



IATSE Local 873 Health & Welfare Trust 2017 Annual Report

2017 brings continued plan health and success

Welcome to your 2017 annual report. This report provides an update on plan developments over the course of last year, as well as key facts and figures.

As with other large multi-employer plans, our benefits are provided through a trust. The IATSE 873 Health & Welfare Trust is a separate legal entity set up to manage the funds and benefits for members of IATSE Local 873. Funds can only be used to pay for benefits claims and reasonable administrative expenses; they can't be used for any other purpose.

The financial health of our plan (and our trust) depends on two main factors: contributions and investment returns. 2017 was another great year:

- Our funds earned a solid 5.7% investment return last year, with a 5-year average return of 7.2%.
- We paid out \$9.2 million in health and benefits claims and premiums last year – up from \$8.2 million in 2016.
- By the end of 2017, we had XXXX members in our plan – up from 1,821 in 2016. More members means more contributions – which, in turns, means greater benefits security for all members.

Markets have been doing well for the last couple of years, generating above-average returns. However, maintaining that financial cushion is important, since it protects the plan against external factors we can't control – a decline in work levels (meaning lower producer contributions), a significant increase in benefits costs or an unexpected market downturn.

Maintaining a good safety net for the plan helps ensure we can continue to offer meaningful benefits to our members – today and moving forward.

Why you should read this report

Belonging to the trust means you're not just a member receiving benefits; you're also an "owner" of the trust – and you have a role to play in ensuring its ongoing sustainability. That's why it's so important to understand our plan, how it works and how to use it responsibly.

This annual report is a great resource to help you:

- Stay informed on how the plan is doing;
- Learn more about our benefits; and
- Find out about recent developments and what the Trustees are doing to improve the member experience.

This report provides an update on the plan's financial status as of December 31, 2017, including information on contributions and investment earnings, which are used to pay insurance premiums, reimburse claims and fund future plan improvements.

For more information or to get your benefits questions answered, visit the website, www.873healthplan.com, or contact Great-West Life toll-free at 1-855-729-1839.

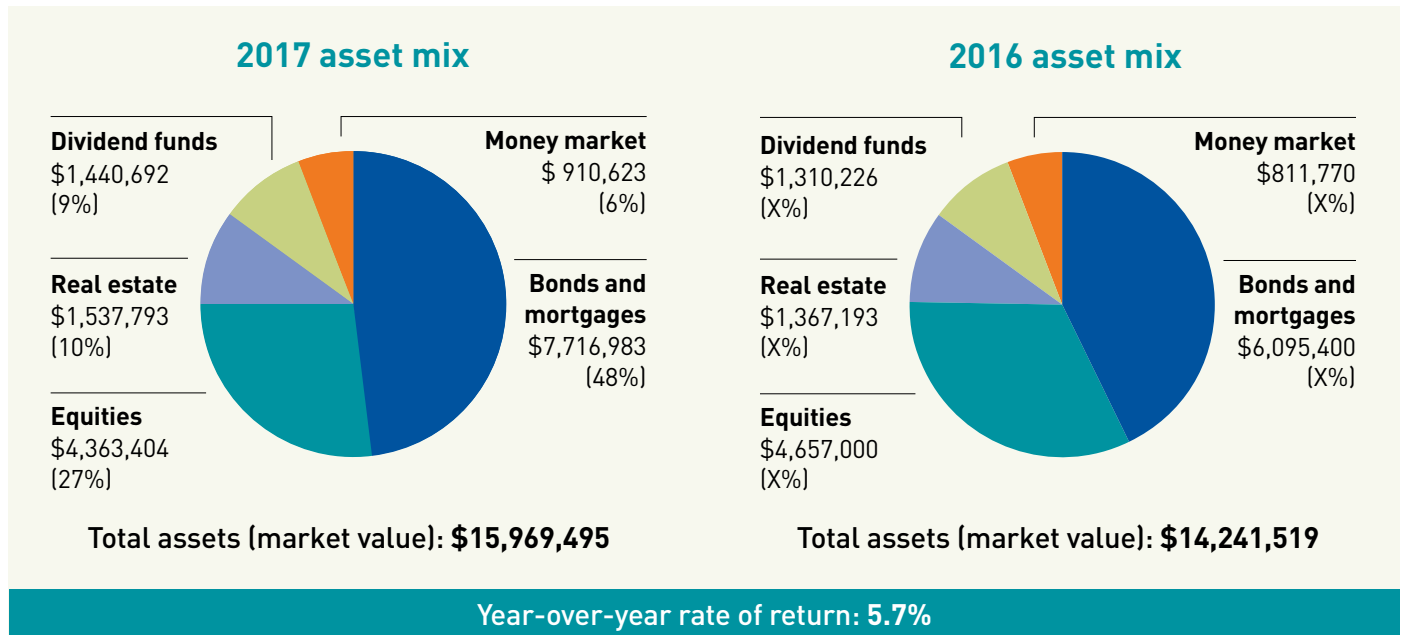
WHAT'S INSIDE

Year in review

Investments held by the Trust earned a strong 5.7% return in 2017, consistent with our 2016 return. Our 5-year rate of return was 7.2%.

The funds are invested in a mix of assets to ensure we're maintaining a well-diversified portfolio – both to meet our existing benefits obligations and to maintain reserves in case of more difficult times.

