

# Financial Accounting Report

## Government of Yukon

18 SEPTEMBER 2019

For the period of April 1, 2018 to March 31, 2019

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# 1

## Executive Summary

The purpose of this report is to summarize the financial results of the Government of Yukon's group insurance plan with Great-West Life for the period of April 1, 2018 to March 31, 2019 and provide comments based on our review of these results.

The following table summarizes the benefits covered in this report and the corresponding underwriting arrangement.

Benefit	Underwriting Arrangement
Basic life	Non-Refund
Accidental death and dismemberment ("AD&D")	Non-Refund
Optional life	Non-Refund
Dependent life	Non-Refund
Dependent accidental death and dismemberment	Non-Refund
Long term disability	Refund accounting with durational pooling
Extended health care	Administrative Services Only
Dental care	Administrative Services Only

### Highlights

The highlights of the 12-month period of April 1, 2018 to March 31, 2019 include the following:

- There were three basic life claims paid totalling \$301,000, one AD&D claim totalling \$250,000 and one dependent life/AD&D claim totalling \$5,000. There were no optional life claims incurred in this period.
- The refund long term disability benefit plan resulted in a plan year surplus of \$2,943,631. This was first used to fully fund the claims fluctuation reserve and the balance was transferred to the Refund Deposit Account ("RDA").
- As at March 31, 2019, the closing balance in the refund Claims Fluctuation Reserve ("CFR") is \$1,414,364 and it is 100% funded.
- As at March 31, 2019 the RDA had a balance of \$5,531,294.

- Extended health claims (net of pooled claims), plus expenses and taxes totalled \$10,414,912 and the Government of Yukon paid \$11,537,888 in extended health deposits for the period of April 1, 2018 to March 31, 2019. As a result, the ending balance as at March 31, 2019 was a surplus of \$1,122,976. For your information, \$812,025 of extended health claims were pooled (after adjusting for prior year's pooled claims) during this period.
- Dental claims, expenses and taxes totalled \$4,254,083 and the Government of Yukon paid \$4,363,941 in dental care deposits. As a result, the ending balance as at March 31, 2019 was a surplus of \$109,858.

### Balance of Report

No formal financial accounting is prepared for the benefits underwritten on a non-refund basis. However, for your information, we have included paid premium and claims information for these benefits in Section 2.

Section 3 of this report summarizes the financial results of the long term disability ("LTD") benefit, which is underwritten on a refund accounting basis. Great-West Life prepared a formal financial accounting covering the period of April 1, 2018 to March 31, 2019 based on the terms outlined in the Government of Yukon's Financial Agreement with Great-West Life. Based on our review, we found that Great-West Life's financial accounting report accurately reflects the financial position of the long term disability plan as at March 31, 2019 with the exception of the paid premium, which was understated by approximately \$240. Great-West Life confirmed that a premium credit will be reflected on the 2019/2020 financial accounting.

For the Administrative Services Only ("ASO") benefits, we completed a financial reconciliation of the extended health and dental plans for the period of April 1, 2018 to March 31, 2019. This reconciliation is provided in Section 4 along with a summary of the Government of Yukon's claiming trends over the last 10 plan years.

Appendix A includes a listing of the *Basic Life Waiver of Premium* claimants as at March 31, 2019. Appendix B includes *Detailed Long Term Disability Claimant Listing* showing the experience-rated disabled life reserves established by Great-West Life at March 31, 2019.

### Next Steps

We will meet with the Government of Yukon on September 24, 2019 to discuss the results of this financial report in detail.

***Please note that our assessments provided are based solely on costs. Mercer does not guarantee or make representations in regard to, and expressly disclaims responsibility for, the financial condition of underwriters whose bids it analyzes or with which it arranges clients' insurance.***

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# 2

## Non-Refund Benefits

The basic life, accidental death and dismemberment (“AD&D”), optional life, Global Medical Assistance (“GMA”), dependent life and dependent AD&D benefits are underwritten on a non-refund basis. A non-refund arrangement is fully insured and there is no formal accounting of premium and claims. The insurer assumes the full risk that actual claims may exceed premium. On the other hand, no refunds are generated if premium exceeds claims.

Although Great-West Life does not prepare a formal financial reconciliation of the non-refund benefits, the following table summarizes paid premium and claims experience reported by Great-West Life for the period of April 1, 2018 to March 31, 2019:

Insured Benefit	Premium*	Claims*
Basic life <sup>1</sup>	\$582,076	\$301,000
Accidental death and dismemberment	\$49,787	\$250,000
Optional life	\$146,396	\$0
Dependent life and accidental death and dismemberment <sup>2</sup>	\$14,607	\$5,000
Global Medical Assistance (GMA)	\$36,477	\$10,212
<b>Total</b>	<b>\$829,343</b>	<b>\$566,212</b>

\*Rounding applies.

<sup>1</sup> Includes premium and claims paid for the post-retirement life benefit

<sup>2</sup> Great-West Life reports dependent life and AD&D premium together

Great-West Life reported three basic life claims totalling \$301,000 for two employees and one retiree for the 12-month period ending March 31, 2019. They also reported one AD&D claim totalling \$250,000. There was one claim for dependent life / AD&D in the amount of \$5,000 and GMA claims totalling \$10,212 paid in the same period. There were no optional life claims during the period.

Appendix A provides a detailed listing of open basic life waiver of premium claims with Great-West Life as of March 31, 2019. As of this date, there were 21 approved claims. The waiver of premium reserves established for these claims totalled \$707,083 as at March 31, 2019. The basic life benefit transitioned to Great-West Life from Sun Life effective November 1, 2013. Claimants disabled prior to this date remain the liability of Sun Life until the claimant terminates or returns to work. As such, they are not included on Great-West Life’s waiver of premium listing. In addition, there are fewer life waiver of premium claims than there are open long term disability claims given that Division 1 (YEU) does not have basic life coverage under this plan.

# 3

## Long Term Disability Benefit

### Underwriting Arrangement

The LTD benefit is underwritten on a refund accounting basis. As noted with basic life coverage, effective November 1, 2013, the long term disability benefit transitioned to Great-West Life from Sun Life. Any claimants disabled before November 1, 2013 remain the liability of Sun Life after plan termination. This financial accounting report addresses the financial results and claimants with Great-West Life only.

Under a refund arrangement, a formal financial accounting is completed at plan year-end and the Government of Yukon shares in the financial results with Great-West Life. Premiums are compared to plan costs, which include incurred claims, disabled life reserves (“DLR”) and expenses. If premiums are less than plan costs, a deficit is declared and is carried forward to be offset by future surpluses. If premiums exceed plan costs, a surplus is declared and is used to offset any deficit carried forward, fund any required reserves, such as the claims fluctuation reserve (“CFR”), or is available for refund to the plan sponsor. If the plan terminates, the insurer remains liable for claims incurred prior to the termination date and also remains responsible for any deficit that has been carried forward (i.e., the insurer will not attempt to recover any deficit from the plan sponsor after the plan termination date). However, any surplus that exists when the final accounting is completed is refunded to the plan sponsor.

Under the refund pooling agreement with Great-West Life, a five-year durational pooling arrangement applies to claimants with a date of disability on or after November 1, 2013. The durational pooling arrangement limits the Government of Yukon’s risk by limiting the period of time (five years in this case) that incurred claims (paid claims and reserves) are included in the annual financial accounting. Once the five-year time period has passed, the claim is fully pooled and is not included in the Government of Yukon’s financial accounting. As a result, the financial accounting for the current period includes claims incurred November 1, 2013 to March 31, 2019. As at March 31, 2019 no open LTD claim has yet to reach the five-year benefit duration; as such since the plan moved to Great-West Life, no claims have been pooled yet. We expect to see pooled claims in the next financial period of April 1, 2019 to March 31, 2020.

### **Financial Review Methodology**

We reviewed Great-West Life's financial report for the period of April 1, 2018 to March 31, 2019 to validate the following:

- Opening balance of reserves and deposit funds;
- Total premium paid compared to the monthly payment information provided by the Government of Yukon;
- Expenses charged against the plan are calculated according to the Financial Agreement;
- Reserves for incurred but not reported claims, as well as reserves for current disabled employees, are calculated according to the Financial Agreement; and
- Interest rates used and interest calculated are in accordance with the Financial Agreement.

We reviewed Great-West Life's financial report based on the terms outlined in the Government of Yukon's current Financial Agreement with Great-West Life. In our review, we found Great-West Life's financial accounting report accurately reflects the financial position of the long term disability plan as at March 31, 2019 with the exception of the paid premium. We found a discrepancy in the paid premium amount reported by Great-West Life being understated by approximately \$240. Great-West Life confirmed that a premium credit will be applied in the 2019/2020 financial accounting.

