

HEALTH WEALTH CAREER

**CANADIAN PENSION &
BENEFITS INSTITUTE
SASKATCHEWAN REGION**

**THE WORLD OF
VOLUNTARY BENEFITS**

12 & 13 February 2020

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Saskatoon & Regina



AGENDA

01 Current State of Benefits

02 Evolution of Benefits

03 Key Employer and Employee Trends

04 Voluntary Benefits – Bridging the Gap

05 Overview of Traditional Voluntary Benefits

06 Overview of Specialty Benefits

07 Questions?

THE BENEFITS TIPPING POINT

- Key role of benefits is to support employees outside work to achieve their life goals

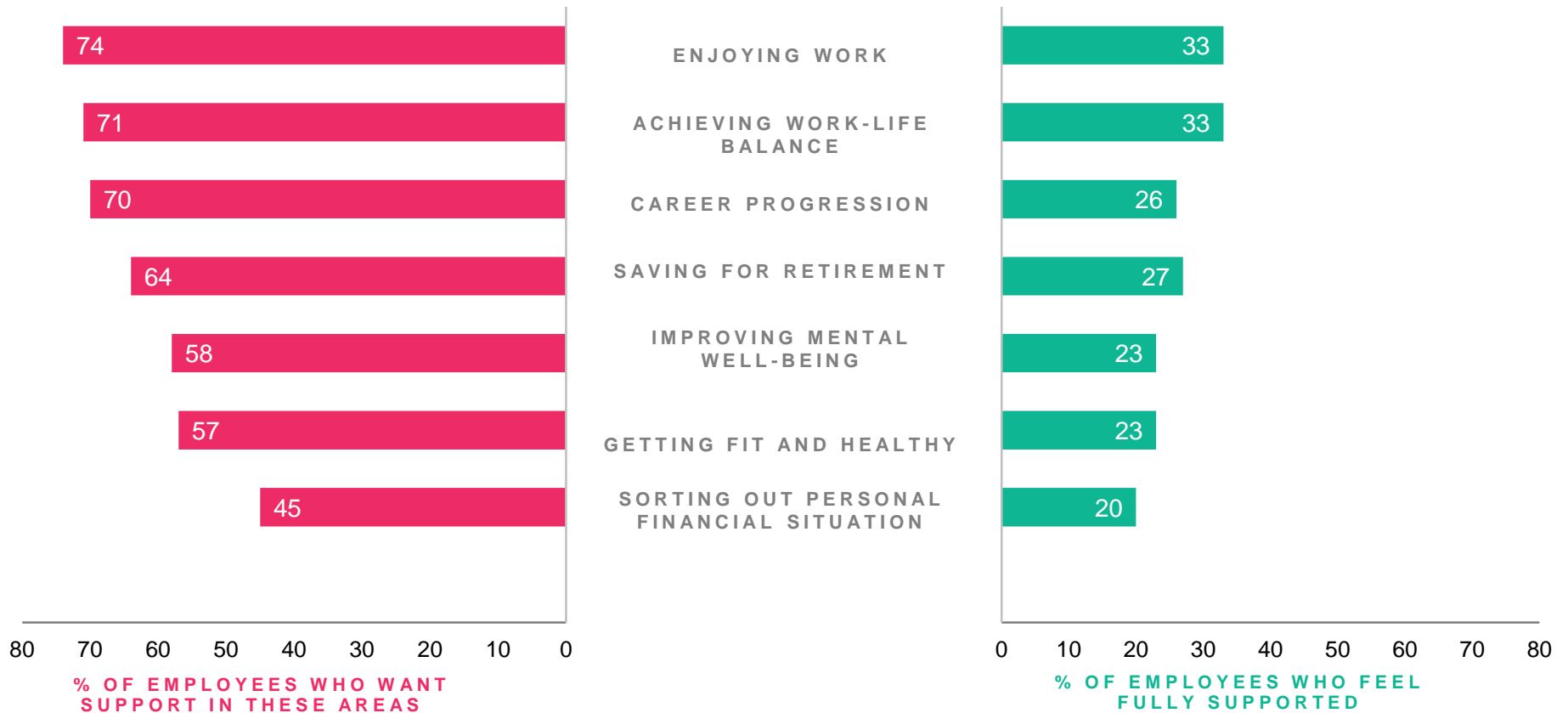


- For most employees, lifestyle and aspirations are changing
- Aligning benefits to life goals is key for engagement
- Benefits have not evolved at the same pace

TIPPING POINT

The critical point in a situation, process or system beyond which a significant and often unstoppable effect or change takes place

