RBC Insurance

RBC Life Insurance Company
P.O. Box 515, Station A
Mississauga, Ontario L5A 4M3
1-800-663-0417 FAX 1-888-246-0098
www.rbcinsurance.com

RBC Life Insurance Company will pay the benefits provided in this Policy for loss due to Injury or Sickness to the Owner of this Policy unless otherwise assigned.

We have issued this Policy to You in consideration of the payment of the premium and the statements made in Your application. Your application is part of Your Policy.

Insured

Policy Number **Date of Issue**

Owner

NON-CANCELLABLE AND GUARANTEED CONTINUABLE TO AGE 65. NO CHANGE IN PREMIUM RATES. As long as the premium is paid on time, We cannot change Your Policy or its premium rate until the first premium due date after Your 65th birthday.

LIFETIME RENEWAL OPTIONS AFTER YOU REACH AGE 65. SUBJECT TO CHANGE IN PREMIUM RATES. You may continue Your Policy for a Total Disability benefit with a limited benefit while You are actively and regularly employed full time. There is no age limit. This option is explained in PART 5.

YOUR RIGHT TO EXAMINE THE POLICY. If You are not satisfied with Your Policy, You may cancel it. Return the Policy to Us or Our agent by midnight of the tenth day after the date You receive it. If You return the Policy by mail, it must be properly addressed, postage prepaid, and postmarked no later than midnight of that tenth day. Our mailing address is P.O. Box 515, Station A, Mississauga, Ontario L5A 4M3. Within ten days after We receive the Policy, We will refund any premium You have paid. The Policy will be considered to have never been issued.

READ YOUR POLICY CAREFULLY. It is a legal contract between You and Us.

Specimen

Rino D'Onofrio
President and Chief Executive Officer

John Carinci
VP & Head, Operations & Client Experience

THIS POLICY IS ISSUED BY
RBC LIFE INSURANCE COMPANY

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Added benefits You have purchased, and any added provisions are attached at the back of the Policy.

PART 1
DEFINITIONS

THE FOLLOWING WORDS HAVE SPECIAL MEANINGS. THEY ARE IMPORTANT IN DESCRIBING YOUR RIGHTS AND OUR RIGHTS UNDER THE POLICY. REFER BACK TO THESE MEANINGS AS YOU READ YOUR POLICY.

1.1 **"Policy"** means the legal contract between You and Us. The Policy, the application, the Policy Schedule, and any attached papers that We call riders, amendments, or endorsements make up the entire contract between You and Us.

1.2 **"You"** and **"Your"** mean the Insured named in the Policy Schedule.

1.3 **"We"** and **"Us"** mean RBC Life Insurance Company. Our mailing address is P.O. Box 515, Station A, Mississauga, Ontario L5A 4M3.

1.4 **"Date of Issue"** means the date that the Policy becomes effective. It is shown on the Policy Schedule.

1.5 **"Injury"** means accidental bodily injury sustained after the Date of Issue and while Your Policy is in force.

1.6 **"Sickness"** means sickness or disease which first manifests itself while Your Policy is in force.

1.7 **"Physician"** means any licensed practitioner of the healing arts practicing within the scope of his or her license. A physician must be a person other than You.

1.8 **"Total Disability"** means that because of Injury or Sickness:

a. You are under the regular and personal care of a Physician; and

b. You are unable to perform the important duties of Your regular occupation.

1.9 **"Partial Disability"** means that because of Injury or Sickness:

a. You are under the regular and personal care of a Physician; and

b. You are either:

1. Unable to perform the regular daily duties of Your occupation at least one-half of the time usually required; or

2. Unable to perform one or more important regular duties of Your occupation.

1.10 **"Disability"** or **"Disabled"** refers to a period of Total or Partial Disability.

1.11 **"Commencement Date"** is the day shown on the Policy Schedule when benefits begin during a continuous period of Disability. Periods of Disability from the same or related causes, separated by 12 months or less will be accumulated and deemed to be continuous in order to determine the Commencement Date.

1.12 **"Your Occupation"** means the occupation in which You are regularly engaged at the time You become Disabled.

