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# ABOUT BCCA EBT PHILOSOPHY AND METHODOLOGY

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## An Overview

The British Columbia Construction Association Employee Benefit Trust (BCCA EBT) is the employee benefits program for the British Columbia Construction Association (BCCA) and the regional construction associations (SICA, VRCA, VICA, and NRCA). We were built by the industry for the industry. BCCA EBT, governed by a Board of Trustees, operates as a not-for-profit, self-administered Health and Welfare Trust. The 10 Board of Trustees are made up of the Construction Service Officers (CSO) of the respective regional association and CEO's of member groups. An advantage of having a benefits plan through us is that any surplus generated at the end of the year goes back to the program through the rates and/or by providing additional benefits.

## What is our philosophy and values?

We work as a team! Our goal is to service and build BCCA EBT with a primary focus on the construction industry. This is also our value proposition to the client: strengthening our position to be the benefits provider of choice for those in the industry. We do this because we want to *take care of people* and we do it through adherence to 5 core values: **Respect, Teamwork, Integrity, Transparency and Communication**. Taking care of people, to BCCA EBT, means being responsible, accountable, showing kindness and concern for others. We advocate strongly on our client's behalf and we aim to ensure that our current, and prospective clients, receive the highest level of service, advice and plans that provide value for money.

## BCCA EBT Benefits

The plan works on the basis that there are common underlying contractual provisions for all policyholders in the BCCA EBT pool. To allow for flexibility, each benefit line has a number of plan provisions that are variable. By maintaining one set of base policy and providing 'Third Party Administration' (TPA) like services, we are able to negotiate for comprehensive contractual and plan design provisions, competitive rates, collective underwriting and administration guidelines for the BCCA EBT product. We underwrite and manage our pool for efficient and cost effective employee

benefits. We offer flexibility at both the group and employee level. For the client, our program offers one point of contact, one billing statement, one booklet, one ID card and one Administration Guide. We operate in a very similar fashion as a carrier with the exception of processing and adjudicating claims.

Our partners include Pacific Blue Cross, Green Shield Canada, Great West life, CHUBB, and Employee and Family Services. Our program includes **Life, Dependent Life, Accidental Death & Dismemberment (AD&D), Long Term Disability (LTD), Extended Health Care and Dental Care**. We also offer additional group coverage options, at the choice of employers, such as **Vision Care, Short Term Disability (STD), Critical Illness (CI), Health Spending Accounts and Executive Cost Plus plans**. Plans are available for 1-life companies (satisfying Health Evidence) and up. Employees can also elect to top-up their Group coverage through Individual Optional Life, Optional AD&D, Optional Critical Illness, and Optional Hospital Cash and Optional Final Expense coverage.

We offer multiple **Hour Bank** Plan options suitable for employees, employed on a permanent basis, who work irregular hours and work months. Hour Bank plans work on the premise where eligibility for benefits is based on first accumulating a set minimum number of hours worked and subsequently maintaining a minimum number of hours worked per month. Hours accumulated in the "bank" can be used to continue benefit coverage during periods of unemployment, illness, or extended vacation.

**Atrium**, our guaranteed issue 'out of box' solution is ideal for professionals that own their own business, or have a business partner. This fixed cost, pre-packaged benefit program, was initially developed for members of the Architectural Institute of British Columbia (AIBC) and we then decided to offer the plan to all qualifying businesses.

Participation in our plans includes use of our online administration system for administrators called the BCCA Employee Benefits Electronic Administration System (EAS), access to Employee and Family Assistance Services (EFAP), Medical Travel Benefit, Everest Funeral and Concierge Services, and Cancer Rider in AD&D. Members of the BC Construction Association also have access to Best Doctors services.

## How do we manage our program? - General Methodology

We work with companies of any size within the sector (1 life companies require health evidence); each company becomes part of our healthy pool of over 6500 employees. With the continued growth in the size of our pool, we have been able to minimize the significance of rate adjustments at renewals to ensure the long-term viability of our program.

