



**PUBLIC EDUCATION BENEFITS TRUST**



**2017 RENEWAL OF THE PUBLIC EDUCATION BENEFITS TRUST PROGRAM**

**REPORT TO SCHOOL DISTRICT #23 (OKANAGAN)**

Prepared April 2017

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## About this Report

This report provides details regarding the renewal process and necessary rate adjustments for the PEBT program.

**Section 1.0** outlines industry updates, including changes in government coverage and updates from your insurers.

**Section 2.0** provides a detailed breakdown of how each benefit’s renewal rate and/or administration charge was calculated or negotiated, as well as a breakdown of the cost categories for both your extended health and dental benefits.

**Section 3.0** identifies major industry cost drivers affecting benefit renewal rates.

**Appendix A** contains an overview of underwriting arrangements used within the PEBT program.

**Appendix B** contains renewal rate and claims experience summaries by employee group.

**Appendix C** contains a summary of the financial position for benefits underwritten on an Administrative Services Only basis.

## EXECUTIVE SUMMARY

Your school district's Public Education Benefits Trust (PEBT) benefits program, which includes all benefits for support staff members, is scheduled to renew July 1, 2017.

The next scheduled renewal will be July 1, 2018, allowing a 12-month rate guarantee for benefits renewing at this time, provided there is no material change in any government benefit programs or plan amendments made jointly by districts and union locals. As your union local voted to participate in the new Standardized Provincial Extended Health Care Plan we have provided a rate summary effective September 1, 2017 in Appendix B.

The following rate adjustments will take effect on July 1, 2017:

### RENEWAL RATE SUMMARY

Benefit	Rate Adjustment (%)	Monthly Cost Adjustment (\$)	Total Monthly Cost (\$)
Basic Life	-6.25%	-\$959.44	\$14,391.68
Basic Accident	-36.36%	-\$255.85	\$447.74
Extended Health	17.85%	\$17,350.25	\$11,4542.69
Dental	1.90%	\$2,346.36	\$12,5894.92
<b>Overall</b>	<b>7.80%</b>	<b>\$18,481.32</b>	<b>\$25,5277.03</b>

We have completed an annual accounting for your extended health and dental benefits to determine your financial position at the end of the policy year. **The school district has ownership of any excess contributions and is responsible for any deficits created.**

### AVAILABLE SURPLUS AS OF NOVEMBER 30, 2016

Extended Health	Dental
\$368,697	\$324,753

The adjustment used to account for projected inflation, utilization, and government changes is 7.0% and 5.0% for extended health and dental, respectively.

The administration fees for your extended health and dental benefits will be 7.0% and 5.0% for the upcoming plan year.

↳ See **Appendix C** for the financial accounting statement showing your district's financial position as of November 30, 2016.

Available surplus equals funds as of November 30, 2016 less recommended Incurred But Not Reported (IBNR) Reserves and Claims Fluctuation Reserve (CFR).

In accordance with the PEBT Underwriting and Rate Setting policy, the use of surplus is limited to the amount in excess of the claims fluctuation reserve. Your district may use surplus to:

- Take a premium holiday, and/or
- Draw down the surplus partially or in full by establishing contribution rates lower than those presented.

## NEXT STEPS

The following is a list of steps required to finalize this year's renewal:

- Confirm with your consultant how you would like to use any available surplus as outlined in this Executive Summary.
- Communicate any premium holidays to payroll and benefits administration staff.
- If you are using the payroll file available through the PEBT administration website, please let us know if there has been any change to your payroll deduction schedule for the summer months to ensure that the administration system is aligned with your current schedule.
- Ensure that your benefit administrator(s) is advised of the rate changes so that any required payroll deductions can be revised accordingly. **Premium rates for each employee group are outlined in Appendix B.**
- In order to avoid retroactive adjustments and to ensure payroll deductions are applied correctly, please be sure to advise Morneau Shepell at your earliest convenience in the event you wish to review your district's options relating to the use of surplus funds under the extended health and/or dental benefits.

The renewal material has been reviewed by the PEBT consultant and approved by the Board.

We thank you for this opportunity to be of service.

Respectfully submitted,

**MORNEAU SHEPELL**



Ingrid Gailler  
Partner



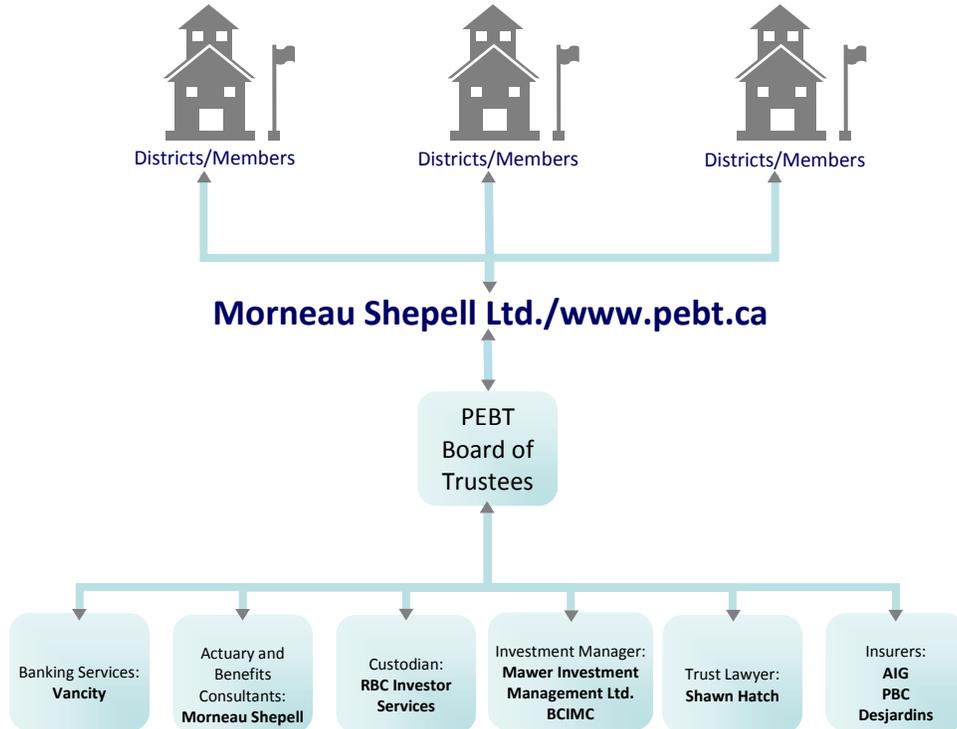
Justine Meikle  
Analyst

### NOTE ON PROFESSIONAL STANDARDS

Morneau Shepell believes it is imperative that clients receive the best advice at all times. To this end all reports and recommendations are subject to review by a second qualified consultant within our organization. This report was prepared by Justine Meikle, Analyst and reviewed by Ingrid Gailler, Partner.

