

# 2012 Annual Benefits Report

## TAKING CARE OF OUR OWN



### IUOE LOCAL 793 PENSION AND BENEFITS PLANS

## OUR BENEFITS PLAN IS STILL GOING STRONG

There are lots of advantages to being a member of the IUOE Local 793. Your Life and Health Benefits Plan is one of them. This comprehensive plan provides a wide range of valuable benefits for you and your eligible family members. These benefits include, among other things, extended health, dental and vision care.

We're pleased to report that, as of December 31, 2012, the plan's trust fund had a surplus of \$24 million. That means we had more than enough money to cover benefit costs during the year. It also means, we had enough money to make several benefit improvements. Specifically, we:

- increased member life insurance coverage to \$125,000 from \$100,000;
- introduced a separate limit for chiropractic services (\$800 per calendar year);
- updated to the 2012 dental fee guide; and
- added "Best Doctors," a service that allows you to connect with the world's top medical specialists. *See page 35 for details.*

As long as the plan continues to remain financially healthy, the Trustees will continue to look for ways to improve your benefits coverage.

In the meantime, we encourage you to take a few minutes to read this report. It includes:

- the most up-to-date financial information about the plan;
- details on Best Doctors, our newest benefit; and
- answers to some frequently asked questions.

The Trustees are dedicated to protecting the plan and its members. To that end, we will continue to monitor the plan closely and do what we can to manage benefit costs. After all, we want to make sure the plan remains strong for you and future generations of Local 793 members.

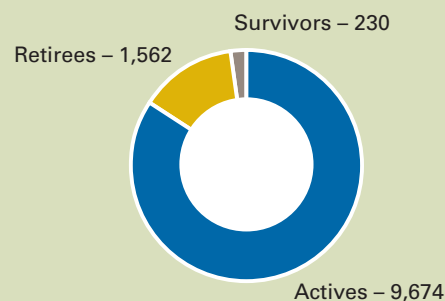
If you have any questions about your benefits, please contact the Union Office at 905-469-9299.

Sincerely,  
Your Board of Trustees

### WHAT'S INSIDE

- **Financial highlights**  
*An update on funding and costs*
- **Introducing Best Doctors**  
*Making a great benefit plan even better*
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### MEMBERSHIP



# FINANCIAL HIGHLIGHTS

## *An update on funding and costs*

Your Local 793 Life and Health Benefits Plan continues to be in excellent financial health.

Thanks to our growing membership, plan contributions continued to go up in 2012. Investment income, while down from 2011, also added to the bottom line. As a result, the trust fund ended the year with more than enough to cover all benefit costs – despite the fact that we saw an increase in benefit claims.

Contributions to the plan are deposited in a trust fund for the benefit of all plan members. This fund is invested by Ridgewood Capital Asset Management, based on investment guidelines established by the Trustees. Contributions and investment income, in turn, are used to pay benefit claims, insurance premiums and operating costs. The plan also keeps some funds in reserve to act as a “financial cushion” during periods of lower-than-expected contributions and/or higher-than-expected claims.

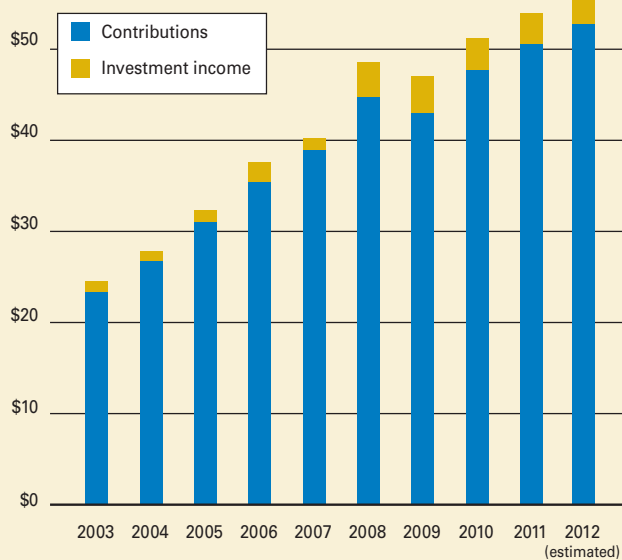
### Benefit costs

The cost of providing benefits to members increased by about 8.4% in 2012. Of the \$46.3 million paid to cover plan expenses, the most was spent on prescription drug claims, which accounted for almost 33% (about \$15 million).

