

**TO:** ALL ACTIVE PARTICIPANTS  
GOVERNMENT OF NEWFOUNDLAND AND LABRADOR  
GROUP INSURANCE PROGRAM

**RE:** ANNUAL RENEWAL OF THE GROUP INSURANCE PROGRAM 2021 - 2022

**FROM:** HR Client Service Centre, Treasury Board Secretariat

**DATE:** April 1, 2021

This memorandum outlines the details of the annual renewal for your Group Insurance Program effective April 1, 2021. This renewal process occurs each year in April and is part of the contract agreement between Canada Life and the Government of Newfoundland and Labrador. The carrier (Canada Life) looks at claims experience and market trends to project the requested increases for the plan. This memorandum is intended to highlight the most important aspects of the renewal changes.

#### Plan Surpluses

- The Supplementary Health & Basic Life and Dental benefits are subject to refund accounting. This means that after claims are paid from premiums collected, any surplus funds are retained in the program. As indicated below rate increases for the benefits subject to refund accounting for this plan year, which would normally be passed onto participants, are being paid by these plan surpluses so that the net premium rate charged to plan members remains unchanged or reduced for this year. This will result in a reduction in the plan's accumulated surplus and the potential for higher future premium increases to cover inflation/claim experience.

#### **Benefits Subject to Refund Accounting:**

##### Basic Employee/Dependent Life Insurance

- Effective April 1, 2021 the carrier requested a 12.99% increase in premiums. The Health & Life plan refund account will cover 100% of the increase and Basic/Dependent Life premiums will remain unchanged for plan members.

##### Supplementary Health Insurance (Including travel insurance)

- The supplementary health insurance premium is a blended premium of both health and travel insurance. Effective April 1, 2021 the carrier requested a 6.9% increase in premiums to be applied to the health insurance portion and no increase in premiums to be applied to the travel insurance portion. This year 100% of the proposed increase will be funded from the Health & Life surplus and premiums will remain unchanged.

##### Optional Dental Insurance

- Currently, dental claims are reimbursed based on the 2019 Newfoundland and Labrador Dental Association Fee Guide. As of April 1, 2021 the dental plan will now reimburse expenses based on the 2021 Newfoundland and Labrador Dental Association Fee Guide.
- Due to the current surplus in the Dental refund account, effective April 1, 2021, dental rates will decrease by 5.39%.

- Effective April 1, 2021, the bi-weekly payroll deduction will decrease by \$0.83 for single coverage and \$1.83 for family coverage. The new bi-weekly deduction for dental will decrease from \$15.43 to \$14.60 for single coverage and will decrease from \$33.97 to \$32.14 for family coverage.

### **Benefits Not Subject to Refund Accounting:**

#### Optional Critical Illness

- Effective April 1, 2021 the Critical Illness rate to plan members will increase by 22%.
- **As is normal, the increase in bi-weekly deductions will depend on the employee's age, gender and whether you have single or family coverage. An example would be a female age 40 with family coverage will go from \$1.98 to \$2.41 bi-weekly.**

#### Optional Long Term Disability

- Effective April 1, 2021 the Long Term Disability rate to plan members will increase by 9.8%.
- **Bi-weekly deductions for Long Term Disability will depend on the employee's class (which is an employee's actual age minus their pensionable years of service) and their annual salary. An example would be a 45 year old employee with 10 years of service and an annual salary of \$60,000. Bi-weekly deductions for this employee would increase from \$100.80 to \$111.00.**

#### Other Group Insurance Benefits

All other benefit rates will remain unchanged for the 2021/2022 policy year including:

- Basic Accidental Death and Dismemberment benefit
- Optional Employee Life Insurance benefit
- Optional Spousal Life Insurance benefit
- Optional Accidental Death and Dismemberment benefit

If you have any questions regarding these changes, please consult the website noted below or contact:

By Email: [groupinsurance@gov.nl.ca](mailto:groupinsurance@gov.nl.ca)

By Mail: HR Client Service Centre – Treasury Board Secretariat  
Basement Floor, West Block, Confederation Building  
P.O. Box 8700  
St. John's, NL. A1B 4J6

For a summary of your benefits plan please visit:

<https://www.gov.nl.ca/exec/tbs/working-with-us/employee-benefits/>