

## SERVICES AGREEMENT

THIS AGREEMENT is amended the 8th day of January, 2009.

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF  
BRITISH COLUMBIA**, represented by the BC Public Service Agency

(the "Province")

OF THE FIRST PART

AND:

**THE GREAT-WEST LIFE ASSURANCE COMPANY**, a body corporate incorporated under the laws of Canada and registered extra-provincially in the Province of British Columbia under Registration No. 0038811, and having its head office in British Columbia at Suite 1500 – 1177 West Hastings, Vancouver, British Columbia, V6E 3Y9

(the "Administrator")

OF THE SECOND PART

WHEREAS:

- A. The Province has adopted a Plan for the benefit of its employees (the "Employees");
- B. This Agreement is being entered into by the Province and the Administrator for the purpose of implementing certain provisions of the Plan for the Employees; and
- C. The Administrator has agreed to adjudicate Claims to which the Employees are entitled under the Plan and to provide additional services on the terms and conditions contained in this Agreement.

NOW THEREFORE in consideration of the premises and good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties), the parties agree as follows:

## ARTICLE 1

### DEFINITIONS

1.01 In this Agreement, unless the context otherwise requires:

- (a) **"Actual Benefit Payments"** means the amounts paid in accordance with the Plan to or on behalf of the Employees;
- (b) **"Claims"** means claims under the Plan;
- (c) **"Plan"** means the Long Term Disability Plan established by the Province, as amended from time to time, under which it has agreed to provide the Employees with the benefits hereunder and which is described in B.C. Regulation 409/97 made pursuant to the *Public Service Benefit Plan Act*;
- (d) **"Proposal"** means the Administrator's written proposal submitted July 4, 2001 in response to the Province's Request for Proposal No. 2405;
- (e) **"Request for Proposal"** means the Province's Request for Proposal No. 2405 for Long Term Disability Administration and Services dated May 18, 2001;
- (f) **"Service"** means the services described in Schedule "B" attached to this Agreement;
- (g) **"STIIP"** means the Province's Short Term Illness and Injury (STIIP) Plan, as amended from time to time, and which is described in B.C. Policy Directive 9.3, *Public Service Act*; and
- (h) **"Term"** means the period described in Article II.

## ARTICLE II

### TERM

2.01 The Term of this Agreement will be deemed to commence on April 1, 2007, notwithstanding the date of execution and delivery of this Agreement, and will end on March 31, 2012, unless terminated earlier in accordance with Article XIV.

2.02 The fees outlined in Schedule B of this Agreement are valid until March 31, 2012.

### **ARTICLE III**

#### **SHORT TERM ILLNESS AND INJURY PLAN ("STIIP")**

3.01 Subject to section 3.02 and at the option of the Province, a contract for STIIP claims adjudication (the "STIIP Contract") will be awarded to the Administrator in accordance with the Request for Proposal and the Administrator's Proposal.

3.02 Notwithstanding anything in this Agreement, the Province reserves the following rights:

(a) The Province reserves the right, in its sole discretion, not to award the STIIP Contract to the Administrator or any of the proponents under the Request for Proposal and reserves the right to issue a new request for proposal for a STIIP Contract; and

(b) In the event the Province decides to award the STIIP Contract to the Administrator, the parties will enter into negotiations on the terms and conditions of the Request for Proposal and the Proposal. If the STIIP Contract cannot be negotiated with the Administrator within thirty (30) days of the Province's notification to the Administrator of its intention to proceed with the STIIP Contract, the Province reserves the right to terminate negotiations with the Administrator and either negotiate a STIIP Contract with the next qualified proponent under the Request for Proposal or exercise its rights under subsection (a) of this section. One of the terms to be negotiated will be the effective date of the STIIP contract.

### **ARTICLE IV**

#### **APPOINTMENT**

4.01 The Administrator is appointed as the Province's servicing agent for the purposes of this Agreement only and the Administrator accepts that appointment. The Administrator must not act, purport to act or represent that it is authorized to act as the Province's agent except as expressly provided for in this Agreement.

## ARTICLE V

### SERVICES

- 5.01 The Administrator will provide the Services to the Province during the Term in accordance with the provisions of this Agreement.
- 5.02 As part of the scope of Services to be provided under this Agreement, the Administrator will adjudicate Claims in accordance with the relevant provisions of the Plan and this Agreement, only.
- 5.03 The provisions in this Agreement relating to eligibility and the Actual Benefit Payments will be as set out in the Plan.
- 5.04 Unless the Province otherwise approves in writing, the Administrator will supply and pay for all labour, materials, facilities and approvals necessary or advisable for the Administrator to provide the Services.
- 5.05 Unless otherwise specified in this Agreement, the Administrator will perform the Services to a standard of care, skill and diligence maintained by persons providing, on a commercial basis, services similar to the Services.
- 5.06 The Administrator must ensure that all persons it employs or retains to perform the Services are competent to perform them and are properly trained, instructed and supervised.
- 5.07 The Province may from time to time give the Administrator reasonable instructions (in writing or otherwise) as to the performance of the Services. The Administrator will comply with those instructions but, unless otherwise specified in this Agreement, the Administrator may determine the manner in which the instructions are carried out.
- 5.08 The Administrator must comply with all promises, commitments and assurances made by it in its Proposal except to the extent that to do so would be contrary to an express provision of this Agreement.

