EMPLOYEE BENEFITS REPORT 2026

The NSFM Benefits Program is tailored to help municipalities attract and retain talent while promoting the overall wellbeing of municipal employees and elected officials, their families, and their communities. The program offers a comprehensive suite of benefits, including health, dental, life, and disability coverage, along with a range of optional supports such as an Employee and Family Assistance Program (EFAP), virtual healthcare, wellness modules, early intervention support for long-term disability, and additional wellness tools and resources.

More than 50 municipalities, towns, villages, and affiliated organizations participate in the program, representing approximately 2,400 municipal employees across Nova Scotia. This collective participation provides strong purchasing power, enabling cost savings, greater leverage in negotiations with insurers, and access to stable, sustainable rates.

The NSFM Health & Benefits Committee (HBC) oversees the Program and demonstrates a high degree of commitment to its success.

Members of the Committee include:

Tracy Dixon, *Municipality of East Hants*
Rachel Hiltz, *Municipality of the District of Lunenburg*
Krista Crossman, *Town of Amherst*
Lynn Wagner, Municipal Joint Services Board – Lunenburg Region
Carlene Hawley, County of Inverness
Ian Morrison, *NSFM*
Jeff Sunderland, *AMANS*

At HUB International Atlantic, we're proud to continue our valued partnership with the NSFM Benefits Program and its participating organizations. As a leading national benefits consulting firm, HUB provides strategic guidance and support for the program, working closely with the HBC to deliver expert advice on plan design, cost management, benefits administration, disability support, and workplace wellness initiatives.

2026 Highlights

Group Benefits Plan

The annual premiums for the plan last year were $14.7 million. Health claims increased 4% per employee while dental claims decreased 10% per employee. High-cost specialty drugs (generally exceeding $10,000 annually) have consistently represented approximately 40% of drug costs, while accounting for 2% of the number of drug claims. The concentration of drug cost in a small number of claims (and claimants) is well aligned with industry benchmarks.

Mental health practitioner paramedical claims (psychologist, social workers, counsellors) continued to grow with paid claims increasing 46% and claim volume increasing 51% over the past two years.

Diabetes remains a significant driver of claims with increasing utilization of GLP-1 medications such as Ozempic. Generic versions have reached the Canadian market this year and are expected to provide some cost relief, however, savings may be mitigated by rising utilization as the workforce continues to age. Beyond drug claims, there has been a 47% increase in paid claims for glucose monitor sensors (Freestyle Libre, Dexcom) over the past five years.

The Health & Benefits Committee continues to monitor claims and consider plan design and rate adjustments in response to an evolving environment. Participating municipalities continue to benefit from reduced administrative fees, enhancing the plan's capacity to pay claims while maintaining competitive rates.

At this year's renewal, life and long-term disability rates were coming off a three-year rate guarantee secured through the last market study. Rates renewed with a decrease and a new three-year rate guarantee was implemented. This is a great success as rate increases are common following a lengthy guarantee period.

The Health & Benefits Committee implemented a one-month premium holiday (October 2026, no premiums payable) for health and dental benefits for municipalities in Pool A (fewer than 50 employees). This reflects claims experience that came in below budget. Mental health practitioner coverage was also increased to $2,000 per year.

We are pleased to highlight two new value-added benefits with Medavie Blue Cross. The voluntary life, accidental death and dismemberment, and critical illness coverage available to employees (and dependents) was upgraded this year. The coverage is now portable, and employees who choose to purchase this additional coverage, at preferred rates, will be able to retain it after they no longer participate in the municipal group plan (retirement, leaving the municipality).

As part of the travel coverage, a new flight delay service benefit has been included. A member can register their flight with the service, and if a delay of at least 3 hours occurs, they will receive either airport lounge access, a hotel room, or a level of cash compensation depending on the length of the delay.

Education and Information Updates

HUB was pleased to hold the annual Benefit Plan Roadshow in May, hosting half-day in person sessions in Truro & Bridgewater. The Roadshow brings together municipal officials and leaders as an educational opportunity and allows HUB to share industry knowledge and generate discussion about the plan. The sessions focused on GLP-1 and weight loss drugs (Ozempic, Wegovy), the big picture of chronic disease, health coaching and chronic disease management benefits included in the benefit plan, benefits from an inclusive perspective, women's health and menopause, as well as absence and disability management. There was great engagement and participation in the discussion.

We are looking forward to working closely with NSFM's new Municipal Wellness Coordinator, Erin Flett. The Municipal Wellness Program collaborates with the group benefit plan to understand the needs of municipal elected officials and employees. Aggregate claims data provides meaningful insights to guide wellness programming that is relevant and impactful for those in the municipal sector. We are excited for the virtual wellness launch event on November 30.

Closing

At HUB International Atlantic, we value our partnership with NSFM and the participating municipalities. If you're interested in learning more or discussing any aspect of the NSFM Benefits Program, we welcome you to reach out to us:

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