Although we can't control how much drug companies or pharmacies charge for prescriptions, we can all help control plan costs by asking our doctors to prescribe generic drugs, if appropriate. If you're concerned that a generic drug isn't as effective as the brand name version, it's important to understand that the active ingredients are exactly the same. There are no differences in quality or purity. The biggest difference is price. Generic drugs can cost between 25% and 50% less than brand name drugs.

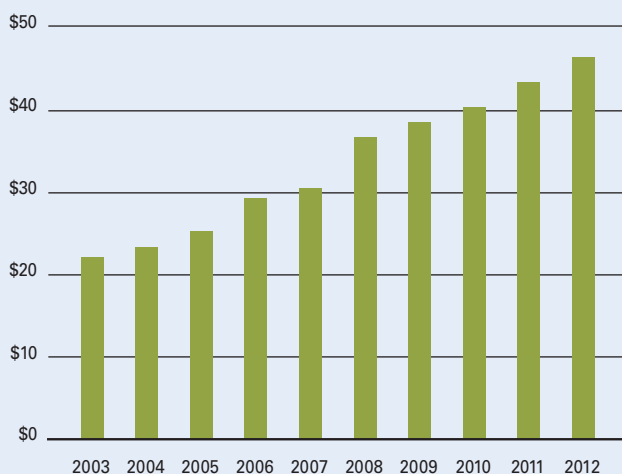
### CONTRIBUTIONS AND INVESTMENT INCOME

(in million \$)



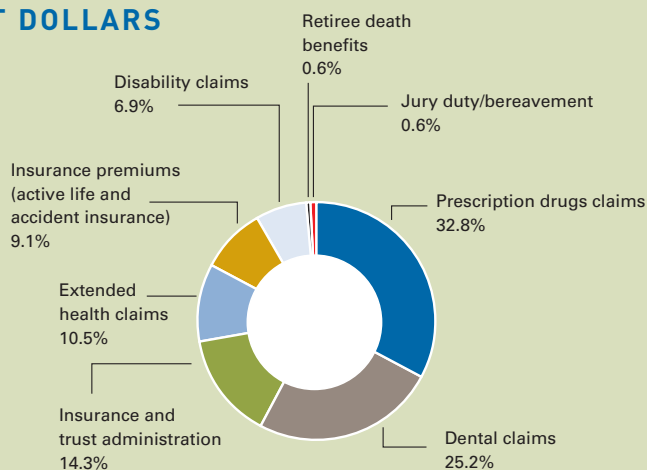
### COSTS

(in million \$)



### HOW WE SPEND OUR BENEFIT DOLLARS

**Remember, our plan pays 100% of the cost of your prescription drugs, so buying generic can help our plan save millions of dollars every year. That means more money for other benefits.**



# INTRODUCING BEST DOCTORS

## *Making a great benefit plan even better*

When you or a family member is ill, you want to make sure you're getting the care you need. That's the focus of Best Doctors.

Best Doctors allows you to connect with the world's top medical specialists to confirm a diagnosis and treatment plan when faced with a serious illness. Even if you don't have a serious illness, you can use Best Doctors to get a second opinion or to find a family doctor or specialist. In fact, you can turn to Best Doctors for advice and guidance on almost any health-related matter. The only health issue Best Doctors doesn't deal with is mental health.

