

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

RE: Annual Renewal of the Group Insurance Program 2024-2025

FROM: Benefits Administration Division, Treasury Board Secretariat

DATE: March 22, 2024

This memorandum outlines the details of the annual renewal for your Group Insurance Program effective April 1, 2024.

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) examines claims experience and market trends to project the required premium changes for the plan. This memorandum is intended to highlight the most important aspects of the renewal changes.

Plan Surpluses

- The Basic Life, Supplementary Health, 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. Required rate increases for the benefits subject to refund accounting can be partially or fully funded by either plan surpluses (if any) and/or by rate increases. Funding provided by the plan surpluses result 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 offset inflation and claim experience.

Benefits Subject to Refund Accounting:

Basic Employee/Dependent Life Insurance

- There will be no increase in premiums this year. The required 4.4% increase will be funded 100% from the Health and Life Surplus.

Supplementary Health Insurance (Including travel insurance)

- The supplementary health insurance premium is a blended premium of both health and travel insurance;
- The carrier required a 2.5% increase health premiums and 100% of the required increase will be funded from the Health and Life surplus;
- Plan Design changes effective April 1, 2024 are:
 - Removal of the Physician Referral Requirement for **Speech Therapy Services**;
 - Update to the **Orthopedic Footwear**. Effective April 1, 2024 prescription for orthopedic footwear must include a medical condition/symptom and only footwear considered by

our carrier to be orthopedic footwear will be eligible for reimbursement. All claims must include a detailed invoice with the brand and model number of the shoe. As with any claim, members are encouraged to contact Canada Life to confirm eligibility prior to purchasing to avoid acquiring an item not eligible for reimbursement.

- Premiums for the travel portion of our health deduction will increase 7.6%;
- The new biweekly premiums for supplementary health insurance (including travel) will increase from \$19.58 to \$19.62 for single coverage and from \$49.38 to \$49.47 for family coverage.

Optional Dental Insurance

- To maintain current dental coverage, the carrier required a 13% increase in dental premiums. 6.5% of the required increase will be funded from an increase in biweekly deductions with the remainder (6.5%) funded from the Dental surplus;
- Dental claims for the 2024-2025 policy year will be reimbursed based on the 2023 dental fee guide, an improvement from the current 2022 guide funded 100% from the Dental surplus; and
- The new biweekly premiums for dental will increase from \$16.79 to \$17.88 for single coverage and from \$36.96 to \$39.37 for family coverage.

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

Optional Critical Illness

- Critical Illness rates for plan members will increase by 4.91%; and
- Biweekly deductions for Optional Critical Illness will depend on the employee's age, gender, and whether they have single or family coverage. An example would be a female, age 40, with family coverage. Biweekly deductions for this employee will increase from \$2.58 to \$2.70.

Optional Long Term Disability

- Long Term Disability rates for plan members will increase by 5.8%; and
- Biweekly deductions for Optional Long Term Disability depends 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 ten years of service and an annual salary of \$70,000. Biweekly deductions for this employee will increase from \$120.40 to \$127.40.

All other benefit rates will remain unchanged for the 2024/2025 policy year including:

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



By Mail: Treasury Board Secretariat
Benefits Administration – Group Insurance
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 the online [Group Insurance Booklet](#).

If you have any questions regarding health and dental coverage/claims please, contact Canada Life through the Government of Newfoundland and Labrador dedicated toll-free line at **1-844-349-5656** or email www.mycanadalifeatwork.com