



Pionairs AGM

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Senior Global Benefits Manager

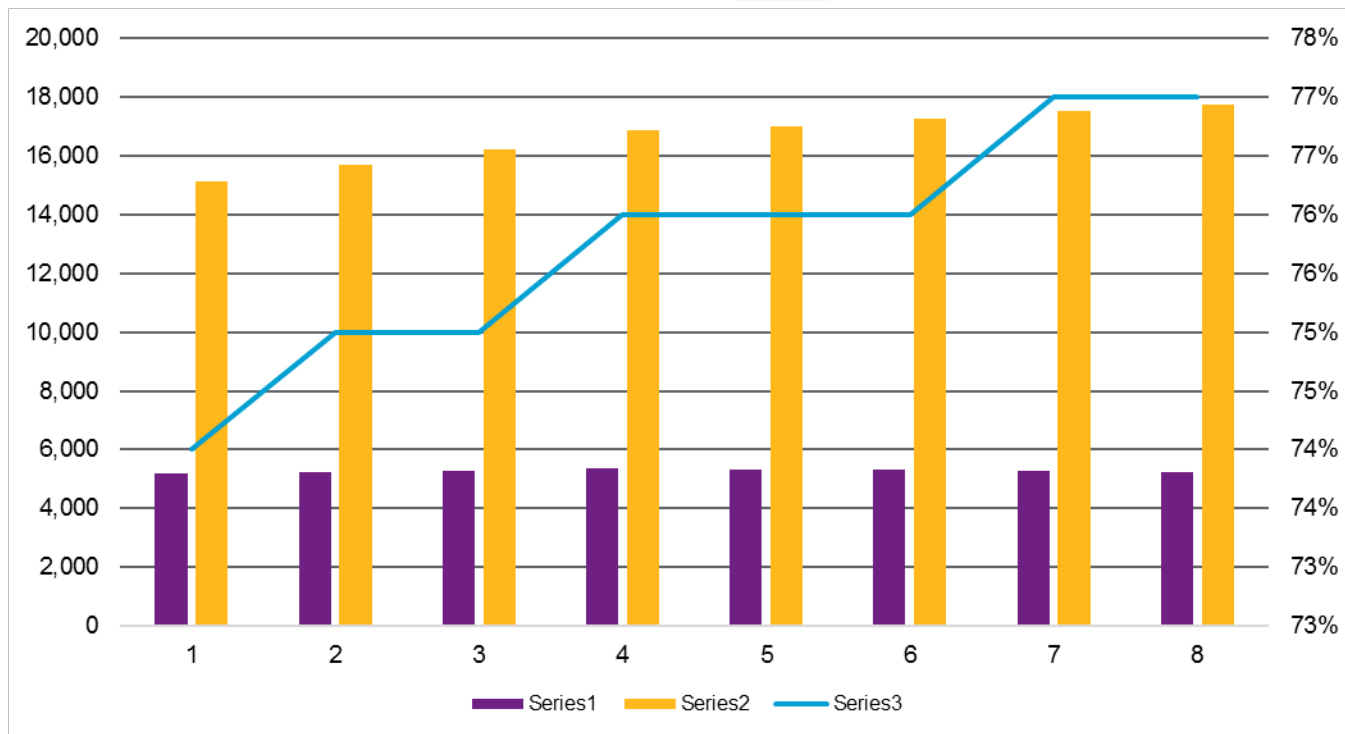
Linda De Quintal

Manager, Global Benefits Manager

May 2019



Participation Statistics



Participation Statistics

Basic Health Plan:

5 251 participants

Voluntary Supplementary Health Plan:

17 239 participants

	Less than 65	65 and over	Total	% of Less than 65
Québec	1,111	3,813	4,924	22.6%
Alberta	378	690	1,068	35.4%
BC/Man/Sask	1,285	4,006	5,291	24.3%
Ontario	1,050	4,330	5,380	19.5%
Atlantic	289	787	1,076	26.9%
Total	4,113	13,626	17,739	23.2%

- Globally, the percentage of retirees below age 65 has decreased significantly in the past few years in all provinces (41.1% of members were below age 65 in 2012)
- Alberta has the highest percentage of retirees below age 65 and Ontario has the lowest (consistent with previous years)

