Your brokerage

RENEWAL REVIEW

Fundy Tire Inc.

Benefits review · Canada Life · Effective May 01, 2026

40 covered members (38 on health and dental) · January 01, 2025 - December 31, 2025.

Prepared by Your brokerage · November 2026

Summary

This renewal took effect May 1, 2026. Below: what it says, and how to set up May 1, 2027.

+32.3%	The May 1, 2026 renewal $7,835 → $10,365 / mo · $30,364 more a year
40	Members
75.96%	Target loss ratio
$5,377	Pooled out large claims over $15,000
20.07%	Pooling charge

> **SETTING UP MAY 1, 2027 — THE WINDOW IS STILL OPEN**
>
> Fundy Tire Inc. renews May 1, 2027 (≈5.7 months). Canada Life is expected to rate it mainly on Jan 1, 2026 – Dec 31, 2026 claims — you're 86% through that window with about 7 weeks left to move the experience-rated number. After Dec 31, 2026 the experience locks; the remaining levers are pooling, plan design, census accuracy (the demographic re-rate), and the negotiation.

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1 The reconciliation — health, drugs, dental and vision

At our assumed market trend for health, drugs, dental and vision (≈ 11% a year), your claims support $113,186: the ask is $2,456 above that. It matches the carrier's own working, $115,118. The two start from different claims as well as different trends: ours from the latest year's claims, the carrier's from its own weighting of the past years. Between the two is where the conversation with the carrier sits.

The carrier's ask on health, drugs, dental and vision, per year, against what the same claims support. These are the lines priced at least partly on your own claims, so the only ones a claims argument can move. That is 93% of the $124,384 whole-plan ask.



How we got $113,186, what your health, drugs, dental and vision claims support

1. Start from $61,959 of claims on those lines, scaled 26.4% up to $78,298 by Canada Life's adjusted premium at today's rates, which leaves only the change in who is covered.
2. Weigh in the period before: the latest period counts twice and the one before once, each as claims per dollar of premium at today's rates (a measure of how much coverage each period held), the earlier brought to this year's cost at our assumed market trend. That comes to $75,098.
3. Trend forward at our assumed market trend for these lines (≈ 11% a year, our assumption, not a figure from the letter) over 1.33 years to the middle of the coming plan year.
4. Convert to premium at your 75.96% target loss ratio. The step from claims to premium is the carrier's admin, commissions and margin.
5. Weight line by line: 97.5% on your own experience, the credibility the carrier states, and the rest on the carrier's own manual rate for each line, which across the lines sits a claims-weighted +22.8% from what you pay today.
6. **$113,186** a year is the premium these claims support (+30.2% on today's).

Outside the reconciliation, carried at the carrier's ask: Employee Term Life ($4,333/yr), AD&D ($586/yr), Dependent Life ($540/yr), Employee Critical Illness ($3,283/yr) — priced on demographics, volume or a flat fee, not on this group's claims. With that added back the letter's whole-plan ask is $124,384/yr (+32.3% overall).

2 Where the renewal should land

The ask is $2,456 a year above what the health, drugs, dental and vision claims support at our assumed market trend (≈ 11% a year), our figure. The carrier's own working, the carrier's figure, comes to $115,118: it carries the ask. The case for next renewal rests on our assumed market trend against the carrier's, not on a correction to its arithmetic. Each figure is shown as asked and with the plan changes switched on in this review; the changes come out of the claims the carrier rates, at the same loss ratio, and the pooled lines carry across at the ask.

	PER MONTH	PER YEAR	VS TODAY
What you pay today	$7,835	$94,020	—
The carrier's ask as written	$10,365	$124,384	+32.3%
The ask, with your plan changes	$9,761	$117,137	+24.6%
What the claims support below the renewal in force	$10,161	$121,928	+29.7%
Claims support, with your plan changes	$9,570	$114,835	+22.1%

3 What the carrier keeps

The 76% target loss ratio already gives the carrier **24% of every premium dollar** for administration, commissions and margin. What a renewal asks above that is the carrier's view of next year: its trend and, where it does not rate the group fully on its own claims, its manual rate. This is what each number would keep, against this year's claims, held flat, with the ask and the renewal brought to that year's exposure.