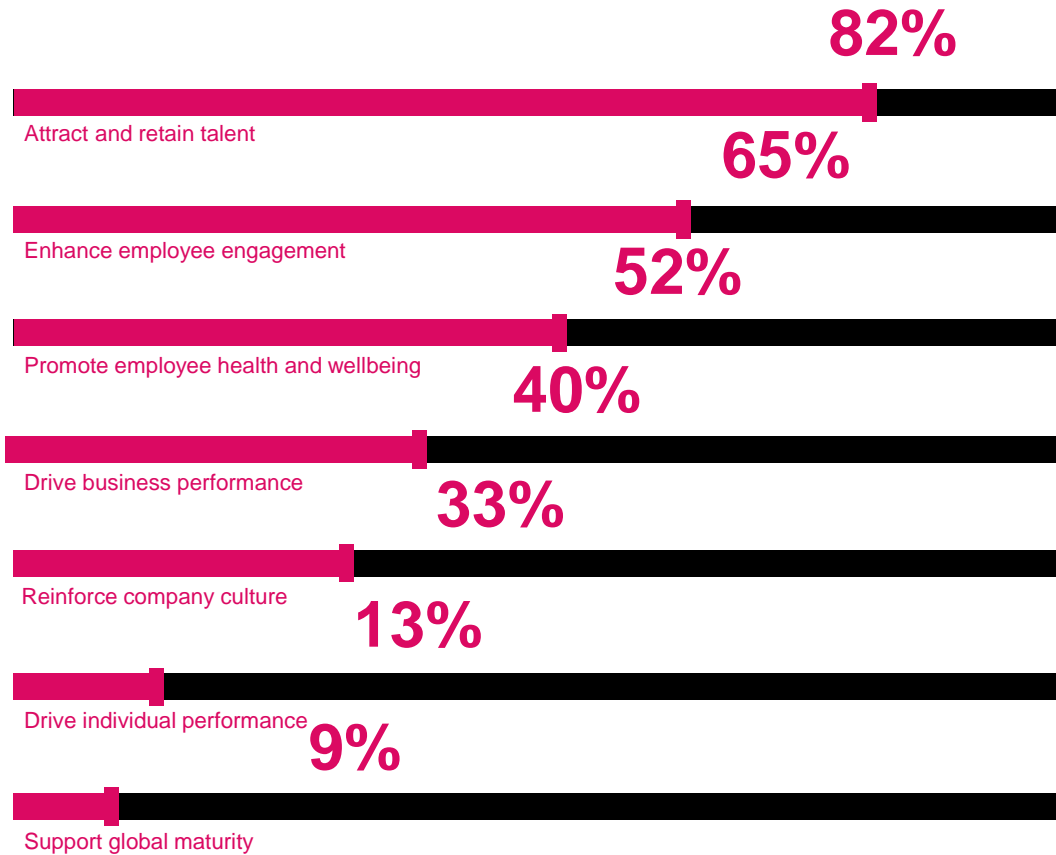
A CLEAR DISCONNECT BETWEEN WHAT EMPLOYEES NEED AND THE SUPPORT THEY FEEL THEY GET



Source: Global Employee Benefits Watch Report 2018/19, Thomsons Online Benefits

THE PRESSURE TO ATTRACT AND RETAIN TALENT IS HIGHER THAN EVER BEFORE...

Top underlying objectives of global benefits strategies



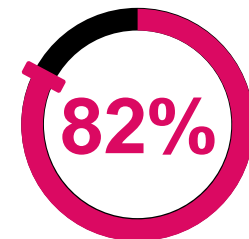
Source: Global Employee Benefits Watch Report 2018/19, Thomsons Online Benefits



In 2017 **65% of organizations** said their number one global strategy objective was to **'attract and retain talent'**



This year it is **by far the most important objective** of an organization's global benefits strategy at:



CONSENSUS AROUND WHAT NEEDS TO CHANGE...



