



Committee of the Whole

Meeting Date: April 28, 2026

Submitted by: Nikki Nourse, Director of Finance/County Treasurer
Sandra Schulz, Director of Human Resources

Subject: 2026 – 2027 Employee Benefit Renewal

BACKGROUND:

Middlesex County's employee benefit program, administered by a third-party administrator, RWAM Insurance Administrators, extends to all full-time County employees. The comprehensive employee benefit program includes extended health care (EHC), travel, dental, group life, accidental death and dismemberment (AD&D) and long-term disability (LTD). The Middlesex - London Paramedic Service employee benefit program is provided under a separate policy. The benefit program renewal period is April 1 to March 31.

The 2026 renewal overall change in cost for the employee benefits program is a 2.3% decrease in total benefits costs, primarily due to the extended health care costs not being as high as anticipated in the last renewal.

ANALYSIS:

The overall cost for the current benefit year, for the period of April 1, 2026, to March 31, 2027, will decrease by 2.3%, equating to an annual decrease of \$48,715. This change is attributed to specific adjustments in each area:

- **Extended Health Care:** 5.1% Decrease
- **Travel:** 10.3% Increase
- **Dental:** No change
- **Pooled Benefits (Life, AD&D, LTD):** No change (due to rate guarantee)

The renewal was reviewed in consultation with the County's benefits consultant Selectpath. Based on the County's favourable claims experience and current market conditions, staff are satisfied that the renewal terms are competitive and represent a prudent outcome for the County while maintaining current benefit coverage levels.

Stop-loss insurance is a risk-management tool which provides catastrophic coverage to cap financial liability for high extended health care claims (including prescription drug claims) and out-of-country claims removal from the first dollar incurred. To reduce the risk of high claims, health care claims above a set limit or threshold are removed from the experience and pooled with the benefits provider's pool of business. The current stop loss pooling threshold limit is \$10,000 per person.

The historical experience for stop loss pooled claims was reviewed and compared to the premium paid for the stop loss insurance. Based on this analysis, increasing the per-person threshold to \$15,000 would generate approximately 5% premium savings, which could be reallocated to the extended health care premium to help maintain renewal rates. Staff and the County's advisor are satisfied that this adjustment maintains an appropriate level of risk protection based on historical claims experience.

Since 2016, the County has used an Administrative Services Only (ASO) arrangement for the dental program, maintaining a reserve that RWAM utilizes for claim payments. There is a requirement to maintain a reserve equivalent to 7% of expected claims and expenses.

The long-term disability (LTD) benefit is a pooled benefit with the rates not entirely based on the risk for the County group as claims are pooled with the block of business of the LTD provider (currently Camden). The life and LTD benefits had a 2-year rate guarantee which ended with this renewal term. The rate change upon renewal was uncertain until the end of the renewal period and was forecasted to increase by 5%. Given the favourable claims experience, another 2-year rate guarantee has been negotiated for the County employees and no change to the current premium cost.


Overall, the proposed renewal reflects favourable claims experience, effective plan management, and a financially prudent outcome that maintains competitive employee benefit coverage while reducing overall program costs to the County.

FINANCIAL IMPLICATIONS:

The annual cost for this benefit year, excluding the 8% Ontario Sales Tax, will be \$2,080,656.

ALIGNMENT WITH STRATEGIC FOCUS:

This report aligns with the following Strategic Focus, Goals, or Objectives:

Strategic Priority	Goal	Objectives
<p data-bbox="203 262 373 331">Adaptability and Agility</p> 	<p data-bbox="446 262 690 661">Modernize the County’s administrative capabilities to strengthen decision-making, improve service delivery, and achieve better community outcomes</p>	<ul data-bbox="738 262 1437 745" style="list-style-type: none"> • Transform, modernize and continuously improve administrative systems and processes to increase efficiency and enhance the experience of residents and partners. • Strengthen internal administrative capabilities to ensure key support services have the necessary resources to meet community needs and support organizational growth. • Enhance the County employee value proposition to attract, retain, and support a talented workforce through competitive benefits, professional growth opportunities, and a positive workplace culture.

RECOMMENDATION:

THAT the 2026-2027 Employee Benefit Renewal Report be received for information.