ON HEALTH, DRUGS, DENTAL AND VISION, PER YEAR	PREMIUM	CLAIMS	CARRIER KEEPS	SHARE
Last year, premium at today's rates	$70,646	$61,959	$8,687	12.3%
The renewal	$91,511	$61,959	$29,552	32.3%

The renewal raises the carrier's share of your health, drugs, dental and vision premium from 12.3% to 32.3%, 8.3 points above the carrier's own target if claims hold at last year's level; whatever next year's trend adds comes out of that. The claims year carried less exposure than today's rate sheet, measured by Canada Life's adjusted premium at today's rates: $70,646 for that year against $86,963 for a full year today. So the ask and the renewal are shown at their percentages on that year's premium rather than at their full-year dollars. The reconciliation above grants the carrier our assumed market trend for the whole horizon; this table grants it none. The negotiation lives between the two.

4 What's driving it — trended adjusted loss ratio

Drug	125.6%
Health	72.7%
Dental	74.6%
Vision	85.8%

The dashed line is the 75.96% target — anything above it is costing you rate.

One therapeutic class is 46.9% of drug spend

This therapy accounts for $20,643 of drug spend — 46.9%. Chronic and non-discretionary: it is a forecasting input rather than something to design out. It is the dominant variable in next year's renewal.

Employee Term Life +32.1%, Dependent Life +31.6% and Employee Critical Illness +18.0% on a re-rate (avg age 39.9 → 42.6)

These lines are priced on the carrier's manual, not this group's claims, and together add $1,685 a year (the other manual-rated lines: AD&D 0.0%). The group aged (average age 39.9 to 42.6): ask the carrier for the age-banded manual rates behind it and check the increase against the age shift.

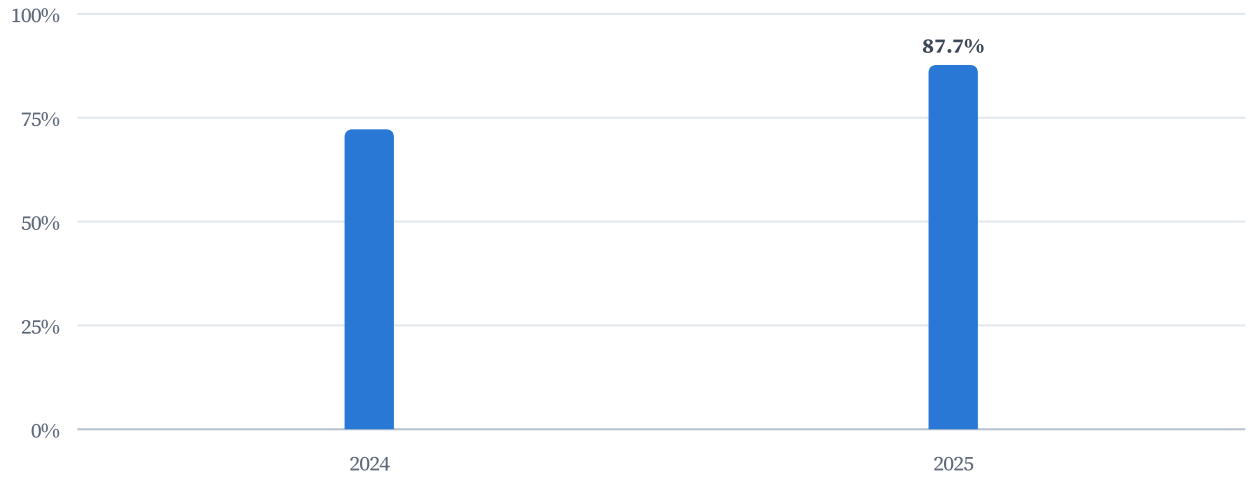
$5,377 of large claims pooled over the $15,000 level

The letter puts all $5,377 of this period's pooled claims above the $15,000 level, none of it out-of-country. Each of those claims still leaves up to $15,000 in the experience-rated portion. A lower level strips more of a large-claim spike off it, but the pooling charge rises with it — ask the carrier to price both before moving. The pooling charge is 20.07%.

