

# FREQUENTLY ASKED QUESTIONS (FAQ)



## Continuation of Coverage (COC) FAQ

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### Disability coverage

#### **Why is Sun Life no longer allowing plan sponsors to continue STD and LTD coverage for plan members who are not actively at work due to illness (and not on an approved disability claim)?**

A plan member not actively at work due to illness and not on an approved disability claim is not eligible for disability benefits if they were to incur a subsequent injury or illness while they're off work. This is because plan members must be at work on the day before the date of the disability to be eligible for disability benefits. As well, disability benefits replace lost income. Leaves due to illness are unpaid, so there's no income to replace.

If plan sponsors continue disability premiums while the employee is not actively at work due to illness, then they're paying for coverage for a benefit that the plan member can never claim.

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## What constitutes an approved disability claim?

Approved disability claim – coverage can continue	Not an approved disability claim – coverage cannot be continued
<p>If the plan member is on...</p> <ul style="list-style-type: none"> <li>• STD or LTD with Sun Life</li> <li>• STD or LTD with another carrier</li> <li>• Workers compensation</li> <li>• Life waiver of premium</li> <li>• EI Sickness Program</li> <li>• Employer salary continuance or sick leave program</li> </ul>	<p>If the plan member is on...</p> <ul style="list-style-type: none"> <li>• CPP disability</li> <li>• Motor vehicle accident benefits</li> <li>• An approved unpaid sick leave with no planned return to work date</li> </ul>

## Why is CPP disability not considered an approved disability claim? Why can't coverage continue when a plan member is on CPP disability?

A plan member could remain off work and receive CPP disability for many years, up to the age of 65. Unlike LTD, waivers of premium for life insurance, and workers compensation claims, there is very little connection to the workplace for plan members receiving CPP Disability. Sun Life can't monitor these cases to assess if members continue to be totally disabled and in receipt of CPP Disability.

## What happens if a plan sponsor does not have STD or LTD with Sun Life? How would Sun Life know if a plan member is on an approved disability claim with the other insurer? How will Sun Life enforce this new provision?

We rely on plan sponsors to advise us when a plan member is not actively at work, regardless of the reason (e.g. statutory leave, personal leave, illness leave). Little has changed in this regard; however, we also need to know about the employee's STD and/or LTD claim with another insurer. Whether the employee is on a disability claim affects the plan sponsor's right to maintain coverage. With the new contract wording, Sun Life can deny a member's claim (e.g., Health/Dental, Critical Illness, Life) if coverage was wrongly kept in place.

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## **What happens if Sun Life (or another carrier) initially declines a plan member's disability claim but approves it on appeal or following litigation?**

Upon request, non-disability coverage will be restored from the date coverage was terminated. However, given that plan sponsors can continue this coverage for up to 24 months after the disability claim is declined or closed, we expect that these situations would rarely arise.

## **What if employment ends while the person is on a disability claim?**

If the plan sponsor provides the employee with notice of termination, coverage ends when the statutory notice period expires except that:

- Disability coverage continues on a waiver of premium
- Any other coverage, such as life coverage, for which there is a waiver of premium also continues

## **Will the contract change be applied to short-term leaves of absences (e.g., a few days or weeks)?**

No. These contract changes won't affect short-term unpaid leaves.

## **What is the status of coverage when STD/LTD is declined based on a term of the contract and not related to the employee's ability to work (e.g., pre-existing condition)?**

Regardless of the reason for the refusal/decline, the plan member's disability coverage should not extend past the time limits set out in this provision. Similarly, the 24-month time limit for non-disability coverage would apply.

## **How will Sun Life apply the pre-existing condition exclusion for plan members who return to work following termination of their LTD coverage? (Note: This question is about a plan member off work because of an illness but not on a disability claim.)**

Our standard plan has a provision to address this situation. It depends on whether the "break" in coverage is more than 6 months. If the plan member returns to work within 6 months, Sun Life will reinstate their coverage and apply the plan member's initial coverage effective date to the pre-existing condition provision.

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Following a 6-month period, the effective date of coverage is the date that the plan member returns to work. This is the date that we apply to the pre-existing condition provision.

## **What do we mean by “when a claim closes”?**

It’s when a plan member is no longer on an approved disability claim because the claim was denied or the person went back to work.