## ARTICLE VI

### REPRESENTATIONS AND WARRANTIES OF ADMINISTRATOR

6.01 The Administrator represents and warrants to the Province that on execution of this Agreement and at all times during the Term:

- (a) It is a corporation duly organized and validly existing under the laws of Canada;
- (b) it has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement;
- (c) all necessary proceedings have been taken and done by it to authorize it to execute and deliver this Agreement, and this Agreement has been legally and properly executed by the Administrator and is legally binding upon and enforceable against the Administrator in accordance with its terms;
- (d) all information, statements, documents and reports furnished or submitted by the Administrator to the Province in connection with this Agreement, including the Proposal, are true and correct to the best of the Administrator's knowledge;
- (e) it has no knowledge of any fact that materially adversely affects or, so far as it can foresee, might materially adversely affect its ability to fulfill its obligations under this Agreement; and
- (f) it has sufficient trained staff, facilities, materials and appropriate equipment in place and available to enable it to fully perform the Services.

6.02 All representations and warranties made in this Agreement are material and will conclusively be deemed to have been relied upon by the Province, notwithstanding any prior or subsequent investigation by the Province.

## **ARTICLE VII**

### **PERFORMANCE STANDARDS**

- 7.01 The Administrator is committed to and agrees to maintain the levels of performance and to operate in accordance with the performance and service standards, and be subject to the financial penalties, all as described in Schedule "C". The parties may agree to amend Schedule "C" from time to time during the Term of this Agreement.

## **ARTICLE VIII**

### **GENERAL COVENANTS OF THE PROVINCE**

- 8.01 The Province will promptly provide the Administrator with any amendment to the Plan or any proposed change in Services.
- 8.02 The Province will provide the Administrator on request with correct and complete existing information which may lawfully be released by the Province and which the Province, acting reasonably, considers is pertinent to the Administrator's performance of the Services.
- 8.03 The Province agrees to retain any original Materials transferred to the Province by the Administrator for a period of at least ten (10) years after the termination or expiration of this Agreement, and during such period, the Province will provide to the Administrator upon reasonable request any such Materials.

## **ARTICLE IX**

### **REPORTS AND RECORDS**

- 9.01 The Administrator will establish and maintain accurate books of account, records and files relating to the Services (including supporting documents) to the reasonable satisfaction of the Province.

9.02 The Administrator will upon the request, from time to time, of the Province:

- (a) fully inform the Province of work done and to be done by the Administrator in connection with provision of the Services; and
- (b) permit the Province, subject to applicable law, at all reasonable times to inspect and copy any and all data, records, reports, documents, files and material whether complete or otherwise that have been produced, received or acquired by, or provided by or on behalf of the Province to, the Administrator for the exclusive purpose of the Plan and as a result of this Agreement, including all information relevant to the ongoing management of a Claim and any files created or maintained by the Administrator during the performance of the Services (the "Material").

## ARTICLE X

### AUDIT

10.01 In addition to any other rights the Province may have to obtain information under this Agreement, the Province may at its expense review and audit the Administrator's performance of its obligations under the Agreement, including the right to inspect and take copies of the records of the Administrator relating to the Services, upon reasonable notice and at reasonable times. The Administrator will fully co-operate with the Province in the conduct of audits under this section.

## ARTICLE XI

### OWNERSHIP

11.01 The Material:

- (a) shall be the exclusive property of the Province; and
- (b) will forthwith be delivered by the Administrator to the Province as soon as possible following the expiration or other termination of this Agreement.

11.02 The copyright in the Material belongs exclusively to the Province and upon the request of the Province, the Administrator will deliver to the Province documents satisfactory to the Province waiving any moral rights which the Administrator, its subcontractors or employees may have in the Material and confirming the vesting of the copyright in the Province.



## ARTICLE XII

### CONFIDENTIALITY

12.01 The Administrator will treat as confidential and will not, without the prior written consent of the Province, publish, release or disclose or permit to be published, released or disclosed either before or after the expiration or sooner termination of this Agreement, the Material or any information supplied to, obtained by, or which comes to the knowledge of the Administrator as a result of this Agreement except:

- (a) insofar as such publication, release or disclosure is
  - (i) necessary to enable the Administrator to fulfill its obligations under this Agreement, or
  - (ii) required by law including, without limitation, the *Freedom of Information and Protection of Privacy Act* (British Columbia); or
- (b) to the Administrator's auditors or legal advisors.

12.02 The Province will not disclose or permit to be disclosed either before or after the expiration or sooner termination of this Agreement, any "personal information" as defined in the *Freedom of Information and Protection of Privacy Act* (British Columbia) supplied by the Administrator to the Province or obtained by the Province from the Administrator as a result of this Agreement except:

- (a) insofar as such disclosure is
  - (i) necessary to enable the Province to fulfill its obligations under this Agreement, or
  - (ii) required by law including, without limitation, the *Freedom of Information and Protection of Privacy Act* (British Columbia); or
- (b) to the Province's auditor's or legal advisors.

