

1<sup>st</sup>choice

Group Life Insurance Plan

# Group Life Insurance Plan

1<sup>st</sup>choice

A benefits program for Government of Alberta  
managers and non-union employees



# Group Life Insurance Plan

The Group Life Insurance Plan provides Core Life and Accidental Death and Dismemberment (AD&D) Insurance, Enhanced Life Insurance, Dependent Life Insurance, and (for employees who commence prior to April 1, 2012) Paid Up Life Insurance for Retired or Terminated Employees. These life insurance policies are payable on death or meeting the specific requirements of an accident or dismemberment claim.

## Summary

Coverage	Coverage Details	Cost Sharing
Core Life and AD&D Insurance Policy #33383GL	<ul style="list-style-type: none"> <li>Coverage is mandatory at minimum of 1 times basic annual salary</li> <li>Choice of 1 or 2.5 times basic annual salary, to a maximum of \$400,000                             <ul style="list-style-type: none"> <li>The \$400,000 maximum is applicable to Life and AD&amp;D, for a total of \$800,000 on both coverages combined</li> </ul> </li> </ul>	2/3 employer, 1/3 employee
Enhanced Life Insurance Policy #33384GL	<ul style="list-style-type: none"> <li>Coverage is optional</li> <li>Must select Core Life Insurance of 2.5 times basic annual salary to apply for Enhanced Life Insurance</li> <li>Choice of 1, 2, 3 or 4 times basic annual salary, to a maximum insurable salary of \$150,000</li> <li>Total maximum \$600,000</li> <li>Critical Illness Insurance lump sum \$25,000</li> </ul>	100% employee

Coverage	Coverage Details	Cost Sharing
Dependent Life Insurance Policy #33384GL	<ul style="list-style-type: none"> <li>Coverage is optional</li> <li>Lump sum benefit of: <ul style="list-style-type: none"> <li>\$15,000 eligible benefit recipient</li> <li>\$7,500 each child</li> </ul> </li> </ul>	100% employee
Paid Up Life Insurance for Retired or Terminated Employees Policy #43935GL	<ul style="list-style-type: none"> <li>Paid Up Life Insurance certificate issued in the amount of \$4,000, \$5,000 or \$7,000 upon retirement or termination of employment</li> <li>Eligibility is based on years of service to March 31, 2012</li> <li>Available to employees who commence prior to April 1, 2012</li> </ul>	<ul style="list-style-type: none"> <li>Funded from Core Life Insurance</li> <li>Premiums at no extra cost to employee</li> </ul>

### Claims Adjudicator

Applications for all life insurance and AD&D claims are adjudicated through The Great-West Life Assurance Company.

### Plan Description:

#### *Core Life and Accidental Death & Dismemberment Insurance (AD&D)*

Core Life Insurance provides a lump sum benefit to your beneficiary(ies) if you die while insured. A minimum of 1 times basic annual salary for Core Life Insurance is mandatory and the coverage only applies to you.

Upon commencement of employment, you have a choice of Core Life coverage of either 1 times or 2.5 times your basic annual salary (rounded to the next higher \$1,000) up to a maximum of \$400,000. The cost is a flat rate for each \$1,000 of insurance. Refer to the **1<sup>st</sup>choice Premium Rate Sheet**.

If you are age 65 to 69, your Core Life Insurance will automatically be reduced from 2.5 times basic annual salary to the mandatory 1 times basic annual salary, unless your current coverage is already 1 times basic annual salary. If you are age 70 to 75, your Core Life Insurance coverage will automatically be reduced from 1 times basic annual salary to the mandatory lump sum amount of \$25,000.

You have the option to convert the amount of group life insurance lost at age 65 or age 70 to an individual plan through The Great-West Life Assurance Company. See details under “Conversion Privilege upon Loss of Group Life Insurance”.

Your **Accidental Death & Dismemberment (AD&D) Insurance** coverage will be the same amount as your Core Life Insurance. This amount is your principal sum. The principal sum is payable to your beneficiary(ies) in the event of your accidental death in addition to the Core Life Insurance.

