

**GROUP
BENEFITS
PLAN**

**CANADIAN
EARLY RETIREES**

EFFECTIVE JANUARY 1, 2003

A Medical Benefits Plan for Early Retirees

This information booklet has been prepared to give you an informal summary of the main features of your group benefit program. This booklet describes the benefits in effect on January 1, 2003.

This booklet is not an insurance policy, and does not grant or confer any contractual rights. All rights under this program shall be governed by the provisions of the Master Policy, Administrative Services Agreement and Plan Document, and by applicable law.

The Supplementary Health Expense benefits are administered by Manulife on behalf of National Carriers' Conference Committee, as reported in the Summary of Benefits.

This booklet is for your reference. Please read it carefully and keep it for future use.

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ELIGIBILITY

The Plan Effective Date is January 1, 2003.

If you choose early retirement and were a permanent, full-time employee prior to your retirement covered under the Railroad Employees National Health and Welfare Plan or the National Railway Carriers and United Transportation Union Health & Welfare Plan, you will become eligible for coverage on the first day of retirement.

*Please refer to the **GENERAL PROVISIONS** section in the back of this booklet for further information, including*
WHEN YOUR COVERAGE STARTS
WHEN YOUR COVERAGE TERMINATES
HOW TO FILE A CLAIM

SUMMARY OF BENEFITS

SUPPLEMENTARY HEALTH EXPENSE

(administered by Manulife)

- Deductibles ▶ \$100 per individual, \$300 per family per calendar year (drug expenses - NOT subject to the deductible)

- Coinsurance ▶ 100% for outside Canada Referral charges, and 85% of all other eligible expenses in excess of the Deductible are paid by Manulife.

- Hospital ▶ semi-private

- Drug Plan ▶ prescription by law

- Lifetime
Maximum ▶ \$96,400 (eff 1/1/06) per individual

Coverage ceases when you reach age 65 and as outlined in the General Provisions section.

Benefits provided under this Plan are supplemental to coverage provided in accordance with provincial law.

SUPPLEMENTARY HEALTH EXPENSE

(For You and Your Dependents)

In the event you incur in a calendar year any of the Eligible Expenses listed below, you will be paid a percentage (coinsurance) of such expenses in excess of the deductible for that year. The percentage (coinsurance) and deductible are specified in the Summary of Benefits.

CASH DEDUCTIBLE

The Deductible is that portion of the Eligible Expenses which you are required to pay in any year before you receive benefits. The deductible is specified in the Summary of Benefits.

LIFETIME MAXIMUM BENEFIT

The total lifetime benefit payable in respect of you or your dependents is limited to the Lifetime Maximum Benefit specified in the Summary of Benefits.

ELIGIBLE EXPENSES

The following is a list of eligible expenses.

Preferred Accommodation in Canadian Hospitals

The difference between the charges made for ward and semi-private room and board in a licensed Canadian hospital.

Prescription Drug Expenses

Reasonable and customary charges incurred for medically necessary drugs and medicines which

- 1) are dispensed by a licensed pharmacist or physician legally authorized to dispense such drugs and medicines, and
- 2) are prescribed by a physician or other professional authorized by provincial legislation to prescribe medicines for the treatment of an illness or injury and are either
 - a) drugs requiring the prescription of a physician in accordance with the Food and Drugs Act, Canada, or
 - b) other specified drugs and medicines which have been identified by the Insurer as covered expenses and are by convention usually not dispensed without a physician's prescription, or
 - c) injectable preparations identified by the Insurer, insulin preparations and supplies, and allergy serums.

Note: Smoking cessation aids which require a physician's prescription are covered, subject to a lifetime maximum benefit of \$500 per individual. Fertility drugs, laboratory tests and x-rays including ultrasound are covered, subject to a lifetime maximum benefit of \$2,500 per individual. General supplies, as well as fees for the services of physicians, nurses, technicians, anaesthetists, and administrative staff are not covered.

No benefit shall be payable for any single purchase of drugs which would not reasonably be used within 90 days from the date of purchase.

Out of Province Referral Expenses

If you are referred by a physician for non-emergency treatment outside your province of residence, the following expenses in

excess of any provincial government plan allowance are covered, provided they are eligible for reimbursement in whole or in part by any provincial government plan. Expenses incurred outside Canada are subject to a lifetime maximum benefit of \$50,000.

