



TO: Members Insured in the NLTA Group Insurance Plan
FROM: NLTA Group Insurance Managers
RE: Group Insurance Rate Changes for 2025- 2026

Dear Colleagues,

NLTA Group Insurance Managers wish to inform you of the details of the annual Group Insurance Renewal premium changes that will become effective during your April payroll deductions. Each year, the various insurance policies are renewed with the insurance underwriters and the premium rates must be set at a level sufficient to pay the claims plus expenses predicted for the next insurance policy year.

Specifically, the following decisions were made by your Group Insurance Managers for each benefit **including a significant change to our Prescription Drug program with the introduction of a 15% Drug co-pay effective July 1, 2025.**

Health Insurance: Health Insurance premiums and associated claims are a significant concern for Group Insurance Managers. While all areas of Health Insurance coverage are experiencing inflationary and cost trend pressures, prescription drug costs pose by far the greatest risk and challenge to the NLTA Health Plan. Prescription drugs represent approximately 75% of the program's total claims. Given the substantial cost pressures on our Health Insurance program, a survey of membership was conducted last fall followed by information sessions in January of this year. A separate document sent to members on March 6, 2025, summarizes the findings of the survey and information sessions and provides the rationale for the decision by Managers. This memo is available on the NLTA Group Insurance website.

Group Insurance Managers met on February 15, 2025, and concluded that the adoption of a 15% co-pay drug model is necessary to ensure the long-term sustainability of our Health Insurance Plan. All other components of the plan (e.g. coverage) remain unchanged.

Given the significance of this change to a 15% co-pay for prescription medications, Managers decided to delay implementation of the Drug co-pay structure until **July 1, 2025.** Managers have done this to provide members with more time to prepare for the change

with their Doctor/Health Care professional and, if necessary, explore potential assistance that may be available for specialty/higher priced drugs through patient support programs often offered by Drug manufacturers or government programs.

The change to a 15% drug co-pay mitigates the Health Insurance rate increase to members. Members with single Health Insurance will see an increase of \$10.28 per month, those with family Health Insurance will see an increase of \$14.26 per month.

Managers have also decided to continue to subsidize members' Health Insurance premiums at a rate of \$6.50 for single and \$13.00 for family per month through the Group Insurance Trust Fund.

Dental Premiums. Dental claims experience was satisfactory for the past year and there is no change to the Dental Insurance rates.

Basic Life: The Insurance rate payable for our program remains the same, but the actual Teacher/Retiree cost sharing will go up very slightly as a result of our rate cost sharing agreement with the employer. This results in an increase of \$0.24 per pay for a member with an \$80,000 salary and \$0.15 per pay for a member with a \$50,000 salary/pension.

Dependent Life: The Insurance rate payable for our program remains the same, but the actual Teacher/Retiree cost sharing will go up very slightly as a result of our rate cost sharing agreement with the employer. This results in an increase of \$0.03 cents per pay.

Premium rates for **Basic/Voluntary Accidental Death and Dismemberment**, and **Long-Term Disability** will not be changing.

Basic Critical Illness and **Voluntary Critical Illness** remain at their current rates.

Optional Life: Optional Life rates will decrease by approx. 7.5%

The **Post-65 Life Insurance** rate will increase from \$1.76/\$1,000 to \$2.089/\$1,000 because claims continue to exceed premiums for this coverage. This increase represents an extra cost of \$4.94 per month for most post 65 retired members.

For additional information related to group insurance please check out our website at <https://groupinsurance.nlta.ca/>