October 1, 2010

HBT is committed to providing consistent, best-in-class, system-wide services at the lowest reasonable cost. Our service providers play a key role in maintaining the quality of our customer services.

HBT’s largest service providers are Great West Life (GWL) and Pacific Blue Cross (PBC).

In our efforts to be more transparent and keep you informed, we are dedicating the October and November eBulletins to describing all aspects of our business arrangement with these two service providers. This month our focus is on GWL.

**An Inside View of Great-West Life**

**OUR SERVICE AGREEMENT WITH GWL**

GWL acts as a “servicing agent” on behalf of HBT for the sole purpose of adjudicating and managing claims as well as paying benefits to Beneficiaries under the Plan.

In 1996, a formal Service Agreement was signed with GWL. On January 1 of every year HBT renegotiates the terms and conditions of this Agreement to ensure optimal performance standards.

As part of HBT’s governance practices, the Trust will tender this Service Agreement in 2011. GWL, along with other interested service providers, will be invited to present their service proposal (i.e. RFP). Further information will be provided to all our clients on this RFP initiative.

**SCOPE OF SERVICES PERFORMED BY GWL**

GWL performs the following services as described in their “Schedule of Services”:

1. Assessment of claims to determine qualification of claimant to benefit entitlement
2. Determine amount of LTD benefits payable, based on earnings information provided by the employer
3. Issuance of LTD claim cheques
4. Provision of claim control best practices including:
   - Necessary investigation of claims to determine their legitimacy
   - Independent medical examinations
   - Medical consultants to provide expert interpretation of clinical information

**GWL Facts**

- is one of the largest Canadian insurers and offers a broad portfolio of financial and benefits plan solutions;
- has 20% of the Long Term Disability (LTD) Canadian Market share including 45% the BC market share;
- has over 200 staff at their Disability Management Services Offices in Vancouver and Langley and a support team of 100 staff at the Head Office in Vancouver.
• Investigative reports
• Narrative medical reports from attending physicians and other sources
• Medical management of claims
• Timely and appropriate frequency of follow-up based on the merits of each individual claim and management plan
• Pursuing all opportunities to return the claimant to employability at the earliest possible time, including access to diagnostics, specialist, treatment, surgeries, and a network of providers across the country
• Pursuit of all applicable other sources of income as appropriate

5. Identification of rehabilitation candidates based on predetermined selection criteria and referral to the Trust’s in-house rehabilitation services

6. Process LTD plan benefit adjustments, to cover:
   • other income the claimant is receiving
   • adjustments for rehabilitation earnings
   • overpayments
   • COLA increases

7. Coordinate LTD benefits directly with other disability income providers

8. Recover benefit overpayments as a result of retroactive CPP, WCB or other disability income payments

9. Assist employers with training on GWL’s Disability Claims Reporting System

** PRIVACY OF INFORMATION **

GWL is committed to protecting the privacy and confidentiality of their clients’ personal information. Privacy Guidelines are in place that outlines the principles that guide their practice. To view more on the GWL Privacy Guidelines visit the GWL website www.greatwestlife.com under Corporate Consumer Information & Protection.

** SPECIAL PROVISIONS FOR HBT CLIENTS **

GWL has a dedicated service team of 70 direct staff working on HBT’s block of business. There are 4 teams of 6 to 9 case managers, each aligned with a specific group of employers.

Three teams are located in the Vancouver Disability Management Services office and one in Langley. Each team is lead by a manager working in close collaboration with HBT and the employer. GWL also has an Associate Regional Manager assigned to HBT to ensure that the claims management functions are meeting the needs of HBT and its clients.
GWL AND HBT GOVERNANCE PRACTICES

To ensure effectiveness of our outsourced services, HBT has in place a set of measures and controls that GWL must comply with and report on periodically. As well, GWL has in place internal governance practices that ensure optimal delivery of services.

**HBT Governance Practices**

» **Audit Reviews**

HBT conducts ad hoc audits on various components of GWL’s services and practices. The last audit performed was on maintenance files to establish if all efforts were made to determine the potential for rehabilitation and return to work.

» **Quarterly Performance Reviews**

HBT & GWL meet quarterly to discuss service level and operational performance using a set of pre-defined key performance indicators

» **Continuous Improvement Task Force**

A permanent team is in place to review all aspects of the LTD adjudication and management process to ensure consistent, cost-effective and best-in class service.

A portfolio of “areas for improvement” was developed in collaboration with various clients and priorities were identified.

The team holds weekly meetings. Progress is monitored by HBT’s Planning and Performance Committee.

To date, there has been significant progress such as:

- GWL’s initial letters to an LTD applicant were revised to ensure they align with the current adjudication practice. Letters are now more specific to an individual’s situation rather than entitlement under the LTD plan.
- The complete LTD package was reviewed and updated with current language and process. Key parts were revised to ensure requested information reflected the current LTD claims adjudication and management process. The package is now available in an e-format.
- LTD claimants are expected to apply for CPP disability income once accepted onto LTD. If the claimant is denied, GWL may request the claimant to appeal the decision at different points during the LTD claim. This process has been reviewed to ensure it is transparent and reflects best practices.

**GWL Internal Governance Practices**

» **Annual Long Term Disability Claims Audit**

GWL performs an annual review of claims investigation, adjudication and management processes, as well as, application of the appropriate Plan provisions and accuracy of the claims payment.

» **Internal Quality Control**

GWL has dedicated internal quality control resources and processes including an escalated review process to identify any oversights by the team manager.

» **Continuous Improvement**

GWL conducts ongoing reviews of performance and strategy implementation for process improvement, as well as providing regular staff training for continuous skills development.
**GWL CUSTOMER SATISFACTION SURVEY RESULTS**

GWL strives to be recognized as the premier group insurance carrier in Canada and relies on customer feedback to ensure that a high standard of client service is met.

Customer satisfaction surveys are sent semi-annually to existing, new and terminated clients. The results of the most recent survey are as follows:

» **Long Term Disability Services**
  - 92% were satisfied and of those
  - 41% were extremely satisfied

» **Sales & Services Support**
  - 94% were satisfied and of those
  - 68% were extremely satisfied

» **All Categories of Services**
  - 80–90% were satisfied and of those
  - 40-55% were extremely satisfied

**Claim Stats**

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<th>Description</th>
<th>Number</th>
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<tbody>
<tr>
<td>Open Claims at the beginning of 2009</td>
<td>6,446</td>
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<tr>
<td>Total Claims accepted in 2009</td>
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<td>Total Claims re-opened in 2009</td>
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<tr>
<td>Total Claims terminated in 2009</td>
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<tr>
<td>Open Claims to the end of 2009</td>
<td>6,615</td>
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