



Life and Accident coverage

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Life and Accident coverage

If you are concerned about your family's financial security should you die or suffer a serious accidental injury, you will want to protect them from the loss of regular income and unexpected expenses. You can do this through Air Canada's various life and accidental coverage plans.

The Company currently provides you with basic protection at no cost to you.

In addition, should you feel you and your family need more financial protection in the event of death or accidental injury, Air Canada offers you the opportunity to purchase more coverage through the Supplementary Life Insurance plan and the Voluntary Accidental Death, Dismemberment and Loss of Use (AD&D/LU) Insurance plan.

The plans available to you are:

- Basic Group Life plan
- Supplementary Life Insurance plan
- Voluntary AD&D/LU Insurance plan

Introduction





These highlights give an overview of your Life and Accident coverage. The following pages contain the detailed information on which benefit payments will be determined.

Highlights

Basic Group Life plan	
Eligibility	<ul style="list-style-type: none"> ▶ Permanent full time employees, as of your first day of employment. ▶ Permanent part-time employees, as of your first day of employment. ▶ Temporary full time and part time after 6 months of continuous service, provided successful completion of medical examination.
Coverage	<ul style="list-style-type: none"> ▶ Permanent full-time employees, 30 x your basic monthly salary, up to a maximum of \$60,000. ▶ Permanent part-time employees, 2.5 x your basic annual earnings, up to a maximum of \$25,000.
Cost	Currently shared by Air Canada and employee
Supplementary Life Insurance plan	
Eligibility	<ul style="list-style-type: none"> ▶ Permanent and temporary employees: as of the first day of month following your first day of employment, provided successful completion of medical examination ▶ Eligible dependents: when you become eligible
Coverage	<ul style="list-style-type: none"> ▶ You: up to \$200,000, in units of \$10,000 ▶ Spouse: \$5,000-\$35,000 ▶ Each eligible child: \$2,500-\$17,500
Cost	Paid in full by employee





Voluntary AD&D/LU Insurance plan	
Eligibility	<ul style="list-style-type: none">▶ Permanent and temporary employees: as of first day of month following month in which Air Canada receives your enrolment card▶ Eligible dependents: when you become eligible
Coverage	<p>Accidental death</p> <ul style="list-style-type: none">▶ You: up to \$500,000, in units of \$50,000▶ Spouse:<ul style="list-style-type: none">● 50% of your amount (if no eligible children)● 40% (if eligible children)▶ Each eligible child: 15%, to a maximum of \$75,000 <p>Accidental injury A percentage of the amount for accidental death</p>
Cost	Paid in full by employee





Basic Group Life plan

Permanent employees are automatically covered under the plan from their first day of employment.

Temporary employees become covered after six months of continuous service, provided they have successfully passed the Company medical examination.

How do I join?

Just complete a Basic Group Life enrolment card (ACF852) and return it to **Employee Services, PO BOX 7650, Station B, Toronto (ON) M2K 3B5.**

Can I choose not to join?

No. Coverage is automatic.

Joining the plan

Full-Time: Upon your death from any cause and anywhere in the world, the plan pays an amount equal to 30 times your basic monthly salary, rounded up to the next higher \$100, to a maximum of \$60,000

Part-Time: \$25,000

Does my coverage go up as my salary increases?

Yes, your coverage is automatically adjusted when your salary changes, but it can never exceed the maximum benefit payable.

Coverage

If you retire early and elect additional coverage up to age 65, premiums will be deducted from your monthly retirement cheque.

Do I have to pay income tax on this coverage?

Yes. Current legislation requires that you pay income tax on Air Canada's cost to provide this coverage for you.

Cost



***What happens if I become disabled?***

If you become disabled and receive benefits under the Group Disability Income plan or other wage loss replacement income such as workers' compensation, your basic group life coverage will continue at no cost to you.

What happens if I take a maternity/child care leave?

If you are on maternity or child care leave, your basic group life coverage will continue provided you prepay the employee premium.

What happens if I take a leave of absence?

If you are on an authorized leave of absence, your coverage continues provided you are still on payroll. If you are on an authorized leave of absence for more than 30 days, you have the option to maintain your coverage for up to 12 months, provided you prepay the total premium.

Please contact **Employee Services – Portal /Employee Self Service (ESS) tool** 1-877-645-5000; e-mail: eServices@aircanada.ca before your last day of work to make the necessary arrangements. Otherwise, your coverage will be suspended for the duration of your leave of absence.

