

[Chairman: Dr. Carter]

[10:06 a.m.]

MR. CHAIRMAN: We have a quorum, and we'll begin. Members of the committee, we have a number of items to be dealt with, although basically the meeting today is sort of reorganizational, now that we're a month past the sitting of the Legislature. You've got the material before you, and while we don't have all that much of a published agenda in many respects, under section 1 I would really like to point out that with respect to the members' benefits plan, this is an item which will take us at least an hour and perhaps an hour and a half because of the proposal they have prepared for us. We were working on this until fairly late last night. So I think we'll need at least an hour and a half on that one to go through it so we're familiarized with it, whether we choose to proceed with it or not.

The reason I'm raising that is that in terms of all the business we have today, for purposes of ordering lunch I think we're in the condition that we have to decide that we're going to be here for lunch. So may I now go round and ask, if you have a commitment for, say, about 12:30 or 1 o'clock, would you let me know because I know some of you have to catch planes and things like that. We can then adjust our time accordingly so that we can indeed get lunch ordered.

Mr. Stevens.

MR. STEVENS: David, I'm sorry I'm late. I did not know the length of the agenda. I have a commitment.

MR. CHAIRMAN: What time must you pull out?

MR. STEVENS: Five to 12.

MR. CHAIRMAN: Thank you. Mr. Taylor, what time do you have to leave?

MR. TAYLOR: I think I'm scheduled till one or two; one or 1:30.

MR. CHAIRMAN: Okay. Mr. Bogle.

MR. BOGLE: Twelve, 12:30.

MR. HYLAND: I've got to get that 1:15 airbus.

MR. CHAIRMAN: Okay. Then we don't need to bother to order lunch. We're just going to work right through. Okay; that was easy.

MR. TAYLOR: I thought this was lunch.

MR. CHAIRMAN: If no one else shows up, it will be.

With respect to the agenda, are there any other items that ought to be added?

Item 7, other business. Very briefly, I would like to make one comment with respect to Christmas cards, also with regard to a very brief update on the search for former members with regard to celebrating the 75th anniversary of the opening of the Assembly building next September. By the by, I hope you all jot that down in your date books: September 3, 1987. Please plan to be around.

MR. KOWALSKI: Labour Day?

MR. STEVENS: Is that Labour Day?

MR. CHAIRMAN: A different kind of labour: a labour of love.

MR. STEVENS: David, on that point, if I might. I've written to all of the newspapers and radio stations in my area, and they're having a grand search, the libraries and so on. I hope that all members might consider doing that in their own constituencies. I hope that will find some families of a few members.

MR. HYLAND: They're all here.

MR. CHAIRMAN: September 3 next year is a Thursday, and that's the day we're going to have a special event to mark the opening.

One other item we'll come to as well is the matter of the purchase of members' chairs that are presently in the Chamber. If those three items could be dealt with very quickly, we might as well -- we either can do that in this first half, because I've invited Mr. McPherson and his associate Mr. L'Hirondelle to be here at 10:30.

Okay. Are there no other items to be put under other business? Great. Could we then look to approval of the minutes of the meeting of July 29.

MR. TAYLOR: I don't know if this is an item of business, but seeing as I'm a greenhorn, I was going to ask you how to fill out this expense claim. Is this considered a day?

MR. CHAIRMAN: Yes.

MR. TAYLOR: It's considered a full day?

MR. HYLAND: The meeting's considered a day. We'll help you out, Nick.

MR. STEFANIUK: Louise can help you with that, Nick.

MR. CHAIRMAN: We can do that at the end of the meeting.

MR. TAYLOR: I just want to be in phase with everyone else. I wouldn't want to be chintzy.

MR. CHAIRMAN: I think you'd be in phase. You're entitled to \$100 for the day, plus the \$75 expenses.

MR. TAYLOR: For the one day.

MR. CHAIRMAN: Yes. Plus your mileage if you drove.

MR. TAYLOR: You don't squeeze Thursdays and Saturdays in there.

MR. CHAIRMAN: I'm afraid not. I'm sure you'll exercise due caution with comments like that with the members of the media sitting behind you.

MR. TAYLOR: There's no such thing as half a day either, is there?

MR. CHAIRMAN: No. Because it's all the travel involved and your homework.

All right, with regard to the minutes . . .

MR. HYLAND: What about the Leg. Assembly Act? Even if we don't get to it, so that it's on the agenda for the next meeting.

MR. CHAIRMAN: The Legislative Assembly Act. Thank you.

The minutes of July 29, for the third and last time of trying. Mr. Hyland.

MR. HYLAND: I moved them initially.

MR. CHAIRMAN: Thank you very much. Moved by Mr. Hyland: approval of the minutes as circulated.

MR. CAMPBELL: I second that.

MR. CHAIRMAN: I don't think we need seconders, right? Okay. But thank you for your generosity. All those in favour of the adoption of the minutes as circulated? Opposed, if any? Carried unanimously.

Business arising from the minutes as carefully outlined on the front page of your binder. If we might work through that. Mr. Bogle, item 1: the matter of the meeting with the minister of public works, improving furnishings for constituencies. Is there anything to . . .

MR. BOGLE: There's been a preliminary discussion. I can't report in a definitive way other than to indicate that we've opened the lines of communication and hope to pursue it.

MR. CHAIRMAN: Okay. So we'll carry on with that. Along that line, I'm hoping in the course of the next three or four months to be able to go around and visit a number of constituency offices so I have a better overview of what sort of is there and what isn't there in a number of the offices. So it is agreed to carry that one forward?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: The next item, Mr. Hyland and Mr. Taylor, with regard to telephone systems.

MR. TAYLOR: I don't believe we had a meeting, but I did talk some to the phone people and they told me that there were all sorts of weird and wonderful things -- when they used a lot of four-syllable electronic words, it sounded impressive -- and said if I waited for four to eight weeks, there'd be something taking place that would make me happy, so . . .

MR. STEVENS: A new telephone system?

MR. TAYLOR: I don't know if it was new telephones, new wires, a new method of routing,

or what. So I didn't push on behalf of the committee. What did you find out?

MR. HYLAND: I just talked briefly to Ernie, and noticed the other places in the building after the discussion you and I had about all this. But initially we were given to understand that they couldn't change it substantially because of the cabling in the building. Now we find a great number of offices going to the better telephones.

MR. TAYLOR: They're better . . .

MR. HYLAND: Yes. And so, whatever's happening -- I came back to see you that day I was in to talk to you, and you were gone.

MR. STEFANIUK: Mr. Chairman, I understand that there is a complete upgrade of the telephone systems taking place in the Legislature Building at the moment. It's happening on a floor-by-floor basis. I'm not certain as to what is planned for the Annex at the present time, although I understand the system over there was in fact superior to the one in this building at the outset.

MR. CHAIRMAN: When was that report issued?

MR. TAYLOR: Are you having trouble with your phones now? Ours seemed to have cleaned up for some reason. Maybe you don't bitch loud enough.

MR. CHAIRMAN: Take that as a compliment.

MR. BOGLE: The wiring in place may be superior -- the actual hardware for the telephone.

MR. STEFANIUK: Mr. Chairman, I know they're going through this building floor by floor, and it's a Public Works project. I think the question of the Annex remains to be addressed, to determine whether they're going in there next with the hardware.

MR. HYLAND: We should be sure we have our dubs on the list.

MR. STEFANIUK: I think they must be doing the Annex, because my office has a tie-in with the Annex, as you know; I have a branch of it in

the Annex. I understand that the system on the eighth floor of the Annex is being changed to coincide with the installation that's taking place here when that comes about. . . . I believe last week they projected for us about four weeks to get to the third floor of this building.

MR. HYLAND: So the same thing should happen with the government members and the Liberal and NDP caucuses.

MR. STEFANIUK: I would think so, because your switchboard is tied in.

MR. HYLAND: Yes, all three switchboards are tied in.

MR. STEFANIUK: I can't see one building happening without the others.

MR. CHAIRMAN: However, the problem will be the staging of it so that the Annex can . . . Again, it's because of session and coming out of it. Perhaps we could do some follow-up on that, both Alan and Nick.

Pam, we're picking up in here about the telephone system and the upgrade thing, and I saw that your name was there with Alan's and Nick Taylor's on trying to upgrade the telephone system over there. Is this why we have this . . .

MS BARRETT: This is show and tell. As you know, Mr. Chairman, we never did get together to talk about it. However, when the Official Opposition offices were being readjusted, through Public Works we decided on a certain telephone system, with which we are all incredibly pleased. If you like, I can just tell you some of the features of this particular system.

It's absolutely wonderful. You can have up to 99 intercoms. The real nifty thing about it, as Al was looking for, is an automatic speaker phone. Whenever you want to dial anybody on a speaker phone, all you do is decide which line out you want, or the intercom, and if you don't pick up this part of it, it automatically goes on the speaker phone. Similarly, people can call you through the intercom system on the speaker system. It's kind of like the age of Big Brother, inasmuch as if you're not paying attention to the little beep, people can be listening to what's going on in your office without your knowing about it. However, there is a little beep that

occurs when someone does that.

MR. CHAIRMAN: Could I sponsor a private member's Bill for freedom of information and take that into account?

MS BARRETT: Not a bad idea.

Anyway, I believe this is the state-of-the-art technology for multiline systems that have virtually all features. You can tell if somebody has phoned you, because it's just like in a hotel room, where you get that little yellow light and it goes beep, beep, beep. You've got the same thing here. Not only that, but when you try to return a call, you don't even have to know who phoned you. All you do is press the intercom and press this little star. It'll go back to whoever it was that called you. If the line is engaged or there is no answer and you want to leave a message -- it's going beep, beep, beep as a busy signal -- you just press this button and you've left your message with them, telling them that you tried to get them back.

It's an absolutely wonderful system. It's the one that I'd certainly recommend, so I brought up my own to show you all.

MR. BOGLE: Pam, do you recall the expense of the phone?

MS BARRETT: No, and I couldn't chase it down. I suspect that Bill Kreibom might know, but he'd have to go through his papers. We couldn't chase it through our office; I checked with our admin.

MR. CHAIRMAN: Well, the committee is fascinated by that report and looks forward to the next meeting, to have all the paperwork with it.

MR. KOWALSKI: Mr. Chairman, it seems that Edmonton Telephones is doing that job. In the building last evening there were about a dozen of those sitting in the hallway on the bottom floor. This morning they're down to about three. I don't know who absconded with three during the night. I know this is not a responsibility of Members' Services, but it seems to me Edmonton Telephones is going to lose telephones here, there, and everywhere by just throwing them around the corner.

