

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

**RE:** ANNUAL RENEWAL OF GROUP INSURANCE PROGRAM 2018-2019

**FROM:** Group Insurance Section, HRS

**DATE:** April 1, 2018

This memorandum outlines the details of the annual renewal for your Group Insurance Program effective April 1, 2018. This renewal process occurs each year in April and is part of the contract agreement between Great West Life (GWL) and GNL. The carrier (GWL) 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.

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

- The supplementary health insurance premium is a blended premium of both health and travel insurance. Effective April 1st, the carrier requested a 9.88% increase in premiums to be applied to the health insurance portion. 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. This will result in a reduction in the plan's accumulated surplus and higher future premium increases to cover inflation/claims experience. The travel insurance represents a very small portion (3%) of the total supplementary health premium. There is no change in the travel portion of the premium for the April 1, 2018 renewal. The combined health and travel insurance premium increase is **\$0.87** bi-weekly for single coverage and **\$2.19** bi-weekly for family coverage.
- **Effective April 1, 2018, the new bi-weekly premiums for supplementary health insurance (including travel) will be increasing from \$18.06 to \$18.93 for single coverage and from \$45.58 to \$47.77 for family coverage.**

#### Optional Dental Insurance:

- Currently, dental claims are reimbursed based on the 2016 Newfoundland and Labrador Dental Association Fee Guide. As of April 1, 2018 the dental plan will now reimburse expenses based on the 2017 Newfoundland and Labrador Dental Association Fee Guide thus resulting in higher claim reimbursements for participants. Based on the enhanced guide and claims experience there is a required rate increase of 3.68% for April 1, 2018. The dental plan refund account will cover 50% of the increase and dental premiums will increase by the other 50% or 1.84%. This will result in a reduction in the plan's accumulated surplus and higher future premium increases to cover inflation/claims experience.
- **Effective April 1, 2018, the bi-weekly payroll deduction will increase by \$0.28 for single coverage and \$0.61 for family coverage. The new bi-weekly premiums for dental coverage will go from \$15.15 to \$15.43 for single coverage and from \$33.36 to \$33.97 for family coverage.**

Optional Critical Illness (CI):

- Effective April 1, 2018 the Critical Illness rate to plan members will increase by 10%.
- **As is the norm, 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 \$1.46 bi-weekly to \$1.61 bi-weekly. Please see attached table.**

Optional Long Term Disability (LTD):

- Optional LTD premiums have been unchanged since inception with GWL in September 2015. Effective April 1, 2018, LTD rate to plan members will increase by 36%.
- **Bi-weekly deductions for LTD will depend on 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 50 year old employee with 10 years of service and an annual salary of \$60,000. Bi-weekly deductions for this employee would increase from \$63.60 to \$86.40.**

Other Group Insurance Benefits:

All other benefit rates will remain unchanged for the 2018/2019 policy year including:

- Basic Life Insurance
- Dependent Life Insurance
- Basic Accidental Death and Dismemberment benefit
- Optional Participant 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 Phone: 729-2310

By Mail: HRS Service Centre and Corporate Service Delivery  
Basement, West Block, Confederation Building  
P.O. Box 8700  
St. John's, NL. A1B 4J6

[http://www.exec.gov.nl.ca/exec/hrs/working\\_with\\_us/employee\\_benefits.html](http://www.exec.gov.nl.ca/exec/hrs/working_with_us/employee_benefits.html)