

**TO:** All Active Participants  
Government of Newfoundland and Labrador  
Group Insurance Program

**RE:** Annual Renewal of the Group Insurance Program 2022-2023

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

**DATE:** April 1, 2022

This memorandum outlines the details of the annual renewal for your Group Insurance Program effective April 1, 2022. This renewal process occurs each year in April and is part of the contract 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 funded partially by the plan surpluses and partially by rate increases. Funding from the plan surpluses results in lower than proposed premium increases. This will result in a reduction in the plan's accumulated surplus and offer 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, 2022 the carrier requested a 14.2% increase in premiums. This year 50% of the proposed increase will be funded from the Health & Life surplus and the remaining will be funded from an increase in premiums of 7.1%.
- As the volume of Basic Life an employee is insured for depends on their annual salary, biweekly rates will vary. Example: an employee with an annual salary of \$50,000 would experience an increase from \$3.90 to \$4.20 bi-weekly.
- Dependent life will increase from \$0.44 to \$0.48 bi-weekly for all employees with family coverage.

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

- The supplementary health insurance premium is a blended premium of both health and travel insurance. Effective April 1, 2022 the carrier requested a 6.8% 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 50% of the proposed health increase will be funded from the Health & Life surplus and the remaining will be funded from an increase in premiums of 3.4%.
- Effective April 1, 2022, the new bi-weekly premiums for supplementary health insurance (including travel) will increase from \$18.93 to \$19.55 for single coverage and from \$47.77 to \$49.35 for family coverage.

- While there will be no plan design changes for the 2022-23 policy year, effective May 1, 2022 diabetic supplies (test strips, lancets, needles, etc.) will now be covered under the direct billing program similar to prescription drugs. Previously, plan members had to pay at source for diabetic supplies and submit a paper claim for reimbursement. Diabetic supplies will continue to be reimbursed at 80% and will be subject to a covered maximum benefit of \$2,170 per calendar year.

### Optional Dental Insurance

- Currently, dental claims are reimbursed based on the 2021 Newfoundland and Labrador Dental Association Fee Guide. As of April 1, 2022 the dental plan will now reimburse expenses based on the 2022 Newfoundland and Labrador Dental Association Fee Guide.
- Due to the current surplus in the Dental refund account, effective April 1, 2022, dental rates will remain the same.
- Current biweekly payroll deductions for dental are \$14.60 for single coverage and \$32.14 for family coverage.

### Other Group Insurance Benefits (Not Subject to Refund Accounting):

All other benefit rates will remain unchanged for the 2022/2023 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
- Optional Long Term Disability
- Optional Critical Illness

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  
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For a summary of your benefits plan please visit: <https://www.gov.nl.ca/exec/tbs/working-with-us/employee-benefits/>