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If an accident results in amputation or loss of use of bodily limbs, loss of hearing, speech or sight, within 365 days after the accident, the following payment will be made to the insured person:

For loss of:

Both hands or both feet or sight of both eyes .....	<b>The principal sum</b>
One hand and one foot.....	<b>The principal sum</b>
One hand and sight of one eye .....	<b>The principal sum</b>
One foot and sight of one eye .....	<b>The principal sum</b>
Speech and hearing in both ears ..	<b>The principal sum</b>
One arm or one leg.....	<b>3/4 principal sum</b>
One hand or one foot or sight of one eye .....	<b>2/3 principal sum</b>
Speech or hearing in both ears .....	<b>1/2 principal sum</b>
Thumb and index finger or at least four fingers of one hand ....	<b>1/3 principal sum</b>
All toes of one foot.....	<b>1/8 principal sum</b>

For loss of use of:

Both arms and both legs (quadriplegia) .....	<b>2x the principal sum</b>
Both legs (paraplegia) .....	<b>2x the principal sum</b>
One arm and one leg on the same side of the body (hemiplegia) .....	<b>2x the principal sum</b>
Both arms or both hands.....	<b>The principal sum</b>
One Leg or one arm.....	<b>3/4 principal sum</b>
One Hand.....	<b>1/2 principal sum</b>

Other coverage — certain conditions, restrictions and limitations apply.

- Educational Benefits for Dependent Children, under loss of employee life provision.
- Occupational Training Benefits for an Eligible Benefit Recipient, under loss of employee life provision.
- Family Transportation Benefit.
- Educational Benefit, if loss requires employee to change occupations.
- Wheelchair Benefit.

## Limitations under AD&D Insurance

The AD&D benefits are not payable for injuries or death due to:

- Suicide or self-inflicted injuries
- Viral or bacterial infections (some exceptions)
- Disease or illness
- Medical or surgical treatment
- War, riot or participation in a crime
- Service in an armed forces; or
- Travel as a crew member in an aircraft

The premium for AD&D Insurance is included in the premium rate for Core Life Insurance, as shown on the **1<sup>st</sup> choice Premium Rate Sheet**.

## Enhanced Life Insurance

Enhanced Life Insurance is optional. To apply for Enhanced Life Insurance, you must be enrolled in Core Life Insurance at 2.5 times. You may select either 1, 2, 3 or 4 times your basic annual salary (rounded to the next higher \$1,000) up to a maximum of \$600,000. The maximum insurable annual salary is \$150,000.

If you are between ages 65 and 69, you may apply for Enhanced coverage even though your Core coverage is only 1 times basic annual salary. If you already have Enhanced Life Insurance upon reaching age 65, your Enhanced coverage will remain the same.

If you want any level of Enhanced coverage, or if you want to increase your level of Enhanced coverage, you will have to provide The Great-West Life Assurance Company with evidence of insurability. If you are not sure if you have this coverage, check your pay statement as it will show an amount for “Enhanced Life Insurance.”

To apply for the level of Enhanced Life Insurance coverage you want, complete and submit an *Evidence of Insurability* form to The Great-West Life Assurance Company. Once your application has been assessed, you will be informed if the additional coverage has been approved or denied, or if additional information is required. Only when the additional coverage is approved, will you then commence to pay the additional premiums for that coverage. If the coverage is denied, you may apply at a later date, however, you would be required to provide evidence of insurability again. The *Evidence of Insurability* form is included in the forms section of this handbook or you can obtain one by contacting your Ministry Pay and Benefits Office.

The premium rates for Enhanced Life Insurance coverage are based on your age, gender and whether or not you are a smoker. Refer to the **1<sup>st</sup>choice Premium Rate Sheet** for the rate that applies to you. Your premium rate will automatically increase each time you enter a new five-year age category.

### Critical Illness Insurance

If you are between the ages of 18 and 64 and have coverage under the Enhanced Group Life Insurance plan, you are automatically covered for Group Critical Illness Insurance at no cost to you.

The Critical Illness Insurance coverage provides a **one-time** lump sum payment of \$25,000 that can be used any way you choose. The Critical Illness Insurance coverage ceases on the last day of the pay period in which Enhanced Life Insurance terminates, upon reaching age 65 or once the benefit has been paid, whichever occurs first.

