



Municipal Advisory Corporation Inc.
La Corporation Consultative aux Municipalités Inc.

MINUTES
Board of Directors Meeting
VIA ZOOM
Sept 29th 2021 @ 8:30 am

Present: Chris Spear, President
Paul Lang, Vice-President
Brenda Cormier, Treasurer
Paul Lang, Director
Peter Michaud, Director
Suzanne Colombe, Director
Claudette MacLean, Director
Brenda L. Knight, Secretary

In Attendance:
Joel Drolet, President, Goguen Champlain Financial Services
Catherine LeBlanc, Goguen Champlain Financial Services

1. Call to Order and Welcome

Chris Spear, President called the meeting to order at 8:38 a.m. and welcomed everyone to the Zoom meeting.

2. Approval of Agenda

It was moved by Brenda Cormier and seconded by Paul Lang that the agenda for the 8:30 a.m., September 29, 2021 Board Meeting be approved as circulated.

Motion Carried.

3. Presentation of Assumption Life

Joel Drolet advised that there had been a lot of work completed by the Finance Committee to bring the MAC Board up to this date. He introduced Rachelle Gagnon, Vice-President of Assumption Life and Nathalie Cyr, Director, Group Administration to present their powerpoint to the MAC Board.

Highlights of the presentation included:



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- Service Standards: Claims Services (Health & Dental) electronic: 1 – 4 days to process; paper/fax/emails: within 5 working days for turn around times; Disability and Life Claims take longer to review but decisions are made within 10 working days; appeal process within 30 days
- Disability Management – Industry Trends: \$420M in mental illness claims – up 24% from 2019 - \$150M above what was projected; in general, claims have increased due to closures of Dr.'s offices; impact will continue to be felt in the coming months/years post COVID-19, fatigue claims and long haulers
- Trends: Few claims to Group Life due to COVID; claim volume for disability back to pre-pandemic levels; barriers – delays in medical consent; current volume active disability claims: 13 claims approved until age 65; 6 claims to close withing next 6 months; 4 claims to close within 6 – 12 months; 3 with poor prognosis and 3 other (one litigation file)
- Active Claims include diagnosis: mental and nervous disorders 45%, musculoskeletal 24%, other 3%.
- How mental health claims are adjudicated: 3 forms (employee, employer and attending physician), assigned case manager, telephone interview (employee, employer), specific medical information and decision/approval/denial/request for additional information; external providers may also be called in to assist in increasing claimant functionality and providing a multi-disciplinary approach
- *Chris Spear queried if Assumption Life could provide training/information session for municipal administrators dealing with sick days vs Short Term Disability as well there are more incidents with Long Term Disability. Joel Drolet advised that this could be part of an Education Day training in February/March 2022.*
- Assumption Life Commitments:
 - Dedicated Case Managers
 - Monthly regular update of each case to Employer by Case Manager
 - All files dealing with mental health will be referred for special assessment (Medica) for Short Term and Long Term Disability (2 step: evaluation or access to psychiatrist
 - Comprehensive quarterly internal review of all active claims for the MAC by Manager and Director of Group Administration
 - Any disability management issues or concerns to be brought to Director; any complaints or issues contact Assumption Life immediately
- New Products/Features:
 - New platform for Health and Dental Claims featuring web-based



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services, coverage and balances; electronic health card (e-card), photoclaims, e-transfers

- In future consideration for cost-savings: biosimilars, postscripts and value health; new products: telemedicine, CI, dependent CI and optional CI
- *Chris Spear queried if telemedicine would be able to order x-rays, blood tests. Assumption Life will double check and inform the MAC Board of its findings.*

4. Presentation of Homewood Health

Eric Boucher presented the MAC Board a review of Homewood Health EFAP utilization from February 2021 to July 2021. Highlights of the presentation included:

- YTD Service Utilization: 6.04%; total new cases: 60 (counselling services: 49; Life Smart Coaching: 10; Online Services: 1)
- Employees Covered: 994; Active cases in Period: 72
- Utilization by Municipality – highest: Quispamsis: 28.3%; Bathurst: 9.8%
- Gender: Female: 69.5%; Male: 30.5%; Relationship: Dependent: 20.3%; Employee: 66.1%; Spouse: 13/6%
- Service Type: Counselling: 83.1%; Life Smart Services: 16.9%
- Highest Counselling Services by Category: Psychological: 57.1%; Marital/Relationship: 20.4%; Family: 12.2%
- Legal Advisory Services: Family/Divorce/Custody: 20.0%; Administrative Law 10.0%; Civil Litigation: 10.0%; Wills and Estates: 10.0%
- Conclusion:
 - Utilization on track to be better than 2020
 - Counseling utilization percentage almost same as 2020
 - Online CBT utilization a bit lower than 2020
 - Decrease of psychological counselling for anxiety and stress
 - Increase of psychological counselling for depression and anger
 - Higher utilization of Life Smart Services than last year
- Other: New Website coming soon – users will be able to book appointments

