



Loss of Licence (LOL) Program Exclusively for member of the Air Canada Pilots Association (ACPA)

FREQUENTLY ASKED QUESTIONS

GLOSSARY:

LOL	Loss of Licence
PTD	Permanent Total Disablement (Loss of Licence)
TTD	Temporary Total Disablement (Loss of Licence)
CAD	Canadian dollars

All Premiums and currency are quoted in Canadian dollars.

Who is eligible to apply?

All "active" members who are actively at work, and who have not reached their 65th birthday, are eligible to apply for individual coverage under the negotiated rates, terms and conditions through Nacora International Insurance Brokers ("Nacora").

Who is the Insurer of this program?

This exclusive LOL Program is underwritten by Certain Underwriters at Lloyd's, London through Hunter McCorquodale, an authorized Lloyd's Coverholder, and is specifically designed for ACPA members.

How much coverage can I apply for?

Depending on your age and income, the LOL Insurance program can provide up to \$600,000 of tax-free financial support if your pilot's licence is revoked on medical grounds.

AVAILABLE COVERAGE AMOUNTS

Applicant Age	Maximum Capital Amount Insured
Up to 56 th birthday	The lesser of 5 times your Air Canada arrival earnings and \$600,000
Age 56 to 65 th birthday	1 times your Air Canada annual earnings

Assumes that pre-existing in force coverage does not exceed 2 times annual earnings.

Can I purchase coverage in excess of \$600,000?

Yes, however, Capital Sums in excess of \$600,000 can only be obtained at the discretion of the underwriter.



How is "disablement" defined in the insurance contract?

PTD means the prevention of the Insured from acting in any capacity for which any **Licence(s)/Certificate(s)** are held due to all such **Licence(s)/Certificate(s)** being permanently revoked or a long term unfitness assessment being issued in respect thereof on medical grounds which, in the opinion of a qualified medical practitioner, are beyond hope of improvement and which entail both the inability of the Insured to obtain:

- a. A renewal of such Licence(s)/Certificate(s) or to obtain withdrawal of the unfitness assessment or revocation within a period of 60 months from the date of the same and
- b. Any similar Licence(s)/Certificate(s) anywhere in the world within a period of 60 months from the date of the issuance of the unfitness assessment or revocation.

The above will apply provided that nothing in this Definition shall impose any obligation on the part of the Insured to seek the withdrawal of any long term unfitness assessment or permanent revocation of the **Licence(s)/Certificate(s)**.

TTD means the prevention of the Insured from acting in any capacity for which he holds a **Licence(s)/Certificate(s)** due to the **Licence(s)/Certificate(s)** being temporarily suspended by the licence issuing authority on medical grounds.

TTD shall also include any period of self-suspension provided it is confirmed within 28 days by the issuance of a "temporarily unfit" assessment by the relevant licence issuing authority.

What coverages are available?

There are 4 different plan options available. Options include a stand-alone PTD lump sum benefit or a combination of TTD monthly benefits and a PTD lump sum benefit. You may also chose the elimination period for benefits that best suits your personal financial situation.

Option 1A (PTD Only)	Payable as a lump sum Capital Benefit after a 12-month elimination period.
Option 1B (TTD & PTD)	2% of the Capital Benefit is payable monthly after 90 days of TTD for up 12 months. A PTD lump sum Capital Benefit is payable after the monthly benefits if your licence is permanently revoked due to a permanent unfitness assessment.
Option 2A (PTD Only)	Payable as a lump sum Capital Benefit after a 24-month elimination period.
Option 2B (TTD & PTD)	2% of the Capital Sum is payable monthly after 180 days of TTD for up 24 months. A PTD lump sum Capital Benefit is payable after the monthly benefits if your licence is permanently revoked due to a permanent unfitness assessment.

The lump sum Capital Benefit for PTD in Options 1B or 2B above equals the Capital Sum Insured less any amount you have received under the TTD benefit.



What is the elimination period and when does it begin?

The "elimination period" is the waiting period before PTD benefits are payable and it begins on the "Date of Loss", the earliest of:

- a. The first date, as corroborated by the physician, that the Insured is unable to follow his usual occupation as a pilot as a direct result of the Insured sustaining bodily injury or the manifestation of an illness which results in the insured being unable to meet the medical standards imposed by the relevant licencing authority,
- b. The date of assessment by an Aviation Medical Examiner or,
- c. The date the licence is pulled by Transport Canada or applicable licensing authority

How much does it cost?

Premiums will vary depending on your age and the Capital Sum Insured that you choose. **All premiums are quoted in Canadian dollars.**

Example:

Age: 35

Option: 1A - PTD lump sum only

Capital Sum: \$300,000

Premium Calculation:

$(\$300,000 / \$1,000) \times \$5.38 = \$1,614$ per year plus applicable taxes.

