

LONG TERM DISABILITY GROUP BENEFIT PLAN

FOR

**THE UNION EMPLOYEES OF THE CANADIAN RAILWAYS
(CN, CP, VIA RAIL OR OTHER RAIL ENTERPRISES UNIONS)**

JANUARY 2008

Prepared By:

C.A.T.A.Q. ASSURANCES INC.

**INSURANCE BROKING
1-800-363-1809**

**CN, CP, VIA RAIL
OR OTHER RAIL ENTERPRISES UNIONS**

FOR OPTIONS 1 TO 13 : 75 000 \$ YEAR AND OVER
 FOR OPTIONS 5 TO 13 : BETWEEN 65 000 \$ AND 74 999 \$
 FOR OPTIONS 8-9-11-12-13 : BETWEEN 55 000 \$ AND 64 999 \$
 FOR OPTIONS 9-12-13 : BETWEEN 50 000 \$ AND 54 999 \$
 FOR OPTION 13 : BETWEEN 40 000 \$ AND 49 999 \$

SCHEDULE OF COVERAGES # 13751

January 2008

OPTIONS	LIFE COVERAGE	A.D.D.	WEEKLY INDEMNITY	LONG TERM DISABILITY (MONTHLY)	MONTHLY COST ONTARIO	MONTHLY COST QUEBEC	MONTHLY COST CANADA
1	15 000.00	15 000.00	370.00	3 000.00	136.41	137.65	126.49
2	15 000.00	15 000.00	370.00	2 750.00	129.88	131.65	120.44
3	15 000.00	15 000.00	370.00	2 500.00	123.23	124.35	114.29
4	15 000.00	15 000.00	285.00	3 000.00	122.88	123.99	113.96
5	15 000.00	15 000.00	285.00	2 750.00	116.34	117.40	107.91
6	15 000.00	15 000.00	285.00	2 500.00	109.70	110.69	101.76
7	15 000.00	15 000.00	200.00	3 000.00	109.11	110.09	101.21
8	15 000.00	15 000.00	200.00	2 750.00	102.57	103.50	95.16
9	15 000.00	15 000.00	200.00	2 500.00	95.93	96.80	89.01
10	15 000.00	15 000.00	100.00	3 000.00	92.80	93.63	86.11
11	15 000.00	15 000.00	100.00	2 750.00	86.26	87.01	80.06
12	15 000.00	15 000.00	100.00	2 500.00	79.62	80.34	73.91
13	15 000.00	15 000.00	100.00	2 250.00	73.19	73.85	67.96
14	15 000.00	15 000.00	0	0	19.57	19.74	18.19

** THE WEEKLY COST FOR QUEBEC AND ONTARIO IS MORE EXPENSIVE THAN OTHER PROVINCES BECAUSE WE
 ADD A 9% TAX FOR QUEBEC AND 8% TAX FOR ONTARIO

NOTE: CONCERNING THE OPTIONS 1 TO 13 THERE IS AN ELIMINATION PERIOD OF
 14 DAYS APPLYING FOR WEEKLY INDEMNITY

NOTE: OPTION 14 LIFE INSURANCE UNTIL 65 YEARS OLD.

INSURANCE PROGRAM FOR C.N., C.P., VIA OR ANY OTHER RAIL TRANSPORTATION COMPANY IN NORTH AMERICA

SUMMARY OF THE PLAN: in case of differences between the terms and conditions contained in the booklet issued by Standard Life and the present summary, the content of the booklet will prevail

ELIGIBILITY

All new employees who are within classes indicated according to salary (see page 2) and who are working for C.N., C.P. or VIA on a full-time basis are eligible, without evidence of insurability.

All employees who are within classes indicated according to salary (see page 2) and who are working for C.N., C.P. or VIA on a full-time basis are eligible, subject to furnish evidence of insurability.

The salary that will serve as a basis for eligibility to the various OPTIONS available is as follows:

Salary means average income of the last three (3) years as appearing on T-4 slip, or the salary of the last year.

Eligibility to the OPTIONS available is based on the salary of the employee. (ref. page 2) Ex: annual salary between 55 000 \$ and 64 999\$ is eligible to OPTIONS 8-9-11-12-13.

