

December 11, 2019

Major Contract Update – Continuation of Coverage (COC) provision

In 2018, we informed you of proposed changes to the Continuation of Coverage (COC) provision. The changes mostly impact coverage for plan members who are off work due to illness rather than an approved disability claim. These contract changes will take effect on May 1, 2020.

What is the COC provision?

The COC provision allows your Clients to continue coverage for their plan members that are not “actively at work”. Examples of this include:

- Statutory leaves
- Personal leaves of absence
- Statutory notice periods following termination of employment

This provision also allows your Clients to continue coverage for their plan members who aren't working because of an illness. These plan members may or may not be on an approved disability claim.

What is changing?

We updated the COC provision mostly to set some time limits. The changes will also clarify what coverage plan members can keep in some cases.

- 1) For plan members on a disability claim, Clients can continue coverage while the claim is active.
- 2) For plan members that aren't on a disability claim, Clients can maintain coverage for up to 2 years for most benefits. However, Short-Term Disability (STD) and Long-Term Disability (LTD) coverage will end when the maximum period for STD benefits and/or the elimination period for LTD benefits end.

For details on this process, see the [“When to end plan member coverage”](#) chart.

Please note:

- Plan members who don't qualify for a disability claim can't submit a second disability claim unless they return to work.

- “Disability claim” is defined broadly and not limited to a Sun Life disability claim. For example, a disability claim with another carrier, workers’ compensation, or life waiver of premium claim all qualify as disability claims. However, a disability claim does not include CPP disability, motor vehicle accident benefits claims or an approved unpaid sick leave with no planned return to work date.
- For Clients with statutory obligations that extend past these timelines, then the statutory period will take priority.

Please see the [FAQ](#) for details.

New contract wording

[Click here](#) to view the new contract wording for our standard and PWS contracts.

[Click here](#) to see the contract change for Clarica heritage Clients.

Why is it changing?

The current COC provision doesn’t clearly state when coverage should end for plan members who are off work due to illness, but not on an approved disability claim. This update clarifies when coverage can be extended for your Clients’ plan members in this situation. This will also help your Clients better manage their plan costs. This contract update also helps to ensure that plan members aren’t paying for coverage that they can never use.

Approach/next steps

This contract amendment will affect all existing National Accounts, SunSolutions and SunAdvantage Clients.

The changes apply to plan members who are off to work due to illness and aren’t on an approved disability claim. This includes plan members with a closed disability claim, who did not return to work.

There are three scenarios for your Clients to consider:

1) If a plan member goes off work after May 1, 2020:

- Your Client must follow the timing set out in the contract amendment.

2) If a plan member is currently off work and the new time limits have not yet expired:

- The employee can continue most coverage until the end of the 24-month period;

- Your Client can continue their disability coverage until the end of the STD maximum benefit period and/or the LTD elimination period respectively. See FAQ for information about grandfathering.

3) If a plan member is currently off work and the time limits have already expired:

- Your Client must end their coverage on May 1, 2020. See the attached FAQ for information about grandfathering.

For example, consider a plan member who last worked on January 1, 2019. The employee has health, life and LTD coverage. The employee was not on a claim with Sun Life or WSIB. The LTD elimination period ended on July 1, 2019. The Client continued all of the employee's coverage. On May 1, 2020, the Client will end the employee's LTD coverage. Health and Life coverage can continue until December 31, 2020.

Process to notify Sun Life to end benefits

- Clients using the Plan Sponsor Services site will need to submit a special request
- Clients having Sun Life as its administrator (IA Clients) will need to contact Sun Life ([see FAQ for contact information](#))
- Clients responsible for their own administration (PA clients) will need to update their records

What do your Clients need to do

- Keep this Focus Update as a record of these changes and file it with their Sun Life group contract(s) for future reference. This serves as an amendment to their contract(s) effective May 1, 2020. At the plan's next revision, we'll include updated wording to reflect the above changes.
- Your Clients must let their plan members know about the changes to their plan and how some types of leaves of absence can impact their coverage.

When your Client informs their plan members that some or all of their coverage is coming to an end, please tell them to call Sun Life's Client Solutions Centre at 1-877-893-9893. Plan members have a right to convert life coverage as long as they call Sun Life within 31 days of the date that group life coverage ends. Plan members may be eligible for other individual products. For our Choices products, they must contact Sun Life within 60 days of the date that their group life, health or critical illness coverage ends.