MR. CHAIRMAN: They weren't there when I

came in at six, so somebody was really moving fast.

MR. TAYLOR: Mr. Chairman, I think that would more properly come under noise pollution with the Minister of the Environment.

MR. CHAIRMAN: For the purposes of this committee meeting, we'll take it that we'll have another report at our next meeting. But that's good. I think that's along the lines of what's needed.

I assume that this next item has taken place.

MR. STEFANIUK: The estimates were adjusted, presented to the House, and approved, so they now constitute the budget for the current fiscal year, Mr. Chairman.

MR. CHAIRMAN: Okay.

The Chairman has not done the next item, so that has to be carried over.

MR. TAYLOR: You must have done something, Mr. Chairman. It may just be the news of your appointment, but I've suddenly had a blizzard of calls to present all sorts of rewards from the best dog on the block, scholarships and fellowships. Maybe just the threat of yours hanging over it has done it.

MR. CHAIRMAN: Well, it's only been very initial.

The next one is a carryover item as well.

Pam, just to bring you up to speed, we're going through a number of housekeeping types of things till 10:30. At 10:30 we have Jim McPherson coming in with a presentation on the members' disability packages and all that kind of thing. It looks like we'll be meeting through till 12 o'clock because of other commitments.

Back to the agenda, the next thing showing up would be the benefit package, but we still have 10 minutes. I wonder if we might go down to ...

MR. STEVENS: Mr. Chairman, could you set a date for the next one?

MR. CHAIRMAN: Our next semiofficial meeting is that trip to Regina, and not all members are able to go. That one is November 6. I had that list around here somewhere, if we could reconfirm quickly with the members. Mr.

Stevens, you were going to meet us in Regina?

MR. STEVENS: If that's possible. When do you leave and come home — three-ish, four-ish, five-ish?

MR. CHAIRMAN: We're leaving Edmonton at 8:30, and we leave Regina at 3:45.

MR. STEVENS: I would like to join you, David, if I can. I'm going to try to get a flight back from Ottawa to join you.

MR. CHAIRMAN: I have here that Mr. Bogle, Mr. Campbell, Mr. Stevens, Mr. Wright, Mrs. Mirosh, and Mr. Hyland are coming. That's all I have off the committee members.

That's the next commitment, November 6. I think we'll need to have an approval with respect to expense accounts for the members, that that indeed be construed as a meeting day of the committee for purposes of pay. The motion is moved by Mr. Stevens. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Carried. Thank you.

For the next meeting date after that, I would like to suggest the week of November 12 or something like that. Have you got your calendars?

MR. STEVENS: Mr. Chairman, on the 12th there is an AMDC lunch to which usually all members of the Assembly who have municipal districts and counties are invited. I don't know if that would be helpful, to work around that.

MR. KOWALSKI: What day of the week is that, Greg?

MR. STEVENS: That's a Wednesday. I just mention it because I know that all members are getting an invitation in the mail, so anybody who has a municipal district and country would likely be at that luncheon.

MR. CHAIRMAN: The problem with that is that it's a cabinet day.

MR. BOGLE: Two members of our committee ...

MR. STEVENS: ... are cabinet. They're gone. Scrub the 12th.

MR. BOGLE: What about a Friday for a meeting? How does a Friday fit with everyone's schedules?

MR. TAYLOR: Friday the 14th? I think that's all right.

MR. HYLAND: I have the trust fund that day. But if we start, I can catch part of both.

MR. STEVENS: I'll miss the lunch, but I'll be able to come.

MR. CHAIRMAN: On Friday, November 14, could we start at 9 o'clock?

MS BARRETT: Do you do wakeup calls?

MR. KOWALSKI: Mr. Chairman, in the past did we not talk about the dates for these Members' Services meetings? Did we not set up a schedule in one of the earlier meetings in June or July? I thought we had agreed to a certain time for all of these meetings. We had a discussion at that time, and I thought we were going to try and follow that.

MR. STEVENS: That was only when the House was in session.

MR. CHAIRMAN: I think it might have been in the previous life of the committee. I'm open to do that.

MR. BOGLE: How would it be, Mr. Chairman, if we set this meeting for the morning of the 14th to start at 9 a.m.? In the meantime, if we would review the minutes to find out if there was anything suggested or approved by the makeup of the present Members' Services Committee on that matter.

MR. KOWALSKI: I say that but Mr. Hyland's point — my understanding is that the heritage savings trust fund will be sitting that day at 10 o'clock. I know that I will be appearing before the committee at 10 o'clock that morning. I just wonder if there are any members of this Members' Services Committee who are also in the heritage savings trust fund.

MR. HYLAND: What about afternoon?

MR. KOWALSKI: Fine.

MR. HYLAND: What about a lunch, and they can go on until 3 o'clock or something?

MR. CHAIRMAN: That's fine by me, but remember it's you that has to catch a plane to Medicine Hat.

MR. HYLAND: Yes, as long as I'm out and get on that 5:30 plane.

MR. BOGLE: The heritage trust fund doesn't go into the afternoon?

MR. HYLAND: No.

MR. CHAIRMAN: All right. Then our compromise is that we'll serve lunch and we'll start at 12 o'clock.

MR. STEVENS: I'll join you a little later.

MS BARRETT: So that's Friday the 14th?

MR. CHAIRMAN: Friday the 14th. What time is later, Greg?

MR. STEVENS: I hope by 1:30.

MR. CHAIRMAN: Okay. Then I guess we'd better still stay with 12 o'clock?

MR. STEVENS: Whatever; it's fine.

MR. CHAIRMAN: Twelve o'clock. Going, going: so be it. Thank you. Plus lunch please, Louise. Okay; those are the dates of the next meetings: November 6 and 14.

One of the other things that ought to be discussed — perhaps we can do this in the next brief while — is the matter of . . . I gather that various previous committees had set aside a budget allocation into this year, at any rate, for the committee to travel to other places. Part of the draw down on that will be involved with regard to the trip to Regina to look at the electronic equipment installation and the audio, the visual, the physical setup of the chamber, but also looking at some of the support system services with regard to Hansard, meal service, and library. We're trying to do a whole bunch of

things all at the same time.

Those of you who have been previous members of the committee perhaps could share your wisdom with us as to whether touring, say, Ottawa, Toronto, or whatever is still a viable, useful project. Would somebody sort of lead off, please?

MR. KOWALSKI: Mr. Chairman, as a member of the previous Members' Services Committee, the committee discussed the possibility of a review of the existence of other Legislative Assemblies in Canada. As it turned out, there was never an opportunity or a time to do it. But as this is a new Members' Services Committee, I really believe it is important that one really understands what is happening in other assemblies. Perhaps 1986-87 is as good a time as any to do it, considering that there have been changes in a number of other Legislatures across the country and there seem to be initiatives that were taken after their general elections. I name Ontario, where I understand some changes have occurred as a result of what happened a year ago. I understand there are also some changes taking place in Quebec. They've had a change in leadership there as well. I understand that in Ottawa, as a result of the McGrath report, I think it was, there have been some changes made there as well.

I think it's really important . . . I recall a year ago when I was fortunate to be one of those who went to a Canadian Parliamentary Association meeting in Quebec City, there was a report by Mr. McGrath as a result of a report that the Canadian House of Commons had undertaken for changes in terms of its operations, mandate, and organization. I think it would be really important to get a firsthand impression by members of this committee. I have no idea whether or not I will be able to go, but I think it is important that members of the committee do go and get firsthand an understanding of those changes.

MR. CHAIRMAN: So a fair amount of that is with regard to the electronic changes. Like the Ontario Legislature this summer has been entirely stripped apart, and I gather that their renovations and the electronic installation are coming in at about \$12 million to \$13 million — I'm saying that very loudly — compared to our projected first phase of what? A million.

MR. KOWALSKI: Those opportunities I think give members as much a chance to find out what not to do as to find out what to do.

MR. CHAIRMAN: So then part of that, if I follow, is also looking at the various support services to various caucuses and also to individual members, a matter of meal service availability for a whole building, and a whole range of topics. I'd like to suggest that if this were to follow through, we should also have a look at the Quebec National Assembly. In some of the meetings that I was at recently, I raised that as a possible with the Speaker there.

MR. STEVENS: Mr. Chairman, I really appreciate this suggestion. I wonder if the committee discussed whether this would be the committee going, those members who could go, or subcommittees going or members of the committee being assigned particular opportunities to see a Legislature and report back. The reason I raise that is that I had the privilege with the Commonwealth Parliamentary Association to visit Quebec on a holiday trip, when I also saw the Toronto Queen's Park Legislature. In Quebec, for example, because of the tragedy there where the gentleman came in with a machine gun — and I think we're very lucky in Alberta that we don't have the security requirements that, for example, the Quebec National Assembly has and the problem that now presents for the public to meet with members. Has that been decided, Chairman, or is that to be decided by this committee?

MR. CHAIRMAN: No, I'm just raising it. We've got it on the agenda here. I don't know what the will of the committee is, but that's a constructive suggestion. Maybe that's one way to go at it too.

MR. HYLAND: About three years ago — I guess it was 1980 or something like that — after a parliamentary conference in Nova Scotia, I stopped in Toronto, Queen's Park for two days, I think it was, and gave a report to the committee after that. I think it was useful, but I think you need more than one member. A subcommittee may be one thing, but I think it would be wise for even the whole committee, or a good portion, to go and look at it, because when you're there by yourself and trying to get

an answer to a number of questions, there are always some you miss. You'll find that even though there's a lot of information in that guide we get, the Members' Guide they print out of Queen's Park, there are a lot of things they do that aren't in that guide, certain programs and stuff like that. Often it isn't in there; maybe it would be too thick if everything were in there. At least there were some small things that I found weren't in there when I visited Queen's Park. I think it would be useful for people to go down, and if you're down there, you might as well do two or three, because if they decide to go, it isn't going to cost you much more to go to, say, Ottawa and Quebec City compared to just going down to Toronto and back.

MR. CHAIRMAN: That other important point is there about security. Again, on this recent trip with the Commonwealth Parliamentary Association, they were very much aware of security with respect to not only metal detection but also bomb detection, where people have to walk through sophisticated sniffers.

MS BARRETT: I guess my comment was going to be that, even tempered with what Al said, in terms of reviewing Chamber renovations and that sort of thing, I wonder if it wouldn't be a kind of moot point to do any travel after the review of the Regina Legislature, inasmuch as our first phase of our renovations, I believe — you can correct me if I'm wrong — is kind of based on an assumption that what we'll be looking at is a Regina model for the Chambers themselves.

