

June 1, 2014

Vancouver, BC

**RE: Group Insurance Policy**  
**July 1, 2014 Renewal**

Dear

We are pleased to enclose your ICBA Benefits Standard Life group insurance policy renewal for July 1, 2014. Your personal policy premium changes this year are the results of the following factors:

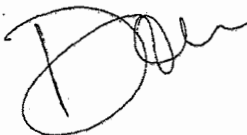
1. The aggregate claims performance of the pool.
2. An adjustment to life and long-term disability rates based on your current employee demographic composition.
3. The collective effect of your plan's mix of benefit lines.

**The ICBA Benefits advantage**

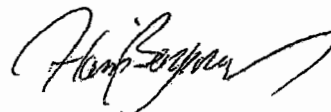
As a result of ever increasing health care usage and costs, group benefit premiums continue to rise at a rate well above general inflation. As part of the ICBA Benefits buying group, you benefit from lower insurance expenses and hence lower benefit costs, otherwise unavailable to the small and medium size employer in the retail marketplace. This buying approach leads to more predictable and lower group benefit premiums in the long term.

Our consulting, administration and customer service teams here in our Burnaby offices look forward to continue to provide you with our "can-do" brand of service, and to work with insurance suppliers on your behalf. Please let us know how we can be of help. We strive to be your go-to team for all benefits, health & wellness, retirement and insurance needs.

Respectfully,



**Don Weitzel**  
Senior Consultant



**Alain Bergeron**  
Vice-President

## **Benefits Review**

### **Pooled benefits:**

Life and long-term disability benefits are referred to as “pooled” benefits, where rates are established based mostly on demographic factors such as age, sex, occupation and earnings, and partly on the insurer’s overall block of business claims performance. The ICBA Benefits Standard Life pool however is substantial enough to warrant partial credibility to its claims experience results, thus affording us an added rate advantage as your pool performs better than the carrier’s own expected results.

### **Critical illness (CI):**

Critical illness is a pooled benefit line. Rates derive from the insurance supplier’s overall claims performance, expenses, and from the group’s employee demographic composition. Our CI providers offer comprehensive and competitive products with minimal rate fluctuation.

**Accidental death & dismemberment (AD&D):** AD&D is a fully pooled benefit line. Rates are based purely on the insurance carrier’s own claims results, and expense factors. Here again our AD&D providers offer comprehensive and competitive products with minimal rate fluctuation.

### **Experience-rated benefits:**

Short-term disability, extended health care (EHC), and dental care benefits are rated on the basis of claims reimbursed over premiums received, adjusted for expenses and trend, or inflation, factors. Unlike that of life and long-term disability benefits, claims are frequent and more predictable, and of lesser value for each occurrence. Because the incidence of EHC and dental claims is so high, along with historically high inflationary pressure, premiums for these benefit lines represent a much higher proportion of your total employee benefits costs. Once again, the buying pool is advantageous to the participating groups, with lower negotiated expense factors in the benefits premiums, hence allowing more of your benefit dollars to pay your group’s claims rather than carrier expenses.

## **Additional Information**

Our insurance partners offer great products and value added features that we wish to highlight for your information:

**Critical Illness (CI):** an important bridge benefit between disability and life insurance, CI is seeing an increase in popularity in recent years. The brochure we include with this renewal explains this benefit line in more detail for your review. The addition of CI to a benefit program is a great way to enhance your program affordably, while getting immediate appreciation from your employees and/or members. Let us know if you would like to get a cost quotation.

## Employee Assistance Program (EAP):

EAPs have evolved a great deal over the years and have literally become comprehensive "health and wellness programs in a box". Our EAP program, powered by Ceridian Lifeworks, is very competitively priced at \$2.90 per employee and adds tremendous value to your benefits program.

## Retirement solutions

With Pooled Registered Pension Plans (PRPP) legislation looming on the horizon, retirement programs are more than ever an important consideration for employers. The enclosed insert gives you a creative way to add a retirement program in the most cost effective manner.

## Retiring and departing employees

Whether your employees retire or leave your employ for any reason, they may wish to continue benefits coverage for a transition period or for as long as they can. We offer comprehensive options for both retirees and former employees. Be sure you have them contact us for assistance.

## Important Reminders:

Eligibility Changes: Please ensure your employees still meet the eligibility requirements in terms of the average minimum number of hours they must work to be eligible. Any changes to an employee's work schedule should be checked against this minimum to ensure they are still eligible for coverage. If you are unsure what this minimum is or if you have a situation you are not sure of please contact us for confirmation.

Salary changes: Please ensure your group's salary information is up-to-date with ICBA Benefits. Disability and sometime life insurance coverage is a function of earned income and as such must be reported properly to the insurance company. We recommend you send us a salary list at least once a year for verification.

Beneficiary designation: employees must ensure that their beneficiary designation is accurate and reflect current life stages. Please let us know if you wish help with an employee communique in this matter.

Retirement programs: with the federal government pushing for mandatory establishment of retirement programs, this important employee compensation and retention tool is gaining higher profile and relevance than ever before. Please contact us to help you design a retirement program best suited to your organization's particular reality and needs.

July 1, 2014 Renewal								
Benefits	Current		Current Year		Renewal		Premium	
	Lives	Volumes	Rate	Premium	Rate	Premium	Difference	% Increase
Basic Life	42	\$1,050,000	0.083	\$ 87.15	0.074	\$ 77.70	\$ (9.45)	-11%
Accidental Death & Dismemberment	42	\$1,050,000	0.05	\$ 52.50	0.029	\$ 30.45	\$ (22.05)	-42%
Extended Health								
Single	41		34.71	\$ 1,423.11	36.47	\$ 1,495.27	\$ 72.16	5%
Family	0		82.89	\$ -	87.09	\$ -	\$ -	0%
Dental								
Single	41		47.00	\$ 1,927.00	51.70	\$ 2,119.70	\$ 192.70	10%
Family	0		111.00	\$ -	122.10	\$ -	\$ -	0%
EAP	42		2.90	\$ 121.80	2.90	\$ 121.80	\$ -	0%
Totals				\$ 3,489.76		\$ 3,723.12	233.36	7%

<b>Total Premium Increase</b>	<b>7%</b>
-------------------------------	-----------