The employee cannot choose an option corresponding to a higher salary but has the possibility to choose an option corresponding to a lower salary. However if he/she desire benefit of the amount which he/she is eligible for, after having chosen a lower OPTION, he/she will be obliged to submit evidence of insurability. The new amount will be effective at the date the evidence of insurability will be approved by the Standard Life.

No evidence of insurability will be required, if the employee decides to choose another OPTION corresponding to his/her new salary in case of salary increase.

In case of temporary lay-off, leave without pay, disciplinary suspension or dismissal under cardinal and G rules, strike or lock-out, your coverage may be continued for a maximum of 24 months, provided the appropriate premiums are being paid. To that end, a written notice shall be forwarded to Standard Life.

NOTE: In such cases, coverage for life insurance, accidental death and dismemberment applies immediately; while short and long term disability coverage will be considered to have begun on the day you are scheduled to return to work.

DETAILED EXPLANATION OF THE PLAN

EMPLOYEE LIFE COVERAGE

In the event of death, each OPTION provides for the payment of 15 000 \$ to the employee's named beneficiary.

If an employee become Terminally Sick and has a medical certificate confirming his life expectancy of less than a year, he could require the payment of 7 500 \$ immediately while he is alive and the balance of \$7 500 will be payable to the employee's named beneficiary.

If an employee dies within 31 days of ceasing to be covered for the Life Coverage, an amount of 15 000 \$ will be paid to the named beneficiary.

The employee younger than age 65 who ceases to be covered for Life Coverage may apply, within 31 days of termination, for conversion of the Life Coverage to an individual policy of 15 000 \$ without evidence of insurability.

ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE

In the event of accidental death, an additional payment of 15 000 \$ will be made to the employee's beneficiary.

For the loss of life, both hands, both feet or both arms, etc. the employee will be paid 15 000 \$ (ref. page 8)

Coverage for accidental death and dismemberment only applies if the loss results directly from an accidental bodily injury and it occurs not more than 365 days after the date of the accident.

The loss for accidental death and dismemberment is not covered if it results from:

- a suicide or intentionally self-inflicted injury,
- bodily or mental infirmity or disease,
- infection unless caused by an accident,
- commission of, or attempt to commit a criminal offence,
- injuries sustained as a result of driving a vehicle while the employees blood contained more than 0.08 of alcohol,

- war, insurrection, riot or civil disorder.
- travel or flight in, or descent from, any aircraft or aerial device if
- the employee is making the flight for the purpose of aeronautical instruction; or
- the employee has any duties whatever in relation to the aircraft or the flight therein; or
- the travel, flight, or descent is made for the purpose of instruction, training, aerobatics, testing or sky-diving.

NOTE: The above mentioned exclusions only apply to accidental death and dismemberment.

NOTE: Coverage applies 24 hours per day and to whatever accident, and is payable in addition to any other income from a private insurance or governmental plan.

WEEKLY INDEMNITY COVERAGE

Total disability means that the employee, due to illness or accidental injury is:

- a) unable to perform any and every duty pertaining to his/her professional occupation; and
- b) not engaged in any gainful occupation.

A NON-TAXABLE weekly benefit will be paid to the employee who is totally disabled and under the care of a doctor pursuant to the selected OPTION (ref. page 2) \$100 (OPTIONS 10 to 13), \$200 (OPTIONS 7 to 9), or \$285 (OPTIONS 4 to 6), \$370 (OPTIONS 1 to 3).

This benefit is payable from the 15th day in the event of an accidental injury, hospitalisation and/or in the event of illness.

This benefit is supplemental to the one paid by the Company via Sun Life or National Life and applies in a like manner, i.e. ~~the~~ Standard Life will pay from the 15th day to the 15th week, the employee will receive employment insurance benefits from the 16th to the 30th week and the Standard Life will resume payment from the 31st to the 41st week.

The weekly benefit will be reduced by any amount the employee may receive for wage loss under a government automobile insurance program, a workers' compensation authority or to the disabled employee who receives benefits under Canada Pension Plan or Quebec Pension Plan. The benefit is also reduced by any disability compensation covering a loss of earnings paid by a third party.

Weekly indemnity benefits are not payable:

- for any period during which the employee is not under the care of a doctor,
- if the disability results from the commission of, or attempt to commit, any criminal offence.
- If the disability results from self-inflicted injuries while sane or insane.