12.03 In addition to 12.01 and 12.02 above, the Administrator and the Province agree that the handling of personal information will be further guided by the attached Schedule D – Privacy Protection Schedule and Schedule E – Privacy Protection Directions and Notices.



## ARTICLE XIII

### FEES

- 13.01 In consideration of the Administrator providing the Services, the Province will pay to the Administrator the fees in the amounts and in the manner set out in the Schedule "B".
- 13.02 The Province is not obliged to pay the Administrator for the provision of the Services or anything else the Administrator may do under this Agreement more than the amounts specified in Schedule "B".
- 13.03 The Administrator will submit a statement of fees each month. Such fees will be paid within 60 days after receipt of the statement of fees by the Province. If any payment is not made when due under this section, the Administrator may deliver written notice to the Province requiring payment within 30 days of delivery of the notice. In the event any payment is not made by the Province within 30 days of delivery of the notice, the Administrator may terminate this Agreement by notice in writing to the Province. If this Agreement terminates for any reason, the Province will be liable for all payments due and unpaid until the date of termination.
- 13.04 The Province certifies that the Services ordered and purchased under this Agreement are for the use of, and are being purchased by, the Province with Crown funds and are therefore not subject to the Goods and Services Tax.
- 13.05 Notwithstanding any other provision of this Agreement, the payment of money by the Province to the Administrator under this Agreement is subject to:
- (a) there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act* (the "Act") to enable the Province, in any fiscal year or part thereof when any payment of money by the Province to the Administrator falls due under this Agreement, to make that payment; and
  - (b) the Treasury Board, as defined in the Act, not having controlled or limited expenditure under any appropriation referred to in subsection (a) of this section.

## ARTICLE XIV

### TERMINATION

- 14.01 Notwithstanding any other provision, either party may, notwithstanding any other provision of this Agreement, terminate this Agreement for any reason at any time, in that party's sole discretion, by delivery of not less than 60 days' written notice to the other party.
- 14.02 Each of the following occurrences will be deemed to be an Event of Default for the purposes of this Agreement:
- (a) the Administrator fails to observe or comply with this Agreement in any material respect; or
  - (b) the Administrator becomes insolvent or commits an act of bankruptcy or makes a general assignment for the benefit of its creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada) or otherwise acknowledges its insolvency.
- 14.03 On the occurrence of an Event of Default, or at any time thereafter, the Province may, at its option, do any one or more of the following:
- (a) pursue any remedy available to it at law or in equity;
  - (b) waive the Event of Default;
  - (c) deliver written notice to the Administrator specifying the Event of Default and requiring rectification within 30 days of delivery of such notice, or within any other such reasonable period as specified by the Province in such notice.
- 14.04 Where an Event of Default is not remedied within 30 days of delivery of notice, or such other period as specified by the Province, under section 14.03(c) above, the Province may, in its sole discretion, terminate this Agreement by notice in writing to the Administrator.

14.05 In the event a notice is delivered under section 13.03, section 14.01 or section 14.04:

- (a) the Administrator will continue to process Claims for which it had received complete information prior to termination and which are due and payable prior to termination, except where requested not to do so by the Province; and
- (b) the Administrator, unless in default of its obligations under this Agreement, will be entitled to any unpaid fees due for the Services it has performed prior to the effective date of termination and the Province will be under no further obligation to the Administrator under this Agreement.

## ARTICLE XV

### INDEMNIFICATION

- 15.01 The Administrator will indemnify and save harmless the Province from and against any and all liabilities, losses, claims, damages, actions, causes of action, costs and expenses that the Province may sustain, incur, suffer or be put to at any time either before or after the expiration or sooner termination of this Agreement which are based upon, arise out of or occur, directly or indirectly, by reason of anything done or omitted to be done by the Administrator or by any agent, employee, officer, director or subcontractor of the Administrator pursuant to this Agreement.
- 15.02 The Province will indemnify and save harmless the Administrator from and against any and all liabilities, losses, claims, damages, actions, causes of action, costs and expenses that the Administrator may sustain, incur, suffer or be put to at any time either before or after the expiration or sooner termination of this Agreement which are based upon, arise out of or occur, directly or indirectly, by reason of anything done or omitted to be done by the Province or by any agent, employee, officer, or subcontractor of the Province pursuant to this Agreement.
- 15.03 Any premium or other tax assessed specifically against the Administrator in respect of the Plan shall be borne by the Province.
- 15.04 Any amounts paid by the Province for investigation of and defence against Claims or suits shall not be included in determining the Actual Benefit Payments in any month.

## ARTICLE XVI

### INSURANCE

16.01 The Administrator will, without limiting its obligations or liabilities under this Agreement, provide and maintain during the Term and at its expense the following insurances with insurers licensed in British Columbia and in forms and amounts acceptable to the Province (the "Required Insurance"):

(a) *Comprehensive General Liability Insurance* in an amount not less than **\$5,000,000** inclusive per occurrence insuring against bodily injury, personal injury and property damage and including liability assumed under contract. The Administrator will provide the Province with 30 days advance notice of cancellation or material change of the policy.

