

## Urquhart

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**From:** BainsN1@parl.gc.ca  
**Sent:** August-27-10 12:32 PM  
**To:** urquhart@rogers.com  
**Subject:** RE: Progress Report on Various Initiatives to Assist the Nortel Disabled Employees

Hi Diane,

Thank you for your email below.  
We have forwarded this information to Mr. Bains.

Sincerely,

**Lovejoit Brar**  
**Office of the Hon. Navdeep Singh Bains, P.C., M.P.**  
**Critic for Small Business and Tourism**  
**6660 Kennedy Rd, Suite 215A, Mississauga ON L5T 2M9**  
**Tel: 905-795-5220 Fax: 905-795-5252**  
[www.navdeepbains.ca](http://www.navdeepbains.ca)

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**From:** Urquhart [mailto:urquhart@rogers.com]  
**Sent:** August 16, 2010 9:13 AM  
**To:** Bains, Navdeep - M.P.  
**Subject:** Progress Report on Various Initiatives to Assist the Nortel Disabled Employees

Navdeep Bains  
Liberal MP  
Mississauga—Brampton South

On August 12, 2010, Joel Rochon and Sakie Tambakos of Rochon Genova LLP made an application to the Ontario Superior Court of Justice to be appointed Representative Counsel for the Nortel Disabled in order to properly put forward the legal rights and the actuarial and insurance principles and practices that should govern the financial arrangements for this vulnerable group of Canadians. The Nortel disabled employees should have distinct legal representation from the Nortel pensioners and severed employees due to the conflicts of interest in the disbursement of the Health and Welfare Trust assets and the insurance considerations, as described in the following sworn affidavit of actuary Joann Williams.

[Affidavit of Actuary J. Williams to Exhibit E](#)  
[Affidavit of Actuary J. Williams to Exhibit F-N](#)

On August 12, 2010, the Rights for Nortel Disabled Employees wrote a letter to Ontario Minister of Finance Dwight Duncan to bring to his attention this group's appreciation for the Ontario Government's plan to honour the Pension Benefit Guarantee Fund's commitment to guarantee up to \$1000 per month of their pension income. The Nortel disabled employees will virtually all be below the \$1000 income per month after age 65 since they became disabled at younger ages when their incomes were well below their career potential and their disability income is very modest.

[Letter to Ontario Finance Minister Dwight Duncan August 12, 2010](#)

Over the Summer, I or representatives of the Nortel disabled have been meeting or communicating with the Canadian Council of Chief Executives , Canadian Life and Health Insurance Association, Canadian Institute of Actuaries, Canadian Bar Association, Canadian Institute of Chartered Accountants, Advocis, Council of Canadians with Disabilities, BC Coalition of People with Disabilities, the United Senior Citizens of Ontario and the National Pensioners and Senior Citizens Federation and many other grassroots associations interested in how Canadian employers provide disability benefits to their employees.

We have urged these associations to support the good public policy of employers offering safe self-insured long term disability benefits:

- self-insured long term disability benefits are to be treated on the same basis as insured long term disability benefits:
  - full funding in trust account requirement same as the insurer's full funding reserve requirement
  - tax deductibility of employer contributions for full funding in trust accounts same as for insurance premiums
  - **insolvent employers to be subject to the same treatment for priority of LTD beneficiaries' claims over other creditors as insolvent insurers for priority of LTD policyholders' claims over other creditors (Bill S-216 achieves this.)**
  - however, self-insured long term disability benefits are not eligible for the insurance industry's Assuris guarantees like insured benefits are;
- from the disabled perspective, it is not better to have an unsafe self-insured LTD wage replacement benefit than no benefit at all;
- the reputation of all employers is damaged when specific employers do not voluntarily fund their self-insured long term disability wage replacement benefits on the basis of generally accepted actuarial principles and practices, which are equally applicable to self-insured and insured long term disability benefits;
- the life insurance industry is too important to allow its reputation for product safety and protection of policyholders at insolvent insurance companies to be undermined by employers willing to put their long term employees into a position of poverty or death by cutting their wage loss replacement and essential medicines during bankruptcy proceedings;
- employer cost is not a valid issue when Canadians are relying on the peace of mind of having what they think is safe disability insurance;
- employers and their Administrative Services Only insurers cannot be misrepresenting the performance of unregulated insurance products in the marketplace;
- there is only nominal impact on employer operating costs due to the low incidence of disability and LTD benefits being low cost due to this actuarial fact;
- Canada signed the UN Convention for the Rights of Persons With Disabilities on March 11, 2010 which recognizes disabled persons:
  - to be full and equal citizens of Canada
  - to not be objects of charity
  - to have rights and to be capable of making decisions for their lives based on free and informed consent;
- employers should not be entitled to download their long term disabled employees onto public social security programs financed by all taxpayers:
  - the maximum CPP Disability of \$13,521 is below the poverty line;
- there can only be a nominal impact on the prospects for a successful restructuring of a corporation due to the small dollars involved with long term disability claims;
- **liquidation of corporations is a disbursement of money only and there is no basis for creditors to benefit from the employer's failure to fund incurred claims for self-insured long term disability benefits.**

To give you an idea of why Canadians are prepared to fight to protect the financial affairs of the sick, I have a link below to the Condolences message made by the friends of Gia Do, who was a Nortel long term disabled employee who died of cancer on July 17, 2010. She leaves behind a husband and two young children. Gia Do was well enough to attend the rally in Ottawa on October 21, 2009 to send the message that the disabled are not second class citizens whose rights and dignity may be trampled on by large creditors in bankruptcies.

[Gia Do Condolence - Nortel Disabled Employee](#)  
[CBC National News Pensioners & Disableds Rally Ottawa Oct, 21, 2009](#)

Sincerely











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**Related Documents**

<http://documentcentre.eycan.com/Pages/Main.aspx?SID=89&Redirect=1>

☐ **Other Motions and Endorsements**

**15. Motion Record for Representation of the Opposing LTD Beneficiaries**

-  Motion Record and Index - 619k
-  TAB 2 - Affidavit of J. Williams to Exhibit E - 3,279k
-  TAB 2 - Affidavit of J. Williams to Exhibit F-N - 2,261k
-  TAB 3 - Affidavit of A. Borenstein to Exhibit D - 3,516k
-  TAB 3 - Affidavit of A. Borenstein Exhibit E - 4,933k
-  TAB 3 - Affidavit of A. Borenstein Exhibit F-O - 3,148k
-  TAB 3 - Affidavit of A. Borenstein Exhibit P-T - 3,867k
-  TAB 3 - Affidavit of A. Borenstein Exhibit U-V - 7,064k
-  TAB 3 - Affidavit of A. Borenstein Exhibit W - 2,807k
-  TAB 3 - Affidavit of A. Borenstein Exhibit X-AA - 1,767k