Focus Update

For more information

- We've prepared an FAQ to provide more information and help answer some of your questions about this contract change.
- This "[When to end plan member coverage](#)" chart maps out the process for COC provision and timing according to the details of each case.

Questions?

Please contact your Sun Life Group Benefits representative.

Contract Revisions

We will amend the contract provisions outlined in the table below. You may find that the wording below does not reflect the exact wording in your plan. At the next contract revision, we will include the amendment that aligns with your contract’s provisions. Please contact your Group Benefits representative if you have any questions.

Old Contract Wording	New Contract Wording
<p>When coverage would terminate because employment ends or the employee is no longer actively working, the employer is entitled to continue coverage in the following circumstances:</p> <ul style="list-style-type: none"> • during a statutory leave, as set out in the applicable employment standards legislation, but not more than the period required under such legislation. • during the notice period for termination of employment as required by relevant legislation. • for a pre-determined period during which the employee is temporarily laid off or is granted a leave of absence, excluding a statutory leave or an absence due to illness, but not more than 3 months. <p>Also, when coverage would terminate because the employee is no longer working due to illness, the employer is entitled to continue coverage under this contract during the period the employee is absent from work, provided that employment continues.</p>	<p>The employer can continue all coverage for employees who are not actively working:</p> <ul style="list-style-type: none"> • during a statutory leave, as set out in applicable employment standards legislation. • during the notice period for termination of employment as set out in relevant employment standards legislation. • during a pre-determined period during which the employee is temporarily laid off or is granted a leave of absence, excluding a statutory leave or an absence due to illness, up to 3 months. <p>For employees absent from work due to illness and on an approved disability claim, as defined below, the employer can continue:</p> <ul style="list-style-type: none"> • non-disability coverage - while the employee is on an approved disability claim and for up to 24 months after the claim closes. • Short-Term Disability (STD) coverage – during the STD maximum benefit period and following this period, while the

The employer's decision must be applied equally to all employees within the same classification as outlined in *Benefit Details*.

employee is on an approved disability claim.

- Long-Term Disability (LTD) coverage - during the LTD elimination period and following this period, while the employee's LTD claim is approved.

If the employee is not, at any time, on an approved disability claim during their absence from work due to illness, the employer can continue:

- non-disability coverage - for up to 24 months after the employee's last day of work.
- STD coverage - for the STD maximum benefit period.
- LTD coverage - until the end of the LTD elimination period.

Disability claim means one or more of the following:

- a claim made for STD or LTD benefits or for waiver of premium on any Employee Life benefit under the employer's group benefits plan with Sun Life or another insurer.
- a claim to replace the employee's earnings or income under any workers' compensation plan.
- a claim made under the Employment Insurance sickness program or under the employer's sick leave program or salary continuation plan.

If any of the time periods described above are less than the statutory leave period set out under employment standards

	<p>legislation for an employee’s illness, then the employer can extend coverage for the statutory leave period.</p> <p>In no event will coverage extend past:</p> <ul style="list-style-type: none"> • the date of termination specified in Benefit Details • the retirement date for totally disabled employees • the date of termination of employment, or if applicable the expiry of the statutory notice period <p>The employer’s decision must be applied equally to all employees within the same classification as outlined in Benefit Details.</p>
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If your contract has a Termination of Employment provision, this is how your contract will be changing:

Old Termination of Employment wording	New Contract Wording
<p>Termination of Employment</p> <p>Termination occurs on the date a person ceases to qualify as an Employee or the date he ceases to be Actively at Work, whichever is earlier.</p> <p>However, the Employer, acting in accordance with rules which apply equally to all Employees within the same Classification, may deem that Employment continues:</p>	<p>Termination of Employment</p> <p>Termination occurs on the date a person ceases to qualify as an Employee or the date he ceases to be Actively at Work, whichever is earlier.</p> <p>Continuation of Insurance When insurance would terminate because the Employee is no longer Actively at Work, the Employer can continue insurance:</p>

- ~~1. for any life insurance benefit, for a period ending not later than 12 months (unless a longer period is approved by Sun Life) during with the Employee is absent from work due to illness,~~
- ~~2. for any other benefit, for any period the Employee is absent from work due to illness,~~
3. for the period of the Employee's scheduled paid vacation, but not exceeding 3 months,
4. for any period the Employee is on a statutory leave, as set out in applicable employment standards legislation, but not exceeding the period required under such legislation,
5. for such period of notice as required on termination of employment under the relevant legislation, or
6. for a period ending not later than the last day of the calendar month following the month in which the Employee is temporarily laid off or is granted a leave of absence for any reasons other than illness, paid vacation or a statutory leave.