16.02 The Required Insurance will be primary and not require the sharing of any loss by any insurer of the Province.

16.03 The Administrator will provide evidence in the form of a completed Province of British Columbia Certificate of Insurance, of all Required Insurance.

## ARTICLE XVII

### ASSIGNMENT

17.01 The Administrator will not, without the prior written consent of the Province:

- (a) assign, directly or indirectly, this Agreement or any right under this Agreement; or
- (b) subcontract any obligation of the Administrator under this Agreement to any person.

17.02 The appointment of subcontractors by the Administrator will not relieve the Administrator of its responsibility hereunder.

17.03 The Administrator will not knowingly or intentionally do anything that would result in personnel it hires being considered to be the Province's employees. It is understood and agreed that, in respect of those employees who will be providing the services pursuant to this Agreement, the Administrator will continue to be:

- (a) the employer of such employees;
- (b) responsible for the payment of remuneration and employee benefits to such employees; and
- (c) responsible for all legal proceedings that may be commenced in respect of the employment of such employees, including proceedings in connection with the termination of their employment.

## ARTICLE XVIII

### NOTICES

18.01 Any notice, document, waiver, statement, report or demand that either party may desire or be required to give or deliver to the other will be in writing and conclusively deemed validly given or delivered to and received by the addressee:

- (a) if delivered personally, on the date of delivery;
- (b) if mailed, on the third business day after mailing the same in British Columbia by prepaid post; or
- (c) if transmitted by facsimile transmission, on the date the transmission is confirmed received through the transmission report;

addressed, as the case may be, to the Province:

BC Public Service Agency  
810 Blanshard Street  
Victoria, BC V8W 2H2

Attention: Ken Strobl, Director, Disability Management Programs

Facsimile Transmission Number: (250) 387-8230

or to the Administrator:

The Great-West Life Assurance Company  
Suite 1500 – 1177 West Hastings Street  
Vancouver, B.C. V6E 3Y9

Attention: Gwen Ceulen

Facsimile Transmission Number: (604) 688-9762.

18.02 Either party may, from time to time, give to the other party written notice of any changes of address or facsimile transmission number of the party giving such notice and from and after the giving of such notice the address or facsimile transmission number therein specified will, for purposes of the preceding section, be conclusively deemed to be the address or facsimile transmission number, as the case may be, of the party giving such notice.

## ARTICLE XIX

### NON-WAIVER

19.01 No provision of this Agreement and no breach by the Administrator of any such provision will be considered to have been waived unless such waiver is given in writing by the Province.

19.02 The written waiver by the Province of any breach by the Administrator of any provision of this Agreement will not be deemed a waiver of such provision or of any subsequent breach by the Administrator of the same or any other provision of this Agreement.

## ARTICLE XX

### ARBITRATION

20.01 All disputes arising out of or in connection with this Agreement will be referred to and finally resolved pursuant to the *Commercial Arbitration Act*.

20.02 The place of arbitration will be Victoria, British Columbia.



## ARTICLE XXI

### CONFLICT

- 21.01 The Administrator will not, during the Term, provide any services to any person in circumstances which, in the reasonable opinion of the Province, could give rise to a conflict of interest between the Administrator's duties to that person and the Administrator's obligations under this Agreement.

## ARTICLE XXII

### GENERAL

- 22.01 Time is of the essence of this Agreement.
- 22.02 This Agreement constitutes the entire agreement between the parties, and no understandings, representations or agreements, oral or otherwise, exist between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement.
- 22.03 Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever for the better or more perfect and absolute performance of the terms and conditions of this Agreement.
- 22.04 If any provision of this Agreement is found to be invalid, illegal or unenforceable, it will be severable from this Agreement and the remaining provisions will not be affected thereby and will be valid, legal and enforceable.
- 22.05 All provisions of this Agreement in favour of either party and all rights and remedies of either party, either in law or equity, will survive the expiration or sooner termination of this Agreement.
- 22.06 This Agreement will enure to the benefit of and be binding upon the Province and its permitted assigns and the Administrator and its successors and permitted assigns.
- 22.07 This Agreement may be amended only by further written agreement of the parties.



- 22.08 A reference to a statute in this Agreement, whether or not that statute has been defined, means a statute of the Province of British Columbia unless otherwise stated and includes every amendment to it, every regulation made under it and any enactment passed in substitution therefor or in replacement thereof.
- 22.09 Unless the context otherwise requires, any reference to "this Agreement" means this instrument and all of the Schedules attached to it and any reference to any section or subsection by number is a reference to the appropriate section or subsection in this Agreement.
- 22.10 The headings in this Agreement are inserted for convenience only and do not form part of this Agreement and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Agreement.
- 22.11 In this Agreement, wherever the singular is used it will be construed as if the plural, as the case may be, had been used where the context or the parties so required.
- 22.12 Each Schedule attached to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- 22.13 Unless otherwise specified, all dollar amounts expressed in this Agreement refer to lawful currency of Canada.
- 22.14 This Agreement will be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia.



