



GROUP INSURANCE

**BRIEF PREPARED BY THE QUEBEC STUDENT UNION FOR THE
CONSULTATIONS BY THE AUTORITÉ DES MARCHÉS FINANCIERS: GROUP
INSURANCE OFFERED TO MEMBERS OF A STUDENT ASSOCIATION**

Adopted at the Specific Working Committee on Student Associations' Insurance
Services meeting on September 27, 2022



WRITTEN BY:

[REDACTED]

REVISION:

[REDACTED]

Quebec Student Union
6217, rue Saint-André
Tél. [REDACTED]
<http://unionetudiante.ca>
info@unionetudiante.ca

© Union étudiante du Québec

The Quebec Student Union's (QSU) mission is to defend the rights and interests of the student community, of its member associations, and of their members by promoting, protecting, and ameliorating the conditions of students and those of local and international communities.

The QSU's Specific Working Committee on Student Associations' Insurance Services represents approximately 200 000 students from university campuses across Quebec. It was created to serve as the voice of university students in the consultation process initiated by the Autorité des marchés financiers on the subject of group insurance plans offered by student associations to their members.



Table of Contents

Summary of Recommendations	4
List of Acronyms	5
Introduction	6
1. Legislation Governing the Activities of Student Associations	7
2. The Collective Nature of Student Insurance	8
3. Student Reactions to the AMF’s Announcement	9
4. Quebec Insurers Act	12
5. Opt-Out Periods.....	16
Conclusion	18
Bibliography.....	19
List of Student Associations Represented by this Brief.....	21



Summary of Recommendations

RECOMMENDATION 1

That the Autorité des marchés financiers preclude issuing any recommendation that would result in eliminating student group insurance plans.

RECOMMENDATION 2

That the Autorité des marchés financiers preclude issuing any recommendation that would increase the premiums paid by students and restrict access to student group insurance plans.

RECOMMENDATION 3

That the Autorité des marchés financiers preclude issuing any recommendation that would affect the right of student associations to collect automatic fees under the Act Respecting the Accreditation and Financing of Students' Associations.

RECOMMENDATION 4

That any recommendations issued by the Autorité des marchés financiers regarding communications to students about their group insurance plan be concrete, quantifiable and clearly indicate the means of communication to be used and information to be included.

RECOMMENDATION 5

That the Autorité des marchés financiers recommend amendments to the Quebec Insurers Act to protect student group insurance plans and ensure that student associations can continue offering this essential service to their members.

RECOMMENDATION 6

That the Autorité des marchés financiers ensure that simulations or quantitative analyses are conducted to anticipate the impact that any changes to student group insurance plans would have on the premiums paid by students before issuing a request for that change.

List of Acronyms

AÉCSP	Association des étudiants [et des étudiantes] aux cycles supérieurs de Polytechnique
AéESG	Association étudiante de l'École des sciences de la gestion de l'Université du Québec à Montréal
AELIÉS	Association des étudiantes et des étudiants de Laval inscrits aux études supérieures
AGEEFEP	Association générale des étudiantes et étudiants de la Faculté de l'éducation permanente de l'Université de Montréal
AMF	Autorité des marchés financiers
ASEQ	Quebec Student Health Alliance
CADEUL	Confédération des associations d'étudiants et d'étudiantes de l'Université Laval
FAÉCUM	Fédération des associations étudiantes du campus de l'Université de Montréal
GSA	Graduate Students' Association of Concordia University
ARAFSA	Act Respecting the Accreditation and Financing of Students' Associations
RAMQ	Régie de l'assurance maladie du Québec [Quebec Health Insurance Plan]
QSU	Quebec Student Union



Introduction

Group insurance is a service that has been offered by student associations on university campuses across Quebec for nearly 30 years. When the Autorité des marchés financiers (AMF) issued its directives on December 23, 2021, numerous students reached out to their associations (at the program, campus and national level) to voice their concerns. It was made clear that the directives issued by the AMF would have significant negative consequences on university students throughout the province. Given the importance of group insurance plans for student associations, the Quebec Student Union (QSU) decided to get involved in the issue, even though it does not itself offer this service to its members directly. Rather, the service is provided to students directly on campus by their local associations.