Group Critical Illness Insurance offers coverage for the following critical illnesses:

- Alzheimer's Disease
- Aortic surgery
- Benign brain tumor
- Blindness
- Cancer\*
- Coma

- Coronary artery bypass surgery
- Deafness
- Heart attack
- Heart valve replacement
- Kidney failure
- Loss of independent existence
- Loss of limbs
- Loss of speech
- Major organ transplants
- Motor Neuron Disease
- Multiple Sclerosis
- Occupational HIV
- Paralysis
- Parkinson's Disease
- Severe burns
- Stroke

*\*There is a 90-day moratorium for cancer. This means there is no coverage for cancer if symptoms, a diagnosis or investigation leading to a diagnosis occur within 90 days of the start of coverage. Also, certain non-life threatening forms of cancer may be excluded.*

Each condition covered must meet specific criteria, established by Great-West Life, in order for the claim to be payable. For full coverage details, limitations and claiming instructions please access the following link: [Critical Illness Insurance](#).

### Benefit Payment

The lump sum benefit is payable following a benefit payment waiting period. In most cases this waiting period is 30 days after the date of diagnosis or surgery. For the following covered illnesses, a longer waiting period applies before the benefit will be paid:

- Paralysis – 90 days
- Loss of independent existence – 90 days

Coverage for cancer will not begin until 90 days after your coverage takes effect.

For full coverage details, limitations and claiming instructions please access the following link: [Critical Illness Insurance](#).

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## Claiming Limitations

Claims should be submitted as soon as possible and must be received by Great West Life within three months following the end of the benefit payment waiting period. Claims submitted beyond the three-month claiming limit are not eligible for payment.

For full coverage details, limitations and claiming instructions, please access the following link: [Critical Illness Insurance](#).

## Smoker Status (applies to Enhanced Life Insurance only)

If you are a non-smoker, you must complete an *Application and Declaration for Non-Smoker Rate* form and submit it to your Ministry Pay and Benefits Office in order for the premium rate of a non-smoker to apply. The *Application and Declaration for Non-Smoker Rate* form is included in the form section of this handbook or you can obtain one by contacting your Ministry Pay and Benefits Office.

The premium rate of a non-smoker is less than the rate for a smoker of the same age and gender. If you are a smoker, it is not necessary to declare your smoker status; you will automatically be deducted for the smoker rates.

If you are a smoker and subsequently stop smoking cigarettes for one year, and in the past two years have not been treated or had any indication of heart disease, stroke, cancer or any respiratory disease or disorders, you may declare yourself as a non-smoker by filling out an *Application and Declaration for Non-Smoker Rate* form and your premium will be reduced.

The Great-West Life Assurance Company does not consider a person who only smokes cigars or a pipe, to be a smoker.

If you are declared as a non-smoker and subsequently commence smoking, you must notify your Ministry Pay and Benefits Office in writing and your premiums will be changed to the smoker rates.

## Limitations (applies to Enhanced Life Insurance only)

Enhanced Life Insurance is not payable if you die by suicide within 24 months of commencing this insurance coverage.

## Dependent Life Insurance

Dependent Life Insurance provides a lump sum benefit to you if your eligible benefit recipient and/or dependent child(ren) die while insured. This coverage is optional.

Your eligible benefit recipient is covered for \$15,000 and each dependent child is covered for \$7,500.

Any eligible dependents you acquire after you have elected this coverage are automatically covered.

Coverage on a child is effective as soon as the child is born. You are the beneficiary for any benefits paid.

You may choose this coverage when first enrolling in **1\*choice**, at a Choice Time or within 31 days of a Life Event. The cost is a flat amount regardless of how many children you have. You may cancel your coverage at any time.

The premium rate is shown in the **1\*choice Premium Rate Sheet**.

## Paid Up Life Insurance for Retired or Terminated Employees

Available to employees who commence prior to **April 1, 2012**.

Upon retirement or termination, participants in the Group Life Insurance Plan will be issued a one time paid up life insurance certificate based on the criteria listed below. This lump sum benefit is payable on your death and can be directed to your estate or designated beneficiary.