Here's how the funds are invested:



Keeping on top of the plan's investments and future trends is a significant part of the Trustees' responsibilities. The Trustees continued to make plan governance a top priority by:

- Meeting on a regular basis to oversee plan operations;
- Ensuring the plan's investment managers are fulfilling their mandates, meeting performance expectations and following the guidelines set out in the Trust's Statement of Investment Policies and Procedures (SIPP);
- Keeping current with industry standards; and
- Taking advantage of educational opportunities that can improve our governance, as outlined in our education policy.

What's new with our plan

The IATSE 873 Health & Welfare Trust website has a wealth of information and resources to answer your benefits questions.

Check out its newest feature: **Erin, our benefits chatbot!** Erin can help you find the benefits information you need, whenever you need it.

How does it work?

- You'll get a pop-up when you visit the website – or click on this bubble to open a chat window.
- Erin will give you some possible topics to figure out what type of information you're looking for.
- Type in the option that best meets your needs.
- Follow the prompts to get your questions answered.



Visit the website and chat with Erin today at www.873healthplan.com.

Financial highlights

Investment returns

Annual rate of return for 2017:

5.7%

3-year return:

5.5%

5-year return:

7.2%

Health and benefits paid on behalf of members

	2017	2016
Prescription drug claims	\$2,651,517	\$2,185,596
Dental health claims	\$1,990,802	\$1,898,840
Other health claims	\$1,115,443	\$844,949
Health spending account	\$923,332	\$867,911
Short term disability	\$720,990	\$612,162
Vision care benefits	\$102,503	\$95,588
Member assistance program	\$81,638	\$69,309
Death benefits	\$14,000	\$42,000
Maternity benefits	\$76,795	\$39,472
TOTAL	\$7,677,020	\$6,655,827

Change in membership

Union



Dec. 31, 2016
2,660



Dec. 31, 2017
1,982

Health & Dental Plan



Dec. 31, 2016
1,982



Dec. 31, 2017
1,982

Statement of changes in net assets

(For the year ending December 31)

	2017	2016
Balance at beginning of year	\$693,769	\$1,031,655
Income & contributions		
Contributions from employers	\$11,207,793	\$10,819,187
Contributions from members	\$655,842	\$251,246
Investment income	\$804,346	\$467,093
Total income & contributions	\$12,667,981	\$11,680,269
Disbursements & expenses		
Increase in claim reserves	\$3,123,370	\$2,358,247
Increase in dollar bank reserves	\$1,280,133	\$902,223
Benefit premiums and payments	\$9,200,129	\$8,217,741
Administration fees	\$587,361	\$478,466
Investment management fees	\$76,519	\$61,478
Surplus at December 31	(\$950,392)	\$693,769

Want to know more about our plan?

Here are a few common questions and answers...

Q: I'm travelling out of country. What does my plan cover?

A: The plan offers emergency medical coverage when travelling out of province or out of country. For active members, it also includes as medical travel assistance to support you in getting the help you need.

Here are some facts about your coverage:

- An "emergency" is a sudden, unexplained occurrence of an acute condition requiring immediate medical attention. In other words, this benefit doesn't provide coverage for ongoing chronic conditions or non-emergency situations. Nor does it cover other travel issues, like trip cancellation or lost luggage insurance.
- For active members, the Medical Travel Assistance benefit provides 24/7 access to a travel assistance provider who can provide support worldwide, coordination services to help you get the care you need and transportation home or to another medical facility, if required.
- For retirees, coverage per trip is limited to a maximum of 30 days.

Q: I just got married. How do I add my spouse to my benefits plan?

A: If you get married or have a child, be sure to contact the plan administrator (J&D Benefits) or the Union office as soon as possible. You will need to complete some forms to add a dependent to your Dental, Extended Health Care and Basic Medical coverage.

About the Trust

The Trust is governed by an elected, five-member Board of Trustees, which is responsible for overseeing all plan operations, including investment of plan assets. The Trustees have a legal duty to act in the best interests of all plan members. The Trustees engage various experts to ensure the plan is properly managed, including an auditor, lawyer, benefits consultant, investment manager, actuary and third-party administrator.

Trustees	Board advisors	Third-party administrator
Joe Fraser, <i>Chair</i>	Auditor – MNP LLP	J&D Benefits Inc.
David Charles, <i>Vice-Chair</i>	Legal – Koskie Minsky LLP	
Pauline Chung	Benefits Consultant – Human Capital Benefits	
Wayne Goodchild	Actuary – Eckler Ltd.	
Lisa Russo (Pacitto)	Investment Manager – GLC Asset Management	



Looking for more information?

Want more details on your benefits or how your plan works? Check out the Health & Welfare Trust website at www.873healthplan.com. Or refer to the detailed benefits booklet prepared by Great-West Life and CHUBB, which is available on the Trust website: www.873healthplan.com.

About this bulletin

This annual report is intended to inform the members of the IATSE Local 873 Health & Welfare Trust about certain aspects of their benefits plan. Complete descriptions of the plan can be found in the official plan documents. Care has been taken to provide an accurate summary of plan features and the financial status of the Trust. If there are any discrepancies between the information contained in this report and legal documents, the legal documents take precedence. While it is our intention to continue the plan indefinitely, the Board of Trustees, in their fiduciary capacity as "overseers," reserves the right to change, amend or terminate the plan at any time, should unforeseen work stoppages, financial, legislative or other such changes necessitate this action.