Employer Priorities

1. Attracting and retaining talent in a tight labour market
2. Improving employee engagement
3. Having a healthier and more productive workforce
4. Reducing administration burden and costs

53% of Canadian employees would like to see more employer focus on health & wellness



26% of employees are less likely to go work elsewhere if their employer promotes digital solutions to support their wellbeing



Employee Needs

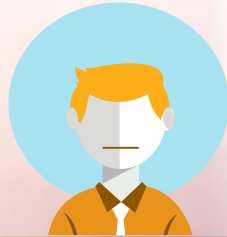
1. A new definition of benefits, including more wellbeing components
2. More choices and flexibility
3. Personalized communications
4. A “retail-like experience”

THE EVOLVING STATE OF EMPLOYEE BENEFITS

After salary, benefits represent our **largest spend** on our people



However, **88%** of employees are not actively engaged with their benefits



The way we are providing benefits is perfectly suited for a **workforce... that no longer exists**



EMPLOYERS NEED TO START THINKING ABOUT BENEFITS
IN A DIFFERENT WAY

HEALTH AND WELLBEING AN OPPORTUNITY TO MAKE A DIFFERENCE AND SHAPE THE INDUSTRY

74%

of *employers* believe in the impact of digital health solutions

26%

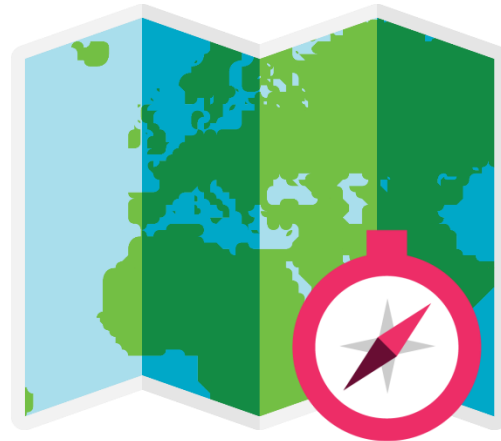
of *employees* are less likely to leave if their employer offers digital health solutions

54%

of *employers* are planning to invest in digital health in the next 5 years

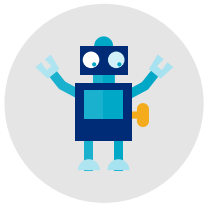
79%

of *employees* ready or need limited comfort to engage in digital wellbeing



Take action: Employers should review their priorities and chart a path for success!

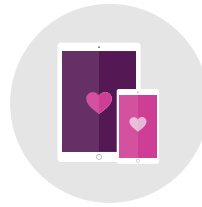
CANADIANS EMBRACING HEALTH TECHNOLOGY



6 in 10 Canadians
excited about use
of AI



Over 70% of
Canadians believe
technology can help



7 in 10 Canadians
would take
advantage of virtual
Dr visits



Over 50% of
Canadians would
use continuous
health monitoring
device



60% of Canadians
do have concerns
about privacy of
personal health
information

“You cannot use yesterday’s tools to fix today’s problems”

Source: Shaping the Future of Health and Medicine, Ipsos, Canadian Medical Association, August 2018

TOP TECHNOLOGY TRENDS FOR HEALTH AND WELLNESS



Incentives/
rewards



Non-stop
access



Mental
health focus



Wearable
devices



Social
interaction



Sleep



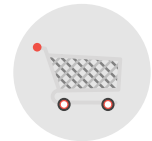
Hyper connectivity



Communication



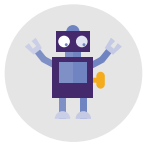
Block chain



Gamification



Personalization



Chatbots



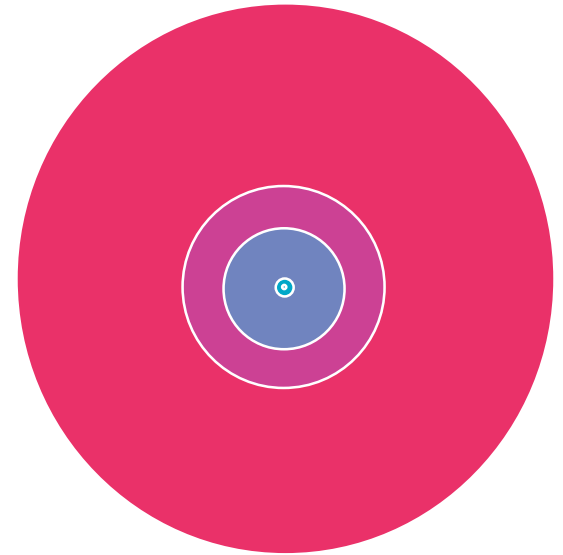
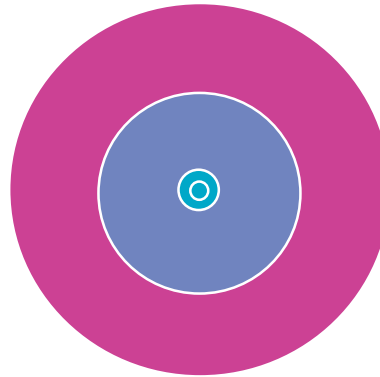
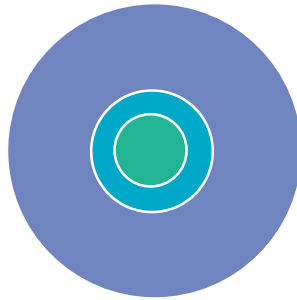
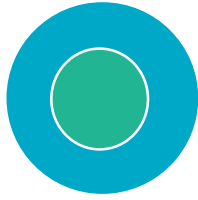
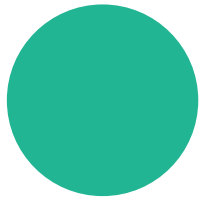
Integration
across
platforms



