

my wellness my plan

Group Critical Illness Insurance Frequently Asked Questions

1. What is Critical Illness Insurance?

Group Critical Illness Insurance provides a one-time, lump-sum benefit, that can help you respond to a critical illness event in your own way. With extra financial protection during a difficult period of illness, you're able to spend less time worrying about your finances and more time concentrating on getting well. With Critical Illness Insurance, if you are diagnosed after the effective date of coverage with one of the covered conditions as defined in your booklet, you are eligible to make a claim.

2. Why do I need Critical Illness Insurance?

Critical Illness Insurance is designed to complement other benefits such as life, extended health care (EHC) and long-term disability (LTD) insurance. Along with the emotional toll of being diagnosed with a critical illness and the physical strain of recuperation, there are also financial consequences to consider such as:

- child care expenses
- in-home help while you recover
- home or vehicle modifications may be necessary
- out-of-pocket travel expenses may be incurred in order to travel for treatment
- medical expenses that are not covered by either government or private health care plans

While LTD insurance provides protection for a portion of your income, it may not adequately provide the financial assistance to cover these additional expenses. Critical Illness Insurance is designed to provide a lump-sum benefit to help alleviate some of the stress due to the financial burden that may result from a critical illness.

3. Why do I need Critical Illness Insurance if I already have Life insurance?

Life insurance is a benefit that is paid out to your beneficiaries when you die. Critical Illness Insurance is a living benefit, meaning you receive the lump-sum benefit to use how you choose to. Your illness does not have to be terminal to receive your lump-sum payment.

4. Why do I need Critical Illness Insurance if I already have Extended Health Care coverage?

Unlike EHC insurance that reimburses a portion of your eligible medical expenses, Critical Illness Insurance pays a one time lump-sum benefit that you can spend however you like. You can use the benefit payment in any way you wish – for medical or non-medical purposes.

5. Why do I need Critical Illness Insurance if I already have Long-term Disability coverage?

Critical Illness Insurance provides a lump-sum payment regardless of your ability to work. LTD insurance is an income replacement benefit, paid monthly over a period of time when you are not able to work due to a disability. LTD insurance only provides a portion of your insurable earnings and it may not be adequate to cover the additional expenses you may have in the event of a critical illness.

6. Will my LTD benefit amount be reduced when the Critical Illness benefit is paid out?

LTD and Critical Illness Insurance are different benefits. The Critical Illness payment will not reduce your LTD benefit amount.

7. What can I use the one-time, lump-sum benefit for?

It's entirely up to you. There are no restrictions on how you can use the money. For example, you can:

- seek alternative treatment
- purchase specialized equipment
- hire a nurse, housekeeper, or child care provider
- fund additional time away from work
- pay down your financial obligations

8. How is the Critical Illness benefit paid? What if I recover from the illness?

Upon approval of the claim, the Critical Illness benefit is paid in full to you via a cheque, in your name. The benefit payment does not depend on your recovery.

9. Can I keep my coverage if I leave my employer?

Yes, the coverage is portable. If you are a resident of Canada, under the age of 65 and have not received a benefit payout, you can maintain up to \$100,000 of the Group Critical Illness Insurance coverage by notifying us within 31 days of your group coverage ending.

10. If I am diagnosed with one covered illness, and then I am diagnosed with another, will I be paid for both illnesses?

No. The Critical Illness benefit is payable once and for the first covered condition only, at which point your coverage terminates.

11. If the benefit is payable once and for the first covered condition only, what happens to the coverage for me and my spouse?

Assuming you and your spouse both have Critical Illness coverage, a one-time, lump-sum benefit will be payable under the following scenarios:

| | Employee | Spouse |
|---|---|---|
| Scenario 1: The employee suffers a covered critical illness | Claim is paid Coverage and premium payment end | Coverage and premium payment continue |
| Scenario 2: Spouse suffers a covered critical illness | Coverage and premium payment continue | Claim is paid Coverage and premium payment end |

12. What do I do if I am diagnosed with a critical illness and I need to make a claim?

Contact Sun Life Assurance Company of Canada, toll-free at 1-800-669-7921, or at 416-408-7390 and a Customer Service Representative will promptly send you a claim form to complete.

13. Is the lump-sum benefit considered taxable income?

No – the lump-sum benefit is considered non-taxable, according to a technical bulletin issued by the Canadian Revenue Agency.

14. How do I apply?

You will receive personalized enrolment kits for each of your eligible employees, which include an introductory letter presenting the offer, an educational brochure, as well as an application form and postage-paid return envelope.

Coverage is available to employees and their spouse in units of \$10,000, starting at a minimum of \$20,000 to a maximum of \$200,000. Dependent child coverage is also available starting at a minimum of \$2,500 to a maximum of \$10,000, in units of \$2,500. And, by applying before March 31, 2010, employees and their spouse will each qualify for \$20,000 of coverage and their dependent children will qualify for up to \$7,500 of coverage, without having to provide proof of good health!

The brochure will provide additional information about this plan and the advantages Group Critical Illness Insurance can offer.

15. Where do I get more information?

For more information, or if you have any questions about this insurance, call Sun Life Assurance Company of Canada's Customer Service unit toll-free at 1-800-669-7921 or at 416-408-7390.