LONG TERM DISABILITY COVERAGE

Total disability and totally disabled mean:

- (1) the employee is unable to perform any and every duty pertaining to his/her occupation during the next 24 months of disability and after apply for the employer's disability or medical pension "IF HE IS ELIGIBLE"
- (2) thereafter, the employee is unable to engage in any and every gainful occupation for which he/she is reasonably qualified by education, training or experience; and
- (3) the employee is not engaged in any gainful occupation (other than rehabilitative employment).
as a result of accidental bodily injury or illness.

A NON-TAXABLE monthly benefit will be paid to the employee who is totally disabled and under the care of a doctor pursuant to the selected OPTION (ref. page 2) \$ 3 000 (OPTIONS 1,4,7 and 10), \$ 2 750 (OPTIONS 2, 5, 8, and 11), \$ 2 500 (OPTIONS 3, 6, 9 and 12), \$ 2 250 \$ (OPTION 13) \$ 2 000).

This benefit is payable after 41 weeks of total disability without interruption until age 60.

The monthly benefit will be directly reduced by any amount the employee may receive under a workers' compensation authority, a government automobile insurance program, a disability pension payable under Canada Pension Plan or Quebec Pension Plan and by 50% of compensation received from rehabilitative employment. An employee who is totally disabled and who is awarded loss of earnings compensation from a third party for a disability will have to refund to the Standard Life any benefits received under the present coverage for such disability, up to the maximum amount awarded by the third party.

Rehabilitative employment

Disabled employees are encouraged to engage in Rehabilitative Employment opportunities which enable them to return to work on a gradual basis. Various work opportunities including part-time occupation, or a gainful occupation of a less demanding nature are considered. The employee MAY MAKE advance written notice to the Standard Life to commence Rehabilitative Employment and continue to be eligible for some benefits under this Coverage. The duration will not exceed three months but may be further extended by making written request to the Standard Life. In no event will the employee be on rehabilitation status for more than 24 months for all total disabilities due to the same or related causes.

Rehabilitation program

The Standard Life's rehabilitation program encourages and assists disabled employees to return to work. The Standard Life has on-staff trained rehabilitation counsellors who specialize in helping disabled employees return to work. The Standard Life will also purchase rehabilitation counselling, medical treatment, job development and placement services, and equipment and supplies. These benefits are provided in addition to the employee's monthly long term disability benefits.

Example under OPTIONS 1, 4, 7, 10 - 3 000 \$ per month

If the employee receives 1 000 \$ per month for rehabilitative employment, 50% thereof is deducted, i.e., 500 \$, meaning he will receive 2 500 \$ NON-TAXABLE from the Standard Life + 1 000 \$ taxable as compensation for rehabilitative employment.

EXCLUSIONS:

Benefits for monthly disability will not be paid under the following circumstances:

- Any period of time the employee is not under the regular care of a doctor;
- If the disability results from commission of, or attempt to commit, a criminal offence;
- If the disability is caused, totally or in part, by war or any act of war, civil commotion, insurrection or hostilities of any kind;
- If the disability results from self-inflicted injuries while sane or insane;
- If the employee is confined in a penal institution or other house of correction.

PARTICIPANT'S ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

Schedule of Benefits

<u>Accidental loss of</u>	<u>Sum insured</u>
Life	100%
Both hands or both feet	100%
Both arms or both legs	100%
Entire sight of both eyes	100%
One hand and one foot	100%
One hand and entire sight of one eye	100%
One foot and entire sight of one eye	100%
Hearing in both ears and speech	100%
One arm or one leg	75%
One hand or one foot	50%
Sight of one eye	50%
Speech	50%
Hearing in both ears	50%
Thumb and index finger of one hand	25%
<u>Four fingers of one hand</u>	<u>25%</u>

<u>Loss of use of</u>	<u>Sum insured</u>
Both legs by reason of paraplegia	100%
Both arms and both legs by reason of quadriplegia	100%
Both hands or both feet	100%
Both arms and both feet	100%
One hand and one foot	100%
One arm or one leg	75%
One hand or one foot	50%
Thumb and index finger or one hand	25%
Four fingers of one hand	25%