The other thing is that maybe what we could do is glean information from those members who have been elsewhere in the past and look at minutes of boards of internal economy of other Legislatures to see what additions they've made and to see if there are any kinds of new considerations that ought to be brought to the Members' Services Committee here as an alternative to what we're looking at.

I'm putting that forward in terms of assessing the merits of not only the travel but the time involved, given that some members can, in fact, now refer to their own experiences with other Legislatures. Maybe a lot of the wealth of information is actually contained right now at this table.

MR. CHAIRMAN: Well, I think for purposes of today we just want to raise the thing and bring it back to the conscious top of the heap. I think the time to do the follow-up discussion is indeed after we've done the Regina trip, because then it gives us a chance to see the value and the other things that happen while we're over there on the one-on-one contact. Is that agreed?

MS BARRETT: Yes.

MR. TAYLOR: Mr. Chairman, I think Pam brings up a very good point on debriefing as early as possible the people around the table like Stevens and the others who have been to the other Legislatures. You are progressing with renovations here, and some of the ideas they have found will either be advantageous to put in at an early stage or at least maybe get whoever's in charge of renovations to double-check things. You mentioned the security thing. We may be taking irrevocable steps now in the construction that would make it very difficult to incorporate later on. As much as we like to think these things always happen somewhere else, I think we should be, if not prepared, at least at the structural mode to move on that base.

I think Pam's right. We've got a lot of knowledge here, and we don't need a 36-person delegation to find out.

MR. CHAIRMAN: No, no. This would be just the committee members and maybe one or two staff people maximum. The reason this larger number is going to Regina is because of the technical support staff component and the fact that the aircraft has 36 seats, so you might as well use them all. It's going to cost us the same in that case.

MR. TAYLOR: It's Parkinson's Law that the delegation expands to meet the size of the aircraft.

MR. STEVENS: Chairman's law.

MR. CHAIRMAN: It has in this case for a whole series of practical reasons, including even some members of the media.

MR. TAYLOR: I recognize some names there.

MR. HYLAND: One thing comes to mind. In

my report I outlined that there are certain dining and cafeteria facilities in Ontario and Quebec. It's different to say that than to see it, because it's a totally different picture from the written saying this is what it is, and then when you see it, it's a whole different ball game. I'm not saying that we should go that way; I'm just saying that it's there, and when you see it, it gives you a different view altogether.

MR. CAMPBELL: I've been to other Legislatures, and I wasn't particularly interested in looking at the facilities. I'll tell you that we were there for meetings and doing different things, and I didn't feel as if I were a building superintendent to go in and take a look at things. So I leave that with the committee. Maybe there are some other members who are more observant than I am, but when I was there, I was doing different things.

MR. HYLAND: Well, then you didn't have time to do anything.

MR. CAMPBELL: And particularly to do with what the Member for Cypress-Redcliff said, I understand why he would be looking at the eating facilities.

MR. BOGLE: Mr. Chairman, we've embarked upon a significant expenditure in terms of the first phase of improvements to the Legislative Assembly. We're now planning to go to Regina to look at the facility after which these renovations have been modelled, as I understand it. The question is: should we as members of the committee visit other Chambers where similar renovations have occurred in the last few years? I think the suggestion is that that might include Ottawa and Queen's Park in Toronto.

I guess my view is that for the cost of sending members to look at those other facilities and keeping in mind the comments of Mr. Campbell that we aren't building inspectors, on the other hand if we're able to pick up some ideas that have been incorporated in those other Chambers that would be of benefit not only to the members here but to the public we serve and the media and we can make adjustments to our plans -- if it's still possible to make any changes to the first phase, more importantly I would think the second phase of changes, then I think the visit would be worthwhile. But that's



a very subjective issue. I think virtually every member has expressed an opinion, and for what it's worth, that's my opinion.

MR. CHAIRMAN: All right. It will then be on our agenda for our November 14 meeting for further discussion and variations. Thank you all. Rod, would you go find our two consultants please?

Ladies, gentlemen, and observers, having been elected in '79, it didn't take me too long to figure out a perception I had that when it came to coverage for all members, the thing had probably grown like topsy. A number of things had been put in place under the Legislative Assembly in various ways which were all well intentioned, but I felt that again from 1982 having a seatmate by the name of McPherson, who was an experienced man in the insurance field -- even his partner agrees with that. We had a number of discussions of the fact that there were some holes in the supposed umbrella for members.

When I became Speaker, I raised this matter with Pam Barrett with regard to the loyal opposition and Mr. Bogle with regard to the government caucus as represented here and had their agreement with me that we needed to have someone do an assessment of the current coverage, an evaluation of that, and what we needed was someone who not only possessed the ability from the insurance point of view but also had the benefit of having been an MLA. In that regard, we then proceeded, and I issued a letter to Mr. McPherson and company to undertake that on our behalf. I'm very appreciative that he has done that. I think most of you know Jim McPherson, the former Member for Red Deer when it was still a total entity -- that showed his superhuman ability to be able to represent the whole city -- and Gary L'Hirondelle. I must point out that they have undertaken this at no expense to us, which is a rather unique feature these days.

I would ask that they take you through the document and that we go through it page by page so that we first of all understand what the present situation is, because it's less than wonderful. For example, in the last Members' Services Committee an instruction was given that all MLAs would have long-term disability coverage. That was not carried out. There was an administrative glitch. But by the time you get through this document, I think you'll see

that it's just as well it wasn't carried out. I tell you this, ladies and gentlemen: at the moment the ordinary MLA in this Legislature does not have long-term disability, and I am personally very concerned that we have at least five or six members in the House at the moment who may well be forced onto disability within the foreseeable future but at the moment have no coverage. Period. So there's a whole pile of stuff that has to be dealt with right now. Question?

MS BARRETT: One that's only slightly relevant; that is, are we covered by workers' compensation?

MR. CHAIRMAN: Yes.

MS BARRETT: That's what I thought. Okay.

MR. CHAIRMAN: Let's take a stretch. Go grab another doughnut, those of you who are skinny enough to engage in that kind of thing. Jack Campbell and I will hold back.

MR. STEVENS: Mr. Chairman, for our guests, what is the time schedule that you're suggesting?

MR. CHAIRMAN: Well, I'm about to declare that committee members have to get out of here at 12 o'clock. So we have to go lickety-lump and do it within the hour, because there are a couple of other things that have to be dealt with. Okay?

Now, is this negotiation at the end of the table necessary at the moment? I guess it is. It looks like it is.

MS BARRETT: It was an information session. He was catching me up on the last Members' Services Committee and what it did.

MR. HYLAND: I thought we were on recess.

MR. CHAIRMAN: I know I did, but we've reconvened. There's a rotten principal in this school, I tell you.

MS BARRETT: Only one guy gets to be the boss.

MR. CHAIRMAN: It's your turn next week.

Here we are, back to page 1 of the

document. Mr. McPherson.

MR. MCPHERSON: Mr. Speaker, thank you. Ladies and gentlemen, I appreciate the opportunity to speak with you and present our work. Adding a little bit to the Speaker's comments, I guess the background of this — David is right. He and I had a number of discussions while I was in government about some of what I felt and he felt were the shortcomings of the existing employee benefit plan for Members of the Legislative Assembly.

I must tell you that I think one of the great shortcomings is that Members of the Legislative Assembly, in my view, do not have the time or the inclination to really become involved in understanding the benefits that are available to them. They simply don't get it. I recall that when I was offered to enroll in the optional dental plan, it was a piece of paper that came across my desk. I think it's a humorous story. I looked at it and said: this is a terrible dental plan in any event. I threw it away. I never enrolled in it. When I left government, I had to re-enroll in my group dental plan and found out that the dental plan that was available to me with the government was a vastly superior dental plan. And I'm in the insurance business.

MR. L'HIRONDELLE: Even the basic coverage.

MR. MCPHERSON: Even the basic coverage. A much better dental plan. I was saying to Gary that it was such a terrible plan. We looked at it, and he said: "What are you talking about? This is a super plan. The price is fantastic." My point is that MLAs really don't have the time or the inclination to become involved in their personal affairs. It's unfortunate but it's true, in my estimation.

Having said that, the other thing I really believe is that the benefits that are available now for Members of the Legislative Assembly have been 'ad hocked.' As a group you have been lumped into the management and excluded employees of the government of Alberta, and while those plans are good plans to a large extent, they do not contemplate the unique requirements that I believe are needed by MLAs.

We've researched it and put together a package. We have little time. The Speaker suggested that I go through our report page by page, item by item, and at the end of that we

will open it up for discussion and try and answer any questions you may have.

MR. CHAIRMAN: Let's go through the whole thing so we see the total picture.

MR. MCPHERSON: Okay. Page 1, Specifications, 1.1. We were asked by the chairman of your committee to make a detailed set of specifications and submit them to the competitive insurance market. I think that was back in September. We asked the market to report to our firm on October 8, and we have analyzed it. We tendered 14 companies. Some were not able to quote for a variety of reasons. If you're interested, those reasons include such things as some companies in the marketplace feel that hiving off 86 members from a very large group is really a group within a group, and they weren't interested. Others simply were not competitive in relation to the existing premium rates. There were a variety of reasons. Anyway, we've enunciated on page 1 the companies that we did quote. We did a reasonable test of the market.

Gary and I have put this report together in this form. It almost comes from my days in government. I used to like those forms where it said "current situation" and "proposed situation." You can kind of understand where you are and where you may be going. I liked them. I never did understand them, but I liked the way they were put. So I've done that.

The existing life insurance that is available to MLAs is a product that allows an MLA to choose one or two and a half times their salary. That is a choice that an MLA may make. We are proposing that there be a \$300,000 limit on that. The current maximum limit is \$150,000; the accidental death and dismemberment likewise.

MR. STEVENS: Excuse me, Mr. Chairman. Will you take questions at the end?

MR. CHAIRMAN: At the end.

MR. MCPHERSON: At the end. I'm sure there will be many, Greg. AD and D provides for double indemnity. In the event of an accidental death the benefit would be doubled. We're proposing that that be \$300,000 as well. The current voluntary life has a real misgiving in our view; that is, if an MLA chooses two and a

half times their basic salary, they may then choose one or two times their salary and pay for it themselves under the voluntary life provision. However, any MLA over the age of 36 must provide evidence of insurability to qualify for more than one time their salary. So basically, the amount of insurance that's available to any MLA over the age of 36 -- I know most of you are under that -- is really only two and half times their salary plus another one time, so it's three and a half times their salary without proving evidence of insurability.

