

## Declaration Page

1. PROGRAM PROVIDER: ClaimSecure Inc.
2. MASTER POLICYHOLDER: Company ABC
3. POLICY NUMBER: 2856xxxxASL
4. INSURER: Royal & Sun Alliance Insurance Company of Canada
5. POLICY TERM: Effective Date: xx/xx/xx  
Expiry Date: xx/xx/xx
6. PREMIUM: As defined in Application
7. TYPE OF INSURANCE: SecurePak Aggregate™  
Group Extended Health & Drug Stop-Loss Insurance
8. AGGREGATE STOP-LOSS LEVEL: xxx% of Expected Claims
9. STOP-LOSS DETERMINANT FACTOR: \$xx.xx



### IDENTIFICATION OF INSURER

Underwritten by:

Royal & Sun Alliance Insurance Company of Canada

Administered by:

Expert Travel Financial Security (E.T.F.S.) Inc.

1 Date.....

Per.....

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™ The following is a trademark of Expert Travel Financial Security (E.T.F.S.) Inc.: the **etfs** logo.

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**SecurePak Aggregate™  
Group Extended Health & Drug Benefits  
Aggregate Stop-Loss Insurance**

**GROUP MASTER POLICY**

**SECTION 1  
INSURING AGREEMENT**

In consideration of the statements set forth in the SecurePak™ Group Extended Health Benefit Stop-Loss Insurance Application attached hereto, and in consideration of the payment of premium in accordance with said SecurePak™ Group Extended Health Benefit Stop-Loss Insurance Application, the Insurer agrees to insure eligible Employees of a participant Policyholder of the Program Provider and their eligible dependents, if any (herein individually named the Insured Dependent), as set forth in the SecurePak™ Group Extended Health Benefit Stop-Loss Insurance Application attached hereto, (herein all individually called the Insured Person) for whom application is made, for loss resulting from injury or sickness to the extent herein provided and subject to all of the exceptions, limitations and provisions of this Policy.

**SECTION 2  
EFFECTIVE DATE AND POLICY TERM**

As stated in Item 5 of the Declaration Page, this Policy takes effect at 12:01 a.m., Local Time, at the address of the Policyholder, from which date all insurance years and months shall be calculated subject to Section 3 following. It continues in force for the period for which the premium has been paid.

**SECTION 3  
PREMIUM AND RENEWAL**

This Policy is issued in consideration of the payment of premiums in accordance with the SecurePak™ Group Extended Health Benefit Stop-Loss Insurance Application.

Premium shall be payable twice monthly upon receipt of invoice for the period for which it applies (Premium Due Date).

This Policy may be renewed subject to the written consent of the Insurer for further consecutive terms, not exceeding twelve (12) consecutive months, upon payment of the premium at the rate and in the amount determined at the time of renewal by the Insurer.

The Insurer reserves the right to amend this contract, including rates and benefits, in the event of statutory, regulatory, or judicial changes that result in additional risks not contemplated by this Insurance Policy.

**SECTION 4  
DEFINITIONS**

As provided in the Policyholder's ClaimSecure Master Application; plus,

**"Accumulated Net Paid Claims"** means the total paid Extended Health Care Claims less: the amounts exceeding the Individual Stop-Loss Level; and the Exclusions as identified in Section 8.

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**“ClaimSecure Master Application”** term used to refer to the Policyholder’s Extended Health Care Master Application with ClaimSecure.

**“Drug Expenses”** wherever used in this policy means the reasonable and necessary expense of drugs, as provided in the Policyholder’s Plan.

**“Expected Claims”** means anticipated, eligible claims for the next Policy year. This projection is based on past claims paid and then projecting forward taking into account trend factors, demographic changes, benefit plan and legislation changes and other factors that would change claiming patterns, as determined by ETFS. Claims over the Individual Stop-Loss Level and Exclusions as Identified in Section 8 are not included.

**“Insured Dependent”** means the Spouse and the unmarried child of the Insured Person, who is under age **xx** or under age **xx** if a full-time student at a recognized educational institution, dependent on the Insured Person for support and is not employed on a full-time basis. A handicapped child who has a physical or mental deficiency and who is totally dependant on the Insured Person for support will continue to be eligible provided he/she was covered as an Insured Dependent under this policy before attaining age **xx**. The Insured Dependent must also meet the eligibility requirement under Section 5 below.

**“Insured Person”** wherever used in this Policy means an Employee who meets the eligibility requirement under Section 5 below. Insured Person(s) wherever used in this Policy will mean the Employee and Insured Dependent.

**“Insurer”** means Royal & Sun Alliance Insurance Company of Canada.

**“Medical Expenses”** wherever used in this Policy means the reasonable and necessary expense of treatment, as provided in the Policyholder’s Plan.