Better support for
offset employees

Source: 15 Technology Trends to Enhance Your Wellness Program, Robbie Hartman, CEBs, May, 23, 2018, Employee Benefits Wellness

ADOPTION OF INNOVATION BY PLAN SPONSORS STILL SLOW



Typical innovation
solution costs

Typical massage
therapy costs

Typical group
health cost

Typical group
benefit cost

Typical payroll
and benefit costs

\$2-5 PEPM

\$10 PEPM

\$150 PEPM

\$375 PEPM

\$6,250 PEPM

ADVANTAGES OF OFFERING VOLUNTARY BENEFITS

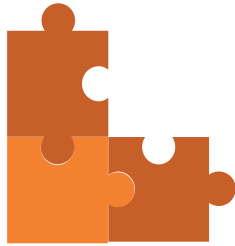
EMPLOYERS

- Ability to provide flexible benefits to their employees at no added cost to the employer
- Voluntary benefits are a cost effective way for plan sponsors to compliment employee benefits or introduce new benefit trends that may not be in the employer's budget

EMPLOYEES

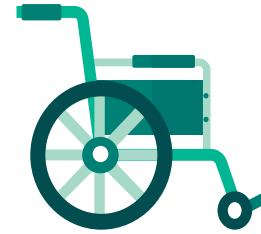
- Provides employees a choice of benefits or services to suit their own lifestyle needs
- Allows employees more benefit choices at discounted group rates (i.e. economies of scale)
- Optional benefits may be portable and/or convertible

TRADITIONAL VOLUNTARY BENEFITS



OPTIONAL LIFE / AD&D

- Term life
- Medical evidence
- Issuance by age 65
- Termination at age 70
- Availability for dependents
- Portable: Yes



CRITICAL ILLNESS

- Lump sum payment
- Covered conditions
- Medical evidence
- Availability for dependents
- Portable: Yes

TRADITIONAL VOLUNTARY BENEFITS



INVESTMENT SOLUTIONS

- Financial wellbeing through voluntary contributions
- Variety of investment vehicles/fund options
 - TFSA, RRSP, RESP
- Reduced administrative/management fees
- Portable: Yes



BENEFITS AT RETIREMENT

- Access to Health, Travel and Life Insurance at retirement
- Potential for no medical underwriting
- Dependent coverage
- Available through group or marketplace
- Portable: Yes

SPECIALTY MARKET VOLUNTARY BENEFITS



VIRTUAL HEALTH

- Expanding sector utilizing self-serve platforms
- Allows for personalized and seamless experiences for Physical, Mental, Emotional and Social health
- Services include:
 - Access to practitioners
 - Personal action plans
 - Prescriptions
- Convenience for plan member with 24/7 access
- Online access via phone or video conferencing
- Privacy of personal information
- Portable: Dependent upon provider

WHAT IS PHARMACOGENETICS?

What is pharmacogenetics?

- **Pharmacogenetics** (PGx) is the study of inherited genetic differences in drug metabolic pathways which can affect individual responses to drugs, both in terms of therapeutic effect as well as adverse effects
- Scientists and doctors are using this new technology for a variety of things, one being improving the efficacy of drugs

Why?

- Not all drugs are on a “one size fits all” model
- To predict which drug a patient will best respond to by looking into their genetic code (ex: anti-depressant)
- Reduce absence and disability plan costs and drug waste
- Faster recovery for employees

1

Pharmacogenetics currently covers approx. 25% of the most common medications

2

Reduces/eliminates potential negative side effects of trial and error of drugs and adverse drug reactions/events having direct cost of \$20B in Canada

3

Not the same as disease prediction/risk testing nor is it a diagnosis

4

Canadians protected from having to take and/or disclose results of genetic testing as condition for goods or services as per the passing of Bill S-201 the Genetic Non-Discrimination Act

5

Pharmacogenetics use is still limited in Canada is has been increasing over the last 1-2 years

