

YOUR INSURANCE BENEFITS

UPDATE



CHRISTIAN SCHOOLS
INTERNATIONAL

The **new** CSI Insurance Plan is almost ready to launch! Our Board of Trustees has approved a new plan design which offers schools the choice among options in a refreshed flexible benefits plan design, introduces two appealing new options, and includes modifications to a few other benefits. The new plan will be effective September 1, 2011.

Your CSI Insurance Plan — You Spoke, We Listened

In February and March 2010, schools and employees had the opportunity to take part in a survey and comment on several potential plan design changes. The survey also asked how the current benefits coverage could better meet the needs of schools and employees. Although a majority of survey respondents said they were satisfied with their current coverage, many also showed an interest in a more flexible plan which would accommodate differing needs based on life and career stages, and spousal and family status. The Board of Trustees considered all the survey feedback and made changes that reflect this input.

Proposed plan design changes and survey results were reported in the February 2010 and June 2010 issues of Your Insurance Benefits Update - available online at:

www.csionline.org/benefits

Why is the CSI Insurance Plan Changing?

We are excited that our new Flex offering positions the CSI Insurance Plan for the future, providing new alternatives to schools and employees. As we have learned, one size doesn't necessarily fit all: therefore we have designed the new full Flex plan to ensure that benefits can be better tailored to suit individual employees' personal needs.

These changes serve to maximize the plan's cost-effectiveness by helping member schools and employees save money while enjoying more choice.

Because we can bring our collective purchasing power, CSI can continue to provide a flexible plan and offer an advantage to member schools. This is because flexible health and dental plans are not offered by insurers to small groups of employees.

A Word to Office Staff...

CSI would like to ensure that the transition to the new CSI Insurance Plan goes as smoothly as possible for everybody, therefore in March/April, we will hold a webcast for office staff to show how to efficiently and effectively handle any changes in benefits administration.



This newsletter is meant to provide a summary of some information related to the CSI Insurance Plan. It is not a complete explanation of the plan. The official plan text will govern all rights and obligations in respect of the plan.

In Brief...

The Flex Options have been upgraded

The three current Flex Options have been redesigned and upgraded. Flex Options 1, 2 and 3 provide a range of comprehensive benefits with varying levels of coverage, each designed to meet the different needs of CSI's broad community.



NEW! Safety Net Option with HCSA (Flex Option 4)

The new Safety Net Option with Health Care Spending Account (HCSA) provides less coverage than Flex Options 1, 2, and 3; however it gives employees credits in an HCSA to use for medical expenses at their own discretion.

As the title suggests, this option is meant to be used as a "safety net" for those who are generally in good health and don't anticipate high health or dental costs. The different needs of CSI's broad community.

The Safety Net Option with HCSA is ideal for those who:

- are single;
- have low health/dental expenses; and/or
- Prefer flexibility in their benefits.

The Standard Plan has been renamed

The current Standard Plan has been retained - with some modifications - as the new Flex Option 2. This means that schools that want to continue offering the coverage available in the Standard Plan can easily do so by selecting Flex Option 2.

NEW! Spousal Option with HCSA (Flex Option 5)

The new Spousal Option with HCSA is for employees who are covered through a spouse's employer, and supplements the spouse's coverage for health and dental expenses. The HCSA included in this option can be used for any additional health and dental expenses employees may have, including paying for their own or their spouse's insurance premiums.

The Spousal Option with HCSA is ideal for those who:

- are covered under their spouse's benefits plan; and
- Prefer more flexibility in their benefits

Modifications to the Standard Plan (the new Flex Option 2) include:

- addition of vision care;
- new out-of-pocket maximum for many health expenses;
- prescription drug coverage now follows the Dynamic Therapeutic Formulary (DTF); and
- the opportunity for schools to choose more extensive Life/AD&D Insurance.

Choice that's affordable: Flex is a win-win

Q: How can the full Flex plan be more cost-effective than offering a stand-alone option?

A: By offering full Flex, schools are ensuring that every dollar spent is better used to provide benefits which suit the different needs of each individual employee. Schools and employees are both able to use their money more effectively, while employees have the opportunity to tailor their coverage towards their own personal needs. In other words, everybody gets more bang for their buck.

Of the five options that will be available in full Flex, only one will cost more than the current Standard Plan:

- Flex Option 1 will cost approximately 5 to 10% more than the Flex Option 2 (Standard Plan).
- Flex Option 3 will cost approximately 10 to 15% less than the Standard Plan.
- Flex Options 4 and 5 will cost approximately 30 to 35% less than the Standard Plan.

Full pricing details will be provided to schools in mid-March 2011.