This brief represents the positions of 20 university student associations, which in turn represent approximately 200 000 students, that have joined the Specific Working Committee on Student Associations' Insurance Services. The QSU wishes to thank each and every one of these associations for their work on this issue over the course of the past year. Each of these associations has undertaken a remarkable mobilization effort and made this a priority issue. It is the QSU's hope that our united front on this critical issue, affecting tens of thousands of students, will be successful in ensuring that the AMF hears our demands. This brief begins with an introduction to the legislation governing the activities of student associations, covers the collective nature of student insurance, describes students' reactions to the AMF's announcement, discusses the Quebec Insurers Act and concludes with a consideration of the opt-out period included in these plans.

1. Legislation Governing the Activities of Student Associations

It is unusual to see interactions between the financial sector and Quebec's student associations. It may therefore be useful to provide a brief introduction to the *Act Respecting the Accreditation and Financing of Students' Associations* (ARAFSA), which has governed student associations at the post-secondary level since 1983, providing them with their own, specific legal framework (QSU, April 9, 2022). It allows student associations to defend the rights of students and work towards improving their conditions, such as through the promotion of services. To that effect, Section 3 of the ARAFSA defines a student association as follows:

a students' association or a students' association alliance is an organization whose main purposes are to represent students or students' associations, respectively, and to promote their interests, particularly respecting teaching, educational methods, student services and the administration of the educational institution (Quebec, ARAFSA, 1983).

Direct services to students are therefore a fundamental part of the activities attributed to student associations by the ARAFSA. By virtue of this law, student associations have developed numerous services over the years to serve the interests of their members. Each association develops and operates its services according to its own specific regulations. However, the development of new services in any association follows a rigorous process, including substantial consultation of the members, to ensure that it truly meets their needs. For example, over the past several years, numerous student associations have worked to add coverage for mental health consultations to the insurance plans offered to their members, in order to provide them with additional support that best matches their current needs.

In order to properly understand the operation of student associations, it's also important to consider Section 8 of the ARAFSA. It sets out the monopoly on representation granted to student associations, which is that there can only be



one certified association that represents a targeted student group. This monopoly is comparable to the one covered by Section 43 of the Quebec Labour Code which specifies the monopoly of representation for certified associations of employees. The monopoly on representation is an important part of ensuring the legitimacy of student representation on a number of issues, such as for group insurance. It guarantees that student associations are the actors best placed to represent the opinion of their student bodies.

2. The Collective Nature of Student Insurance

Group insurance is not unique to the student movement; it exists in a number of sectors, especially to protect workers by offering them coverage for additional care not included in Quebec's public health insurance. For students, the complementary insurance can reimburse them for additional health care services, dental care, eye care, mental health services and means of contraception. The exact coverage and premiums vary between associations, depending on their plan, since each one is free to adapt their coverage to meet the specific needs of their members. Indeed, the AMF itself notes that group insurance is often a benefit:

Group insurance is often one of the fringe benefits offered by employers, unions and professional associations. It is available to the members of a group, such as all employees of a company. (Autorité des marchés financiers, 2022)

This approach allows all students to protect themselves at a lower cost, as compared to individual insurance, and also eliminates the need for a medical exam to determine their insurability. In particular, it helps to protect people with more risk factors. Indeed, group insurance is made possible through automatic enrolment. As such, it doesn't discriminate against those who may have greater need for medical, dental, or mental health services. The collective nature of student insurance is important to note, as prior to these

consultations the AMF was specifically seeking to put an end to automatic enrolments.

