



OFFICE OVERHEAD EXPENSE INSURANCE

Underwritten by The Manufacturers Life Insurance Company

Office Overhead Expense insurance provides you with coverage on office expenses incurred in the conduct and operation of Your practice when You are not Actively at Work due to a disability caused by Sickness or Injury.

Eligibility

You are eligible to apply if You are a physician who is:

- a) under Age 65,
- b) a resident in Manitoba,
- c) Actively at Work,
- d) personally responsible for the payment of Eligible Office Expenses, and
- e) a member of Doctors Manitoba.

How to Apply

To apply for coverage, complete an application form available in the Forms Library on the Doctors Manitoba website www.doctorsmanitoba.ca. You must provide evidence of good health.

Completed application forms and the appropriate premium cheque made out to Doctors Manitoba should be forwarded to the Doctors Manitoba office. Payments can also be made by pre-authorized deduction from Your bank account.

If You apply part way through the policy year, June 1 – May 31, premiums are pro-rated based on the number of full months remaining.

Within 30 days after its delivery to You, You may cancel Your coverage by delivering or mailing the cancellation notice to Doctors Manitoba or the insurance company. Upon such cancellation, any premium paid will be returned and the coverage will be deemed void from the effective date.

Benefit Coverage

Coverage is available in units of \$100 from a minimum of \$300 per month to a maximum of \$10,000 per month.

If, prior to Age 60, You are insured for more than 100 units of insurance, You may continue to be insured for the same number of units, on and after Age 60.

Coverage takes effect on the 1st of the month coinciding with or following the date the insurance company approves Your application and receives the required premium. Increases in coverage take effect once the insurance company approves Your application for evidence of good health.

Conditions of Payment

The payment of the disability benefit will be conditional on:

- a) You having paid all premiums that became due for payment prior to becoming disabled,
- b) Your disability not resulting directly or indirectly from any risks covered under Exclusions,
- c) You having given due notice and having provided the required proof of Your disability and loss, as and when required by the claims provisions, and
- d) You being under the Regular Care and Attendance of a Physician.

This description is a summary of the Office Overhead Expense Insurance program underwritten by The Manufacturers Life Insurance Company, policy number G522. In case of any discrepancy between this description and the terms of the policy, the latter will prevail.

Total Disability Benefit

If You are Totally Disabled, the insurance company will pay You 100% of Your Eligible Office Expenses, up to a maximum payment for any one month not exceeding the lesser of Your coverage and the average of Your Eligible Office Expenses for the 12 months immediately preceding Your Total Disability.

Should the benefit be payable for a period, or a final period, of less than one month, the amount payable for each day in that period will be 1/30th of the monthly amount.

The benefit payment begins on the 15th or end of the month. For benefit in excess of \$5,500 per month, only the 30 day Elimination Period is available. The maximum benefit period is either 12 months or 18 months depending on Your election.

Period for which Total Disability Benefits Payable

The Total Disability benefit will only be payable while You are Totally Disabled but will not be payable for:

- a) the Elimination Period,
- b) any period for which You fail to provide satisfactory evidence that You are Totally Disabled,
- c) more than one disability for the same period, or
- d) any period beyond the maximum benefit period.

If a benefit is payable as a result of an uncomplicated childbirth, the Elimination Period will begin from the date of delivery.

Recurring Total Disability

If, after a period of Total Disability, You return to work for less than 180 days and are subsequently Totally Disabled due to the same or related causes, Your Total Disability is treated as a continuation of the previous disability. If You suffer from a Total Disability, unrelated to the previous disability, after being Actively at Work and the value of Your billable services was at least equal to the monthly benefit insured, the Total Disability is considered a new disability.

Partial Disability Benefit

If You are Partially Disabled, the insurance company will pay You 50% of the selected benefit for a maximum benefit period of 3 months.

Waiver of Premium Benefit

You are not required to pay premiums which become due, provided You have been continuously disabled for at least 90 days and are in receipt of benefits from the plan.

While You are eligible for or receiving waiver of premium benefits, You will not be eligible to apply for new benefits, Non-Smoker rates or any increases in coverage.