Please see the table below for age-banded rates for all options.

ANNUAL RATES PER \$1,000 OF CAPITAL SUM INSURED

	Option 1A	Option 1B	Option 2A	Option 2B
Age Band	PTD only	TTD and PTD	PTD only	TTD and PTD
Under 30	\$4.25	\$4.68	\$3.61	\$3.86
30 to 34	\$4.90	\$5.51	\$4.17	\$4.53
35 to 39	\$5.38	\$6.05	\$4.57	\$4.97
40 to 44	\$6.28	\$7.22	\$5.34	\$5.90
45 to 49	\$8.59	\$9.88	\$7.30	\$8.07
50 to 54	\$11.75	\$13.81	\$9.99	\$11.21
55 to 59	\$17.29	\$20.75	\$14.70	\$16.76
60 to 65 th birthday	\$27.17	\$35.32	\$23.09	\$27.94

Note: Coverage terminates at the attainment of age 65

Rates shown are applicable to standard coverage and may be subject to additional premiums based on health and risk information you declare on your application.

Policy terms of up to three years are available depending on your age and health status at the time of application and subject to annual premium payments.

Annual premium installments for multi-year policies will be based on the attained age at each policy anniversary during the term.

How do I apply?

Simply complete and return the application to:

Nacora International Insurance Brokers

Email: lossofflicence@nacora.com

Fax: 905-507-2882

Telephone: 905-507-1551

Toll Free: 1-855-736-3407

Your application will be reviewed by an underwriter and a formal quote and offer of coverage will be issued based on the information you provide.

There is no interim coverage during the underwriting process.

When does my coverage period begin?

Your coverage period begins when your:

- Application is approved,
- Signed formal quote is received, **AND**
- Premium payment has been received.

Nacora will provide you with confirmation of the effective date of your policy. Once your coverage is in force, your policy documentation, payment receipt and detailed information about our claims process will be forwarded to you.

Is medical evidence required in order to apply?

Depending on the information you provide in your application, the underwriter reserves the right to request a copy of your Civil Aviation Medical Exam or to request an Attending Physician's Statement from your doctor. If you do not declare any adverse medical history in your application, the underwriter may approve your application without additional medical evidence.

How long will my policy remain in force?

Policy terms of up to three years are available depending on your age and health status at the time of application and subject to annual premium payments. Coverage is renewable at the end of any term prior to your 65th birthday subject to a new application and underwriting.

What if I want to cancel my policy?

Policies can be cancelled at any time. A short rate premium refund will be provided.

Can I increase my coverage during the policy period?

Coverage may be increased at any time prior to your 65th birthday subject to a new application and underwriter approval.

Can I change my coverage period mid-term?

Coverage can be reduced at any time with written notice to the insurer; please advise Nacora of your request.

Can the term of my policy be extended?

The term of the policy can be extended, subject to a new application and underwriting approval.



How can I pay my premium?

Premium can be paid by using the following methods:

- Cheque payable to **Nacora International Insurance Brokers**
- Credit card (Visa, MasterCard) subject to 3% administration fee
- Bank wire transfer
- Premium financing

Please contact Nacora for more details.

Can I apply if I also fly a helicopter?

Yes, however, rotor wing exposure requires a 25% surcharge to the annual premium rates.

Will my coverage remain in force if I become furloughed?

Yes, members who become furloughed may maintain their coverage in force up to the natural expiry date of their policy regardless of whether or not they become re-employed elsewhere. **The pilot must notify the Insurer of the change in their Air Canada employment status and must await the Insurer's agreement to the change in writing. Note that you must also notify the Insurer if you become actively employed with another airline or if you obtain a licence in a new jurisdiction in order to obtain work elsewhere.** The Insurer will advise you in writing if the changes are acceptable under the program.

If your policy expires during your period of furlough, you may apply for renewal of your policy subject to a new application and underwriter approval.

Will my coverage remain in force if I become an "Inactive" member of ACPA?

With the exception of pilots on furlough, members who become "Inactive" (i.e. they are no longer a dues paying member of the Association) may maintain their coverage in force up to the natural expiry date of their policy subject to continued active employment. **You must notify the Insurer through Nacora of the change in your status.** The Insurer will advise you in writing if the changes are acceptable under the program. You may not renew your coverage at the natural expiry date of the policy if you are an "Inactive" member.

Will my coverage remain in force if I elect a voluntary leave of absence from my employment?

Yes, members who elect a voluntary leave of absence may maintain their coverage in force up to the natural expiry date of their policy subject to active employment elsewhere. **You must notify the Insurer of your change in Air Canada employment status and you must await their agreement to the change in writing.** Circumstances where you are not actively employed during periods of voluntary leave of absence may be approved by the Insurer at their discretion.