What happens when I retire?

Currently, Air Canada pays for continued basic life insurance coverage for employees who retire on their normal retirement age or who retire with 25 years of continuous service or when their continuous service and age add up to 80 or more.

For the first 31 days following retirement, this extended coverage is equal to 100% of the amount of coverage while in active service. Afterward, it is reduced to 25% and remains at this level throughout retirement, subject to a maximum of \$10,000.

If you retire with fewer than 15 years of continuous service, this amount is reduced proportionately by 1/15 for each year below 15.

In the event...





Also, if you retire early, you may purchase additional coverage. This additional coverage, for which premiums will be deducted from your monthly retirement cheque, is equal to:

- until age 60: 50% of your coverage while in active service;
- from age 60 to age 65: 25% of your coverage while in active service.

This optional coverage ends at age 65.

As an example of how retirement coverage is determined, let's assume that your coverage before retirement amounts to \$60,000. Under the current rules for coverage at retirement, if you retire at age 55 and elect optional coverage, you will be covered as follows:

<i>Retirement coverage (paid by Air Canada)</i>	<i>Optional coverage (paid by you)</i>	<i>Total coverage</i>
From age 55 to 59		
\$10,000	\$30,000 (50% x \$60,000)	\$40,000
From age 60 to 64		
\$10,000	\$15,000 (25% x \$60,000)	\$25,000
From age 65 on		
\$10,000	N/A	\$10,000

This example does not take into account the fact that, for the 31 days after retirement, coverage continues at the same level as before retirement, i.e. \$60,000 in this case.

Coverage for temporary employees ends upon termination of employment.

When does coverage end?

Your coverage will end on the earliest of the following dates:

- if you are a permanent employee, 31 days after your employment ends,
- if you are a temporary employee, on the date your employment ends,

In the event... (cont'd)





- the date the group contract ends,
- the due date of the first premium toward which you failed to make a required employee contribution, if necessary, and
- the date you cease to be eligible under the plan.

***In the
event...
(cont'd)***

If my coverage ends, may I convert it to an individual policy?

Yes. If your employment ends before age 65, you may convert all or part of your basic life coverage to an individual policy at the standard rates. If you retire from Air Canada, you may convert up to the difference between your coverage as an active employee and the amount of basic coverage that continues throughout retirement.

If you wish to convert your coverage, you should apply for conversion and pay the necessary premiums within 31 days of your termination. Otherwise, you will have to provide evidence of insurability.





Supplementary Life Insurance plan

This optional coverage is available to all employees, provided they have successfully passed the Company medical examination.

You are eligible to join the first day of the month coinciding with or following your first day of employment, or anytime afterward, provided you submit the required evidence of insurability.

You may also insure your spouse and dependent children, provided you have selected coverage for yourself.

Who is eligible as a dependent?

Your eligible dependents are:

- **Your spouse**

Your spouse is:

- The person who is legally married to you, or
- The person of the opposite sex who lives with you and is the father or mother (biological or adoptive) of at least one of your children, or
- The person of the same or opposite sex who has been living with you in a conjugal relationship for at least 12 consecutive months, or
- The person of the same or opposite sex who lives with you and had previously lived with you for a period of at least 12 consecutive months.

If more than one person meets the above definition, the person currently living with you will take precedence.

Coverage for a common-law or same-sex spouse is subject to the submission of the affidavit form ACF420K and becomes effective on the date the notarized affidavit is **received** by the **Employee Service** office in Toronto.

***Joining
the plan***





- **Your unmarried children**

Your unmarried children include your natural or legally adopted children as well as your spouse's children and any foster children.

Your unmarried children must be at least 14 days old and under age 21, and they must depend solely on you for support. Dependent students are covered up to age 25, provided they are registered students in full-time attendance at a university or a similar institution of learning.

Children who are totally and permanently disabled before reaching age 21 remain covered beyond the age limit, provided they were insured before their 21st birthday, are incapable of self-sustaining employment and wholly depend on you for support and maintenance.

How do I join and when does coverage begin?

To enrol, complete the Supplementary Life Insurance enrolment card (ACF866-1), and return to the **Employee Services** office.

If you apply within 31 days of your date of hire, coverage will start on the date you submit your enrolment card to the **Employee Services** office in Toronto.

