

What's NEWS at GSI



Autumn 2004

An informational bulletin for members of the ELCIC Pension and Benefits Programs

ELCIC Group Services Inc. www.elcicgsi.ca

Benefits News



by Kurt von Schilling,
Benefit Committee
Chair, GSI Board

We have just completed
the renewal process for
the group benefits plan.

Extended Health and Dental

For renewal of the extended health and dental benefits, Manulife proposes expense charges and premium rates for the upcoming year. GSI engages Mercer Human Resource Consulting ("Mercer") to:

- 1 Review Manulife's expense charges against their national database and negotiate if required;
- 2 Review Manulife's pricing to ensure that it is appropriate and negotiate if required; and
- 3 Review claims experience for trends and abnormalities when benchmarked against industry standards.

Mercer reported to GSI that they benchmarked Manulife's expenses against the National Insurer Expense Database and confirm that they remain competitive.

Manulife proposed an overall 4.5% increase in premium, effective January 1, 2005. After Mercer's review, Manulife and GSI agreed to an overall increase of 3.2%. Results were also determined by Synod. An 'extended health' surplus is shown for all Synods and a small 'dental' surplus is shown for BC and Manitoba. A dental deficit is shown for all other Synods. On a combined basis, only Saskatchewan has a deficit and all other Synods are in a surplus position. The combined surplus was directed to the Claims Fluctuation Reserve held by Manulife on our account to fund it to almost half of its objective.

Extended Health Claims paid in the amount of \$547,916 for one year ending May 31/04

Per cent	Claim Made For
76%	Drugs
8%	Vision care
3.7%	Masseur
3%	Chiropractor
9.3%	All others including Physiotherapist, Optometrist, Psychologist, Major Orthotics, Ambulance, Hearing Aid, Diagnostic

Drug Prescriptions paid in the amount of \$416,283 for one year ending May 31/04
The Top-10 drugs prescribed (\$88,650)

Drug	Commonly used for
Enbrel	Rheumatoid Arthritis
Hydromorph Contin	Serious pain relief
Lipitor 10mg tab	Cholesterol disorders
Altace	Blood Pressure
Lipitor 20mg tab	Cholesterol disorders
Pantoloc	Ulcers
Effexor	Depression
Paxil	Depression
Celebrex	Anti-Inflammatory
Celexa	Depression

Group Life and Long Term Disability (LTD)

The group life benefit is fully insured and hence GSI does not receive from the insurer any annual financial accounting. The number of death claims under the basic life benefit for plan members have been fewer than might be expected, while claims for dependents have been greater.

The LTD experience over the last several years has been excellent. The number of claims were fewer than expected and many claims that were incurred made a quick recovery.

Premiums for this coverage are paid from the 3% of salary that employers pay.

Dental Claims paid in the amount of \$431,559 for one year ending May 31/04

Percent	Claim Made For
23.3%	Fillings
17.5%	Cleanings
13.9%	Examinations, x-rays
13.8%	Treatment of gum disease
10.4%	Crowns, inlays/onlays
6.8%	Simple extractions
6.0%	Root canals
4.3%	Braces
3.7%	Bridges/dentures
0.3%	Miscellaneous

In This Issue:

- Benefit News
- Reading Between the Teeth
- Is FGI for You?
- The Prevalence of Depression
- ESA Motion & GSI Response
- Check Out Our Website
- Investment News
- Health Screening Tools

Is FGI for You?

Reading Between the Teeth

The following is an excerpt from the Manulife Financial Employee Benefit News Third Quarter 2004

When an angry dog bares a set of razor sharp canines, it provokes an instinctive response in people. In the same way, when someone flashes a warm, welcoming smile, he or she is sending an equally powerful message. Well cared for teeth can influence everything from overall health to social interaction, nutrition, speech and self-esteem.

The idea that people are afraid of their dentists seems to be an old cliché. According to a survey conducted by the Ontario Dental Association, plan members like their dentist well enough to form long-term relationships with them. The study found that 89 percent of plan members have had the same dentist for three years or more. Well established, trusting dentist-patient relationships provide consistency of care to plan members and work best when there's plenty of communication between dental care providers, plan member and plan administrator.

People generally perceive dental services to be expensive, so your dental plan is a valuable tool in the effort to attract the best candidates to your organization and keep them happy and healthy employees over the long-term. Although each individual has his or her own predisposition to cavities and other dental conditions, the importance that plan members attach to their dental health indicates they are active, willing and conscientious participants in prevention. And that's something to smile about.