Will my coverage remain in force if I am on parental or maternity leave from my employment?

Yes, members on maternity or parental leave may maintain their coverage in force up to the natural expiry date of the policy. **You must notify the Insurer of your changes in Air Canada employment status and you must await their agreement to the change in writing.**

Note that pregnancy and childbirth are excluded causes for claim.

If your coverage expires during your maternity or parental leave, you may apply for renewal of your policy subject to a new application and underwriter approval as long as you remain an active member of the Association.

How do I make a claim?

In the event of a claim, please contact Nacora and they will provide you with claim forms and step-by-step instructions on how to file your claim.

Can I collect benefits under another plan at the same time?

Yes, you can collect benefits under another plan. Please note that the TTD monthly benefit is subject to an all source benefit maximum of 85% of net monthly earnings in the event that the Insured Person is eligible for benefits under any other disability plan. Your benefits under the plan may be reduced to meet this restriction.

What is required to renew the policy at the end of the term?

Prior to your 65th birthday, your coverage can be renewed at the end of the policy term subject to a new application and underwriter approval.

Can my policy be issued in French?

Policy documents will be issued in the English language. A translated copy of the policy will be available in French for your understanding. Only the English version of the policy will be considered the legal document.

Can I apply for this coverage if I live outside of Canada?

You do not need to be a Canadian resident to apply for coverage, however you must have a legal address in Canada with which the policy can be issued. **Coverage is not currently available in the province of New Brunswick.** Exceptions may be made if you are based in Ontario and live in New Brunswick. Please speak to your Nacora representative.

Does this plan provide coverage for substance abuse?

The plan does provide coverage for Substance Illness, however the benefits are restricted as follows:

TTD: The lesser of 0.50% of the Capital Sum Insured per month or \$400 per month.

PTD: The lesser of 25% of the Capital Sum Insured or \$20,000 lump sum, following the elimination period.

What if the condition I want to claim for is undiagnosed?

The plan does provide coverage for Undiagnosed Illness, however the benefits are restricted as follows:

TTD: The lesser of 0.50% of the Capital Sum Insured per month or \$400 per month.

PTD: The lesser of 25% of the Capital Sum Insured or \$20,000 lump sum, following the elimination period.

What are the standard **exclusions** under the policy?

1. Suicide
2. AIDS
3. Drugs and Alcohol (other than as provided for under Substances Illness)
4. Pre-existing Physical Conditions
5. Pre-existing Mental Conditions
6. War, other than while unexpectedly, passively and innocently affected by any such event while on duty for the Employer
7. Terrorist Activity other than in countries where the government of Canada travel advisory is stated as "Exercise a high degree of caution" or "Exercise Normal security precautions". In the event that the Government of Canada travel advisory is changed to "Avoid non-essential travel" or "Avoid all travel" while in country and on layover, coverage will remain in force assuming that the Insured leaves the country as soon as reasonably possible
8. The actual or threatened use of pathogenic or poisonous Biological or Chemical Materials, Nuclear reaction, nuclear radiation or radioactive contamination
9. Dangerous Activities i.e. the Insured engaging in or taking part in
 - a. Naval, military or air force service or operations other than non-combatant duties, but always excluding taking part in military or joint military exercises;
 - b. Flying involving the intentional dropping, spraying or release of anything, slung cargo, aerial photography, fire-fighting, slash and burn, animal capture and other similarly hazardous activities;
 - c. Skin diving involving the aid of breathing apparatus at depths of 30m or more, rock climbing or mountaineering normally involving the use of ropes or guides, potholing, hang gliding, parachuting, hunting on horseback, paragliding, bungee-jumping, canyoning, abseiling, ballooning, or driving or riding in any kind of race;
 - d. Driving or riding on motor cycles or motor scooters other than mopeds
10. Deliberate Exposure to exceptional danger or an Insured's own criminal act
11. Pregnancy and childbirth

Can some **exclusions** be removed for an extra premium?

Some exclusions can be removed for an additional rating. For example, motorcycle exposures can be included for an additional rating of 6%. Please contact Nacora in regards to the specific exclusion you would like reconsidered and they will approach the underwriter for a quote.

In regards to the Terrorist Activity exclusion, what if the Government of Canada travel advisory changes while I am on duty?

While you are outside Canada and on layover, in the event of a change in the status of the Canadian government travel advisory to either:

- "Avoid non-essential travel" or
- "Avoid all travel";

your terrorism coverage will remain in place as long as you leave the country as soon as reasonably possible.

Disclaimer: The above statements are only a summary of the terms and conditions of the proposed program. Please see policy wording for all other sub-limits, terms and conditions. In the event that there is a discrepancy between this document and the actual policy wording, the policy will prevail.