

# My Benefits Update

Retirees

Spring 2007

## New Carriers RFP

The Trustees requested a market study to determine the carriers for Life, and Accidental Death & Dismemberment (AD&D) benefits under The Plan. Fourteen insurers were notified of the study; five quotes were received:

Insurer	Life	AD&D
Manulife Financial	✓	✓
Desjardins Financial Security	✓	
Sun Life Financial	✓	✓
Great West Life	✓	
ACE INA	✓	✓

## Great-West Life Carrier for Life Insurance

Great-West Life had the most competitive quotation which will result in *lower* rates for basic and dependent life for retirees.

Life Insurance	Current Monthly Rate	New Monthly Rate
<b>Basic</b>		
Health	0.179	0.143
Civil Service	0.850	0.676
<b>Dependent</b>	1.22	0.96

Optional life rates remain unchanged.

Total life insurance premium savings for participating retirees are estimated at \$26,627.00.

## ACE INA Continues

### AD&D

For Retirees under age 65, you will be interested to know that ACE INA (the current AD&D carrier) was the only specialty risk carrier that quoted on the AD&D benefit. Its offer maintained its current rates, while quotes from the other insurers would have required rate increases. Therefore, the Trustees accepted the ACE INA quotation to maintain the Basic and Voluntary AD&D rates.

## Health & Dental Benefits:

### Not An Insurance Plan

Unlike the Plan's life insurance, and accidental death & dismemberment insurance, your health and dental benefits under the Plan are *not part of an insurance plan*.

The Plan's health and dental benefits program is like a bank account to which all Members contribute. From the contributions made to this program, all health and dental claims must be paid, as well as the costs to administer the Health and Dental Plan.

## Health & Dental Programs See Increased Retiree Participation

The Plan's Retiree Health Benefits have experienced an 8% increase in enrolment between November 2005 and November 2006; the Retiree Dental Benefits have experienced a 5.5% increase in enrolment over the same period.

Health Enrolment		
Under Age 65	Nov '05	Nov '06
<b>Option 1</b> 20% Co-pay; Max Rx \$30	220	243
<b>Option 2</b> \$200/\$400 Deductible	178	188
<b>Option 3</b> \$50 Drug Deductible	41	42
<b>Option 4</b> No Drug Coverage	46	54
<b>Under Age 65 Total</b>	<b>485</b>	<b>527</b>
Over Age 65	Nov '05	Nov '06
<b>Option 1</b>	596	625
<b>Option 2</b>	110	125
<b>Option 3</b>	29	37
<b>Option 4</b>	828	892
<b>Over Age 65 Total</b>	<b>828</b>	<b>892</b>

Dental Enrolment		
Under & Over Age 65	Nov '05	Nov '06
<b>Basic Services Only</b>	79	87
<b>Basic &amp; Major Services</b>	773	812
<b>Under &amp; Over Age 65 Total</b>	<b>852</b>	<b>899</b>

## Health & Dental Programs Rate Increases effective April 1, 2007

Your rates for health and dental coverage are based on the claims paid out to Plan participants and their families in the past 12 months. As a result, the more the Plan is used in any given year, the greater the rates when the plan is renewed the next year.

After considering an analysis of the Plan's experience in the Retiree Health and Dental Programs, trends forecasting increases and available surplus, the Trustees agreed to the following increases:

Effective April 1, 2007 Retiree Benefit	% Increase	
	Under 65	Over 65
<b>Health</b>		
<b>Option 1</b> 20% Co-pay; Max Rx \$30	4.2	3.1
<b>Option 2</b> \$200/\$400 Deductible	4.2	3.1
<b>Option 3</b> \$50 Drug Deductible	4.2	3.1
<b>Dental</b>	4	

A newsletter providing the actual monthly costs for these benefits was mailed to Retiree members in February 2007.

## Great-West Life Website

GroupNet at [www.greatwestlife.com](http://www.greatwestlife.com) lets you learn about your claim status, complete and print personalized claim forms, and contains other helpful information. To register the first time, you will need your plan number and member ID (available on your last benefit statement or your Benefit ID Card).