**“Medically Necessary”** in reference to a given service or supply, means such service or supply:

- a) is appropriate and consistent with the diagnosis according to accepted community standard of medical treatment;
- b) is not experimental or investigative in nature;
- c) cannot be omitted without adversely affecting the Insured Person’s condition or quality of medical care.

**“Monthly Attachment Point”** is the Stop-Loss Determinant Factor multiplied by the number of eligible insured certificates per month. The Accumulated Monthly Attachment Point will represent the cumulative over the Policy Year.

**“Plan”** means the Policyholder’s Extended Health Care plan.

**“Policy Period”** means the period of time this Policy is in force as per Item 5 of the Declaration Page.

**“Policyholder”** wherever used in this Policy means a company, partnership, an association, or a registered or chartered group who have a group Insurance Policy through the Program Provider, and have signed a SecurePak™ Group Extended Health Benefit Stop-Loss Insurance Application for coverage as the Policyholder under this Stop-Loss insurance Policy.

**“Program Provider”** wherever used in this policy means ClaimSecure Inc.

**“Spouse”** means the person to whom the Employee is legally married or with whom he has been residing with in a common-law relationship.

**“Stop-Loss Determinant Factor”** means the factor that determines the Monthly Attachment Point per insured certificate per month as identified on the Policy anniversary.

**“Terrorism”** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

## **SECTION 5 ELIGIBILITY AND TERMINATION**

As provided in the Policyholder’s ClaimSecure Master Application, eligibility applies to all eligible active Employees of participating Policyholders of the Program Provider and Employees on approved leave of absence or on disability, as provided herein, and their eligible dependents. Further, all eligible persons must be under seventy (70) years of age and living in Canada and have current Provincial or Federal Government Health Insurance Plans in force to maintain eligibility.

The Insured Person’s effective date of insurance is as provided in the Policyholder’s ClaimSecure Master Application.

Terminations will occur as provided in the Policyholder’s ClaimSecure Master Application. Notwithstanding this provision, the insurance of any Insured Person shall immediately terminate on the date the Insured Person becomes ineligible for the Policyholder’s Extended Health Benefits plan, or the disabled Employee turns age sixty-five (65); or the Insured Person reaches seventy (70) years of age, whichever comes first.

## **SECTION 6 REIMBURSEMENT**

When the Accumulated Net Paid Claims exceed the Accumulated Attachment Point the Insurer shall reimburse the Program Provider on behalf of the Policyholder for the Medical Expenses and Drug Expenses paid over and above the Aggregate Stop-Loss Level as stated in Item 8 of the Declaration Page.

Reimbursement will be calculated and paid on an annual basis.

Written proof of such loss must be furnished to the Program Provider within ninety (90) days after the end of the Policy Period. Reimbursement will be made by the Insurer within thirty (30) days of receipt of all required information.

The total amount payable under this Policy shall not exceed one million dollars (\$1,000,000.00) per Policy Period.

**The following represents the calculation of the Stop-Loss Determinant Factor:**

Annual Attachment Point = Expected Claims x Aggregate Attachment Level

Monthly Attachment Point = Annual Attachment Point / 12

Stop-Loss Determinant Factor = Monthly Attachment Point / Expected # of employees for the month

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**The following represents the calculation of the Aggregate Stop-Loss Reimbursement:**

Monthly Attachment Point = Stop-Loss Determinant Factor (SLDF) x Actual # of employees for the month

Accumulated Attachment Point = Accrued Monthly Attachment Point

Accumulated Net Paid Claims = Accrued Eligible Monthly Paid Claims

Aggregate Stop-Loss Reimbursement = Accumulated Net Paid Claims – Accumulated Attachment Point

**SECTION 7  
SUBROGATION CLAUSE**

In the event of any payment of benefits under this Policy, the Insurer shall be subrogated to all the rights of recovery therefore which any Insured Person receiving such payment, or any beneficiary to whom such payment is made, may have against any person, legal person or entity who caused the injury or sickness giving rise to claim under this Policy. Such Insured Person or beneficiary shall execute and deliver any related instruments and papers and do whatever else is necessary to secure such rights and shall do nothing after the loss to prejudice such rights.

**SECTION 8  
EXCLUSIONS, LIMITATIONS & SPECIAL PROVISIONS**

As provided in the Policyholder's ClaimSecure Master Application.