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1.13 a. **"Maximum Benefit Period"** is the longest period of time We will pay benefits during a Disability. It is shown on the Policy Schedule. It may be increased under the EXTENSION OF BENEFITS section in Part 2.

b. **"Maximum Covered Monthly Expense Benefit"** is the maximum monthly amount payable under this Policy, except where a larger benefit is payable as described in the Accumulation Benefit.

c. **"Maximum Total Benefit"** is the Maximum Covered Monthly Expense Benefit multiplied by the Maximum Benefit Period. It is shown on the Policy Schedule.

1.14 **"Cost of Sales or Services"** means Your share of all expenses directly associated with the generation of income by or for Your business or profession. It includes but is not limited to:

a. the salary, fees or other remuneration, including benefits, for:
   1. Any member of Your profession; or
   2. Any person sharing business expenses with You; or
   3. Any person employed to perform Your duties; or
   4. Any person directly responsible for the generation of income for Your business or profession.

Some other examples of these expenses are:

b. Medical or dental supplies
c. Lab fees
d. X-rays fees

1.15 **"Covered Monthly Expense"** means those fixed, monthly expenses incurred in Your Occupation that are ordinary and necessary in the operation of Your business or profession. If You share those expenses with someone else, We will include only Your share. They include, but are not limited to, such expenses as:

a. Rent
b. Utilities
c. Telephone
d. Employees' Wages
e. Leased equipment
f. Rental equipment
g. Office Supplies
h. Business Liability Insurance premiums
i. Professional Dues & Memberships
j. Interest on Debt
k. Depreciation or scheduled installment payments of principal of debt including mortgage.

At the beginning of a period of Disability You must choose whether to claim depreciation or payment of principal of debt. The choice can be made only once for each separate Disability.

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"Covered Monthly Expense" does not include such expenses as:

a. Salary, fees, or other remuneration, including benefits, for;
   1. You; or
   2. Any member of Your family unless that person was actively employed 60 days prior to Your Disability and their salary is Commensurate with their duties.
b. Cost of Sales or Services
c. Expenses incurred prior to the Commencement Date
d. Additions to inventory
e. Travel and entertainment
f. Expenses for which You were not periodically liable prior to the start of Disability.

PART 2
BENEFITS

2.1 TOTAL DISABILITY BENEFIT

What is the Total Disability benefit?

We will periodically pay a Total Disability benefit during Your continuous Total Disability.

This benefit will begin on the Commencement Date. We will continue it while You are Totally Disabled. We will not pay it beyond the Maximum Benefit Period unless that period is extended under the EXTENSION OF BENEFITS section in PART 2.

The amount We will pay is equal to the Covered Monthly Expense You actually incur, while Totally Disabled, in the operation of Your office or business. If You share those expenses with someone else, We will pay only Your part. In no event will We pay more than the Maximum Covered Monthly Expense Benefit shown on the Policy Schedule.

If this benefit is payable for a period less than a month, the amount We will pay equals:

$$\frac{A}{B} \times \text{number of days of continuous Total Disability in the month}$$

"A" is the actual Covered Monthly Expense You incur during the whole month but not more than the Maximum Covered Monthly Expense Benefit.

"B" is the number of days in such month.

An expense covering more than one month will be pro-rated to determine the expense for one month.

2.2 ACCUMULATION BENEFIT

Can Unused benefits be carried forward?

The Covered Monthly Expense in any one month of Total Disability may be less than the Maximum Covered Monthly Expense Benefit. If so, any such unused benefit may be carried forward and applied to the Covered Monthly Expense in a later month of the same period of Total Disability when the Covered Monthly Expense exceeds the Maximum Covered Monthly Expense Benefit.

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Can excess expenses be reimbursed in a later month?

The Covered Monthly Expense in any one month of Total Disability may be greater than the Maximum Covered Monthly Expense Benefit. If so, any such excess expense may be carried forward and reimbursed in a later month of the same period of Total Disability when the Covered Monthly Expense is less than the Maximum Covered Monthly Expense Benefit.

In no event will the amount We pay during Total Disability exceed the Maximum Covered Monthly Expense Benefit times the number of months for which Total Disability Benefits have been payable.