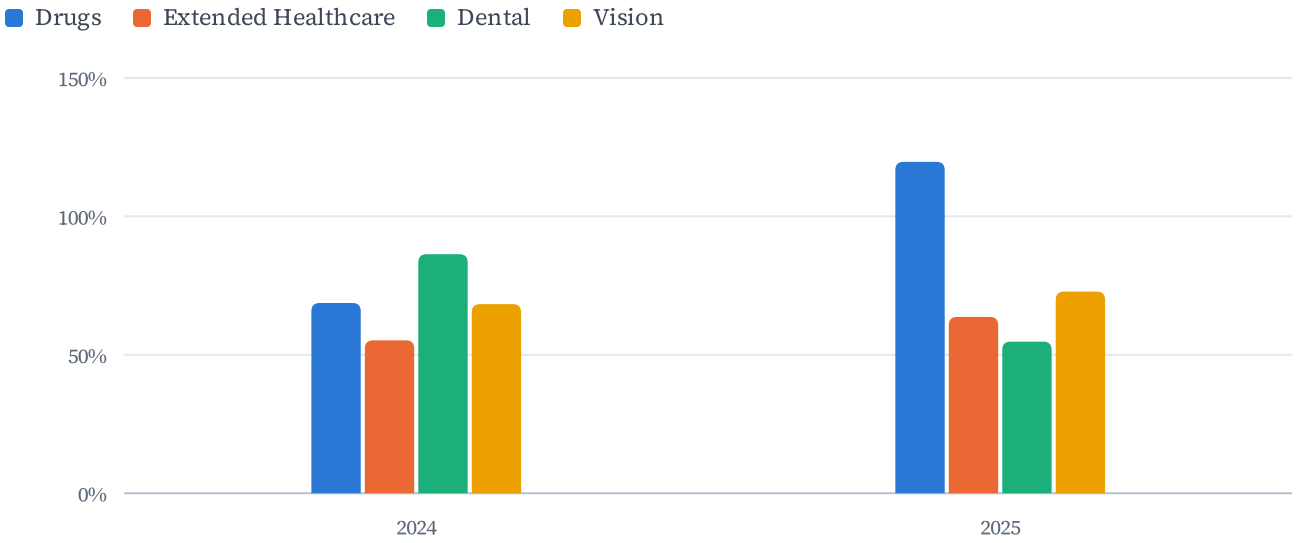
5 Your claims over time

Each period's claims against the premium for the same period at today's rates, so the periods compare like for like whatever their length or the mix of single and family coverage. Over the 2 periods the carrier's analysis prints, it rose from 72.2% to 87.7%, up 15.5 points.

All rated coverage



By coverage



PERIOD	CLAIMS	PREMIUM AT TODAY'S RATES	CLAIMS TO PREMIUM	DRUGS	EXTENDED HEALTHCARE	DENTAL	VISION
2024	$47,249	$65,435	**72.2%**	68.7%	55.2%	86.3%	68.3%
2025	$61,959	$70,645	**87.7%**	119.7%	63.7%	54.8%	72.8%

As the carrier's experience analysis prints each period: claims as it counts them, and the premium restated at today's rates, for the coverage rated on this group's own claims. Coverage priced on the carrier's pool rather than this group's claims is not in it. Shown as it happened, not carried forward for trend, and not set against the carrier's target: the loss ratio by line does that.

6 Where this is heading

Next year's expected claims, weighted across the experience years as Canada Life weights them, against **today's premium**. The gap to the target is what the renewal's increase is priced to close; plan changes close it from the other side, by lowering the claims. The figure below is where it starts, before any of the changes on the following pages.

No changes, at today's premium	99%

target 75.96% · −$3,883 / yr in claims About $3,883 a year comes out of the experience the carrier rates before the next renewal is priced. A modelled figure, not a quote: each change at a point inside its range, stacked so no claim is counted twice. It assumes none of these is in place today, and the drug figures are pending the prescription drug report. Any the plan already has should come out of the total.

7 Getting the plan back on track

These are the usual changes for a plan of this size and shape, priced on **your own claims**. Without the plan booklet on file, each assumes the plan does not already have it — the table below shows which are counted. The drug figures are shares of your drug claims, pending the prescription drug report. The package below is sized against the gap to target; the trims underneath are real but small, there for when you want them.

The changes on by default do not reach the target on their own; the gauge shows how far they go.

