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Group Life Insurance Plan

Alberta

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 commenced 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. You will be required to pay benefit premiums when due, including during periods of leave without pay. For premium information, refer to your [1stchoice Premium Rate Sheet](#).

SUMMARY

Coverage	Coverage Details	Cost Sharing
Core Life and AD&D Insurance Policy #33383GL	<ul style="list-style-type: none"> Coverage is mandatory at minimum of 1 times basic annual salary Choice of 1 or 2.5 times basic annual salary, to a maximum of \$400,000 <ul style="list-style-type: none"> The \$400,000 maximum is applicable to Life and AD&D, for a total of \$800,000 on both coverages combined 	2/3 employer, 1/3 employee
Enhanced Life Insurance Policy #33384GL	<ul style="list-style-type: none"> Coverage is optional Must select Core Life Insurance of 2.5 times basic annual salary to apply for Enhanced Life Insurance Choice of 1, 2, 3 or 4 times basic annual salary, to a maximum insurable salary of \$150,000 Total maximum \$600,000 Critical Illness Insurance lump sum \$25,000 	100% employee
Dependent Life Insurance Policy #33384GL	<ul style="list-style-type: none"> Coverage is optional Lump sum benefit of: <ul style="list-style-type: none"> \$15,000 spouse or benefit partner \$7,500 each child 	100% employee
Paid Up Life Insurance for Retired or Terminated Employees Policy #43935GL	<ul style="list-style-type: none"> Paid Up Life Insurance certificate issued in the amount of \$4,000, \$5,000 or \$7,000 upon retirement or termination of employment Eligibility is based on years of service to March 31, 2012 Available to employees who commence prior to April 1, 2012 	<ul style="list-style-type: none"> Funded from Core Life Insurance Premiums at no extra cost to employee

Claims Adjudicator

Applications for all life insurance and AD&D claims are adjudicated through The Canada Life Assurance Company (Canada Life).

PLAN DESCRIPTION

CORE LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE

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 *1st 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 Canada Life. See details under “Conversion Privilege upon Loss of Group Life Insurance”.

Your **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.

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

For loss of use of:

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

Other coverage — certain conditions, restrictions and limitations apply.

- Educational Benefits for Dependent Children, under loss of employee life provision.
- Occupational Training Benefits for a Spouse or Benefit Partner, 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 a flat rate for each \$1,000 of insurance as shown on the [1stchoice 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 Canada Life 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 Canada Life. 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 on the Forms website at www.alberta.ca/benefits-forms-and-resources.aspx 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 [1stchoice 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 Canada 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](#).

Claiming Limitations

Claims should be submitted as soon as possible and must be received by Canada 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)

The premium rate of a non-smoker is less than the rate for a smoker of the same age and gender. Canada Life will use the information you provide on your *Evidence of Insurability* form to confirm your smoker status. If approved for Enhanced Life

Insurance, your approval letter will include confirmation of your smoker status and the appropriate deduction rate will be set up.

If you are a smoker and subsequently stop using tobacco or nicotine products (in any form) 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. This form is available at www.alberta.ca/benefits-forms-and-resources.aspx or you can obtain one by contacting your Ministry Pay and Benefits Office.

If you are declared as a non-smoker and subsequently commence smoking or using tobacco or nicotine products (in any form), 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 spouse or benefit partner and/or dependent child(ren) die while insured. This coverage is optional.

Your spouse or benefit partner is covered for \$15,000 and each dependent child is covered for \$7,500. You are the beneficiary for any benefits paid. Coverage for a child is effective upon live birth. Any eligible dependents you acquire after you have elected this coverage are automatically covered; please ensure you register their names by adding them to your existing list of dependents via MyAGent or by completing and submitting an Enrolment/Change form to your Pay and Benefit contact. Employees with single or no other benefit coverage must complete and submit a Benefit Enrolment/Change form.

You may choose this coverage when first enrolling in **1stchoice**, 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 [1stchoice Premium Rate Sheet](#).