2.3 EXTENSION OF BENEFITS

Can benefits be extended?

We will continue to pay the Total Disability benefit beyond the Maximum Benefit Period while You remain Totally Disabled if:

a. You were Totally Disabled for the entire Maximum Benefit Period; and
b. The sum of the Total Disability benefit amounts payable during that period is less than the Maximum Total Benefit.

The Total Disability Benefit during any period of Disability will not be payable once the Maximum Total Benefit has been paid.

2.4 PRESUMPTIVE TOTAL DISABILITY BENEFIT

Can Total Disability be automatically assumed?

If Injury or Sickness causes You to totally and irrecoverably lose:

a. Your speech; or
b. Your hearing in both ears; or
c. Your sight in both eyes; or
d. Use of both hands; or
e. Use of both feet; or
f. Use of one hand and one foot;

We will consider You to be Totally Disabled whether or not You are able to work or require treatment by a Physician. We will pay the Total Disability benefit as set forth in the TOTAL DISABILITY BENEFIT section.

2.5 PARTIAL DISABILITY BENEFIT

What is the Partial Disability benefit?

We will periodically pay a partial benefit if:

a. Injury or Sickness results in Your continuous Partial Disability from the date of the Injury, or the date Your sickness begins; or
b. Injury or Sickness results in Your Continuous Partial Disability right after a period of Total Disability for which the Covered Monthly Expense Benefit is payable.

This benefit will begin on either the Commencement Date or the day after Your Total Disability ends, whichever is later. We will pay it while Your Partial Disability continues but not for more than three months.

The amount of this benefit is equal to 50% of the Maximum Covered Monthly Expense Benefit.

2.6 SURVIVOR BENEFIT

Is there a benefit if I die?

If You die prior to Your 65th birthday while receiving the Total Disability benefit, We will pay to Your estate or designated beneficiary, an amount equal to 1.5 times the Maximum Covered Monthly Expense Benefit, but the payment of this benefit will not cause the Maximum Total Benefit to be exceeded.

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2.7 EXCHANGE PRIVILEGE

Can this Policy be exchanged?

At any time before You reach age 60, You may ask to exchange this Policy for one of Our Disability income policies providing substantially equivalent benefits if:

a. This Policy is then in force; and
b. You send Us a completed new application (Part 1 only); and
c. You are not Disabled at the time.

Payment of benefits under our disability income policies does not depend on the Covered Monthly Expense You incur.

You may elect the monthly amount of the benefit under the new Policy, but that monthly amount cannot be more than either:

a. $5000.00 or
b. The Maximum Covered Monthly Expense Benefit shown on the Policy Schedule, if that is less.

In no event can the monthly amount of the benefit, when added to similar benefits under all disability income coverage You have with any company, exceed Our limits. By "limits" We mean the maximum disability income coverage We offer to new applicants of Your class of risk according to Our issue and participation limits in effect at the time of Your request.

The Date of Issue of the new Policy will be the date We receive Your new application at Our office. The Incontestable clause in Your new Policy will only apply to material statements made on Your application for that Policy.

The premium for the new Policy will be the rate We charge for Your class of risk and age on the Date of Issue of this Policy.

The new Policy will cover only losses occurring while it is in force. It will exclude only conditions excluded by this Policy.

PART 3
EXCLUSIONS

What if a Disability results from war or normal pregnancy?

We will not pay benefits for Disability due to:

a. Act or accident of war, whether declared or undeclared.
b. Normal pregnancy or childbirth, but We will cover complications of either of these.

PART 4
RECURRENT AND CONCURRENT DISABILITY

4.1 RECURRENT DISABILITY

What if a Disability recurs?

After a period of Disability for which We paid benefits ends and You become Disabled again from the same or related cause, We will consider it a continuation of the prior period of Disability. If You have engaged in Your regular occupation and performed all of the important duties of that occupation for at least six months between those two periods of Disability, then We will consider it a new Disability.

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What if a Disability is due to two causes at the same time?

4.2 CONCURRENT DISABILITY

If a Disability is caused by more than one Injury or Sickness, or from both, We will pay benefits as if the Disability was caused by only one Injury or Sickness.