MR. L'HIRONDELLE: To a maximum.

MR. McPHERSON: Correct. Thanks, Gary. To a maximum of \$150,000. The dependant life benefit currently is \$5,000 on spouse and \$2,000 on children. We propose that that should be increased. It's not a big item. It's really not that big an issue, but on the other hand, as Gary put to me so well the other day, there are only 17 of the 86 people, as we understand it, who have chosen dependant life. I keep saying 86; I know how many members there are, but we've included the three officers of the Assembly in this census data. We've got the 83 MLAs plus the three officers, so I keep referring to 86. In any event there are only 17 that have chosen dependant life, and really, dependant life is the kind of benefit that is a burial benefit, if you will, in the event of the death of a spouse or a child. It might be enough. We don't think it is.

Supplemental health. This is a major issue, we think. The supplemental health presently offered the MLAs is issued through Blue Cross. In our view, it has quite a few shortfalls. When we tested the market, the recommendations that we are going to put forth to you offer a much wider range of benefits under supplemental health care, and we have articulated some of them. Both plans have 100 percent reimbursement on the items such as private hospital and ambulance.

Home nursing care. The current plan provides a maximum of \$500 per year on home nursing care. Well, that will be good for about two weeks. The new plan will provide \$25,000. I don't think even that's enough, but it's a lot better than \$500 as a maximum. The paramedical services are basically the same, except that the maximum benefit on any of the paramedical services under your existing plan is

\$100 a year. The benefit under the proposed plan is \$250 a year, and it includes osteopaths. Mind you, I don't know what osteopaths do, but it improves whatever services they provide. Physiotherapists: again, limited under the existing plan to \$10 a visit and \$500 a year. The proposed plan is unlimited.

The one shortcoming on the proposed plan compared to the existing plan is psychologists. Under the existing plan it will provide benefits up to \$30 an hour to a maximum of \$500 a year. The proposed plan is \$250 a year. We think we can get that improved. I'm sure we can get that approved with the proposed carrier. For a group of MLAs, I think a psychologist is a pretty important benefit.

Speech therapists: there is no coverage under your existing plan. The proposed plan provides a benefit for speech therapists. You do not currently have hearing aids. The new plan provides for hearing aids. The new plan provides for orthopedic shoes.

Gary, could you discuss the out-of-province benefit, because I don't understand that as well as you do.

MR. L'HIRONDELLE: Currently under your existing coverage you have an overall maximum for out-of-province coverage, which is limited by the overall maximum of the total benefit plan in that your total benefit plan is limited to \$25,000 per person as an overall maximum, including drugs, all of the paramedical services, and the out-of-province benefits that would be covered. Under the proposed plan, there's a 100 percent reimbursement, and the first \$10,000 of benefits that would be received would be experience rated within the plan. The balance of \$490,000 -- if you required benefits exceeding the first \$10,000 -- limits the experience to another pool risk. As an example, if the Speaker, Dr. Carter, were in the States or overseas and he happened to have a medical problem either through accident or illness and ran up a bill of, say, \$350,000, only \$10,000 of that \$350,000 would be debited to and considered in the experience of the plan. The other \$340,000 would be experienced in the complete pool of risk by the insurance company, which wouldn't affect these rates.

With regard to the overall plan maximum with the proposed coverage, it's an unlimited amount lifetime, exclusive of the \$500,000 out-of-province coverage. As an example, a person

may run up a \$300,000 bill for out-of-province coverage and conceivably run an additional \$400,000, \$500,000, \$600,000, or \$700,000 within province coverage for himself and dependants over their lifetime or over the period of time that they're covered under the proposed plan.

MR. McPHERSON: Thank you. I'm sure there'll be questions on that. I'll make one other point, too. There's no secret on how the supplemental health benefit works. There's no magic to it. A group pays premiums and the company pays claims. The moment claims exceed premiums, premiums go up. You have your own experience, and what Gary is basically saying is that in respect to out-of-province, that important issue, because those bills could easily amount to \$300,000, that experience will not be reflected on your own group. It will be reflected under the total company book of business.

The other issue is drugs. You currently have 80 percent reimbursement on drugs. We're proposing 100 percent reimbursement on drugs. The overall maximum, as Gary has mentioned, is unlimited under the proposed plan. It is limited to \$25,000 under the existing plan.

I think those are the salient points with respect to the supplemental health. All other benefits -- there are more benefits under your current supp health, and there are more benefits under the existing supp health, but they're about the same. We've just highlighted the improvements that we think should be provided.

If we can go to dental, on the next page. A very serious shortcoming, in our view, is that the existing dental plan is not available to Members of the Legislative Assembly until they have served for one full year. That may be okay for a regular, normal group of employees, but in our view it falls way short of the mark for Members of the Legislative Assembly, many of whom have left their former employers, many of whom may have lost their existing group insurance benefits, and they're out of a dental benefit for one full year. That is a shortcoming. The current plan provides for a basic plan and the optional plan. After that year one may choose to enroll in the optional plan. The present plan is a self-insured, self-administered plan. It is a plan that is insured by

the government of Alberta. The claims are adjudicated by the Mutual Life Assurance Co. of Canada. That is a very good arrangement, and we're not suggesting it should change. We are, however, suggesting that this body recommend to whatever officials they recommend to that the master contract -- that the government change the parameters for the group of MLAs so that the dental plan can become available immediately upon election, that that 12-month waiting period is removed. We also propose that there should not be basic and optional plans for MLAs; there should be one plan which simply is the combination of the basic and the optional. And we believe those changes can be made at little or no cost. It's simply going to be some administrative details. There may be a little bit, but we don't think there will be any. It simply has to be an amendment to the existing regulations, the existing contract with your adjudicator. Gary, have I missed anything on that?

MR. L'HIRONDELLE: The reason we feel relatively comfortable that there would be no additional premium cost to the members is that by changing it from 80 percent reimbursement to 100 percent reimbursement on basic dental services with no maximum, 80 percent reimbursement with no maximum on major restorative services, and 60 percent reimbursement on orthodontic services with no maximum limit, it's the experience that the small group of 83 or 86 individuals -- their experience to the overall plan of experience when it's incorporated in a plan including some probably 3,000 to 4,000 employees -- would be negligible as far as the additional 20 percent reimbursement on basic services. We're saying that you can probably increase the benefit level, reduce the waiting period, which would simply be an administration factor, and there would likely be no experience relating to a potential higher premium down the road because of the additional benefit provided to the members.

MR. McPHERSON: Because it is a self-insured plan, there is not a company in the private insurance sector that can compete with the rates you now enjoy. They don't even come close. You enjoy excellent rates. I think it's \$33 a month for a married MLA with dependants, including the optional, which is 80

percent reimbursement on basic, 80 percent reimbursement on major restorative, and 60 percent on orthodontics. The private sector doesn't get 80 percent reimbursement on major medical, and we sure as heck can't find a company that would provide it for \$33 a month. I mean, it's a \$65 a month benefit.

So you have a good plan. We recommend that you keep it, but we recommend that there be some administrative changes to address the uniqueness of the MLA.

MR. CHAIRMAN: Plus the other problem: you have only one time you can buy into the plan.

MR. McPHERSON: Exactly. Thank you, David. That's precisely what happened to me, and I'm sure it has happened to a lot of MLAs. We know it has, because a lot of MLAs don't have the optional benefit on the dental plan. You have one opportunity to enroll in the optional benefit. If you're busy that day and don't submit those forms, you never get another chance. There are MLAs in this Legislature who do not have the optional benefit and can never get the optional benefit. That's it; the door is closed. We think that's wrong. We think there should be changes made so that the MLAs get the full benefit plan and don't have to address the kind of nonsense that comes across their desks that they don't pay any attention to.

Long-term disability. If you have a great dental plan, you have a real problem with long-term disability. In the first instance, you don't have one. But in the second instance, we know that some time ago this committee approved that the Members of the Legislative Assembly be allowed to acquire the LTD plan through the employees' group called the management and excluded staff of the government of Alberta.

That has not been done yet, but there are some shortcomings even if you did enroll in that plan -- I think some very serious shortcomings. First of all, there's a 24-month own occupation definition. That means that if an MLA became totally disabled, if that MLA could not perform the normal duties of his or her own occupation, which is being an MLA, the plan would provide benefits to that MLA for a period of 24 months. After 24 months, if that MLA has an ability to engage oneself in another occupation, they're cut off. It's a 24-month definition.

There is no provision for cost-of-living allowance under the existing plan. We'll get to

that in a minute.

No benefit shall be payable on account of an injury or illness sustained before a Member became covered under this plan. That speaks to what is known in the industry as pre-existing conditions. It's an important item. If an individual were elected to the Legislative Assembly and, prior to being elected, had an existing medical condition, and if that medical condition should resurface and cause that MLA to become disabled while that person was an MLA, he doesn't get benefits under the plan. There is a period of five years for which the existing plan will say that if you become disabled as a result of a condition that existed before you were covered under the plan, they don't pay. It's a five-year waiting period. That's unacceptable in our view.

We think the next point is really important. I'm going to read it.

The coverage of an employee terminates on the date of the employee's termination of service if the employee is not at that time receiving benefits under the Plan.

Those words are directly from the regulations. I think it raises a very important question relative to the disability coverage that is being proposed or considered through the employee group. As we understand it, an MLA would continue to receive his MLA indemnification even if he were totally disabled while in active service. We confirmed that with the Speaker yesterday.

If one of you become totally disabled while you are a member, and as long as you can get a certificate from a doctor, which would be pretty easy to do if you were totally disabled, the Speaker will continue to pay you for as long as you are disabled. If you're still disabled at the time of the next general election, I would think it's going to be pretty hard for you to be elected. The day of the next general election, you don't have a job; your services are terminated. The real problem is that the moment your services are terminated, your coverage is terminated.

Because of the uniqueness of an MLA, in many cases the plan that is put forth here won't pay a benefit to an MLA at all because of that problem. The plan specifically says that the moment your services are terminated, your coverage terminates. So while you may be remunerated under your regular indemnification

while you're an MLA, even if you were totally disabled, the moment you become a private citizen again, you don't have the coverage. To me, that would represent a major travesty if something happened to any member of the Legislature.

If I may use Ms Barrett as an example: a young woman who, if she ever became totally disabled while she was a member of the Legislative Assembly, and they rolled her out at the end of four terms, might well spend the rest of her life in a wheelchair or in a hospital bed and never receive any compensation for disability income. It has not happened yet. Had Grant Notley not died but lived, I think we would have had a major problem in this province. In that case he would have received workers' compensation, because he would have been disabled on the job. But had he been on private business, in our view we would have had a major problem in this province.