The insurance company will not waive premiums for more than 1 year for the period of disability preceding the date the insurance company receives proof of claim for such disability.

Survivor Benefit

If You die while receiving benefits or satisfying the Elimination Period, any Eligible Office Expenses incurred by Your executor or administrator are paid for up to 3 months following the date of death. Monthly benefits will be paid in full and the balance of the Elimination Period is waived. However, no benefits will be paid beyond the maximum benefit period.

Organ Donor

If, after Your insurance is in force for at least 6 months, You donate an organ to another person, any resulting disability is deemed to be caused by Sickness and You are entitled to benefits.

HIV/Hepatitis B and C Benefit

If for the first time ever You test positive for Human Immunodeficiency Virus (HIV) or are determined to be a carrier of the Hepatitis B or Hepatitis C Virus (acute viral hepatitis) and are in an asymptomatic infectious state, You are eligible for Partial Disability benefits, notwithstanding the fact that You are neither Totally Disabled nor Partially Disabled. You are considered eligible if, prior to Age 65, You suffer from either or both of the following conditions:

- a) the condition is required to be disclosed to Your patients by regulations approved by an appropriate government authority or hospital board or an applicable medical regulatory body or licensing authority, and/or
- b) the condition results in a limitation of Your practice of medicine as a consequence of regulations approved by an appropriate governmental authority or hospital board or an applicable medical regulatory body or licensing authority, and

as a consequence of either or both of the situations described in paragraphs (a) or (b), You suffer a loss of 20% or more of Your Pre-Disability Average Net Monthly Earned Income for the period before: the date the condition was disclosed as provided in paragraph (a) and/or Your practice of medicine was limited as provided in paragraph (b).

If these circumstances apply, the insurance company will pay benefits in accordance with the terms governing the calculation of the Partial Disability benefit.

Your benefits terminate on the earliest of any of the following occurrences:

- a) the date You are determined to have recovered from the infectious state,
- b) the date You no longer suffer a loss of Pre-Disability Average Net Monthly Earned Income of at least 20%,
- c) the date You become entitled to Total Disability or Partial Disability benefits,
- d) the date You reach Age 65,
- e) the date of Your death, or
- f) the date You fail to furnish satisfactory medical or financial evidence as requested by the insurance company.

Exclusions

Benefits will not be paid for any disability resulting directly or indirectly from any one of the following:

- a) terrorism, war or insurrection, whether or not declared, or any conduct, act or thing incidental thereto,
- b) intentionally self-inflicted injury, unless medical evidence establishes that the injuries are related to a mental health illness.
- c) attempt, provocation, or commission of a criminal offense or assault, or participation in a riot or civil commotion, or incarceration,
- d) service in the armed forces of any country,
- e) any period of imprisonment or confinement in a similar institution, unless medical evidence establishes that the injuries or losses are related to a mental health illness.
- f) any period of loss of standing to practice medicine as a result of disciplinary proceedings, whether such disability occurred prior to or during such period, unless medical evidence establishes that the losses are related to a mental health illness
- g) any period of disability, including throughout the Elimination Period, during which You are not under the Regular Care and Attendance of a Physician considered satisfactory to the insurance company, when required,

- h) any period of disability while You are outside of Canada, United States of America, Australia, New Zealand or a country belonging to the European Economic Community, for a period of more than 6 months, unless You can establish to the satisfaction of the insurance company that evidence of Your continued disability can and will be supplied to the insurance company whenever reasonably so required,
- i) alcoholism, drug addiction, substance abuse, or other condition, unless participating in a therapeutic program, recognized as such by the insurance company, and under continuous medical supervision by a specialist in the field.

If You must hold a government permit or license to perform Your regular duties, You will not be considered disabled solely because such permit or license has been withdrawn or not renewed.

Riders may be issued for individuals excluding coverage for specific conditions.

