
DATE: March 8, 2010

REPORT TITLE: **BENEFIT PLAN RENEWAL FOR PARAMEDIC BENEFITS
DOCUMENT 2010 - 207N**

FROM: R. Kent Gillespie, Commissioner of Employee and Business Services

RECOMMENDATION

That staff be authorized to directly negotiate a one year contract (Document 2010 – 207N) with Industrial Alliance Insurance and Financial Services Incorporated for Peel Regional Paramedic Services union benefit plan in the estimated annual amount of \$1,227,737 (excluding applicable taxes), for the period April 1, 2010 to March 31, 2011, in accordance with Purchasing By-law 63-2008;

And further, that authority be given to increase the Administrative Services Only (ASO) contract expenses to account for actual expenditures incurred during the year;

And further, that authority be given to increase or extend the contract for two additional 12 month periods, based on satisfactory service, performance and costs, for each period.

REPORT HIGHLIGHTS

- Request to renew the existing contract as of April 1, 2010 on a direct negotiation basis in accordance with the Purchasing By-law.
- Request authority to increase or extend the contract for two additional 12 month periods.
- Overall estimated cost increase is 8.4 per cent (\$95,538), exclusive of taxes, resulting in an estimated annual benefit program cost of \$1,227,737.
- Current service levels are very good and justify the renewal.

DISCUSSION

1. Background

A benefit plan for paramedics has been retained through Industrial Alliance Insurance and Financial Services since the Peel Regional Paramedic Services began to be operated directly by the Region of Peel. Currently there are 284 Peel Regional Paramedic Services union staff covered for benefits by this provider. The benefit plan is renewed every three years. At the time of the last renewal, an independent review determined that the plan, as negotiated, was in line with industry standards and no appreciable savings could be obtained by going to market.

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The benefit plans are of two types, Insured benefits and Administrative Services Only (ASO) benefits. The insured benefits are Life Insurance, Dependent Life Insurance and Long Term Disability. ASO means the actual benefit amount is paid by the Region of Peel and the provider administers the plan for a fee. ASO benefits are the Weekly Indemnity program and Health and Dental benefits.

2. Proposed Direction

Staff recommends negotiating with Industrial Alliance Insurance and Financial Services Incorporated for a one year term effective April 1, 2010, with two additional 12 month terms based on performance and cost. The overall estimated cost increase is 8.4 per cent (\$95,538), resulting in an estimated annual benefit program cost of \$1,227,737 (excluding applicable taxes).

The provisions and costs of this benefit plan remain competitive. The benefit plan administered by Industrial Alliance Insurance and Financial Services Incorporated has a lower overall per employee cost than our other benefits provider. As well, when compared to the plan administered by our other provider, the administrative charges are not materially different.

Staff were able to negotiate substantial reductions in both the Group Life Insurance and the LTD premium rates from the original renewal submission. Staff will monitor performance and cost each year prior to renewal. Current service levels are very good and justify the renewal.

Based on the results of negotiations with Industrial Alliance there will be:

- no increase in insured plan premiums for Group Life.
- no increase in premiums for Extended Health.
- increase of 8.4 per cent in annual premium due predominately to our LTD experience.

FINANCIAL IMPLICATIONS

Funding is available in the Operating Budget Dept. ID GW2001.

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CONCLUSION

Industrial Alliance and Financial Services Incorporated is a responsive and responsible vendor. Regional staff recommends the renewal of the existing contract with the benefit provider as of April 1, 2010 for a period of one year with two additional 12 month terms on a direct negotiation basis.



R. Kent Gillespie
Commissioner of Employee
and Business Services

Approved for Submission:



D. Szwarc, Chief Administrative Officer

For further information regarding this report, please contact Ron Kucharski at extension 4237 or via email at ron.kucharski@peelregion.ca

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