The other thing we found in our research of the regulations is that there's no waiver of premium on the long-term disability that is being considered for approval. If an MLA did receive benefits, was hurt on the job, and did qualify through the 90-day waiting period, that MLA would have the opportunity to continue paying premiums on his LTD benefit. Well, I've never seen an LTD benefit that requires premium payments while the person is on disability income, but the regulations specifically say that the benefits are available and the employee and the government may continue to pay their shares of the benefit. So there's no waiver of premium.

The other major limitation with the existing coverage that's being considered is that the regulations state that the monthly benefit amount for an employee covered will be 70 percent of that income, to a maximum of \$3,835 a month. We think that all elected Members of the Legislative Assembly should be treated equally, be they members of Executive Council, members of Her Majesty's Loyal Opposition, or members of the caucus. The problem that arises is that the long-term disability plan is a function of a percentage of one's income. If one's income is higher, then one would receive 70 percent of that higher income. That's as it should be. It speaks to one's income.

The problem is that there are members in the Legislature who are the Leader of the

Opposition, members and chairmen of boards or committees, and members of Executive Council, who at the moment are earning \$71,930. Well, that monthly amount times 70 percent is \$4,196 a month, but the maximum that is available is \$3,835 a month. In the event of a member of Executive Council or the Leader of the Opposition becoming disabled, the maximum that would be received is \$3,835 a month, which is \$361 a month less than 70 percent of their income. At the same time, they get to continue to pay premiums. We think that has to be improved upon.

What are we proposing? We believe that the elected representatives of the Alberta Legislature are a unique group, demanding unique provisions and coverage in their employee benefit plan. This is particularly true for LTD. I need not tell you that Members of the Legislative Assembly make considerable personal sacrifices. I talked to you a moment ago about those MLAs. Many have taken their public service and, while they are serving, may have lost their employee benefit plans under their former employers. They lose their benefits; they've come into government and have no long-term disability benefit.

We have negotiated a plan with a private carrier that resolves the issues I've talked to you about. First of all, the contract from the recommended carrier provides that the availability of work for a member does not affect the determination of total disability; that's an important item. But more important is that benefits are payable "the later of one month after serving the qualification period of 90 days." All that means is that there's a 90-day waiting period. If someone became disabled, one must be disabled for 90 days. If that person is still disabled for 90 days, that person would start to receive a benefit one month after the 90-day period or one month after the date the member is no longer entitled to receive regular earnings. That resolves the problem of the MLA who became disabled after the first year, one year after becoming disabled.

Let me draw the analysis. A person was elected May 8, 1986. On May 8, 1987, that person is in an automobile accident and is totally disabled for life. That individual would continue to receive his or her regular remuneration until the next election. Under the existing plan, once his services are terminated,

his coverage is terminated. Under this plan, if the MLA has served that 90-day waiting period, one month after the election the benefits would commence, so that person would receive benefits.

The proposed plan has a five-year instead of a two-year own occupation definition; we can talk about that later if there are any questions. I'm trying to get through this as quickly as I can.

We are recommending a cost-of-living benefit. It's a 5 percent COLA clause. It provides that if a member has been disabled and has received disability benefits for one year, after one year the plan will increase those benefits to the individual by the consumer price index or 5 percent, whichever is less. If inflation is 3 percent, there would be a 3 percent adjustment to the benefit; if inflation is 6 percent, there would be a 5 percent inflation adjustment.

The proposed plan will provide for a pre-existing condition. That's key in our view. There is only a 12-month period of restriction, so if a person became elected, had a condition that existed prior to that election and that condition resurfaced and commenced again within 12 months, it would not be considered — not 5 years, 12 months. More important, if that person had served three continuous months as an MLA and was not disabled or did not leave work and had no work stoppages during that three-month period and then became disabled because of the pre-existing condition, benefits kick in.

MR. L'HIRONDELLE: I'll maybe just elaborate on that for just a moment. Under conventional long-term disability plans that are underwritten by life insurance companies in Canada in the regular marketplace, a majority of the companies request and almost stipulate that they will have a pre-existing condition or limitation within their definitions of their long-term disability contract. This contract is limited to a 12-month definition for limitations. We have whittled that down to a 12-month period of time with the insurer, but we can advise you that at this point, that would not be any cause for concern by the members, because we have also negotiated a \$4,500 nonmedical maximum limit for the members, meaning that all members, when they are enrolled in the plan, would automatically

qualify for a maximum benefit of \$4,500 a month, based on 70 percent of earnings.

MR. TAYLOR: Just very quickly, when you mention earnings — it keeps coming up so often — are you talking about the last month, the average of the last year? As you know, we politicians go up and down like a yo-yo sometimes, depending on what the public wants.

MR. L'HIRONDELLE: On an annual basis.

MR. TAYLOR: Is it the last annual income? In other words, you could be the Premier for 20 years and then as an MLA in the last four years you get disabled and only get the MLA's pension?

MR. L'HIRONDELLE: Yes. Pardon me; not pension, long-term disability benefits.

MR. TAYLOR: Long-term disability. Wouldn't it be fixed on the average?

MR. L'HIRONDELLE: No, immediately prior income. The reason for it is . . .

MR. TAYLOR: That's kind of dirty. The guy loses an election and his disability at the same time.

MR. McPHERSON: That's better than what you've got now. It's true. It's a good point.

MR. TAYLOR: I don't think it's fair; I think it should have a five-year average, or the average of the highest . . . Anyhow, I don't want — okay, keep going.

MR. L'HIRONDELLE: The point is that we've arranged for a \$4,500 nonevidence maximum limit, meaning that the members would not have to provide evidence of insurability until the benefit they would qualify for exceeds \$4,500 per month.

MR. McPHERSON: I'm sure there will be lots of questions, Mr. Taylor. We'll get to them in a moment. I want to get through this as quickly as we can.

We're now at costs and how much; I'm on page 8. The existing plan of life insurance is charged out at .207 per \$100, or 20¢ per \$1,000. That's the cost of the benefit. The best

rate we could come up with in the private marketplace was .386; it is a considerable increase.

MR. TAYLOR: Sorry; focus again where you're reading from.

MR. McPHERSON: Sorry, sir. Page 8, under Benefit, Life Insurance. I've got one or two and a half times salary. Across there we've got Current Rate. The current rate is .207 per \$100. The best rate we were able to get for life insurance was .386. I don't think we should spend much time on that, because we're not recommending that you do anything with your life insurance benefit. We obviously don't recommend that you change your life benefit from .207 to .386. We're not suggesting that you double the cost of the premium for your life insurance; it should stay the same.

MR. STEVENS: Is this the total premium for '86?

MR. McPHERSON: Yes; it's a good premium, Greg.

MR. STEVENS: That number you're talking about is the total for the 86 people?

MR. McPHERSON: Yes; .207.

MR. STEVENS: The \$1,000?

MR. McPHERSON: Oh, I'm sorry. Yes.

MR. TAYLOR: Which of those three figures are you recommending?

MR. McPHERSON: We're recommending the .207, which is what you have now. We're recommending...

MR. TAYLOR: The \$1,089?

MR. McPHERSON: Yes; \$1,089.

MR. CHAIRMAN: Status quo.

MR. McPHERSON: The status quo: you stay where you are; you do nothing. I'm sorry. You do do something, and we'll get to that in a moment.

MR. L'HIRONDELLE: We've simply shown the alternative to what may possibly happen to the group if you take the 83 or 86 individuals out of the larger group of 3,000 or 4,000 people. Because of the higher ages, it increases the risk or the insurance companies ascertain that it increases the risk; therefore they require a higher premium. We're making recommendations on the next page, I think, of what we would suggest that you do. We've simply shown that to give you an idea of what the premium cost would be if you were to try to insure a group of 83 people with the age mixes, the census data, based on the existing members.

MR. McPHERSON: Under Accidental Death and Dismemberment, that rate is included in the .207. Greg, I think that was your question. That is included in the \$1,089 a month premium. If you were to move the plan, it would cost you .039 for AD and D, which would be \$473.

MR. TAYLOR: The \$1,089 includes accidental death and dismemberment?

MR. McPHERSON: Mr. Taylor, under the former section, Life Insurance, .207 is your current rate. Are you with me, sir? Under accidental death we don't have any number because it's included in the .207, but an alternate plan would cost you .039.

MR. CHAIRMAN: So for the first two items, it's status quo.

MR. McPHERSON: Yes.

MR. CHAIRMAN: The same thing with number three.

MR. McPHERSON: The same thing with number three, Dependent Life. We've only been able to determine that there are 17 units for dependant life. Right now those of you who have chosen to take dependant life are paying \$1.30 per month. It's for \$5,000 and \$2,000. For an alternate plan to come in on that benefit, it would be 2.23; it's almost double. We're recommending that you go with \$10,000 and \$5,000, but we'll come to that recommendation in a moment. We're recommending — I'm ahead of myself, because we have the recommendations on the next



page. I'll come back to that in a moment.

Supp health. Presently, members of the Legislature are cosharing the cost of supplemental health with their employer. The cost is \$9 per month for a single individual and \$18 for an individual who has dependants. The cost to the employee is half that, and the employer pays half. We're recommending that you go to a private plan with all the benefits that we've described on page 3: the increased benefits and much greater improvements, including 100 percent reimbursement on drugs instead of 80 percent. The premium would go to \$8, a little less for single members of the Legislature, and \$20.50 for married members of the Legislature. So the premium for members with dependants is increased by \$2.50 a month or \$1.25 for each member, and obviously we can speak to the increased improvements.

MR. TAYLOR: As a sideline, just a quick question. I just went through it with some of my companies. Are the family ones allowed to direct who it is? In other words, their live-in?

MR. L'HIRONDELLE: Are you referring to a common-law relationship?

MR. TAYLOR: Yes, male or female.

MR. L'HIRONDELLE: They would be covered.

MR. McPHERSON: Yes.

MR. TAYLOR: Homosexual or not. [some laughter] I'm not being funny; I just had to put it in.

MR. McPHERSON: That's a good question. Mr. Taylor, I'm going to have to . . . Do you know the homosexual issue? I'm not sure of it.

MS BARRETT: Call Gordon Taylor.

MR. TAYLOR: A dependant is a dependant. It doesn't matter if it's male or female.

MR. L'HIRONDELLE: Our understanding is that . . .

