



MANAGEMENT REPORT

Date: February 24, 2025
To: Mayor and Council
From: Kelly Nicholson-Yost, Manager of Human Resources
Report Number: COU25-017
Attachments: None

Title: Group Benefits Program Renewal 2025

Objective: To renew the Group Benefits Program for the City of Stratford.

Background: The Group Benefits Program for The Corporation of the City of Stratford is underwritten by Manulife Financial and is scheduled to renew on March 1, 2025. In conjunction with this renewal, a marketing of the Group Benefits Program was undertaken by Mosey & Mosey, our plan broker to ensure the City's costs remain competitive. In this regard, detailed specifications for the Program outlining coverage details, claims experience and premium costs were prepared and released to Manulife Financial (current insurer) and 11 other insurers with a request that they provide a proposal to underwrite the Program. Two insurers responded, Manulife Financial and Desjardins.

Analysis: Manulife Financial submitted a proposal in lieu of their normal renewal, and a proposal was received from Desjardins Insurance to underwrite the Group Benefits Program. The quote received from our current insurer, Manulife Financial, offers savings of approximately **\$271,000** per year, or **-8.8%** in comparison with the current costs. The quote from the other insurer, Desjardins Insurance, only offers ongoing costs very marginally more competitive than the quote received from Manulife Financial (approximately 1% additional savings compared to Manulife Financials' quoted costs).

In addition to the premium savings, Manulife Financial has offered a **\$60,000** expense credit for the first year; this would be applied as a \$5,000 credit each month commencing with the March 2025 billing statement.

In this regard, there is no financial advantage to be secured by a transfer of the Group Benefits Program to Desjardins Insurance, especially as the limited premium savings would be offset by the "soft costs" associated with a change in insurers.

In addition to offering competitive premium costs, Manulife Financial has provided the most competitive extended premium rate guarantees and renewal rate adjustment caps (March 1, 2025 – March 1, 2028 for Life/LTD and March 1, 2025 – March 1, 2027 for Health & Dental).

Insurer	Annual Premium	Variance to Current Cost	Variance to Manulife Quote
Current Cost	\$3,085,391		
Manulife Quote	\$2,814,398	(270,993) -8.8%	
Desjardins Quote	\$2,781,696	(303,695) -9.8%	(32,7020) -1.2%

Manulife Financial’s quote results in annual savings of approximately **\$271,000 or 8.8%** in comparison with the Current Cost. Desjardins Insurance’s quote, when compared with Manulife Financial’s quoted cost, only offers additional savings of **\$32,700 or 1.2%**.

In addition to the premium savings, Manulife Financial has offered a **\$60,000** expense credit for the first year; this would be applied as a \$5,000 credit each month commencing with the March 2025 billing statement.

Financial Implications:

Financial impact to current year operating budget:

Group Benefits are built into the current budget approved by Council on February 10, 2025. Based on this information, there will be a projected corporate surplus of \$271,000.

Financial impact on future year operating budget:

Group Benefits costs are built into the budget approved by Council annually. Estimates of potential increase or decrease are entered as a draft effect on the multi-year budget.

Link to asset management plan and strategy: N/A

Alignment with Strategic Priorities:

Intentionally Change to Support the Future

This report aligns with this priority by improving efficiency and service standards through the provision of group benefits for employee’s wellness, health & safety.

Alignment with One Planet Principles:

Health and Happiness

Encouraging active, social, meaningful lives to promote good health and wellbeing.

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Culture and Community

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

Staff Recommendation: THAT Council authorize retaining Manulife Financial as the Group Benefits provider for the City of Stratford.

AND THAT any surpluses relating to the savings be placed in the Human Resources Contingency Reserve.

Prepared by: Kelly Nicholson-Yost, Manager of Human Resources

Recommended by: Joan Thomson, Chief Administrative Officer