## Financial Results

For the period of April 1, 2018 to March 31, 2019, there was an in-year surplus of \$2,943,631. Part of this surplus in the amount of \$76,262 has been transferred to fully fund the CFR, which is intended to cover volatility in future claims. The remaining surplus in the amount of \$2,867,369 has been transferred to the RDA. The in-year ending balance after the transfer is \$0. The table below outlines the financial results of the long term disability benefit for the period April 1, 2018 to March 31, 2019:

Long Term Disability Benefit - Financial Results for the period of April 1, 2018 to March 31, 2019*			
A.	Premium		
	• Total billed premium**	\$10,582,893	
	• Pooling charge	\$4,857,548	
	• Refund billed premium		\$5,725,345
B.	Claims		
	• Paid claims	\$3,427,862	
	• Pooled claims	\$0	
	• Experience-rated claims		\$3,427,862
C.	Experience-rated Incurred But Not Reported (IBNR) reserve		
	• Beginning reserves	\$1,888,804	
	• Ending reserves	\$2,046,161	
	• Change in IBNR reserve		\$157,358
D.	Experience-rated Disabled Life Reserves (DLR)		
	• Beginning reserves	\$7,409,244	
	• Ending reserves	\$6,306,080	
	• Change in DLR		(\$1,103,164)
E.	Total experience-rated claims charge (B + C + D)		\$2,482,056
F.	Expenses		\$434,760
G.	Interest		
	• Interest on reserves		\$116,359
	• Interest on cash flow		\$18,742
	• Net interest		\$135,102
H.	Plan year surplus/(deficit) (A – E – F + G)		\$2,943,631

Long Term Disability Benefit - Financial Results for the period of April 1, 2018 to March 31, 2019*			
I.	Closing balance		
	• Plan-year surplus (H)	\$2,943,631	
	• Transfer to Claims Fluctuation Reserve	(\$76,262)	
	• Transfer to Refund Deposit Account	(\$2,867,369)	
	• Closing balance at March 31, 2019		\$0
J.	Claims Fluctuation Reserve (CFR)		
	• Beginning balance at April 1, 2018	\$1,326,824	
	• Transfer to RDA	\$0	
	• Interest	\$11,278	
	• Transfer In	\$76,262	
	• Closing Balance at March 31, 2019		\$1,414,364
K.	Refund Deposit Account (RDA)		
	• Beginning balance at April 1, 2018	\$3,506,450	
	• Monthly RDA Withdrawals	(\$847,235)	
	• Interest	\$4,711	
	• Transfer from CFR	\$0	
	• Transfer from plan year surplus	\$2,867,369	
	• Closing balance at March 31, 2019		\$5,531,294

\*Rounding applies.

\*\* As reported by Great-West Life in the 2019/2020 financial accounting

## A. Premium

Great-West Life reported \$10,582,893 in total paid premium during the financial period of April 1, 2018 to March 31, 2019. This premium includes the portion of the premium withdrawn from the refund deposit account (RDA). At the April 1, 2018 renewal, the Government of Yukon reduced the negotiated long term disability premium rate of \$4.085 per \$100 of benefit by 8.0% to \$3.758 per \$100 of benefit. The lower premium rate was used to calculate the monthly premium to pay Great-West Life each month and funds from the RDA were transferred to pay the total monthly premium owing (based on the negotiated premium rate). During the 2018/2019 plan year, \$847,235 was transferred from the RDA to pay premium.

The total premium amount includes pooling charges of \$4,857,548 or 45.9% of total premium. In exchange for this pooling charge, Great-West Life pools long term disability claims that exceed 60 monthly payments or five years in duration.

The refund billed premium, which equals the total premium net of pooling charges, was \$5,725,345 for the 12-month financial period.

As noted previously, our review noted that the paid premium amount reported by Great-West Life was understated by approximately \$240. Great-West Life confirmed that a premium credit in this amount will be applied to the 2019/2020 financial accounting.

## **B. Claims**

Paid claims totalled \$3,427,862 during the period of April 1, 2018 to March 31, 2019 for 130 claimants (including those with negative adjustments). This compares to \$3,583,329 paid in the 2017/2018 financial year for 120 claimants (including those with negative adjustments). Under the current durational pooling arrangement, disability claims incurred over five years ago would be pooled by Great-West Life and not charged against the plan's experience. No claims were pooled in the current financial period. As such, the total amount of \$3,427,862 was included in the financial accounting as experience-rated claims.

A detailed listing of paid claims during the period of April 1, 2018 to March, 31, 2019 is provided in Appendix B.

## **C. Incurred But Not Reported (IBNR) Claim Reserve**

An incurred but not reported ("IBNR") claim reserve is established by Great-West Life to account for claims that have been incurred but not yet submitted. Great-West Life's required experience-rated IBNR level is calculated as the refund billed premium for the last month of the policy year, annualized, multiplied by a factor. As defined in the Financial Agreement, this IBNR factor is calculated to be approximately 0.33, based on the elimination period under the plan. A 5.0% expense factor is also applied to the reserve to account for Great-West Life's expenses to adjudicate these claims after termination.

The experience-rated IBNR reserve was \$1,888,804 at the beginning of the current financial year and was \$2,046,161 as at March 31, 2019. The change in IBNR reserve included in the financial accounting is therefore an increase of \$157,358 over the 12-month period. Note, there is a small differential less than a dollar due to rounding.

## **D. Disabled Life Reserves (DLR)**

Disabled Life Reserves are established by Great-West Life to cover expected future benefit payments to long term disability claimants in the event of plan termination. The reserves are calculated using actuarial assumptions and the demographics of specific claimants. Great-West Life will use the reserve to make benefits payments for claims incurred before the plan termination date until the claimant recovers or reaches the termination age. A 5.0% expense factor is also applied to the reserve to account for Great-West Life's expenses to adjudicate these claims after termination.

Overall, Great-West Life is holding DLR as at March 31, 2019 totalling \$23,000,476. For the purpose of the refund financial accounting, only the experience-rated DLR is taken into consideration. The experience-rated DLR represents reserves for the remainder of each claimant's

first five years of payments (with an actuarial factor for potential recovery from disability and death during that period). The remainder of the DLR is the pooled reserves which Great-West Life is holding to potentially pay claims until the claimant reaches age 65.

The experience-rated DLR was \$6,306,080 as of March 31, 2019 for 77 claimants. The beginning DLR at April 1, 2018 was \$7,409,244 for 87 claimants. The change in DLR over the 12-month period is a decrease of \$1,103,164.

A listing of the experience-rated DLRs as at March 31, 2019 is provided in Appendix B.

#### **E. Total Experience-Rated Claims Charge**

Paid claims, plus the changes in the experience-rated IBNR reserves and experience-rated DLR represent the total experience-rated claims charge assessed by Great-West Life. For the period of April 1, 2018 to March 31, 2019, the total experience-rated claims charge was \$2,482,056.

#### **F. Expenses**

Great-West Life's expense charges for administering the long term disability benefit are negotiated on an annual basis. As negotiated in the 2018 renewal for the period of April 1, 2018 to March 31, 2019 the expenses are as follows:

Expense	Formula	Amount*
General administration	• 0.45% of refund billed premium	\$25,764
Claims administration	• \$1,200 per new claim	\$62,400
	• \$650 per declined claim	\$55,000
	• \$550 per ongoing claim	\$12,350
Profit	• 0.40% of refund billed premium <sup>1</sup>	\$22,901
Risk	• 0.80% of refund billed premium <sup>2</sup>	\$45,803
Premium tax	• Varies by province <sup>3</sup>	\$56,330
Rehabilitation and other costs	• Medical Vouchers	\$3,064
	• Surveillance	\$1,519
	• Travel	\$27
	• Internal Rehabilitation	\$34,758
	• External Rehabilitation	\$83,463
	• Internal Medical Coordination	\$2,541
	• External Medical Coordination	\$8,959
	• Independent Medical Exams	\$11,880
	• Functional Capacity Evaluation	\$5,317
	• CPP Appeals	\$2,685
<b>Total</b>		<b>\$434,761</b>

\*Rounding applies.

<sup>1</sup> Profit charge is based on level of CFR funding at the beginning of the plan year; range for 2018/2019 plan year is 0.4% to 0.7% of refund billed premium

<sup>2</sup> Risk charge is based on level of CFR funding at the beginning of the plan year; range for 2018/2019 plan year is 0.8% to 2.65% of refund billed premium

<sup>3</sup> For the period of April 1, 2018 to March 31, 2019, the estimated average premium tax is approximately 2.0250%.

In the period of April 1, 2018 to March 31, 2019, Great-West Life charged \$434,761 in expenses against the plan. This is a decrease of approximately \$225,000 compared to the April 1, 2017 to March 31, 2018 plan year. This decrease is primarily due to a reduction in the internal and external rehabilitation expenses and medical coordination; however, last year these charges had doubled (compared to the prior year) due to the increase in claimants and number of conditions that required rehabilitation.

## G. Interest

### Interest on Reserves

Great-West Life credits interest on the experience-rated long term disability claims reserves at the beginning of the financial period. The IBNR reserve at April 1, 2018 was \$1,888,804 and interest earned was \$25,744 based on a rate of 1.363%. The DLR was at \$7,409,244 at April 1, 2018 and

the interest earned was \$90,615 based on a rate of 1.223%. Total interest paid on reserves was \$116,359.

