



# INFOSHEET

Benefits and Economic Services

Number

7

2011-10-01

## NLTA Group Insurance - Teachers' Benefits/Responsibilities

### Introduction

The NLTA Group Insurance Plan is owned by the Association and operated through a Board of Trustees (all teachers) appointed by the Executive. By the legal Deed of Trust, these individuals are given the mandate and responsibility for overseeing the successful operation of all aspects of the plan and ensuring that the coverage provided meets the needs of teachers.

### Basic Plan

The NLTA offers all members a comprehensive basic insurance plan consisting of A1 – Term Life, A3 – Accidental Death and Dismemberment and B – Health. Government contributes to the premium for these three basic options: A1, A3 and B.

### Voluntary Plan

A2 – Voluntary Term Life  
A5 – Voluntary Spousal Term Life  
A4 – Voluntary Accidental Death and Dismemberment  
B2 – Dental  
C – Long Term Disability  
CI – Basic Critical Illness (effective January 1, 2011)  
CV/CS/CC – Voluntary Critical Illness  
(Teacher/Spouse/Child)  
LC – Long Term Care  
T – Travel/Emergency Medical Out of Country.

### How Does a Teacher Enroll in this Plan?

All teachers on regular or term/replacement contracts are automatically enrolled in the basic plan when they commence teaching. No application is necessary. Premium rates are the same for all teachers regardless of age, sex, health condition or geographic location. Teachers are also automatically enrolled in B2 - Dental,

C - Long Term Disability and CI - Critical Illness (effective January 1, 2011). Note: For Long Term Disability, teachers are automatically enrolled if they are under the age of 40. Otherwise, application is required.

### How are Premiums Paid?

Premiums are automatically deducted on 24 of the 26 pay cheques for teachers on regular payroll. Information on the pay stubs clearly shows the amount for each option.

### Is Coverage Under the NLTA Insurance Plan Compulsory?

NO. Any teacher may choose to remove himself/herself from any plan option by completing an opt out form. However, before doing so, teachers are urged to contact the NLTA office or Johnson Inc. for consultation, since the coverage for the premiums offered can rarely be found in non-group plans. The NLTA negotiates coverage and premiums for a group of over 12,000, not on a one-to-one basis, as exists in the open market. Also, remember that for the basic plan, government contributes to the premium.

### If I Opt Out, Can I Re-enter the Plan?

YES, but with the following conditions: evidence of medical insurability must be provided, or for dental, a penalty imposed.

### Can I Continue Coverage When I am on Approved Unpaid Leave?

YES, but it is the teacher's responsibility to action the following: (a) pay the required NLTA membership fee for the period of leave, and (b) then arrange to pay the required premiums by contacting the Plan Administrator, Johnson Inc. Remember that while you are on unpaid

leave, there is no pay cheque from which the premiums can be deducted and payment of premium by bank deduction must be arranged with Johnson Inc. Failure to follow the steps in (a) and (b) will result in termination of coverage and a teacher would have to apply to re-enter the plan. Evidence of medical insurability must be provided.

#### **Does the Government Contribute to the Basic Plan Premiums While I am on Unpaid Leave?**

For maternity/parental/adoption leave for up to 52 calendar weeks – YES. For other leaves – NO. Therefore, the full premium for A1, A3 and B must be paid by the teacher.

#### **If I Change Status, are my Dependents Covered?**

YES. A change from single to dependent status will normally take place automatically unless the administrator of the plan, Johnson Inc., is informed in writing of your desire to continue single coverage. Check your pay stubs and premium rates to confirm status. **This is your responsibility.** The computer system cannot identify teachers as married to each other. Premiums will not be refunded years after your status has changed.

#### **What is my Coverage Under the Basic Plan?**

**A1 – Term Life**, provides for a benefit to your beneficiary of two times your annual salary/pension at the time of death. After age 65, coverage is reduced to \$15,000.

**A3 – Accidental Death and Dismemberment**, to age 65 provides for a benefit of two times your annual salary/pension at the time of death. Dismemberment benefits, hospital indemnity and other benefits are based on the policy. Coverage ceases at age 65.

**B – Health insurance**, covers 80 percent of eligible costs and 100 percent of the ingredients of prescription drugs at generic pricing levels. Teachers pay the dispensing fee only and any markup. See Option B of the Group Insurance Overview for details or contact the Claims Department at Johnson Inc. A health insurance card will be issued.

#### **How do I Name a Beneficiary for A1 and A3?**

Beneficiary cards are provided at the time of being insured. If you have not filled one out, or have forgotten whom you named, or wish to change your beneficiary, please contact the Plan Administrator, Johnson Inc. It is the teacher's responsibility to name a beneficiary. Failure to do so will result in the death benefit being paid to your estate. In this instance, the person(s) whom you might have wished to assign your life insurance may have a lengthy waiting period to retrieve benefits, especially if there is no will.

#### **What is the Purpose of the Health Insurance Card?**

This card is provided as a service to all insured members for the purpose of purchasing eligible prescription drugs.

Upon presentation to the druggist, a teacher is required to pay only the dispensing fee and any markup. The plan will pay 100 percent of the cost of the ingredients at the generic pricing level. Most drugs which are considered prescription by law will be covered (with limits on sexual dysfunction and fertility drugs). The card is valid in all provinces in Canada.

#### **What about Dental Insurance?**

It is the teacher's responsibility to familiarize him/herself with those health and dental benefits which are not covered. For the Dental plan, teachers are advised to submit a treatment plan to the Plan Administrator, Johnson Inc., if expenses are expected to exceed \$300. No application is necessary. Permanent and replacement teachers are automatically enrolled (as for the Basic Plan), but the premiums are paid in full by the teacher. Not all dental procedures are covered. For major expensive procedures, you are advised to get an estimate and check with Johnson Inc.