## **SCHEDULE "A"**

### **SERVICES**

#### **GENERAL REQUIREMENTS:**

1. The Administrator will provide Long Term Disability Plan ("LTD") administration for all current LTD claimants as well as future LTD adjudication of all new claimants under the Plan (as defined in section 1.01(c) of this Agreement), using the processes and plan document interpretations as set by the BC Public Service Agency where required.
2. The Administrator will also provide additional resources by way of their established policies and procedures with respect to disability claims management. The Administrator will ensure it understands and incorporates BC Public Service Agency's requirements and operational philosophy regarding disability claim management into its day-to-day operations.
3. The Administrator will exchange data electronically with Disability Management Programs (DMP), BC Public Service Agency's new claims system, in a form suitable to both parties.
4. The Administrator will make changes mutually agreed to be necessary to the nature and scope of the Administrator's Claims office in Vancouver to accommodate BC Public Service Agency's requirements. The Administrator's Claims office will be staffed with the necessary experience and at the appropriate level to deliver the required services to meet the mutually agreed upon targets for performance. The Administrator will take appropriate steps to ensure continuity of service in the event of unexpected staff shortages.

#### **BASIC SERVICE REQUIREMENTS:**

5. The Administrator's Vancouver Disability Management Services Office will provide the following Services with regard to Claims under the Plan:
  - (a) adjudication of Claims to determine qualification of claimant to benefit entitlement including investigation of:
    - work, and
    - illness history for claimants with possible pre-existing conditions;
  - (b) determination and verification of amount of LTD benefits payable (Actual Benefit Payments). Subsequent benefit adjustment computerized spreadsheets will be checked by the Administrator's Quality Service Team to ensure accuracy;

- (c) Issuance of LTD Claim cheques (through bank transfer, electronic fund transfer or other similar mechanism);
- (d) provision of Claims control practices for LTD, including:
  - necessary investigation of Claims to determine their legitimacy
  - independent medical examinations
  - Medical Consultants to provide expert interpretation of clinical information
  - investigative reports
  - narrative medical reports from attending physicians and other sources
  - medical management of Claims
  - timely and appropriate frequency of follow up
  - such other measures as may be required;
- (e) Identification of rehabilitation candidates, based upon pre-determined selection criteria, for referral to the appropriate government agency, through:
  - review of Claim data
  - communication with attending physicians and other healthcare professionals
  - communication with insured
  - prepare information package to government, which includes claimant details
  - such other measures as may be required;
- (f) preparation of Claims forms and printing as required;
- (g) provision of disclosure of claimant file to the Claims Review Committee (for LTD appeals), including file preparation;
- (h) review of Claims, which are identified by the government, to determine the payment of benefits under the successive disability provision of the Plan;
- (i) process LTD Plan benefit adjustments, as required due to negotiated or other forms of benefit increases, and confirm completion of the processing to the Province, as required;
- (j) co-ordinate LTD benefits directly with other disability income providers, when directed by government;
- (k) recover benefit overpayments as a result of retroactive CPP, WCB or other disability income payments;

- (l) provide medical and legal services as may be normally provided by staff physicians and lawyers;
- (m) co-ordinate and integrate LTD benefits payments with ICBC benefits;
- (n) customise correspondence and practices on Provincial LTD Plan administration to reflect the government's requirements for administration adhering to both insurance and labour law principles.

**ADDITIONAL SERVICE REQUIREMENTS:**

6. The Administrator will provide the following additional Services with regard to Claims under the Plan:

- (a) prepare and print service agreements as required by the Province;
- (b) provide statistical reports when required by the Province as follows:
  - monthly cheque reconciliation report;
  - monthly detailed Claim listing;
  - monthly disabled life reserve listing;
  - monthly customized download report developed for BC Public Service Agency;
  - any other statistical report as can be reasonably provided;
- (c) general local service, including:
  - answering inquiries from claimants, or their legal representative, or the contract holder;
  - attendance by the Administrator's local personnel at meetings on an ad hoc basis as required by BC Public Service Agency;
  - such other services as may normally be provided by the Administrator's personnel;
- (d) assist in preparation of descriptive booklet text and other explanatory material as may be required by the Province;
- (e) identify and bring to BC Public Service Agency's attention unusual or adverse Claim trends;
- (f) planning for special projects such as the application of ad hoc benefit increases to ensure completion of the project with minimal disruption to ongoing disability management activities.

## SCHEDULE "B"

### SCHEDULE OF FEES

1. The Administrator will deliver to the Province each month a written statement of account showing the fees payable by the Province for Services provided in the previous month, calculated in accordance with section 2 of this Schedule.
2. Payment under a written statement of account will be made by the Province to the Administrator and calculated as follows:

<u>Item</u>	<u>Expense Basis</u>	<u>Year 1 Expense Factor</u>	<u>Year 2 Expense Factor</u>	<u>Year 3 Expense Factor</u>	<u>Year 4 Expense Factor</u>	<u>Year 5 Expense Factor</u>
General Administration	% of Paid Claims	0.25%	0.25%	0.25%	0.25%	0.25%
Profit	% of Paid Claims	0.25%	0.25%	0.25%	0.25%	0.25%
New accepted claims	Charge per claim	\$893.00	\$893.00	\$893.00	\$893.00*	\$893.00**
New declined claims	Charge per claim	\$478.00	\$478.00	\$478.00	\$478.00*	\$478.00**
Ongoing claims	Charge per claim	\$415.00	\$415.00	\$415.00	\$415.00*	\$415.00**

Plus in all years during the Term of this Agreement, the Province will reimburse the Administrator up to a maximum of \$200,000.00 per year (or such greater amount as may be approved in advance in writing by the Province and notified in writing to the Administrator) for independent medical examinations, vocational assessments, and medical reports. The Province will also reimburse the Administrator for other special expenses, as incurred, such as printing, surveillance charges, legal fees, and special projects. All expenses billed to the Province must be supported by appropriate documentation retained on file by the Administrator and available for audit, as required by the Province.