5. Renewal

- Impacts of Covid :
 - Increase in Life claims across Canada
 - Increase in LTD claims across the industry
 - Resulting in increase in rates



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- Healthcare – increase in the paramedical usage
 - We have not yet seen an impact on drugs, however this could creep up in the coming years with more people having long term effects from COVID
- Dental care – claims are trending up very quickly, and pricing has increased by an average of 18%, which results in an increase in paid claims
- Group Size/Municipalities
 - 2021 - 36 groups with 10 lives or less out of a total of 59 groups (61%)
 - 2020 - 33 groups with 10 lives or less out of a total of 58 groups (57%)
- Group Size/Employees
 - 2021 - 36 groups with 10 lives or less out of a total of 59 groups (61%)
 - 2020 - 33 groups with 10 lives or less out of a total of 58 groups (57%)
- Experience/Renewal
- Overall Renewal
 - Less than 1%
 - Overall changes 2021: 0.22%
 - Overall changes 2022: 0.81%
- Life Insurance Experience:
 - Jan 2020 – December 2020 Loss Ratio: 52%
 - Jan 2021 – December 2021 Loss Ratio: 75%
 - No change to demographics
- Accidental Death & Dismemberment
 - No change in rates
- Critical Illness
 - Increase of 3.0% in 2022
- Dependent Life
 - Decrease of 6.26%
- Short Term Disability
 - Increase of 3.35%
- Long Term Disability
 - Increase 10.04%
- Health Insurance Renewal
 - Target Loss Ratio according to group size
 - Credibility formula applicable to Health Benefit
 - Experience based on 18 months
 - Maximum increase of 15%
 - Maximum decrease of -5%
 - Summary of action for the 59 divisions who have Health coverage
 - 1 division will decrease by 10%
 - 21 divisions will decrease by 5%



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- 23 divisions will have no change
 - 7 divisions will increase by 5%
 - 5 divisions will increase by 8%
 - 2 divisions will increase by 15%
- **Health Insurance Renewal Action Analysis (5 years)**Dental Insurance:
- Summary of action for the 59 divisions who have Dental coverage
 - 1 division will decrease by 10%
 - 27 divisions will decrease by 5%
 - 11 divisions will remain unchanged
 - 1 division will increase by 2.5%
 - 4 divisions will increase by 3%
 - 3 divisions will increase by 5%
 - 3 divisions will increase by 8%
 - 4 divisions will increase by 10%
 - 5 divisions will increase by 15%
- **Overall Renewal**

Overall Renewal Action (per benefit)	2018	2019	2020	2021	2022
Life	0.98%	-9.33%	-3.26%	5.95%	-7.27%
AD & D	0.00%	0.00%	0.00%	0.00%	-0.84%
CI	1.16%	-0.12%	3.93%	0.00%	3.00%
Dependent Life	0.73%	-8.54%	-6.61%	7.21%	-6.26%
STD	-12.10%	-23.46%	-16.86%	-14.24%	3.35%
LTD	1.03%	-2.94%	-2.35%	5.33%	10.04%
Health	4.64%	-1.92%	-6.83%	-1.47%	-1.00%
Dental	1.30%	1.51%	-1.74%	-3.23%	-1.56%
Overall (all benefits)	2.40%	-2.77%	-4.64%	0.22%	0.81%



➤ **Overall Summary**

Summary	# Divisions	# Divisions	# Divisions
	2020	2021	2022
➤ 0% or less	49	21	22
➤ 0% to 5% increase	4	34	31
➤ 5% to 12% increase	1	3	6
➤ 12% increase +	-	-	-
• Increase 12.01%+	-	-	-
• Increase 9.01% to 12%	-	-	-
• Increase 7.01% to 9%	-	1	3
• Increase 5.01% to 7%	1	2	3
▪ Increase 2.01% to 5%	2	13	14
• Increase 0.01% to 2%	2	22	17
• Decrease 0.00% to -2%	8	17	16
• Decrease -2.01% to -3%	8	3	2
• Decrease -3.01% to -7%	21	-	4
• Decrease -7.01 to -18%	12	-	-

➤ **Estimated 2021 Retention Program**

Premium	2,716,511
Pooling Charges	118,908
Travel	52,632
Retention Premiums	2,544,971



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Claims	1,987,478
Retention Charge	388,695
Interest Charge	333
Surplus/Deficit	169,131

- **Premium Holiday**
 - Premium Holiday applied on January 2021 billing
 - Total amount: \$177,640.04
- **Investment of Surplus**
 - **Invested at 1.45% in 2021**
 - **Stabilization Fund: 0.25%**

Renewal Motion

It was **Moved** by Suzanne Coulombe, **Seconded** by Peter Michaud, **That** the 2022 Renewal Report be accepted as presented by Goguen Financial. **Motion Carried**

6. Adjournment

There being no further business, on motion by Claudette MacLean that the meeting adjourned at 12:04 a.m.

Respectfully submitted,

Brenda L. Knight
Secretary
MUNICIPAL ADVISORY CORPORATION INC.