



HEALTHCARE BENEFIT TRUST

August 31, 2011

LTD Plan - Administration of Third Party Claims

Many LTD claimants are disabled due to injuries from non-occupational accidents (e.g. motor vehicle accidents). Therefore they may be entitled to disability income from a third party insurer (usually ICBC). If they receive past and/or future disability income from ICBC, then some of their past LTD benefits may be repayable to HBT and their future LTD benefits may be reduced.

Historically, HBT has applied subrogation principles when calculating the amount repayable from ICBC awards and settlements. However, based on the evolution of the law, including the distinction between trusts and insurance companies, we are changing our practice as of September 1, 2011. HBT now treats disability income from third party insurers on the same basis as we have consistently treated disability income from CPP and WCB. Therefore, we are fully integrating ICBC past and future wage loss awards, but will continue to make an allowance for legal fees if claimants provide timely information and prompt payment.

If you have any questions, please contact:

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Please ensure that this communication is distributed to the appropriate people within your organization.