

INDIVIDUAL DISABILITY INSURANCE



# Partner Buy-Out

AT A GLANCE

THE  
**Great-West Life**  
ASSURANCE  COMPANY

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# Partner Buy-Out

*Partner Buy-Out* is designed to provide funds to facilitate a buy-sell agreement if a business owner is totally disabled — helping to protect your capital and prevent a drain on the company's resources.

This brochure provides a brief description of certain important features of the *Partner Buy-Out* plan.

For purposes of this brochure, references to "you" and "your" are to be read as references to the insured.



# Built-in features

## Basic policy

The basic policy is designed to provide funds to facilitate a buy-sell agreement if you are totally disabled due to injury or sickness.

## Benefit payment option

The benefit payment options available on this plan are:

- monthly for a period of 24, 36 or 60 months;
- a one-time lump sum; or
- a combination of monthly and lump sum.

## Renewal

The policy will be automatically renewed each time the premium is paid when due until your 65th birthday.

## Benefit start date

The benefit start date is the day from which the buy-out benefit amount becomes payable.

The benefit start dates available for this plan are 12, 18, 24 or 36 months.

## Waiting period

The waiting period is the number of months from the date you are totally disabled until the benefit start date.

# Built-in features (cont.)

## Satisfying the waiting period

You do not have to be continuously totally disabled to receive benefits. If you are totally disabled due to the reoccurrence of the same or a related disability within 6 months of returning to full-time work for the business, it will be considered one period of total disability for the purpose of satisfying the waiting period.

## Total disability

The policy provides protection for total disability until your 65th birthday.

**Total disability** means, due to injury or sickness, you cannot perform the substantial duties of your regular occupation.

**Regular occupation** means the occupation(s) in which you are regularly engaged for the business on the date of disability.

## Buy-out benefit amount

The buy-out benefit amount payable to the owner will be the lesser of:

- the result obtained by dividing the value of business interest by the maximum number of payments in the benefit payment option selected; and
- the benefit amount multiplied by the applicable percentage from the table below.

<b>Your age on the date of disability</b>	<b>Percentage</b>
up to 60	100%
61	80%
62	60%
63	40%
64	20%

## **Built-in features (cont.)**

### **Buy-out benefit amount (cont.)**

Benefit payments terminate upon death, except as provided under the Survivorship benefit section.

#### **The value of business interest is:**

- the buy-out price, if the buy-out price is determined in a manner consistent with the Valuation Standards of the Canadian Institute of Chartered Business Valuators, or similar standards approved by Great-West; and
- otherwise, the fair market value of your ownership interest in the business determined in a manner consistent with the Valuation Standards of the Canadian Institute of Chartered Business Valuators, or similar standards approved by Great-West, to a maximum of the buy-out price.

#### **The buy-out price is:**

- the selling price of your ownership interest in the business as determined in accordance with the buy-sell agreement.

#### **Premium refund:**

If the buy-out benefit amount payable is less than the benefit amount selected, Great-West will refund the portion of the premium paid for the difference for the 12 months before the date of disability.

### **Waiver of premium**

If you have been totally disabled for 90 days, Great-West will refund any premium paid for this period and waive any premium that comes due while your total disability continues. Premium is payable from the date you are no longer totally disabled.

## **Built-in features (cont.)**

### **Legal/accounting fee benefit**

Once the waiting period has been satisfied, Great-West will reimburse the owner for any independent legal and accounting fees incurred by you or the owner in the performance of the terms of the buy-sell agreement as a result of your total disability. The maximum legal / accounting fee benefit that will be payable under this benefit is \$5,000.

### **Transplant surgery benefit**

If your policy has been in force for 6 months and you become disabled as the result of transplant surgery of an organ or other part of your body to another person, Great-West will consider the disability to result from sickness.

### **Survivorship benefit**

If the benefit payment option is monthly and you die while monthly buy-out benefits are payable, the owner will be paid an amount equal to the lesser of:

- 3 times the monthly buy-out amount payable; and
- the buy-out benefit amount otherwise remaining payable.

## Built-in features (cont.)

### **Future purchase option (not available if insured is age 51 or over)**

This option may provide the opportunity to purchase additional insurance without providing medical evidence.

On any policy anniversary, prior to your 55th birthday, the owner may purchase additional insurance in an amount up to the lesser of:

- 20% of the optional benefit amount; and
- an amount equal to the optional benefit amount less the total of all additional insurance benefit amounts issued under this option.

The optional benefit amount is equal to the benefit amount of the basic policy.

Approval of the application for the additional insurance will be subject to receipt of the following within 60 days before the policy anniversary:

- the written request;
- proof that:
  - you are not totally disabled;
  - you are not in the process of satisfying the waiting period or eligible to receive benefits under any contract of accident, sickness or accident and sickness insurance; and
  - you continue to be employed for the business;
- financial evidence of your insurability; and
- payment of the first premium.

## Built-in features (cont.)

### Conversion

You may apply, without medical evidence, to convert the policy to a disability income insurance plan or office overhead expense plan if the policy terminates because:

- your ownership interest in the business becomes 90% or more; or
- Great-West receives a written request from the owner to terminate the policy and the ownership interest of an owner of the business (other than you) has become 90% or more.

### Transfer of insurability

You may apply, without medical evidence, for a similar policy with a new owner if:

- the policy terminates because you cease to work full time for the business and you are working full time for another business in which you have an ownership interest; and
- the policy has been in force for two consecutive policy years.



# Termination

The policy will terminate on the earliest of:

- the date you cease to work full time for the business for reasons other than total disability;
- the date your ownership interest in the business becomes 90% or more of the value of the business;
- the date you cease to have an ownership interest in the business;
- the date of your death;
- the date you commence active duty with any armed forces;
- the date on which Great-West receives a written request from the owner to terminate the policy;
- the date on which payment of the buy-out benefits cease; and
- your 65th birthday.

If the policy terminates for any reason above, the portion of any premium paid for the remainder of the premium period will be refunded.

## Important information

*Partner Buy-Out* contains many valuable features and benefits which are described in greater detail in the Summary of Policy Benefits to be delivered with your policy.

**We recommend owners read their policy carefully upon delivery as it contains important definitions and exceptions.**

## **About Great-West**

At Great-West, we take pride in our history of serving the financial security needs of Canadians. For more than 100 years, we have helped our clients develop their financial security plans.

With more than 60 years' experience in the disability insurance market and more than 100 years' experience in the life insurance market, Great-West has established a solid reputation for providing quality products and services.

Great-West is a leading provider of living benefits for Canadians, based on insurance in force and new premium income.

For current information on Great-West's ratings and financial strength, see the Corporate Information section on [www.greatwestlife.com](http://www.greatwestlife.com).

For more information about how disability insurance may fit your needs ask your representative for an illustration.

experience  
knowledge  
strength