

Phase I Notice

Notice of Proposed Resolution of the Class Action Regarding the Calculation of Canadian Armed Forces long term disability benefits and dismemberment benefits under the Service Income Security Insurance Plan Policy 901102

Logan v His Majesty the King, Court File Number: T-1358-18

What is this action about?

The Plaintiff and the Class say that the Defendant breached the terms of Division 2, Part III(B) of **Service Income Security Insurance Plan (“SISIP”) Policy 901102 (“SISIP Policy”)** by improperly calculating the monthly long term disability income benefit, and monthly income benefit – dismemberment.

Division 2, Part III(B) of SISIP Policy 901102 provides long term disability (LTD) and dismemberment insurance to members of the Regular Force and Reserve Force – Class C who were medically released from the Canadian Armed Forces (“CAF”) on or after December 1, 1999, or were released on or after that date for other reasons, but are otherwise medically eligible.

In particular, the Plaintiff and the Class say the Defendant failed to include monthly allowances as part of the “member’s monthly pay in effect on the date of release from the Canadian Forces” for the purposes of calculating the monthly income benefits of Regular Force Members, or “monthly pay in effect when the injury was incurred or the illness was contracted” in the case of a Reserve Force Class “C” member.

Who are the Class Members?

The Federal Court has defined the Class as follows:

All former members of the Canadian Armed Forces who on or after July 17, 2012 received, long term disability benefits and/or dismemberment benefits under Division 2, Part III(B) of SISIP Policy 901102, and had an allowance from the Canadian Armed Forces in effect on the date of their release from the Canadian Armed Forces or, in the case of a Class “C” member, when the injury was incurred or the illness was contracted.

Since the Court has defined the Class, the Defendant changed the terms of Division 2, Part III(B) of SISIP Policy 901102 effective January 1, 2022. Accordingly, the Agreement proposes to amend the above definition to restrict it to former members of the Canadian Armed Forces who were released on or before December 31, 2021.

What does the Agreement provide?

On March 24, 2020, the Federal Court ruled that, when calculating SISIP LTD benefits and dismemberment benefits, a Regular Force Member's monthly allowances in effect on the date of their release from the Canadian Armed Forces (or in the case of a Class "C" member, when the injury was incurred or the illness was contracted) should be included in the Class Members' monthly pay.

The Agreement provides that Class Members will receive 100% of the additional amount resulting from this adjustment for all monthly LTD benefits that the Class Member received between July 17, 2012 and December 31, 2021 inclusively.

The Agreement provides that the retroactive payment received by Class Members as a result of this class action will not reduce the Class Member's benefits previously received from VAC, specifically Earning Loss Benefit and Income Replacement Benefit.

For Class Members in receipt of ongoing monthly SISIP LTD benefits on January 1, 2022, those benefits will continue to be calculated with the inclusion of relevant monthly allowances in a Class Members' monthly pay up to the end of the LTD claim.

There is an independent dispute resolution process for individuals who do not agree with the amount of the payment received.

The full Agreement is available at <https://www.mcinnescooper.com/services/sisip-ltd-allowances-class-action/>

What will I have to do to make a claim?

You do not have to do anything to make a claim. Your payment will be calculated automatically and you will receive a direct payment from Manulife.

How will the lawyers be paid?

The lawyers who are representing the Representative Plaintiff and the Class took this lawsuit on a contingency basis, meaning that no fees have been charged at any stage of the class action. They will not be paid until the Court declares that the proposed legal fees are fair and reasonable.

They will ask for approval of fees in the amount of 16.5% of the retroactive funds recovered plus repayment of reasonable disbursements and applicable tax. They will not seek any portion of the future benefits to be received by Class Members as a result of this class action.

They will seek the Court's approval of an honorarium of \$50,000 from their fees to be paid to Simon Logan for fulfilling his duties as Representative Plaintiff.

What happens now?

A hearing for final approval of the Agreement will be held at the Law Courts, 1815 Upper Water Street, Halifax, Nova Scotia, on April 13, 2023, commencing at 9:30 am. The Court will be asked to determine if the Agreement is fair, reasonable, and in the best interests of the Class Members, and to approve the lawyers' fees.

The hearing date may be moved to different dates or times without additional notice. Please check <https://www.mcinnescooper.com/services/sisip-ltd-allowances-class-action/> or call McInnes Cooper at (902) 444-8417 in advance to get details about the hearing.

Do I have to attend the hearing?

No. The lawyers representing the Representative Plaintiff and the Class will answer questions from the Court. However, you or your own lawyer are welcome to participate at your own expense. If you submit an Objection Form on time, the Court will consider it and you do not have to come to the Court to talk about it. You may also have your own lawyer attend at your own expense, but it is not necessary.

What are my legal options?

If you object to the settlement for any reason, there are two ways to voice your opinion:

1. Object to the proposed settlement	<p>If you do not wish to attend the hearing, but you would like to object to the settlement, you can complete an Objection Form. This form will include:</p> <ul style="list-style-type: none">• Your name, address, and telephone number;• A statement saying that you object to the proposed settlement;• The reasons you object to the proposed settlement, along with any supporting materials; and• Your signature. <p>The Objection Form can be found at https://www.mcinnescooper.com/services/sisip-ltd-allowances-class-action/.</p> <p>If you wish to register as an objector, mail this Form to McInnes Cooper, PO Box 730, Halifax, NS B3J 2V1 ATTN: SISIP LTD Class Action or email it to sisipclassaction@mcinnescooper.com It must be received or postmarked no later than March 21, 2023.</p>
2. Participate at the	You can attend the approval hearing to participate in the proceeding and voice your objection to the proposed settlement. The Court will decide if

**settlement
hearing**

you will be permitted to speak at the hearing. However, in order to be eligible to participate, you are asked to complete and submit an Objection Form on time setting out your reasons for objecting to the proposed settlement.

How do I get more information?

This notice summarizes the proposed settlement. More details are in the settlement agreement. You can get a copy of the agreement at: <https://www.mcinnescooper.com/services/sisip-ltd-allowances-class-action/>

You may also seek legal advice from lawyers representing the Representative Plaintiff and the Class concerning the proposed settlement and your claim at no cost to you.

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(902)444-8417

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