By calling Best Doctors at 1-877-419-BEST (2378), you can:

- get a complete explanation of your medical condition,
- get answers to your questions,
- verify a diagnosis,
- confirm the best treatment options,
- identify the specialists and medical institutions best qualified to meet your medical needs (within or outside of Canada), and
- get answers to any follow-up questions.

If you have a serious medical condition, you'll be connected to a Member Advocate at Best Doctors. This individual (a registered nurse) will be dedicated to your case throughout the following three-step "InterConsultation" process:

1. **Information Gathering** – Your Member Advocate will take your complete medical history and make sure that all of your questions are addressed. This information is held in confidence and will never be passed on to Local 793, Global Benefits, or your employer.
2. **Information Analysis** – Best Doctors will contact your doctors and medical facilities to collect your medical information. A team of Best Doctors physicians will review this information. If necessary, Best Doctors will re-evaluate your pathology at a Centre of Excellence that reviews some of the most complex cases in the world.

The team will then select the Best Doctors specialist who is the most qualified to review your case. That specialist will make a diagnosis or recommendation based on the medical information reviewed and deliver a report back to your Member Advocate.



3. **Solutions** – You will receive an easy-to-understand report from Best Doctors. The report will explain the expert doctor's diagnosis, recommendations and/or treatment plan. Your Member Advocate will carefully review all the information with you and answer any questions you may have.

Best Doctors is available 24 hours a day, seven days a week and is completely confidential. It doesn't replace your relationship with your current doctor – it offers resources, support and information to assist you and your doctors.

Best Doctors was founded by doctors from Harvard Medical School in 1989. Its network of specialists is chosen by surveying current Best Doctors and asking one simple question: "If you or a loved one needed a doctor in your specialty, who would you choose?" Doctors who are nominated are then screened before being added to the network. No fees are paid or accepted for the privilege of being included in the network. For more details, visit [www.bestdoctorscanada.com](http://www.bestdoctorscanada.com) and view the interactive presentation.

**To be eligible for Best Doctors, you must be a member in good standing with Local 793 and be covered under our benefits plan.**

# CORNER Q

Got a question about your benefits coverage? If it's a general question – such as “when does my coverage start?” or “what's covered?” – there's a good chance you'll find the answer in the benefits plan booklet.

But sometimes, you might have a question the booklet doesn't answer. That's where “Corner Q” comes in. It provides the answers to more specific questions, such as:

**1. Do we have an Employee Assistance Program (EAP)?**

No. As a member of the benefits plan, however, you do have access to medical, dental and group legal services. Please refer to the individual plan booklets for details.

**2. Can we use a paralegal under the group legal plan?**

Yes, but only for charges under the Highway Traffic Act.

**3. Is marriage counselling a covered expense?**

No. Marriage counselling is not covered under the plan. That said, the plan does cover 100% of the assessment services provided by a registered psychologist (up to reasonable and customary charge of \$1,500 per year). The plan will then reimburse up to \$500 per year toward treatment from a registered psychologist (this is a combined annual maximum for all paramedical services). Some psychologists specialize in marriage counselling. Please refer to your Life and Health Benefits Plan booklet for more details.

**4. Does the plan cover a CPAP (respiratory) machine?**

Yes. The provincial Assisted Devices Program (ADP) covers 75% of the standard model and our plan will cover the remaining 25%. If you upgrade from the standard model, you will be responsible to pay the difference.



## YOUR BENEFITS PLAN TEAM

**ADMINISTRATOR/CONSULTANT**

Global Benefits

**INVESTMENT MANAGER**

Ridgewood Capital Asset Management

**AUDITOR**

BDO Canada LLP

**INSURANCE COMPANY**

Manulife Financial



## A FINAL WORD

This report provides summary information about the IUOE Local 793 Life and Health Benefits Plan. The plan is administered by the IUOE Local 793 Board of Trustees, %o Global Benefits, 545 Wilson Avenue, Toronto, ON M3H 1V2. Every effort has been made to provide accurate information, but if there is any discrepancy between the information contained here and the official plan reports and other documents, the official documents will apply.