Notwithstanding any provision in the Policyholder's ClaimSecure Master Application, this insurance does not cover losses or expenses caused directly or indirectly, in whole or in part, by:

1. Medical Referrals outside Canada, unless such treatment is not available in Canada and such treatment outside Canada is specifically authorized and paid for, or partially paid for, by the Insured Person's Provincial or Federal Government Health Insurance Plan;
2. Any trip or sojourn outside of the Insured Person's province or territory of residence, except as provided under paragraph 1 above;
3. Any treatment, surgery, care, service, examination or device which is not covered in the Policyholder's ClaimSecure Master Application;
4. Any treatment, surgery, care, service, examination or device which:
  - a. is not Medically Necessary;
  - b. is provided or required for cosmetic purposes;
  - c. is conducted as an experiment;
  - d. is provided or required for non-curative reasons;
  - e. or exceeds what is ordinarily provided or required by current therapeutic practice;
5. Therapeutic or elective abortion;
6. Laser Vision Surgery;
7. Services or supplies associated with:
  - a. Erectile dysfunction which are in excess of five thousand dollars (\$5,000.00) per Insured Person per Policy Period,
  - b. The diagnosis or treatment of infertility which are in excess of five thousand dollars (\$5,000.00) per Insured Person per Policy Period,
  - c. Contraception, other than oral contraceptives and contraceptive patches;
8. Homeopathic preparations, unless federal or provincial legislation requires a prescription for their sale;

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9. Drugs which do not legally require a prescription and pharmaceutical supplies which are either experimental or not approved by the Canadian government or Provincial government regulatory body in the Insured Person's Province or territory of residence;
10. Any benefit covered under a Health Service Spending Account or a Cost Plus plan;
11. Any treatment related to or provided for drug addiction;
12. Private duty nursing costs which are in excess of twenty-five thousand dollars (\$25,000.00) per Insured Person per Policy Period;
13. Semi-private, or private, hospital room charges, which are in excess of two hundred dollars (\$200.00) per Insured Person per diem;
14. Paramedical practitioner costs which are in excess of five hundred dollars (\$500.00) per practitioner per Insured Person per Policy Period;
15. War, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
16. Terrorism or by any activity or decision of a government agency or any other entity to prevent, respond to or terminate Terrorism regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage except for ensuing loss or damage which results directly from fire or explosion.

Any amendments or changes that reduce the Co-payment that the employee pays for the Drug Benefit must be approved by the Insurer for this Stop-Loss Insurance to remain in force.

Further, this Policy is subject to and shall not contravene any Federal or Provincial Statutory requirement with respect to any Hospital and/or Medical Plans, nor shall it duplicate any benefits which are provided under any Federal or Provincial Hospital or Medical Plans or Acts, or any other policy providing a reimbursement benefit, specifically:

- a) any government Hospital or Medical Plan;
- b) any "Workers' Compensation Act";
- c) any public or tax-supported agency;
- d) any individual Stop-Loss insurance plan.

## **SECTION 9 GENERAL PROVISIONS**

### **Proof of Loss**

Written proof of loss must be furnished to the Insurer within ninety (90) days after the policy anniversary.

### **The Contract**

This Policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance. No statement made by the applicant for insurance shall void the insurance or reduce benefits hereunder unless contained in a written application signed by the applicant. All statements contained in any such application for insurance shall be deemed representations and not warranties. No agent has authority to change this Policy or to waive any of its provisions. No change in this Policy shall be valid unless approved by the Insurer and such approval must be endorsed hereon or attached hereto.

### **Limitation of Actions**

No action at law or in equity shall be brought to recover on this Policy prior to the expiration of sixty (60) days after proof of loss has been filed in accordance with the requirements of this Policy, nor shall such action be brought at all unless brought within one (1) year (three (3) years in Quebec) from the expiration of the time within which proof of loss is required by this Policy.

If any time limitation of this Policy with respect to giving notice of claim or furnishing proof of loss, or commencing an action at law or in equity is less than that permitted by law of the Province in which the Policyholder is located at the time this Policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

### **Termination**

The Policyholder may terminate this Policy by giving a written notice by registered mail to the Insurer, through its authorized representative, Expert Travel Financial Security (E.T.F.S.) Inc., stating when, not less than thirty (30) days thereafter, such termination shall be effective.

The Insurer may terminate this Policy by mailing to the Policyholder at the address shown in this Policy written notice stating when, not less than sixty (60) days thereafter, such termination shall be effective.

The mailing of such as aforesaid shall be sufficient proof of notice and the effective date of termination stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the Policyholder or by the Insurer shall be equivalent to mailing.

### **Right to Audit Records**

The Insurer, through their authorized representatives, shall be permitted to examine the Policyholder's records relating to this Policy at any reasonable time, and from time to time until two (2) years after expiration of this Policy or until final adjustment and settlement of all claims hereunder, whichever is the later.