

# AD&D BENEFITS

At-A-Glance

August 2020

 STANDING COMMITTEE ON INSURED BENEFITS

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## Plan Rate Adjustment

The Optional and Voluntary Accidental Death and Dismemberment (AD&D) plans have continued to see an increase in the value of paid claims. As the result, **the employee rates for these two plans will be increased effective September 1, 2020**. The new rates presented in the below table will remain in place until September 1, 2023 (3-year rate guarantee):

Rate Adjustment

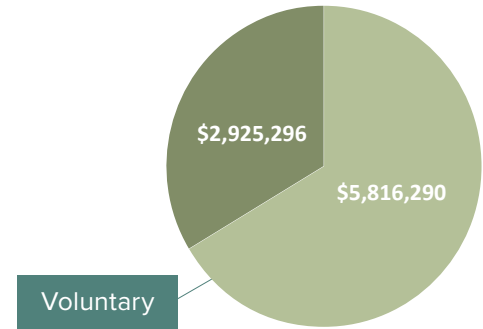
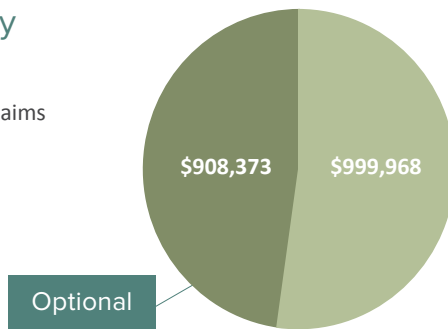
Benefit	Current rate per \$1,000 Benefit	Monthly Payroll Deduction*	New Rate per \$1,000 Benefit	Monthly Payroll Deduction*
<b>Basic AD&amp;D</b> (100% Employer Paid)	1.6¢ / \$1,000	N/A	1.5¢ / \$1,000	N/A
<b>Optional AD&amp;D</b> (100% Employee Paid)	1.2¢ / \$1,000	\$1.20	1.5¢ / \$1,000	\$1.50
<b>Voluntary AD&amp;D - Single</b> (100% Employee Paid)	1.2¢ / \$1,000	\$1.20	2.3¢ / \$1,000	\$2.30
<b>Voluntary AD&amp;D - Family</b> (100% Employee Paid)	1.7¢ / \$1,000	\$1.70	3.3¢ / \$1,000	\$3.30

\*The example used for illustrating payroll deductions assumes an AD&D benefit of \$100,000.

## Paid Claims - Historically

May 1, 2015 to April 30, 2020

 Premiums Collected  Paid Claims



Plan Year Review	Participants	Claims
May 1, 2018 to April 30, 2019	Basic - 37,959 Optional - 14,509 Voluntary - 15,606	95 Basic AD&D Claims (87 of which were critical illness claims) were paid. 4 Optional AD&D Claims were paid. 12 Voluntary AD&D Claims were paid.

## New AD&D Insurance Carrier

In 2019 the AD&D plans were evaluated through a formal tendering process, which resulted in a new insurance carrier. As of September 1, 2020, the insurance carrier for all AD&D benefits will change to Medavie Blue Cross. It is important to know that there are no changes to your current coverage or eligibility to participate in these plans.

# About AD&D Coverage

The Province of New Brunswick (PNB) offers three types of AD&D coverage to eligible employees:

**Basic:** Equal to 1x your annual salary, 100% employer paid and applies to employee only;

**Optional:** Equal to 1 or 2x your annual salary, 100% employee paid and applies to employee only; and

**Voluntary:** Chosen in increments of \$10,000 (up to a maximum of \$500,000), 100% employee paid and may apply to either the employee only (single option) or to the employee and their family (family option).

## Life Insurance vs. AD&D - What's the Difference?

Life Insurance	AD&D
Benefit is paid if death occurs for any reason (heart attack, disease, accidents, suicide, etc.).	Benefit is paid if death occurs for unforeseen incidents only (accidents).
A portion of the benefit may be paid in advance of death if diagnosed with a terminal illness.	An additional benefit may be paid if diagnosed with a critical illness.
No benefits are paid for loss of limbs, sight, speech, hearing or paralysis.	Benefits are paid for accidental loss of limbs, sight, speech and paralysis.
No additional benefits are available.	Additional benefits may be paid depending on the circumstances of the accident.

## What's Covered by AD&D Insurance?

Accidental Death — Loss of Sight — Loss of Speech — Loss of Hearing — Loss of Limbs — Loss of Mobility

## Who is SCIB?

The Standing Committee on Insured Benefits (SCIB) is a group of employee and employer representatives who devote a lot of time and effort to make sure that the Plan meets your health needs and is affordable. SCIB along with the individual service providers review the financial position of each plan to determine if the contributions paid by you and your employer are enough to cover the cost of providing benefits. Once the committee has reached consensus, SCIB then makes their recommendations to Treasury Board for approval. Treasury Board has approved the recommendations contained in this newsletter.

SCIB is committed to continuously review Plan Provisions to ensure that the plans are relevant to employees needs and remain affordable and sustainable.

## Critical Illness Benefit

Under the Basic plan only, employees under the age of 65 may be eligible to receive a \$2,000 lifetime benefit if they are diagnosed with one of the following conditions:

- Heart Attack;
- Coronary Artery Bypass Surgery;
- Stroke or Cerebrovascular Incident; and
- Cancer (certain types of cancer are not covered).

For more information on these benefits contact the Member Services team at 1-800-561-4012 or 506-453-2296 or you can visit the website at [vestcor.org/employeebenefits](http://vestcor.org/employeebenefits).