PART 5
RENEWAL OPTION

5.1 RENEWAL OPTION

Can this Policy be renewed after age 65?

After Your 65th birthday You may continue Your Policy for the Total Disability benefit while:

a. You are actively and regularly employed at least 30 hours per week; and
b. You are responsible for the expenses of maintaining an office or business; and
c. The premium is paid on time. The premium will be at the rate in effect for Your rating group on each due date.

We can require proof after Your 65th birthday that You have continued to be actively and regularly employed full time.

The Policy must be in force when You elect this option.

If You elect this option, and Total Disability starts before age 75, We will pay the same benefits subject to the same provisions, exceptions, and limitations in the Policy. See section 5.2 for Total Disability starting as of age 75.

Any premium paid after Your 65th birthday for a period not covered by Your Policy under this option, will be returned to You.

5.2 TOTAL DISABILITY BENEFIT - REDUCED AT AGE 75

Will benefits be reduced after age 75?

For Total Disability starting on or after Your 75th birthday, Your Maximum Covered Monthly Expense Benefit and the Maximum Total Benefit will be reduced by 50% of the benefits shown on the Policy Schedule, but, the Maximum Benefit Period will remain the same.

PART 6
CLAIMS

6.1 TIME OF LOSS

When must losses occur?

All losses must occur while Your Policy is in force, but termination of Your Policy will not affect any claim for Disability that begins within 30 days of the date of an Injury causing such Disability.

6.2 WRITTEN NOTICE OF CLAIM

When must written notice be given?

Written notice of claim must be given to Us within 30 days after a covered loss starts, or as soon as reasonably possible.

The notice will be sufficient if it identifies You and is sent to our office, P.O. Box 515, Station A, Mississauga, Ontario L5A 4M3 or is given to Our agent.

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6.3 CLAIM FORMS

Is there a form for proof of loss?

After We receive the written notice of claim, We will send You Our proof of loss forms within 15 days. If We do not, You will meet the written proof of loss requirements if You send Us, within the time set forth below, a written statement of the nature and extent of Your loss.

6.4 WRITTEN PROOF OF LOSS

When must written proof of loss be submitted?

Written proof of loss must be sent to Us within 90 days after the end of a period for which You are claiming benefits. If that is not reasonably possible, Your claim will not be affected. Unless You are legally incapacitated, written proof must be given within one year.

6.5 TIME OF PAYMENT OF CLAIMS

When will benefits be paid?

After We receive written proof of loss:

a. We will pay any benefits then due that are not payable periodically; and
b. We will pay at the end of each 30 days any benefits due that are payable periodically subject to continuing proof of loss.

6.6 PAYMENT OF CLAIMS

To whom will benefits be paid?

All benefits will be paid to the Owner of this Policy, but, if any benefit is payable to You or Your estate or if You are not competent to give a valid release, We can pay up to 1,000 dollars to one of Your relatives who We believe is entitled to it. If We do that in good faith, We will not be liable to anyone for the amount We pay.

6.7 ASSIGNMENT

When must notice of assignment be sent?

We will not be bound by an assignment of Your Policy or any claim unless We receive a written assignment at Our office before We pay the benefits claimed. We will not be responsible for the validity of any assignment.

6.8 PHYSICAL EXAMINATION

Can there be an independant medical exam performed?

At Our expense, We can have a Physician examine You as often as reasonably required while Your claim is pending.

6.9 MISSTATEMENT OF AGE

What if there is a misstatement of age?

If Your age has been misstated, the benefits under the Policy will be those that the premium You paid would have purchased at Your correct age.

PART 7
PREMIUM AND REINSTATEMENT

7.1 PAYMENT OF PREMIUM

When are Premiums due?

The first premium on Your Policy is payable on the Date of Issue. After that, premiums are payable in the amount and mode shown on the Policy Schedule. Payment may be made at our office, P.O. Box 515, Station A, Mississauga, Ontario L5A 4M3 or to Our agent.

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Premiums may be paid annually or semi-annually. If Our rules permit it, You can pay the premiums quarterly or monthly. We will allow You to change this by written request, but We will not allow a change while You are Disabled.