#### **Dental Claims Procedures**

Please note the additional option available for the payment of dental claims as follows:

- Present your NLTA Group Insurance card to your dentist.
- If your dentist approves direct payment from Johnson Inc., then any eligible expenses will be submitted directly to Johnson Inc.
- However, if your dentist does not accept direct payment, you may pay in full and submit a completed Standard Dental Form (available at your dentist's office) to the Claims Department at Johnson Inc.

#### **Is there Insurance for Substitute Teachers?**

YES, by application to the Plan Administrator, Johnson Inc. Health and Dental insurance is identical to the plan for regular teachers. The Life and Accidental Death benefits are currently capped at \$15,000 each. No medical evidence is necessary if the application is made within 31 days of the first day of substitute teaching. In order to maintain eligibility from one year to the next, a substitute must have taught at least ten days the previous year, and at least once before November 30th of the following year.

Retired substitute teachers (not eligible for pension) are eligible in the month following their 55th birthday to continue the substitute coverage they had at the time of retirement provided the substitute teacher has: (i) been paying premiums for the last five years; (ii) at least five years substituting; (iii) at least 100 days substituting in the last five years; and (iv) at least ten years attachment to the teaching profession.

Premiums cannot be deducted from a substitute teacher's cheque. Arrangements must be made with the

Plan Administrator, Johnson Inc., for premium payments. Contact the Plan Administrator for applications and a program booklet. After 20 consecutive days substituting, the substitute becomes a regular teacher and receives premium contribution by government for the basic plan retroactive to the first day teaching. All substitute teachers may also purchase additional Life and Accident insurance under Options A2 and A4.

#### **What Role does Johnson Inc. Play?**

This company has been hired on a contractual basis by the NLTA Group Insurance Trustees to perform various insurance operations, i.e. consulting, administering underwriting agreements, and paying claims, much the same way as the Association engages the services of other professionals, eg. lawyers and auditors, to render services beyond the expertise of those employed by the NLTA. Often, teachers believe that they have insurance with Johnson Inc. This is, of course, not the case. Johnson Inc. only carries out the wishes and policies of the Association, as directed by the NLTA Group Insurance Trustees.

#### **What about Home and Auto Insurance?**

##### **Is this NLTA Group Insurance?**

Home and Auto insurance is not part of the NLTA Group Insurance Program. Provincial legislation prohibits Home and Auto insurance as group insurance. These are options provided over and above NLTA group insurance for members who wish to have such coverage on a payroll deduction basis. The administrators of the NLTA Group Insurance Plan, Johnson Inc., through a subsidiary, Unifund, have been authorized to use the payroll deduction method for Home and Auto for those insured members who sign individual home and/or auto insurance contracts with Unifund. Members are in no way obligated to insure their home and/or auto in this manner. This is not, and cannot be, group insurance. Therefore, Trustees have neither control, nor authority, over the individual contracts signed, nor cover any claims resulting from them. Teachers have always been encouraged to shop around before insuring their home and/or auto.

##### **Can I Purchase Insurance Over and Above the Basic Plan?**

YES. The NLTA plan provides for eight voluntary insurance options: A2 – Term Life, A5 – Spousal Term Life, A4 – Accidental Death and Dismemberment, B2 – Dental, C – Long Term Disability, CI - Critical Illness, LC – Long Term Care, and T – Medical Out of Country. A2, A4, LC and T are available by application only. The dental plan has an automatic enrollment, and the disability insurance has automatic enrollment for all teachers under age 40.

#### **I have Life, Accident, Health and Dental Insurance.**

##### **Can I Insure my Salary if I Become Disabled?**

YES. Teachers under age 40 are automatically enrolled in Option C - Long Term Disability Insurance. All other teachers up to age 60 are eligible to apply for this benefit by contacting Johnson Inc. for the appropriate application. Consider this possibility: you are sick and/or disabled and cannot continue teaching. Your paid sick leave runs out. Your salary STOPS – what will you and your family live on? This situation is addressed in Infosheet No. 2 entitled “Sick and Can’t Work – What Then?”

##### **NLTA Group Insurance Program Booklet**

This booklet contains particulars on all of the above-mentioned insurance coverages, both basic and voluntary. Each teacher should have one. They are supplied free of charge by your Association, and can be obtained by contacting the Plan Administrator, Johnson Inc., or online at [www.nlta.nl.ca](http://www.nlta.nl.ca) and choose “Publications”.

##### **A Final Reminder**

1) The NLTA is the master policy holder for Group Life, Accident, Long Term Disability, Health, Dental, Critical Illness, Long Term Care and Travel Insurance for its members. Johnson Inc. has been hired to perform consulting, brokerage and administration insurance services on behalf of the NLTA.

2) Home and Auto Insurance on payroll deduction is personal, not NLTA Group Insurance. The NLTA has no control, rights or jurisdiction over these coverages. These are personal deduction contracts in the same manner as Canada Savings Bonds and deductions to the Newfoundland and Labrador Credit Union.

##### **For Further Information or Answers to Additional Questions on NLTA Group Insurance, Contact:**

NLTA Benefits and Economic Services Division  
Telephone: 726-3223 or 1-800-563-3599

##### **Plan Administrator:**

Johnson Inc., 10 Factory Lane, St. John’s, NL A1C 6H5;  
Tel: 709-737-1528 or 1-800-563-1528;

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Note: In the event of a discrepancy between this Infosheet and the Group Master Policy, the terms of the Group Master Policy will apply.