1. reasonable and customary charges for semi-private accommodation;
2. reasonable and customary charges for the services of a physician;
3. reasonable and customary charges for hospital services and supplies furnished during hospitalization, and for x-ray examinations and laboratory tests related to medical treatment rendered without hospitalization.

Extended Health Expenses

1. Charges for licensed Convalescent Care Facility subject to a daily maximum benefit equal to the charge made for semi-private accommodation for not more than 180 days of confinement per disability. One you are released from the hospital, if you have to enter the hospital after a period of 90 days from the date you are discharged, it will be considered a new period of disability;
2. Charges for the services of a licensed speech therapist, clinical psychologist, osteopath, chiropractor, physiotherapist, naturopath, or podiatrist up to a maximum benefit of \$500, in excess of the provincial plan, per specialty per calendar year per individual; charges for x-rays are covered up to a total maximum benefit of \$20 per calendar year for all specialties combined;
3. Charges for the services of a Registered Nurse (R.N.), licensed practical nurse, Certified Nursing Assistant (C.N.A.) or a member of the Victorian Order of Nurses (V.O.N.) which are rendered while the individual is not confined to a hospital subject to an overall maximum

benefit of \$10,000 in any calendar year provided such nurse is not a resident in your home or a relative of your family. These charges will be considered eligible expenses only if recommended by a physician and only if medically necessary;

4. Charges for rental (or, at Manulife's option, purchase) of durable medical or surgical equipment required for therapeutic purposes and as approved by Manulife;
5. Charges for rental (or, at Manulife's option, purchase) of braces and crutches and the purchase of prostheses;
6. Charges for professional ambulance service, other than airline, to and from the nearest hospital qualified to provide the necessary treatment.

Emergency transportation within the individual's province of residence by airline to and from the nearest hospital qualified to provide the necessary treatment. Such emergency transportation is subject to a maximum benefit equal to the economy airfare for the individual, and, if medically required, a medical attendant who is neither a resident in your home nor a relative of your family;

7. Charges for necessary dental treatment required as the result of an accidental injury to natural teeth provided the accident occurred while covered under this coverage, subject to a maximum benefit of \$5,000 per accident. As determined by Manulife, only such charges directly related to such an accidental injury are considered a covered medical expense. The dental work must be completed within 12 months of the accident to be considered a covered medical expense;
8. Charges for orthopedic shoes and orthotics which have been specially designed and molded for the individual and are required to correct a diagnosed physical impairment. Such charges are limited to a maximum benefit of \$300 per shoe and an overall maximum benefit of \$600 in any calendar year (Doctor's recommendation required);
9. Charges for laboratory tests and x-rays not covered by any provincial government plan, subject to a maximum benefit of \$500 per calendar year per individual;
10. Charges for purchase or repair of hearing aids (excluding batteries), subject to a maximum benefit of \$500 per person in any 3 consecutive years.
11. Charges for eye examinations performed by a qualified optometrist, subject to a maximum benefit is \$50.00 in any period of 24 consecutive months for adults, and every 12 consecutive months for dependent children under 18, where not covered under a provincial plan;

EXCLUSIONS

The foregoing list of eligible expenses shall not include any of the following:

1. charges which are considered a covered service of any provincial government plan;
2. charges for general health examinations, and examinations required for use of third party;
3. charges for a surgical procedure or treatment performed primarily for beautification, or charges for hospital confinement for such surgical procedure or treatment;
4. charges for medical treatment or surgical procedure by a physician other than as provided under Out of Province Expenses;
5. charges for transport or travel, other than as specifically provided under eligible expenses;
6. charges not specified in the foregoing list of eligible medical expenses;
7. charges for services or supplies which are furnished without the recommendation and approval of a physician acting within the scope of his license;
8. charges which are not medically necessary to the care and treatment of any existing or suspected injury, disease or pregnancy;
9. charges which are from an occupational injury or disease covered by any Workers' Compensation law or similar legislation;
10. charges which would not normally have been incurred but for the presence of this coverage or for which you are not legally obligated to pay;

11. charges which Manulife is not permitted, by any law or regulation, to cover;
12. charges for dental work where a third party is responsible for payment for such charges;
13. charges for bodily injury resulting directly or indirectly from war or act of war (whether declared or undeclared), insurrection or riot, or hostilities of any kind;
14. charges for services or supplies resulting from any intentionally self-inflicted wound;
15. charges for drugs, sera, injectable drugs or supplies which are not approved by Health and Welfare - Canada or are experimental or limited in use whether or not so approved;
16. charges for experimental medical procedures or treatment not approved by the Canadian Medical Association or the appropriate medical specialty society;
17. charges made by a physician for travel, broken appointments, communication costs, filling in of forms, or physician's supplies.