If you apply for coverage either for you or for your dependents after the 31-day period, evidence of insurability will be required and coverage will start on the day the insurance company approves your request.

You provide evidence of insurability by completing a health questionnaire (ACF862-3). The insurer may request further evidence if required.

Can I choose not to join?

Yes, this coverage is entirely optional.

Can I opt out of the plan and cover only my family?

No. You must be covered under the plan if you wish to cover your eligible dependents.

***Joining
the plan
(cont'd)***





What happens if I'm not at work on the day my coverage is expected to take effect?

In that case, your coverage will begin on the day you return to work.

Joining the plan (cont'd)

You may choose up to \$200,000 of coverage for yourself, in units of \$10,000. For your eligible dependents, you have the following seven options:

Coverage

Options	Coverage for spouse	Coverage for each child
1	\$5,000	\$2,500
2	\$10,000	\$5,000
3	\$15,000	\$7,500
4	\$20,000	\$10,000
5	\$25,000	\$12,500
6	\$30,000	\$15,000
7	\$35,000	\$17,500

Can I change coverage anytime?

Yes, you may increase or decrease coverage anytime by completing a new enrolment card.

If you wish to increase coverage either for you or for your dependents, please note that evidence of insurability will be required. Please provide this evidence by completing a form available from your Employee Services office.

Can I cancel coverage anytime?

Yes. If you wish to cancel your coverage, simply write to the **Employee Services, PO BOX 7650, Station B, Toronto (ON) M2K 3B5; fax: 1-866-207-8636; or e-mail: eServices@aircanada.ca**

However, if you want to remain in the plan but cancel coverage for your dependents, you must complete a new enrolment card.

The cost of the coverage you select for yourself is based on your age and the amount of coverage chosen. For your dependents, the cost is based on the option you choose. The premiums are as follows:

Cost



**Employee coverage**

<i>Age</i>	<i>Monthly premium per \$10,000 of coverage</i>
18 – 34	\$0.58
35 – 39	\$.80
40 – 44	\$1.16
45 – 49	\$1.81
50 – 54	\$2.75
55 – 59	\$4.62
60 – 64	\$5.78
65 – 69	\$8.67

**Cost
(cont'd)****Dependent coverage**

<i>Options</i>	<i>Coverage for spouse</i>	<i>Coverage for each child</i>	<i>Monthly premium</i>
1	\$5,000	\$2,500	\$0.72
2	\$10,000	\$5,000	\$1.44
3	\$15,000	\$7,500	\$2.16
4	\$20,000	\$10,000	\$2.88
5	\$25,000	\$12,500	\$3.60
6	\$30,000	\$15,000	\$4.32
7	\$35,000	\$17,500	\$5.04

If you live in Quebec, you must add 9% provincial tax.
If you live in Ontario, you must add 8% provincial tax.

Can you provide an example?

Let's say that you are 40 years old, choose \$50,000 in supplementary life coverage for yourself and Option 4 for your dependents (i.e. \$20,000 for your spouse and \$10,000 for each child). Your monthly cost would be as follows:





$\$50,000 \div \$10,000 = 5 \text{ units} \times \1.16	\$5.80
plus	
Option 4	\$2.88
Total cost per month (before provincial tax)	\$8.60

**Cost
(cont'd)**

Your premiums will be paid through payroll deduction and will be adjusted when your coverage changes, or when you fall under a new age group.

Do I have to pay income tax on this coverage?

No.

What happens if I become disabled?

If you become disabled, your coverage and premium deductions will continue as long as you receive disability benefits. If you do not receive disability benefits, you may continue coverage by prepaying the required premium.

In the event...

What happens if I take a maternity/child care leave?

If you are on maternity or child care leave, your supplementary life insurance coverage will continue provided you prepay the required premium.

What happens if I take a leave of absence?

You may continue coverage for up to 12 months by prepaying the required premium.

What happens when I retire?

Currently, Air Canada employees who retire before age 65 may continue to be insured for up to \$50,000.

These employees can also continue their dependents' coverage up to age 65. From age 65 to 70, they may continue to cover their dependents under Option 1 (i.e. \$5,000 for spouse and \$2,500 for each dependent child).

Retired employees may also apply for this coverage provided they submit evidence of insurability.

Continued coverage remains in effect until the end of the month in which they reach age 70. Premiums will be deducted from monthly retirement cheques.