- **\$4,000** — if you have less than 10 years of continuous government service as of March 31, 2012 and retire immediately into the Public Service Pension Plan (PSPP); or Management Employee Pension Plan (MEPP); or if you continue to work beyond your 70th birthday, and at age 70 you have less than 10 years of continuous government service as of March 31, 2012 and are eligible for PSPP or MEPP
- **\$5,000** — if you have between 10 and 20 years of continuous government service as of March 31, 2012 and you terminate or retire; or if you continue to work beyond your 70th birthday, and at age 70 you have between 10 and 20 years of continuous government service as of March 31, 2012
- **\$7,000** — if you have 20 years or more of continuous government service as of March 31, 2012 and you terminate or retire; or if you continue to work beyond your 70th birthday, and at age 70 you have more than 20 years of continuous government service as of March 31, 2012

## Level of Coverage

There are two levels of coverage in the Core Group Life Insurance Plan:

- 1 time annual salary
- 2.5 times annual salary

The Enhanced Group Life Insurance Plan provides four levels of coverage:

- 1 times annual salary
- 2 times annual salary
- 3 times annual salary
- 4 times annual salary

Your coverage under Core must be 2.5 times basic annual salary in order to apply for any Enhanced level of insurance.

## Enrolment Upon Commencement of Employment

To enrol in the Group Life Insurance Plan, complete and submit a **1<sup>st</sup>choice Enrolment** form to your Ministry Pay and Benefits Office within 31 days from your date of hire. The **1<sup>st</sup>choice Enrolment** form is included in the forms section of this handbook or you can obtain one by contacting your Ministry Pay and Benefits Office. Upon initial enrolment you may:

- Enrol in Core Life Insurance of 1 or 2.5 times basic annual salary without having to provide medical information (evidence of insurability) to The Great-West Life Assurance Company. The minimum coverage of 1 times basic annual salary is mandatory
- Enrol in Dependent Life Insurance coverage
- Apply for Enhanced Life Insurance by providing The Great-West Life Assurance Company with evidence of insurability

## Effective Date of Coverage

Your coverage for Core Life Insurance and AD&D Insurance commences on your first day of employment. If you applied for Enhanced Life Insurance, the coverage comes into effect on the first day of the pay period following the date that The Great-West Life Assurance Company approves your application. Dependent Life Insurance becomes effective on the first day of the following pay period that you enrol in the Plan. An eligible employee who commenced prior to April 1, 2012 is insured for the Paid Up Life Insurance certificate the day the employee's group life insurance ceases either through termination of employment, retirement or when reaching age 70 while still employed.

## Changing Your Benefit Coverage

After you have been enrolled in **1<sup>st</sup>choice**, you may subsequently change your coverage when:

- There is a Choice Time
- A Life Event occurred and you request a change in coverage within 31 days from when the event occurred
- Evidence of insurability that you submitted resulted in you being approved for additional life insurance; and/or
- You request, at any time, to decrease your life insurance or opt out of the Dependent Life Insurance coverage

Group Life Insurance	Anytime	Choice Time	Life Event
<b>Core Life and AD&amp;D Insurance</b>	<ul style="list-style-type: none"> <li>• Increase coverage with evidence</li> <li>• Decrease to mandatory level</li> </ul>	<ul style="list-style-type: none"> <li>• Increase coverage with evidence</li> <li>• Decrease to mandatory level</li> </ul>	<ul style="list-style-type: none"> <li>• Increase coverage one level without evidence</li> </ul>
<b>Enhanced Life Insurance</b>	<ul style="list-style-type: none"> <li>• Apply for or increase coverage with evidence</li> <li>• Decrease coverage levels</li> <li>• Opt Out</li> </ul>	<ul style="list-style-type: none"> <li>• Apply for or increase coverage with evidence</li> <li>• Decrease coverage levels</li> <li>• Opt Out</li> </ul>	<ul style="list-style-type: none"> <li>• Increase coverage one level without evidence</li> <li>• Increase more than one coverage level with evidence</li> </ul>
<b>Dependent Life Insurance</b>	<ul style="list-style-type: none"> <li>• Opt Out</li> </ul>	<ul style="list-style-type: none"> <li>• Opt In or Opt Out</li> </ul>	<ul style="list-style-type: none"> <li>• Opt In or Opt Out</li> </ul>
<b>When to Change</b>		<ul style="list-style-type: none"> <li>• Between specified dates</li> </ul>	<ul style="list-style-type: none"> <li>• Within 31 days of the event occurring</li> </ul>