## INTRODUCTION

The PEBT is a health and welfare trust representing both school districts and support workers across British Columbia. Established in 2002, the PEBT is operated by a Board of Trustees (Board) and partners with a number of providers to assist in managing the trust.



Through the PEBT, support staff and their eligible dependents and beneficiaries receive various health and welfare benefits. Among them are basic and optional life (including dependent and optional dependent life), basic and optional accidental death and dismemberment, Joint Early Intervention Service, “Core” and “Other” long term disability, extended health and dental. The following report is intended to provide you with details regarding the renewal process for the PEBT program and any necessary rate adjustments.

Colin Pawson  
Board Chair

Alan Chell  
Vice Chair

## SECTION 1.0 – WHAT’S NEW THIS YEAR

We wish to bring the following to your attention:

1. The BC Public School Employers Association (BCPSEA) and the K-12 Presidents’ Council and Support Staff Unions recently negotiated a new Standardized Provincial Extended Health Care Plan effective September 1, 2017. As your union local voted to participate in this plan, rate adjustments will be implemented September 1, 2017 to account for these changes. We have provided these rates in Appendix B for your reference. There have been two bulletins distributed to-date regarding the implementation of this plan and another update is scheduled for May when open enrolment begins. PBC has also set up a microsite providing information about the new Standardized Provincial Extended Health Care Plan at [www.pac.bluecross.ca/educationsupport](http://www.pac.bluecross.ca/educationsupport). If you require copies of the previous bulletins or have any questions about the new Standardized Provincial Extended Health Care Plan please contact your Morneau Shepell consultant.
2. The benefits administration system replacement project continues with much of the configuration work completed and testing now in progress. Implementation of two pilot groups is scheduled for Spring 2017. The pilot groups will help test the system to ensure the various functions available meet the needs of administrators. The User Group, which includes representatives from a cross section of school districts in terms of size, payroll system and location within the province, will transition to the new administration system following the pilot groups. A tentative roll-out schedule for all remaining districts will be provided mid-2017. Updates on project progress will be provided regularly until completion.
3. Effective December 1, 2016, BC PharmaCare expanded its Reference Drug Program (RDP) for the first time in over ten years. For more information on the impacts of these changes please see section 3.1.
4. Each year, PBC reviews the reasonable and customary limits applied to paramedical services. These are based on the range of usual fees for comparable services in a geographic area. Compared to last year, the limit for a 60 minute massage and any physiotherapy treatment has been reduced. PBC indicated that they made these changes after comparison of their actual claims data against the reasonable and customary limits found usage was higher than their preferred threshold.
5. Starting January 1, 2017, PBC requires the length of treatment to be included on all receipts from massage and physiotherapy providers. Receipts with no treatment length indicated will be reimbursed based on the limit for a 20 minute session for physiotherapy and a 30 minute session for massage.

⇒ For PBC’s microsite regarding the new Standardized Provincial Extended Health Care Plan effective September 1, 2017 please visit [pac.bluecross.ca/educationsupport/](http://pac.bluecross.ca/educationsupport/)

⇒ For more information on BC Pharmacare RDP changes see section 3.1.

⇒ Find the Reasonable and Customary Limits calculator at [pac.bluecross.ca](http://pac.bluecross.ca).

6. PBC has launched a new app for members and plan sponsors that includes a digital member ID card and the ability to expedite claims submission electronically.

↳ For the PBC mobile app  
please visit  
[pac.bluecross.ca/mobile](http://pac.bluecross.ca/mobile)

## SECTION 2.0 – RENEWAL ANALYSIS

The current underwriting arrangement for your district is as follows:

Benefit	Carrier	Underwriting Arrangement	Large Claims Pooling
Basic Life	Pacific Blue Cross	Fully pooled	N/A
Basic Accidental Death & Dismemberment	AIG	Fully pooled	N/A
Extended Health	Pacific Blue Cross	Administrative Services Only	\$25,000 <sup>1</sup>
Dental	Pacific Blue Cross	Administrative Services Only	N/A

↳ See **Appendix A** for descriptions of underwriting arrangements available within the PEBT program.

### 2.1. Basic Life

The basic life benefit is pooled with other districts in the program. Accordingly, claims incurred by your district have no direct impact on the premium rate levels charged to you.

The rate is reviewed at each renewal to reflect the performance of the PEBT pool. When evaluating the performance of the pool, the ratio of claims to premiums for all participating districts in aggregate is considered (for up to five years) as well as the reserves held to fund life waivers for disabled employees. The level of required life waiver reserve varies depending on the disabled employee's gender, duration of disability, amount insured and retirement date.

The premium rate for the basic life benefit will be decreasing by 6.25% for the upcoming plan year.

### 2.2. Basic Accidental Death and Dismemberment

The basic accidental death and dismemberment (AD&D) benefit is pooled within the insurer's block of similar business. However, the rate is negotiated at each renewal to reflect the performance of the PEBT pool.

The optional accidental death and dismemberment (AD&D) benefit is pooled within the insurer's block of similar business. Accordingly, claims incurred by your district have no direct impact on the premium rate levels charged to you. Rather, these benefits are rated solely on the insurer's overall experience and the plan design.

The premium rate for basic AD&D will decrease by 36.36% for the upcoming plan year. The optional AD&D benefit rates will continue without change for the upcoming year.

<sup>1</sup> Per person, per calendar year

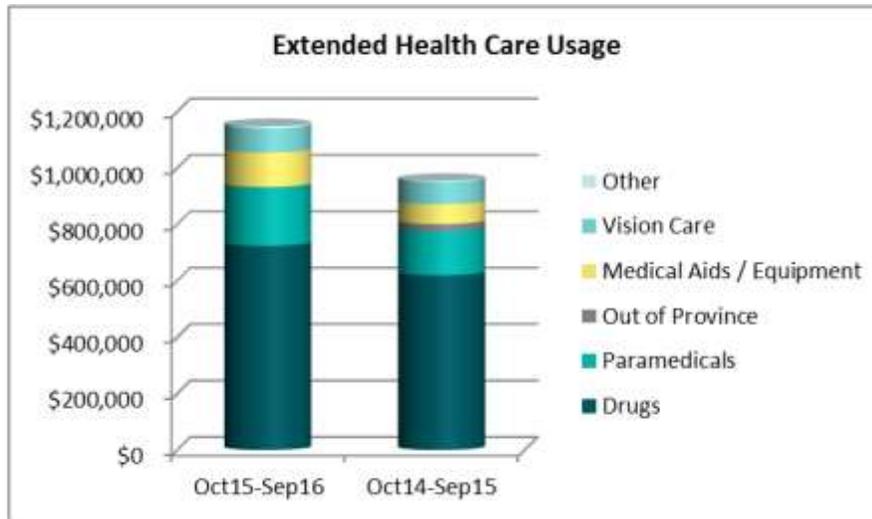
### 2.3. Extended Health

The extended health benefit is underwritten on an administrative services only (ASO) basis, with a stop loss provision in place to protect against large, unexpected in-country expenses as well as catastrophic out-of-country claims in excess of \$25,000 per year (per individual). Your district assumes full responsibility for its claims experience, with the exception of any claims in excess of the stop loss level.