***When does coverage end?***

Your coverage will end on the earliest of the following dates:

- upon your death;
- upon retirement, unless you have chosen to maintain your coverage until age 70;
- 31 days after your employment with Air Canada ends;
- the date you stop paying the required premiums for coverage;
- the date you choose to stop participating in the plan;
- the last day of the month coinciding with or following your 70th birthday, if you have chosen to maintain your coverage; and
- upon the termination of this plan.

Coverage for your dependents stops when your coverage ends, when they no longer qualify as eligible dependents, when dependent coverage is terminated under this policy or when you request that their coverage be stopped.

If my coverage ends, may I convert it to an individual policy?

Yes. If your employment ends, you may convert all or part of your supplementary life insurance coverage to an individual policy at standard rates.

If you wish to convert your coverage, you should apply for conversion and pay the necessary premiums within 31 days of your termination. Otherwise, you will have to provide evidence of insurability.

If you die within the 31-day period, the amount of insurance you could have converted will be paid, whether or not the conversion had been applied for.

***In the event...
(cont'd)***





Voluntary Accidental Death, Dismemberment and Loss of Use (AD&D/LU) Insurance plan

This optional coverage is available to all permanent and temporary employees. You may obtain coverage for yourself only or yourself and your eligible dependents.

*Joining
the plan*

Who is eligible as a dependent?

Your eligible dependents are:

- **Your spouse**

Your spouse is:

- The person who is legally married to you, or
- The person of the opposite sex who lives with you and is the father or mother (biological or adoptive) of at least one of your children, or
- The person of the same or opposite sex who has been living with you in a conjugal relationship for at least 12 consecutive months, or
- The person of the same or opposite sex who lives with you and had previously lived with you for a period of at least 12 consecutive months.

If more than one person meets the above definition, the person currently living with you will take precedence.

Coverage for a common-law or same-sex spouse is subject to the submission of the affidavit form ACF420K and becomes effective on the date the notarized affidavit is **received** by the **Employee Services** office.

- **Your unmarried children**

Your unmarried children include your natural or legally adopted children as well as your spouse's children and any foster children.





Your unmarried children must be under age 21, and depend solely on you for support. Dependent students are covered up to age 25, provided they are registered students in full-time attendance at a university or a similar institution of learning.

Children who are totally and permanently disabled before reaching age 21 remain covered beyond the age limit, provided they were insured before their 21st birthday, are incapable of self-sustaining employment and wholly depend on you for support and maintenance.

How do I join?

To enrol, complete the Voluntary AD&D/LU Insurance plan enrolment card (ACF881) and forward it to:

Employee Services, PO BOX 7650, Station B, Toronto (ON) M2K 3B5.

When does coverage begin?

Coverage starts on the first of the month following the month in which Air Canada receives your enrolment card.

Can I choose not to join?

Yes, this coverage is entirely optional.

Can I opt out of the plan and cover only my family?

No. You must be covered under the plan if you wish to cover your eligible dependents.

What happens if I'm not at work on the day my coverage is expected to take effect?

In that case, your coverage will begin on the day you return to work.

This plan is designed to provide accident coverage 24 hours a day, all year round, anywhere in the world.

You may purchase up to \$500,000 of coverage, in units of \$50,000. The coverage amount you select for yourself is known as the principal sum and is payable in the event of accidental death.

***Joining
the plan
(cont'd)***

***Coverage
in the
event of
accidental
death***





If you choose to cover your family, they will be covered for a percentage of the principal sum, which will depend on the category you choose, as follows:

<i>Category of coverage</i>	<i>Percentage of principal sum</i>
Employee and family	<ul style="list-style-type: none"> ● If you do not have eligible children <ul style="list-style-type: none"> ▪ Spouse: 50% ● If you have eligible children <ul style="list-style-type: none"> ▪ Spouse: 40% ▪ Each child: 15%, up to \$75,000
Employee and eligible children	<ul style="list-style-type: none"> ● Each child: 15%, up to \$75,000

Coverage in the event of accidental death (cont'd)

This principal sum is also payable if you disappear and your body is not found within one year of the disappearance, sinking or wrecking of the vehicle you were in at the time of the accident.

