

ADVISORY LETTER

BY E_MAIL
AL – 02-12
June 11,2012

TO: FIR “BENEFITS ONLY” EMPLOYERS

Gentlemen and Mesdames:

Re: Dental and Extended Health Plan Renewal Rates

This Advisory Letter is to inform you that FIR “Benefits Only “Member companies will be faced with increases to their premium rates for the above Plans for the coming year, starting July 1,2012.

Pacific Blue Cross annually reviews plan experience and recommends premium rate adjustments to insure adequate plan funding.

Because of increases to the dental fee guide and increased utilization of benefits, PBC recommends our Dental Plan premiums be increased by 7.3%.

You will recall that, prior to 2010 Coastal forest industry collective bargaining, a “Pharmacare Formulary” existed in the Coast Industry Extended Health Plan which had the effect of keeping drug cost increases under some form of control. The Formulary was bargained away in 2010 negotiations and this has resulted in non-Pharmacare drugs being charged to the Plan. This has caused negative Plan experience over the last year and, as we predicted in our AL-06-11 last year, a significant increase in EHC premium rates will be necessary this year.

Shown below are the revised premium rates for the FIR Benefits Only Members who have the standard Coastal forest industry benefits:

FIR BENEFITS ONLY MEMBERS		Current	Renewal July/2012
Dental Care	Single	\$33.26	\$35.69
	Couple	\$62.13	\$66.67
	Family	\$110.13	\$118.17
Extended Health Benefits	Single	\$24.00	\$31.05
	Family	\$60.50	\$78.20

Those Benefits Only Member Companies who have not yet renewed their collective agreements or have negotiated minor benefit differences in their package with the USW will have EHC rates that vary slightly from the above table.

You should receive separate notice of these Plan rate changes from Pacific Blue Cross.

For further information on the Coastal Industry Benefit Package you can access our website at www.firlrbenefits.com

Call or email us if you have questions.

Yours very truly,

T.J. Getzie