



Newfoundland and Labrador Teachers' Association
Group Insurance

M E M O

To: Members Insured in the NLTA Group Insurance Plan
From: Bill Chaisson, Chairperson, NLTA Group Insurance Managers
Re: **May 2018 Group Insurance Annual Renewal**

Dear Colleagues:

On behalf of the NLTA Group Insurance Managers, I wish to inform you of the details of the annual Group Insurance Renewal that will become effective during your April payroll deductions. Each year, the various insurance policies must be renewed with the insurance underwriters and the premium rates must be set at a level sufficient to pay the claims predicted for the next insurance policy year. Based on the NLTA claims analysis, it has been determined that there will be premium increases and decreases necessary for the coming year in certain policies while most will remain unchanged.

Specifically, the following decisions were made by your Group Insurance Managers:

1. Maintain current monthly insurance premiums in Option:
 - A3 – Basic Accidental Death and Dismemberment
 - A2 – Voluntary Life (Member) and A5 – Voluntary Life (Spouse)
 - C – Long Term Disability
 - CI – Basic Critical Illness
 - CV – Voluntary Member Critical Illness
 - CS – Voluntary Spouse Critical Illness
 - CC – Voluntary Dependent Child Critical Illness
2. A1 – Basic Term Life premium deductions increase by 5%, Dependent Life increase by 3%, and no change to Post-65 coverage.
3. A4 – Voluntary Accidental Death and Dismemberment increase by 25%.
4. B – Health Insurance monthly premium deductions increase by approximately 1%.
5. B2 – Dental Insurance monthly premium decrease by 5%.

Analysis of Premium Rate Adjustments

Table 1: Comparison of the Current and New Premium Rates.

| Total Monthly Premium Rates | | |
|--|--|--|
| | Current | New |
| *Basic Life (2 x Salary/Pension) | \$0.112/\$1,000 of benefit | Same |
| *Dependent Life | \$1.56 | Same |
| Voluntary Member/ Spousal Life | Step Rated by Age | Same |
| *Basic Accidental Death & Dismemberment | \$0.191/\$10,000 of benefit | Same |
| Voluntary Accidental Death & Dismemberment | \$0.19/\$10,000 of benefit (Single) \$0.26/\$10,000 of benefit (Family) | \$0.24/\$10,000 of benefit (Single) \$0.33/\$10,000 of benefit (Family) |
| Basic Critical Illness | \$3.66 | Same |
| Voluntary Member/Spouse Critical Illness | Step Rated by Age Band, Gender, Smoker/Non-Smoker Status | Same |
| Voluntary Dependent Child Critical Illness | \$2.40 | Same |
| *Health: Single | \$140.38 | \$143.16 |
| Family | \$251.12 | \$256.08 |
| Dental: Single | \$38.80 | \$36.84 |
| Family | \$77.94 | \$74.02 |
| Long Term Disability | \$1.10/\$100 of salary | Same |
| **Retiree Post-65 (\$15,000) | \$21.54 | Same |

* Government contributes to this premium rate in accordance with the Collective Agreement.

** For retired teachers who turned age 65 after September 1, 2004, \$16.04 is paid by the retiree, \$5.50 is paid from the Post-65 Life Fund established when the Post-65 Paid-Up Life program was eliminated on September 1, 2004. Retired teachers who turned 65 prior to September 1, 2004 and were eligible for the Paid-Up Life benefit are not eligible for this subsidy.

Government Contribution Rates - Impact on Teacher Premiums

Government’s premium contributions to the premium rates in the A1 - Basic and Dependent Life, the A3 - Basic Accidental Death and Dismemberment, and the B - Health plan options are determined annually in accordance with a Premium Rate Setting Process utilizing an independent insurance consultant. Government’s contributions to the NLTA premium rates are the lesser of 50% of the NLTA premium rate calculated under the rate setting process in the Collective Agreement or 50% of the Government premium rate for its Basic / Dependent Life, Basic Accidental Death and Dismemberment, and Health plan options calculated under this rate setting process. The premise is that Government will contribute a consistent amount to Group Insurance for all government employees, including teachers. The following table illustrates the impact of the Premium Rate Setting Process and the Government contribution rate determined for 2018-19.

| <p>Basic Plan Premium Rates Per Pay Period Effective April 1, 2018 Deductions Based on a \$70,000 Annual Salary</p> | | | | | | | | | |
|--|----------------------|---------|---------|-------------------------|---------|---------|---------------|----------|----------|
| | Teacher Contribution | | | Government Contribution | | | Total Premium | | |
| | | Current | New | | Current | New | | Current | New |
| Basic Life | Single: | \$3.57 | \$3.78 | Single: | \$4.27 | \$4.06 | Single: | \$7.84 | Same |
| | Family: | \$3.96 | \$4.18 | Family: | \$4.66 | \$4.44 | Family: | \$8.62 | Same |
| AD&D | | \$0.92 | Same | | \$0.42 | Same | | \$1.34 | Same |
| Health | Single: | \$49.86 | \$50.49 | Single: | \$20.33 | \$21.09 | Single: | \$70.19 | \$71.58 |
| | Family: | \$74.21 | \$74.81 | Family: | \$51.35 | \$53.23 | Family: | \$125.56 | \$128.04 |

A benefit statement from the Plan Administrator, Johnson Inc., outlining your personal coverage and premiums will be mailed to you in the near future.

For membership access, the NLTA Group Insurance Program Booklet has been updated on the NLTA website at www.nlta.nl.ca. Click on Programs and Services then Salary, Benefits and Pension. All future NLTA Group Insurance Booklets, Overviews, Memorandums and correspondence will be forwarded electronically to members and available on the NLTA website. **If you are a retired member, please forward your email address to: mail@nlta.nl.ca with the subject line Group Insurance Program if you have not already done so.**