In addition, in the event of accidental injury, the plan will pay a percentage of the principal sum, as follows:

<i>Loss or loss of use</i>	<i>Percentage of principal sum</i>
● Quadriplegia	200%
● Paraplegia	200%
● Hemiplegia	200%
● Both hands, both feet, sight in both eyes, speech and hearing in both ears, or any combination of one foot, one hand and sight in one eye	100%
● One arm or one leg	75%
● One hand, one foot or sight in one eye	66 ² / ₃ %
● Speech or hearing in both ears	66 ² / ₃ %
● Thumb and index finger of one hand or four fingers of one hand	33 ¹ / ₃ %
● All toes of one foot	33 ¹ / ₃ %
● Hearing in one ear	33 ¹ / ₃ %

Coverage in the event of accidental injury





Coverage is also provided if you suffer a loss resulting from exposure to the elements (i.e. wind, rain, sun, snow).

What do you mean by “loss”?

A loss is as follows:

- Hands and feet — dismemberment by severance through or above wrist or ankle joint.
- Eyes — entire and irrecoverable loss of sight.
- Arms and legs — severance through or above elbow or knee joints.
- Thumb and index fingers — severance through or above metacarpophalangeal joints.
- Toes — severance through or above metatarsophalangeal joints.
- Speech and hearing — entire and irrecoverable loss.
- Quadriplegia, paraplegia, hemiplegia — complete and irreversible paralysis.

What do you mean by “loss of use”?

Loss of use means the total and irrecoverable loss of use of a limb. For benefits to be payable, the loss of use must continue for 12 consecutive months after which the benefit for loss of use is payable, and nerve damage must be determined to be permanent afterward.

What happens if the loss or loss of use does not happen immediately after the accident but at a later date?

The plan will cover losses occurring within one year of the accident.

What if I incur more than one loss in an accident?

The plan will pay no more than the greatest benefit for all injuries suffered in one accident.

Can I change coverage anytime?

Yes, you may increase or decrease coverage anytime by completing a new enrolment card.

***Coverage
in the
event of
accidental
injury
(cont'd)***



**Can I cancel coverage anytime?**

Yes. If you wish to cancel your coverage, simply write to the **Employee Services, PO BOX 7650, Station B, Toronto (ON) M2K 3B5; fax: 1-866-207-8636, or e-mail: eServices@aircanada.ca**

However, if you want to remain in the plan but cancel coverage for your dependents, you must complete a new enrolment card.

Does coverage apply even when travelling for pleasure?

Yes. Benefits are payable in the event of an accident, regardless of whether it occurs in the course of business or during pleasure travels or activities.

**Coverage
in the
event of
accidental
injury
(cont'd)**

The plan also provides the following benefits:

► Rehabilitation

Up to \$10,000 of reasonable and necessary expenses for special training needed by the covered person to become qualified for an occupation he or she would not have engaged in had the accidental injuries not occurred. The expenses must be incurred within two years of the accident. The plan does not cover ordinary living, travelling or clothing expenses.

► Hearing aids

Up to \$1,000 of reasonable expenses incurred within two years of the accident.

► Artificial limbs or eyes

Up to \$2,500 of expenses for an artificial limb or eye, or any other prosthetic appliance prescribed by a doctor or surgeon, incurred within two years of the accident.

► Repatriation

Up to \$10,000 of expenses incurred for the repatriation and transportation of the deceased to his or her city of permanent residence, provided the death occurred at least 200 kilometres from that city.

► Comatose benefit

If you or your covered dependents suffer a covered accidental bodily injury that, independently of all other causes, leads to a coma (a profound stupor or state of complete and total unconsciousness) within 31 days of the accident, the plan will pay the difference between the principal sum and any amounts paid as a result of the accident.

**Other
benefits**





The benefit will be paid 31 days after the coma began. It will be payable at a rate of 1% a month for 100 months or until death, whichever happens first. Any benefit remaining in the event of a covered dependent's death will be paid to you.

**Other
benefits
(cont'd)**

► **Education benefit**

If you covered your eligible children, and you are accidentally injured and consequently die within two years of the accident, the plan will pay up to \$5,000 a year in tuition fees and textbooks for each of your dependent children who:

- at the time of the accident, were enrolled as full-time students in any institution of higher learning beyond the 12th (secondary V in Quebec) or 13th grade level, or
- within 365 days of the accident, have enrolled as full-time students in any institution of higher learning beyond the 12th (secondary V in Quebec) or 13th grade level.