7.2 GRACE PERIOD

What happens if a premium payment is late?

After the first premium has been paid, a grace period of 31 days is allowed for late payment of premium. Your Policy will remain in force during the grace period.

If the premium is not paid when it is due or within the grace period, the Policy will lapse.

7.3 REINSTATEMENT

If Your Policy lapses because the premium is not paid when due or within the grace period, it will be reinstated if We or Our agent accepts payment of the premium without requiring a reinstatement application.

How can a lapsed Policy be reinstated?

If We receive the premium due at our office within 57 days from the date the premium was due, We will not require evidence of Your insurability.

If We receive the premium after 57 days, We will require a reinstatement application. We will issue You a conditional receipt for the premium. If We approve Your application, the Policy will be reinstated as of the date of Our approval. If We disapprove Your application, We must do so in writing within 45 days of the date of the conditional receipt or the Policy will be reinstated on the 45th day.

The reinstated Policy will cover only loss due to:

a. Injury sustained after the date of reinstatement; or
b. Sickness that begins more than ten days after such date.

Except for this and any new provisions that are added to the reinstated Policy, Your rights and Our rights will be the same as before the Policy lapsed.

Is there any premium refund at death?

7.4 PREMIUM REFUND AT DEATH

Upon notice of your death, We will make a pro rata refund of any premium paid for a period beyond the month of Your death.

PART 8
WAIVER OF PREMIUM

When will premiums be waived?

8.1 WAIVER OF PREMIUM

After You have been Disabled for 90 days, We will waive any premium that becomes due while You remain so disabled. Your Policy and its benefits will continue as if the premium had been paid.

We will also refund any premium that became due and was paid during those first 90 days of Disability.

When You are no longer eligible for Waiver of Premium, You can continue Your Policy in force by paying the next premium that becomes due.

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PART 9
THE CONTRACT

9.1 CHANGES TO THE POLICY

Can the Policy be changed?

No one, including Our agent, has the right to change or waive any part of this Policy unless the change is approved in writing on the Policy by one of Our officers.

9.2 INCONTESTABLE

For how long is the Policy contestable?

a. After your Policy has been in force for two years, excluding anytime you are Disabled, We cannot contest it. This does not apply if a material fact has been fraudulently misrepresented or not disclosed to us.
b. No claim for loss incurred or Disability beginning after two years from the Date of Issue will be reduced or denied because a disease or physical condition existed before the Date of Issue unless it is excluded by name or specific description.

9.3 CONFORMITY WITH PROVINCIAL STATUTES

What if the Policy differs with provincial requirements?

Any provisions in this Policy which, on its Date of Issue, conflicts with the laws of the province in which You reside on that date is amended to meet the minimum requirements of such laws.

9.4 LEGAL ACTION

When can legal action be brought under this Policy?

You cannot bring legal action within 60 days from the date written proof of loss is given. You cannot bring it after three years from the date written proof of loss is required to be given.

PART 10
STATUTORY CONDITIONS

10.1 1. THE CONTRACT

The application, this Policy, any document attached to this Policy when issued, and any amendment to the contract agreed upon in writing after the Policy is issued, constitute the entire contract, and no agent has authority to change the contract or waive any of its provisions.

2. WAIVER

The Insurer shall be deemed not to have waived any condition of this contract, either in whole or in part, unless the waiver is clearly expressed in writing signed by the Insurer.

3. COPY OF APPLICATION

The Insurer shall, upon request, furnish to the Insured or to a claimant under the contract a copy of the application.

10.2 MATERIAL FACTS

No statement made by the Insured or person insured at the time of application for this contract shall be used in defence of a claim under or to avoid this contract unless it is contained in the application or any other written statements or answers furnished as evidence of insurability.

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10.3 CHANGES IN OCCUPATION

("This Condition is not applicable to this Policy and is omitted pursuant to Statute.")

10.4 RELATION OF EARNINGS TO INSURANCE

("This Condition is not applicable to this Policy and is omitted pursuant to Statute.")

10.5 TERMINATION BY INSURED

("This Condition is not applicable to this Policy and is omitted pursuant to Statute.")

