Benefits Bulletin: 2019 Update

Group Insurance Renewal 2019

At its meeting on March 14, 2019, the Board of Regents approved a recommendation of the University Benefits Committee that the group insurance plans be renewed for the policy year beginning April 1, 2019, at the rates shown below. The plans are being renewed with no change in benefit levels.

New Bi-Weekly Benefit Rates for 2019–2020

The following rate schedule is effective April 1, 2019. For a more detailed explanation of coverage, please refer to the Employee Benefits Guide at http://www.mun.ca/hr/services/benefits/group.php.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Rate Change</th>
<th>Employee Rate ($)</th>
<th>University Rate ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health - Single</td>
<td>2.3%</td>
<td>6.56</td>
<td>29.87</td>
</tr>
<tr>
<td>- Family</td>
<td></td>
<td>19.51</td>
<td>88.86</td>
</tr>
<tr>
<td>Dental - Single</td>
<td>3.3%</td>
<td>7.22</td>
<td>10.84</td>
</tr>
<tr>
<td>- Family</td>
<td></td>
<td>13.23</td>
<td>19.84</td>
</tr>
<tr>
<td>Travel - Single</td>
<td>n/a</td>
<td>0.62</td>
<td>2.82</td>
</tr>
<tr>
<td>- Family</td>
<td></td>
<td>1.07</td>
<td>4.88</td>
</tr>
<tr>
<td>Basic Life</td>
<td>2.4%</td>
<td>0.012 / 1,000</td>
<td>0.06 / 1,000</td>
</tr>
<tr>
<td>Optional Life</td>
<td>n/a</td>
<td>0.95 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td>Dependent Life</td>
<td>n/a</td>
<td>0.10</td>
<td>0.31</td>
</tr>
<tr>
<td>AD&amp;D - basic</td>
<td>n/a</td>
<td>--</td>
<td>0.20</td>
</tr>
<tr>
<td>- optional</td>
<td></td>
<td>0.057 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td>- voluntary (S)</td>
<td></td>
<td>0.067 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td>(F)</td>
<td></td>
<td>0.114 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td>Long Term Disability</td>
<td>-11.1%</td>
<td>0.02488 times bi-weekly</td>
<td>--</td>
</tr>
</tbody>
</table>

Other Benefits to Remember:

- The Special Authorization Appeals Subcommittee is available to you if you wish to appeal a decision of Medavie Blue Cross denying coverage of a “Special Authorization Drug”.
- The Employee Assistance Program provided by Morneau Shepell offers a comprehensive and confidential suite of services to Memorial’s employees, retirees and family members at no cost, 24 hours a day, seven days a week.
- Benefits and pension continuation for periods of approved leave in excess of 30 days is optional, including maternity/parental/adoption leave. (Exception: NAPE 7850 employees need to refer to their collective agreement for conditions applicable to maternity/parental/adoption leave).
- Employees travelling for longer than 180 days for work related reasons may request an Extension of Travel Health Insurance Coverage.
- Download the Medavie Mobile App.
Rate Changes and the Financial Positions of the Group Insurance Plans

Health and Dental

Memorial’s health and dental plans are administered by Medavie Blue Cross on an “Administrative Services Only” basis. This means that the plans are self-insured under an arrangement whereby Memorial and plan members are responsible for deficits as they arise and, in a similar fashion, they are the beneficiaries of surpluses that might accumulate.

Experience under both the health and dental plans was positive for the past year as premiums contributed exceeded the total of claims plus expenses paid. The health plan generated a surplus of $497,000 for the year while the dental plan surplus was $29,000. The level of accumulated surplus in each of the plans is considered sufficient to mitigate future adverse experience as potential deficits would be paid using surplus rather than through an additional rate increase. Surplus may also be used to limit the amount of rate increase requested by Blue Cross in any particular year.

When recommending rate adjustments in the health and dental plans, the University Benefits Committee takes into consideration the level of surplus in each plan and the expected cost increases for the upcoming year. Where warranted, surplus will be used to offset rate adjustments. Given the level of surplus currently retained in the plans, the Committee has recommended rate adjustments for the 2019/20 fiscal year that are lower than those requested by Medavie Blue Cross. Medavie has accepted these lower rates.

Travel Health

The travel health plan provided by SSQ Insurance is a fully insured plan with rates determined based upon the experience of the plan as a whole. The prior year’s travel health experience was good with a loss ratio of 56 per cent. There is no rate adjustment necessary for 2019/20.

Basic Life

The basic life plan is underwritten on a refund basis which means that any surplus generated is available to the plan to stabilize rates in the event that a deficit emerges. In the prior year, however, premiums exceeded claims paid and a modest amount of surplus was generated. With the exception of years where deficits are incurred, the rate setting process used by Manulife Financial does not consider the level of surplus in the plan. Rates are determined based upon the previous five years of plan experience and this has shown that a 2.4 per cent rate increase is necessary for the 2019-20 policy year.