The interest rate applicable to the IBNR reserves is the average monthly declared valuation rate for the prior financial year. The valuation rate is determined based on the average asset yield that can be earned on the portfolio of fixed income assets backing the liabilities of the disability claims. The interest rate applicable to IBNR reserves is declared to be 1.613% for the next financial year (i.e., April 1, 2019 to March 31, 2020).

The interest rate applicable to the DLR is the average reserve weighted valuation rate (ARWVR) as defined in the Agreement. This rate is declared to be 1.352% for the next financial year.

### Interest on Cash Flow

Great-West Life credits interest on premium and charges interest on claims, expenses and premium taxes.

The interest rate applicable to the premiums is the average monthly declared valuation rate for the current financial year. For the current financial period of April 1, 2018 to March 31, 2019, the applicable interest rate on premiums is declared to be 1.613%.

The interest rate applicable to the claims and retention charges is the average reserve weighted valuation rate (ARWVR) as defined in the Agreement. The applicable interest rate on retention charges for the current financial period of April 1, 2018 to March 31, 2019 is 1.223%.

Interest was credited and charged as follows:

Cash Flow	Interest Credit / (Charge)*
Premium	\$43,094
Claims	(\$21,693)
Retention (including premium taxes)	(\$2,659)
<b>Total</b>	<b>\$18,742</b>

\*Rounding applies.

### Net Interest

Net interest is the sum of interest on reserves (i.e., \$116,359) and on cash flow (i.e., interest credit of \$18,742). The net interest for the period is a credit of \$135,102.

### H. Plan Year Balance

The plan year balance is the result of the refund billed premium and net interest credited less total experience-rated claims charges and expenses. The balance for the period is a surplus of \$2,943,631.

A contributing factor to the in-year surplus was the decrease in the DLR between the last financial period and this period. In addition, the negotiated LTD premium rate at the April 1, 2018 renewal

increased by 5.7%. The higher paid premium combined with the decrease in the DLR (approximately \$1.1 million) is flowing through the experience and contributing to the surplus.

### **I. Closing Balance**

After the \$2,943,631 plan year surplus was used to fully fund the CFR and the balance transferred to the refund deposit account and top up the CFR, the closing balance as at March 31, 2019 is \$0.

### **J. Claims Fluctuation Reserve (CFR)**

The CFR is funded by plan year surpluses over time and the target CFR level is 25% of annual refund billed premium. Using the refund billed premium for the period of April 1, 2018 to March 31, 2019 and adjusting for interest earned on the opening balance, the target CFR level is \$1,414,364. At the beginning of the period, the CFR had a balance of \$1,326,824.

Great-West Life credited interest of \$11,278 on the opening CFR balance, using the one-year standard rate of 0.850%. The target one-year rate is the average one-year GIC rates from the five major banks, less a provision for Great-West Life's tax obligations.

To fully fund the CFR, a transfer was made in the amount of \$76,262 from the in-year surplus. The closing balance of the CFR as at March 31, 2019 is \$1,414,364. Therefore, the CFR is 100% funded at the end of the financial period.

### **K. Refund Deposit Account (RDA)**

Once the CFR is 100% funded, any remaining surplus is transferred into the RDA. At the beginning of the period, the RDA had a balance of \$3,506,450. Great-West Life paid \$4,711 in interest on this amount. At the April 1, 2018 renewal, the Government of Yukon elected to suppress the negotiated premium rate by 8% and the balance of the premium owing each month was withdrawn from the funds in the RDA. The total withdrawals during the year were \$847,235. In addition, the current in-year surplus of \$2,867,369 (after funding the CFR) was transferred into the RDA. The closing balance of the RDA as at March 31, 2019 is \$5,531,294. Note, there is a small differential less than a dollar due to rounding.

As part of the April 1, 2019 renewal, Great-West Life estimated that the LTD refund plan for 2018/2019 financial period was going to generate a significant plan year surplus, which this financial reconciliation confirmed. Given the amount of funds expected to be in the RDA at the April 1, 2019 renewal, the Joint Management Committee (JMC) made a decision to continue to suppress the negotiated LTD premium rate by approximately 8% (from \$3.758 per \$100 of benefit to \$3.457 per \$100 of benefit) and use the lower LTD rate to pay Great-West Life. The remaining portion of the premium owing, expected to be approximately \$768,000 over the year, will be withdrawn from the RDA each month. As such, the balance of the RDA as at March 31, 2020 is expected to be \$4,763,000 (before interest)

Great-West Life credits interest on the RDA based on the balance at the beginning of the year. The interest rate applicable to the RDA is the short term interest rate as defined in the Agreement. This rate is declared to be 0.25% for the next financial year. Given the significant balance of the RDA, we

have requested that Great-West Life apply a higher interest rate. We have not yet received their reply but will advise you when we have their final position on this matter.

### **Options for Utilization of the RDA**

There are a number of options for the Government of Yukon to consider to utilize the funds in the RDA including maintain a balance, make a withdrawal, take a premium holiday, supplement reduced monthly premium payments or a combination of these. The Government of Yukon usually considers how to use the RDA funds as part of the April 1 annual renewal, most recently at the April 1, 2019 renewal.

#### **Maintain Balance**

The financial results for the current 2019/2020 plan year is unknown at this time. If the year ends in a deficit, Great-West Life will use fund in the CFR to pay the deficit. If funds in the CFR are not sufficient to fully re-pay a deficit, Great-West Life charges interest on the remaining deficit. The Government of Yukon can transfer funds in the RDA to pay a remaining deficit.

As noted above, Great-West Life has lower profit and risk charges when the CFR is fully funded and if CFR funds are used to pay a deficit, the Government of Yukon can transfer funds in the RDA to fully fund the CFR.

#### **Withdrawal**

As per the financial agreement, the funds in the RDA are available to the Government of Yukon for withdrawal. If you withdraw funds, you should consider that a portion of the RDA includes employee contributions. You may want to consider using contributions to fund special projects that employees would benefit from such as mental health training or well-being etc. In our experience, plan sponsors rarely refund surplus to employees given the communication and other challenges.

We also note that there may be potential implications when funds are withdrawn. This is because employers typically receive tax deductions/credits for paying employee benefit premium. If an adjustment is not made when funds are transferred in to an RDA, the necessary adjustments need to be made when funds are withdrawn from the RDA and not used to pay premium. We suggest that you discuss the impact of any refund withdrawals with your tax advisor and/or finance department.

#### **Premium Holiday**

The funds in the RDA (after monthly withdrawals in 2019/2020 are accounted for; approximately \$4,763,000) represent approximate 5.9 months of premium for the long term disability benefit, based on benefit volumes and negotiated premium rate at the April 1, 2019 renewal. If a premium holiday were implemented for five months, this would utilize approximately \$4,000,000 of the funds in the refund deposit account. If the Government of Yukon is considering this option for the 2020/2021 plan year, we can update the values based on the outcome of the April 1, 2020 renewal.

Administratively, the Government of Yukon would need to determine the volume of long term disability coverage during the months when the premium holiday is taken, and instruct Great-West Life to withdraw the applicable premium (both the employer and employee portions) from the refund

deposit account. The Government of Yukon would also need to communicate to employees and adjust payroll to stop their contributions during the holiday period.

### **Supplement Reduced Monthly Premium Payments**

The Government of Yukon could continue to suppress the negotiated LTD premium rate at the next renewal, April 1, 2020, which is what the Government of Yukon elected to do for the last three years. Administratively, the suppressed rate would be used to calculate the employer and employee portions of the premium each month and would be paid to Great-West Life. The difference between this rate and the negotiated rate would be used to calculate the amount that Great-West Life should withdraw from the refund deposit account each month to supplement the premium payment.

Alternatively, we can discuss with Great-West Life if they would agree to a retrospective rate agreement where the difference between the negotiated rate and the suppressed rate is paid at the end of the year when the financial position is known.

# 4

## Administrative Services Only Benefits

The extended health care (“EHC”) and dental care benefits are underwritten on an Administrative Services Only (“ASO”) basis. This is a non-insured arrangement where the Government of Yukon assumes full financial liability for eligible claims incurred under the extended health care and dental care plans (up to the stop-loss pooling level for extended health) and pays a fee to Great-West Life to provide claim adjudication and payment services. The expense charges for these services are reviewed each year at the annual renewal.

### Extended Health Care Financial Results

The following table provides a detailed summary of the activity of the extended health care ASO plan for the April 1, 2018 to March 31, 2019 period:

Extended Health Care – April 1, 2018 to March 31, 2019*	
Paid deposits	\$11,537,888
Paid claims net of pooled claims	(\$9,194,987)
Great-West Life expenses	
General administration	(\$54,250)
Claims administration	(\$316,258)
Profit charge	(\$42,297)
Pooling charge	(\$801,668)
Miscellaneous Expenses**	\$2,890
Total expenses	(\$1,211,583)
Tax	(\$8,343)
Total disbursements (Paid claims + Expenses + Tax)	(\$10,414,912)
<b>Balance over the April 1, 2018 to March 31, 2019 Period</b>	<b>\$1,122,976</b>

\*Rounding applies.

\*\* Miscellaneous expenses reflect cost of mailing pay direct drug cards directly to plan members at home. 2018/2019 expenses reflect a credit of \$5,878 due to an error in the August 2018 ASO billing.

