

# IMPORTANT NOTICE

## RE NEW CRITICAL ILLNESS INSURANCE BENEFIT OPTION (CI)



**To: All Active Teachers**

**From: Derek Drover, Chairperson - NLTA Group Insurance Trustees Committee**

Your NLTA Group Insurance Trustees are very pleased to introduce a new Critical Illness (CI) Insurance Benefit as an addition to the current NLTA Group Insurance Program. This new Critical Illness Insurance Benefit is scheduled to become effective on **January 1, 2011**. Under this new plan, **ALL active teachers** who are currently members of the NLTA Group Insurance Program will automatically become enrolled in a new \$10,000 Basic Critical Illness Insurance Benefit, with a further option to apply for additional coverage under a new Voluntary Critical Illness Insurance Benefit. These new benefits are insured by Desjardins Financial Security.

Critical Illness Insurance is a relatively new insurance designed to assist individuals with the serious financial implications that often arise as a result of a diagnosis of a serious illness or condition. However, Critical Illness Insurance is often referred to as a “living insurance” and is not designed to replace a Life or Disability Insurance, but rather to provide a lump-sum, tax-free benefit, if an individual is diagnosed with and satisfies the definition of one of the critical illness conditions covered by the policy. The insured must survive for at least 30 days after a Physician’s diagnosis has been made to be eligible for payment. Under the NLTA’s Critical Illness Insurance Benefit, 29 critical illness conditions are covered, including some of the more common illnesses such as: life-threatening cancer, heart attack, stroke, and kidney failure.

When a person is diagnosed with a critical illness or condition, the costs associated with treatments and recovery that are sometimes not covered by one’s health plan often include:

- Non-medical costs (travel or accommodations)
- Home alterations
- Paying off mortgage or debt
- Funds for a holiday to rest or recuperate
- Costs for private medical treatment outside of Canada
- Housekeeping services or child care costs
- Nursing services

This Critical Illness lump sum payment is designed to help you face these considerable expenses, and to use this money at your own discretion.

### Automatic Enrollment in \$10,000 Basic Critical Illness Benefit

As of January 1, 2011, **ALL teachers who are “actively at work”** will be automatically enrolled for the Basic Critical Illness Insurance Benefit of \$10,000 and will automatically have the first insurance premium deduction occur in the first pay period in December 2010. **The bi-weekly premium rate that will be deducted for this benefit will be \$1.96/pay (or \$3.92/month)**. Any teacher who is on an approved leave of absence on January 1, 2011, will be automatically enrolled in the Basic Critical Illness Insurance Benefit upon return to active employment. The Basic Critical Illness Insurance Benefit will terminate upon retirement or attainment of age 65. This benefit also terminates when the insurer pays a claim for one of the covered conditions. The Basic Critical Illness Insurance Benefit is not applicable to substitute teachers or retired teachers. Information on Critical Illness coverage available to retirees and substitute teachers under the Voluntary Critical Illness Insurance Benefit is provided in a separate communiqué to substitutes and retired teachers.

### Pre-Existing Conditions Limitations Clause

It is important to note that the new Basic Critical Illness Insurance Benefit has a **24-month Pre-Existing Conditions** limitations clause. This limitations clause states that **“no benefit is payable for an illness or pre-existing condition for which the participant has received care, treatment or services, consulted a physician or taken medication that was prescribed to him/her, in the 24 months prior to the effective date of coverage, unless the illness in question was diagnosed at least 24 months after the effective date of the insurance of the participant, subject to other applicable provisions of this policy.”**

**NOTE:** Critical medical conditions of cancer and benign brain tumor have an extra limitation in that no benefit is paid for these conditions if symptoms or problems that give rise to the diagnosis of cancer or benign brain tumor appear within the first 90 days of coverage or re-instatement of coverage. Also, no benefit is paid for these conditions if they are diagnosed within the first 90 days of coverage or re-instatement of coverage.

### Opting Out Provision

(see over)

Any individual who does not wish to be automatically enrolled in the new \$10,000 Basic Critical Illness Insurance Benefit and not have the applicable \$1.96 premium deducted from their bi-weekly pay in December, **MUST** notify Johnson Inc. on or before October 29, 2010. If a member, who elects to opt out of this benefit, wishes to apply for coverage in the future, an application with proof of good health will be required and is subject to the approval of Desjardins Financial Security.

### Additional Voluntary Critical Illness Insurance Benefit

In addition to the automatic \$10,000 Basic Critical Illness Insurance Benefit, an additional Voluntary Critical Illness Insurance Benefit is available for members and their spouse in units of \$10,000, to a maximum of \$300,000 of coverage.

**NOTE:** In order for active teachers to be eligible to apply for the Voluntary Critical Illness Insurance benefit, they **MUST** be enrolled in the \$10,000 Basic Critical Illness Insurance Benefit.

Voluntary coverage of up to \$50,000 for a member and/or spouse is available without any medical application or underwriting by completing and submitting the “**Enrollment Application for Voluntary Critical Illness – Option CI**” form. This form is available online at [www.nlta.nl.ca](http://www.nlta.nl.ca) or by contacting Johnson Inc. at 1-800-563-1528. **The Voluntary Critical Illness Insurance Benefit of up to \$50,000 has the same Pre-Existing Conditions Limitations Clause as outlined above for the Basic coverage.**

A member and his/her spouse may apply for Voluntary coverage in excess of \$50,000 by completing a **Statement of Health** application form. This form is also available by contacting Johnson Inc. Once received, Johnson Inc. will forward the application to Desjardins Financial Security, the insurer of the policy, for review and the individual applicant will be notified if their application has been accepted. The Voluntary Critical Illness Insurance Benefit will terminate at age 65. This benefit will also terminate when the insurer pays a claim for one of the covered conditions.

**NOTE:** In order for a spouse of an active teacher to apply for the Voluntary Critical Illness Insurance Benefit, the member **MUST** be enrolled in the Basic Critical Illness Insurance Benefit.

The monthly unit premium rates for the Voluntary coverage are noted below:

Monthly Unit Rates per \$10,000 of Coverage				
Age Band	MALE		FEMALE	
	Non-Smoker	Smoker	Non-Smoker	Smoker
Under 35	\$1.29	\$1.61	\$1.43	\$1.90
35 - 39	\$1.46	\$2.02	\$1.71	\$2.61
40 - 44	\$1.96	\$3.18	\$2.28	\$4.13
45 - 49	\$3.34	\$6.49	\$3.22	\$6.57
50 - 54	\$5.39	\$12.00	\$4.28	\$9.14
55 - 59	\$8.81	\$21.26	\$6.02	\$12.63
60 - 64	\$15.11	\$36.13	\$8.89	\$17.06

### Additional Dependent Child Benefit

An additional \$5,000 Dependent Child Benefit is also available, on a voluntary basis, for all eligible Dependent Children under age 21 or under age 25, if in full-time attendance at an accredited educational institution. **The cost of this coverage is an additional \$1.19 per pay period (\$2.38 per month).** **NOTE:** Only members who are enrolled in the Voluntary Critical Illness Insurance Benefit are eligible to avail of this additional coverage.

If you have any questions, please contact the Plan Administrator, Johnson Inc. at 1-800-563-1528 for assistance.

**NOTE: The above description is an outline only. The exact provisions will be outlined in the master policy.**