CHANGE	ESTIMATED SAVING	INCLUDED
Managed drug formulary Tiered formulary with step therapy on high-cost classes — the structural drug lever. *Assumes the plan is on an open formulary today; range pending the prescription drug report.* **In plain terms:** On an open formulary the plan pays for whichever drug is prescribed. A managed formulary is a preferred list: where several drugs do the same job, the plan covers the best-priced one first, and steps up to costlier options when the doctor confirms they're needed. The same conditions get treated — the plan just stops paying premium prices by default.	$1,232–$3,697 a year	**In the total**

CHANGE	ESTIMATED SAVING	INCLUDED
Dispensing-fee cap Steers volume to lower-fee pharmacies without cutting coverage. *Range pending the prescription drug report.* **In plain terms:** Every prescription includes a pharmacy service fee on top of the drug itself, and it varies by store — a few dollars at some pharmacies, over $12 at others. A cap sets the most the plan reimburses for that fee; members using pricier pharmacies can switch, or cover the difference.	$411–$2,054 a year	**In the total**
Hold to the prior-year dental fee guide Trims fee inflation; usually invisible to members. *Assumes the plan reimburses at the current-year fee guide.* **In plain terms:** Each province's dental association publishes a fee guide every year, and prices creep up with it. Holding reimbursement to the prior year's guide means the plan does not automatically absorb this year's increase. Most dentists bill at the current guide, so a member may see a small balance — typically a few dollars a visit — where the plan once covered the whole amount.	$487–$811 a year	**In the total**

More trims (2)

CHANGE	ESTIMATED SAVING	INCLUDED
Prior authorization + biosimilar program on specialty drugs One therapeutic class is 46.9% of drug spend — this targets the actual dollar driver. *Assumes the plan does not already require prior authorization; at the $15,000 pooling level much of a specialty claimant's cost is paid by the pool, not the plan, so less of this reaches the plan's own claims; range pending the prescription drug report.* **In plain terms:** A handful of specialty drugs can cost more than everything else on the plan combined. Prior authorization means the carrier confirms one of those prescriptions is the right fit before it starts paying. For almost everyone this changes nothing at all, because almost nobody is on one of these drugs. A member who is prescribed one waits on an approval step, and the plan is protected from the largest single surprise a drug plan can produce.	$822–$3,286 a year	Not in the total

CHANGE	ESTIMATED SAVING	INCLUDED
Dental recall to every 9 months Dental claims run at 74.6% of premium on the figures the carrier rates from (its projection where it prints one) — healthy. Housekeeping, not the rescue. Exams, x-rays, scaling, polishing and fluoride are 44.6% of dental claims on your renewal, and a longer recall moves only that part. *Assumes recall is every 6 months today.* **In plain terms:** A recall is the routine cleaning and check-up. Many offices book every 6 months out of habit; for most healthy adults, 9 months is clinically ordinary. This changes how often the plan pays for routine visits — anything a dentist flags as needed is still covered.	$2,412 a year	Not in the total

Changes that reach the same claims are never both on by default, and switched on together each counts only on the claims the other leaves, so no saving is counted twice.

Not proposed for this plan: Mandatory generic substitution — the drug report shows generic substitution already on the plan.

What we still need from you

- **The benefits booklet.** It confirms what the plan already has, so each change above can drop the assumption it carries, and it prices what cannot be priced without it: combine / reduce paramedical maximums, trim the vision allowance, reduce the dental annual maximum, introduce a health deductible and health coinsurance step-down.
- **The prescription drug report** — a Top DIN listing or the carrier's drug claims report. It turns the drug ranges above into analysis of this plan's own prescriptions.

None of these decisions are due today. We run the carrier, the paperwork, and the staff communications end to end.

8 The renewal, line by line

Every benefit, before the renewal and after it. The renewal column is what took effect May 1, 2026, as this report states it.