During the 12-month period ending March 31, 2019, deposits paid by the Government of Yukon for the extended health care benefit totalled \$11,537,888 while disbursements for claims (net of pooled claims), Great-West Life expenses and tax totalled \$10,414,912. The ending balance as at March 31, 2019 is a surplus of \$1,122,976.

For your information, \$767,250 of health claims were pooled during the same period. The majority of the pooled claims were for prescription drugs (\$589,475) followed by emergency out of country (\$176,803).

### Great-West Life Expenses

The following table summarizes the extended health pooling charge and other ASO expense charges for the period of April 1, 2018 to March 31, 2019.

EHC Expense	April 1, 2018 to March 31, 2019
General administration	0.59% of paid claims net of pooled claims
Claims handling (Healthcare and vision)	3.50% of paid claims net of pooled claims
Claims handling (Drugs)	3.40% of paid claims net of pooled claims
Profit	0.46% of paid claims net of pooled claims
Pooling charge	9.45% of paid claims net of pooled claims and excluding vision claims

### Pooling Charge

During the period of April 1, 2018 to March 31, 2019, the extended health care plan had a pooling arrangement where extended health claims (including prescription drugs and out-of-country medical claims, but excluding vision) greater than \$50,000 per person per year are pooled and not charged against the plan. In exchange of the pooling protection, Great-West Life charges a fee as a percentage of the paid claims. The specific pooling charge for the financial period under review is detailed in the table above.

As mentioned earlier, \$767,250 of claims were pooled by Great-West Life during the financial period and not charged against the ASO plan. When adjustments for the prior period are excluded (\$44,775), we note that in the 2018/2019 plan year there was \$812,025 in pooled claims for 15 individuals who had health claims greater than \$50,000. This compares to \$618,231 in pooled claims for 15 individuals during the last financial period of April 1, 2017 to March 31, 2018. We note that in the current period approximately 39% of the pooled claims are for retirees, (37% after adjustments for the previous period) and retirees make up 24% of plan members (active and retirees combined).

### Tax

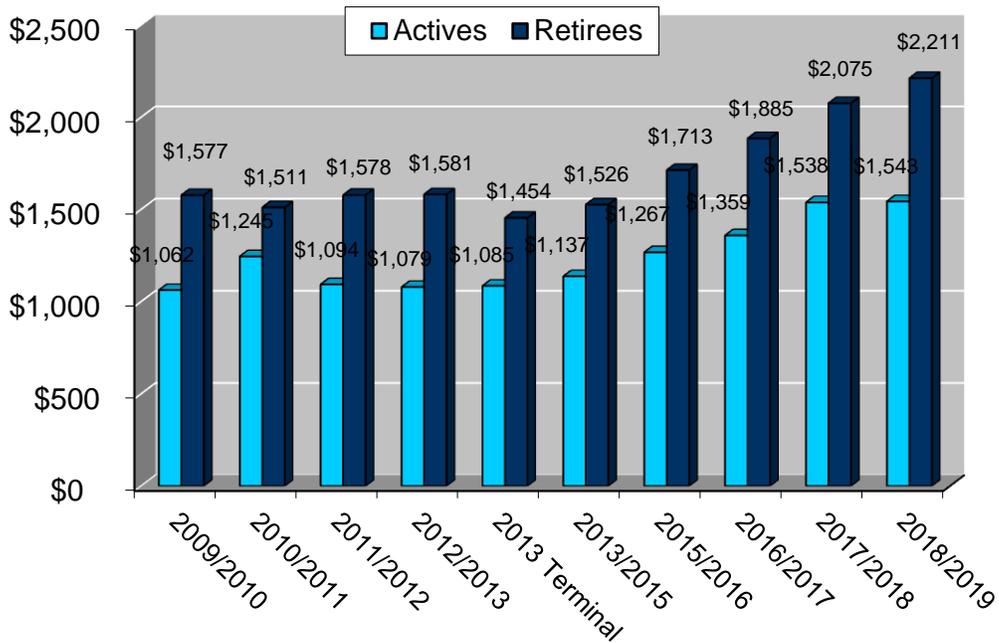
The following table outlines the premium tax and sales tax applicable to self-insured extended health plans in the provinces of Newfoundland, Ontario and Quebec. Self-insured extended health

plans in other provinces are not subject to these taxes. These taxes are only applied to claims incurred by the residents of these provinces.

Province	Premium Tax	Sales Tax
Newfoundland	5.0%	N/A
Ontario	2.0%	8.0%
Quebec	3.48%	9.0%

**Trend**

During the 12-month period from April 1, 2018 to March 31, 2019, average extended health claims per retiree increased by approximately 7% to \$2,211 from \$2,075 in the previous financial period. while the average extended health claims per active employee stayed relatively flat at \$1,543 (compared to \$1,538 in the previous period). The chart below summarizes the claiming trend over the past 10 financial periods, for both active employees and retirees.



Please note that the extended health trend information above includes pooled claims. For your information, the average extended health claims per retiree excluding pooled claims was \$1,998 during the most recent financial period (up 2% from last period). For actives, the average extended health non-pooled claims were \$1,438 during the same period (relatively flat compared to last period). This trend is lower than we have historically seen for both retirees and actives and contributed to the in-year surplus that occurred.

Note, the 2013 Terminal Accounting and the 2013/2015 periods were not 12 months; the average claims cost for these two periods were annualized for comparison purposes.

## Dental Care

### Financial Results

The following table provides a detailed summary of the financial activity of the dental care ASO plan for the period of April 1, 2018 to March 31, 2019:

<b>Dental Care – April 1, 2018 to March 31, 2019*</b>	
Paid deposits	\$4,363,941
Paid claims	(\$4,108,609)
Great-West Life expenses	
General administration	(\$24,241)
Claims administration	(\$98,607)
Profit charge	(\$18,900)
Total expenses	(\$141,747)
Tax	(\$3,728)
Total disbursements (Paid claims + Expenses + Tax)	(\$4,254,083)
Balance over the April 1, 2018 to March 31, 2019 Period	<b>\$109,858</b>

\*Rounding applies.

During the 12-month period ending March 31, 2019, deposits paid by the Government of Yukon for the dental care benefit totalled \$4,363,941 while total disbursements including claims and expenses amounted to \$4,254,083. The ending balance as of March 31, 2018 is a surplus of \$109,858.

### Great-West Life Expenses

Dental ASO expense charges for the period of April 1, 2018 to March 31, 2019 are outlined in the following table.

<b>Dental Expense</b>	<b>April 1, 2018 to March 31, 2019</b>
General administration	0.59% of paid claims
Claims handling	2.40% of paid claims
Profit	0.46% of paid claims

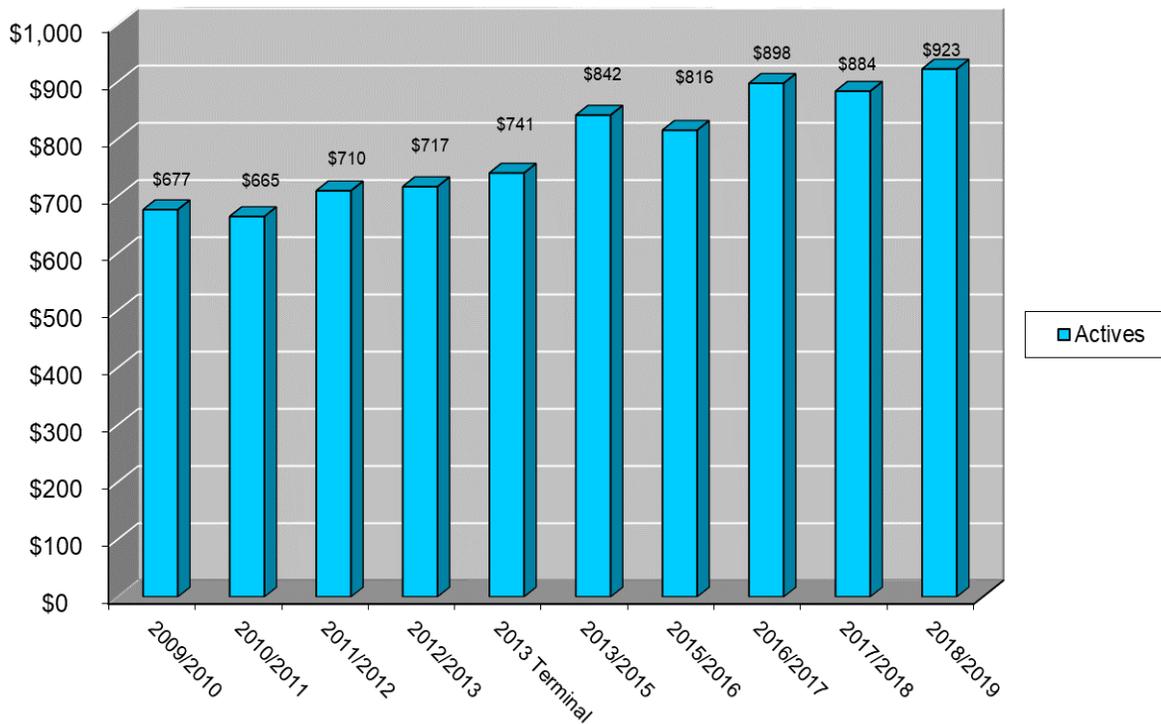
**Tax**

The following table outlines the premium tax and sales tax applicable to self-insured extended health plans in the provinces of Newfoundland, Ontario and Quebec. Self-insured extended health plans in other provinces are not subject to these taxes. These taxes are only applied to claims incurred by the residents of these provinces.