Examples:

- To increase one level of coverage is to move from 2.5 times basic annual salary under the Core coverage to 1 times basic annual salary under Enhanced coverage or to move from 2 times to 3 times basic annual salary under the Enhanced coverage
- To increase more than one level, you must apply with evidence of insurability to The Great-West Life Assurance Company
- To decrease your coverage, you can do so at any time, but must maintain the minimum level of 1 times basic annual salary under Core Life Insurance

## Choice Time

Choice Time is a specific time-frame which occurs during June/July of the odd-numbered years (i.e., 2011, 2013, etc.) and provides you with the opportunity to change your benefit coverage subject to the rules of each benefit plan. You may make the following change under your life insurance coverage:

- Core Life — apply with evidence of insurability to increase coverage from 1 times to 2.5 times basic annual salary or decrease your coverage from 2.5 times basic annual salary to 1 times basic annual salary. You may also make these changes at anytime
- Enhanced Life — apply with evidence of insurability for 1, 2, 3 or 4 times basic annual salary or apply to increase your current enhanced coverage. You may also decrease your coverage level or opt out. You can make these changes at anytime
- Dependent Life — you may opt in if you do not have this coverage

## Life Event

A Life Event occurs on:

- Marriage or meeting the requirements for an eligible benefit recipient
- Divorce, death, or loss of an eligible benefit recipient
- Birth, adoption or guardianship of a first child
- Change in your child's eligibility
- Dependent child's loss of coverage under an individual or other parent's benefit plans; or
- Employee's and/or eligible benefit recipient's loss of coverage under individual or group benefit plans

By applying to your Ministry Pay and Benefits Office **within 31 days** following the occurrence of a Life Event, you may request the following changes to your life insurance coverage:

- Core Life — increase coverage from 1 times to 2.5 times basic annual salary without evidence of insurability
- Enhanced Life — increase one level of coverage above your current level of life insurance without evidence of insurability or more than one level of coverage with evidence of insurability
- Dependent Life Insurance — you may opt in, if you do not have this coverage

## Evidence of Insurability

Evidence of insurability is a process of submitting medical information to The Great-West Life Assurance Company to apply for a higher level of Core or Enhanced Life Insurance coverage. It is used only under the Group Life Insurance Plan.

- If you are approved for the additional level(s) of life insurance coverage, the higher coverage commences at the time it is approved by The Great-West Life Assurance Company. The additional premiums will be deducted from your annual salary
- If your application is not approved, all additional coverage applied for is denied. All other life insurance in place before the application remains in force

The *Evidence of Insurability* form is included in the forms section of this handbook or you can obtain one by contacting your Ministry Pay and Benefits Office.

## Amount of Insurance Changes When Annual Salary Rate Changes

The amount of your Core Life and AD&D Insurance and your Enhanced Life Insurance will automatically be adjusted if there is a change in your basic annual salary rate. Your premium will also change to reflect the revised amount of insurance.

## Disability — Waiver of Premium Benefit

If after two years from the date of disability you continue to receive your LTDI payments, your Core Group Life Insurance and AD&D Insurance, and if applicable, Enhanced Life Insurance will remain in force without further premium payment at your pre-disability level of coverage. The waiver of premium will remain in effect throughout the period of disability until you are deemed fit for gainful employment, death or age 65, whichever comes first. If you have Dependent Life Insurance, you must continue to pay the full premium to keep that insurance in force.