The contribution rates are increasing by 17.85% for the upcoming plan year.

Under this arrangement, budgeted contribution rates are established to estimate your annual claims cost plus expenses for the upcoming year.

The following graph provides a breakdown of extended health claims by service category for your district in aggregate compared to the previous policy year.

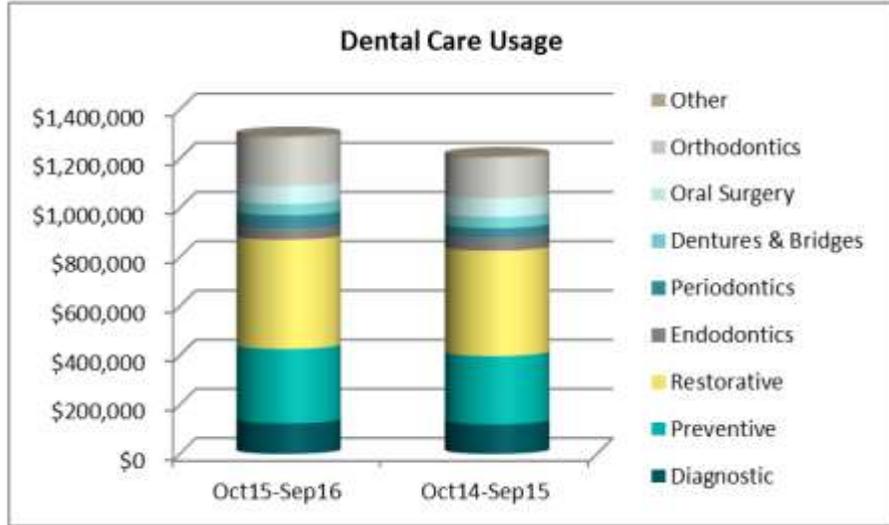


### 2.4. Dental

The dental benefit is underwritten on an administrative services only (ASO) basis. Under this arrangement, the district assumes full responsibility for its claims experience and budgeted contribution rates are established to estimate your annual claims cost plus expenses for the upcoming plan year.

The contribution rates are increasing by 1.90% for the upcoming plan year.

The following table provides a breakdown of dental claims by service category for your district in aggregate, compared to the previous policy year:



## SECTION 3.0 – TRENDS AND ISSUES

### 3.1. Extended Health

To explain why health care costs continue to rise, we have included below a list of health sector trends obtained through review of market research and data from group benefits providers. These issues, national in scope, affect all group benefits programs in Canada and have likely had an impact on health care expenditures continuing to outpace annual inflation.

#### Prescription Drugs

- Specialty drugs are generally defined as a drug with a cost exceeding \$10,000 per year that may require special handling, administration or complex treatment maintenance. Specialty drugs accounted for approximately 40% of the prescription drugs under review with Health Canada, while greater than 60% of the FDA's new drug approvals in 2016 were expected to be specialty drugs. In line with the increasing prevalence of these therapies, Express Scripts Canada reported in their 2015 Drug Trends report that over 40% of the aggregate cost of prescription drugs by the year 2020 will be speciality drugs.
- Specialty drugs include biologics and Subsequent Entry Biologics (SEB's) which involve special manufacturing techniques and can include using bacteria or viruses to produce the drug. Biologic drugs, synthesized from living entities such as cells and tissues, continue to be a major source of costs for drug payers. While the development of biologics called "biosimilars" or "subsequent entry biologics (SEBs)" is a time-and cost-intensive process, these drugs are now making their way into the marketplace. Though not expected to provide the same magnitude of savings a basic generic drug creates, there may be savings of 15-30% when compared to their reference biologic. The main issue facing stakeholders in the biosimilars market is the extent to which they can be interchanged for the original biologic and how that will be determined.
- Stop loss coverage transfers the risk of catastrophic claims beyond a certain threshold to the insurer. This insurance was initially meant to primarily protect plan sponsors against costly emergency out-of-country claims, but it is now mostly drug costs that exceed the threshold. The Canadian Drug Insurance Pooling Corporation (CDIPC) announced at the end of 2015 that the cost of expensive and recurring drug treatments that qualified for pooling protection rose by 45% in 2014 over the previous year. The development of expensive drugs for autoimmune diseases was the main cost driver over this period. While it is expected that insurers will take steps to lessen the impact of drug costs with stricter controls and preferred provider markup and dispensing fees, continued increases to the cost of this protection are expected.
- Effective December 1, 2016, BC PharmaCare expanded its Reference Drug Program (RDP) for the first time in over ten years. The RDP was introduced in 1995 to help with cost effective prescribing within five therapeutic categories. For each RDP category, PharmaCare designates one or more "reference" drugs. The daily cost of the usual dose of one of the reference drugs becomes the maximum daily amount covered by PharmaCare for non-reference drugs within the same therapeutic category. The changes to the RDP this past December added three new categories and reduced the RDP price of three of the original categories. If the reference drug is ineffective for an individual due to possible drug reactions, intolerance or treatment failure, full coverage for the non- reference drug can be attained by applying for "special authorization" through their physician. As a result

of the above noted changes, the estimated savings for PharmaCare is \$27 million over the next 3 years.

- With the recent announcement that the British Columbia Pharmacy Association and myDNA, a genetic interpretation service provider, have partnered to make pharmacogenomics testing available at pharmacies throughout the Province, employers may face pressure in the near future to cover the cost of these services within benefit plans. According to an article in Benefits Canada (February 2017), the multi-gene panel test that pharmacies will have available will cover up to 30% of the most commonly prescribed medications. A recent trial by myDNA showed 46% of patients tested have a major genetic finding directly relevant to at least one of their currently prescribed medications and 36% of patients that were referred to their physician had a change in medication as a result of the test. While genetic testing can bring a host of benefits to the patient, it also raises several legal and workplace issues for employers to consider before offering this type of benefit to employees. Along with privacy concerns, employers will need to consider the scope of their responsibilities when an employee receives results that they have a genetic marker for a certain disease or condition.