Province	Premium Tax	Sales Tax
Newfoundland	5.0%	N/A
Ontario	2.0%	8.0%
Quebec	3.48%	9.0%

**Trend**

During the 12-month period from April 1, 2018 to March 31, 2019, the average dental claims per active employee increased by approximately 4% to \$923 from \$884 in the previous financial period. The following chart summarizes the claiming trend over the past 10 financial periods, for active employees.



Note, the 2013 Terminal Accounting and the 2013/2015 periods were not 12 months; the average claims cost for these two periods were annualized for comparison purposes.

### ASO Bank Balance

As confirmed by the Government of Yukon, the balance in the ASO bank account with Great-West Life was \$1,055,079 as at March 31, 2018 and increased to \$2,347,155 as at March 31, 2019, which is an increase of approximately \$1,292,076.

As illustrated earlier in this section, both the health and dental benefits resulted in an in-year surplus of approximately \$1,123,000 and \$110,000 respectively. This resulted in a combined in-year surplus of approximately \$1,233,000. This differs from the increase in the ASO bank balance by approximately \$59,100. We note that the bank balance fluctuates during the month and earns interest, which partially accounts for this difference.

The health and dental surpluses were a result of health and dental claims trending lower than expected. For the 2018/2019 plan year, the ASO deposit rates were set using 8% trend. As outlined previously, the actual non-pooled health trend was 2% for retirees and close to 0% for actives. This low trend is due to a reduction in average non-pooled drug claims per plan member. For the 2018/2019 plan year, the dental ASO deposit rates were set using a 5% trend factor, but the average cost per employee increased by 4%.

Effective April 1, 2019 the Government of Yukon decided to increase the monthly extended health care rates by 2% (reflecting a 10% trend factor) and no change to the dental deposit rates (reflecting 3% trend factor).

# Appendix A

## Basic Life Waiver of Premium Listing

<b>Government of Yukon</b> <b>Great-West Life - Policy No.166509</b> <b>Basic Life Waiver of Premium Claimant Listing at March 31, 2019</b>
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Division	Status	Gender	Date of Disability	Date of Birth	Age at March 31, 2019	Face Amount at March 31, 2019	Reserve Amount at April 1, 2018	Reserve Amount at March 31, 2019
3	A	F	3/1/2014	4/28/1972	72.3	\$69,000	\$14,443	\$14,716
2	T	M	4/12/2014	11/13/1953	53.9	\$254,000	\$10,509	\$0
42	A	M	8/4/2014	10/3/1956	56.8	\$125,000	\$18,699	\$13,947
2	A	M	4/18/2015	10/28/1967	67.8	\$300,000	\$106,412	\$97,872
42	A	M	5/28/2015	8/18/1966	66.6	\$112,000	\$38,701	\$35,496
2	T	F	5/30/2016	10/1/1953	53.8	\$96,000	\$2,206	\$0
2	A	F	9/27/2016	4/23/1974	74.3	\$215,000	\$39,208	\$49,184
42	T	M	9/24/2016	12/2/1970	70.9	\$164,000	\$48,278	\$0
3	A	F	10/3/2016	11/30/1965	65.9	\$122,000	\$22,562	\$23,261
41	A	F	12/7/2016	9/1/1961	61.7	\$100,000	\$16,179	\$15,160
2	A	F	4/30/2017	12/23/1962	63.0	\$100,000	\$17,032	\$15,875
2	T	F	10/13/2017	3/27/1985	85.2	\$144,000	\$13,587	\$0
2	A	F	10/19/2017	8/30/1965	65.7	\$96,000	\$15,947	\$16,576
3	A	F	1/4/2018	12/15/1972	73.0	\$99,000	\$0	\$17,287
42	A	F	1/25/2018	8/15/1965	65.6	\$92,000	\$0	\$16,068
2	A	F	1/22/2018	3/13/1979	79.2	\$209,000	\$0	\$33,148
42	A	F	6/1/2017	4/17/1962	62.3	\$151,000	\$24,147	\$23,301
2	A	F	3/16/2018	3/10/1958	58.2	\$219,000	\$0	\$25,779
2	A	M	8/28/2018	6/8/1978	78.4	\$207,000	\$0	\$42,743
42	A	F	7/1/2018	12/6/1963	63.9	\$156,000	\$0	\$26,722
2	A	F	8/21/2018	2/6/1980	80.1	\$207,000	\$0	\$26,701
3	A	F	11/8/2018	5/7/1970	70.4	\$80,000	\$0	\$11,852
2	A	F	8/21/2018	5/8/1962	62.4	\$1,000,000	\$0	\$164,887
2	A	F	10/7/2018	3/17/1964	64.2	\$71,000	\$0	\$11,178
2	A	F	10/25/2018	12/23/1964	65.0	\$161,000	\$0	\$25,330
<b>Total</b>	<b>25</b>					<b>\$4,549,000</b>	<b>\$387,910</b>	<b>\$707,083</b>

Notes: 1) Rounding may apply. 2) The listing above does not include those approved by Sun Life under the previous group benefit contract before it was terminated on October 31, 2013. 3) There are discrepancies between the reserve amounts for some claimants as at April 1, 2018 and the reserve amounts as at March 31, 2018 reported in the 2017/2018 financial accounting; we confirmed with Great-West Life that these differences are due to the timing of when the report is run.