\* Year 4 figures will be increased by the percentage change in CPI from April 1, 2009 to April 1, 2010.

\*\* Year 5 figures will be increased by the percentage change in CPI from April 1, 2010 to April 1, 2011.

3. The Province will pay the Administrator the fees within 60 days after receipt of the written invoice by the Province.
4. Interest on any payments due under this Agreement which are past due shall be payable by the Province to the Administrator at times and using rates described in the *Interest on Overdue Accounts Payable Regulation*, B.C. Reg. 215/83, as amended.



## **SCHEDULE "C"**

### **PERFORMANCE AND SERVICE STANDARDS**

#### **GENERAL PROVISIONS**

- G. 1 The Administrator agrees to maintain the levels of performance and to operate in accordance with the performance and service standards as outlined in this Schedule.
- G. 2 The Administrator agrees to be subject to the financial penalties outlined in this Schedule.
- G. 3 Financial penalties may be invoked in accordance with this Schedule, at the discretion of the Province.
- G. 4 The parties may agree to suspend or modify the application of this Schedule for a period of time during the Term of this Agreement in the event of unforeseen special circumstances.
- G. 5 The performance of the Administrator will be evaluated in the five categories as outlined in this schedule. Evaluation will be on a plan year basis.
- G.6 If the Administrator fails to meet the performance standard in any one of the five categories, a financial penalty will be paid to the Province. The amount of the financial penalty will be equal to 5% of the Administrator's profit charge for the plan year being evaluated, for each category in which the Administrator fails to meet the performance standard.
- G. 7 If the Administrator fails to meet the performance standard in more than two categories in a given plan year, an additional financial penalty equal to 5% of the Administrator's profit charge for the year will be paid to the Province.
- G.8 The maximum financial penalty in a given plan year will be equal to 30% of the Administrator's profit charge for the plan year being evaluated.

#### **CATEGORY 1 – CLAIM RESPONSIVENESS – TURNAROUND TIME**

- 1.01 The Administrator will monitor and report the average length of time from the date claim correspondence is received until the date appropriate action is taken.

- 1.02 Both initial claim correspondence and ongoing claim correspondence will be monitored.



- 1.03 If the average correspondence turnaround time in the plan year being measured is greater than 17 calendar days the Administrator will be deemed to have received a failing grade for this category.

## **CATEGORY 2 – CLAIM RESPONSIVENESS – TIME TO DECISION**

- 2.01 The Administrator will monitor and report the average length of time from the date initial claim correspondence is received until the date a decision is made to approve or decline the claim.
- 2.02 If the average time to decision in the plan year being measured is greater than 50 calendar days the Administrator will be deemed to have received a failing grade for this category.

## **CATEGORY 3 – OVERALL CLAIMS MANAGEMENT**

- 3.01 The Administrator will perform a detailed internal audit of 25 LTD claims during the year.
- 3.02 The Administrator will choose the files in a random manner, but also in a manner that is representative of the nature of claims being handled. The audit will exclude claims of duration greater than 48 months. The audit will include a similar number of claims for each Case Manager.
- 3.03 The elements of the audit will include, but will not be limited to:
- investigation adjudication, and management of the claim;
  - consistent application of the claim management process;
  - appropriate application of the Plan provisions;
  - evaluation of the quality of communication with claimants;
  - appropriate coding of claim information;
  - appropriate identification of rehabilitation referral claims; and
  - appropriate file documentation.
- 3.04 The audit will be performed by qualified staff of the Administrator who are not a part of the team responsible for administering the Province's LTD plan.
- 3.05 The audit will focus on the Administrator's performance in the plan year being evaluated.
- 3.06 A detailed audit report will be prepared and submitted to the Province for each plan year.

- 3.07 The Province will review the report and determine, at its own discretion if the Administrator has received a failing grade in this category.

#### **CATEGORY 4 – FINANCIAL CLAIMS MANAGEMENT**

- 4.01 The Administrator will perform a financial audit of 75 claim files during the year. The files audited will include the 25 files audited under the provisions of Category 3.
- 4.02 The Administrator will choose the files in a random manner, but also in a manner that is representative of the nature of claims being handled. The audit will include a similar number of claims for each Case Manager.
- 4.03 The elements of the audit will be:
- accuracy of initial payment calculations,
  - accuracy of offset calculations,
  - accuracy of coordination with rehabilitation income,
  - timeliness of application of rehabilitation offsets,
  - calculation and recovery of benefit overpayments,
  - application of ad hoc benefit adjustments.
- 4.04 Results of the audit will be reported in each category and in total. A score of less than 95% in the overall total will generate a failing grade in this category.