3. Student Reactions to the AMF's Announcement

On December 23, 2021, the AMF issued new directives regarding the group insurance services provided by Quebec's student associations. Those directives asked insurers and brokers to make two significant changes to the way premiums are collected by student associations through student fees. First, the associations were told to immediately institute a winter opt-out period for students who enrolled in the plan during the previous fall semester. Second, the AMF demanded that the automatic fee collected by associations for group insurance, which students are currently able to opt out of, with a system under which students would have to individually request to enrol. Even though they would have drastic effects on student's ability to access affordable insurance, the AMF did not accompany these recommendations by any analysis of the impact they would have on the accessibility of these plans or the financial consequences on students. According to Desjardins, the largest student insurer in the province (Pilon-Larose, 2022), the AMF's second directive would transform students' group insurance plans into individual plans, completely denaturing their purpose:

"By moving from a group insurance plan with automatic enrolment and the right to opt out to an individual plan, the cost for students would grow constantly," explained Desjardins spokesperson Jean-Benoît Turcotti. In other words, the plans would only remain profitable if the cost for students increased drastically. (Fournier, 2022; translated from original)

Based on the AMF's directives, Desjardins announced that it would no longer continue offering student insurance as of fall 2022 (Custeau, 2022). This decision would have effectively resulted in over 300,000 students losing



access to their insurance in the middle of a worldwide pandemic. It's worth reiterating that this insurance allows tens of thousands of students to access medical, dental and vision care, mental health support and other essential services at an affordable cost. To offer only one example to support this, no less than “five million dollars in claims were made for mental health services in 2020-2021.” (Fournier, 2022)

The reaction on university campuses was immediate, given the very real threat of losing important protections for students. Associations across the province quickly mobilized and prepared a public response to the AMF's directives. That letter was signed by 57 student associations and sent directly to the President and CEO of the AMF on February 7, 2022:

We must express our surprise and concern with the directives issued to Desjardins Sécurité financière by the Autorité des marchés financiers (AMF) last December regarding the group insurance services offered to our members. We wish to remind you that these services are regularly used and provide crucial insurance coverage to Quebec's students at a low cost. Our enrolment in these plans was the product of long, internal processes and the high level of use we see with them throughout the province makes clear how badly they are needed. [...] It's worth noting that usage rates for the plan can run as high as 125% at certain universities. This translates to 200,000 students who benefited from insurance coverage across Quebec in 2020-2021. This service has been recognized as indispensable by our students, who have expressed their satisfaction with it across numerous consultations on the subject (Letter addressed to Mr. Louis Morissette, President and CEO of the Autorité des marchés financiers, 2022 ; translated from the original).

It is important to note how exceptionally rare this level of consensus is among Quebec's university students. In only a few days, student associations of all types from across Quebec—from universities and colleges, Francophone and Anglophone, from urban centres and outlying regions—adopted the same position on this issue. Indeed, it is rare that an issue succeeds in spontaneously rousing the ire and concern of the entire Quebec student



movement, beginning with its individual members, passing through their associations and all the way to the national level. It is clear that access to affordable insurance is an important benefit that students are ready to defend.

RECOMMENDATION 1

That the Autorité des marchés financiers preclude issuing any recommendation that would result in eliminating student group insurance plans.

RECOMMENDATION 2

That the Autorité des marchés financiers preclude issuing any recommendation that would increase the premiums paid by students and restrict access to student group insurance plans.

RECOMMENDATION 3

That the Autorité des marchés financiers preclude issuing any recommendation that would affect the right of student associations to collect automatic fees under the Act Respecting the Accreditation and Financing of Students' Associations.

Sign that the student community adheres to this consensus, in a quantitative survey run by the Association des étudiants [et des étudiantes] aux cycles supérieurs de Polytechnique (AÉCSP), 95% of respondents reported that the group insurance plan was relevant and 85% reported that the disappearance of this student service would negatively affect them, since the cost of individual insurance is too high. For their part, members of the Graduate Students' Association of Concordia University (GSA) were most concerned about losing access to dental care (81%), mental health services (65%) and vision care (63%) (GSA, 2022). The GSA collected nearly 200 qualitative testimonials illustrating the importance of student insurance plans. Below are only a few citations to illustrate the tenor of these responses to the question, "How would losing affordable access to the healthcare plan affect you?":



“My monthly medication would be very expensive. That would be a significant impact.”