A = Approved  
 T = Terminated

# Appendix B

## Detailed Long Term Disability Claimant Listing

**Government of Yukon**

**Great-West Life - Policy No. 166509**

**Disabled Life Reserve Listing at March 31, 2019**

Sorted by pooled date

Division	Status	Gender	Date of Disability	Date of First Payment	Pooled Date*	Age at March 31, 2019	Experience-Rated Paid Claims**	Pooled Claims	Refund Reserve at		Pooled Reserve at	
									Apr 01, 2018	Mar 31, 2019	Apr 01, 2018	Mar 31, 2019
3	A	F	16-Dec-2013	09-May-2014	09-May-2019	56.4	\$39,758.91	\$0	\$47,227	\$7,083	\$309,229	\$329,045
3	A	F	01-Mar-2014	31-May-2014	31-May-2019	46.9	\$21,021.90	\$0	\$64,605	\$10,005	\$755,877	\$596,649
1	T	F	13-Mar-2014	12-Jun-2014	12-Jun-2019	35	\$40,416.48	\$0	\$92,499	\$0	\$1,453,015	\$0
2	T	M	12-Apr-2014	23-Oct-2014	23-Oct-2019	65.4	\$55,427.66	\$0	\$56,463	\$0	\$0	\$0
1	A	F	01-May-2014	01-May-2014	01-May-2019	64.8	\$29,226.00	\$0	\$36,885	\$7,660	\$0	\$0
1	T	F	01-May-2014	01-Aug-2014	01-Aug-2019	64.8	\$0.00	\$0	\$0	\$0	\$0	\$0
1	T	F	26-May-2014	26-Aug-2014	26-Aug-2019	41.9	\$9,391.94	\$0	\$56,459	\$0	\$706,129	\$0
1	A	M	27-May-2014	26-Sep-2014	26-Sep-2019	58.8	\$28,037.88	\$0	\$45,150	\$15,959	\$150,158	\$163,827
1	A	F	29-May-2014	28-Sep-2014	28-Sep-2019	59.8	\$16,457.75	\$0	\$85,096	\$21,931	\$246,917	\$194,145
1	A	F	31-May-2014	30-Aug-2014	30-Aug-2019	54.8	\$48,972.00	\$0	\$73,936	\$25,303	\$432,448	\$452,268
1	A	F	18-Jun-2014	17-Oct-2014	17-Oct-2019	56.4	\$34,807.97	\$0	\$55,233	\$21,379	\$256,812	\$275,071
1	A	F	24-Jun-2014	15-Dec-2014	15-Dec-2019	64	\$64,710.13	\$0	\$114,185	\$50,968	\$19,025	\$20,147
1	A	F	26-Jun-2014	25-Sep-2014	25-Sep-2019	51.9	\$40,707.28	\$0	\$60,928	\$21,433	\$452,613	\$487,145
1	T	F	08-Jul-2014			56.1	-\$502.02	\$0	\$0	\$0	\$0	\$0
1	A	F	30-Jul-2014	29-Oct-2014	29-Oct-2019	52.2	\$5,333.10	\$0	\$8,369	\$3,265	\$56,955	\$61,622
42	A	M	04-Aug-2014	15-Feb-2015	15-Feb-2020	62.5	\$78,723.79	\$0	\$148,665	\$75,184	\$117,458	\$127,561
1	A	M	27-Aug-2014	26-Nov-2014	26-Nov-2019	64.9	\$38,761.86	\$0	\$43,400	\$4,658	\$0	\$0
1	A	F	05-Sep-2014	05-Dec-2014	05-Dec-2019	63.3	\$39,322.39	\$0	\$69,094	\$30,935	\$39,320	\$41,860
1	A	F	16-Sep-2014	16-Dec-2014	16-Dec-2019	41.1	\$31,359.75	\$0	\$96,023	\$34,740	\$977,598	\$853,348
1	A	F	02-Oct-2014	01-Mar-2015	01-Mar-2020	46.9	\$26,729.92	\$0	\$58,262	\$31,109	\$418,083	\$457,709
1	A	M	14-Oct-2014	13-Feb-2015	13-Feb-2020	63.6	\$25,590.07	\$0	\$48,452	\$24,461	\$12,963	\$14,037
1	A	M	01-Nov-2014	31-Jan-2015	31-Jan-2020	57.9	\$49,191.42	\$0	\$90,877	\$46,597	\$251,293	\$278,370
1	A	M	05-Nov-2014	05-Feb-2015	05-Feb-2020	63.9	\$41,498.55	\$0	\$78,570	\$39,705	\$12,309	\$13,354
1	T	F	04-Dec-2014	05-Mar-2015	05-Mar-2020	59.7	\$2,057.88	\$0	\$0	\$0	\$0	\$0
1	A	M	11-Jan-2015	12-May-2015	12-May-2020	63.8	\$45,191.95	\$0	\$96,354	\$54,874	\$3,814	\$4,132
1	A	F	31-Jan-2015	03-May-2015	03-May-2020	57.8	\$45,202.67	\$0	\$97,073	\$55,373	\$256,566	\$277,176
2	A	M	18-Apr-2015	18-Jul-2015	18-Jul-2020	51.4	\$75,648.08	\$0	\$209,480	\$111,288	\$879,622	\$853,810
42	A	M	28-May-2015	27-Aug-2015	27-Aug-2020	52.6	\$67,757.87	\$0	\$148,128	\$97,300	\$538,331	\$630,662
1	A	F	29-May-2015	28-Aug-2015	28-Aug-2020	55.1	\$38,675.37	\$0	\$90,167	\$57,607	\$288,441	\$322,894
1	A	F	22-Jul-2015	18-Dec-2015	18-Dec-2020	59.1	\$49,229.99	\$0	\$125,745	\$88,772	\$187,712	\$213,220
1	T	M	15-Sep-2015	23-May-2017	23-May-2022	60.8	\$487.50	\$0	\$2,913	\$0	\$1,315	\$0
1	A	F	19-Oct-2015	01-Jun-2016	01-Jun-2021	63.9	\$22,312.67	\$0	\$65,478	\$36,184	\$0	\$0
1	A	F	06-Nov-2015	05-Feb-2016	05-Feb-2021	59.9	\$40,560.97	\$0	\$166,386	\$105,574	\$168,847	\$168,836
1	T	M	08-Nov-2015	16-Apr-2016	16-Apr-2021	52.1	\$6,278.71	\$0	\$5,929	\$0	\$15,998	\$0
1	A	M	19-Dec-2015	17-Sep-2016	17-Sep-2021	63.3	\$27,990.00	\$0	\$60,017	\$46,748	\$0	\$0
1	T	F	21-Jan-2016	08-May-2016	08-May-2021	43.7	\$4,906.30	\$0	\$127,326	\$0	\$603,627	\$0
2	T	F	01-Feb-2016	28-Dec-2016	28-Dec-2021	40.6	\$16,182.60	\$0	\$94,513	\$0	\$403,887	\$0
1	T	M	09-Feb-2016	10-Oct-2016	10-Oct-2021	36.8	\$33,330.97	\$0	\$80,915	\$0	\$318,545	\$0
1	A	M	09-Feb-2016	10-May-2016	10-May-2021	61.4	-\$2,024.76	\$0	\$46,766	\$19,775	\$18,979	\$12,383
1	D	F	04-Mar-2016	03-Jun-2016	03-Jun-2021	38.6	\$0.00	\$0	\$107,837	\$0	\$556,364	\$0
1	T	F	16-Mar-2016	16-Jun-2016	16-Jun-2021	62.6	\$29,805.56	\$0	\$131,076	\$0	\$6,647	\$0
1	A	F	29-Mar-2016	28-Jun-2016	28-Jun-2021	54.5	\$25,705.82	\$0	\$113,185	\$82,156	\$246,831	\$277,643
1	T	F	25-Apr-2016	25-Jul-2016	25-Jul-2021	47	\$22,376.00	\$0	\$150,669	\$0	\$558,145	\$0
1	T	F	26-Apr-2016	26-Jul-2016	26-Jul-2021	52.6	\$0.00	\$0	\$0	\$0	\$0	\$0
1	T	F	07-May-2016	06-Aug-2016	06-Aug-2021	33.9	\$25.56	\$0	\$166	\$0	\$825	\$0
2	T	F	30-May-2016	06-Apr-2017	06-Apr-2022	65.5	\$16,536.02	\$0	\$18,268	\$0	\$0	\$0