## Termination of Coverage

Your **1<sup>st</sup>choice** Group Life Insurance coverage ceases for you on the last day of the pay period that you:

- Terminate employment; or
- Transfer to a position which is not included in the group eligible for **1<sup>st</sup>choice** benefits; or
- Turn age 70 (for Enhanced Life Insurance); or
- Turn age 75 (for Core and Dependent Life Insurance); or
- Die

Coverage for a dependent under the Dependent Life Insurance ceases on the last day of the pay period:

- That your Core Life Insurance terminates; or
- When the dependent is no longer an eligible benefit recipient as defined under the Plan; or

- When the dependent child turns age 21 or 25 years of age and no longer meets the eligibility requirements as defined under the Plan

You may cancel Dependent Life Insurance at any time.

## Conversion Privilege upon Loss of Group Life Insurance Coverage

If your group life insurance has been reduced or terminated, you have the option to convert the amount of insurance lost to an individual plan through The Great-West Life Assurance Company without providing evidence of insurability, **if you apply within 31 days from the reduction or termination.** The conversion privilege is in effect for employees age 70 or younger.

Upon the loss of coverage, your Ministry Pay and Benefits Office will send you a conversion notice which will provide you with the option to apply for an individual plan without providing medical evidence. If you choose to convert your life insurance, it will become a private policy of insurance between you and The Great-West Life Assurance Company.

You may apply to convert your life insurance if:

- Your insurance terminated because of termination of employment or retirement.
- You had 2.5 times Core Life Insurance and upon reaching age 65, your coverage was automatically reduced to 1 times basic annual salary. You have the option to convert the amount lost (1.5 times your basic annual salary) to an individual plan.
- You had 1 times Core Life Insurance and upon reaching 70, your coverage was automatically reduced to the lump sum amount of \$25,000. You have the option to convert the amount lost (1 times your basic annual salary minus \$25,000) to an individual plan.
- You had Enhanced Life Insurance and your coverage was automatically cancelled as you reached age 70. You have the option to convert the amount lost to an individual plan.

The amount of insurance you are eligible to convert from your group life insurance policies is equivalent to or less than the combined total of your Core and Enhanced Life Insurance to a maximum of \$200,000 per policy. The total amount of insurance that you are able to convert from all your group life insurance policies cannot exceed \$400,000.

If you and your eligible benefit recipient are under age 70, the insurance under Dependent Life Insurance may also be converted.

## Considerations in Choosing Life and Accidental Death and Dismemberment Insurance

- How many dependents do you have and how old are they?
- How self-sufficient is your family? If your eligible benefit recipient works and you have no small children, you might opt for a smaller amount of coverage
- How much debt would be left to your survivors (i.e., mortgage)?
- What expenses would your survivors have in the event of your death — both immediate (i.e., funeral) and long term (i.e., day care, housekeeping)?
- Do you or your family engage in activities which would increase your chance of accidental injury?
- Is it important to you to know that you would have enough money to modify your home or car if you had a debilitating accident?
- Do you wish to make any special bequests (i.e., to a friend or charity)?
- Do you have coverage through other insurance policies or your eligible benefit recipient's benefit plans?
- Would there be any benefits payable from the Canada Pension Plan?
- Would your beneficiary be eligible for a benefit from your Pension Plan?

## Beneficiary Considerations

- Designating adults as beneficiaries results in direct and speedy payment
- Designating a minor without naming a trustee as part of your will may result in the money being paid to a public trustee to be held until the minor reaches the age of majority (age 18 in Alberta)
- Designating your estate means the funds would be subject to payment of debts and any probate fees. It may also delay payment to your next of kin
- You may change your beneficiary at any time

## For Further Information

You may contact the Government of Alberta Time and Benefits Support Line at 780-644-8114 or via e-mail at [GOA.TimeAndBenefits@gov.ab.ca](mailto:GOA.TimeAndBenefits@gov.ab.ca) for any additional information.

*\*Outside of Edmonton, dial toll free 310-0000 followed by 780-644-8114 or hold or press 0 for operator assistance.*

*This handbook is a summary of the Group Life Insurance Plan features for Government of Alberta managers and non-union employees. The Group Life Insurance policies are issued to the Government of the Province of Alberta by The Great-West Life Assurance Company. If there is a discrepancy between the information provided here and the actual policies of insurance, the terms of the latter will prevail.*