



Treasury Board of Canada  
Secretariat

Secrétariat du Conseil du Trésor  
du Canada

Canada

# **2006 Annual Report of the Board of Trustees of the PSMIP**

Published: 2006

© His Majesty the King in Right of Canada,  
represented by the President of the Treasury Board 2006,

Published by Treasury Board of Canada, Secretariat  
90 Elgin, Ottawa, Ontario, K1A 0R5, Canada


Catalogue Number: BT1-57/1E-PDF  
ISSN: 3111-0525

This document is available on the Government of Canada website, [Canada.ca](http://Canada.ca)

This document is available in alternative formats upon request.

Aussi offert en français sous le titre : Rapport annuel du Conseil de fiducie du Régime d'assurance pour les cadres de gestion de la fonction publique (RACGFP) pour 2006

# ARCHIVED - 2006 Annual Report of the Board of Trustees of the Public Service Management Insurance Plan (PSMIP)

 This page has been archived.

## Archived Content

Information identified as archived on the Web is for reference, research or recordkeeping purposes. It has not been altered or updated after the date of archiving. Web pages that are archived on the Web are not subject to the Government of Canada Web Standards. As per the [Communications Policy of the Government of Canada](#), you can request alternate formats on the "[Contact Us](#)" page.

## What is the PSMIP?

The PSMIP is a group insurance plan established by the Treasury Board of Canada. It provides Long-term Disability (LTD), Life, Accidental Death and Dismemberment (AD&D), and Dependants' Insurance for federal employees who are excluded from collective bargaining because they are working in managerial or confidential capacities. Executives, parliamentarians, and judges are also covered by the Plan and have distinct benefits. The PSMIP is insured through the Industrial Alliance Insurance and Financial Services Inc.

## Board of Trustees

A Board of Trustees, appointed by the President of the Treasury Board, monitors the financial operations of the Plan and oversees its administration. The current members of the Board are:

- The Chairperson, Judith LaRocque, Deputy Minister, Canadian Heritage
- Larry Murray, Deputy Minister, Fisheries and Oceans Canada
- Maria Barrados, President, Public Service Commission of Canada
- Alain Jolicoeur, President, Canada Border Services Agency
- Michael Wernick, Deputy Minister, Department of Indian Affairs and Northern Development

## Scope of the Plan

Since its inception in 1968, the Plan has paid \$701 million in cash benefits under the various classes of insurance to 12,964 members and their beneficiaries. As of December 31, 2006, 48,200 members were covered under the Plan. In addition to Dependants' Insurance, members were insured as estimated below:

Line of Insurance	Amount (in thousands)
Basic Life	\$3,776,924
Supplementary Life	\$1,762,182
Accidental Death and Dismemberment (AD&D)	\$6,765,476
Long-term Disability (LTD)	\$3,506,525
Post-retirement Life (PRLIP)	\$204,142

## Premiums and Benefits

Premiums paid into the Plan during 2006 are shown in the following table and are compared with the amount paid out to claimants or set aside as reserves.

Line of Insurance	Premiums	Claims (and Increases to Reserves)	Ratio of Claims to Premiums
Basic Life	\$14,179,218	\$11,301,870	79.7%
Supplementary Life	\$2,724,196	\$4,062,786	149.1%
Members' AD&D	\$888,152	\$1,671,156	188.2%
Dependants' Life and AD&D	\$329,725	\$234,766	71.2%

LTD	\$57,654,488	\$59,064,919	102.4%
PRLIP	\$5,082,138	\$1,760,850	34.6%
<b>Total</b>	<b>\$80,857,917</b>	<b>\$78,096,347</b>	<b>96.6%</b>

## Reserves

When a disability claim is received, sufficient funds are set aside to pay all future monthly benefit installments to the claimant. These funds are referred to as "reserves." As of December 31, 2006, plan reserves totaled \$222.3 million.

## Surplus/Deficit

Most of the lines of insurance under the Plan were in a surplus position at year end. The Plan, as a whole, had a surplus of \$22.1 million at year end.

## Plan Disbursements

The total amount paid out of the plan during the year was \$60.2 million. Of this amount, 93.6% was paid in the form of benefits to plan members and their families, 3.5% was for expenses, and 2.9% was for premium taxes.

## Recommendations Approved By Treasury Board

The Treasury Board approved the Board of Trustees' recommendations for the following premium decisions to be effective January 1, 2007:

- 12-month premium holiday for Basic Life under the Judges' Plan;
- 12-month premium holiday for Accidental Death & Dismemberment under the Executive Plan;
- 12-month premium holiday for Dependants' insurance under the Executive Plan;
- 12-month premium holiday for Accidental Death & Dismemberment under the Members' of Parliament Plan.

## Further Information

If you have questions about your coverage under the Plan or need general information about the benefits available, please contact your compensation advisor or visit the Treasury Board of Canada Secretariat's Web site on the Government Enterprise Network (GENet) and Internet. To access the site, type one of the following in the address section of your World Wide Web browser:

**GENet** access: <http://publiservice.tbs-sct.gc.ca>

**Internet** access : <http://www.tbs-sct.gc.ca>

If you would like to have further information on the general experience and operations of the Plan, please contact:

Robert Allard, Secretary  
Board of Trustees  
Public Service Management Insurance Plan  
6<sup>th</sup> floor, West Tower  
300 Laurier Avenue West  
Ottawa, Ontario K1A 0R5  
e-mail: [Allard.Robert@tbs-sct.gc.ca](mailto:Allard.Robert@tbs-sct.gc.ca)

Date Modified: 2007-12-03