**For your reference we have included the top prescription drug therapeutic classifications for the PEBT in aggregate over the most recent experience period:**



### Increasing Mental Health Awareness

Mental health related issues continue to heavily impact the Canadian economy and in turn, the Canadian workplace. It is estimated that mental health related issues cost the Canadian economy \$51 billion each year, of which \$20 billion stems directly from workplace losses.

Recent findings by the Mental Health Commission of Canada (MHCC) note the following impact of mental health on the workplace:

- 500,000 Canadians are unable to work in any given week due to mental health related issues
- 33% of disability claims in the workplace are related to mental health related issues
- 70% of disability costs in the workplace can be attributed to mental health related issues

The MHCC continues to support and promote the implementation of the National Standard of Canada for Psychological Health and Safety in the workplace. While 70% of employees report they have concerns about the psychological health and safety of their workplace, only 17% of Canadian employers are in the process of or have completed implementing the Standard.

In February 2016, The Canadian Mental Health Association (CHMA) released its findings from a survey of employers across Canada with the aim of better understanding how employers are addressing workplace mental health concerns. The highlights from these findings include:

- Only 32% of the 597 responding employers are taking action to address mental health issues.
- 42% of responding employers indicated their organization was ‘not doing well’ in their efforts to address workplace mental health issues.
- A majority of respondents noted that Employee and Family Assistance Programs (EFAP) are the most utilized external support for mental health, followed by the health and benefits provider.

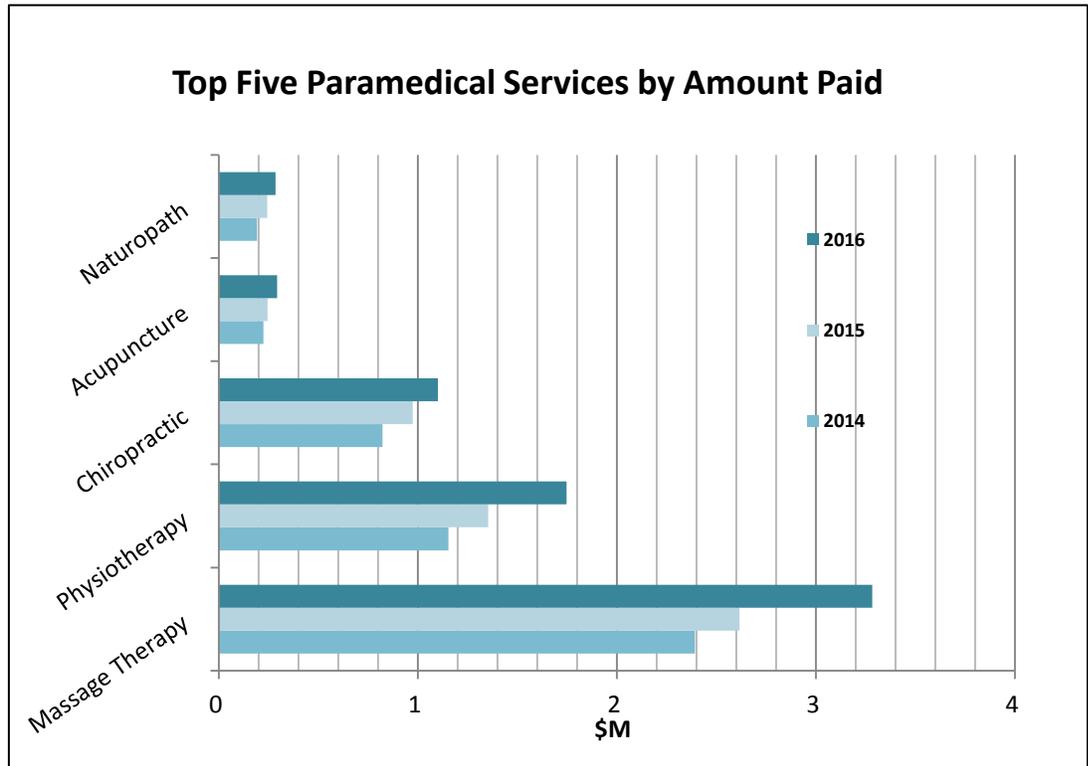
In light of the above, it is important to recognize the need to offer proper resources to address mental health conditions. When reviewing your mental health strategy, you may want to consider these four areas to determine where you want to focus your priorities:



As a participant in the PEBT JEIS and “Core” LTD programs, your district/union local has resources in place to assist employees with mental health issues. The HCMS staff is trained to identify these types of issues to ensure that proper care is accessed quickly. This can include working as a liaison between the plan member, physician and appropriate specialists to identify the resources needed and the resources available (for example, an EFAP and extended health plan) and determine the best plan for the member’s recovery. If you have any concerns regarding mental health issues or how these issues are handled through the JEIS program, please contact your HCMS at Desjardins or your consultant at Morneau Shepell.

### Paramedical Costs

- We have summarized paramedical practitioner utilization for all districts participating in the PEBT extended health plan over the past three experience periods:



- Over the most recent experience year, paramedical services have been the second largest component for health care claims costs.
- The top five services indicated above have been consistent over the past three years.

### Aging Workforce

- Globally, individuals aged 65 or older are expected to triple in the next 30 years from 524 million to 1.5 billion. The number of Canadians over the age of 65 in the workforce has increased more than 140% in the last ten years. The number of employees delaying or forgoing retirement, either due to lifestyle choice or economic reasons, is on the rise and there will be pressures from these employees for more flexible work arrangements and continued benefit coverage. Employers will need to be creative and look for ways to keep these older employees in the workplace to counter the shortage of younger workers.

### Additional Factors

- Obesity, estimated to cost the Canadian economy between \$4.6 and \$7.1 billion annually, continues to see high incidence rates. Obesity rates have tripled between 1985 and 2011 based on self-reported height and weight data. As individuals tend to understate their

weights, the prevalence of obesity in Canada is likely to be even higher than the projected 21% of adults by 2019. According to Telus Health during their 2016 conference, 45% of new type 2 diabetes cases are in teens, due to obesity and poor lifestyle choices.

- A need for individuals to lead a healthy life style, as well as to self-manage one's own health has led to the emerging trend of fitness trackers or wearables. The number of consumers who use wearables has doubled in the past two years, with another 40% of consumers planning to buy a wearable device soon.

### 3.2. Dental

All provinces issue a General Practitioners Dental Fee Guide which is updated annually. The fee guide for BC increased 4.5% in aggregate effective February 1, 2017. This is a higher than increases in recent years, and is the highest increase amongst all of the provinces in Canada this year.