Personalized Insights Using Genetic Testing

- 84 SNPs
- 65 genes
- 41 outcomes
- 8 categories



Diet



Sensitivities



Specific Nutrient Needs



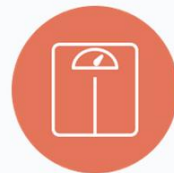
Physical Fitness



Mental Wellness



Detox



Obesity Risk



Hormonal Health

SUMMARY OF YOUR RESULTS

DEMO BIOGENIQ

Sex : M Date of report : 2017-03-17
 Date of birth : 1980-06-20 Sample number : BIO-341-424242

NUTRIENT	NOTIFICATION	RECOMMENDATION
METABOLIC HEALTH		
VITAMIN C p.4	Increased risk of vitamin C insufficiency	Consume at least 90 mg/day of vitamin C.
FOLATE p.5	Increased risk of blood folate insufficiency	Consume at least 400 DFE/day.
GLYCEMIC LOAD p.6	Sensitive to foods with a high glycemic load	Always prioritize foods with a low glycemic load, that is <10.
CARDIOVASCULAR HEALTH		
OMEGA-3 FATTY ACIDS p.8	Increased risk of high blood triglyceride levels	Consume approximately 1240 mg/day of EPA and DHA omega-3 fatty acids.
SODIUM p.9	Increased risk of being sensitive to sodium	Consume a maximum of 1500 mg/day of sodium.
CAFFEINE p.10	Slow metabolizer of caffeine	Consume a maximum of 200 mg/day of caffeine.

NUTRIENT	NOTIFICATION	RECOMMENDATION
BONE HEALTH		
VITAMIN D p.12	No identified risk	Consume approximately 600 IU/day of vitamin D.
WEIGHT MANAGEMENT		
SATURATED FATS p.14	Increased risk of weight gain	Consume less than 22 g/day of saturated fat.
INTOLERANCES AND IMMUNITY		
LACTOSE p.16	Increased risk of developing a lactose intolerance	Limit or avoid lactose-containing products.
GLUTEN p.17	DQ2/DQ8-positive; cannot exclude the possibility of celiac disease	In case of recurrent gastrointestinal symptoms upon consumption of gluten-containing foods, it is recommended to seek the advice of a physician or registered dietitian.

SPECIALTY MARKET VOLUNTARY BENEFITS



IDENTIFY THEFT / FRAUD PROTECTION

- Various levels of identity theft (from unsophisticated to elaborate and complex)
- Provide plan members with resources to self-educate
- Product features may include:
 - Income protection
 - Mobile app instant alerts
 - Credit monitoring
 - Computer repair
- Portable: Dependent upon provider

SPECIALTY MARKET VOLUNTARY BENEFITS



KIDNAP AND RANSOM

- Coverage to protect against kidnapping, extortion and security breaches (including cyber instances)
- Product features may include:
 - Expenses for kidnap ransom or extortion
 - Legal liability
 - Access to security consultants
 - Online risk forecasting
- Eligible persons may include:
 - Company (Directors, FT/PT/Temporary employees)
 - Independent Contractors
 - Volunteers
 - Relatives of employees
 - Guests on premises
 - Individual retained to deliver ransom
- Portable: No

SPECIALTY MARKET VOLUNTARY BENEFITS



PET INSURANCE

- Insured coverage for veterinary cost of pets such as:
 - Medication
 - Surgeries
 - Diagnostic tests
- Customizable with optional benefit selections
- Product features may include:
 - Waiting period for injury and illness
 - Exclusion for pre-existing conditions
 - Co-insurance
 - Unlimited coverage
 - Customizable monthly premiums via deductibles
 - Termination age
 - No increases due to plan utilization
- Portable: Yes

ADMINISTRATIVE CONSIDERATIONS



FUNDING

- Generally are 100% employee paid
 - Combination of employee/employer paid
 - Employees can utilize Wellness Spending Accounts to pay for voluntary benefits
-



PAYMENT OPTIONS

- Payroll deductions
 - Direct payment to provider of benefit or service
-



PARTICIPATION REQUIREMENTS

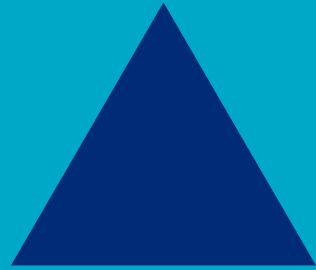
- Carriers/providers may require a minimum participation in order to offer a benefit or service
-



MULTIPLE CARRIERS

- Not all insurers offer all voluntary benefits, so coordination between multiple carriers may be required

QUESTIONS?





MERCER

MAKE TOMORROW, TODAY