Cessation of Benefit Payments

Your benefits terminate on the earliest of any of the following occurrences:

- a) the date You are no longer disabled,
- b) the date You do not comply, or fail to comply with the proof of claim provision,
- c) the date You fail to undergo, when requested by the insurance company, medical, psychiatric, psychological examinations and evaluation selected by the insurance company,
- d) the date You refuse or fail to participate in a rehabilitation program considered beneficial to You as recommended by the insurance company,
- e) the date the You refuse or fail to participate in the therapeutic program for alcoholism, drug addiction, substance abuse, or other appropriate treatment program considered beneficial to the You as recommended by the Company,
- f) the date the You fail to furnish satisfactory evidence of continuance of Disability or the date the You are no longer receiving Regular Care and Attendance considered satisfactory to the Company,
- g) the date You reach Your maximum benefit period,
- h) the date You return to Your Regular Occupation,
- i) the date You retire,
- j) the date of Your death (with the exception of the survivor benefit, if applicable), or
- k) any period of incarceration in a prison or mental institution following conviction by a criminal court.

Premiums

Premium Calculation

The annual premium is calculated by multiplying the applicable rate, according to Your Age, sex and smoking status, by the number of units for which You are insured at the beginning of each Policy Year. If coverage becomes effective in the midst of a Policy Year, a pro-rata premium will be determined based on Your Age at the beginning of the Policy Year in which application for such insurance was made.

For cost information, please contact:

Mark Venton, Doctors Manitoba, at 985-5846, or mventon@doctorsmanitoba.ca;
Gord Brennan, Doctors Manitoba's Authorized Representative, at 985-1140, or
gbrennan@doctorsmanitoba.ca.

The premiums are Age banded rather than level premiums. This means You pay in today's dollars for today's risk. With level premiums, the cost of premiums for older participants is transferred to younger participants. Rather than have younger participants 'overpay', premiums are based on a more cost-effective banding method whereby participants pay premiums for risk based on actual Age.

Retail sales taxes are calculated based on the premiums applicable to those members of Doctors Manitoba who reside and/or report for work in Manitoba, Ontario and Quebec.

Changes to Premium

The insurance company may adjust the premium rates on any Policy Anniversary Date by giving 90 days' notice in writing to Doctors Manitoba, unless the insurance company and Doctors Manitoba mutually agree to the contrary, but not more often than once in any 12 month period. Insured Members will be given 30 days' written notice of changes to premium by Doctors Manitoba.

Refund of Premiums

Where Your death occurs in the midst of a Policy Year for which premiums have been paid, a pro-rata refund will be paid on the number of complete months remaining in that Policy Year.

Grace Period

On each Premium Due Date, You will pay a premium calculated on the basis of the premium rates then in effect for Your insurance, including any applicable riders. A period of 30 days is allowed for the payment of each premium due after the first, during which the insurance continues in force. If any premium is not paid within the grace period, the insurance will terminate immediately.

If a benefit becomes payable during the grace period, any premium due but unpaid will be deducted from the benefit.

Premium Payment Not Honoured

If any cheque, draft, money order or other instrument tendered in payment or part payment of a premium is not paid when presented for payment in due course of business, the premium or such part will be considered to be unpaid and Doctors Manitoba official receipt, if issued, will be null and void.

Method and Frequency of Premium Payments

You may pay premiums:

- a) annually by cheque (made payable to "Doctors Manitoba"), or
- b) by any other payment method or frequency made available by Doctors Manitoba and approved by the insurance company.

You may elect to pay the annual premium at the billing date or pay 50% of the annual premium at the billing date and the remainder within 60 days of the billing date. All payments must be in Canadian dollars.

Smoker and Non-Smoker Rates

If You are paying smoker premiums, You may apply to change to Non-Smoker premiums. The insurance company will grant this request provided that:

- a) You qualify as a Non-Smoker,
- b) a health declaration, on the insurance company's standard form, is completed, submitted and approved by the insurance company,
- c) satisfactory evidence as to Your smoking habits is submitted, and
- d) at the time the request is submitted to the insurance company, Non-Smoker rates are offered.