As before, schools will be able to choose their own cost-sharing formula. Regardless of whether the school chooses a stand-alone plan or full Flex, employee health and dental premium contributions under Flex Option 1 through 5 do not impact the favourable tax status of an HCSA.

Q: Do the new flexible options reduce current coverage or take away current choices?

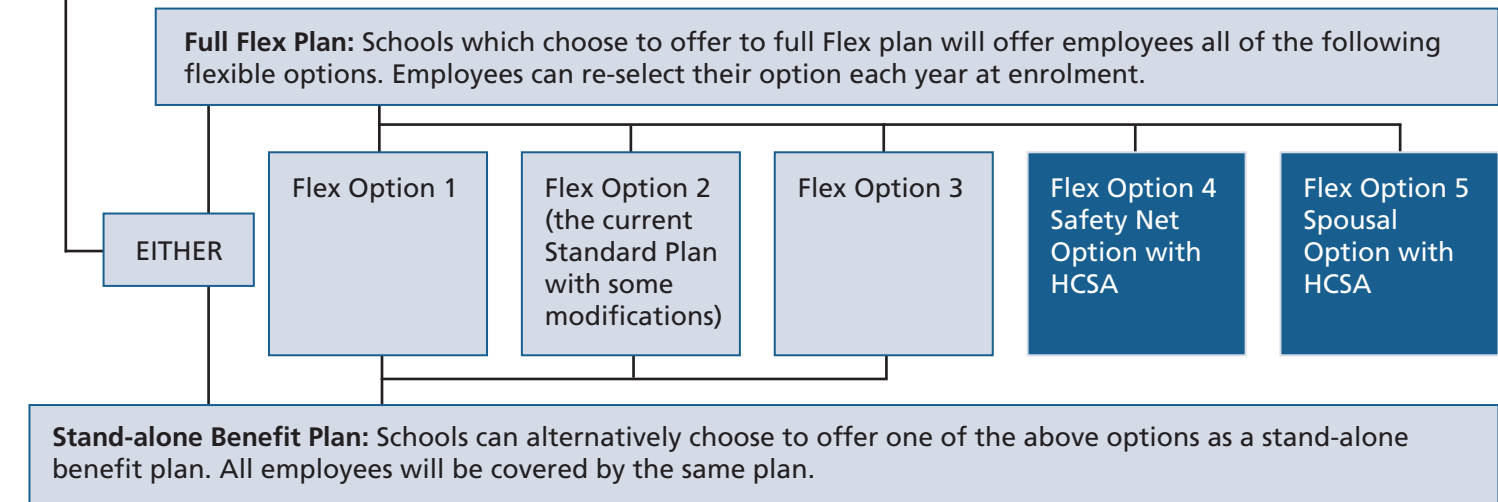
A: Some survey respondents expressed concern that the redesign might not be in their best interests. However, we have ensured that coverage will not be dramatically changed – the Standard Plan is still available, with some modifications, as Flex Option 2.

Although the new features within Flex Option 1, 2 and 3 will not be exactly the same as the current plan, we have provided a variety of choices which are designed to suit the different needs of employees. Plus, the addition of two new options to the full Flex suite increases choice and flexibility.

The Choice for Schools

Schools can choose to offer:

Generally, the new CSI Insurance Plan arrangements are similar to the current plan, with the addition of two new options – the Safety Net Option with HCSA (Flex Option 4) and the Spousal Option with HCSA (Flex Option 5).



Employees covered through a spouse's employer plan can opt out of health and dental benefits under the full Flex plan or any stand-alone plan, but they will still be covered by CSI's Life and Disability Insurance plans.

All schools will make a decision on which plan option/s are most suitable for them. Schools have four choices:

- Full Flex (Flex Options 1, 2, 3, 4 and 5), for individual employees to choose among;
- Flex Option 1 for all employees;
- Flex Option 2 for all employees;
- Flex Option 3 for all employees.

Schools that offer the full Flex plan can take advantage of the new Safety Net and Spousal Options. Each school makes its own decisions taking into account employee input.

taking into account employee input. Remember, schools and employees can re-select their plan offerings each year.

In addition to Flex Options, all schools make a selection regarding the following benefits:

- Basic Life and Accidental Death & Dismemberment (AD&D) insurance
- Dependent Life and AD&D insurance
- Disability insurance
- The Employee Family Assistance Program (EFAP).

The Choice for Employees

If an employee's school chooses to provide the full Flex plan, he/she will then have the option of enrolling in one of the three Flex options and two additional options – the Safety Net Option with HCSA and the Spousal Option with HCSA.