#### **CATEGORY 5 – OVERALL ACCOUNT MANAGEMENT**

- 5.01 The Province will evaluate, on a subjective basis, the performance of the Administrator in each of the following areas:
- The Administrator will not implement changes affecting the administration of the Province of British Columbia account without reasonable advance notice.
  - The parties will endeavor to resolve problems quickly with involvement of appropriate parties, including ensuring a balancing of interests between the Administrator and Province. The Administrator will ensure it considers the interests of the Province in discussions between its regional and corporate offices.
  - Claim administrator follows a pre-determined claims process as outlined in the Services Agreement and applies this process consistently and in a timely fashion to all claims.

- The Administrator contributes ideas to assist the Province in the administration of the Plan, including identifying trends, plan design issues, emerging industry issues, and recommending and implementing procedures to improve plan administration by both parties.
- The Administrator will answer BC Public Service Agency inquiries during initial contact regardless of medium. If immediate response is not possible, average response time will meet or exceed the Province's standards for satisfactory service.
- Claim administrator will communicate clearly and succinctly, orally and in writing, with representatives identified by Government regarding policy coverage, benefit entitlements, as well as any factors upon which a claim decision was taken. Standard phrasing during written communication will be used to represent the Province's policies for the Plan.
- Claim administrator will communicate clearly and provide claimant information in a timely manner to Government representatives and the Rehabilitation Committee to facilitate rehabilitation and return to work options.
- Billing will be reconciled and will be sent to the Province (BC Public Service Agency), together with appropriate backup reports within 31 days of each month end.
- Accuracy of invoicing Administration fees including associated claim expenses, general and other expenses, and profit meets or exceeds the Province's requirements in the measurement period.
- The Financial report (annual) will be submitted to the Province no later than 3 months after the later of the end of the fiscal year and the date the Administrator receives the last expense payment for the year.
- Electronic reporting information, with content and format acceptable to the Province, will be provided as a download by the 15th of every month.

5.02 The Province will assign a rating of satisfactory or unsatisfactory to each of the above 12 items. An unsatisfactory rating in 3 or more items will be deemed to be a failing grade for this Category.

## MODIFICATION

6.01 This Schedule will be evaluated for effectiveness and may be modified during the Term of this Agreement by mutual agreement between the parties.

## SCHEDULE D PRIVACY PROTECTION SCHEDULE

### Definitions

1. In this Schedule,
  - (a) "Act" means the *Freedom of Information and Protection of Privacy Act* (British Columbia), as amended from time to time;
  - (b) "contact information" means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
  - (c) "personal information" means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement.

### Purpose

2. The purpose of this Schedule is to:
  - (a) enable the Province to comply with its statutory obligations under the Act with respect to personal information; and
  - (b) ensure that, as a service provider, the Contractor is aware of and complies with its statutory obligations under the Act with respect to personal information.

### Collection of personal information

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must collect personal information directly from the individual the information is about.
5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must tell an individual from whom the Contractor collects personal information:
  - (a) the purpose for collecting it;
  - (b) the legal authority for collecting it; and
  - (c) the title, business address and business telephone number of the person designated by the Province to answer questions about the Contractor's collection of personal information.

### Accuracy of personal information

6. The Contractor must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by the Contractor or the Province to make a decision that directly affects the individual the information is about.

### Requests for access to personal information

7. If the Contractor receives a request for access to personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province unless the Agreement expressly requires the Contractor to provide such access and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

### Correction of personal information

8. Within 5 business days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.
  - Within 5 business days of correcting or annotating any personal information under section 8, the Contractor must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, the Contractor disclosed the information being corrected or annotated.
  - If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

### Protection of personal information

- The Contractor must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

### Storage and access to personal information

13. Unless the Province otherwise directs in writing, the Contractor must not store personal information outside Canada or permit access to personal information from outside Canada.

### Retention of personal information

14. Unless the Agreement otherwise specifies, the Contractor must retain personal information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

### Use of personal information

15. Unless the Province otherwise directs in writing, the Contractor may only use personal information if that use is:
  - (a) for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement; and
  - (b) in accordance with section 13.

### Disclosure of personal information

16. Unless the Province otherwise directs in writing, the Contractor may only disclose personal information inside Canada to any person other than the Province if the disclosure is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
17. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must not disclose personal information outside Canada.

### Inspection of personal information

18. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to its management of personal information or its compliance with this Schedule and the Contractor must permit, and provide reasonable assistance to, any such inspection.

### Compliance with the Act and directions

19. The Contractor must in relation to personal information comply with:
  - (a) the requirements of the Act applicable to the Contractor as a service provider, including any applicable order of the commissioner under the Act; and
  - (b) any direction given by the Province under this Schedule.
20. The Contractor acknowledges that it is familiar with the requirements of the Act governing personal information that are applicable to it as a service provider.

### Notice of non-compliance

21. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

### Termination of Agreement

22. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

### Interpretation

23. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
24. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.
25. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
26. If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of the Act or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.
27. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or the law of any jurisdiction outside Canada.