Preventative services such as cleaning and scaling in particular increased in cost by 10.9% which has contributed to this higher aggregate adjustment.

To reflect these increasing costs from expected utilization and the fee guide, providers are using trend factors of 6.0-10.0%. For the upcoming year, we anticipate inflationary and utilization factors will impact dental claims by approximately 5.0% annually.

### 3.3. PEBT Joint Early Intervention Service

The PEBT LTD programs include a confidential Joint Early Intervention Service (JEIS) to assist plan members in their return to work. The JEIS is supported by support staff unions, school districts and the PEBT, and is arranged through Desjardins, which is also the claims administrator/insurer for the PEBT disability programs.

The mission of the JEIS is to complement the LTD program by providing a pro-active and timely service to plan members that facilitates their return to work in a caring and safe manner. Along with work-related benefits of the JEIS come the obvious advantage of an earlier and, in many cases, more complete return to health and well-being for disabled individuals and their families.

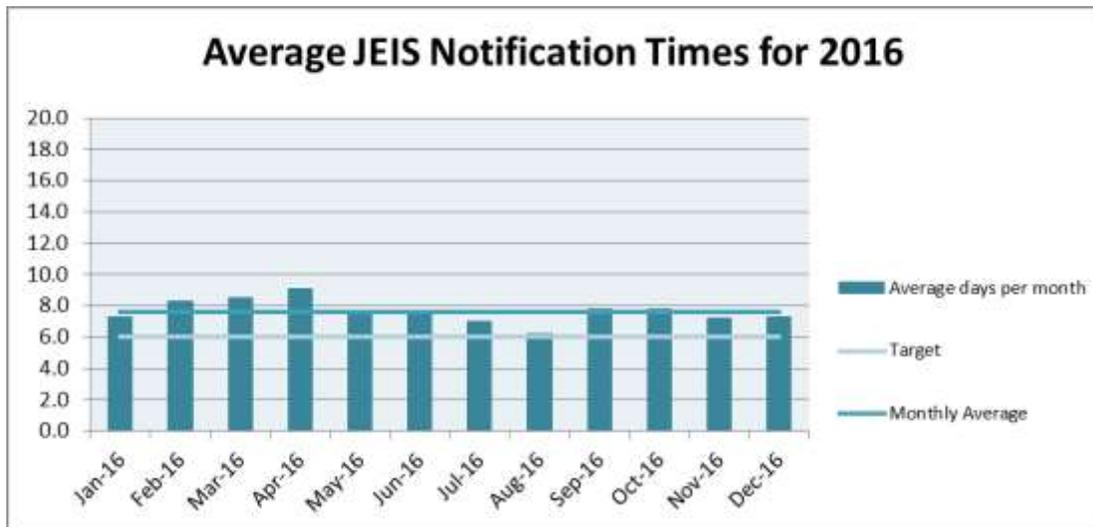
The success of the JEIS ultimately depends on the participation and support received from plan members, union locals and school districts. For plan members, seeking timely medical treatment, following medical recommendations of the treating physician or health care professional and, if appropriate, participation in a return to work accommodation plan are vital in improving their quality of life and successful return to pre-disability health.

**Plan Performance**

In 2016, there were 3,440 JEIS cases reported under the program, a small increase from the prior year’s figure of 3,407. There were 487 new LTD claims approved during 2016 compared to 470 new claims incurred in 2015. For your reference, we have provided an illustration comparing the JEIS activity to approved LTD claims in the 2016 calendar year under the program:



For your reference, we have also included an illustration of the average number of working days by month that school district Absence Advisors took to notify Desjardins and their Union JEIS Coordinator of absences in 2016. Please note the target is six business days and the average for 2016 was 7.7, which is a slight improvement over the prior year’s average of 7.9:



### **JEIS Procedural Manual**

As a result of an audit of the JEIS program, a procedural manual was created to provide guidelines and joint expectations of how stakeholders can best work together to achieve the common objective of recovery support and return to work of members. The roles and responsibilities for the District, the District Joint JEIS Committee (which includes the Union Local), the Health Care Management Specialist and the Member at each phase of absence are outlined in this easy-to-read, colour-coded manual.

The manual can be found on the pebt.ca website by choosing the “Learn About the Joint Early Intervention Service (JEIS)” option on the home page, selecting “General Information” and then clicking on the link for the JEIS Procedural Manual.

### **3.4. PEBT Communication Strategy**

Communication to all stakeholders regarding the structure, performance and offerings of the plan is an important objective of the Board. The Board continues to look for opportunities in which to achieve this objective. This year, communication efforts are focused on the following:

#### **PEBT Website**

The external PEBT website, [www.pebt.ca](http://www.pebt.ca), was recently updated with a new look and updated navigation features. The information on the site is continuously updated to provide relevant and helpful information for all stakeholders. With the transition to a new administration system, the district specific pages of the website accessible by clicking on the login links at the top of the screen will also be updated as groups roll onto the new system.

Information available on the PEBT website includes:

- Detailed descriptions of the JEIS process, including the JEIS Procedural Manual, and LTD claim and appeal processes
- Core LTD Plan Text
- Plan information by benefit
- Financial information
- An archive of current and past communications
- JEIS Notification reports
- Current and past PEBT Annual Reports

We encourage you to familiarize yourself with the information on the website and if you have any questions or concerns regarding any of the information please contact your Morneau Shepell consultant.

## Bulletins

With the implementation of the new benefits administration system currently in progress, it is important to keep everyone updated on the status of the project and any upcoming phases that may impact districts or members. As such, we will continue to send out communication bulletins via email on a regular basis to keep you informed. Please ensure you read these bulletins and if you have any questions contact your Morneau Shepell consultant.

## PEBT Posters

The posters that follow, which were developed to raise awareness and promote the JEIS to all PEBT plan members, are still available. If you require more posters, you are encouraged to contact the PEBT.



# APPENDICES

## APPENDIX A – UNDERWRITING ARRANGEMENTS

There are essentially four basic underwriting arrangements used within the PEBT program. The following describes the features and characteristics of these arrangements:

### FULLY POOLED, NON-REFUND

Under a fully pooled underwriting approach, the cash flow requirement is established by the insurer and is simply known as the premium. It is established based on the performance of the pool and an assessment of the associated risk characteristics of each participant in the pool. The school district's responsibility is restricted to the payment of premium. The insurer (PEBT for Basic Life) carries all risk for the actual claim level.

This approach is appropriate for benefits subject to infrequent but large claims (e.g. life and accident insurance) or for other benefits where claims may be volatile due to the size of the school district.