## **Non-disability coverage**

### **Why must non-disability coverage (Life, EHC and Dental, Critical Illness) end after 24 months for plan members who are not actively at work due to illness?**

Limiting the continuation of coverage for non-disability benefits is consistent with administrative best practices.

### **Why did we choose 24 months for non-disability coverage?**

We consider it reasonable to allow plan sponsors to maintain coverage during their own occupation period. It provides both the plan member and plan sponsor time to assess workplace issues.

## **Other types of leaves**

### **Are we changing the continuation of coverage for other types of leaves (e.g., severances, statutory leaves, temporary leaves, etc.)?**

No. There is **no change** to other continuation of coverage provisions that pertain to statutory leaves, severances, or temporary leaves.

While we made some minor tweaks to clean up the standard contract wording for these leaves, there’s also no change to how Sun Life currently administers extension requests for these leaves. Plan sponsors will need to follow the current process.

If plan sponsors have custom contract wording for severances, statutory leaves, temporary leaves, or any other type of leave, other than unpaid leaves due to illness, these custom contract provisions will not be impacted.

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## Plan member options

### **What are the options for plan members who are absent from work due to illness, that have their benefits terminated by their plan sponsor?**

If the plan member has life insurance under their group plan, they have the option to convert up to the lesser of their group benefit amount or \$200,000 (\$400,000 for Quebec residents) to an individual life insurance conversion plan, without medical underwriting. However, plan members must convert within **31 days** of their life benefit ending.

Plan members can call Sun Life's Client Solutions Centre at 1-877-893-9893 within 31 days of the date that coverage ends to speak with a licensed Financial Services Consultant (FSC) and to convert their life insurance benefits. They may also be eligible to apply for other Sun Life individual insurance plans. When calling Sun Life at the above number, plan members can speak with the FSC about their other options.

## Grandfathering

### **How should plan sponsors manage coverage for plan members who are neither working nor on approved disability claim prior to May 1, 2020?**

Plan sponsors must end disability coverage according to the new wording (e.g., end of the STD maximum benefit period or LTD elimination period). If the time periods have passed, coverage must end immediately. **Note: For plan sponsors having statutory obligations that extend past these deadlines, the plan sponsor can continue coverage until the end of the statutory period.**

Once a disability claim closes, coverage would automatically come to an end (even prior to this contract change).

For non-disability coverage (Life, EHC, Dental, CI), plan sponsors can grandfather these members and allow coverage to continue for more than 24 months, even indefinitely. The following criteria must apply:

- Plan member must be off work prior to May 1, 2020, because of an illness
- Coverage must already be in effect



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- Plan member did not return to work following:
  - a declined disability claim, having an initial payment date prior to May 1, or
  - an approved disability claim, which closed prior to May 1, and the plan member did not return to work

## Process to notify Sun Life to terminate benefits

### • SunSolutions and National Account Clients

- 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 email their Regional Maintenance Member team
  - Central Region – [EECENT@sunlife.com](mailto:EECENT@sunlife.com)
  - Eastern Region – [EEEAST@sunlife.com](mailto:EEEAST@sunlife.com)
  - Western Region – [EEWEST@sunlife.com](mailto:EEWEST@sunlife.com)

- Clients responsible for their own administration (PA Clients) – will need to update their records

### • SunAdvantage Clients

- 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 email their Client Services Administrator

## Funding arrangements and plan types

### Will the contract changes be applied to client contracts regardless of funding arrangements (ASO, refund, non-refund, ASO and refund without EHC pooling)?

Yes, the contract changes will be applied to all contracts regardless of funding arrangements.

# FREQUENTLY ASKED QUESTIONS (FAQ)



## **Will Sun Life be making any changes to plan member booklets?**

No. Continuation of coverage provisions are not included in plan member booklets. The new contract wording will not be added to the plan member booklets.

## **Will Sun Life add the new contract wording to a retiree only policy/group?**

No. Continuation of coverage is not applicable to these plans, so the new wording will not be added to these contracts.

## **Will Sun Life add the new contract wording to a paid-up life plan only?**

No. Continuation of coverage is not applicable to these plans, so the new wording will not be added to these contracts.

## **Questions?**

Please contact your Sun Life Group Benefits representative.