Division	Status	Gender	Date of Disability	Date of First Payment	Pooled Date*	Age at March 31, 2019	Experience-Rated Paid Claims**	Pooled Claims	Refund Reserve at Apr 01, 2018	Refund Reserve at Mar 31, 2019	Pooled Reserve at Apr 01, 2018	Pooled Reserve at Mar 31, 2019
1	A	M	15-Jul-2016	14-Oct-2016	14-Oct-2021	61.1	\$1,133.46	\$0	\$42,890	\$13,842	\$14,384	\$6,933
1	A	F	01-Aug-2016	31-Oct-2016	31-Oct-2021	50.3	\$31,491.87	\$0	\$111,469	\$83,949	\$297,522	\$344,106
1	D	M	05-Aug-2016	04-Nov-2016	04-Nov-2021	49.4	\$0.00	\$0	\$67,558	\$0	\$163,627	\$0
2	A	F	03-Sep-2016	04-Jan-2017	04-Jan-2022	56.9	\$22,237.89	\$0	\$0	\$91,187	\$0	\$159,725
1	T	F	18-Sep-2016	03-Mar-2017	03-Mar-2022	29.9	\$33,210.81	\$0	\$104,567	\$0	\$430,789	\$0
1	A	F	19-Sep-2016	19-Dec-2016	19-Dec-2021	60.5	\$17,273.52	\$0	\$46,882	\$43,453	\$19,749	\$26,727
1	D	F	19-Sep-2016	19-Dec-2016	19-Dec-2021	60.5	\$0.00	\$0	\$0	\$0	\$0	\$0
1	A	M	22-Sep-2016	25-Mar-2017	25-Mar-2022	48.4	\$57,755.76	\$0	\$134,255	\$134,176	\$307,349	\$474,176
42	A	M	24-Sep-2016	19-Jan-2017	19-Jan-2022	48.3	\$97,021.46	\$0	\$260,586	\$265,114	\$626,422	\$1,003,570
2	A	F	27-Sep-2016	27-Dec-2016	27-Dec-2021	44.9	\$86,779.06	\$0	\$193,815	\$196,866	\$668,267	\$1,055,366
1	A	F	03-Oct-2016	04-Mar-2017	04-Mar-2022	53.3	\$78,349.78	\$0	\$225,099	\$185,368	\$400,186	\$488,134
1	T	M	08-Oct-2016	07-Jan-2017	07-Jan-2022	57.7	\$43,316.82	\$0	\$147,301	\$0	\$134,757	\$0
1	T	M	01-Nov-2016	31-Jan-2017	31-Jan-2022	56.6	\$3,224.81	\$0	\$150,056	\$0	\$156,886	\$0
1	T	M	23-Nov-2016	22-Feb-2017	22-Feb-2022	54.4	\$1,157.62	\$0	\$123,520	\$0	\$173,181	\$0
1	A	F	05-Dec-2016	06-Mar-2017	06-Mar-2022	42.6	\$35,232.45	\$0	\$108,935	\$115,304	\$347,671	\$573,077
41	T	F	07-Dec-2016	08-Mar-2017	08-Mar-2022	57.6	\$5,903.65	\$0	\$16,838	\$0	\$15,492	\$0
1	T	M	10-Dec-2016	11-Mar-2017	11-Mar-2022	57.3	\$0.00	\$0	\$0	\$0	\$0	\$0
1	T	M	14-Dec-2016	15-Mar-2017	15-Mar-2022	44.6	\$0.00	\$0	\$0	\$0	\$0	\$0
1	T	F	16-Dec-2016	17-Mar-2017	17-Mar-2022	30.8	\$6,806.72	\$0	\$97,442	\$0	\$348,849	\$0
3	T	F	24-Dec-2016			49.3	-\$7,824.91	\$0	\$0	\$0	\$0	\$0
1	A	F	10-Jan-2017	03-Dec-2016	03-Dec-2021	53.1	\$46,390.73	\$0	\$114,294	\$107,889	\$201,189	\$265,940
1	T	F	01-Mar-2017	13-Oct-2017	13-Oct-2022	53.3	\$7,488.20	\$0	\$123,094	\$0	\$167,787	\$0
1	T	F	02-Mar-2017	15-Jul-2017	15-Jul-2022	47.1	\$0.00	\$0	\$0	\$0	\$0	\$0
1	T	F	24-Mar-2017	23-Jun-2017	23-Jun-2022	45.1	\$22,288.24	\$0	\$81,757	\$0	\$212,753	\$0
3	T	F	24-Mar-2017	23-Jun-2017	23-Jun-2022	49.1	\$9,698.24	\$0	\$116,530	\$0	\$247,349	\$0
1	A	F	01-Apr-2017	01-Jul-2017	01-Jul-2022	46.9	\$41,521.56	\$0	\$92,101	\$96,137	\$226,234	\$337,807
1	T	M	28-Apr-2017	28-Jul-2017	28-Jul-2022	49.1	\$0.00	\$0	\$0	\$0	\$0	\$0
2	A	F	30-Apr-2017	21-Sep-2017	21-Sep-2022	56.3	\$35,450.54	\$0	\$91,282	\$95,112	\$81,998	\$120,081
1	T	F	06-May-2017	07-Aug-2017	07-Aug-2022	35.7	\$11,690.26	\$0	\$127,546	\$0	\$387,930	\$0
1	T	M	16-May-2017	15-Aug-2017	15-Aug-2022	48.5	\$16,231.56	\$0	\$0	\$0	\$0	\$0
42	A	F	01-Jun-2017	25-May-2018	25-May-2023	57	\$86,810.44	\$0	\$0	\$284,354	\$0	\$225,046
1	T	F	06-Jun-2017	05-Sep-2017	05-Sep-2022	35.8	\$0.00	\$0	\$0	\$0	\$0	\$0
1	T	M	10-Jun-2017	09-Sep-2017	09-Sep-2022	42.4	\$10,689.31	\$0	\$59,801	\$0	\$124,953	\$0
1	A	M	14-Jun-2017	13-Sep-2017	13-Sep-2022	59.7	\$62,405.66	\$0	\$159,672	\$171,613	\$49,959	\$76,340
2	T	M	21-Jun-2017	10-Apr-2018	10-Apr-2023	43.8	\$0.00	\$0	\$0	\$0	\$0	\$0
1	A	M	15-Jul-2017	14-Oct-2017	14-Oct-2022	55.8	\$51,098.39	\$0	\$122,227	\$142,780	\$102,075	\$173,608
1	A	F	21-Jul-2017	20-Oct-2017	20-Oct-2022	56.4	\$11,032.83	\$0	\$53,022	\$0	\$44,236	\$0
1	A	F	26-Jul-2017	25-Oct-2017	25-Oct-2022	46.9	\$21,609.63	\$0	\$74,284	\$59,549	\$151,366	\$182,941
1	D	M	01-Aug-2017	31-Oct-2017	31-Oct-2022	26.8	\$18,288.20	\$0	\$0	\$0	\$0	\$0
1	T	M	03-Aug-2017	02-Nov-2017	02-Nov-2022	48.1	\$5,998.17	\$0	\$83,729	\$0	\$128,159	\$0
1	A	F	04-Aug-2017	31-Jan-2018	31-Jan-2023	48.2	\$22,135.83	\$0	\$0	\$27,489	\$0	\$69,752
1	T	M	04-Aug-2017	03-Nov-2017	03-Nov-2022	36.4	\$0.00	\$0	\$63,178	\$0	\$123,974	\$0
1	T	F	16-Aug-2017	15-Nov-2017	15-Nov-2022	46.5	\$42,010.94	\$0	\$77,093	\$0	\$151,858	\$0
1	A	M	24-Aug-2017	23-Nov-2017	23-Nov-2022	54.9	\$45,683.30	\$0	\$87,513	\$111,474	\$77,852	\$145,320
1	T	F	18-Sep-2017	04-Nov-2017	04-Nov-2022	65.2	\$28,453.31	\$0	\$24,518	\$0	\$0	\$0
1	T	F	20-Sep-2017	20-Dec-2017	20-Dec-2022	40.8	\$3,270.56	\$0	\$6,826	\$0	\$15,650	\$0
1	T	F	25-Sep-2017	25-Dec-2017	25-Dec-2022	55.6	\$13,551.31	\$0	\$109,848	\$0	\$95,482	\$0
1	D	F	27-Sep-2017	27-Dec-2017	27-Dec-2022	26.7	\$0.00	\$0	\$25,269	\$0	\$55,909	\$0
2	T	F	13-Oct-2017	12-Jan-2018	12-Jan-2023	34	\$22,228.20	\$0	\$55,658	\$0	\$128,367	\$0
2	A	F	19-Oct-2017	19-Jan-2018	19-Jan-2023	53.6	\$33,751.23	\$0	\$52,940	\$85,538	\$56,502	\$134,649
1	T	F	28-Oct-2017	27-Jan-2018	27-Jan-2023	39.1	\$15,760.80	\$0	\$74,146	\$0	\$168,528	\$0
1	T	F	01-Nov-2017	31-Jan-2018	31-Jan-2023	51.6	\$19,790.20	\$0	\$61,229	\$0	\$77,088	\$0
2	D	M	01-Nov-2017	31-Jan-2018	31-Jan-2023	41.7	\$0.00	\$0	\$0	\$0	\$0	\$0
1	D	F	16-Nov-2017	15-Feb-2018	15-Feb-2023	63.3	\$0.00	\$0	\$38,014	\$0	\$0	\$0
1	T	M	18-Nov-2017	17-Feb-2018	17-Feb-2023	36.8	\$3,382.00	\$0	\$43,520	\$0	\$74,629	\$0
1	T	M	28-Nov-2017	27-Feb-2018	27-Feb-2023	33.4	\$8,973.30	\$0	\$45,051	\$0	\$76,155	\$0