If the insurance company approves the change to Non-Smoker premiums, future premiums will be payable on a Non-Smoker basis. The change will take effect on the Policy Anniversary Date coinciding with or following the date the insurance company approves the change to Non-Smoker status.

A misstatement of Non-Smoker status is considered fraud. The insurance company reserves the right to void Your insurance if Non-Smoker status has been misstated.

General Information

Beneficiary Designations

There is no right to name a beneficiary under Your coverage.

Termination of Coverage

Your coverage terminates on the earliest of any of the following occurrences:

- a) the Policy Anniversary Date coinciding with or following the date You have reached Age 70,
- b) subject to the grace period, the date any premium due has not been paid, unless premiums are being waived,
- c) the end of the period for which premiums have been paid, following receipt by Doctors Manitoba of written notice from You that one or more units of Your coverage are to be terminated,
- d) the date on which You no longer qualify as a duly qualified member of Doctors Manitoba in accordance with the membership requirements,
- e) the date on which the group policy is terminated,
- f) the date of Your retirement, or
- g) the date of Your death.

Extension of Coverage

If on the date Your coverage terminates because the group policy terminates and You are disabled and either receiving benefits, eligible to receive benefits or fulfilling a required Elimination Period, the insurance company will pay You the monthly benefit while You remain disabled.

Leave of Absence

The insurance of a duly qualified member of Doctors Manitoba will not terminate due to a leave of absence, sabbatical leave of a maximum duration of 4 years, or solely by reason of such member having moved from the province of Manitoba. However, You may not apply for a subsequent increase in coverage or change of coverage until such time as You again become a member in accordance with the membership requirements.

Portability

If You move outside of the province of Manitoba and maintain Your membership with Doctors Manitoba, You may continue the coverage in force as long as the premiums are paid when due. You may also increase or change the coverage provided You are resident in Canada. Any increase in coverage is subject to evidence of good health and approval by the insurance company.

Tax Issues

Premiums are tax deductible as business expenses and benefits received are taxable.

Facility of Payment

If for any reason, You are not competent to give a valid release for payments to which You are entitled, the insurance company may in its discretion make payment, to the extent permitted by law, to any person related to You, or to any other individual appearing to the insurance company to be equitably entitled to such payment. Any payment made by the insurance company in good faith pursuant to this provision fully discharges the insurance company to the extent of such payment.

Rights of the Insurance Company

If benefit payments made are later determined to be in excess of the amounts You are qualified for, the insurance company and Doctors Manitoba reserve the right to recover the excess. If the excess amount cannot be recovered, the insurance company has the right to reduce benefit payments until the excess amount is fully recovered.

Right of Examination

On request, Doctors Manitoba will make the group policy available to You for inspection at a reasonably accessible place.

Assignment

Your rights and interests with respect to the policy may not be assigned.

Governing Law

This contract will be subject to the laws of the province of Manitoba.

Your coverage will be subject to the laws of the Canadian province or territory in which You resided at the time of application.

Incontestability

The insurance company will not contest the validity of Your coverage, or any Unit of Your coverage, after it has been in effect for 2 years from the effective date of insurance, or the date of reinstatement, except for fraud.

No statement will be used by the insurance company to void Your coverage or to deny a claim during this 2 year period unless the statement is:

- a) false,
- b) part of the Your application, and
- c) material to the insurance.

In issuing each coverage, the insurance company has relied on statements made in the applications of Doctors Manitoba and each applicant. These are representations and not warranties. If Your coverage is voided for fraud, the insurance company will not refund the premiums paid under Your coverage.

Limitation of Action

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*, or other applicable legislation, or the *Limitations Act, 2002*, in Ontario.

Reinstatement

Your coverage may be reinstated at any time within 6 months from the date of the lapse, on the following conditions:

- a) receipt by the insurance company of satisfactory evidence of good health and insurability determined on the same basis as when the coverage was issued,
- b) receipt by the insurance company of all overdue premiums with interest, and
- c) written confirmation by the insurance company of Your coverage's reinstatement.

Definitions

Actively at Work means You work at Your Regular Occupation for a minimum of 20 hours per week and perform all of the usual and customary job duties, at the time of application for insurance and during any period You are not disabled.