If the employee's school chooses to provide one of the three stand-alone options only, he/she will then enrol in that option.

Employees covered through a spouse's employer plan can opt out of health and dental benefits under the full Flex plan or any stand-alone plan, but they will still be covered by CSI's Life and Disability Insurance plans..

All employees make a selection regarding the following benefits:

- Optional Life Insurance;
- Critical Illness Insurance; and
- Out-of-Country Coverage for dependent students.

	Flex Option 1	Flex Option 2
Health		
Deductible	\$0	\$15 individual/\$30 family
Coinsurance (for drugs on the DTF)	The plan pays 100%	The plan pays 100%
For drugs not on the DTF	80%	80%
Semi-private hospital accommodation	100%	100%
Vision care	\$200 every 24 months	\$150 every 24 months
Private duty nursing	\$25,000 per year	\$25,000 per year
Hearing aids	\$1,500 every five years	\$500 every five years
Out of Canada lifetime maximum	\$5 million	\$5 million
Orthotics	1 pair every 24 months	1 pair every 24 months
Paramedical	\$500 per practitioner \$1,000 combined annual maximum (\$40 cap per visit per practitioner except for psychologist — per visit cap at \$70)	\$500 per practitioner if: physiotherapist, speech therapist, psychologist/master of social work, \$300 per practitioner if: massage therapist, chiropractor, naturopath, osteopath, podiatrist
Out-of-pocket maximum (not applicable to vision care, out-of- country emergencies and referrals)	\$150 per family	\$200 per family
Dental		
Deductible	\$0	\$25 individual/\$50 family
Basic/Supplementary	The plan pays 100%	The plan pays 100%
Major restorative	50%	50%
- Combined annual maximum (basic/major)	\$2,500	\$2,000
Orthodontics	50%	50%
- Lifetime maximum	\$2,500	\$1,500s
Recall exam frequency	Six months	Six months
Fee schedule	Current year	Last year
Health Care Spending Account (HCSA) credits *(see page 6)	\$0 (note that schools can choose to provide HCSA credits along with a stand-alone option)	

Flex Option 3	Safety Net Option with HCSA (Flex Option 4)	Spousal Option with HCSA (Flex Option 5)
Health		
\$25 individual/\$50 family	\$600 individual/\$1,600 family	\$0
The plan pays 90%	The plan pays 100%	The plan pays 20%
70%	80%	20%
90%	Use HCSA credits	20%
\$100 every 24 months	Use HCSA credits	Use HCSA credits
\$15,000 per year	\$10,000 per year	\$10,000 per year
\$500 every five years	Use HCSA credits	\$500 every five years
\$5 million	\$5 million	\$5 million
1 pair every 24 months	Use HCSA credits	1 pair every 24 months
\$400 per practitioner \$750 combined annual maximum	Use HCSA credits	\$300 per practitioner \$500 combined annual maximum
\$250 per family	\$1,000 per family	None
Dental		
\$50 individual/\$100 family	\$50 individual/\$100 family	\$0
The plan pays 90%	The plan pays 90% but only for check-ups and cleanings. X-rays are covered every two years.	The plan pays 20%
50%	Use HCSA credits	50%
\$1,500	\$1,000	\$1,000
50%	Use HCSA credits	50%
\$1,500	Not applicable	\$1,000
Nine months	Nine months	Nine months
Last year	Last year	Current year
\$0 (note that schools can choose to provide HCSA credits along with a stand-alone option)	\$600 individual per year \$1,200 family per year	\$1,000 individual per year \$2,000 family per year

What's a Health Care Spending Account (HCSA)?

The HCSA is available to all participants who choose the Safety Net Option with HCSA or Spousal Option with HCSA. Additionally, schools may choose to offer an HCSA along with any of the three stand-alone options at their own discretion.

Participants with an HCSA will receive an allocation of spending credits in their account at the beginning of each month. This pre-tax benefit can be used to cover a wide variety of health-related expenses, including services not covered by the CSI Insurance Plan. These credits can be used to cover items which are allowed as a medical tax credit by the Canada Revenue Agency. Leftover credits in the HCSA will be carried forward for one year. HCSA credits will be lost if they are not used by the end of the following year.

*An HCSA can be used to...		
Pay for services which aren't covered under the CSI Insurance Plan. (e.g. vision care, dental expenses)	Pay for premiums, deductibles and coinsurance for employees and their dependents	Pay for services above benefits plan limits employees or their spouses may have (e.g. vision care and dental benefits over your or your spouse's annual maximum)

* This is not an exhaustive list. Please refer to the Income Tax Act (Canada) for a complete list of items allowed as a medical tax credit by the Canada Revenue Agency.