10.6 TERMINATION BY INSURER

("This Condition is not applicable to this Policy and is omitted pursuant to Statute.")

10.7 1. NOTICE AND PROOF OF CLAIM

The Insured or a person insured, or a beneficiary entitled to make a claim, or the agent of any of them, shall

a. give written notice of claim to the Insurer
   i. by delivery thereof, or by sending it by registered mail to the head office or chief agency of the Insurer in the province; or
   ii. by delivery thereof to an authorized agent of the Insurer in the province, not later than thirty days from the date a claim arises under the contract on account of an accident, sickness or disability,
b. Within ninety days from the date a claim arises under the contract on account of an accident, sickness or disability, furnish to the Insurer such proof as is reasonably possible in the circumstances of the happening of the accident or the commencement of the sickness or disability, and the loss occasioned thereby, the right of the claimant to receive payment, his age, and the age of the beneficiary if relevant; and
c. if so required by the Insurer, furnish a satisfactory certificate as to the cause or nature of the accident, sickness or disability for which claim may be made under the contract and as to the duration of such a disability.

2. FAILURE TO GIVE NOTICE OF PROOF

Failure to give notice of claim or furnish proof of claim within the time prescribed by this statutory condition does not invalidate the claim if the notice or proof is given or furnished as soon as reasonably possible, and in no event later than one year from the date of the accident or the date a claim arises under the contract on account of sickness or disability if it is shown that it was not reasonably possible to give notice or furnish proof within the time so prescribed.

10.8 INSURER TO FURNISH FORMS FOR PROOF OF CLAIM

The insurer shall furnish forms for proof of claim within fifteen days after receiving notice of claim, but where the claimant has not received the forms within that time he may submit his proof of claim in the form of a written statement of the cause or nature of the accident, sickness or disability giving rise to the claim and of the extent of the loss.

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10.9 RIGHTS OF EXAMINATION

As a condition precedent to recovery of insurance moneys under this contract,

a. The claimant shall afford to the Insurer an opportunity to examine the person of the person insured when and so often as it reasonably requires while the claim hereunder is pending, and
b. in the case of death of the person insured, the Insurer may require an autopsy subject to any law of the applicable jurisdiction relating to autopsies.

10.10 WHEN MONEYS PAYABLE OTHER THAN FOR LOSS OF TIME

All moneys payable under this contract, other than benefits for loss of time, shall be paid by the Insurer within sixty days after it has received proof of claim.

10.11 WHEN LOSS OF TIME BENEFITS PAYABLE

The initial benefits for loss of time shall be paid by the Insurer within thirty days after it has received proof of claim and payment shall be made thereafter in accordance with the terms of the contract but not less frequently than once in each succeeding thirty days while the Insurer remains liable for the payments if the person insured when required to do so furnishes before payment proof of continuing disability.

10.12 LIMITATION OF ACTIONS

An action or proceeding against the Insurer for the recovery of a claim under this contract shall not be commenced more than three years after the date insurance money became payable or would have become payable if it had been a valid claim.

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Provincial amendments

This policy contract is amended by adding the following provisions:

Limitation of Actions:
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 (for actions or proceedings governed by the laws of Alberta and British Columbia), The Insurance Act (for actions or proceedings governed by the laws of Manitoba), the *Limitations Act,* 2002 (for actions or proceedings governed by the laws of Ontario), or in other applicable legislation in your province of residence. For those actions or proceedings governed by the laws of Quebec, the prescriptive period is set out in the Quebec Civil Code.

Beneficiary restriction:
Your policy contains a provision restricting or removing your right to designate a beneficiary to receive any insurance money payable under the contract if,

- this coverage was purchased over the telephone*;
- this coverage was purchased on-line*;
- a Child Term Rider was or will be added to the policy contract;
- this coverage is a Critical Illness policy which contains a Return of Premium rider;
- this coverage is a Disability Buy/Sell Insurance policy;
- this coverage is a Key Person Disability Insurance policy;
- this coverage is a Retirement Protector Insurance policy; or
- this coverage includes a Retirement Protector Rider.

**You can designate a beneficiary or beneficiaries of your choice without restriction once your policy has been delivered to you by completing a Beneficiary Change form.*

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