BENEFIT	LIVES / VOL.	BEFORE / MO	RENEWAL / MO	CHANGE
POOLED BENEFITS				
Employee Term Life	976,000	$273	$361	+32.1%
AD&D	976,000	$49	$49	+0%

BENEFIT	LIVES / VOL.	BEFORE / MO	RENEWAL / MO	CHANGE
Dependent Life	30	$34	$45	+31.6%
Employee Critical Illness	380,000	$232	$274	+18%
Pooled benefits subtotal		**$588**	**$729**	**+23.9%**
HEALTHCARE				
Single	12	$174	$171	−1.9%
Family	26	$956	$937	−2%
Healthcare subtotal		**$1,130**	**$1,108**	**−2%**
DRUGS				
Single	12	$556	$913	+64.2%
Family	26	$3,066	$5,034	+64.2%
Drugs subtotal		**$3,623**	**$5,947**	**+64.2%**
DENTAL				
Single	12	$265	$267	+0.7%
Family	26	$1,654	$1,666	+0.7%
Dental subtotal		**$1,919**	**$1,933**	**+0.7%**
VISION				
Single	12	$88	$100	+12.8%
Family	26	$486	$549	+12.8%
Vision subtotal		**$575**	**$648**	**+12.8%**
Total		**$7,835**	**$10,365**	**+32.3%**

The experience behind it

The carrier's trended loss ratio by benefit — the claims figure its own working rates on, carried forward to next year, against premium. Anything over the 75.96% target is running above what it's priced for. Credibility is how much of your own result the carrier uses.

BENEFIT	TRENDED LOSS RATIO	CREDIBILITY
Drug	125.6%	97.5%
Health	72.7%	97.5%
Dental	74.6%	97.5%
Vision	85.8%	97.5%

Life non-evidence maximum: $25,000 in force, $235,000 available — members above $25,000 need medical evidence; ask whether the higher NEM applies.

9 The road ahead, with your selections

Every saving above has an operational half — what actually changes for your staff.

- **Managed drug formulary**
  New prescriptions in managed classes start on the preferred option; moving off it needs the prescriber's supporting note. Existing therapies usually carry over — we confirm the carrier's grandfathering in writing before anything changes.
- **Dispensing-fee cap**
  Members at higher-fee pharmacies pay the difference or switch — we provide a list of low-fee pharmacies nearby.
- **Hold to the prior-year dental fee guide**
  Reimbursement holds at the prior-year fee guide, so members may pay a small difference where a dentist charges current-year rates.

Every change is communicated to staff before it takes effect — we draft the notice, file the carrier amendment, and take the questions.

10 The cushion already in place

Claims above **$15,000 a year (per person, per family, or per employee and separately for dependents, as the contract sets it)** are pooled across the carrier's whole book, not carried by your plan alone. This period **$5,377** of large claims was absorbed by that pooling — the figures above are already net of it.

11 What happens next

ACTION	WHEN
We check the carrier's math at the renewal letter When the renewal letter lands, we verify it line by line against the analysis behind this review — the pooling, the trend factor, the credibility — before anything is accepted.	Upcoming — at the renewal letter (expected about Mar 5, 2027)
We negotiate before anything is accepted The trend factor and the credibility behind the increase are negotiated, not fixed. If the number stays high, phasing it across the year is on the table.	Upcoming — at the renewal letter (expected about Mar 5, 2027)
Turn on regular experience monitoring Get experience on the tightest cadence the carrier will produce, quarterly where it offers it, so a benefit crossing a threshold is caught while the window is still open and there's time to act, not reconstructed at renewal when it's already locked.	Now
Implement amendments + member communication Roll out the agreed plan-design changes and brief members on what changed and why, especially any new or lower maximum. Clear communication means members hear the why before they reach it — it protects trust; it doesn't make a lower maximum not a takeaway.	Upcoming — at renewal (May 1, 2027)

12 If you self-insured

What paying the health, drugs, dental and vision claims yourself would cost beside the insured renewal: a budget built from this group's own claims, **not a quote**. The other lines stay insured at the carrier's ask either way. Every charge below is named with where it came from; change one to see the budget move.

