



Basic and Optional Life, Supplementary Health and Dental Premium Changes effective July 2011

The Board of Governors, upon recommendation from the Staff Benefits committee, approved premium rate changes at the June 21, 2011 Board of Governors' meeting.

Renewal Results

Each year the Staff Benefits Committee reviews the Financial and Renewal Report prepared by the consultant. The goal of the annual renewal analysis is to set premium rates at a level that is sufficient to cover anticipated claims and operating expenses for the next policy year (April 1 to March 31). Plan operating expenses include claims settlement costs, administrative fees, risk charges and premium tax.

Based on the most recent Financial and Renewal Report, effective July 1, 2011, Basic Life, Optional Life, Supplementary Health and Dental premium rates will be changing.

Basic Life Insurance

As a result of improved experience, premium rates for basic life insurance coverage will decrease by 5.6% from \$.18/1000 of coverage to \$.17/1000 effective July 1, 2011.

Eligible employees are covered for an amount equivalent to their annual salary. The University pays 100% of the premium for this coverage.

Optional Life Insurance

Premium rates for optional life insurance are based on \$1000 of coverage and are determined by age at July 1 of each year.

Age Band	Before July 1, 2011	After July 1, 2011
<35	0.021	0.022
35 to 44	0.030	0.032
45 to 54	0.157	0.165
55 to 64	0.446	0.468
65 to 69	1.623	1.704
70 to 74	2.705	2.840
75 to 79	4.525	4.751
80 to 84	7.623	8.004

Optional Life Insurance is available on a voluntary basis for both the employee and spouse. The maximum amount of insurance for a full-time staff member is 40 units and for a part-time staff member is 25 units. Each unit has a value of \$10,000.

Medical evidence is required for increases to Optional Life Insurance coverage.

Supplementary Health Insurance

Effective July 1, 2011 premium rates will decrease by 5% for all active staff. The cost of the Supplementary Health Plan is shared equally between you and the University.

Premiums you have paid for this coverage can be claimed as an expense under the Healthcare Spending Account or as a medical expense on your income tax return. **You cannot claim under both.**

Full-Time Employees - Premium Rates		
Coverage Level	Monthly Premium Rate (100%)	Employee Share (50%)
Single	24.20	12.10
Couple	47.98	23.99
Family	85.54	42.77

Part-Time Employees - Premium Rates		
Coverage Level	Monthly Premium Rate (100%)	Employee Share (50%)
Single	15.84	7.92
Couple	30.58	15.29
Family	55.14	27.57

Supplementary Health Plan Premium Holiday approved by Staff Benefits Committee

The Supplementary Health Plan provides coverage for prescription drugs, hospital, ambulance, out of country coverage as well as many other services. Not all employees participate in this plan as those who have coverage for themselves and their family through a spouse's plan, have the choice of opting out.

The Plan has been funded on a 50-50 cost sharing arrangement since July 2009. There are two financial accounts maintained in the Supplementary Health Plan; the Claims Fluctuation Reserve (CFR) and the Refund deposit Account (RDA). The CFR provides for

financial stability and the insurer requires that this reserve be maintained. The RDA is established to hold funds in excess of the CFR funding requirements.

At the present time, the CFR is fully funded based on the insurer's requirements and due to the better than expected claims experience the RDA is in a surplus position. Based on the financial results as presented by the consultant, the Staff Benefits Committee approved a premium holiday for 4 pay cycles, (approximately 2 months) with the funding for the premium holiday being provided by the RDA.

When your net pay is deposited into your bank account during June and July, you may notice a small increase in the deposit amount as the deduction for the Supplementary Health premium will be temporarily cancelled. Regular deductions for the Supplementary Health premium will recommence for August at which time you will see a decrease in the deposit to your bank account reflecting the return of these deductions.

Dental Insurance

Premium rates for active full time staff will increase 6% while rates for part time staff will remain the same.

The University pays 100% of premiums for this benefit. Staff members do not currently pay any portion of this cost.

	Before July 1, 2011	After July 1, 2011
Full-Time		
Single	24.20	25.66
Couple	48.96	51.90
Family	87.20	92.44
Part-Time		
Single	13.20	13.20
Couple	27.40	27.40
Family	47.46	47.46