

Extended Health Care

If your firm has Health Care, your premiums for the coming year are based on the benefit option you selected. The Health Care renewal rates were influenced by the Plan's overall utilization of health services, as well as health care inflation which has been running at a level higher than the Consumer Price Index for many years. Changes in provincial programs, higher drug costs, greater utilization by an aging population, and the introduction of new drugs at higher costs than those previously prescribed for the same illness all contribute to the health care inflation rates we are seeing in all group health programs.

Please remember that the Chambers Plan offers benefits over a wide range of price points – from entry level options to broad, comprehensive benefits. You can enrich your health care coverage or scale it back to suit your company's objectives. Your agent can recommend the coverage that will meet your firm's needs.

Firms with 10 or more employees will have their health experience reviewed and rates may be adjusted based on a firm's utilization of health care services.

OTHER CHANGES

Effective April 1, 2006, 3 and 4 person firms will be able to add **Vision Coverage** to their health options. Add \$200 of Vision Care coverage per person every 24 months covering prescribed contact lenses, glasses or voluntary laser eye surgery. Coverage is provided at 100% for all eligible expenses. Contact your local marketing agency should you wish to add Vision Care to your group plan's health options.

Firms with Health options E40 and E41 will have a **Hospital Benefit** added to their health coverage effective April 1, 2006. The hospital benefit covers the additional cost charged by a hospital for a semi-private room over a standard public ward, or the additional cost of a private room (if the attending physician provides a written recommendation of its medical necessity). This additional coverage is provided at no cost.

We will also be adding a **Medical Travel Benefit** to all health options effective April 1, 2006. The Medical Travel Benefit will provide up to \$750 per person each 24 months to transport an insured from their normal place of residence to a medical facility (in Canada) for medically necessary treatment under the following conditions:

- The treatment cannot be available in the normal place of residence and must be ordered by a physician;
- The treatment must take place within 60 days from the date of the physician's referral; and
- The round trip distance must be 500 kilometers or more.

Covered expenses include:

- Expenses for the person requiring the treatment and one traveling companion;
- Cost of transport including economy class fare on a scheduled flight, rail, bus or ferry, or automobile fuel expenses; and
- Cost to accommodate the patient in a commercial facility for up to \$75 per day for a maximum of 5 days either before or after medical treatment. Telephone and meal expenses are not covered.

We hope our insureds in smaller communities and rural areas find this a valuable addition to their current health coverage.

We have worked hard to build a responsive group plan with your needs in mind and we hope you see that in this year's renewal. Thank you for your support. It's our great pleasure to serve you in 2006.

If you have any questions about your coverage, do not hesitate to contact your local agent or the Service Centre at 1 800 665-3365.

Important News About Your Group Benefit Plan

Your benefit plan is available to you **exclusively** as a result of your membership in a participating Chamber of Commerce or Board of Trade. For over 35 years, the Chambers Plan has meant affordable, competitive, secure benefits to employees in small firms across Canada.

The Plan acts as a very effective safety net for tens of thousands of owners, employees and family members. This year it will pay over **\$88 million in claims**, covering everything from fillings and prescriptions to life insurance and disability income replacement benefits.

Your Chambers Plan coverage gives you more than a typical group plan and we've been working hard to keep your coverage current and affordable.

April 1st marks the annual renewal of your Chambers of Commerce Group Insurance Plan[®] coverage. To help you see any changes that affect your group at that date, we've included three pieces in this package:

- **This edition of Plan News.** At renewal, premiums are generally adjusted for the coming year to reflect changes in employees' ages, any changes in your risk class, adjustments to provincial Dental Fee

Guides, as well as costs associated with medical trends and any revisions to government health plans. This Plan News highlights these changes for you.

- **Your firm's Employee Benefit & Premium Summary as at April 1st.** The Summary is specific to your firm and reflects your rates as of April 1st, based on your current coverage. If you currently have one of the plan's older Extended Health Care options, you will also find a special section at the end of your Summary. Given the rising cost of health care across the benefit industry, we want to ensure you are aware of the lower cost alternatives the Chambers Plan offers. Renewal is typically a good time to look at how you have customized your firm's coverages, and you may wish to explore these options, or other changes, with your agent.