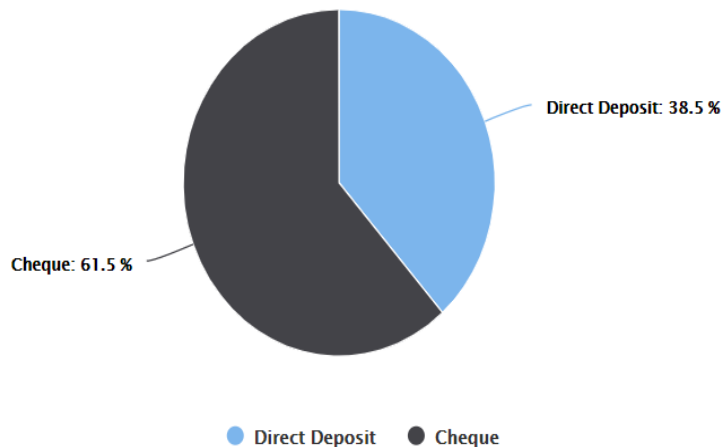


Basic Health Plan

- Total Paid Claims in 2018= \$2,472,270

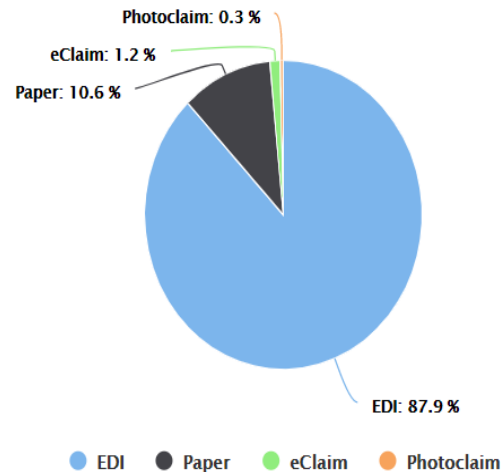
Member Payment Methods

01/01/2018 – 31/12/2018

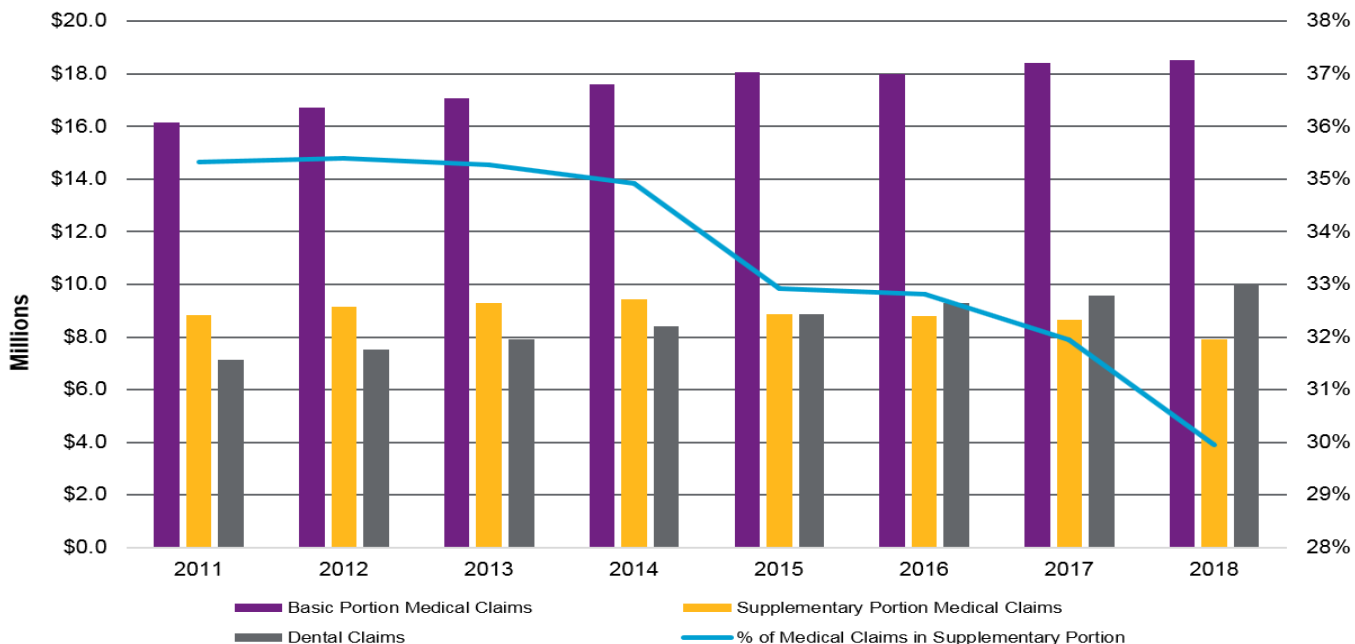


Claim Submission Methods

01/01/2018 – 31/12/2018

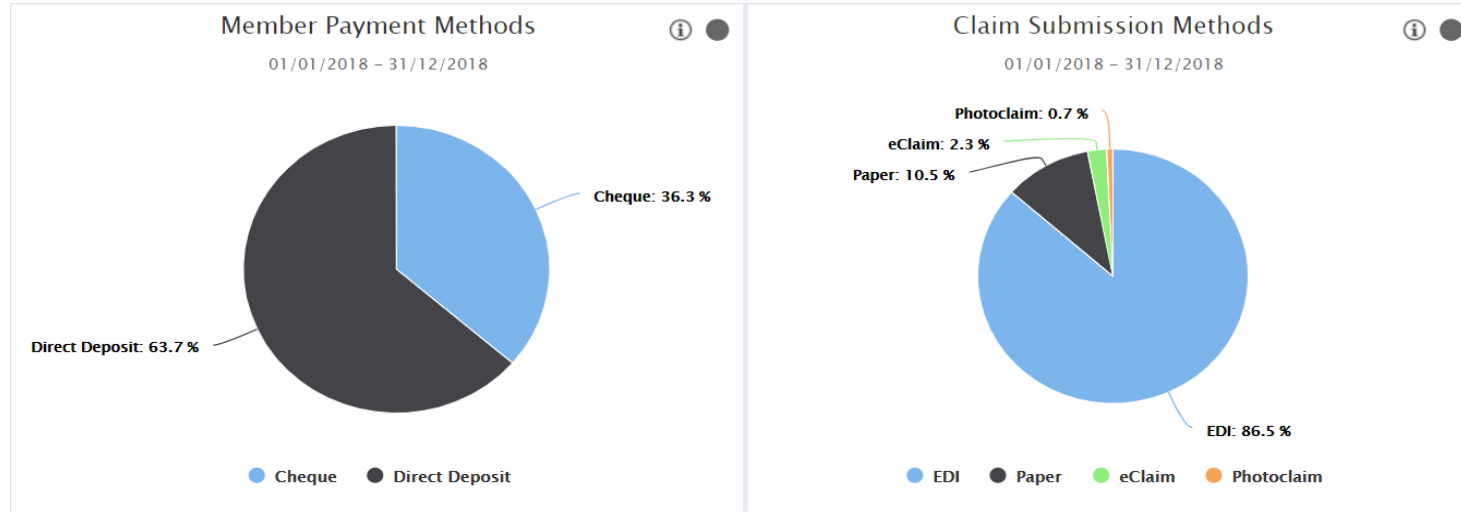


Voluntary Supplementary Health Plan Financial Experience



Voluntary Supplementary Health Plan

- Total Paid Claims in 2018 = 36,453,000
 - Medical claims decreased by 8.4% and dental claims increased by 4.5% compared to 2017. Combined claims have decreased by 1.6%
 - Dental claims have increased between 3% and 6% annually since 2012



VSHP

Financial Experience