Division	Status	Gender	Date of Disability	Date of First Payment	Pooled Date*	Age at March 31, 2019	Experience-Rated Paid Claims**	Pooled Claims	Refund Reserve at Apr 01, 2018	Refund Reserve at Mar 31, 2019	Pooled Reserve at Apr 01, 2018	Pooled Reserve at Mar 31, 2019
1	A	M	04-Dec-2017	05-Mar-2018	05-Mar-2023	63.8	\$48,764.73	\$0	\$56,518	\$55,531	\$0	\$0
1	T	F	04-Dec-2017	05-Mar-2018	05-Mar-2023	44.7	\$2,837.55	\$0	\$20,236	\$0	\$35,320	\$0
1	T	M	19-Dec-2017	20-Mar-2018	20-Mar-2023	55.7	\$5,384.00	\$0	\$0	\$0	\$0	\$0
1	A	F	20-Dec-2017	21-Mar-2018	21-Mar-2023	47.4	\$55,390.72	\$0	\$68,366	\$130,268	\$107,900	\$321,590
1	T	F	01-Jan-2018	02-Apr-2018	02-Apr-2023	33.4	\$4,718.31	\$0	\$0	\$0	\$0	\$0
1	T	F	03-Jan-2018	04-Apr-2018	04-Apr-2023	62.7	\$42,854.72	\$0	\$0	\$0	\$0	\$0
3	A	F	04-Jan-2018	05-Apr-2018	05-Apr-2023	46.3	\$50,537.31	\$0	\$0	\$62,298	\$0	\$154,284
1	D	F	08-Jan-2018	09-Apr-2018	09-Apr-2023	56.2	\$0.00	\$0	\$0	\$0	\$0	\$0
2	T	F	08-Jan-2018	09-Apr-2018	09-Apr-2023	42.4	\$23,050.00	\$0	\$0	\$0	\$0	\$0
1	A	F	11-Jan-2018	20-Apr-2018	20-Apr-2023	52.4	\$39,481.22	\$0	\$0	\$79,319	\$0	\$126,446
2	T	F	19-Jan-2018	21-Apr-2018	21-Apr-2023	35.7	\$16,510.67	\$0	\$0	\$0	\$0	\$0
1	D	F	20-Jan-2018	21-Apr-2018	21-Apr-2023	49.8	\$0.00	\$0	\$0	\$0	\$0	\$0
2	A	F	22-Jan-2018	01-Jun-2018	01-Jun-2023	40.1	\$57,450.24	\$0	\$0	\$163,890	\$0	\$507,383
42	A	F	25-Jan-2018	26-Apr-2018	26-Apr-2023	53.6	\$57,300.07	\$0	\$0	\$123,975	\$0	\$170,566
42	D	F	31-Jan-2018			44.9	\$0.00	\$0	\$0	\$0	\$0	\$0
1	A	M	10-Feb-2018	12-May-2018	12-May-2023	43.1	\$41,226.71	\$0	\$0	\$102,632	\$0	\$226,653
1	T	F	12-Feb-2018	14-May-2018	14-May-2023	56.1	\$17,429.11	\$0	\$0	\$0	\$0	\$0
1	D	F	21-Feb-2018			57.2	\$0.00	\$0	\$0	\$0	\$0	\$0
3	T	F	21-Feb-2018	23-May-2018	23-May-2023	60.8	\$529.75	\$0	\$0	\$0	\$0	\$0
1	T	M	23-Feb-2018	25-May-2018	25-May-2023	34.7	\$2,926.92	\$0	\$0	\$0	\$0	\$0
1	A	F	26-Feb-2018	28-May-2018	28-May-2023	51.7	\$9,231.62	\$0	\$0	\$77,129	\$0	\$124,474
1	A	M	11-Mar-2018	10-Jun-2018	10-Jun-2023	34.7	\$5,512.23	\$0	\$0	\$14,731	\$0	\$35,474
1	A	M	16-Mar-2018	15-Jun-2018	15-Jun-2023	63.1	\$24,380.25	\$0	\$0	\$63,032	\$0	\$0
2	A	F	16-Mar-2018	16-Jun-2018	16-Jun-2023	61.1	\$57,186.44	\$0	\$0	\$199,124	\$0	\$0
1	T	F	20-Mar-2018	19-Aug-2018	19-Aug-2023	44.5	\$12,358.70	\$0	\$0	\$0	\$0	\$0
1	D	F	20-Mar-2018	19-Jun-2018	19-Jun-2023	34.4	\$0.00	\$0	\$0	\$0	\$0	\$0
1	T	F	23-Mar-2018	27-Jun-2018	27-Jun-2023	61.1	\$22,725.74	\$0	\$0	\$0	\$0	\$0
2	T	F	26-Mar-2018	25-Jun-2018	25-Jun-2023	34.6	\$885.24	\$0	\$0	\$0	\$0	\$0
1	D	M	29-Mar-2018	28-Jun-2018	28-Jun-2023	42.6	\$0.00	\$0	\$0	\$0	\$0	\$0
1	A	M	04-Apr-2018	04-Jul-2018	04-Jul-2023	55.7	\$15,076.83	\$0	\$0	\$24,689	\$0	\$19,979
1	D	F	13-Apr-2018	13-Jul-2018	13-Jul-2023	46.3	\$0.00	\$0	\$0	\$0	\$0	\$0
1	A	M	14-Apr-2018	18-Jul-2018	18-Jul-2023	30.6	\$36,001.21	\$0	\$0	\$48,796	\$0	\$102,129
1	T	F	16-Apr-2018	16-Jul-2018	16-Jul-2023	58.1	\$24,186.61	\$0	\$0	\$0	\$0	\$0
1	D	F	20-May-2018	19-Aug-2018	19-Aug-2023	38.7	\$0.00	\$0	\$0	\$0	\$0	\$0
1	D	F	22-May-2018	21-Aug-2018	21-Aug-2023	57.3	\$0.00	\$0	\$0	\$0	\$0	\$0
3	T	F	24-May-2018	16-Feb-2018	16-Feb-2023	32.5	\$2,615.49	\$0	\$0	\$0	\$0	\$0
3	T	F	30-May-2018	29-Aug-2018	29-Aug-2023	52.3	\$20,316.77	\$0	\$0	\$0	\$0	\$0
1	D	F	04-Jun-2018			58.8	\$0.00	\$0	\$0	\$0	\$0	\$0
1	T	M	17-Jun-2018	16-Sep-2018	16-Sep-2023	58.5	\$10,685.00	\$0	\$0	\$0	\$0	\$0
1	T	M	18-Jun-2018	01-Oct-2018	01-Oct-2023	52.5	\$12,364.41	\$0	\$0	\$0	\$0	\$0
1	T	F	24-Jun-2018	23-Sep-2018	23-Sep-2023	46.7	\$5,306.00	\$0	\$0	\$0	\$0	\$0
42	A	F	01-Jul-2018	20-Mar-2019	20-Mar-2024	55.3	\$0.00	\$0	\$0	\$267,132	\$0	\$185,970
1	T	M	18-Jul-2018	17-Oct-2018	17-Oct-2023	50.9	\$3,558.40	\$0	\$0	\$0	\$0	\$0
1	A	F	09-Aug-2018	08-Nov-2018	08-Nov-2023	44.3	\$17,819.50	\$0	\$0	\$91,894	\$0	\$185,614
2	A	F	21-Aug-2018	21-Nov-2018	21-Nov-2023	39.2	\$16,092.18	\$0	\$0	\$111,723	\$0	\$268,239
1	D	F	26-Aug-2018	25-Nov-2018	25-Nov-2023	59.9	\$0.00	\$0	\$0	\$0	\$0	\$0
2	D	F	27-Aug-2018	26-Nov-2018	26-Nov-2023	56.4	\$0.00	\$0	\$0	\$0	\$0	\$0
1	A	M	28-Aug-2018	13-Dec-2018	13-Dec-2023	53	\$14,314.06	\$0	\$0	\$112,412	\$0	\$107,205
2	T	M	28-Aug-2018	27-Nov-2018	27-Nov-2023	40.8	\$7,666.08	\$0	\$0	\$0	\$0	\$0
41	A	M	04-Sep-2018	04-Dec-2018	04-Dec-2023	49.9	\$0.00	\$0	\$0	\$160,323	\$0	\$193,936
1	T	F	10-Sep-2018	24-Nov-2018	24-Nov-2023	54.8	\$2,716.12	\$0	\$0	\$0	\$0	\$0
2	D	F	13-Sep-2018			33.5	\$0.00	\$0	\$0	\$0	\$0	\$0
2	T	F	18-Sep-2018	18-Dec-2018	18-Dec-2023	54.4	\$2,691.66	\$0	\$0	\$0	\$0	\$0
1	A	M	20-Sep-2018	20-Dec-2018	20-Dec-2023	49.2	\$17,659.30	\$0	\$0	\$115,017	\$0	\$145,522
2	D	F	20-Sep-2018	19-Dec-2018	19-Dec-2023	59.6	\$0.00	\$0	\$0	\$0	\$0	\$0
1	D	F	23-Sep-2018			49	\$0.00	\$0	\$0	\$0	\$0	\$0

Division	Status	Gender	Date of Disability	Date of First Payment	Pooled Date*	Age at March 31, 2019	Experience-Rated Paid Claims**	Pooled Claims	Refund Reserve at		Pooled Reserve at	
									Apr 01, 2018	Mar 31, 2019	Apr 01, 2018	Mar 31, 2019
1	T	M	24-Sep-2018			44.5	\$0.00	\$0	\$0	\$0	\$0	\$0
1	T	F	26-Sep-2018	26-Dec-2018	26-Dec-2023	62	\$0.00	\$0	\$0	\$62,200	\$0	\$0
1	A	F	26-Sep-2018	26-Dec-2018	26-Dec-2023	57	\$0.00	\$0	\$0	\$100,491	\$0	\$52,386
1	A	M	27-Sep-2018	27-Dec-2018	27-Dec-2023	50.3	\$13,120.97	\$0	\$0	\$84,809	\$0	\$100,174
1	A	F	01-Oct-2018	31-Dec-2018	31-Dec-2023	42.5	\$16,557.12	\$0	\$0	\$80,070	\$0	\$155,425
1	D	F	03-Oct-2018	02-Jan-2019	02-Jan-2024	29.5	\$0.00	\$0	\$0	\$0	\$0	\$0
1	A	F	04-Oct-2018	03-Jan-2019	03-Jan-2024	43.4	\$17,178.00	\$0	\$0	\$96,923	\$0	\$179,658
2	A	F	07-Oct-2018	08-Jan-2019	08-Jan-2024	55	\$0.00	\$0	\$0	\$42,479	\$0	\$31,669
1	T	F	24-Oct-2018	23-Jan-2019	23-Jan-2024	62	\$0.00	\$0	\$0	\$0	\$0	\$0
2	A	F	25-Oct-2018	25-Jan-2019	25-Jan-2024	54.3	\$0.00	\$0	\$0	\$47,190	\$0	\$39,492
2	A	F	07-Nov-2018	04-Mar-2019	04-Mar-2024	55.3	\$0.00	\$0	\$0	\$96,368	\$0	\$63,162
3	A	F	08-Nov-2018	07-Feb-2019	07-Feb-2024	48.9	\$9,328.00	\$0	\$0	\$80,674	\$0	\$110,096
1	D	M	10-Nov-2018			36.4	\$0.00	\$0	\$0	\$0	\$0	\$0
3	A	F	15-Nov-2018	14-Feb-2019	14-Feb-2024	49.1	\$0.00	\$0	\$0	\$71,741	\$0	\$96,658
42	D	M	23-Jan-2019			57.9	\$0.00	\$0	\$0	\$0	\$0	\$0
							<b>\$3,427,862.13</b>	<b>\$0.00</b>	<b>\$7,409,244</b>	<b>\$6,306,080</b>	<b>\$19,199,031</b>	<b>\$16,694,396</b>

Note: Rounding may apply. The listing above does not include those approved by Sun Life under the previous group benefit contract before it was terminated on October 31, 2013.

\* The pooled date is calculated by Mercer as five years after the first payment date for open claims.

\*\* Experience rated claims over the 12 month period from April 1, 2018 to March 31, 2019

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