Age means Your age as of the Policy Anniversary Date of each year.

Earned Income means income resulting from Your performance of personal services in any and all occupations after deduction of the usual and customary business expenses incurred in earning such income and before the deduction of any income taxes. Earned Income does not include interest, dividends, rents, royalties, annuities, pensions, wage continuation plans, or any other payments which do not depend on Your ability to earn an income.

Eligible Office Expenses mean expenses that are incurred monthly in the conduct and operation of Your practice by You either directly or through a personal service corporation (or Your share of such expenses if You share the cost of these expenses with any other person) that are normally deemed to be recoverable by You from the billable services performed by You, but not exceeding the aggregate amount of such expenses incurred by You or Your practice divided by the total number of persons whose billable services normally contribute to the defrayment of such expenses.

The following expenses are eligible for coverage:

- a) rent, electricity, heat, water and other utilities,
- b) accountants fees or charges for services,
- c) salaries and the cost of benefits of employees,
- d) taxes (other than personal income tax),
- e) equipment depreciation,
- f) auto depreciation or rental entered into prior to disability,
- g) telephone, postage, delivery services,
- h) stationery and normal office supplies,
- i) laundry,
- j) lease or instalment purchase agreement payments for equipment, or property (entered into prior to disability) limited however to the portion therefore that relates to business use,
- k) any other expenses as are normal and customary in the conduct and operation of Your office plus the monthly pro-rata amount of annual fees, or subscriptions, and
- l) cost of internet provider services, web page hosting, cost of email service, if not included with the internet provider services.

The following expenses are not eligible for coverage:

- a) Your salary or salaries of other doctors,
- b) cost of wares, goods, pharmaceutical products,
- c) professional books, and
- d) equipment or supplies.

Elimination Period means the number of days that must elapse following the date on which Your disability is deemed to have commenced, during which time no benefits will be payable.

Injury means accidental bodily injury sustained while Your coverage is in force and which directly and independently of all other causes, results in limitation, impairments and/or restrictions preventing You from performing all of the usual and customary duties of Your Regular Occupation.

An injury resulting in disability or loss which is caused directly or indirectly by any form of Sickness, disease, hernia, or degenerative condition, or any infection, other than infection of a visible external accidental cut or wound, will be deemed to be a Sickness for the purposes of this insurance. Any such

Injury resulting in disability where such disability commences more than 60 days after the Injury will be considered a Sickness for the purpose of determining the maximum benefits period.

Non-Smoker means You have not used any form of tobacco or tobacco cessation products in the 12 consecutive months preceding the date of application for:

- a) Office Overhead Expense insurance; or
- b) Non-Smoker rates;

and You also meet the insurance company's health standards.

Partial Disability or **Partially Disabled** means that, after being Totally Disabled during Your Elimination Period and while under Age 60, You are unable to perform one or more of the usual and customary duties of Your Regular Occupation for more than 4 hours per day and You are suffering a loss of Earned Income of at least 20%. Your Partial Disability must be a result of Sickness or Injury for which You are under the Regular Care and Attendance of a Physician.

Physician means a physician or surgeon who is licensed as such in Canada or United States of America or any such other region as the insurance company may approve, and who is practicing within the scope of the Physician's licensed authority. A Physician must be someone other than You, or Your immediate family member, or anyone who resides with You.

Policy Anniversary Date means June 1st of each year.

Policy Year means the period commencing on the effective date of insurance and terminating on May 31st of the following year and beginning on any Policy Anniversary Date thereafter.

Pre-Disability Average Net Monthly Earned Income means Your Earned Income averaged using the highest consecutive 12 months in the 24 months immediately preceding the disability date.

Premium Due Date means the first day of the month coinciding with or following Your effective date of insurance, and on each Policy Anniversary Date thereafter.

Regular Care and Attendance means a planned program of observation, care, and treatment requiring the personal attendance of You by a Physician, which, once initiated, is continued in accordance with existing standards of medical practice for the Sickness or Injury which is the cause of Disability.

