GROUP BENEFITS RENEWAL ANALYSIS

Humberview Logistics Ltd.

CARRIER
Manulife Financial

RENEWAL EFFECTIVE DATE
November 1, 2026

POLICY NUMBER
G0080350

GROUP SIZE
142 employees

Prepared by blankit · Report Date: August 9, 2026

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Executive Summary

VERDICT: BORDERLINE — NEGOTIATE

The carrier's proposed renewal is slightly above fair market levels.

Manulife Financial has proposed a **+13.0%** blended rate increase for the November 1, 2026 renewal. Our independent analysis, based on Humberview Logistics Ltd.'s own claims experience and Canadian market benchmarks, supports a fair increase of **+8.2%**.

The difference represents an annual overpayment of **$30,711** ($2,559/month).

CURRENT ANNUAL PREMIUM	CARRIER PROPOSED	OUR FAIR PREMIUM	ANNUAL VARIANCE
$634,276	**$717,031**	**$686,320**	**+$30,711**
	+13.0% increase	+8.2% increase	carrier overcharging

Summary by Benefit Line

BENEFIT LINE	CURRENT	LOSS RATIO	TARGET LR	PROPOSED	PROPOSED %	FAIR PREMIUM	FAIR %	VARIANCE
Life	$47,300	—	—	$50,138	+6.0%	$50,138	+6.0%	+$0
AD&D	$6,816	—	—	$6,816	0.0%	$6,816	0.0%	+$0
Dependent Life	$4,260	—	—	$4,260	0.0%	$4,260	0.0%	+$0
Long-Term Disability	$92,600	92.3%	—	$108,342	+17.0%	$108,342	+17.0%	+$0
Extended Health Care	$364,800	86.7%	85.0%	$418,310	+14.7%	$397,395	+8.9%	+$20,915
Dental	$118,500	76.8%	82.0%	$129,165	+9.0%	$119,369	+0.7%	+$9,796
TOTAL	**$634,276**	**85.5%**	**84.2%**	**$717,031**	**+13.0%**	**$686,320**	**+8.2%**	**+$30,711**

Loss ratio: EHC and Dental show the net loss ratio (incurred claims incl. IBNR ÷ premium net of pooling); disability lines show the paid loss ratio. Volume-rated lines (Life, AD&D, Dependent Life, Critical Illness) are pooled by the carrier and carry no claims-based ratio. Target LR is the carrier's own pricing target (target loss ratio) for EHC and Dental — the level of claims the premium is priced to fund; a net loss ratio above target supports a rate action, one below it argues against the proposed increase. The TOTAL target is premium-weighted across the lines that carry one.

RECOMMENDED COUNTER-POSITION

We recommend presenting Manulife Financial with a counter-proposal of **$686,320 annually** ($57,193/month), representing a **+8.2%** increase over current premiums. This position is supported by the group's own claims experience, appropriate trend assumptions, and standard Canadian credibility weighting methodology.

EXPECTED SETTLEMENT RANGE — INTERNAL

For internal planning only: based on a pattern observed across 19 settled renewals, this renewal is likely to settle near **+4.3%** ($661,585 annually), with a plausible range of 0.0% to +7.2%. This is a low-confidence forecast of where negotiation may land — it does NOT change the fair premium above and should never be shared with the carrier.

Renewal Overview

Summary Notes

• Extended Health Care: net loss ratio of 86.7% is roughly in line with the carrier's target of 85.0%. Their proposed +14.7% is borderline; we recommend countering at +8.9%.

• Dental Care: net loss ratio of 76.8% sits comfortably below the carrier's target of 82.0%. Their proposed +9.0% is not justified by experience — we recommend countering at +0.7%.

• Life: pooled — carrier proposed +6.0% based on age/volume of insured population.

• AD&D: rates being held despite demographic shifts (pooled benefit).

• Dependent Life: rates being held despite demographic shifts (pooled benefit).

• Long Term Disability: the carrier proposed +17.0%; we recommend countering at +17.0%.

• Pooled rates (Life, AD&D, Dependent Life) are being held despite the general aging of the employee population.

Overview of Financial Arrangements

Each benefit in the program is funded in one of the ways below. The funding basis determines who carries the claims risk, how the benefit is priced at renewal, and which taxes and expenses apply.

BENEFIT	FUNDING BASIS
Group Life Insurance	Insured
Accidental Death & Dismemberment (AD&D)	Insured
Dependent Life Insurance	Insured
Long-Term Disability (LTD)	Insured
Extended Health Care (EHC)	Insured
Dental	Insured

INSURED

The carrier holds the claims risk in exchange for premium. Rates are set at each renewal from the group's experience and the carrier's manual rates; claims above expectations are the carrier's responsibility.