### EXPERIENCE-RATED, NON-REFUND

The cash flow requirement for an experience-rated, non-refund underwriting approach is also known as the premium. However, it is established by determining expected claims plus expenses for the school district. Expected claims are determined by prospectively projecting past claims utilization and reserve requirements, at least in part depending on the extent to which past claims data can be relied upon (known as "credibility"), and adjusting for inflationary trend factors. In addition, expense levels associated with operating the plan are taken into account.

At the end of the policy year, the school district is not directly responsible for any deficits incurred; however, no refund is available when experience is better than expected.

### ADMINISTRATIVE SERVICES ONLY (ASO)

This approach places all of the risk with the school district. The school district is responsible for all claims plus the negotiated plan expenses. Contribution levels are generally established by the school district and determined based on past experience and future expectations. The school district has ownership of any excess contributions and remains responsible for any deficits created.

The cost of the plan is determined directly by the level of claims charged to the plan plus associated expenses. This method presents the school district with the highest risk of all methods since they are fully responsible for all claims payable.

### STOP LOSS COVERAGE

If a plan sponsor wishes to limit its exposure under an ASO approach, stop loss coverage can be implemented for a premium or pooling charge. Essentially the risk of catastrophic claims beyond the stop loss level will be transferred back to the insurer. Stop loss coverage is often considered for life insurance or extended health coverage. For the PEBT program, stop loss coverage provides protection from large extended health claims exceeding \$25,000 per year (per individual).

**School District #23  
Central Okanagan  
Renewal Rate Comparison**

Effective: July 1, 2017

Benefit	Billing Year	Volume	CURRENT		RENEWAL		RATE ADJUSTMENT
			Unit Rate	Monthly Premium	Unit Rate	Monthly Premium	Actual
<b>Basic Life</b>	12 Months	\$63,963,000	\$0.2400	\$15,351.12	\$0.2250	\$14,391.68	-6.25%
<b>Basic Accident</b>	12 Months	\$63,963,000	\$0.0110	\$703.59	\$0.0070	\$447.74	-36.36%
<b>Extended Health</b>	12 Months						
- Single		121	\$53.31	\$6,450.51	\$62.83	\$7,602.43	
- Couple		311	\$106.63	\$33,161.93	\$125.66	\$39,080.26	
- Family		400	\$143.95	\$57,580.00	\$169.65	\$67,860.00	
		832		\$97,192.44		\$114,542.69	17.85%
<b>Dental</b>	12 Months						
- Single		120	\$66.44	\$7,972.80	\$67.70	\$8,124.00	
- Couple		319	\$132.88	\$42,388.72	\$135.40	\$43,192.60	
- Family		408	\$179.38	\$73,187.04	\$182.79	\$74,578.32	
		847		\$123,548.56		\$125,894.92	1.90%
<b>Total Monthly Premium (excluding tax)</b>				<b>\$236,795.71</b>		<b>\$255,277.03</b>	
				<b>Overall Change in Monthly Premium</b>		<b>\$18,481.32</b>	<b>7.80%</b>

**School District #23  
Central Okanagan  
Standard Plan Transition Rate Adjustments**

**Effective: September 1, 2017**

Benefit	Billing Year	Volume	CURRENT		Transition Adjustment		RATE ADJUSTMENT
			Unit Rate	Monthly Premium	Unit Rate	Monthly Premium	Actual
<b>Basic Life</b>	12 Months	\$63,963,000	\$0.2250	\$14,391.68	\$0.2250	\$14,391.68	0.00%
<b>Basic Accident</b>	12 Months	\$63,963,000	\$0.0070	\$447.74	\$0.0070	\$447.74	0.00%
<b>Extended Health</b>	12 Months						
- Single		121	\$62.83	\$7,602.43	\$62.83	\$7,602.43	
- Couple		311	\$125.66	\$39,080.26	\$125.66	\$39,080.26	
- Family		400	\$169.65	\$67,860.00	\$169.65	\$67,860.00	
		832		\$114,542.69		\$114,542.69	0.00%
<b>Dental</b>	12 Months						
- Single		120	\$67.70	\$8,124.00	\$67.70	\$8,124.00	
- Couple		319	\$135.40	\$43,192.60	\$135.40	\$43,192.60	
- Family		408	\$182.79	\$74,578.32	\$182.79	\$74,578.32	
		847		\$125,894.92		\$125,894.92	0.00%
<b>Total Monthly Premium (excluding tax)</b>				<b>\$255,277.03</b>		<b>\$255,277.03</b>	
			<b>Overall Change in Monthly Premium</b>				

**School District #23  
Central Okanagan  
Claims History and Other Key Information**

**Claims History**

Period from October 1, 2015 to September 30, 2016

Benefit	Paid Premiums*	Paid Claims**	Paid Loss Ratio
Extended Health	\$1,017,194	\$1,091,617	107.3%
Dental	\$1,450,430	\$1,295,495	89.3%

\*EHC paid premiums have been adjusted to reflect premium holidays taken

\*\*Stop loss claims totalling \$57,753 were removed for the extended health benefit

Period from October 1, 2014 to September 30, 2015

Benefit	Paid Premiums	Paid Claims*	Paid Loss Ratio
Extended Health	\$980,476	\$950,382	96.9%
Dental	\$1,416,812	\$1,211,036	85.5%

\*Stop loss claims totalling \$4,650 were removed for the extended health benefit

**Other Key Information**

	EHC	Dental
<b>Trend Factor</b>	7.00%	5.00%
<b>Administration Costs</b>	7.00%	5.00%
<b>Margin For Adverse Claims</b>	N/A	N/A
<b>IBNR</b>	22% of average annualized EHC claims	8% of average annualized Dental claims