Careful risk management is key to looking after our pool. What kind of companies we enroll, how well we understand a group and their needs before quoting, and how well we set the rates at the beginning, paves the path for the group and the pool. Initially discounting the rates too far only means that the group may have a tough renewal the following year and the pool will suffer because

of bad claims experience. Rather than being all things to all clients at the lowest cost, we focus on providing a benefit program that *make sense* and *takes care of the client* at a *sustainable cost*.

Examples of criteria we consider for a group to be a suitable prospect. The Company:

- is a business in the Construction or Construction Related Industry
- is a member of one of the Local Construction Associations in good standing
- is financially stable and has been in business for at least one year
- has a stable track record with previous insurance carriers
- has a low rate of employee turnover

### Rate setting and renewal

Benefits that are ASO (Administrative Services Only) are self-insured by BCCA EBT, meaning that BCCA EBT operates as an insurer for these benefits. BCCA EBT is financially responsible to cover claims and expenses. ASO “rates” or premium equivalents are set by BCCA EBT, not by the insurance company. Pacific Blue Cross and Green Shield Canada are retained to pay and manage claims. Accordingly, premiums for benefits which are insured are subject to negotiation as the insurer is financially responsible for claims and expenses. The insurer, accordingly, proposes the rates and renewal terms which are analyzed and negotiated.

Benefit	Funding Arrangement	Quotation	Renewal
EHC, Dental, Vision	Self-insured (ASO) (EHC with Stop Loss)	<p>ASO “rates” or premium contributions are set by BCCA EBT.</p> <p>Rates are generated utilizing a quotation engine and are based on plan design, claims experience, existing and/or renewal rates and group size.</p> <p>If no claims experience is available, we may adjust based on age composition of the group, how long in business, occupations, track record with prior insurance provider e.g. length of time with previous providers, or any anecdotal information about the group.</p>	<p>BCCA EBT’s pricing model calculates the premiums required by the pool to fund projected claims and expenses. An aggregate renewal action for the pool is first determined, taking into account inflation, incurred but not reported (IBNR) reserves, pooling charges and industry trends.</p> <p>BCCA EBT’s renewal workbook calculates the experience loss ratio and the renewal rate for each group. Caps are applied to limit increases and/or decreases according to group size while achieving the</p>

			<p>aggregate required renewal action.</p> <p>The final rate adjustments for each group is based on review of a combination of factors e.g. claims category analysis, drug usage review, anecdotal information we may have about the group. BCCA EBT studies anomalies observed within each group's claims experience e.g. one time claims versus ongoing claims and may make further adjustments.</p>
STD	Self-Insured (ASO)	Plan design and Census provided to carrier to obtain quotation	<p>Renews based on increases/decreases for the block (separate for taxable, non-taxable); however on occasion have applied increase/decreases based on group specific experience/overall rate.</p>
Life	Insured, refund accounting, experience-rated	Plan design and Census provided to carrier to obtain quotation	<p>Renews based on increases/decreases for the block</p> <p>Negotiations with carrier where applicable</p>
AD&D	Insured, pooled, non-refund, not experience-rated	Fixed, negotiated rate covers all members	<p>Renewal rate for entire block based on carriers assessment</p> <p>Negotiations with carrier where applicable</p>

LTD	Insured, pooled, non-refund, experience-rated	Census provided to carrier to obtain quotation	<p>Renews based on increase/decrease for the block (separate for taxable, non-taxable and 2/5/to 65 duration plans)</p> <p>Negotiations with carrier where applicable</p>
CI	Insured, pooled, non-refund, not experience-rated	Census provided to carrier to obtain quotation for each group	<p>Renews based on increase/decrease for the block</p> <p>Negotiations with carrier where applicable</p>

## What Contributes to our Success?

The BCCA EBT has been successful for a number of reasons, including our commitment to the integrity of our product, our business ethics, expertise and capabilities; and the relationships we have cultivated with each of our providers and clients. Taking care of our members and their employees is the highest priority of BCCA EBT. We achieve this through careful management of the pool with a goal towards sustained and responsible growth.