If a Disability is as a result of or is contributed to by an addiction disorder You must, at the Company's discretion, participate in a therapeutic program, recognized as such by the Company and be under continuous medical supervision by a licensed specialist in this field.

If a Disability is the result of or is contributed to by a psychiatric disorder as recognized by the American Psychiatric Association (APA), You must be under the care of a licensed Physician and licensed psychiatrist or licensed clinical psychologist as deemed necessary and appropriate by the Company. You must also be following the Regular Care and Attendance recommended.

Regular Occupation means the occupation You are engaged in immediately preceding the disability date.

Sickness means a disease or illness which first manifests itself while coverage is in force, and/or restrictions preventing You from performing the usual and customary duties of Your Regular Occupation. Complications of pregnancy are considered a Sickness. Sickness does not include an ineligible disease or illness resulting directly or indirectly from any risk covered under the Exclusions.

Total Disability or **Totally Disabled** means that, as a result of Sickness or Injury for which You are under the Regular Care and Attendance of a Physician, You are unable to perform the usual and customary duties of Your Regular Occupation and You are suffering a loss of Earned Income. There must be documented evidence of medical impairments, restrictions and limitation precluding You from performing

the normal duties of Your Regular Occupation. The availability of employment will not be considered in the assessment of Disability.

You or **Your** means a physician, under Age 70, whose application for the Office Overhead Expense insurance has been accepted by the insurance company and whose insurance is in force.

Claim

Notice of Claim

Written notice of claim must be received by the insurance company, no later than 90 days from the date of the Injury or Sickness. Notice given by You or any authorized agent of the insurance company acting on Your behalf will be deemed notice to the insurance company.

Claim Forms

The insurance company or Doctors Manitoba, upon receipt of a written notice of claim, will furnish forms to You or the claimant who will file on Your behalf for filing proof of loss.

Proof of Loss

Proof of loss includes, but is not limited to, the initial claim forms and all medical, psychiatric, psychological, educational, vocational, financial and other information the insurance company considers necessary to assess the claim.

On forms provided by the insurance company, written evidence, satisfactory to the insurance company, of Your right to benefits must be received within 90 days after the expiration of the Elimination Period. Failure to provide proof of loss, however, will not invalidate the claim nor reduce the amount of the benefits payable, provided it was not reasonably possible to give such proof within the stipulated time and provided proof is furnished as soon as reasonably possible, but in no event later than 12 months following the completion of the Elimination Period unless You are legally incapacitated.

If You are unable to give notice of claim or proof of loss due to the nature of Your disability, then someone acting on Your behalf may do so.

The insurance company does not pay for the completion of claim forms. It does pay reasonable charges for any additional items which it specifically requests in connection with a claim, such as medical examinations and medical histories.

Proof that You Remain Disabled

The insurance company may, at any time whether before or after a claim is approved, request from You further medical, psychiatric, psychological, educational, vocational, financial or other information the insurance company considers necessary for the assessment or re-assessment of the claim. Such information may be obtained from an examiner or person approved by the insurance company.

When making a decision, the insurance company will take into account all relevant information which has been provided, in conjunction with any consultants, as deemed appropriate by the insurance company.

If a disability results from a psychiatric or psychological disorder, proof may be required from a Physician who is certified in psychiatry by the Royal College of Physicians of Canada, or by the American Board of Psychiatry.

The insurance company reserves the right to obtain such evidence as may be reasonable concerning Your income and expenses prior to and after Your disability. The evidence the insurance company may

require includes, but is not limited to, true copies of income tax returns, audited income and expense statements and financial statements.

The insurance company may request an independent medical examination by a Physician, appointed by the insurance company, no more than once a year, except that if conflicting medical information is received, additional independent medical examinations may be required. All independent medical examinations will be arranged and paid by the insurance company.

If, while You are outside Canada, United States of America, Australia, New Zealand or a country belonging to the European Economic Community, the insurance company is unable to obtain satisfactory proof of disability, the insurance company may request that You return to Canada, United States of America, Australia, New Zealand or a country belonging to the European Economic Community.