Reminder — The Employee Family Assistance Program (EFAP)

The CSI Insurance Plan continues to offer an optional feature to all schools—the Employee Family Assistance Program (EFAP). The EFAP is a support service that can help employees and their families address many different types of personal issues. Due to the important service the EFAP can provide for the well-being of CSI employees, schools that do not currently offer the EFAP should take the time to review what it provides and consider making it available.

AN EFAP provides...	
Counseling Services	Information Services

What are the Other Choices for Schools?

Basic Life and Basic Accidental Death and Dismemberment Insurance

All schools now have a choice between providing coverage at either \$25,000 or at 1.5x the employee's annual earnings, no matter which option for health & dental care the school chooses.

Previously, coverage at \$25,000 was only available through the Standard Plan, whereas coverage at 1.5x annual earnings was available only to Flex Options 1, 2 and 3.

Basic Life/Accidental Death & Dismemberment Insurance	
Option 1 \$25,000	Option 2 1.5 x annual earnings

Dependent Life and Accidental Death and Dismemberment Insurance

All schools now have a choice of providing coverage at either \$2,500 for their employees' spouses and each dependent child, or \$10,000 for their spouses and \$5,000 for each dependent child.

Previously, the former option was only available in the Standard Plan, whereas the latter option was available only in the full Flex plan.

Dependent Life/Accidental Death & Dismemberment Insurance	
Option 1 \$2,500/\$2,500 Spouse/Child	Option 2 \$10,000/\$5,000 Spouse/Child

Disability Insurance Options

All options for Short Term Disability (STD) and Long Term Disability (LTD) remain the same. All schools can choose to add a Cost of Living Adjustment (COLA) to their LTD benefit, no matter which disability option they select. This means that employees who receive LTD benefit payments with a COLA will have their payments increased annually to protect them from inflation.

Short-Term Disability (STD)/Long-Term Disability (LTD)		
Option 1 STD 66.7%/LTD 60% Non-taxable	Option 2 STD 75%/LTD 66.7% Non-taxable	Option 3 STD 75%/LTD 66.7% Taxable
Cost-of-Living Adjustment (COLA) can be added to any LTD option		



What are the Other Choices for Employees?

Optional Life Insurance

On top of Basic and Dependent Life Insurance, employees can purchase Employee and Spousal Optional Life Insurance for themselves and/or their spouses. Optional Life Insurance can be purchased in units of \$10,000 up to a maximum of \$500,000.

Critical Illness Insurance

The CSI Insurance Plan gives employees the option to purchase Critical Illness insurance. Critical Illness insurance assists with financial security should employees or their eligible dependents be diagnosed with one of 22 different critical illnesses.

Modified Out-of-Country Coverage for Dependent Students

Out-of-country coverage for dependent students provides full comprehensive medical coverage (emergency and non-emergency) for eligible dependent children (up to their 25th birthday) who study outside of Canada on a regular, full-time basis.

Based on survey responses, we learned that demand has declined for this coverage. As such, full out-of-country coverage for dependent students will not be automatically included in the new CSI Insurance Plan. However, it is still available as an optional, employee-paid benefit that can be purchased by those employees who need it.

Other CSI Insurance Benefits

International Student Plan

The International Student Plan provides both medical and accident insurance for international students who are studying at CSI schools.

Occupational Coverage

The benefits provided for non-occupational claims through the CSI Insurance Plan are extended to cover any occupational injury claims for schools who have opted out of Workers' Compensation.

Co-op Student Coverage

This benefit provides occupational coverage for students of employees who go on job placements.

Retiree Plan

A comprehensive retiree benefits plan is available to retiring employees. Basic life insurance and health and dental benefits are extended to retirees who meet certain eligibility requirements. The alternative of securing individual coverage can be costly for retirees, particularly as premiums are based on age and health status, and the coverage is modest by comparison.

What's Next?

In the near future...

The school communities will decide which CSI Insurance Plan options they would like to offer to their employees.

In March/April...

Office staff can attend a webcast about benefits administration and the transition to the new CSI Insurance Plan.

In April...

All employees whose schools have chosen full Flex will have an opportunity to learn more about their options through an interactive presentation.

In June/July...

All employees will have to opportunity to enrol in the new CSI Insurance Plan and other optional insurance benefits, effective September 1, 2011.

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Questions?

If you have any questions, please contact Howard Van Mersbergen, Vice President of Employee Benefits, at 1-877-274-8796 ext. 226 or hvanmersbergen@csionline.org.

For details about the insurance plan, visit the CSI Employee Benefits website at www.csionline.org/benefits.