Benefit	Underwriting Method
Extended Health	ASO
Dental	ASO

## SD #23 - Central Okanagan Financial Position - Extended Health

	EHC Contribution	Date Contribution Paid	EHC Claims****	Interest Rate for current month*	Total Admin Charge	Net Cash Flow**	Monthly Interest Amount	Debit/Credit	Stop Loss Credit	Accumulated Cash Flow Position (Including IBNR Deposits)	IBNR Requirement	Funded Position	
<b>Aug-04-Sep-14</b>	<b>\$6,979,627.30</b>	<b>20-Sep-04</b>	<b>\$5,766,622.61</b>	<b>3.24%</b>	<b>\$452,215.70</b>	<b>\$676,261.93</b>	<b>\$51,331.12</b>		<b>\$90,065.61</b>	<b>\$870,407</b>	<b>\$152,109</b>	<b>\$718,298</b>	
						<b>-\$8,975.29</b>							
October-14	\$75,986.43	6-Nov-14	\$67,039.02	1.35%	\$4,391.06	\$13,096.98	\$1,028.41			\$884,533	\$156,202	\$728,331	
November-14	\$80,722.94	27-Nov-14	\$69,553.77	1.35%	\$4,555.77	\$82,599.83	\$1,031.21			\$968,165	\$157,451	\$810,714	
December-14	\$82,065.60	23-Dec-14	\$109,394.17	1.35%	\$7,165.32	<b>-\$34,493.89</b>	\$1,043.57		\$4,650.33	\$939,365	\$169,076	\$770,290	
January-15	\$80,398.81	4-Feb-15	\$74,243.17	1.35%	\$4,862.93	<b>-\$79,106.10</b>	\$1,008.88			\$861,268	\$171,050	\$690,218	
February-15	\$80,537.78	4-Mar-15	\$82,682.98	1.35%	\$5,415.74	<b>-\$7,699.91</b>	\$996.07			\$854,564	\$178,461	\$676,103	
March-15	\$84,117.55	1-Apr-15	\$70,511.00	1.35%	\$4,618.47	\$5,408.31	\$995.96			\$860,969	\$184,145	\$676,823	
April-15	\$88,552.91	30-Apr-15	\$67,176.11	1.35%	\$4,400.04	\$101,094.31	\$1,021.22			\$963,084	\$190,574	\$772,510	
May-15	\$86,649.16	27-May-15	\$90,298.23	1.35%	\$5,914.53	<b>-\$9,563.60</b>	\$1,038.63			\$954,559	\$196,526	\$758,033	
June-15	\$86,186.26	24-Jun-15	\$75,149.89	1.35%	\$4,922.32	\$6,114.05	\$1,047.54			\$961,721	\$199,892	\$761,828	
July-15	\$78,149.58	22-Jul-15	\$90,313.79	1.05%	\$5,418.83	<b>-\$17,583.04</b>	\$818.15			\$944,956	\$205,478	\$739,478	
August-15	\$78,122.23	3-Sep-15	\$80,297.00	1.05%	\$4,817.82	<b>-\$85,114.82</b>	\$788.01			\$860,629	\$208,309	\$652,320	
September-15	\$78,249.64	1-Oct-15	\$76,207.26	1.05%	\$4,572.44	<b>-\$2,657.47</b>	\$778.89			\$858,751	\$208,608	\$650,143	
October-15	\$75,542.02	28-Oct-15	\$89,512.61	1.05%	\$5,370.76	\$58,908.29	\$782.17			\$918,441	\$213,552	\$704,889	
November-15	\$77,639.89	25-Nov-15	\$83,281.73	1.05%	\$4,996.90	<b>-\$10,638.74</b>	\$776.81			\$908,579	\$216,572	\$692,007	
December-15	\$0.00	23-Dec-15	\$87,647.13	1.05%	\$5,258.83	<b>-\$92,905.96</b>	\$752.85		\$4,302.54	\$820,729	\$211,864	\$608,864	
January-16	<b>-\$95.01</b>	3-Feb-16	\$80,475.44	1.05%	\$4,828.53	<b>-\$85,303.97</b>	\$679.45		\$382.78	\$736,487	\$213,151	\$523,336	
February-16	\$81,760.17	2-Mar-16	\$76,384.42	1.05%	\$4,583.07	<b>-\$81,062.50</b>	\$607.71	\$666.02		\$656,698	\$211,765	\$444,933	
March-16	\$83,792.85	30-Mar-16	\$79,624.70	1.05%	\$4,777.48	\$81,150.84	\$606.89			\$738,456	\$213,770	\$524,686	
April-16	\$83,416.43	27-Apr-16	\$91,860.72	1.05%	\$5,511.64	<b>-\$13,955.93</b>	\$611.90			\$725,112	\$219,201	\$505,911	
May-16	\$83,828.28	25-May-16	\$60,286.62	1.05%	\$3,617.20	\$19,924.46	\$619.69			\$745,656	\$212,598	\$533,058	
June-16	\$84,182.54	22-Jun-16	\$115,271.17	1.05%	\$6,916.27	<b>-\$38,004.90</b>	\$619.49		\$8,094.42	\$716,365	\$219,644	\$496,721	
July-16	\$100,005.43	10-Aug-16	\$144,621.05	1.05%	\$8,677.26	<b>-\$153,298.31</b>	\$558.66		\$9,966.17	\$573,591	\$229,399	\$344,192	
August-16	\$100,173.20	31-Aug-16	\$81,889.37	1.05%	\$4,913.36	\$113,375.90	\$523.12		\$57.11	\$687,548	\$229,737	\$457,811	
September-16	\$97,947.57	28-Sep-16	\$137,885.98	1.05%	\$8,273.16	<b>-\$48,211.57</b>	\$545.02		\$34,949.51	\$674,830	\$235,617	\$439,213	
October-16	\$100,671.50	27-Oct-16	\$73,453.63	1.05%	\$4,407.22	\$22,810.65	\$566.83		\$88.62	\$698,297	\$232,065	\$466,232	
November-16	\$94,355.06	23-Nov-16	\$77,641.52	1.05%	\$4,658.49	\$12,055.05	\$595.46		\$103.01	\$711,050	\$230,801	\$480,249	
December-16	\$88,680.93	21-Dec-16	\$0.00	1.05%	\$0.00	\$88,680.93	\$646.27			\$800,377	\$212,466	\$587,912	
										<b>Financials as of Nov 15***</b>	<b>\$908,579</b>	<b>\$216,572</b>	<b>\$692,007</b>
										<b>Financials as of Oct 16***</b>	<b>\$698,297</b>	<b>\$232,065</b>	<b>\$466,232</b>
										<b>Financials as of Nov 16***</b>	<b>\$711,050</b>	<b>\$230,801</b>	<b>\$480,249</b>
										<b>Financials as of Dec 16***</b>	<b>\$800,377</b>	<b>\$212,466</b>	<b>\$587,912</b>
										<b>CFR as of Nov 16</b>	<b>\$111,552</b>		
										<b>Surplus/Deficit as of Nov 16</b>	<b>\$368,697</b>		

\*Previous policy year's interest rate assumed for July 2016 to November 2016. Actual interest rate during this time period will be determined at the next renewal

\*\*Monthly Net Cash Flow reflects the difference in contributions and expenses (claims and administration charges) actually paid in the corresponding month

\*\*\*Inclusive of any late payments reflected in the above accounting

\*\*\*\*Claims for the period of December 2014 to November 2016 are subject to change pending final verification by PBC