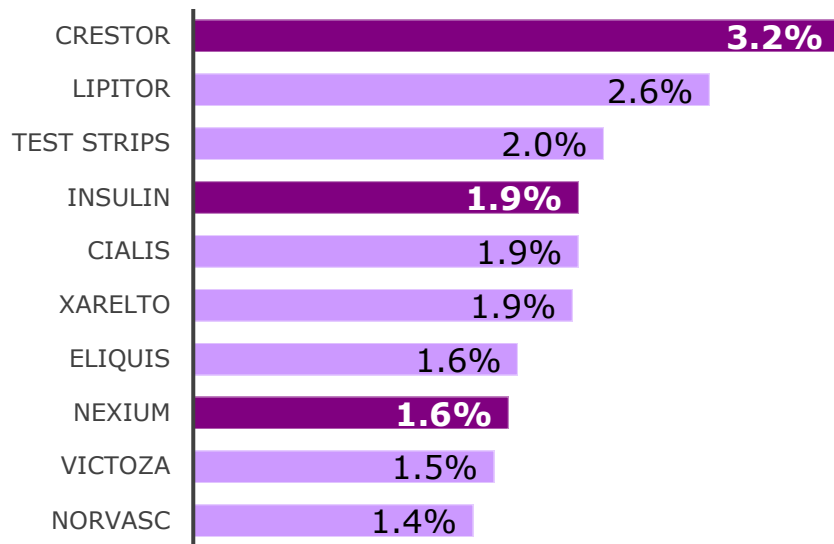
	Basic Portion of Claims	Supplemental Portion of Claims	Retiree Contributions (excl. Sales taxes)
01.01.2009 to 12.31.2009	14,317,000	13,879,000	14,659,000
01.01.2010 to 12.31.2010	16,396,000	15,383,000	15,291,000
01.01.2011 to 12.31.2011	16,169,000	15,964,000	16,669,000
01.01.2012 to 12.31.2012	16,722,000	16,703,000	17,843,000
01.01.2013 to 12.31.2013	17,066,000	17,217,000	18,477,000
01.01.2014 to 12.31.2014	17,605,000	17,841,000	19,175,000
01.01.2015 to 12.31.2015	18,048,000	17,725,000	19,217,000
01.01.2016 to 12.31.2016	17,984,000	18,071,000	18,924,000
01.01.2017 to 12.31.2017	18,405,000	18,223,000	18,745,000
01.01.2018 to 12.31.2018	18,520,000	17,933,000	18,933,000