Claims Experience Analysis

Experience period: August 1, 2025 – July 31, 2026. This experience includes current-year (2026) claims data.

Table 1 — Pooling Charge Removal from Gross Premium

BENEFIT LINE	GROSS PREMIUM	POOLING CHARGE PERCENTAGE	POOLING CHARGE DOLLARS	NET PREMIUM FOR CLAIMS
Extended Health Care (EHC)	$364,800	12.0%	$43,776	**$321,024**
Dental	$118,500	—	—	$118,500

Table 2 — Claims Experience (EHC / Dental)

BENEFIT LINE	MEMBER MONTHS	PAID CLAIMS	LARGE CLAIMS STRIPPED	ADJ. PAID CLAIMS	CREDIBILITY
Extended Health Care (EHC)	1,704	$294,000	$41,500 (1)	$262,724	100%
Dental	1,704	$83,500	N/A	$83,500	100%

Table 3 — IBNR Adjustment (Incurred But Not Reported)

BENEFIT LINE	ADJ. PAID CLAIMS	IBNR FACTOR	IBNR RESERVE $	TOTAL INCURRED CLAIMS	INCURRED PMPM
Extended Health Care (EHC)	$262,724	6.0%	$15,763	$278,487	$163.43
Dental	$83,500	9.0%	$7,515	$91,015	$53.41

Table 4 — Net Loss Ratio Analysis (Incurred ÷ Net Premium)

BENEFIT LINE	INCURRED CLAIMS	NET PREMIUM (CURRENT)	NET LOSS RATIO (ACTUAL)	TARGET LR (TLR)	PROPOSED NLR
Extended Health Care (EHC)	$278,487	$321,024	86.7%	85.0%	75.7%
Dental	$91,015	$118,500	**76.8%**	82.0%	70.5%

A Proposed NLR below the TLR confirms the carrier is pricing excessive margin into this renewal.

Abbreviations: LR — Loss Ratio: claims as a percentage of premium · NLR — Net Loss Ratio: incurred claims (including IBNR) ÷ premium net of pooling charges · TLR — Target Loss Ratio: the share of premium the carrier prices to pay out in claims · IBNR — Incurred But Not Reported: claims members have incurred but not yet submitted · PMPM — Per Member Per Month

Fair Rate Calculation — Extended Health Care (EHC)

PARAMETER	VALUE	NOTES
Experience Period	**August 1, 2025 – July 31, 2026**	12 months of data
Member Months	**1,704**	Total insured member-months during experience period
Paid Claims (raw)	**$294,000**	Total claims paid by carrier in experience period
Large Claimant Removal	**($41,500)**	1 claimant(s) above $25,000 pooling threshold
Adjusted Experience PMPM	**$148.18**	Claims net of large claimants ÷ member-months
Trend Factor (11.5%/yr)	**$187.22**	Adjusted PMPM trended to renewal midpoint
Credibility Factor	**100.0%**	Fully credible — 100% weight to group experience
Expected Loss Ratio	**85.0%**	Canadian market benchmark for this benefit line
Fair Annual Premium	**$397,395**	$233.21 PMPM × 142 members × 12
Carrier Proposed Premium	**$418,310**	+14.7% increase over current
Variance (Proposed − Fair)	**+$20,915**	Carrier is above fair — demand reduction

Abbreviations: PMPM — Per Member Per Month

Fair Rate Calculation — Dental

PARAMETER	VALUE	NOTES
Experience Period	**August 1, 2025 – July 31, 2026**	12 months of data
Member Months	**1,704**	Total insured member-months during experience period
Paid Claims (raw)	**$83,500**	Total claims paid by carrier in experience period
Adjusted Experience PMPM	**$49.00**	Claims net of large claimants ÷ member-months
Trend Factor (6.0%/yr)	**$57.44**	Adjusted PMPM trended to renewal midpoint
Credibility Factor	**100.0%**	Fully credible — 100% weight to group experience
Expected Loss Ratio	**82.0%**	Canadian market benchmark for this benefit line
Fair Annual Premium	**$119,369**	$70.05 PMPM × 142 members × 12
Carrier Proposed Premium	**$129,165**	+9.0% increase over current
Variance (Proposed − Fair)	**+$9,796**	Carrier is above fair — demand reduction

Abbreviations: PMPM — Per Member Per Month

Renewal Rate Comparison

Side-by-side comparison of the pre-renewal rates, Manulife Financial's original proposed rates, and our position — the rates supported by this group's own claims experience, effective November 1, 2026. Our position is what is being put to the carrier; it has not been agreed to.