“Due to financial burden, I would have to cut out needed therapies and dental care.”

“It would greatly impact me in the affordability of monthly prescription costs and in healthcare services that I have been able to access for the duration of the program.”

“We'd have to pay everything out of pocket, which means we wouldn't be getting most services because they're simply unaffordable for us as a family of 5.”

“It would mean dedicating a significant amount of my current revenue to healthcare, the majority of which is connected to mental health, dental and optometrist related services.”

(GSA, 2022)

These testimonials are perfectly representative of the communications received by the QSU from individual students as soon as the AMF's directives were made public. Many people took the time and initiative to write to their national association personally to share their concerns about losing access to the care available to them through their group insurance plans. It is important to note the unusual nature of a student who contacts their national student association directly, because this person normally goes to the first-line recourse, either their program association or their campus association. This dynamic is a good illustration of the sudden concerns experienced by students.

4. Quebec Insurers Act

In addition to the two changes it requested for the collection of insurance premiums, the AMF also issued a third directive intended to improve the information communicated to students regarding the plans. In its consultation document, the AMF makes clear that the directives it issued on December 23, 2021, which would effectively disrupt the existence of student insurance plans,



were motivated by the new Quebec Insurers Act, which was adopted in 2019 (AMF, June 15, 2022). Specifically, it refers to Section 62 of the act which states that insurers must see that the client (student association) or participant (student) “is provided in sufficient time with the information necessary to make an enlightened decision and for contract performance purposes.” (Québec, *Insurers Act*, 2018). Overall, students’ strong reaction to the AMF’s directives and all available data indicate that students are already well informed about their group insurance plans.

First, usage rates are very high. As noted above, these rates can be as high as 125% of the premiums paid by the student body in certain universities (Letter addressed to Mr. Louis Morissette, President and CEO of the Autorité des marchés financiers, 2022). For example, the Confédération des associations d’étudiants et d’étudiantes de l’Université Laval (CADEUL) represents more than 34,000 membres and had a usage rate of 110% in 2020-2021 (Fournier, 2022). Overall usage rates for the plans offered by the Quebec Student Health Alliance (ASEQ) insurance broker are between 80% and 85% across the province (Grammond, 2020). These rates make it clear that not only are members aware of this service, they’re using it.

Second, certain associations have collected data over the years to determine how much their members know about the services they offer. In addition to the surveys run by AÉCSP and GSA, discussed above, there is also the example of the Fédération des associations étudiantes du campus de l’Université de Montréal (FAÉCUM). In 2020, it stated that, among its wide array of student services, “Insurance is one of the best known and most widely appreciated services offered by the association with very high claim rates.” (Grammond, 2020; translated from original) Student associations are in constant communication with their members on a variety of subjects, thanks to an equally wide variety of tools. Students tend to be saturated with communications covering important information from their student



associations, university, academic unit and professors—especially at critical moments like the beginning of the fall and winter semester. In 2020, the Association étudiante de l'École des sciences de la gestion de l'Université du Québec à Montréal (AéESG) discussed the methods already used to communicate information about the insurance plan to students at the start of the semester: “We send two emails, make Facebook posts and put up posters across campus.” (Grammond, 2020) Additionally, universities make sure to include important information on deadlines, like the opt-out dates, directly on students' bills alongside detailed information on each of the fees they pay, including the costs to enrol in the plan. Together, universities and student associations deploy every possible method of communication: emails, websites, online platforms at the university, student agendas, pamphlets and information tables. Of course, it's always possible to give more information to any specific population, but it's still important to quantify and analyze what's already being done before arguing that there is a lack of communication. For example, knowing that students are able to opt out of the plan and assuming that students receive the information on this subject at the right time, we would expect to see numerous students who already covered by another insurance plan (such as the RAMQ drug insurance plan or a parent's insurance) opting out of the group insurance provided by their association. And this is precisely what we see. In 2020-2021, of the 292,000 students eligible for an ASEQ plan, 85,000 opted out, giving a total opt-out rate of 29% (Fournier, 2022). It's important to note here that a student's decision to opt out of the plan is not an indication that they believe the service is useless; it simply indicates they don't need it and received the information they need to opt out.