This benefit will be paid annually for four consecutive years, provided the dependent children remain enrolled as full-time students. Written proof of full-time enrolment will be required for each of the four years.

If you do not have any dependent children at the time of your death, your beneficiary will receive an additional benefit of \$1,000.

► **Spousal retraining**

If you die as a result of an accident and benefits under the plan are payable as a result, the plan will cover up to \$10,000 for an occupational training program for your spouse to gain active employment in an occupation for which your spouse would otherwise not have had sufficient qualifications. The program must be approved by the plan administrator.

► **Family transportation**

If you are accidentally injured and confined in a hospital, the plan will pay up to \$3,000 in transportation fees to have a member of your immediate family (your spouse, parents, grandparents, children over age 18, brothers and sisters) come to your side, provided the attending physician requires the presence of such family member. Please note that the plan will pay for the most direct route by a licensed common carrier.





▶ **Common disaster**

If you elected family coverage and both you and your spouse die as a result of injuries from the same accident and within 365 days of the accident, the benefit payable for your spouse's death will be equal to 100% of the principal sum.

▶ **Enhanced benefit for children**

If you covered your eligible children and one of them sustains a covered loss other than death while the plan is in effect, the plan will pay an amount equal to two times the principal sum, up to \$200,000.

▶ **Home alteration and vehicle modification**

If a person receives a payment as a result of a covered loss or loss of use and must subsequently (due to the cause for which payment was made) use a wheelchair to be ambulatory, the plan will pay the following two items upon presentation of proof of payment, up to a combined total of \$12,000:

- the one-time cost of alterations to the covered person's residence to make it wheelchair-accessible and habitable, and
- the one-time cost of required modifications to a motor vehicle, owned by the covered person, to make it accessible or driveable for that person.

The plan will only pay for home alterations if they are made by someone experienced in such alterations and recommended by a recognized organization providing support and assistance to wheelchair users. Similarly, vehicle modifications must be carried out by someone with experience in such matters and they must be approved by the provincial licensing authorities.

▶ **Day-care benefit**

If you have a covered dependent child between the ages of 1 and 12 inclusively who suffers an accidental injury and consequently dies within 365 days of the accident, the plan will provide day-care benefits for each surviving eligible child who is enrolled in a licensed day-care facility within 90 days of the accident.

The day-care benefit will be payable until the eligible children reach age 12. It will be equal to the lesser of 3% of the principal sum payable under the plan and \$5,000 a year. This benefit is payable annually for four consecutive years, for a maximum benefit of \$20,000.

**Other
benefits
(cont'd)**





If you have no other dependent children upon the death of your covered dependent child, the child's beneficiary will be entitled to an additional benefit of \$1,000.

**Other
benefits
(cont'd)**

▶ **In-hospital indemnity**

Should you or a covered dependent be hospitalized for more than seven consecutive days because of an accident, the plan will pay a monthly benefit of 1% of the principal sum, to a maximum of \$1,000 a month, for up to 12 months for any covered accident. Successive periods of hospitalization for the same accident separated by less than three months will be considered as the same period.

▶ **Survivor benefits**

Should you or your covered spouse die accidentally, the plan will pay up to \$5,000 to the surviving spouse or, in the absence of a surviving spouse, to the surviving dependents in equal shares, at the rate of 1% of the principal sum each month, for up to six months.

The plan does not cover any loss resulting from:

- ▶ intentionally self-inflicted injuries, suicide or any attempt of suicide, while sane or insane;
- ▶ declared or undeclared war or any act thereof that occurs outside Canada or the United States, unless on Air Canada business; however, losses covered under this plan that arise out of acts of terrorism in Canada or the United States are not excluded;
- ▶ accidents while a covered person is serving on full-time active duty in the armed forces of any country or international authority;
- ▶ travel or flight in any vehicle or device for aerial navigation, including boarding of or alighting from such vehicle or device, while you are operating, learning to operate or serving as a crew member other than a member of the flight crew who is on Air Canada business, or while the vehicle or device is being operated by, for or under the direction of any military other than a member of the Armed Forces Transport Group of Canada or its foreign equivalent operating a transport type aircraft.