PAID UP LIFE INSURANCE FOR RETIRED OR TERMINATED EMPLOYEES

Available to employees who commenced 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 Management Employee Pension Plan (MEPP) or the Public Service Pension Plan (PSPP); 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 MEPP or PSPP
- **\$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 times 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, sign on to MyAGent and submit your choices electronically or complete and submit a **1stchoice Enrolment/Change Form** to your Ministry Pay and Benefits Office within 31 days from your date of hire. The **1stchoice Enrolment/Change Form** is on the Forms website at www.alberta.ca/benefits-forms-and-resources.aspx 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 Canada Life. The minimum coverage of 1 times basic annual salary is mandatory.
- Enrol in Dependent Life Insurance coverage.
- Apply for Enhanced Life Insurance by providing Canada Life 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 Canada Life 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 **1stchoice**, 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 the date 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
Core Life and AD&D Insurance	<ul style="list-style-type: none"> • Increase coverage with evidence • Decrease to mandatory level 	<ul style="list-style-type: none"> • Increase coverage with evidence • Decrease to mandatory level 	<ul style="list-style-type: none"> • Increase coverage one level without evidence
Enhanced Life Insurance	<ul style="list-style-type: none"> • Apply for or increase coverage with evidence • Decrease coverage levels • Opt Out 	<ul style="list-style-type: none"> • Apply for or increase coverage with evidence • Decrease coverage levels • Opt Out 	<ul style="list-style-type: none"> • Increase coverage one level without evidence • Increase more than one coverage level with evidence
Dependent Life Insurance	<ul style="list-style-type: none"> • Opt Out 	<ul style="list-style-type: none"> • Opt In or Opt Out 	<ul style="list-style-type: none"> • Opt In or Opt Out
When to Change		<ul style="list-style-type: none"> • Between specified dates each year 	<ul style="list-style-type: none"> • Within 31 days of the event occurring

Examples:

- To increase one level of coverage is to move from 2.5 times basic annual salary under the Core coverage and no Enhanced Life coverage to 2.5 times basic annual salary under Core and 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 Canada Life.
- 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.

Note: When you make changes to your benefit coverage, verify that the changes were accurately updated by reviewing your Benefit Summary and pay advice on MyAGent within one pay period. Contact your Ministry Pay and Benefits Office if there are errors.

CHOICE TIME

Choice time is a specific time frame which occurs late May/early June each year and provides you with the opportunity to change your benefit coverage subject to the rules of each benefit plan. The Choice Time open enrolment dates are announced early in May at www.alberta.ca/choice-time.aspx. You are responsible to check this website and make changes to your benefit coverage within the open enrolment period. Choice Time will be communicated via a number of venues, but will not be sent directly to each employee. Set yourself a reminder in May each year to check the website so you don't miss out. The changes would be effective the first day of the pay period that includes July 1st. You may make the following changes 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 any time.
- 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 any time.
- 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 a benefit partner;
- Divorce or death of a spouse;
- Dissolution of a benefit partner relationship or death of a benefit partner;
- Birth, adoption or guardianship of a first child;
- Change in your child's eligibility that allows coverage under the GoA group plans;
- Dependent child's loss of coverage under an individual or other parent's benefit plans; or

- Employee's and/or spouse or benefit partner's loss of coverage under individual or group benefit plans.

Note: Once divorced an employee cannot provide coverage for an ex-spouse under the GoA benefit plans. If a court order indicates benefit coverage must be maintained for the ex-spouse the employee will need to purchase a private plan.

By applying online through MyAGent or contacting 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 Canada Life 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 Canada Life. The additional premiums will be deducted from your bi-weekly paycheque.
- 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 on the Forms website at www.alberta.ca/benefits-forms-and-resources.aspx 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 1stchoice 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 1stchoice 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 a spouse or benefit partner as defined under the Plan; or

- When the dependent/guardian child 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 Canada Life 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 Canada Life.

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 spouse or benefit partner 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 spouse or benefit partner 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 spouse or benefit partner'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 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.