In short, there is nothing to support the argument that students aren't receiving sufficient information, as indicated by the AMF in its consultation document, its directives issued on December 23, 2021, and its public statements on this subject (Custeau, 2022; Pilon-Larose, 2022). Usage rates are high, opt-out



rates are high and these services are both well known and appreciated. All measurable indicators show that information about these group insurance plans is adequately communicated. If the AMF wishes to pursue its concerns over the ways student associations communicate about these plans, their recommendations must be quantifiable and concrete so that associations are able to put them into practice. Looking at both the communication methods already in use and the rate of opt-outs, it's clear that students receive the relevant information about their group insurance. If the AMF wishes to see changes to the ways in which information is communicated to students, it must clearly indicate what communication methods it wants to see put in place as well as the exact information they must include.

RECOMMENDATION 4

That any recommendations issued by the Autorité des marchés financiers regarding communications to students about their group insurance plan be concrete, quantifiable and clearly indicate the means of communication to be used and information to be included.

Thus, student group insurance plans seem to respect the requirements relating to the insurer's obligation of information, as provided in Section 62 of the Quebec Insurers Act. However, in the interest of ensuring a permanent resolution of this question, the QSU proposes that the AMF recommend any changes to the Insurers Act that it feels are necessary to protect student group insurance plans. In early April 2022, the AMF accepted an invitation from the QSU to meet with Quebec student associations and discuss the consultations to come. During that discussion, the Association des étudiantes et des étudiants de Laval inscrits aux études supérieures (AELIÉS) asked what legislative amendments could be proposed at the conclusion of this consultation. The AMF responded that any potential amendments would be limited to the financial sector, in terms of their scope of application. In response to another question, by the Association générale des étudiantes et

étudiants de la Faculté de l'éducation permanente de l'Université de Montréal (AGEEFEP), the AMF confirmed that, following the consultations, it would be in a position to propose legislative amendments to protect the status quo for student group insurance plans (QSU, April 8, 2022). As such, the QSU strongly encourages this course of action in order to settle this question once and for all.

RECOMMENDATION 5

That the Autorité des marchés financiers recommend amendments to the Quebec Insurers Act to protect student group insurance plans and ensure that student associations can continue offering this essential service to their members.

5. Opt-Out Periods

In its consultation document, the AMF also raised questions about opt-out periods. During the opt-out periods, students can withdraw from the plan at any time without paying their premiums. It is impossible for insurers to know who will opt out of the plan during this period. As a result, students cannot file claims at this time, to avoid situations in which a student could benefit from a reimbursement prior to opting out of the plan. This is an important dynamic to keep in mind when considering any extension to the opt-out periods, as they may have an impact on the ability of students in financial precarity to access reimbursements.

Further, the addition of a winter opt-out period would have consequences for existing plans that have yet to be analyzed. In practice, this would effectively transform these annual plans to instead operate on a per-semester basis. Naturally, this would make the administration of the plans much more complex for brokers. On other hand, the arguments in favour of this change remain largely theoretical and lack tangible support. Students are concerned this change would result in higher premiums for thousands of students across



Quebec. Access to health care, dental care, vision care, mental health services and contraception is too important an issue to jeopardize through improvisation. As such, simulations should be conducted to understand the impact that any change to the plan would have on the premiums paid to students before new directives are issued that would restrict access to student group insurance plans.

