



CUSTOMER SERVICE **April 21, 2020**

20-15

## Continued financial relief with premium reduction adjustments

It has been our goal to remain flexible and to continue to be by your side with creative solutions to provide you with support in these challenging times. Today we're announcing additional financial support for you.

### Premium reduction adjustments

The premium reduction adjustments below apply to non-refund dental, vision and healthcare benefits and will be retroactive to April 1, 2020 and appear on May bills as a COVID-19 premium adjustment.

- Dental: A 50% premium reduction adjustment will be applied.
- Vision: A 20% premium reduction adjustment will be applied.
- Healthcare (excluding drugs): A 20% premium reduction adjustment will be applied.

### Administrative handling of premium reduction adjustments

There is nothing for you to do.

Premium reduction adjustments will be applied automatically and monthly in arrears as necessary going forward. In addition to the April premium adjustments mentioned above, May premium reduction adjustments will be completed on the June billing once we fully evaluate emerging experience over the coming weeks.

Additional information:

- Premium reduction adjustments will also apply even if we have agreed to defer your renewal date.
- If you have amended or may amend your plan design, the premium reduction adjustment will still apply to the period prior to the amendment.
  - If you, for example, terminated your dental plan May 1, Canada Life will still issue the premium adjustment reduction retroactively for the April billing period.
- The premium reduction adjustment is intended to be a temporary measure that will be applied until further notice from Canada Life, and may be discontinued as emerging experience becomes clear. As noted, the premium reduction adjustment is not a rate change under the group policy.
- Issuing premium reduction adjustments, instead of rate reductions, is the fastest way for us to get you immediate financial relief.
- We continue to work with the Federal Government to champion relief measures for you and other Canadian businesses.

# Groupline

News and updates for advisors  
and plan sponsors



- GroupNet will continue to show dental, vision and healthcare premiums without the adjusted premiums. In other words, the loss ratios for these benefits will look more favorable than the actual.

## Contact us

We are hopeful the premium reduction adjustment is helpful and that you and your plan members are staying healthy during this challenging time.

Please don't hesitate to contact your Advisor or your Canada Life representative if you have any questions regarding the above. We're in this together.

## Questions & Answers

### **What if a premium reduction adjustment doesn't show on my May bill?**

There may be a small number of cases that were not caught before this billing cycle. These policies will receive a double adjustment on the next bill.

### **Does this adjustment apply equally if we deferred your renewal?**

Yes, these adjustments apply to all in-force clients with non-refund dental, vision and healthcare benefits.

### **How does this affect terminated or amended plans?**

If a benefit is in-force during the month of April, the adjustment will be applied. (i.e., If a cancellation occurs in May, you will still get the April adjustment).

### **Will you recover any of the adjustment at a future point in time?**

No, we will not recover this adjustment.

We will continue to monitor the situation and adjust our position monthly based on what's happening with these services and potentially other areas of the benefits plans until such a time as we are back to a regular business environment.

### **Instead of this premium reduction adjustment, can benefits be adjusted?**

Yes, you always have the option to change the coverage on a plan, such as reducing or removing a benefit to help control costs. Please speak with your benefits advisor about options available to you.

### **How will this work for a self-accounting case?**

Self-accounting cases will be handled after our head office billing cases. Our plan is to calculate the reduction, produce a pdf and send to plan sponsor by email. We are still investigating this solution for these clients and will advise as soon as we know this can be accomplished.

The information in this communication should not take the place of, or be a substitute for, medical advice or official guidance and/or direction issued by your public health authorities or local government. We encourage you to visit the World Health Organization website and your local government health authority websites for the most up-to-date and reliable information about the status of the coronavirus in your region.

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