her ability to work.

RBC Insurance 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 modification that could include such things as:

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

If RBC Insurance approves 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 elimination period is satisfied and monthly benefits are being paid, premiums will be waived. As well, RBC Insurance will refund premiums paid during the elimination period.

Presumptive total disability

Total disability will exist if the insured loses the use of two limbs, or suffers the total loss of hearing in both ears, or sight in both eyes, or speech, regardless of the insured's activity in his/her regular or other gainful occupation. We will pay this benefit from the date of loss for as long as the loss continues.

Survivor benefits

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

Accumulation of days

The elimination period does not necessarily have to be satisfied by consecutive days of disability. Separate periods of disability resulting from the same or related causes may be accumulated within an accumulation period. The accumulation period is 12 months plus 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 disability resulting from cosmetic surgery or from 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, RBC Insurance will consider it a continuation of the previous disability.

Limitations and exclusions

Integration of benefits

At the time of total or partial disability, the insured's monthly benefit will be reduced by the amount by which it, in combination with the insured's current earnings and other disability income benefits, exceeds 85% of the insured's pre-disability income. Other disability income benefits include Workers' Compensation (or insurance intended to provide similar benefits), group or association long-term or short-term disability or weekly indemnity insurance or plans, or salary continuation plans and automobile insurance.

"Pre-disability income" means the insured's average monthly earnings in the 12-month period immediately preceding the starting date of the disability.

Guaranteed minimum

After the coverage has been in force for one year, RBC Insurance will not reduce the monthly benefit below the lesser of:

- 25% of the amount the insured is eligible to receive if there was no such integration; or
- \$1,000.

Limitation regarding certain conditions

If the insured's disability is caused or contributed to by chronic fatigue or chronic pain syndrome, fibromyalgia, environmental illness or Epstein Barr syndrome, benefits will be limited to a cumulative maximum of 24 months for all such occurrences during the life of the policy.

Mental, psychiatric or emotional disorders limitation

If the insured is unable to work because of any mental, nervous, psychiatric or emotional disorder including, but not limited to, depression, anxiety, stress, burnout or mental disorder, benefits are limited to a cumulative maximum of 24 months for all such occurrences during the life of the policy. Dementia that is solely the result of a stroke, head trauma, viral infection or Alzheimer's disease is not considered to be a mental, psychiatric, psychological or emotional disorder for the purpose of this limitation.

Soft tissue injuries and degenerative disc disease limitation

If the insured's disability is caused by or contributed to a soft tissue injury or degenerative disc disease, benefits are limited to a cumulative maximum of 24 months for all such occurrences during the life of the policy. Soft tissue injuries include, but are not limited to, injuries such as bruises, contusions, tendonitis, whiplash, strain or sprain. "Strain" means the damage that occurs to muscles from overuse or extreme physical effort. "Sprain" means damage done to tendons or ligaments around a joint and could include slight tears but not a complete break of the tendons or ligaments.

Unemployment/leave of absence limitations

There are special limitations that apply if, at the start of a disability, the insured is unemployed, is a seasonal worker who is between jobs, is someone on sabbatical or on a scheduled leave of absence, or is not actually working at least 20 hours per week on a regular basis and at least 35 weeks per year.

In these instances, benefits will be payable providing the insured is under a physician's care and providing the insured is unable to work in any occupation suited to his/her education, training or experience and previous average earnings. If the insured qualifies for benefits, the benefit period will be limited to 24 months.

However, if the insured is a seasonal worker who is between jobs, or is someone on sabbatical or on a scheduled leave of absence, after the date the insured is scheduled to return to work, the insured will be considered disabled if he/she is under a physician's care and providing the insured is unable to carry out the essential duties of his/her regular occupation. The benefit period will match what was purchased.

Residency limitation

If the insured becomes disabled or is receiving benefit payments while primarily residing outside of Canada, the United States or the United Kingdom for longer than 12 months, benefit payments will cease after the 12 months. If his/her primary residence is again established in Canada, the United States or the United Kingdom, we will resume benefits upon proof that the insured has remained continuously disabled and has been receiving the appropriate and regular treatment for the condition causing disability. No new elimination period will apply to the continuing claim. However, the continuing claim will be subject to the original maximum benefit period, and no benefits for disability will be payable for or in respect of the time period the insured was primarily resident outside of Canada, the United States and the United Kingdom.

Exclusions

We will not pay benefits for any periods of disability that result, directly or indirectly, from:

- intoxication by drugs, alcohol or otherwise;
- abuse of prescription or non-prescription drugs or alcohol, or other substance abuse;
- a suicide attempt or other intentionally self-inflicted harm;
- any act of declared or undeclared war, any riot or insurrection or any other form of public disturbance;
- opportunistic infections or other sicknesses that physicians commonly associate with AIDS or the HIV virus, if the insured had either AIDS or the HIV virus prior to the date the policy took effect; or
- injuries that occur while the insured is committing or attempting to commit a crime, whether or not the insured is charged with the crime.

We will not pay benefits:

- for any period of time the insured is in a jail or otherwise imprisoned; or
- for any disability resulting from a normal pregnancy or childbirth (but this exclusion does not apply to disabilities caused by complications during pregnancy or childbirth).

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 (FIO)

The FIO 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 available to all classes, ages 18 to 50. The total FIO benefit amount is determined by the insured and is based on the total amount of indemnity (additional monthly benefit amount plus basic monthly benefit), age and class of the insured. Please refer to the Maximum Total Option Amount section on the next page for more details.

