



# LABORERS' HEALTH & WELFARE TRUST FUND OF WESTERN CANADA



## ANNUAL REPORT TO MEMBERS Year Ended December 31, 2019

We are pleased to present our Annual Report outlining the activities of the Fund during the year ended December 31, 2019.

During the year under review, benefits of approximately \$12.5 million were paid on behalf of eligible Laborers and their dependents. This includes insurance benefit payments and payments from members' Health Care Expense Option accounts.

As illustrated in this report, the Fund ran a \$2,247,656 surplus for the year and the Board is pleased with the results as contributions exceeded the amount spent on benefits for the first time in several years. They attribute the results in having to make the difficult decision early in the year to reduce some of the benefit levels, which was necessary, but never easy to do. The operating Fund Balance at December 31, 2019 increased to \$9,109,906. An audit has been performed on the records of the Fund. Financial Statements are available for examination at the Fund Office.

We are pleased that the fund was able to provide over \$12 million in benefits to the members and their families. With your continue support, we are looking forward to many more years of successful operation.

Sincerely,

Board of Trustees

### LABORERS' HEALTH & WELFARE TRUST FUND OF WESTERN CANADA

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**Administrator**

Funds Administrative Service  
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**Insurance Underwriters**

SSQ Financial Group

**Board of Trustees**

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DLA Piper LLP

**Consultants & Actuaries**

Segal

**Auditors**

Mowbrey Gil, LLP, C.A.

*Note: This report provides a summary of the Fund's Statement of Financial Position and Statement of Financial Fund Balance. In addition, an audit of the Financial Statements of the Fund is obtained each year from the Fund's auditors. A copy of the audited Financial Statements can be made available for examination at the Fund Office during business hours.*

June 2020

**STATEMENT OF FINANCIAL POSITION  
as at December 31, 2019**

**ASSETS**

|   |                     |
|---|---------------------|
| Investments                                     | \$8,501,889         |
| Cash  | 4,457,588           |
| Restricted Cash*                                | 1,750,320           |
| Contributions Receivable                        | 1,431,449           |
| Premium Rebate Receivable**                     | 748,759             |
| Investment Income Receivable                    | 0                   |
| Prepaid Premiums and Expenses                   | 8,228               |
| Investment in Funds Administrative Service Inc. | <u>677,345</u>      |
| <b>Total Assets</b>                             | <b>\$17,575,578</b> |

\* Premium Stabilization Fund or Claims Fluctuation Reserve (CFR) held by Insurance Company

\*\* A refund payable in the amount of \$1,118,939 was available at the end of 2019. \$370,180 was transferred to the CFR, with the remaining \$751,080 to be paid as a refund (including \$2,321 in Premium tax credit not reflected above).

**LIABILITIES & FUND BALANCE**

|  |                     |
|--|---------------------|
| Accounts Payable and Accrued Liability | \$98,556            |
| Hour Bank Liability                    | 6,903,225           |
| Reserve for Health Care Expense Option | 1,463,891           |
| Due Insurance Carrier                  | 0                   |
| <b>Total Liabilities</b>               | <b>\$8,465,672</b>  |
| Operating Fund Balance                 | <u>9,109,906</u>    |
| <b>Total Assets</b>                    | <b>\$17,575,578</b> |

**STATEMENT OF OPERATIONS & FUND BALANCE  
for the Year Ended December 31, 2019**

**REVENUE**

|                     |                     |
|---------------------|---------------------|
| Contributions       | \$14,807,141        |
| Investment Income   | <u>1,133,935</u>    |
| <b>Total Income</b> | <b>\$15,941,076</b> |

**EXPENSES**

|                                   |                     |
|-----------------------------------|---------------------|
| Net Insurance Premiums            | \$13,033,972        |
| Health Care Expense Option Claims | 136,284             |
| Reciprocal Payments               | 31,619              |
| Member Assistance Program         | 18,317              |
| Administration                    | 1,691,226           |
| All Other Expenses                | <u>230,099</u>      |
| <b>Total Expenses</b>             | <b>\$15,141,517</b> |

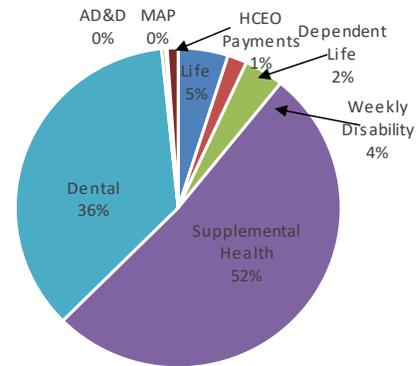
|   |                    |
|---|--------------------|
| Income (Loss) From Operations                             | 799,559            |
| Decrease/(Increase) in Hour Bank Liability                | 1,555,232          |
| Share of Income of FAS                                    | 20,916             |
| Remicade – Claimsecure RxAdvantage                        | 64,657             |
| Decrease/(Increase) in Health Care Expense Option Reserve | <u>(192,708)</u>   |
| <b>Net Income (Loss) for the Year</b>                     | <b>\$2,247,656</b> |

**BENEFIT PAYMENTS IN 2019**

**BENEFITS**

|  |                     |
|--|---------------------|
| Life Insurance                             | \$620,000           |
| Dependent Life                             | 240,000             |
| Accidental Death & Dismemberment (AD&D)    | 50,000              |
| Weekly Disability                          | 492,632             |
| Supplemental Health                        | 6,472,581           |
| Dental Care                                | 4,486,035           |
| Member Assistance Program (MAP)            | 18,317              |
| Health Care Expense Option Payments (HCEO) | <u>136,284</u>      |
| <b>Total Benefits Paid*</b>                | <b>\$12,515,849</b> |

\* Not including claims in the course of payment, unreported claims and pending claims as at December 31, 2019.



**ANNUAL BENEFIT PAYMENTS 2009 – 2019**