### Plan Administration and Client Service

Once a group has joined BCCA EBT we take great care in continuing the personalized service they have experienced thus far. Not only do we handle the group set up in a speedy and accurate manner we continue to service the group in all ongoing administration, plan amendments, and claims/coverage inquiries.

Our team is available to all employers and their employees. By directly interacting with those we are representing we are given the opportunity to build meaningful relationships. As a client-centric team we take pride in these relationships and our goal is to be considered as an extension of their team.

We understand that companies are relying on us and we are proud of the way we adapt to our clients ever changing needs and our ability to conquer challenges. Our dedication is shown through our work which we complete in a meticulous and complete manner.

We constantly look for ways to improve our service and we review our policies and procedures often, send out an annual online client survey and take action on feedback whenever it's provided.

## Marketing and Communications

As a plan created by members for members, we remain true to our roots from a marketing perspective. Our focus is on providing value and exceptional customer service and all of our marketing efforts reflect this through thoughtful practice of resources and messaging.

Our communication efforts are mainly focused on our members and their employees, and prospective members. We also collaborate with the local regional construction associations in their marketing and communications efforts to their members regarding employee benefits. We believe that communication to all of our audiences should be timely, informative, clear, and concise. We use a mix of communication channels to convey our messages and to support our clients in communicating to their employees. As benefits industry experts, we are a resource that clients, and their employees, can turn to for information related to their employee benefits. Health and wellness of our clients and their employees is dominant in our internal and external communications. We also act as a conduit to distribute informative messages from our insurance suppliers.

Employee benefits and health insurance is complex and we want to make sure it is understandable to everyone we manage benefits for. Caring for our target markets is not only a message but also how we practice our business relationships.

## Operations

The operations practice at BCCA EBT is dedicated to managing the all-encompassing, fundamental needs of benefits consulting and administration; so that our teams are equipped with the tools to focus on taking care of clients. We recognize and value that ease of navigation brings convenience to any executors, administrators and users of our benefit program. From the seemingly simple tasks of locating forms, files and information; to having reliable databases, online client administration system (EAS) and accurate monthly invoices, deliberate planning has gone into place to ensure that time is well spent by those involved.

We believe that having good documentation in place provides a tangible point of reference and clarity for all involved. Our operations team keep contracts and provider agreements up to date, maintains manuals outlining consistent and actionable processes, writes policies and procedures (best practices) to guide implementations; and ensures adherence to precise record keeping.

We keep our program current and are constantly evolving through innovation. Our project team pays great attention to detail in the design and implementation of things like system changes, provider upgrades, government initiatives, block wide amendments, the launch of new products and supplier changes. We endeavor to minimize any negative impact to our clients and ensure seamless outcomes. Our clients come first.

As custodians to the health of the BCCA EBT pool, our underwriting and finance team steers staff internally through the careful management of risk in rate setting and renewals. Proposals to prospective clients and renewals are tested against a set of consistent underwriting practices and a peer review process is in place for accuracy. At renewal, our underwriting team works

collaboratively with actuarial consultants who contribute by validating the renewal actions recommended by our insurance providers.

BCCA EBT takes into account how our program and processes affect people in general; 'treating others how we want to be treated'. For this reason, our operations team proactively looks to not only improve the experience of our clients, but also the experience of our own staff. Both are equally important to BCCA EBT's success.

## Additional Ancillary service Consultations

- Partner in Construction Workforce Equity Project (CWEP)
- Retiree Extended health and Dental Benefit Plan
- Employee Retirement Savings Plan (ERSP)

*2019 IS OUR 50TH ANNIVERSARY*

*WE TAKE PRIDE IN HOW WE DO BUSINESS*

*PROTECT. RECRUIT. RETAIN.*