

DATE: June 21, 2018

TO: All members insured under the Saskatchewan School Boards Employee Benefits Plan.

FROM: Jeff McNaughton, Director Employee Benefits Plan

RE: 2018 - 2019 Employee Benefit Rate Renewal Information

The Saskatchewan School Boards Association Employee Benefits Plan's group insurance program offers a full range of Life, Disability, Health, Vision, Dental and Employee Family Assistance benefits to the non-teaching employees, their families, and the trustees of member school boards across Saskatchewan. The benefits plan is sponsored through the Saskatchewan School Boards Association, which acts as the third-party administrator and policyholder.

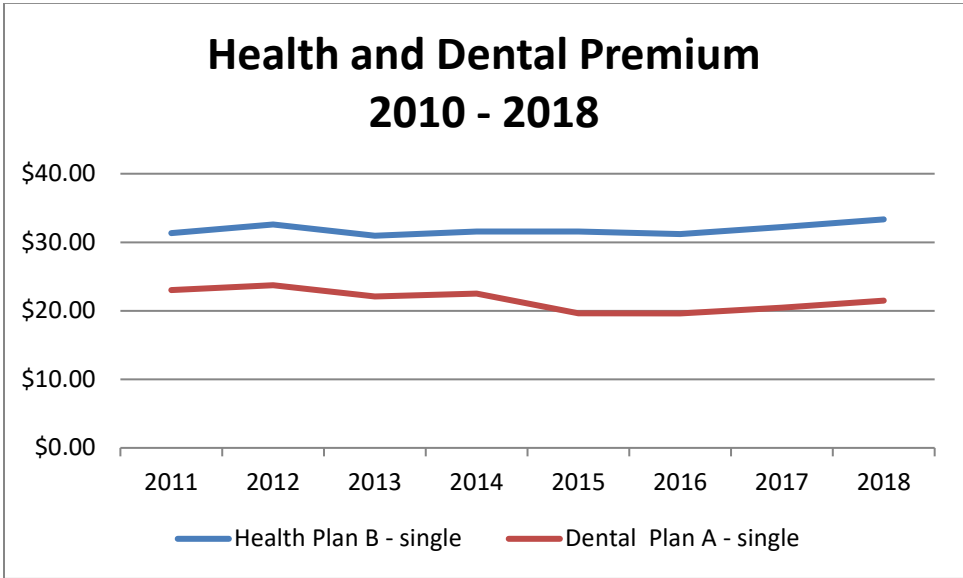
Our Health, Vision and Dental plan is self-insured through an Administrative Services Arrangement (ASO) in partnership with Manulife Financial. Our Life, LTD and Accident coverages are insured with Manulife.

Once again we will see some rate increases and some rate decreases in the upcoming year. Overall, the total rate increase this year, inclusive of all benefits, is around 10%. Thanks to Mercer professional expertise in this renewal process and we were able to negotiate an overall reduction of \$2,109,040 from Manulife's original renewal offer.

These rate changes are influenced by several cost drivers:

- Usage of the Health and Dental plans continue to exceed premium collected so we see increases there.
- The annual trend, an assumption of cost increases going forward based on our groups' demographic, plan design and historical claiming patterns, continues to increase.
- Claim costs resulting from increased use, new drugs and treatments, and shifts in coverage from the provincial government to private health plans is increasing.
- This year all rate guarantees realized in the last marketing activity come off the plan, so some of the increases we see are the result of 3 years of usage (Life, LTD, ADD).
- Pooling charges, which is one of our cost containment strategies, increased again across the industry this year.

Attached for your information is an ASO premium graph for the period of 2010 – 2018 showing the relative stability of our rates.



All premiums for the 2018 – 2019 policy year will continue to be collected on a 10 month basis.

Please call me at (306) 569-0750 ext 129 with any questions you may have.

Thanks,

Jeff McNaughton
Director, Employee Benefits and Insurance Plan
Saskatchewan School Boards Association.

All rate changes are effective September 1, 2018.

Self-Insured Benefits (Administrative Services Only)

Extended Health Coverage Monthly Increase (11.0%)

Single: \$ 3.67
 Couple: \$ 7.23
 Family: \$ 10.71

Vision Coverage (Plan A, Plan B) Monthly Increase (11.0 %)

Plan A Single: \$ 0.70	Plan B Single: \$ 1.05
Plan A Couple: \$ 1.40	Plan B Couple: \$ 2.12
Plan A Family: \$ 1.75	Plan B Family: \$ 264

Dental Coverage (Plan A, Plan B, Plan C) Monthly Increase (2.0 %)

Plan A Single: \$ 0.43	Plan B Single: \$ 0.57	Plan C Single: \$ 0.57
Plan A Couple: \$ 0.86	Plan B Couple: \$ 1.14	Plan C Couple: \$ 1.14
Plan A Family: \$ 1.23	Plan B Family: \$ 1.64	Plan C Family: \$ 1.78

There are no plan enhancements scheduled for 2018.

Manulife - Insured Benefits:

Group Life:	11 % rate increase
Dependent Life Insurance:	11 % rate increase
Group Accidental Death & Dismemberment (AD&D):	5 % rate decrease
Group Optional Life Insurance	0 % rate change
Optional Critical Illness	0 % rate change

Disability Benefits: Weekly Indemnity and Long Term Disability

Weekly Indemnity	5 % rate decrease
Long Term Disability Taxable	24 % rate increase
Long Term Disability Non-Taxable	5 % rate decrease

Employee Family Assistance Program (Resilience)

EFAP	0 % rate change
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