

IMPORTANT NOTICE

RE NEW CRITICAL ILLNESS INSURANCE BENEFIT OPTION (CI)



To: Substitute 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 benefit, both retired and substitute teachers who are currently members of the NLTA Group Insurance Program are eligible to apply for a new Voluntary Critical Illness Insurance Benefit. This new benefit is insured with 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 critical 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)
- Costs for private medical treatment outside of Canada
- Home alterations
- Housekeeping services or child care costs
- Paying off mortgage or debt
- Nursing services
- Funds for a holiday to rest or recuperate

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

Pre-Existing Conditions Limitations Clause

It is important to note that the new Voluntary 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: The critical 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.

Voluntary Critical Illness Insurance Coverage

(see over)

The new Voluntary Critical Illness Insurance Benefit is available to members and spouses covered under the NLTA Group Insurance Program. Coverage is available in units of \$10,000, to a maximum of \$300,000 of coverage.

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 by contacting the Plan Administration, Johnson Inc. at 1-800-563-1528. **The Voluntary Critical Illness Benefit of up to \$50,000 has the same Pre-Existing Conditions Limitations Clause as outlined above.** 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 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 or rejected. 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 a substitute teacher or retired teacher to apply for the Voluntary Critical Illness Insurance Benefit, the substitute teacher or retired teacher **MUST** have some form of coverage under the NLTA Group Insurance Program.

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

| Monthly Unit Rates per \$10,000 of Coverage | | | | |
|--|-------------------|---------------|-------------------|---------------|
| | MALE | | FEMALE | |
| Age Band | 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/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.