1. for the period of the Employee's scheduled paid vacation, but not exceeding 3 months,
2. during a statutory leave, as set out in applicable employment standards legislation,
3. during the notice period for termination of employment as set out in relevant employment standards legislation, or
4. for a period ending not later than the last day of the calendar month following the month in which the Employee is temporarily laid off or is granted a leave of absence for any reason other than illness, paid vacation or a statutory leave.

For Employees who are absent from work because of illness and on an approved disability claim, as defined below, the Employer can continue:

1. non-disability insurance – while the Employee is on an approved disability claim and for up to 24 months after the claim closes.
2. Weekly Indemnity (WI) insurance – during the WI Maximum Benefit Period and following this period, while the Employee is on an approved disability claim.
3. Long Term Disability (LTD) insurance – during the LTD Elimination Period and following this period, while the Employee's LTD claim is approved.

If the Employee is not, at any time, on an approved disability claim during their absence from work because of Illness, the Employer can continue:

1. non-disability insurance – for up to 24 months after the Employee’s last day of work.
2. WI insurance – for the WI Maximum Benefit Period.
3. LTD insurance – until the end of the LTD Elimination Period.

Disability claim means one or more of the following:

1. a claim made for WI or LTD insurance or for waiver of premium on any Employee Life insurance under the Employer’s group benefits plan with Sun Life or another insurer.
2. a claim to replace the Employee’s earnings or income under any workers’ compensation plan.
3. a claim made under the Employment Insurance sickness program or under the Employer’s sick leave program or salary continuation plan.

If any of the time periods described above are less than the statutory leave period set out under employment standards legislation for an Employee’s Illness, then the Employer can extend insurance for the statutory leave period.

In no event will insurance extend past:

1. the date of Individual Terminations specified in the benefit sections.
2. the Deemed Date of Retirement for Totally Disabled Employees.
3. the date of termination of employment, or if applicable, the expiry of the statutory notice period.

The Employer's decision must be applied equally to all Employees within the same classification.

Contract Revisions

If your contract currently does not include a Continuation of Insurance of Member provision, the provision will now be added to your contract. As a result, changes to the Termination of Insurance of a Member provision, which currently appears in your contract will be changing as well.

Please contact your Group Benefits representative if you have any questions.

Current Contract Wording	Additional Contract Wording to be added
<p>Termination of Insurance of a Member</p> <p>Unless specified otherwise in this policy, the insurance of a member terminates on the date that he no longer meets all of the conditions for Eligibility to be a Member. The dependant insurance of a member terminates on the date he no longer meets all of the conditions for Eligibility for Dependant Insurance. If a member, due to disease or injury, no longer meets all of the conditions, his insurance may be continued, subject to our approval, until the date of termination of his insurance that you specify.</p> <p>The insurance of a member terminates on the date a work stoppage begins unless you have made special arrangements with us before that date to continue some or all of the insurance.</p> <p>If a member fails to tell us every fact material to his insurance or misrepresents those facts, that insurance is voidable.</p> <p>Statements made on a member's enrolment form or on an advice of</p>	<p>Continuation of Insurance of a Member</p> <p>You can continue all insurance for members who are not actively working:</p> <ol style="list-style-type: none"> 1. during a statutory leave, as set out in applicable employment standards legislation. 2. during the notice period for termination of employment as set out in relevant employment standards legislation. 3. during a pre-determined period during which the member is temporarily laid off or is granted a leave of absence, excluding a statutory leave or an absence due to disease or injury, up to 3 months. <p>For members absent from work due to disease or injury and on an approved disability claim, as defined below, you can continue:</p> <ol style="list-style-type: none"> 1. non-disability insurance - while the member is on an approved disability claim and for up to 24 months after the claim closes. 2. Short Term Disability (STD) insurance – during the STD benefit

insurability form which are fraudulent or a misstatement of age may be contested at any time.

