



update

## Voluntary Critical Illness Insurance Program

The NSTU Group Insurance Trustees launched a Voluntary Critical Illness Insurance Program for active and retired members in February of 2011. Over the past couple of months there has been some very positive feedback regarding the introduction of this coverage. However, the “pre-existing conditions” clause has caused some confusion with members.

This 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 month 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”*.

In an attempt to simplify the intent of this clause, an example may help. Assume you have been diagnosed with a heart condition and have been treated by a physician for the past 24 months prior to your effective date of coverage. If you suffered a heart attack within the first 24 months of coverage, a claim would not be payable. However, if you were diagnosed with a heart attack 25 months after your effective date of coverage, then a claim would be payable.

Additionally, some members have made the assumption that if you have one pre-existing condition that they would not be eligible to be insured for any of the other critical illnesses listed. It should be noted that a pre-existing condition for one illness does not exclude you, your spouse and/or dependent children from any other unrelated illnesses. **Of course, at the time of claim, the underwriter will adjudicate the claim based on the terms of the contract before a payment is made.**

One other question that has been asked is the tax status of a Critical Illness payment and what the money can be used for. Critical Illness insurance provides a lump sum payment based on the amount of insurance you have selected. The lump sum is paid tax free and can be used any way that you wish. This may include travel and accommodation for medical treatment, home renovations, paying bills, a family holiday, medical costs for medical treatment outside of Canada, the cost to obtain a second opinion or something else that is important to you.

### Plan Highlights include:

- 29 covered illnesses
- Spousal and dependent coverage available
- Coverage amounts to \$300,000 in units of \$10,000
- \$50,000 guarantee issue amount available for members and spouses (this means you can have up to \$50,000 of coverage without the requirement of submitting medical evidence)
- Coverage to age 75

We hope that the information above helps clarify the “pre-existing conditions” clause and other questions that have been raised by members and encourage you to read or re-read the information that was sent to you in February.

If you have any questions, please call Johnson Inc. at 902-453-9543 (local) or 1-800-453-9543 (toll-free).