MR. CHAIRMAN: I don't think we'll run down a whole list of names. I saw a thing across my desk about federal NDP members publicly proclaiming too, so we'd better leave that issue

alone. The matter will be checked. Thank you.

MR. McPHERSON: Under long-term disability, on the rates again, the information we had given to us by Bo was that the budgetary allocation for long-term disability under the government plan would be 1 percent of payroll, with the limitations we discussed a moment ago. We're recommending that you go to a private plan for MLAs that will pay a benefit. I really believe that in many instances the LTD plan for the government will not pay a benefit to MLAs. The cost of that is 1.19 percent of payroll. We can, incidentally, provide through the private sector an identical plan to the one that is available to you through the management and excluded staff of the government. We can provide an identical benefit, with some minor improvements relative to definitions, but basically the same plan for 0.86 percent of payroll. So the private market can do it cheaper, but in our view it's not worth buying.

Let us go to recommendations. On life insurance, page 9, we asked the market to quote on a group of 86 individuals; essentially what we were asking is a carving out of 86 people from a large group. This smaller group of individuals, combined with a higher average age within the 86 group, caused the spread of risk and thus the premium to exceed the current life plan.

An alternative to establishing a separate life benefit for the members is to amend the current master contract to provide a \$300,000 nonevidence maximum limit. This would avoid the current circumstance where a number of members, when choosing two and a half times salary for basic life, are limited to \$150,000 of coverage. In our view, amending the current contract to provide a \$300,000 maximum nonevidence limit would not warrant an increase in rates. We recommend to the Members' Services Committee that steps be taken to increase the current nonevidence maximum limit for members of the Legislature — no change but some changes within the existing plan.

Accidental death and dismemberment: our recommendation with AD and D is the same as with life.

Voluntary life: we recommend that the nonevidence limit be increased from the present one times salary to two times salary and further that the suicide exclusion that presently exists

be eliminated. This is interesting. Under the current voluntary life, no benefit is paid in the event of suicide. A benefit is never paid under the accidental death and dismemberment portion of a life insurance policy, because it's not accidental, but I've never heard of a complete suicide exclusion in the private sector for an optional life benefit. There is usually a one- or two-year period whereby they will not pay a claim if someone commits suicide within one or two years; after two years they pay. Under the current plan there is no benefit paid at any time for suicide. That can be changed. We think it can be changed for no cost. We think it should be changed within the existing plan.

MR. TAYLOR: Mr. Chairman, if I may. You keep saying "the current plan." Is it self-insured? Is it the government's own...

MR. McPHERSON: The life benefit is not, Mr. Taylor. The life benefit is insured through the Great-West Life Assurance Company.

Dependant life: we recommend that you go to \$10,000 and \$5,000 on your spouses.

Supplemental health: we recommend that the supplemental... Okay. Gary just pointed out to me that if you went with the recommendation of increasing the dependant life from \$5,000 spouse and \$2,000 dependant children to \$10,000 spouse and \$5,000 dependant children, you would probably experience a rate increase of about \$1 a month.

MR. L'HIRONDELLE: Probably \$1 to \$1.50, because your group of 86 would still be included with the overall mass of 3,000 to 4,000 other employees.

MR. McPHERSON: Mr. Chairman, I'm trying to rush through this and get through our pages so we can answer questions. I'm sure there are many.

We recommend under supplemental health that it be underwritten by Mutual Life Assurance Company of Canada, as we proposed. The marginal increase in monthly premium, \$1.25 per married member, and dependant coverage produces what we think is a very significant increase and improvement in benefits.

Dental is currently a self-insured plan by the government of Alberta. We recommend that it

stay where it is, but we do recommend that the Members' Services Committee seek improvements from the present adjudicator, which is Mutual Life of Canada as well, to effect the following: we think the plan should provide 100 percent reimbursement on basic dental with no maximum, 80 percent reimbursement on major dental services with no maximum, and 60 percent reimbursement on orthodontic services with no maximum.

That's what you currently have if a member takes out the optional benefit. I'm sorry; there is an improvement there. If you take out the optional benefit, you currently have 80 percent reimbursement on basic. We're recommending that it be 100 percent reimbursement, so there's that 20 percent difference there. We recommend strongly that the Members' Services Committee require officials to eliminate the present one-year waiting period on the dental plan.

Finally, under long-term disability we recommend that an LTD plan be established for the Members of the Legislative Assembly through our instrumentality with the Mutual Life Assurance Company of Canada, as we proposed.

Mr. Chairman, I got through it as quickly as I could. I think I've left some holes. We'll try and answer any questions you may have.

MR. CHAIRMAN: Not bad. One of your better speeches.

MR. STEVENS: Thank you, Chairman. First of all, I compliment Jim and Gary for the presentation. Because I have to go, maybe I could just give my comments in a general way rather than on specifics. I know that what was presented here is a very fine summary of a much more complex issue, and in responding you will be able deal with the questions that perhaps Mr. Taylor and others have in their minds. You have to see the whole document; I know that.

But I really have some major questions. I speak from the sense now as a member of this committee and a member of the Legislature only. I'm not talking about my past service. I guess I need to know — but not today, Mr. Chairman — how this benefit package compares in basic terms to other Legislative Assemblies and their members. I really feel strongly about that.

I also would like to know at some point

whether or not the proposal is fairly compared to other public-sector and private-sector plans. I say it from this point view, and I think Jim and Gary would agree: when you begin to hive off 83 or 86 from any group, there is a problem for the group. I have a basic concern that it's very simple to say that we can take the 30-year-olds, the 50-year-olds, the males, the females, the managers, or the nonmanagers and say that they deserve this kind of treatment, because in effect it destroys what the whole group is all about.

Having said that, I appreciate that Jim's brought out that there are peculiarities when one is in this group, because you leave an employment and are going to leave it again when the term is over. I understand that and I respect that, but I would really like to know what impact this would have. It's easy to say we can tell the carrier of the government plan to make these changes or we can negotiate these changes or we can pay an additional amount, but I would really want to be satisfied in my mind that any changes proposed here will not negate or cause problems for the majority of the group. I think that's a crucial principle. So I say those in general terms.

I also question, now in some specifics, why we would ever propose 100 percent reimbursement for some features. I believe there is a very basic principle in the plans themselves that there is an upfront cost that is assumed by the plan member. That plan member is not a pensioner. That plan member is not a person on social assistance. That plan member is not a child. That plan member is an employed person, whether that person's an MLA, a secretary, or a building inspector. There should be an upfront payment and reimbursement from the plan as quickly as possible, far better than any government can ever do -- I know that happens -- and that 80 percent factor is very important in keeping the total costs to all the members lower than it would otherwise be. When we begin to talk about 100 percent reimbursement of drugs, I tell you today, without any hesitation, that in time there will be increasing costs to the plan holders. There is no question. When you say it is 100 percent reimbursement, the costs of the plan in time will quickly mount, and let's understand that.

So I am very concerned when we do that. I know we can do it on the basis of guesstimates

today, but five years from now experience will show that, oh, everybody's getting drugs, everybody's getting their teeth fixed. So I am concerned about that. I need to know more about that. I don't need to know it today, but I think we should think about it.

The other concern I have is that I share Jim's presentation comments about the one-year waiting period for the dental plan. There's a reason for that with the vast majority of 30,000 employees. You have to have a one-year waiting period because people will come into the plan simply to get their teeth fixed and then leave the service. I agree that for MLAs it is different. They are not on probation. They start because of election success, and they're it. They are on probation; they won't be back. It's different.

MR. TAYLOR: Don't destroy any incentive we need to get candidates.

MR. STEVENS: I'm not trying to say that I'm speaking from two sides of my mouth. There is a difference there, because these are people who are not on probation with an employer who can say you are not satisfactory but, in the meantime, that person's had their teeth fixed at the cost of the entire group. So I think there is a reason for that change.

The LTDI questions, the 70 percent figure. Jim, I think there's a very important reason why it's 70 percent. LTDI is not supposed to be a guaranteed income. It is there to protect us in the time of this kind of disability, and I appreciate Jim's pointing out, Chairman, that our present government plan for employees is not suitable for MLAs because of elections in, elections out, and the problems and the times. I understand that, and this may be a better approach. But I'm not sure that the 70 percent factor is not an important factor.

MR. McPHERSON: It's insured.

MR. STEVENS: You said it wasn't. You were going to take it out.

MR. McPHERSON: Not the 70 percent. You always only have 70 percent. We're just changing the maximum -- sorry, Mr. Chairman -- we're just increasing the maximum. The person can only get 70 percent of their income.

MR. STEVENS: All right. I misunderstood that. I appreciate that.

The only other other thing that I would say, then, is that when you mentioned the Clerk had said it's 1 percent of payroll costs, to be fair, that's on average. For the vast majority of employees it's now approaching 1.75 percent of payroll. For the opted out excluded it may be down to 1.25, but for the management plan, as far as I understand the costs of the smaller group -- perhaps not prone to the same kinds of illnesses; maybe prone to heart attack and stress -- are far lower than what is shown here. I'm not quarrelling with the .86, Jim; it may be that that is reflective of this age group of MLAs and so on, but you can't compare and say that you can do it cheaper at a private base. The management group cost is not 1 percent of payroll; it's far less. It may be .65.

Having said that, Chairman, I hate to leave. But can I make this suggestion? If, in the discussion and deliberations, the committee would like to continue with this approach, there should be some mechanism for ensuring that we have answers to the kinds of questions I have raised. Will it have an adverse impact on the groups? Will it have a problem because we do hive off a group? Will this 80 percent going to 100 percent be what we really want to do, because I honestly believe that sooner or later when people get something for nothing, they will get as much as they can get, and I have very much concern about that.

MR. CHAIRMAN: I have a list of others: Hyland and Taylor. The other thing, before you go, Greg, is that if this issue is not resolved today, as it wouldn't appear that it's necessarily going to be solved today, I want notice to this committee that when we meet on November 14 we're going to stay here till this is resolved. If that means we're here till 10 o'clock at night, we're here till 10 o'clock at night, because I think we have too many people who are hanging out there at the moment. If we have any kind of an accident, the whole Assembly is legally liable. We have been irresponsible.

MR. STEVENS: Mr. Chairman, I'm sorry I have to leave. May I make a comment, though. I think it has to be said that for any member of this Assembly in that kind of tragic situation, there is provision to take care of that situation. There is, whether it's done by special

warrant or by OC. That's a decision that would be followed. So I don't accept the view that they're hung out there to dry. There's no plan.

MR. CHAIRMAN: I'm sorry, Greg. They're hung out there to dry legally at the moment.