During the first six years that this rider is in force, on every policy anniversary date, the insured may exercise an option for all, part or the balance of the total FIO benefit amount, subject to financial verification. After six years, the insured will have the option, on every policy anniversary date up to age 55, to exercise an option of up to one-fifth of the total FIO benefit amount, subject to financial verification. The minimum amount that can be exercised on an option date is \$100.

There is a special LTD (long term disability) option that is available if the insured has lost group LTD coverage because this coverage has terminated or because the insured has left his/her employment. The insured may, within 91 days of the loss of group LTD coverage, apply to increase his/her monthly benefit by all or part of the total FIO benefit amount to match the amount of LTD coverage lost. This special LTD option may only be exercised once and may not exceed the total FIO benefit amount. This special LTD option is also subject to the other terms of the rider.

The insured may exercise the first option that occurs during a disability. Premiums will be waived on the additional coverage while the disability continues, but benefits are payable only for a new disability that begins after the option date.

FIO benefit and elimination periods will be the same as in the original policy (a shorter benefit period or a longer elimination period may be requested). When options are exercised, the premiums for the additional amount will be based on the attained age and the rates then in use as well as the class of risk to which the insured belonged on the effective date of the original policy. The new amount must be justified by income and will be subject to our issue and participation limits at the time the new coverage is issued.

Calculating the FIO benefit

Maximum total option amount

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

1. the FIO factor as multiplied by the total indemnity applied for;
2. the FIO maximum benefit amount; and
3. the total class maximums (total issue and participation limits).

Class	FIO factor	FIO maximum benefit	Total class maximum
4A	2x	\$9,000	\$25,000
3A	2x	\$6,000	\$15,000
2A	1.5x	\$3,000	\$8,000
A	1x	\$1,250	\$5,000
B	1x	\$1,000	\$4,000

Cost Of Living Adjustment rider (COLA)

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 the disability. The benefit is adjusted to the change in the Consumer Price Index over the period of the disability. We guarantee that the adjustment is not less than 2% compounded per year since the start of the disability. The maximum 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 60. This benefit is not available with a two year benefit period.

Regular occupation extension (enhanced definition of disability benefit)

This benefit extends the "regular occupation" definition of total disability from 24 months to the entire benefit period (subject to plan limitations). The "regular occupation" definition of total disability means that even with any reasonable assistance or modification of job duties, due to an injury or sickness, the insured is unable to perform the essential duties of his/her regular occupation, is not engaged in any other gainful occupation and is receiving the appropriate physician's care. This benefit is issued to age 60.

Partial disability benefit

“Partial disability” means that you are receiving the appropriate physician’s care and are not able to perform:

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

You must be working full time (30 hours a week or more) at the start of a disability to qualify for partial disability benefits.

For occupational classes 4A and 3A, partial disability does not have to follow a period of total disability — it can start when an injury or sickness occurs, and days of partial disability can be used to satisfy the elimination period. Partial disability for occupational classes 2A, A and B must follow a period of total disability. This benefit is issued to age 60.

Short-term partial disability benefit

This benefit pays up to 50% of the maximum monthly benefit (base indemnity plus AMIs) for up to 12 months.

Long-term partial disability benefit

This benefit pays up to 50% of the maximum monthly benefit (base indemnity plus AMIs) for the first 24 months and 25% thereafter for the balance of the benefit period. The long-term partial benefit period cannot be longer than the benefit period of the policy.

Hospitalization benefit

This optional benefit is designed to cover expenses while the insured is hospitalized. Coverage can be purchased in amounts from \$50 to \$200 per day. This benefit is issued to age 60.

Benefits will be paid for each day the insured is hospitalized after being admitted to and remaining in the hospital for 24 hours following admission. There is a total 120-day maximum per occurrence.

This coverage includes an Intensive Care benefit that pays a total of five times the basic daily hospital benefit amount for each day the insured is in intensive care — up to a 30-day maximum.

Pre-existing conditions, pregnancy and childbirth are covered if this rider has been in force for at least six months. Exclusions of the Bridge Series policy plan also apply.

A “hospital” is a facility whose main purpose is to treat sick or injured patients. It must be licensed to provide active care, chronic care and emergency treatment 24 hours a day. It must be staffed with registered nurses and at least one physician at all times, and it must have x-ray equipment and facilities where surgery is regularly performed. “Hospital” does not include rehabilitation centres, drug or alcohol treatment centres, convalescent homes, nursing homes, homes for the aged, rest homes or psychiatric centres.

The total of the RBC Insurance payment, plus the payment made by any other hospital coverage, cannot be more than \$400 per day.

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 unemployment insurance. AMIs are also available up to the 120th, 180th, 360th* or 720th* day.

* Not available to Class A or Class B.

Lifestyle protection products

Income protection will cover daily living expenses, but what about protecting the insured's lifestyle? Will your client be able to continue 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, dignity and peace of mind.

Retirement protector plan

This stand-alone plan helps the insured maintain deposits to a retirement savings program while totally disabled as defined in the Retirement Protector policy. 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™

(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 with 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 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 to 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.



Insurance

This Insurance Advisor Guide is a summary only. Actual policy language will prevail. For additional information on the Bridge Series policy or a copy of our illustration system, please contact your local RBC Insurance sales office.

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