

April 16, 2020

## Premium credits for dental and extended health care

The pandemic has been a challenge for everyone. We know it's been very hard for many of your small business Clients. We continue to seek ways to ease the financial burden – while still providing the coverage plan members need.

We know that cash flow is critical for many businesses right now. Premium credits can help. We're pleased to provide this new solution to all non-refund Clients.

Plan member use of dental benefits and some extended health care benefits has declined during the pandemic. The premium credits we're providing reflect this lower usage – and we hope this can help our Clients with their cash flow needs.

Here are the changes we're making for all non-refund Clients:

- **50% credit against dental premiums paid.** Most routine dental visits have stopped during the pandemic. We're providing a 50% dental premium credit per month. We will apply the April credit to the Client's June 1 invoice. We will continue to assess on a monthly basis.
- **20% credit against non-drug-related extended health care premiums paid.** Prescription drug usage has not declined during the pandemic. However, while plan members are increasingly making use of virtual care across their paramedical providers, we are still seeing a reduction in claims activity. To reflect this, we're providing a 20% premium credit on the non-drug coverage portion of each Client's extended health care benefits which approximates 8% to 9% of the overall extended health care premium. As with the dental premium credit, we'll apply the April credit to their June 1 invoice. We will continue to assess on a monthly basis.

We will be revisiting these credits on a monthly basis going forward. We know these premium credits will temporarily impact your commissions. We appreciate your support of these actions as we focus on the long-term health of our small business Clients. We expect plan usage – and premiums – to return to normal levels once current pandemic restrictions are lifted.

Until then, we'll be here for your non-refund Clients, and plan members will continue to have full access to their benefits coverage throughout the pandemic and beyond.

### Questions?

We hope these premium credits can help your non-refund Clients at a difficult time. And we want to thank you for your support in helping us do this. If you have any questions about these premium credits, please contact your Sun Life Group Benefits representative.