



Newfoundland and Labrador Teachers' Association
Group Insurance

M E M O

To: Members Insured in the NLTA Group Insurance Plan
From: Bill Chaisson, Chairperson, NLTA Group Insurance Managers
Re: **May 2017 Group Insurance Market Study and Annual Renewal**

Dear Colleagues:

On behalf of the NLTA Group Insurance Managers, I wish to inform you of the details of the annual Group Insurance Renewal for the payroll deduction period covering April 1, 2017 to March 31, 2018. As per NLTA Group Insurance Policy, all policies that are part of the Group Insurance Program are subject to a Market Study Review every five years. During the past year, the Group Insurance Managers reviewed and revised all the specifications of the current policies and in consultation with officials from Johnson Inc., our Plan administrator, sent the specifications to 20 of the major insurer underwriters throughout Canada. Eight of the underwriting companies submitted a full or a partial proposal on particular benefits, while others indicated that the main reasons for declining to submit a proposal were:

- Could not provide competitive rates.
- Could not provide competitive alternatives.
- Could not match the required benefit levels.
- Could not meet plan requirements.
- Could not meet underwriting guidelines.
- Size outside target market.

The results of the Market Study were favourable. Some premium rates will decrease, some will remain the same, while other premium rate increases are necessary in order to avoid deficits that have occurred and are projected to occur this coming year which would lead to even greater premium rate increases in the future. In addition, as a result of the Market Study Review, the carrier for the Basic /Dependent/Retiree Life Insurance policies will change from Desjardins Insurance to Manulife Financial as of May 1, 2017.

Specifically, the following decisions were made by your Group Insurance Managers:

1. Maintain current monthly insurance premiums in Option:
 - A2 - Voluntary Life (member)
 - A4 - Voluntary Accidental Death and Dismemberment
 - A5 - Voluntary Life (spouse)
 - B2 - Dental
 - CI - Basic Critical Illness
 - CV - Voluntary Member Critical Illness
 - CS - Voluntary Spouse Critical Illness
 - CC - Voluntary Dependent Child Critical Illness
 - LC - Long Term Care
 - T - MEDOC Travel
2. Decrease A1 – Basic and Dependent Life by approximately 9.6%.
3. Decrease Post–65 Life by 10%.
4. Increase A3 – Basic Accidental Death and Dismemberment by 4.9%.
5. Change the basis for payment of dental claims from the 2016 Dental Fee Guide to the current Newfoundland and Labrador Suggested Dental Fee Guide.
6. Increase Option B – Health Insurance monthly premium for Single and Family plan members by 3.8%. Enhance the Health plan by adding the following coverages:
 - i) increase the maximum transportation benefit from \$600 to \$1,000 per calendar year.
 - ii) increase hearing aid coverage from \$600 per hearing aid every two consecutive calendar years to \$1,000 per hearing aid every three consecutive calendar years.
7. Increase the Option C – Long Term Disability monthly premium by 5.2%.

REMINDER: CAREPATH PILOT PROGRAM

The Group Insurance Managers wish to remind all members of the two-year pilot program called **CAREPath Navigational System** which was introduced in May 2016. This program will cover **all** enrolled members of the NLTA Group Insurance Program, including their dependents, who have been newly diagnosed with cancer or a cancer recurrence any time after April 1, 2016, to assist them in navigating the public health care system as they deal with their treatment for cancer. Any member wishing to avail of the services provided by this program are encouraged to call 1-866-883-5956.

Analysis of Premium Rate Adjustments

Table 1: Comparison of the Current and New Premium Rates

Total Monthly Premium Rates		
	Current	New
*Basic Life (2 x Salary/Pension)	\$0.124/\$1,000 of benefit	\$0.112/\$1,000 of benefit
*Dependent Life	\$1.72	\$1.56
Voluntary Member/ Spousal Life	Step Rated by Age	Same
*Basic Accidental Death & Dismemberment	\$0.182/\$10,000 of benefit	\$0.191/\$10,000 of benefit
Voluntary Accidental Death & Dismemberment	\$0.19/\$10,000 of benefit (Single) \$0.26/\$10,000 of benefit (Family)	Same (Single) Same (Family)
Basic Critical Illness	\$3.66	Same
Voluntary Member/Spouse Critical Illness	Step Rated by Age Band, Gender, Smoker/Non-Smoker Status	Same
Voluntary Dependent Child Critical Illness	\$2.40	Same
*Health: Single Family	\$135.22 \$241.90	\$140.38 \$251.12
Dental: Single Family	\$38.80 \$77.94	Same (Single) Same (Family)
Long Term Disability	\$1.046/\$100 of salary	\$1.10/\$100 of salary
**Retiree Post-65 (\$15,000)	\$23.94	\$21.54

* Government contributes to this premium rate in accordance with the Collective Agreement.

** For retired teachers who turned age 65 after September 1, 2004, \$16.04 is paid by the retiree, \$5.50 is paid from the Post-65 Life Fund established when the Post-65 Paid-Up Life program was eliminated on September 1, 2004. Retired teachers who turned 65 prior to September 1, 2004 and were eligible for the Paid-Up Life benefit are not eligible for this subsidy.

Government Contribution Rates - Impact on Teacher Premiums

Government’s premium contributions to the premium rates in the A1 - Basic and Dependent Life, the A3 - Basic Accidental Death and Dismemberment, and the B - Health plan options are determined annually in accordance with a Premium Rate Setting Process utilizing an independent insurance consultant. Government’s contributions to the NLTA premium rates are the lesser of 50% of the NLTA premium rate calculated under the rate setting process in the Collective Agreement or 50% of the Government premium rate for its Basic / Dependent Life, Basic Accidental Death and Dismemberment, and Health plan options calculated under this rate setting process. The premise is that Government will contribute a consistent amount to Group Insurance for all government employees, including teachers. The following table illustrates the impact of the Premium Rate Setting Process and the Government contribution rate determined for 2017-18.

Basic Plan Premium Rates Per Pay Period Effective April 1, 2017 Deductions Based on a \$70,000 Annual Salary									
	Total Premium			Government Contribution			Teacher Contribution		
		Current	New		Current	New		Current	New
Basic Life	Single:	\$8.68	\$7.84	Single:	\$4.06	\$4.27	Single:	\$4.62	\$3.57
	Family:	\$9.54	\$8.62	Family:	\$4.39	\$4.66	Family:	\$5.15	\$3.96
AD&D		\$1.27	\$1.34		\$0.42	\$0.42		\$0.85	\$0.92
Health	Single:	\$67.61	\$70.19	Single:	\$19.18	\$20.33	Single:	\$48.43	\$49.86
	Family:	\$120.95	\$125.56	Family:	\$48.45	\$51.35	Family:	\$72.50	\$74.21

A benefit statement from the Plan Administrator, Johnson Inc., outlining your personal coverage and premiums will be mailed to you in the near future.

The NLTA Group Insurance Program Booklet has been updated on the NLTA website at www.nlta.nl.ca. Click on Programs and Services then Salary, Benefits and Pension. All future NLTA Group Insurance Booklets, Overviews, Memorandums and correspondence will be forwarded electronically to members and are available on the NLTA website. **If you are a retired member, please forward your email address to: mail@nlta.nl.ca with the subject line “Group Insurance Program” if you have not already done so.**