Questions plan members should ask their dentist:

- 1 Can you describe what you're doing during my examination?
- 2 Can you explain the treatment alternatives and which one will be best for me?
- 3 Can you explain the costs before treatment takes place?
- 4 Can a pre-determination of coverage be completed and submitted to my insurance provider before treatment takes place?
- 5 What treatment is required immediately? Can any treatments be delayed until later?
- 6 Can I have a copy of the bill sent to my insurance company?

Dental Associations

Dental associations are a great source of information on treatment and prevention. The Canadian Dental Association Web site is a good place to start (<http://www.cda-adc.ca>). Click on "Links" to find your provincial dental organization and associations.

The Prevalence of Depression

by Bill Wilderson of FGI

As published in Benefits Canada September 2004

One in four Canadians will experience mental ill health this year, probably depression or anxiety disorder, and maybe both. That number reaches nearly 40% over the course of their lifetime. Even worse news for employers is that depression primarily hits men and women in their prime-working years, between 20 and 45.

Depression is not an invisible disorder, born of one's character or "weakness". Nor does it reflect in any way on the capacity of a person to do good work, although it can interfere when it flares up. Depression is not a mood disorder any more than someone with a history of heart disease has a mood disorder. It is not a behavioural health problem any more than someone with diabetes or epilepsy is suffering a behavioural problem.

Depression is a biochemical event. It is a treatable, beatable, chronic, physical disorder. The symptoms of depression are there to be seen if we have the will, knowledge and fearlessness to see them. The key to it, not surprisingly, is early detection. Eight weeks is the important window of opportunity in treating this condition.

You will recall that GSI has contracted FGI - an organization that provides worklife solutions and well-being programs, materials and counselling - to assist benefit plan members to maintain a better quality of life.

FGI recently announced a new program - NUTRITIONAL COUNSELLING. Healthy eating is simply common sense for some people - for many others, it is a real challenge.

Changing lifestyle patterns, such as improving eating habits and exercising regularly, can help reduce health risks. FGI provides wide-ranging nutritional support and information on better nutrition and disease prevention. Dependent upon personal needs and health status, these may include diet options for: weight loss; heart health; stress management; cancer prevention; or, simply answer an immediate concern about health and nutrition.

How it works

Most services are available by phone. When employees or family members call, they first speak to a Client Care Representative who will process their request and match them with a professional dietician. The dietician will then call the employee directly to determine their needs. Following a nutritional assessment, the dietician will prepare a personalized food plan, which will be mailed along with informative fact sheets.

In a subsequent follow-up session, the dietician will walk the employee through their personalized diet plan and answer all their questions. To ensure good integration of the diet plan to day-to-day living, the dietician will provide further follow-up.

This service is also available for employees and their family members who do not require full nutritional counselling but have questions relating to nutrition and would like to talk to a dietician.

No health issue is too simple or too complex, and this service is at no cost to benefit plan members!

For other programs that FGI provides refer to the pamphlet include with this newsletter.

To contact FGI call **1-800-268-5211** or visit the website at www.fgiworldmembers.com. A password is required to ensure GSI is only billed for our members and their families. Please look it up in the benefits information box you have received or contact GSI.



Eastern Synod 2004 Assembly Motion and Response from GSI

At the Eastern Synod Assembly this past summer the following motion was carried. GSI thought the response may be of interest to members in other synods as well.

Eastern Synod Motion:

ES 04-26 M/S/C *that due to the rising cost of benefits, the Bishop of the Eastern Synod ask the National Church Council and ELCIC Group Services, Inc. to explore alternative means to reduce the cost of health and dental care plans for its members, such as merging our structure with another denomination's health structure (i.e. ACC or UCC), and to share that response with the pastors and congregations of synod.*

GSI Response to Motion:

Merging the ELCIC health and dental plan with that of the ACC and/or UCC is not a practical solution to reducing costs, and thereby premiums, for the reasons that follow:

1. The cost of premium is mainly due to the claims experience. Any of the existing groups would not be motivated to join another group that might have higher claims experience. Therefore it would be difficult, if not impossible, to make a merger a "win-win" situation.
2. The balance of the cost of the plan (and therefore premium) is for administration.
 - a) Insurance carrier administration: Last year GSI went to the insurance carrier market for quotations. One of the most important selection criteria was low administration expense. After that review, GSI is confident that we have fair and competitive rates.
 - b) ELCIC administration: The GSI office is run on a break-even basis with the principle of getting the most value for our money. The ELCIC does enjoy some economies by having a central office rather than possibly duplicating services across the Synods. However, there is a point when those savings level off, i.e., merging with a group the same size would mean doubling the administration support. Currently we have a good ratio of expenses to claims.
3. The plan designs of the ELCIC, ACC and UCC are currently significantly different. There would be a lot of time and effort (which means more costs incurred) to agree to and develop one plan. In participating in such a plan the ELCIC would not have complete control over the range and level of benefits offered.
4. When premiums reach a certain dollar level, most insurance carriers will insist that the underwriting arrangements be on an "Administration Service Only" (ASO) basis. This means that the insurance carrier will examine (accept/adjust/reject) the claims. GSI would pay the insurance carrier the amount of the claims plus an administration charge. If claims are greater than the premiums collected then GSI would have to pay the difference. As we are a not-for-profit organization we do not have, nor could establish, reserves to cover, in effect, a claims deficit. This would not be an appropriate arrangement for us. Therefore if we merge with another large organization we may not be able to obtain a desirable underwriting arrangement.

Costs of claims will continue to increase as governments continue to shift costs onto private health plans such as ours. Also, with drugs accounting for the large majority of our claims, the costs will increase as the price of drugs continues to climb with the discovery of improved medications or even new cures.

Costs of claims cannot be reduced; they can only be shifted to the user. In 2003 at the request of the membership to keep premium increases minimal, GSI undertook several steps of premium cost containment. Co-insurance and a generic drug plan were introduced; "over-the-counter" (OTC) medications were removed; and several other small items were scaled back. These changes have significantly affected some people's lives. GSI is concerned about this and we hope that further shifting will not be required. One of the main philosophies of the group insurance plan is to bear one another's burdens. Let's continue to look after each other.

www.elcicglsi.ca

Have you checked out our Website?

On this site you will find various information about the pension plan, the health and dental plan, group plan, health links as well as recent publications. We hope to periodically have information about investment results and other information affecting the plans.

Of particular interest to congregational treasurers is the "Treasurer" page. This includes information that your congregational treasurer needs to know about making sure all employees are enrolled in the plans, how to go about it, forms for remittances, etc.

While we love talking to you, please use the website if that is convenient for you or for after office hours answers.

Wishing You a Merry Christmas!



Investment News

by David MacIntosh, Investment Committee Chair, GSI Board



Investment results in the third quarter were impacted by a significant appreciation in the Canadian dollar, which translated into negative returns on the foreign equity component of our portfolios. This loss more than offset gains achieved by Canadian equities and bonds.

As a result, the Members' Accumulation Account (formerly called the Active Fund but with its name changed at the request of the Regulators) lost ground in Q3, so that at September 30 its rate of return for the year-to-date stood at 3.9%. This was still marginally ahead of the 3.8% return for the Benchmark portfolio.

Capital market results for October were more positive, with the Benchmark portfolio earning 0.9% for the month. As a result, we are hopeful that the interest rate to be credited to individual Member's accounts for 2004 will be at least 5%. However, that obviously will depend on what happens in the capital markets between now and the end of the year.

As indicated in the July Newsletter, the Retired Benefit Account (formerly called the Retiree Fund) has been diversified to include a \$5 million investment in the Great-West Life Mortgage pooled fund, and we are in the process of investing \$7 million in the Greystone Real Estate fund. Given the timing of these changes in investment policy, we expect that for this year the rate of return in the Retired Benefit Account should not be significantly different than that earned in the Members' Accumulation Account.

Health Screening Tools

FGI has made some additions to its **Members Only** website, including almost one dozen health screening questionnaires on issues ranging from "Are You at Risk for Heart Disease?" to "Measuring Your Stress Index" to "Assessing Your Lifestyle."

FGI's Health Screening Tools allow users to examine their eating habits, physical activity levels, stress factors and specific health issues and thus make informed choices to improve their overall health.

It's easy and informative. All a user has to do is access FGI's Members Only website at www.fgiworldmembers.com, enter their user name and password (see your benefits information boxlet), and click on WorkLife Plus, then on the Health Screening Tools icon. Members can then select any one of a number of assessments dealing with a variety of health-related issues. Best of all, members can complete these assessments at their convenience.

