ONTARIO
PHARMACISTS
ASSOCIATION

June 28, 2021

Dear OPA Member:

IMPORTANT NEWS ABOUT YOUR TERM LIFE INSURANCE PROGRAM

The Ontario Pharmacists Association has been providing its members Life Insurance for well over 50 years. The last several years have produced significant claims volatility under our life insurance program. This claims volatility has seen paid claims far exceeding paid premium, resulting in financial losses to the program and to the insurer, Desjardins Financial. These financial losses have led us to increased premium instability within the Life insurance program, which puts the OPA Insurance Plan at risk as a viable and sustainable plan moving forward. The OPA may be able to offset some of these expected increases with no impact on you as a participant. Unfortunately, the OPA Life Insurance Plan is not in a position, to continue to subsidize these losses indefinitely but for now, has agreed to continue to operate the current program through until June 30, 2022. Further, in response to the poor emerging experience Desjardins Financial has eliminated the preferred rating category on a go forward basis, effective April 1, 2021.

In the meantime, the OPA Insurance Committee has explored alternative insurance programs with our insurer, Desjardins that would essentially pick up where the current program leaves off, namely July 1, 2022. A requirement of stable premium rates into the future while at the same time protecting the OPA Life Insurance Plan from further financial losses has been a primary goal of any new offering. In addition, it was also critically important that with any change, that all existing members be permitted to maintain their existing coverage without any requirement of having to supply ANY additional evidence of insurability.

And after numerous meetings and exploring several different alternatives, a viable long-term product offering with long term premium stability has been agreed to with Desjardins that will "replace" the current program as at July 1, 2022. Some of the key details of the new plan that will be effective, July 1, 2022 are as follows:

- existing members will not be required to complete any forms but rather will roll over automatically to the new plan / program,
- rating classifications are solely by gender and smoker/non-smoker and will map over to the new plan on July 1, 2022 with standard rating.
- existing members coverage amount will rollover automatically to the new plan,
- new members added after June 30, 2022 will require to supply medical evidence of insurability and are ONLY permitted coverage amounts up to $1 million,
- rating age will be determined at July 1st each year,
- rates will change at every 5-year age break (eg. 30, 35, 40, etc).

155 University Avenue, Suite 600, Toronto, ON M5H 3B7 • T 416 441 0788 F 416 441 0791 TOLL FREE 1 877 341 0788
mail@opatoday.com • opatoday.com

We have attached the new premium rate table, which you will want to review. You will notice that the premium rates in many cases are greater than what you have been accustomed to and/or are currently paying. However, it was very evident that the current insurance program was in need of some sizeable premium increases given the past claims history and that all of the alternatives studied, were suggesting material increases in the underlying premium rates.

In light of the premium increases, the OPA Insurance Committee wanted to provide its members with plenty of time to review this change and explore alternatives, to make informed decisions about their insurance needs and premium commitments. We also should remind you that there is an option available to convert your coverage to an individual Desjardins Financial product without supplying any evidence of insurability which you may also wish to explore. In any event, members do have until June 30, 2022 to make informed decisions with respect to their coverage.

This lead time should also be used by members to review any agreements or arrangements they have in place today with financial lending institutions dependent on this insurance coverage. In most cases, it is expected that any dependency on the current program will be simply replaced with an “irrevocable beneficiary” under the new plan.

In closing, we are confident we have a very sound, viable long-term plan for our members life insurance needs, that will ultimately see much more premium stability in the years to come. Should you however, have additional questions or require further information particularly in regards to the conversion option, please don’t hesitate to reach out to Christopher Williams Manager , Insurance Services via email at insurance@opatoday.com or call 416-441-0788 option 2.

Timothy Brady
Chair Insurance Committee
Ontario Pharmacists Association

Amedeo Zottola
Chief Financial Officer
Ontario Pharmacists Association