MR. STEVENS: With great respect, I don't agree.

MR. CHAIRMAN: Okay. Fine. We're disagreeing. May I finish my disagreement with your disagreement?

MR. STEVENS: Yes.

MR. CHAIRMAN: You're thinking in terms of an individual case. If somebody walks through that door and lobs a bomb in here, and none of us is killed but we're all maimed because of that, we're not dealing about an individual situation. We're talking about a far larger number. Then you're talking about millions of dollars.

MR. STEVENS: There is a debate on it.

MR. CHAIRMAN: I've got six members in the Assembly from the whole political spectrum at the moment that I'm concerned about. Right now, most of those have got nothing.

MR. HYLAND: Because we thought we had something.

MR. CHAIRMAN: That's right, because it never got signed.

MR. HYLAND: I thought we had something two years ago.

MR. CHAIRMAN: There is nothing in place, except for a cabinet minister. I assumed, like you, that we would prevail upon the goodwill of everyone that something indeed will be done, but that is an irresponsible position, again, unless we follow through on this.

MR. STEVENS: I did include in my remarks that I agreed with the proposal on the LTDL. You heard me say it.

MR. McPHERSON: Good points, Greg. Thanks.

MR. CHAIRMAN: I've got Hyland, Taylor, and Bogle.

MR. HYLAND: Partly on what Greg has said on drugs. For example, our drug plan comes through my wife because she's a nurse, and because of the drug plan the nurses have with the hospital association. That's 100 percent covered.

MR. CHAIRMAN: Excuse me a moment. Would you give me a note about that as to what it really is? Thanks. Okay. Sorry, Alan.

MR. HYLAND: So we may not be providing directly here, but as a Legislative Assembly we're providing funding for other people that have got this full coverage on drugs.

My other concern is the dental plan. If we don't go with the new one, the ability to change — because as somebody said, once you're into the plan . . . For example, Bob and I had to make decisions back when we first got elected. If you get re-elected and re-elected, you can't change the plan. When I made my decision I was single, you were single, no dependants, no fiancées, so you didn't put any of the options in. Now, of course, it comes home to haunt you. You thought you were saving, you know.

MS BARRETT: Five bucks a year. [laughter]

MR. McPHERSON: You're saving 30 bucks a year.

MR. TAYLOR: Don't forget, you can end up single again, too.

AN. HON. MEMBER: It really costs then.

MR. L'HIRONDELLE: I think the potential \$11 a month premium that he would be paying would be insignificant.

MR. HYLAND: That was always a question I had and had asked before in committee, the fact that the ability when an election comes along, that is really new employment. So if one wanted to change the plan, that should be the time you change the plan. If we go to the recommendation, it solves that concern. That's concerned me in any of the plans. Once you've made your decision, even if you're willing to pay

the premium, there's no ability to change it.

The other one somebody partially asked, I think, or maybe you made a comment, Jim, during the presentation. All through these plans when you cease to be a Member of the Legislative Assembly, everything quits — bang. One time we were tossing around the question: would it be possible to extend that for a period of time till you had different employment or a different plan or whatever? There would be two ways of doing it. One way would be to extend it at the cost of the Assembly, and you could argue whether that's right or not. The other one would be to extend it and the former member would have the ability to pay his premiums on all these things for a year, until he got into another plan, or the time period could be cut shorter if he got into another plan. I wonder if it's possible to look at that.

MR. McPHERSON: Mr. Chairman, we're asking the members to keep their questions till the end of the presentation, which I always found hard to do. I suppose in fairness we should wait until we hear all the questions before we answer them, but I don't know if I'll be able to remember all the questions.

MR. CHAIRMAN: Give the man a piece of paper. He can write them down.

MR. McPHERSON: I was never any good at that.

I'll answer the one, Alan, because it's really important. You're not going to be able to arrange a plan whereby when you leave the government, those benefits can continue for a year. It's antiselection against the insurance company. They won't stand for it. In principle I don't think they should. If you leave your employment, then you've made — you may not have made the decision in this case. But if you leave your employment, you can go out and arrange private insurance. You can buy private disability insurance. You might not be able to buy a dental plan. If you leave your employment, an insurance company will not allow you to keep that insurance for a year or two years after. You're no longer part of a group; you're an individual. You may have particular health problems or something like that. It would be what we call antiselection against the insurance company. It's a risk

they're not prepared to take. They're prepared to take it when you're part of a larger group; they're not prepared to take it as an individual when you go out.

MR. HYLAND: So they wouldn't be prepared to take it if you were receiving a pension. You still couldn't partake of any other plan.

MR. McPHERSON: Let me be very careful on the distinction. You've clearly got to be able to receive benefits. If you were disabled while you were an employee, that's a different issue. Under the LTD plan that's being proposed, you may well not get benefits if you were disabled while you were an employee. We sure think that if you became disabled while you were an MLA and rolled out into the private sector in a wheelchair, those benefits should continue to be paid for as long as you're disabled, even to age 65.

MR. CHAIRMAN: It's the only place you can extend.

MR. TAYLOR: I think I'll re-emphasize a couple of things. One Greg has mentioned. I think that insurance that covers 80 percent is usually less than 80 percent of 100 percent. In other words, that final 20 increases the cost so much of insurance that . . . I agree with Greg that giving that 80 percent thing should allow you to get more benefits elsewhere in the total financial package you're putting up so that 100 percent for drugs, 100 percent benefits of any sort, eats up all your premium fees because of the increased use of the plan. As the word implies, insurance is insurance, so I think 80 percent is good enough. Therefore, we could get better . . .

I agree with Alan that it seems unjust. I've seen it in various company policies through the years. I can't remember what company where an employee has the right to pick up maybe only half the benefits, maybe pay up, but at least it was in the contract. It seems unfair that an MLA could be an MLA for 15 or 20 years, and certainly he's going to raise hell out in the private marketplace then trying to buy something. He may have lost the election because of a disability. Instead of having a hearing aid in one ear like I have, he might have them in both ears and neither was working too well on election day. Who knows? The fact is

that 20 years is a helluva time to tell somebody to go out and insure themselves privately.

I think there should be some method of carrying forward, albeit at cost, but some benefit of preinsurance. You do it all the time on life insurance. If you buy so much, you're allowed to convert your life insurance policy without rating.

MR. McPHERSON: Sir, may I just say that the life insurance benefit is convertible.

MR. TAYLOR: Yes, but I'm talking about the other things too.

MR. McPHERSON: The dental and the supplemental health.

MR. TAYLOR: In other words, there should be some way of continuing. I don't know how much the premium would be, but at least some way that by continuing the person would be in no worse position than he is today. If he or she served 15 or 20 years, they may be quite ratable or whatever the word is.

The other one is that technically speaking I find it hard to know why the disability applied just to the last few months of earnings. In this business somebody can be Leader of the Opposition one month, and six months later an MLA or Premier or vice versa, back and forth on different committees. He can be a cabinet minister, a noncabinet minister. It seems to me that there should be some averaging or some system in there. Your disability shouldn't be just what it is. Suppose you're a cabinet minister for two terms and suddenly at the last election you're back to MLA and then you're disabled. It seems unfair that you're disability pension would be fixed on the last couple of months, when in effect you had served the public at a much higher rate for some years. So averaging would come in.

The other is more political, to be honest with you. I looked over your invitation list, and a couple of things struck me. There are Alberta companies, like Paramount Life or Family Life or Citadel, say. I wonder why they weren't asked. You have all the big Canadian companies, but I still think that politically speaking, I'd like to give our own Alberta financial institutions a crack at it. Speaking even of a western Canada institution, you say that Great-West Life carries part of our

insurance now. Why weren't they invited again? Do you have anything against them?

MR. McPHERSON: Not at all. Sir, they won't quote against their own book of business.

MR. TAYLOR: Lastly, I'm going to be very, very political. You recommend Mutual time and time again. I'm going to be very frank with you. Mutual was the only creditor that consistently tried to vote me into receivership. I'm going to be very personal about it. They didn't figure they had anything to do with helping an Alberta oil company go on. They are the meanest, most bloody-minded bunch I have run into. They wouldn't in any way, shape, or form listen to any kind of reasoning. They were a small percentage of my total amount. So I would find it very hard indeed to think they would change their attitude at all when dealing with MLAs. If their attitude in dealing with my receivership was any indication of how they deal here, it would be a very poor company indeed.

I just found them absolutely . . . And I don't apologize for it, because my receivership was a very public thing and they were very public also in being the only creditor to turn thumbs down on me, the only public company to do so. I think a bloody-minded company from the east that is that interested in torpedoing an Alberta company is going to have a helluva time getting any support from this corner. I would want to see some others looked at pretty closely before I'd see any business going to Mutual.

MR. CHAIRMAN: You raised a whole bunch of questions. Would you like to respond quickly because of time constraints for everybody?

MR. McPHERSON: I'll try. With respect to the last one, Mutual Life, we are brokers. Frankly, we don't care who writes the business. We selected a company. I obviously wasn't aware of your personal situation, Mr. Taylor.

MR. TAYLOR: It's important that they have a working relationship with people.

MR. McPHERSON: I don't want to be trite, but that's Mutual Life's investment portfolio. They invest money they receive from premiums. It has absolutely nothing to do with the benefit arm of the company. Maybe the fact that they

. . . I'm not going to get into that; there's a member of the press here. I'll do it privately.

MR. TAYLOR: Just carry my message back.

MR. McPHERSON: Surely. The fact of the matter is that of the 14 companies we selected — and Family Life doesn't have a group benefit plan; they're not in the marketplace, to our understanding. Citadel Life and Paramount Life just do not have the capability of handling it. Either they don't write group life insurance — they're not in the group benefit business — or in our judgment simply would not have the capability of underwriting a case like this. They wouldn't be competitive.

We invited 14 companies. We were only able to get three submissions. All the companies declined except for three. The only three that offered any rates or were prepared to quote on the business at all were Confederation Life, Mutual Life, and Canada Life.

MR. L'HIRONDELLE: There were a couple of other companies within our list that were prepared to offer partial benefits. The reason is that their underwriters had some difficulty trying to determine that MLAs were employees or were not employees. They didn't like the consequence of the group, especially when there is no management control, I guess, and it's "Throw it out to the market and let the best man for representation of his community be enrolled in the group," as an example.

The other problem with it is — dealing with your LTD question of why one couldn't average the benefits from a \$70,000 member of Executive Council for 10 years or three terms, and then all of a sudden a regular MLA with a \$30,000 salary. The long-term disability benefit is a benefit based on existing earnings to prevent catastrophic financial problems for an individual at his current level of . . .