RECOMMENDATION 6

That the Autorité des marchés financiers ensure that simulations or quantitative analyses are conducted to anticipate the impact that any changes to student group insurance plans would have on the premiums paid by students before issuing a request for that change.



Conclusion

The AMF is responsible for overseeing the financial sector in Quebec and protecting the individuals who use financial services and products. It's quite rare that a dossier treated by the AMF would also intersect with another group responsible for defending the rights and interests of a given population. However, that is precisely the role and mission of student associations in Quebec, as given in the ARAFSA. For these associations, there is no question that the group insurance plans offered to students must be maintained in order to protect the accessibility of affordable health care, dental care, vision care, mental health services and methods of contraception for hundreds of thousands of students in Quebec. These services play an essential role in reducing the financial insecurity of students. The AMF must align its positions with the interests of these students, as consumers of this insurance product. To that end, the QSU wishes to maintain an open dialogue with the AMF and encourages it to remain in contact with Quebec's student associations regarding any issues affecting them. Ten years after the 2012 student strike, the quick and efficient response from student associations in the winter of 2022 is a reminder that the student movement is only ever one spark away from its next mobilization, and that it is ready to defend the rights and interests of its members.

Bibliography

Association des étudiants [et des étudiantes] aux cycles supérieurs de Polytechnique (AÉCSP), 2022. Sondage sur les assurances étudiantes collectives.

Autorité des marchés financiers, 2022. Group insurance, useful information. <https://lautorite.qc.ca/en/general-public/insurance/group-insurance>

Autorité des marchés financiers, June 15, 2022. Consultation Paper: Group insurance offered to members of a student association. https://lautorite.qc.ca/fileadmin/lautorite/consultations/assurance-planification-financiere/2022-06/document-consultation-etudiants_an.pdf

Graduate Students' Association of Concordia University (GSA), 2022. GSA Health Coverage Testimonies.

Hugo Pilon-Larose, "L'AMF recule face à la grogne étudiante," *La Presse*, February 9, 2022. <https://www.lapresse.ca/affaires/2022-02-09/assurance-maladie-sur-les-campus/l-amf-recule-face-a-la-grogne-etudiante.php>

Jonathan Custeau, "Assurances : Bras de fer entre l'AMF et les associations étudiantes," *Le Soleil*, February 10, 2022. <https://www.lesoleil.com/2022/02/09/assurances-bras-de-fer-entre-lamf-et-les-associations-etudiantes-e2f496d54a32b7d6c6af1b8f776d8377>

Letter addressed to Mr. Louis Morissette, President and CEO of the Autorité des marchés financiers, February 7, 2022.

Marie-Eve Fournier, "Les étudiants [et les étudiantes] partent en guerre contre l'AMF," *La Presse*, February 9, 2022. <https://www.lapresse.ca/affaires/chroniques/2022-02-09/assurance-maladie-sur-les-campus/les-etudiants-partent-en-guerre-contre-l-amf.php>

Stéphanie Grammond, "Les étudiants assurés en bloc," *La Presse*, March 8, 2020. <https://www.lapresse.ca/affaires/economie/2020-03-08/les-etudiants-assures-en-bloc>

Quebec. 1983. *Act Respecting the Accreditation and Financing of Students' Associations*. Updated on April 1, 2022. LégisQuébec. <https://www.legisquebec.gouv.qc.ca/en/document/cs/A-3.01>



Quebec. 2018. *Insurers Act*, Updated on April 1, 2022. LégisQuébec.
<https://www.legisquebec.gouv.qc.ca/en/document/cs/A-32.1>

Quebec Student Union (QSU), April 9, 2022, *History and Opportunities for Improvement of the Act Respecting the Accreditation and Financing of Students' Associations*.

Quebec Student Union (QSU), April 8, 2022, Meeting Minutes: Specific Working Committee on Student Associations' Insurance Services

List of Student Associations Represented by this Brief