- **A summary of the changes effective April 1, 2006.** The changes discussed in this Plan News have been summarized on a separate table. We ask that you distribute a copy to each employee participating in your group insurance plan.

Value and Rate Stability

This past year we introduced Best Doctors[®] services to every one of our group benefit plans **at no additional cost**. By partnering with Best Doctors and its extensive network of over 50,000 doctors, the Chambers Plan empowered your employees to make informed health choices through access to the best medical expertise available today.

We added five additional covered conditions to our Critical Illness product, increasing the total covered conditions to 13. We also **decreased Critical Illness premiums** for employees age 50 to 55 and **increased the benefit payable** for employees 56 through 64 from \$12,500 to \$20,000 at no additional cost.

We're committed to making your Chambers Plan the most comprehensive association program in the market and for 2006 we are pleased to enhance the program even further by:

- Decreasing Long Term Disability base premiums for 29,000 insureds,
- Allowing 3 and 4 person firms to add **Vision Care** to their health coverage,
- Allowing 3 and 4 person firms to add **Major Dental** coverage,
- Adding a **Medical Travel Benefit** to all health options,
- Adding **Hospital Coverage** to health options E40 and E41, and
- Adding four **additional services** to our Posaction Employee Assistance program.

And for the fourth year in a row we are pleased to provide participating firms with an overall average increase to their group insurance premiums of **less than 5%**.

Please read this *Plan News* and see how the Chambers Plan is *at work* for your business.

Call on Your Agent's Expertise!

The Chambers Plan gives you control of your benefits through its wide range of coverage options. That means your benefit program can meet your firm's needs today as well as it did when you first joined the plan.

Although our Service Centre is always happy to answer questions, a thorough annual review under your agent's guidance can be very useful. He or she can suggest alternatives if your plan design or budget considerations have changed. This may be the year to consider health or dental coverage, or to add disability, an employee assistance program or critical illness benefits.

Your local agent can walk you through the many options and range of price points available to your firm. Please see the agent contact information in the top right hand corner of your *Employee Benefit & Premium Summary*.



Renewal 2006 Annual Firm Updates

In January we sent you a package containing your annual *Firm Update* form. **If you did not receive it, please call our Service Centre to have a replacement sent immediately.**

When you complete the *Firm Update*, you ensure all your eligible employees are participating in the plan and that our records reflect the most current information about them.

If you have not already done so, please send the completed and **signed** form to us (even if there are no changes).

NO Base Rate Increase

Claims under the benefits below can fluctuate, often dramatically, from year to year. To protect you from the impact of large premium swings, the Chambers Plan pools your claims. Pooling averages expenses over all the participants in a given benefit, spreading the risk. This helps keep premiums stable from one year to the next.

We are very pleased to tell you that most benefits will see **no base rate increase**.

Coverages with NO Increase

- Accidental Death & Dismemberment (AD&D)
- Business Overhead Expense
- Critical Illness
- Dependent Life Insurance
- Employee Assistance Program
- Employee Life Insurance
- Weekly Indemnity (WI)

Though there is no across-the-board increase in the base rates of these benefits, some firms may see premium changes for one of two reasons:

- At April 1st we take a snap shot of your current demographics and apply the base rates to your current group of employees. If you had employees come onto or leave the plan during the past year, their addition or deletion can affect the rates charged to all employees for the coming year.
- At April 1st we adjust the ages for all insureds enrolled in the plan. The cost of many of these benefits increases as insured employees' ages increase, with Life Insurance and Weekly Indemnity being two common examples. As such, even though there were no other changes in participation, each member is now one year older and rates will change to reflect the current demographics of the firm.

Life Insurance

Effective April 1, 2006, the Chambers Plan is increasing the overall maximum of its Employee Life Insurance from \$200,000 to \$250,000. Any employees wishing to take advantage of this higher maximum can do so by contacting their local marketing agent who will help them complete the applicable forms.