Other statements are incontestable 2 years after the statements are made.

Add the *Continuation of Insurance of a Member Clause* here.

NOTE: the definition of *Work Stoppage* must also be deleted from the contract. In addition, any references to *actively working* will be adjusted to remove "due to disease or injury."

period and following this period, while the member is on an approved disability claim.

3. Long Term Disability (LTD) insurance - during the LTD qualifying period and following this period, while the member's LTD claim is approved.

If the member is not, at any time, on an approved disability claim during their absence from work due to disease or injury, you can continue:

1. non-disability insurance - for up to 24 months after the member's last day of work.
2. STD insurance - for the STD benefit period.
3. LTD insurance - until the end of the LTD qualifying period.

Disability claim means one or more of the following:

1. a claim made for STD or LTD benefits or for waiver of premium on any Member Life benefit under your group benefits plan with us or with another insurer.
2. a claim to replace the member's earnings or income under any workers' compensation plan.
3. a claim made under the Employment Insurance sickness program or under your sick leave program or salary continuation plan.

If any of the time periods described above are less than the statutory leave period set out under employment standards

	<p>legislation for a member’s disease or injury, then you can extend insurance for the statutory leave period.</p> <p>In no event will insurance extend past:</p> <ol style="list-style-type: none"> 1. the date of termination specified in the Summary of Insurance 2. the date of termination of employment, or if applicable the expiry of the statutory notice period <p>Your decision must be applied equally to all members within the same classification as outlined in the Summary of Insurance.</p>
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If your contract currently includes a Continuation of Insurance of a Member provision, this is how your contract will be changing:

Old Contract Wording	New Contract Wording
<p>Continuation of Insurance of a Member</p> <p>When the insurance of a member would terminate because employment ends or the member is no longer actively working, you are entitled to continue insurance in the following circumstances:</p> <ol style="list-style-type: none"> 1. during a statutory leave, as set out in applicable employment standards legislation, but not more than the period required under such legislation. 2. during the notice period for termination of employment as required by relevant legislation. 3. for a pre-determined period during which the member is temporarily laid off or is granted a leave of 	<p>Continuation of Insurance of a Member</p> <p>You can continue all insurance for members who are not actively working:</p> <ol style="list-style-type: none"> 1. during a statutory leave, as set out in applicable employment standards legislation. 2. during the notice period for termination of employment as set out in relevant employment standards legislation. 3. during a pre-determined period during which the member is temporarily laid off or is granted a leave of absence, excluding a statutory leave or an absence due to disease or injury, up to 3 months.

absence, excluding a statutory leave or an absence due to disease or injury, but not more than 3 months.

Also, when insurance would terminate because the member is no longer actively working due to disease or injury, you are entitled to continue insurance under this contract during the period the member is absent from work, provided that employment continues.

Your decision must be applied equally to all members within the same classification as outlined in the Summary of Insurance.

For members absent from work due to disease or injury and on an approved disability claim, as defined below, you can continue:

1. non-disability insurance - while the member is on an approved disability claim and for up to 24 months after the claim closes.
2. Short Term Disability (STD) insurance – during the STD benefit period and following this period, while the member is on an approved disability claim.
3. Long Term Disability (LTD) insurance - during the LTD qualifying period and following this period, while the member's LTD claim is approved.

If the member is not, at any time, on an approved disability claim during their absence from work due to disease or injury, you can continue:

1. non-disability insurance - for up to 24 months after the member's last day of work.
2. STD insurance – for the STD benefit period.
3. LTD insurance – until the end of the LTD qualifying period.

Disability claim means one or more of the following:

1. a claim made for STD or LTD benefits or for waiver of premium on any Member Life benefit under your group benefits plan with us or with another insurer.

2. a claim to replace the member's earnings or income under any workers' compensation plan.
3. a claim made under the Employment Insurance sickness program or under your sick leave program or salary continuation plan.

If any of the time periods described above are less than the statutory leave period set out under employment standards legislation for a member's disease or injury, then you can extend insurance for the statutory leave period.

In no event will insurance extend past:

1. the date of termination specified in the Summary of Insurance
2. the date of termination of employment, or if applicable the expiry of the statutory notice period

Your decision must be applied equally to all members within the same classification as outlined in the Summary of Insurance.