Dependent and Optional Life (Employee Only and Spousal/Dependent Child)

The dependent and optional life plans are fully insured plans with Manulife Financial and therefore have no provision for surplus or deficit accounting. No rate change is necessary for the optional life insurance plans.

Accidental Death and Dismemberment (AD&D)

The AD&D plans are fully insured plans provided by SSQ Insurance. No rate changes are necessary for the AD&D plans.
**Long Term Disability (LTD)**

The LTD plan is also administered by Manulife Financial on a refund accounting basis and is five-year experience rated. Unlike other group insurance plans, experience under an LTD plan can be significantly more volatile from one year to the next. The incidence of claims in any particular year and past experience is not necessarily an indicator of what the next year may hold as experience can vary greatly depending on the number and nature of individual claims. Considering the past five years of LTD experience, the plan generated annual operating surpluses in the most recent two years and deficits in the remaining three.

<table>
<thead>
<tr>
<th>Accounting Period End Date</th>
<th>Surplus/(Deficit) $</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 31, 2018</td>
<td>2,526,500</td>
</tr>
<tr>
<td>July 31, 2017</td>
<td>1,098,900</td>
</tr>
<tr>
<td>July 31, 2016</td>
<td>(863,500)</td>
</tr>
<tr>
<td>July 31, 2015</td>
<td>(598,600)</td>
</tr>
<tr>
<td>July 31, 2014</td>
<td>(1,956,100)</td>
</tr>
</tbody>
</table>

This volatility will affect the financial position of the plan as well as its rating. Given the overall positive experience of the plan over the past five years, Manulife has recommended an 11.1% reduction in the rate. The surplus that has accumulated in the plan will be retained to mitigate any future experience losses in an effort to stabilize rates as has been done in the past.

**What is the University Benefits Committee?**

The University Benefits Committee is a committee of the Board of Regents and is chaired by a Board member. It is the mechanism by which employees and retirees provide input into the operation of the University’s group insurance plans. Represented on the committee are all stakeholder groups including CUPE, NAPE, MUNFA, non-bargaining and management employees and retirees. The key responsibilities and objectives of the Committee are:

1. To offer advice and information to the Board so that the Board may be able to provide, within its financial limitations, adequate benefit plans for its employees and pensioners.
2. To monitor the experience of the benefit plans and make recommendations to the Board for their improved administration.
3. To advise and make recommendations to the Board in respect of proposed new benefit plans or in respect of proposed revisions to existing plans.
4. To issue periodic reports to employees on the status of the benefit plans.

The Committee’s terms of reference may be found here: [https://www.mun.ca/regents/about/committees/benefits.php](https://www.mun.ca/regents/about/committees/benefits.php)
Health and Benefits Snapshot (past year)

Employee and Family Assistance Program
24/7 access through www.workhealthlife.com or 1-877-890-9052
Top programs and services available
1. Personal counselling
2. Legal
3. Financial
4. Health and well being
5. Child/youth care
Utilization Rate: 16.1%

Health Care
Top extended health claims
1. Vision - $769k
2. Massage - $537k
3. Physiotherapy - $436k
4. Chiropractic - $256k
69%: of total health spend is on prescription drugs
Health claims paid $10.6 million

Life Insurance and LTD
39%: reduction in basic life insurance claims over the prior year
10%: reduction in LTD claims over the prior year

Dental Care
Tip: Prior to any major dental work being commenced request a predetermination
86%: of total dental spend is on basic services
Dental claims paid $3.6 million

Health and Benefit Snapshot

Common mental illnesses include:
Depression & Bipolar Disorder
Anxiety
Eating Disorders
Post Traumatic Stress Disorder (PTSD)
Phobias & Panic Disorders

Health Corner:
Mental illnesses, much like physical illnesses, can have many forms. It is estimated that 1 in 5 Canadians will experience a mental health problem or illness in any given year.

Psychologist Benefits
• Psychologist benefits are provided under the health plan to a maximum of $500 annually

Counselling
• Confidential counselling is available 24/7 free of charge under the Employee Assistance Program

Reminder: Your EAP provider Morneau Shepell can provide you with assistance and access to many more resources including professional counselling, health coaching, nutritional and fitness supports, smoking cessation and more. Visit www.workhealthlife.com or call 1-800-387-4765.

My EAP mobile app
You’ve got support anytime, anywhere with MY EAP app
NEW ON MY EAP
• Improved access to support
• Financial Wellness Score Assessment
• Now available in Spanish!