		PRE-RENEWAL		ORIGINAL PROPOSED		OUR POSITION		% CHG
BENEFIT LINE	**VOLUME**	**RATE**	**MONTHLY**	**RATE**	**MONTHLY**	**RATE**	**MONTHLY**	**VS PRE**
Life	28,400,000	0.139	$3,942.00	0.147	$4,178.00	0.147	**$4,178.17**	**+6.0%**
AD&D	28,400,000	0.020	$568.00	0.020	$568.00	0.020	**$568.00**	0.0%
Dependent Life	142	2.500	$355.00	2.500	$355.00	2.500	**$355.00**	0.0%
Long Term Disability	142	5434.507	$7,717.00	6358.451	$9,029.00	6358.099	**$9,028.50**	**+17.0%**
Extended Health Care	142	214.085	$30,400.00	245.486	$34,859.00	233.213	**$33,116.25**	**+8.9%**
Dental Care	142	69.542	$9,875.00	75.803	$10,764.00	70.052	**$9,947.42**	+0.7%
TOTAL MONTHLY PREMIUM			**$52,857.00**		**$59,753.00**		**$57,193.33**	

Where the source document does not state a unit rate, the rate shown is derived from the monthly premium and the volume on the line's standard basis (per $1,000 of benefit volume for life, AD&D and critical illness; per $10 of weekly benefit for STD; per $100 of monthly benefit for LTD; per insured unit for health, dental and dependent life). Presentation only — derived rates are not used in any calculation.

RATE CHANGE SUMMARY

Carrier originally proposed	+13.0%	$6,896.00/mo
Our position	**+8.2%**	**$4,336.33/mo**
REDUCTION SOUGHT VS CARRIER PROPOSAL	**-4.8%**	**$2,559.67/mo**

Applicable taxes not included. If the plan does not remain in force for the renewal period, the original proposed rates may be applied retroactively.

Recommendation & Negotiation Strategy

RECOMMENDED COUNTER-PROPOSAL

We recommend presenting Manulife Financial with a counter-proposal of **$686,320 annually** ($57,193/month) effective November 1, 2026.

This represents a **+8.2%** blended increase over current premiums, compared to the carrier's proposed **+13.0%**. Accepting this counter-proposal recovers $30,711 annually ($2,559/month) in excess carrier margin.

Counter-Proposal by Benefit Line

BENEFIT LINE	CURRENT ANNUAL	CARRIER PROPOSED	OUR POSITION	OUR RATE %	ANNUAL SAVING
Group Life Insurance	$47,300	$50,138	**$50,138**	+6.0%	—
Accidental Death & Dismemberment (AD&D)	$6,816	$6,816	**$6,816**	0.0%	—
Dependent Life Insurance	$4,260	$4,260	**$4,260**	0.0%	—
Extended Health Care (EHC)	$364,800	$418,310	**$397,395**	+8.9%	**$20,915**
Dental	$118,500	$129,165	**$119,369**	+0.7%	**$9,796**
Long-Term Disability (LTD)	$92,600	$108,342	**$108,342**	+17.0%	—
TOTAL	**$634,276**	**$717,031**	**$686,320**	**+8.2%**	**$30,711**

Key Negotiation Points

Lines Where Carrier Rate Exceeds Fair Value

Extended Health Care (EHC): The carrier is proposing +14.7% vs. our calculated fair rate of +8.9%. The group's own claims experience (adjusted PMPM of $148) supports a lower renewal. Annual overcharge: $20,915.

Dental: The carrier is proposing +9.0% vs. our calculated fair rate of +0.7%. The group's own claims experience (adjusted PMPM of $49) supports a lower renewal. Annual overcharge: $9,796.

Abbreviations: PMPM — Per Member Per Month

Negotiation Playbook

Step-by-Step Negotiation Guidance

Opening position: Present the fair premium ($686,320/year, +8.2% blended increase) as your counter-proposal. This position is grounded in the group's own claims data. The carrier must justify any deviation with credible evidence.

Priority lines: Focus first on Extended Health Care (EHC) ($20,915 overcharge), then Dental ($9,796 overcharge). These lines have the largest dollar variance and the best leverage for negotiation.

Fallback strategy: If the carrier will not move on Extended Health Care (EHC), redirect the conversation to Dental. Concessions on the second-highest line definitively reduce the overall cost.

Acceptable range: Do not accept any blended increase above +10.2%. The carrier has not provided credible justification for their proposed +13.0%.