## SCHEDULE E

### PRIVACY PROTECTION DIRECTIONS AND NOTICES

1. For additional clarity:
  - (a) under section 4 of the Privacy Protection Schedule, the Province hereby directs Great-West that it must collect personal information directly from the individual the information is about, unless another method of collection is authorized by that individual;
  - (b) under section 5 of the Privacy Protection Schedule, the Province hereby directs that Great-West's obligations under this section can be met by providing the notifications at the start of its dealings with the individual in regards to a particular claim or issue;
  - (c) under section 13 of the Privacy Protection Schedule, the Province hereby directs that Great-West may access personal information about an individual from outside Canada if that individual authorizes Great-West in writing to do so in respect of the administration of that individual's claim by Great-West;
  - (d) under section 16 of the Privacy Protection Schedule, the Province hereby directs that Great-West may also disclose personal information inside Canada to a person other than the Province if the individual who the personal information is about authorizes Great-West in writing to do so;
  - (e) under section 17 of the Privacy Protection Schedule, the Province hereby directs that Great-West may also disclose personal information outside Canada if the individual who the personal information is about authorizes Great-West in writing to do so; and
  - (f) under section 22 of the Privacy Protection Schedule, the following sentence is added to the end of that section: "The written notice shall be reasonable and at least equal to the length of the written notice in the Agreement."
2. In addition to the provisions of section 14 of the Privacy Protection Schedule, Great-West will retain personal information in accordance with its obligations under any applicable law.
3. Any personal information provided by Great-West to the Province under the Agreement is provided by Great-West expressly for the purpose of administering the Benefit Plan.
4. In addition to the provisions of the Privacy Protection Schedule and this Schedule D, Great-West's handling of personal information in its custody and control is governed by Great-West's Privacy Guidelines, as amended from time, and any applicable legislation. A copy of Great-West's current Privacy Guidelines is attached to this Schedule D.

In the event of a conflict or perceived conflict between Great-West's Privacy Guidelines and the Privacy Protection Schedule, the Province and Great-West will meet to discuss the matter. If a mutually satisfactory resolution is not obtained, the Privacy Protection Schedule will prevail.

If Great-West changes its Privacy Guidelines, such changes insofar as they apply to the Agreement will come into effect only if also approved by the Province.

# Privacy Guidelines

## *Protecting the privacy and confidentiality of personal information*

These *Privacy Guidelines* describe our commitment to privacy, and explain the principles that guide us in protecting the privacy and confidentiality of personal information.

*Personal information* is information about an identifiable individual. It includes, but is not limited to, health and financial information. The Company, its directors, officers and employees, and its licensed representatives and other persons and organizations who act for, or on behalf of, the Company, are required to comply with these *Privacy Guidelines*.

Access to personal information is restricted to directors, officers, employees, licensed representatives, and other persons or organizations acting for, or on behalf of, the Company, who need the information in order to provide services to the client or the Company.

### **Accountability**

The Company is responsible for personal information in its control, including information that may be transferred to a service provider performing services for, or on behalf of, the Company. The Company has established these *Privacy Guidelines*, and procedures and practices, to safeguard such personal information.

## **Our privacy principles**

### **Purposes**

The Company identifies the purposes for which it collects personal information either before or at the time of collection.

### **Consent**

The Company collects, uses and discloses personal information only with the consent of the individual, or as otherwise allowed by law. Consent to the collection, use, or disclosure of personal information may be express or implied, as appropriate. Individuals may withdraw their consent at any time, subject to legal or contractual restrictions and considerations.

### **Collection**

The Company only collects personal information that is necessary for the purposes identified. Personal information is collected directly from the individual, and may, with consent or as otherwise allowed by law, be collected from other sources.

### **Use, disclosure and retention**

Personal information is not, without consent, used or disclosed to a third party for any purpose other than that for which it was collected, unless such use or disclosure is required or allowed by law. This may include use or disclosure in order to protect the Company's interests in civil proceedings and in proceedings involving criminal activity, fraud or misrepresentation. The Company retains personal information only as long as necessary to fulfill the identified purpose or as otherwise required or allowed by law.

### **Accuracy**

The Company uses reasonable efforts to ensure that personal information is accurate and complete for the purposes for which it is to be used.

### **Safeguards**

The Company protects the security and confidentiality of personal information with safeguards appropriate to the sensitivity of the information.

### **Openness**

The Company's *Privacy Guidelines* are available to clients and the public. Upon written request addressed to the Chief Compliance Officer, we will provide a copy of these Guidelines, and respond to inquiries about our practices relating to personal information.

### **Individual access**

An individual may request to be informed of the existence, use and disclosure of personal information pertaining to him or her. The Company will provide appropriate access to such information that it holds. If the Company determines not to provide access to personal information, we will provide an explanation. Individuals may request the correction of personal information the Company holds about them, and if we find that what we have is incorrect, we will correct it.

### **Concerns, inquiries or requests**

Any concern, inquiry or request related to privacy should be made in writing.

Send or e-mail to:

**Chief Compliance Officer**

**The Great-West Life Assurance Company**

**100 Osborne Street North**

**Winnipeg MB**

**R3C 3A5**

**chief.compliance.officer@gwl.ca**