GENERAL PROVISIONS

WHEN YOUR COVERAGE STARTS

Your coverage comes into effect on the latest of the following dates, following your retirement.

- ▶ the date you become eligible; or
- ▶ the date you apply

WHEN YOUR COVERAGE TERMINATES

Your coverage terminates:

- ▶ the date you reach age 65;
- ▶ if your classification changes to one not covered;
- ▶ if the Master Policy/ and/or Administrative Services Agreement is terminated; or
- ▶ if you commence active duty in any armed forces.

COORDINATION OF BENEFITS

Payment of Supplementary Health shall be coordinated so that benefits from all plans do not exceed 100% of the eligible claim. For this purpose, Manulife has a right to receive and release information on benefits and if necessary, collect any overpayments made by it.

ELIGIBLE DEPENDENTS

- ▶ Unmarried children who are under age 22, or under age 25 if attending an accredited school, college, or university as a full time student. Dependent children must be dependent on you for support and not employed at a regular full-time job.
- ▶ Functionally impaired children who are totally dependent upon you for support. For the purposes of this plan, functionally impaired shall mean an unmarried person who was covered as a dependent prior to becoming functionally impaired who is wholly dependent upon you

for support and maintenance within the terms of the Income Tax Act.

- ▶ A child of your spouse provided,
 - i) he/she is also your biological child; or
 - ii) your spouse is living with you and has custody of the child.

- ▶ Your spouse as the result of a valid civil or religious ceremony, or a person whose relationship with you has existed for a minimum period of 12 consecutive months immediately prior to the date on which a claim arose.

Divorced or separated spouses (with or without a court order or separation agreement) are not eligible for coverage.

CHANGE IN GOVERNMENT SPONSORED PROGRAMS

The medical and hospital benefits under this group plan are provided in conjunction with government sponsored provincial programs. In the event coverage under any provincial program is modified, suspended or discontinued, the group benefit plan will not automatically assume responsibility for any services or products previously covered under the provincial programs.

Medical Information Bureau (MIB)

The MIB is a non-profit membership organization of life insurance companies, which operates an information exchange on behalf of its members.

Manulife or its reinsurers may periodically report information to the MIB. If you apply to receive life or health insurance coverage from another MIB member company or submit a claim for benefits to such a company, the MIB upon request will supply the other insurer with the information on file.

Manulife or its reinsurers may also release information in its file to other life and health insurance companies to whom you

may apply for insurance or submit a claim for benefits. All Information obtained will be treated as confidential.

Upon your request, the MIB will arrange disclosure of any information it may have in your file. If you question the accuracy of information in the Bureau's file, you may contact the MIB and seek a correction. Their address is: Medical Information Bureau, 330 University Ave, Suite 501, Toronto, Ontario, M5G 1R7. Tel: (416) 597-0590.

DEFINITIONS

Early

- Retiree ▶ a person who retired from a participating employer, who was represented by a participating labor organization, who had 30 years of service and is at least age 60, and who was covered under either the Railroad Employees National Health & Welfare Plan or the National Railway Carriers and United Transportation Union Health and Welfare Plan at the time of retirement.

HOW TO FILE A CLAIM

In order to quickly process a claim, the following information is required:

- ▶ your full name and address.
- ▶ the name of your former Employer.
- ▶ your Certificate (Identification) Number.
- ▶ your Group Policy Number is 903883.

If you require assistance with previously submitted health claims, contact Manulife at 1-800-667-5165.

A copy of the claim form is contained herein. Please make copies before using or you may obtain additional forms on Manulife's website:

http://groupbenefits.manulife.com/canada/GB_v2.nsf/Public/homepage

TIME LIMITATIONS

Claims for Health benefits will be discontinued as of the date the coverage cancels.