GROUP INSURANCE RENEWAL - 2015

PLAN RENEWAL AND RATE CHANGES

At its meeting on March 12, 2015, the Board of Regents approved renewal of the university’s group insurance plans for the policy year beginning April 1, 2015. The plans are being renewed with no change in benefit levels.

Rates will increase for travel health and long term disability coverage. Travel health rates are increasing by 57 percent as a result of continued high claims experience for out of province travel while LTD rates are being adjusted upwards by 28.6 percent to better reflect required rates under the plan. For more information on the LTD rate increase please refer to page two.

NEW BI-WEEKLY BENEFIT RATES FOR 2015 - 2016

Note: Rates are effective April 1, 2015, however, a blended rate will apply for the April 3, 2015 pay-period for the travel health and LTD insurance plans. For a more detailed explanation of coverage, please refer to the Employee Benefits Guide at http://www.mun.ca/humanres/foremployees/benefits.php

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Change</th>
<th>Employee Rate ($)</th>
<th>University Rate ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health - Single</td>
<td>0%</td>
<td>5.43</td>
<td>24.76</td>
</tr>
<tr>
<td>- Family</td>
<td></td>
<td>16.16</td>
<td>73.64</td>
</tr>
<tr>
<td>Dental - Single</td>
<td>0%</td>
<td>6.66</td>
<td>9.99</td>
</tr>
<tr>
<td>- Family</td>
<td></td>
<td>12.19</td>
<td>18.29</td>
</tr>
<tr>
<td>Travel - Single</td>
<td>↑ 57%</td>
<td>0.48</td>
<td>2.20</td>
</tr>
<tr>
<td>- Family</td>
<td></td>
<td>0.83</td>
<td>3.80</td>
</tr>
<tr>
<td>Basic Life</td>
<td>0%</td>
<td>0.013 / 1,000</td>
<td>0.066 / 1,000</td>
</tr>
<tr>
<td>Optional Life</td>
<td>0%</td>
<td>0.79 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td>Dependent Life</td>
<td>0%</td>
<td>0.12</td>
<td>0.38</td>
</tr>
<tr>
<td>AD&amp;D - basic</td>
<td></td>
<td>0.20</td>
<td>--</td>
</tr>
<tr>
<td>- optional</td>
<td></td>
<td>0.057 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td>- voluntary (S)</td>
<td>0%</td>
<td>0.076 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td>(F)</td>
<td></td>
<td>0.128 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td>Long Term Disability</td>
<td>↑ 28.6%</td>
<td>0.01878 times bi-weekly</td>
<td>salary to maximum of $101.37</td>
</tr>
</tbody>
</table>

IN THIS NEWSLETTER...

...You will find a summary of the benefit rate changes that will be effective April 1, 2015, as well as some interesting facts and tips related to living a healthy lifestyle.

> 2015 Benefits Rates ....................... 1
> LTD Financial Arrangement
   and Rate Adjustments ..................... 2
> Health and Benefits Snapshot .......... 3
> Health Corner ................................ 3

For more information about your benefits program visit Memorial’s Human Resources website at www.mun.ca/humanres.
Memorial’s long term disability plan is administered by Manulife Financial under an insurance policy whereby premium rates are based on the claiming experience of Memorial University employees only. A principal feature of the underwriting method is that the plan’s stakeholders are financially responsible for claims and related costs that arise during the first five years of payment. These costs of “self insurance” are funded 100% by employee premiums. For LTD claims that extend beyond five years in duration, there is an additional insurance component built into the premium rate. The five year experience rating is important because financial results that fall within this period can and will influence annual premium rates. In years where premium is not sufficient to support claims and related expenses, deficits will arise and these must paid by an infusion of additional premium. By contrast, where premiums paid into the plan are higher than necessary to pay claims and expenses, surpluses will emerge and these are available to plan beneficiaries and may be used to smooth out volatility in rates.

As with many group insurance plans, LTD premium rates are set annually based upon expected claims experience for the upcoming year. However, LTD claiming patterns are very difficult to predict compared to health claims and can be subject to significant volatility from one year to the next. Over the past several years Memorial’s LTD plan has followed an unpredictable pattern of experience but, with the exception of last year, this unpredictability has had a positive impact on the plan in the form of surplus. For the past four years, through the efforts of the University Benefits Committee, a large portion of this surplus has been returned to employees in the form of annual rate subsidies and in the case of last year, a contribution holiday. Surplus was also used last year to pay off the deficit that arose due to the high volume of LTD claims. It is important to note that last year’s contribution holiday did not contribute to this deficit as premiums that would otherwise have been paid by employees were instead paid by surplus. The holiday was simply another mechanism by which a portion of surplus was returned to employees.

Why a Rate Increase?

As indicated above, the rate under the LTD plan has been subsidized for a number of years by using accumulated surplus. A direct result of the subsidy is that the existing LTD rate paid by employees has moved further away from the rate that they should be paying based upon Memorial’s claims experience and demographics - the rate difference having been funded by surplus. With the decline in the surplus position and the potential risk of another year of high claims, the University Benefits Committee decided that the rate should be brought closer to its required level. In doing this, the Committee recommended that with this year’s renewal, premiums be funded by implementing a 28.6% rate increase and utilization of surplus. The Committee will continue to monitor the financial position of the LTD plan with a view to balancing the financial health of the plan with stability of rates.
**HEALTH CORNER: MENTAL HEALTH**

Are you suffering from stress or anxiety?

*It is important to note that you are not alone!*

Life can be filled with challenging situations that cause stress. These can be caused by issues at home, at work or by relationships, financial or health concerns.

It is quite common for people under stress to feel anxious and worried – symptoms may include a racing heartbeat, flushed complexion, a tightening of the chest, difficulty concentrating and restlessness.

*Source: Globe & Mail (December 2014)*

**RESOURCES:**

- Globe & Mail (Bill Howatt, December 8, 2014): [Are you suffering from stress, or anxiety?](https://www.globetolocal.com/)
- Globe & Mail (October 2013): [Video - Nutrition Basics: What to eat (and not to eat) when you are feeling stressed](https://www.youtube.com/watch?v=)
- Canadian Mental Health Association – Mental Health For All
- Contact EFAP (Shepell):
  - [Workhealthlife](https://www.workhealthlife.com/) or 1 800 387-4765

There are a few things you can do to take charge and improve your overall quality of life:

- **Accept your situation:** Accept your feelings in the moment for what they are, without judgment.
- **Practice slow:** Try meditation or yoga to calm your anxious mind.
- **Take the 60-day caffeine-free challenge:** Take caffeine out of your diet for the next 60 days.
- **Practice positive thoughts:** Don’t dwell on the negative, and instead think about the positive things in your life and be grateful for them.
- **Breathe:** Stop and take a deep breath. Fill your lungs and exhale slowly. Repeat three times.
- **Burn stress chemicals:** Exercise daily for half an hour at an intensity level that gets you sweating.
- **Log sleep:** Get six to eight hours of rest each night. Remove stimuli – TV, smartphones and the Internet and instead read a peaceful story and relax your mind.