## SD #23 - Central Okanagan Financial Position - Dental Care

	Dental Contribution	Date Contribution Paid	Dental Claims****	Interest Rate for current month*	Total Admin Charge	Net Cash Flow**	Monthly Interest Amount	Debit/Credit	Stop Loss Credit	Accumulated Cash Flow Position (Including IBNR Deposits)	IBNR Requirement	Funded Position
<b>Aug-04-Sep-14</b>	<b>\$10,761,458.82</b>		<b>\$10,001,204.68</b>	<b>3.24%</b>	<b>\$493,558.02</b>	<b>\$135,628.28</b>	<b>\$57,587.32</b>		<b>\$0.00</b>	<b>\$232,027</b>	<b>\$96,684</b>	<b>\$135,343</b>
October-14	\$108,142.66	6-Nov-14	\$90,149.92	1.35%	\$3,831.37	\$21,099.01	\$336.35			\$253,462	\$96,597	\$156,865
November-14	\$114,903.06	27-Nov-14	\$112,556.95	1.35%	\$4,783.67	\$105,705.10	\$338.62			\$359,506	\$95,278	\$264,228
December-14	\$116,901.42	23-Dec-14	\$94,518.17	1.35%	\$4,017.02	\$18,366.23	\$384.12			\$378,256	\$95,428	\$282,828
January-15	\$114,710.66	4-Feb-15	\$79,423.69	1.35%	\$3,375.51	-\$82,799.20	\$377.72			\$295,835	\$95,858	\$199,977
February-15	\$114,641.36	4-Mar-15	\$82,872.08	1.35%	\$3,522.06	\$28,316.52	\$399.25			\$324,550	\$95,236	\$229,315
March-15	\$121,975.77	1-Apr-15	\$92,093.53	1.35%	\$3,913.98	\$18,633.85	\$425.99			\$343,610	\$91,275	\$252,335
April-15	\$126,007.78	30-Apr-15	\$84,800.27	1.35%	\$3,604.01	\$159,579.27	\$479.43			\$503,669	\$93,397	\$410,272
May-15	\$123,854.08	27-May-15	\$141,182.83	1.35%	\$6,000.27	-\$23,329.02	\$502.74			\$480,843	\$95,129	\$385,713
June-15	\$123,268.26	24-Jun-15	\$102,504.97	1.35%	\$4,356.46	\$16,406.83	\$513.23			\$497,763	\$94,577	\$403,186
July-15	\$117,255.99	22-Jul-15	\$119,813.51	1.05%	\$4,792.54	-\$7,350.06	\$412.18			\$490,825	\$96,219	\$394,606
August-15	\$117,325.11	3-Sep-15	\$103,723.22	1.05%	\$4,148.93	-\$107,872.15	\$381.54			\$383,334	\$95,878	\$287,457
September-15	\$117,169.96	1-Oct-15	\$107,911.91	1.05%	\$4,316.48	\$5,096.72	\$381.50			\$388,812	\$96,924	\$291,888
October-15	\$113,394.72	28-Oct-15	\$120,915.78	1.05%	\$4,836.63	\$104,812.27	\$398.33			\$494,023	\$99,385	\$394,638
November-15	\$116,919.47	25-Nov-15	\$97,883.47	1.05%	\$3,915.34	\$15,120.66	\$408.73			\$509,552	\$98,211	\$411,341
December-15	\$114,909.61	23-Dec-15	\$104,337.74	1.05%	\$4,173.51	\$6,398.36	\$425.56			\$516,376	\$98,997	\$417,379
January-16	\$116,499.48	3-Feb-16	\$77,748.56	1.05%	\$3,109.94	-\$80,858.50	\$415.63			\$435,933	\$98,863	\$337,070
February-16	\$120,514.16	2-Mar-16	\$93,893.30	1.05%	\$3,755.73	\$18,850.45	\$433.12	\$0.00		\$455,217	\$99,745	\$355,472
March-16	\$123,034.59	30-Mar-16	\$101,217.10	1.05%	\$4,048.68	\$138,282.97	\$458.64			\$593,959	\$100,475	\$493,484
April-16	\$122,393.17	27-Apr-16	\$106,435.87	1.05%	\$4,257.43	\$11,699.87	\$486.12			\$606,145	\$102,205	\$503,939
May-16	\$122,885.55	25-May-16	\$151,842.56	1.05%	\$6,073.70	-\$35,030.71	\$483.26			\$571,597	\$103,058	\$468,539
June-16	\$123,015.12	22-Jun-16	\$113,740.09	1.05%	\$4,549.60	\$4,725.43	\$480.97			\$576,804	\$103,957	\$472,846
July-16	\$125,037.98	10-Aug-16	\$113,085.64	1.05%	\$4,523.43	-\$117,609.07	\$452.37			\$459,647	\$103,419	\$356,228
August-16	\$119,968.47	31-Aug-16	\$115,816.61	1.05%	\$4,632.66	\$124,557.18	\$427.50			\$584,631	\$104,386	\$480,245
September-16	\$122,320.39	28-Sep-16	\$98,578.29	1.05%	\$3,943.13	\$19,798.97	\$478.03			\$604,908	\$103,640	\$501,269
October-16	\$126,345.75	27-Oct-16	\$150,228.40	1.05%	\$6,009.14	-\$29,891.79	\$476.33			\$575,493	\$105,985	\$469,508
November-16	\$116,649.45	23-Nov-16	\$116,105.56	1.05%	\$4,644.22	-\$4,100.33	\$478.23			\$571,871	\$107,442	\$464,429
December-16	\$111,451.82	21-Dec-16	\$0.00	1.05%	\$0.00	\$111,451.82	\$532.85			\$683,856	\$99,095	\$584,760
<b>Financials as of Nov 15***</b>										<b>\$509,552</b>	<b>\$98,211</b>	<b>\$411,341</b>
<b>Financials as of Oct 16***</b>										<b>\$575,493</b>	<b>\$105,985</b>	<b>\$469,508</b>
<b>Financials as of Nov 16***</b>										<b>\$571,871</b>	<b>\$107,442</b>	<b>\$464,429</b>
<b>Financials as of Dec 16***</b>										<b>\$683,856</b>	<b>\$99,095</b>	<b>\$584,760</b>
<b>CFR as of Nov 16</b>										<b>\$139,675</b>		
<b>Surplus/Deficit as of Nov 16</b>										<b>\$324,753</b>		

\*Previous policy year's interest rate assumed for July 2016 to November 2016. Actual interest rate during this time period will be determined at the next renewal

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\*\*\*Inclusive of any late payments reflected in the above accounting

\*\*\*\*Claims for the period of December 2014 to November 2016 are subject to change pending final verification by PBC