Posaction Employee Assistance Program

Firms that have the Posaction benefit as part of their group plan will see their coverage enhanced effective April 1, 2006. In addition to being able to help employees and their families deal with family, work-related, personal and dependency problems, the Posaction benefit will also be able to help with:

- Legal Problems – support on matters of family law, separation, divorce, child support and custody;
- Financial Problems – support with credit and debt management, bankruptcy, budget planning, financial aspects of divorce;
- Eldercare – support *for* and specific educational materials, assistance researching retirement homes, home care, psychological support;
- Childcare – support *for* and specific educational materials, assistance researching daycares and home day care services, home care nursing.

These additional services are included in the 12 hours of allotted counselling time, and are made available at no additional cost.

Long Term Disability (LTD)

For April 1st, we are adjusting the Long Term Disability base rates as follows:

- 18,700 employees will have their base premiums **decrease by 5%**,
- 10,400 employees will have their base premiums **decrease by 10%**, and
- 16,600 employees will see **no base premium increase**.

As mentioned earlier, though we have no base rate increases, at April 1st we recalculate the LTD rates based on your firm's current demographics and employees' ages, which will affect the final rates charged for the coming year.

Long Term Disability pays a monthly benefit to an employee who is disabled. The amount of benefit is paid as a percentage of monthly earnings. Under the Chambers Plan two formulas are used to determine the benefit each employee is eligible to receive:

- In instances where the **employer** pays any portion of the LTD premiums, the benefits received by the employee are subject to income tax and the benefit is based on 66 2/3% of monthly earnings (this is the **taxable** benefit formula).

- In instances where the **employee** pays the entire LTD premium, the benefits received by the employee are NOT subject to income tax and the benefit is based on 60% of the first \$3,500 of monthly earnings and 45% of any balance (this is the **non-taxable** benefit formula).

These formulas are meant to deliver a benefit approximately equal to 85% of an employee's take home pay. Tax changes at the provincial and federal levels over the past few years have caused the non-taxable formula (60% of the first \$3,500 of monthly earnings and 45% of any balance) to calculate a benefit less than allowed under your LTD contract. For April 1st we will be replacing this non-taxable LTD formula with one that better reflects today's provincial and federal tax structures and recalculating all insureds with a non-taxable benefits using the following formula.

67% of the first \$2,000 of monthly earnings, and 50% of the excess.

Approximately 15% of insureds will see no change in their benefit levels, 26% will see a \$50 increase in benefit, 34% a \$100 increase in benefit, and 25% will see increases greater than \$100. By adopting this new non-taxable formula, the Chambers Plan is ensuring your employees have the most protection they can have under the LTD benefit.

Dental

Chambers Plan benefits are paid based on a "current year" Dental Fee Guide, as set by your provincial dental association. Claims for services provided this year will be paid according to your area's 2006 fee guide. Fee Guide increases for 2006 vary from region to region as shown in the table below.

For 2006, base Dental premiums will be going up 2% or 3%. In all cases, this is less than or equal to the province's Dental Association Fee Guide increases for 2006.

Firms with 10 or more employees will have their dental experience reviewed and rates may be adjusted based on a firm's utilization of dental services.

OTHER CHANGES

Effective April 1, 2006, 3 and 4 person firms will also be able to add Major coverage to their Dental options. Major services include such items as metal inlays/onlays, crowns, fixed bridge-work and dentures. The plan will cover 50% of these eligible expenses. Your local marketing agency can guide you through the options available to you, and assist you in finding coverage that best suits your firm's needs.

2006 Fee Guide Increases by Dental Associations

Chambers Plan Premium Change

2006 Fee Guide Increases by Dental Associations	Chambers Plan Premium Change	
Newfoundland	3.70%	2%
Nova Scotia	3.24%	3%
Prince Edward Island	2.00%	2%
New Brunswick	2.60%	2%
Quebec	4.80%	2%
Ontario	3.60%	2%
Manitoba	3.50%	2%
Saskatchewan	4.89%	2%
Alberta	3.63%	2%
British Columbia	3.52%	2%