Administration fee
% of claims
assumed: a standard assumption, not quoted for this group
Pooling / stop-loss charge
% of claims
assumed: a standard assumption, not quoted for this group
Claims fluctuation margin
% of claims
assumed: a standard assumption, not quoted for this group

	AT OUR ASSUMED MARKET TREND, ≈ 11% (A GUIDE)	AT THE CARRIER'S LINE TRENDS, 10.35% BLENDED BY CLAIMS
Projected claims	$89,956	$89,256
Administration fee	$8,996	$8,926
Pooling / stop-loss charge	$8,996	$8,926
Claims fluctuation margin	$8,996	$8,926
Taxes	$0	$0
Self-insured budget	$116,944	$116,034
Other lines, insured either way	$8,742	$8,742
Whole plan, self-insured	$125,686	$124,776
Whole plan, insured renewal	$124,384	$124,384
Self-insured against the renewal, a year	+$1,302	+$392

- A claims-based ASO budget for health, drugs, dental and vision, built from this group's own claims: $78,298 a year, annualised and brought to today's group. A budget, not a quote: no carrier has priced this group's claims.
- Projected at our assumed market trend of ≈ 11% a year over 1.33 years, as a guide and not a basis: $89,956. At the carrier's blended trend of 10.35%: $89,256.
- Administration fee: 10% of claims (assumed: a standard assumption, not quoted for this group).
- Pooling / stop-loss charge: 10% of claims (assumed: a standard assumption, not quoted for this group).
- Claims fluctuation margin: 10% of claims (assumed: a standard assumption, not quoted for this group).
- Taxes: no provincial tax on a self-funded health and dental plan in New Brunswick; the administration fee carries HST of 15% only where no stop-loss is bought from the administrator: an administrator carrying the stop-loss supplies exempt financial services (CRA Policy Statement P-136R).
- The other lines stay insured at the carrier's ask either way: $8,742 a year.

13 An HSA for health & dental: not the move at these claims

A Health Spending Account pays claims as they happen instead of a premium. At this group's claims it would save about $28,374 a year (24.5%) against staying insured at the renewal's $115,642 for health & dental, but only because **$8,178** of claims above the allocation would fall to employees instead of the plan. That is not worth the change: **stay insured**. Against today's $86,963 premium, which ends at the renewal, it would be $305 higher. The table shows where it would start to pay.

Only pay for what your team uses

IF YOUR TEAM CLAIMS…	YOU PAY (HSA, ALL-IN)	VS STAYING INSURED AT $115,642
40% of the allocation ($31,307)	$34,908	save $80,734
60% of the allocation ($46,960)	$52,360	save $63,282
80% of the allocation ($62,614) your history sits here (79%)	$69,814	save $45,828
100% of the allocation ($78,267)	$87,268	save $28,374

Last year's $61,959 of claims is about **79%** of the allocation; next year's expected claims are about **110%**, the figure to plan on.

The full plan, two ways — per month

BENEFIT	CANADA LIFE YOUR RENEWAL	BENIPLUS HSA ROUTE	CANADA LIFE NEXT RENEWAL'S START, WITH YOUR SELECTIONS
Employee Term Life	$361	$361 unchanged	$361 unchanged
AD&D	$49	$49 unchanged	$49 unchanged
Dependent Life	$45	$45 unchanged	$45 unchanged
Employee Critical Illness	$274	$274 unchanged	$274 unchanged
Health	$7,704	**$7,272** HSA, expected claims	$7,186
Dental	$1,933		$1,856
Total / month	**$10,365**	**$8,001** plus $8,178/yr of claims left to employees	**$9,771** −5.7%

The third column is **next renewal's starting point**, not this year's bill: this year's renewal on health and dental, less the claims your selections remove, at the same loss ratio and before trend. It moves with the switches above; the pooled lines carry across unchanged.

Life, AD&D, Dependent Life and Critical Illness **stay insured** under the HSA route — same protection, unchanged. The real move is health & dental: fully-insured you pay a fixed premium whether it is used or not; on the HSA you fund only what is claimed. The fully-insured market is competitive.

14 One platform for HR, payroll, and benefits

The same login your team uses for benefits also runs onboarding, time off, and payroll — one record, no double entry, through Employment Hero.

Plan	HR Premium + Payroll
Price	**$22/emp/mo** $880/mo · $10,560/yr across 40 employees
Made up of	HR Premium $15/emp · Payroll $7/emp
What's included	Everything in Standard, Custom workflows & branding, Advanced time-off, 1:1s & 360 reviews, Goals & OKRs, Single sign-on (SSO), Full payroll processing — pay runs, remittances, T4s, ROEs

Pricing per Employment Hero, July 2026; confirmed at enrolment. HR Platinum ($26) and Employment Unlimited ($65), per employee per month with payroll, add more, up to scheduling and fully-managed payroll.