

TO: All Active Participants
Government of Newfoundland and Labrador
Group Insurance Program

RE: Annual Renewal of the Group Insurance Program 2025-2026

FROM: Benefits Administration Division, Treasury Board Secretariat

DATE: March 19, 2025

This memorandum outlines the annual renewal of the Group Insurance Program effective April 1, 2025.

The renewal process occurs each year in April and is part of the contract between Canada Life and the Government of Newfoundland and Labrador. The carrier (Canada Life) examines claims experience and market trends and projects any required premium changes for the plan. These changes are then presented to the Group Insurance Advisory Committee (GIC) for review. The GIC is comprised of government officials as well as plan stakeholders including public service unions and non bargaining and retired employee representatives. It is the responsibility of the GIC to oversee the plan design and maintain the long-term financial viability of the group insurance program. The GIC examines all the data provided by the carrier and Government officials then negotiate the final rates. The GIC makes recommendations to Government for review and approval of the annual renewal.

Highlights of the renewal changes for the 2025/26 policy year include:

Plan Surpluses

- The Basic Life, Supplementary Health, and Dental benefits are subject to refund accounting. This means that after claims are paid from premiums collected, any surplus funds are retained in the program. Required rate increases for the benefits subject to refund accounting can be partially or fully funded by either plan surpluses (if any) and/or by rate increases. Funding provided by the plan surpluses result in lower than proposed premium increases. This will result in a reduction in the plan's accumulated surplus and offer the potential for higher future premium increases to offset inflation and claim experience.
- In previous years requested premium increases have been offset by applying funds from the plan surpluses. The recent large increases in claim costs and the utilization of surpluses in prior years have resulted in the depletion of available surplus funds to offset premium increases this year. As a result, the premium increases requested for the 2025/26 policy year must be passed on to plan members in full.

Benefits Subject to Refund Accounting:

Basic Employee/Dependent Life Insurance

- The carrier has not requested increases in premiums for the 2025/26 policy year.

Supplementary Health Insurance (Including travel insurance)

- The supplementary health insurance premium is a blended premium of both health and travel insurance.
- The carrier required a 17.48% increase in health premiums for the 2025/26 policy year. This increase will be funded from an increase in bi-weekly deductions.
- There will be no changes to the Plan Design for the 2025/26 policy year.
- Premiums for the travel portion of our health deduction will remain unchanged.
- The bi-weekly premiums for supplementary health insurance (including travel) will increase from \$19.62 to \$22.93 for single coverage and from \$49.47 to \$57.87 for family coverage.

Health premium increases are largely driven by a spike in the average cost and increased utilization of new prescription drugs, paramedical costs and general inflation charged to the plan in the 2024/2025 fiscal year. The premium increases, while large, are necessary to maintain our existing plan design while continuing to ensure the financial stability of the plan going forward.

Optional Dental Insurance

- To maintain current dental coverage, the carrier requires a 15% increase in dental premiums. This increase will be funded from an increase in biweekly deductions.
- Dental claims for the 2025/26 policy year will be reimbursed based on the 2024 dental fee guide, an improvement from the current 2023 guide.
- The bi-weekly premiums for dental will increase from \$17.88 to \$20.56 for single coverage and from \$39.37 to \$45.28 for family coverage.

Dental premium increases are attributable to a move from the 2023 dental fee guide to the 2024 dental fee guide, and the deferring of past dental premium increases through the use of plan surpluses. Surplus funds are not available this year to subsidize the increases in rates.

Other Group Insurance Benefits (Not Subject to Refund Accounting):

All other benefit rates will remain unchanged for the 2025/2026 policy year including:

- Basic Accidental Death and Dismemberment
- Optional Employee Life Insurance
- Optional Spousal Life Insurance
- Optional Accidental Death and Dismemberment
- Optional Critical Illness
- Optional Long-Term Disability

If you have any questions regarding these changes, please consult the website noted below or contact:



By Email: groupinsurance@gov.nl.ca

By Mail: Treasury Board Secretariat
Benefits Administration – Group Insurance
Basement Floor, West Block, Confederation Building
P.O. Box 8700
St. John's, NL A1B 4J6

For a summary of your benefits plan please visit the online [Group Insurance Booklet](#).

If you have any questions regarding health and dental coverage/claims please, contact Canada Life through the Government of Newfoundland and Labrador dedicated toll-free line at **1-844-349-5656** or email www.mycanadalifeatwork.com