Exclusions





You pay the full cost for this coverage. The monthly cost is as follows:

<i>Amount of coverage</i>	<i>Monthly cost</i>		
	<i>Employee only</i>	<i>Employee and family</i>	<i>Employee and eligible children</i>
\$50,000	\$0.75	\$1.09	\$0.84
\$100,000	\$1.50	\$2.18	\$1.68
\$150,000	\$2.25	\$3.27	\$2.52
\$200,000	\$3.00	\$4.36	\$3.36
\$250,000	\$3.75	\$5.45	\$4.20
\$300,000	\$4.50	\$6.54	\$5.04
\$350,000	\$5.25	\$7.63	\$5.88
\$400,000	\$6.00	\$8.72	\$6.72
\$450,000	\$6.75	\$9.81	\$7.56
\$500,000	\$7.50	\$10.90	\$8.40

Cost

Your premiums will be paid through payroll deduction and will be adjusted when your coverage changes. If you live in Quebec, you must add 9% provincial tax. If you live in Ontario, you must add 8% provincial tax.

Do I have to pay income tax on this coverage?

No.

What happens if I become disabled?

If you become disabled, coverage continues as long as you receive disability benefits and prepay the required premium.

If you do not receive disability benefits, you may continue coverage for up to 12 months by prepaying the required premium.

In the event...





What happens if I take a maternity/child care leave?

If you are on maternity or child care leave, you may continue coverage for up to 12 months by prepaying the required premium.

What happens if I take a leave of absence?

You may continue coverage for up to 12 months by prepaying the required premium.

What happens when I retire?

Currently, employees who retire from Air Canada before age 65 may continue their coverage until they reach age 65, provided they pay the required premium. Afterward, coverage is limited to \$50,000 for the retiree and \$25,000 for the spouse.

Premiums for this coverage are equal to \$1.75 for retiree only and \$2.20 for retiree and spouse. The applicable premiums will be deducted from the retiree's monthly retirement cheque.

When does coverage end?

Your coverage will end on the earliest of the following dates:

- the date you request, in writing, to stop deductions,
- the date you stop being an employee or retiree of Air Canada, and
- the date the insurance policy ends.

Coverage for your dependents stops when your coverage ends or when they no longer qualify as dependents.

***In the event...
(cont'd)***





Beneficiary designation

You may designate anyone as your beneficiary. If you do not have a designated beneficiary, benefits will be paid to your estate, in accordance with insurance laws for the area in which you reside.

You may change your beneficiary designation at any time by completing a new enrolment card.

If you designate your estate as your beneficiary, it is strongly recommended that you make a will to ensure prompt settlement.

If your dependents are insured under these plans, benefits will be paid to you.

In the event that you suffer an accidental loss or loss of use, the benefits will be paid to you.





How to submit claims

In the event of your death or the death of an eligible dependent, your work location or **Employee Services** should be notified. The information should be sent to:
Employee Services, PO BOX 7650, Station B, Toronto (ON) M2K 3B5; fax: 1-866-207-8636 or e-mail: eServices@aircanada.ca; and the necessary forms and instructions will then be provided.

To file a claim for accidental death, your work location or the nearest Air Canada office should be notified within 30 days of the accident.

In case of loss or loss of use, the office of the Manager, Benefit Programs, Human Resources, Dorval 265, should be advised. The necessary forms and instructions will then be provided.

The insurer reserves the right to require that the person for whom a claim is made be examined, at its expense. In the event of death, an autopsy may be required, if permitted by law.

In any event, final decision with respect to claims entitlement will be determined by the insurer.





Government benefits

In addition to benefits payable under Air Canada's life and accident coverage, other benefits may also be payable from government plans.

Your surviving spouse or estate may receive a lump-sum payment from the Canada/Quebec Pension Plan (C/QPP) to help cover funeral expenses.

Your surviving spouse may also receive a monthly income payable until death. The amount depends on his or her age, the age of your children, whether your spouse is already receiving a pension from C/QPP, etc.

In the event of your death due to a work-related illness or injury, Workers' Compensation can provide your spouse and dependent children with a lump-sum payment and a continuing income that takes into account your earnings at the time of your death and the number of your eligible dependents. Workers' Compensation benefits are payable in addition to any benefits you may be eligible to receive under the C/QPP.

If your death is due to an automobile accident and you reside in British Columbia, Ontario, Quebec, Manitoba or Saskatchewan, the automobile insurance plans in effect in these provinces may pay a lump sum to cover the funeral expenses and a pension to your spouse and dependent children.

