

## Long Term Disability (LTD) Premium Rate Increase

One of the responsibilities of the CAAT Academic Joint Insurance Committee (JIC) is to ensure our benefits plan is fully funded so that it is healthy and able to meet the needs of our members. Our Benefits Consultant advises us on optimum funding levels, including how much reserve must be kept for anticipated liabilities. This includes ensuring there is sufficient funding in the plan to support anyone who is currently on Long Term Disability until the payment obligation ends.

We review plan assets and liabilities at our regular JIC meetings, and each year spend some time reviewing in-depth usage and financial details of plan funding in anticipation of rate renewals. These rates go into effect February 1 of each year.

When the plan has a reserve that exceeds the optimum surplus amount recommended by the Benefits Consultant we look at whether the rates can be lowered. Similarly, when there has been a greater than expected draw against the plan, we must look at whether a rate increase is advisable.

As reported last year the LTD rate has been subsidized by surplus in our LTD reserve for several years, artificially lowering the LTD rate. The LTD has now reached its optimum funding level. As anticipated our Benefit Consultant has recommended a 22% rate increase which ends the rate subsidization of years past. This means members will be paying \$1.99 per \$100 of coverage effective February 1, 2015.

Concurrently, we have implemented a rate reduction on Basic Life and Supplemental Life Insurance of 20%, and a decrease in Employee Pay All Optional Life of 30%.

<b>Benefit:</b>	<b>Paid by:</b>	<b>Change:</b>
LTD	100% Employee	22% increase
Dental	100% Employer	3.4% increase
Basic Life Insurance	100% Employer	20% decrease
Supplemental Life Insurance	50% Employer/50% Employee (first \$60,000 then 100% employee paid)	20% decrease
Employee Pay All Optional Life Insurance	100% Employee	30% decrease
Dependent Life	100% Employee	No change
Extended Health Care	100% Employer	4% increase
Vision Care	75% Employer/25% Employee	35% increase
Hearing Care	75% Employer/25% Employee	35% increase
Critical Illness	100% Employee	No change
Accidental Death & Dismemberment	Employer	No change

If you have any questions regarding your Long Term Disability Plan or other benefits you can contact one of your Joint Insurance Committee members as follows:

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