Prescription Drug Review



Air Canada Retirees



Overview of Prescription Drug Plan (VSHP)



\$1,798,000

of paid claims was on specialty drugs



10%

Of paid claims were for specialty drug claims versus the industry average of 28%*



65

Specialty drugs claimed in 2018, highest spend for inflammatory conditions, cancer and Hepatitis A&B/HIV drugs





Rates remain unchanged for another year!

Monthly Contributions as of May 1, 2019

	Under 65			65 or Over		
	Single	2 persons	3 persons or more	Single	2 persons	3 persons or more
Provinces						
Québec	\$39.43	\$78.40	\$98.11	\$46.49	\$90.57	\$113.80
Ontario	\$72.30	\$144.03	\$180.16	\$60.57	\$122.32	\$152.61
Alberta	\$52.65	\$104.88	\$131.20	\$48.05	\$94.22	\$118.24
B.C., Man & Sask.	\$38.16	\$76.04	\$95.11	\$60.74	\$122.54	\$152.91
Atlantic	\$63.32	\$125.93	\$157.61	\$102.92	\$200.51	\$251.97

Post-Retirement Buy-Out (PRB)

- In 2018 Air Canada offered a post-retirement benefits (PRB) to approximately 23,000 retirees allowing a one time opportunity to opt out of the Retiree Group Health and/or Life coverage
- 589 retirees accepted the health care offer
 - Of these 589 retirees, 259 were enrolled in the VSHP
 - Of these 259 retirees, 81 chose to maintain their dental benefits
- Retirees under the VSHP who elected the Health Buyout Offer had the choice to keep their dental coverage at their own cost
 - 81 retirees elected to keep their dental coverage and a monthly cost of:

Coverage	Monthly Premium Rate
Single	\$29.40
2 persons	\$58.81
3 or more	\$73.51



Health Spending Account (HSA) & Wellness Account

- HSA
 - Use it to pay for all medical dental expenses that are eligible under Canada Revenue Agency rules;
- Wellness
 - Use it to pay for gym memberships, sports league memberships, purchase of sports equipment, etc...

Current Coverage	Exchange Offer for Retirees
Health Care	Annual deposit into an HSA/Wellness account of \$450 for single coverage and \$900 for family coverage for the lifetime of the retiree (transferable to the spouse upon the death of the retiree)
Life Insurance	Single cash payment (based on age)



Consideration – Vision benefit

- Estimated cost of adding benefit

Description	Estimated 2020 Cost Increase	Additional Monthly Premium
Voluntary Health Plan		
A) Vision Care Add coverage for vision care (exams and glasses).		
Scenario 1 - Maximum reimbursement of \$225/24 months for glasses and \$125/24 months for exams	\$2,593,000	Single: \$ 7.81 2 persons or more: \$ 15.62
Scenario 2 - Maximum reimbursement of 325/24 months for glasses and \$125/24 months for exams	\$3,285,000	Single: \$ 9.90 2 persons or more: \$ 19.80



Vision analysis

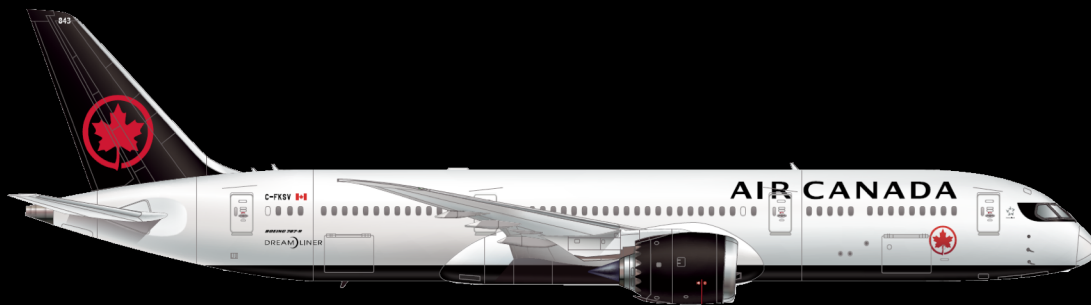
- Scenario 1 – additional yearly cost
 - Single coverage \$93.72
 - 2 persons or more \$187.44
- Scenario 2 – additional yearly cost
 - Single coverage \$118.80
 - 2 persons or more \$237.60

Costs in the first year could be higher than estimated as many retirees will choose to benefit from the coverage in the first 12 month period





Thank you



Questions?