MR. TAYLOR: But the premium is based on his income. He paid high premiums when he got high money.

MR. L'HIRONDELLE: To provide him with a high benefit at the time. It's very difficult to insure the potential of a 70 percent benefit of a \$70,000 salary when you throw it in the hat as to who is going to be responsible for receiving the \$70,000 salary this term, or this part of a

term, versus a \$30,000 salary sometime later in the term. Does the insurance company decide that Mr. Bogle will receive benefits at 70 percent of \$70,000 and Jimmy McPherson, as an example, will receive benefits at the higher level or the lower level? You can't insure something that's not earnings.

MR. TAYLOR: In companies I've had, they usually take a five-year average.

MR. McPHERSON: That's on pension, though, Mr. Taylor, in most cases.

MR. TAYLOR: This is a pension.

MR. McPHERSON: No, it's not.

MR. TAYLOR: If you're disabled.

MR. L'HIRONDELLE: Only while you are disabled. You may only be disabled for four or five months and then be able to resume your activities.

MR. TAYLOR: It is possible it would pay for life if you're disabled for life.

MR. L'HIRONDELLE: It would be to age 65, retirement.

MR. TAYLOR: My argument is that it's also a pension, but instead of being triggered by age, it's triggered by disability on account of the work. It's a promise to pay for so many years.

MR. CHAIRMAN: We've got a real problem, because we're going to lose quorum. We need to have all of us together, and be a little sympathetic to that, please.

MR. BOGLE: Mr. Chairman, my question was asked by Alan Hyland. I did want to suggest, though, that this be the first agenda item when we meet next and that we deal with the matter. I'm extremely appreciative of the work Gary and Jim have done. It's a lot for members to absorb in one short sitting. On the other hand, I think the opportunity to go through it between now and the next meeting and to come back would be helpful.

I do believe we should address it, because notwithstanding the ability of the Executive Council to move through order in council to

help in a particular case, I think the Chair is absolutely right in pointing out the legal vacuum in which members find themselves relative to coverage, particularly in the long-term disability area. I believe it should be addressed, as it was meant to be by this committee several years ago.

MS BARRETT: Mr. Chairman, I would like to add my voice of congrats to Jim and Gary. I think you did a very good job, especially in the synopsis and especially for people like me who don't really know insurance in detail.

A couple of things occur to me. First of all, Greg mentioned a number of items with which I find myself in agreement. That comes as a bit of a surprise, but nonetheless it's true. In his questions, however, I think he failed to put a question to you, which you can answer now or later on when we meet again; that is, I'm quite sure I had an option with a previous employer — and it wasn't this employer — that I could pay a small additional premium to the standard premium for dental coverage and for drug coverage which would entitle me to 100 percent coverage. I would be interested in inquiring into that if it hasn't already been done.

I agree with Greg that abuse is an important consideration, and I think we've benefitted from his previous portfolio as personnel administrator inasmuch as he's aware of those numbers in a very massive way. So I think we could benefit from looking at an optional plan that would allow members to contribute more if they want 100 percent coverage. I'm quite sure that in a private company I had that ability.

Similarly, it occurs to me that on page 6, item G, LTDI, under current assessment you've noted that the claimant, if one becomes a claimant, continues to pay the premium. It seems to me that given the size of the package we're dealing with and some of the legal implications and, of course, in keeping with certain principles which would leave us roughly parallel to the kind of overall insurance package to which senior members of any kind of organization, whether it be government or private, would be entitled, we may want to look at continuing to pay that premium.

Again, I'm quite sure it was my personal experience that an LTDI package I once had asked me to continue to pay a premium. I'm also sure that was because of a pre-existing condition that I had to admit to on a piece of



paper. I was told that if I wanted ever to be able to collect under that system, I would also be required to continue paying into that package. It was still of benefit to me to belong to that, because I never knew when my illness was going to resurface. I think that might be the sort of thing we would want to look at collectively in the name of fairness. I wouldn't mind some kind of recognition of the options that are available through the private insurance market on that, in terms of saving the taxpayers a few bucks — and everyone agrees it's not going to be a tremendous amount of money — but in looking at the principle of fairness.

Those are my only concerns, Mr. Chairman.

MR. CHAIRMAN: Jim or Gary, would you like to respond?

MR. McPHERSON: I'd like Gary to respond to Ms Barrett's comment with regard to what is known as pre-existing conditions, and then a new disability and the waiver of premium issue.

MR. L'HIRONDELLE: As a generalization in the private insurance marketplace dealing with group policies and not with individual policies, most group policies have pre-existing conditions such that if you're treated for a specific illness or accident and you have not been at work for three continuous months without receiving treatment, then the insurance company says, "We won't paper it, won't pay benefits, until one year after you have recovered from that, once you've joined the plan." Some companies, with what's called their waiver of premium provision, will say that if you are suffering from a specific ailment, then if the individual may become disabled and qualify for benefits, rather than excluding that individual from receiving benefits at all, they will provide the benefits payable, provided the individual continues to make the premium payment. They want their cake and eat it too. Okay?

Under your existing, proposed plan that had been looked at prior to our making our new proposal, the wording of it said that regardless, if you go on benefit, premiums will still be required. As a generalization in the insurance industry, in all of the cases that I've placed within the private marketplace, waiver of premium is automatically added, because an individual is receiving 70 percent of

predisability earnings. Going from 100 percent to 70 percent and still continuing to take a premium to pay out of that, the premium cost is so negligible at the point of paying premiums as opposed to its being significant when your income has already been reduced.

MS BARRETT: So what you're saying then, Gary, is extremely standard.

MR. L'HIRONDELLE: It's a standard in the industry. A situation of not having waiver of premium in the event of disability is the exception.

MR. McPHERSON: What is at issue here, Mr. Chairman, is the distinction between the predisability area and the disability area. You want to have protection. If you have a predisability, they may charge you a premium if you're on disability while you have a disability from your pre-existing condition. But they're doing that because you may recover and have a completely unrelated disability and you want to be protected. That is what is at issue here: a new, different disability.

MR. L'HIRONDELLE: As a generalization you see that more often in individual policies as opposed to group coverage.

MR. McPHERSON: Mr. Chairman, I know we're rushed. May I try to respond in another way to Mr. Taylor's comment about this fairness and the pension kind of aspect of the LTD? You raised a really good point in terms of equity. The fairness argument may be a good one, but it is not going to find credence with the insurance industry for this reason: if a person were earning \$90,000 a year for four years and for the latter four years was earning \$30,000 a year — and that can happen with this group; maybe not \$90,000 but certainly \$70,000 and then \$30,000. First of all, the premium's based on \$30,000; we discussed that. But the other problem is that generally speaking — not with this group; it's a highly motivated group — in the real world there are individuals who will disable themselves and become disabled because they can get the higher earnings.

MR. TAYLOR: It happens in politics all the time. We call it shooting yourself in the foot.

MR. McPHERSON: I'm aware of it, sir. But that's the reason. They're not prepared to take a risk and put a person in a standard of living to which they [inaudible].

MR. TAYLOR: That's the overall reason why you don't see them.

MR. McPHERSON: Yes. They're not going to insure that risk, because someone will go and shoot themselves in the foot.

MR. CHAIRMAN: The Clerk with the last question, then we'll get a response, and we'll wind up on this because we have three things to go through and then adjourn.

MR. STEFANIUK: Mr. Chairman, in the area of long-term disability there was discussed a definition of termination of employment. In parliamentary law a member is terminated at dissolution of a Legislature or a Parliament. However, the Legislative Assembly Act in Alberta states quite clearly that for purposes of computing and paying the indemnity and expense allowance, a member is deemed to be a member until the day preceding the polling day or the general election day.

I am concerned that in the event of a claim some question could arise as to the termination date of a member's "employment." I'm wondering if in writing up an agreement, the employment termination period could be defined as the day preceding the general polling date of an election as opposed to dissolution day in the Legislature.

MR. L'HIRONDELLE: I can answer that hopefully succinctly. Under the existing government plan that was set forth, if an individual — and we're talking about a 90-day qualifying period for being disabled — were disabled 30 days prior to the call of an election and the election took place 30 days later, under the current government plan the individual would not be able to complete his qualifying period in order to qualify for benefits, because his employment would have terminated before the qualifying period came up or was completed.

Under the proposed plan, if an individual is disabled 30 days prior to an election and continues to be disabled through the election period, we have stipulated that under the terms

of the contract we have asked for, the availability of work for the member does not affect the determination of totally disabled. So a member could be totally disabled 30 days before an election, and if the election is called and he loses his seat, the availability of his work for the next 60 days, if he continues to be disabled, does not disqualify him from receiving benefits under the proposed plan we're putting forward.

MR. McPHERSON: Mr. Chairman, the other issue is whether it's the day the writ comes down or the day the people go to the polls. That's a one-month period. I think we can get that in the contract. We can work that problem out if we ever have the insurance company write a contract. That could be worked out in detail in the contract. We have to resolve it. Is that not quite the issue, Bo?

MR. STEFANIUK: Yes, that is the issue. But one further concern arises in my own mind in that you're talking now about a 30-day qualifying period.

MR. L'HIRONDELLE: No, I was talking 90 days. I was saying that in the event that the person was disabled 30 days before the election — an individual has to be totally disabled for 90 days before he can qualify for benefits. If he were disabled a year before the election, he would have completed his 90-day requirement.

MR. STEFANIUK: I guess my concern arises out of this: a member who is seeking re-election particularly and who has been covered under the plan encounters an accident in the process of campaigning during that 28-day period we have defined as a campaign period, an accident which disables him a day or two prior to the general election. What happens to him?

MR. L'HIRONDELLE: He would still be covered.

MR. McPHERSON: He's covered because he is being remunerated on a regular salary during that writ period. He can serve that 90-day period after that. Let's assume he's disabled two days before the election. He's in the hospital, but it's obvious that the person is going to be a paraplegic. He or she will now serve a 90-day waiting period and commence benefits.

MR. HYLAND: Even if he isn't re-elected?

MR. McPHERSON: That is the most important issue and that was the shortcoming . . .

MR. STEFANIUK: What happens if he is disabled two days prior to the election, he wins the election but is subsequently forced to resign?

MR. McPHERSON: Fine. No problem. If he doesn't resign, Dr. Carter will continue paying him even though he's not in the House. When he resigns, assuming he's served the 90-day waiting period or if the Premier decides to call a by-election, 90 days later he commences benefits.

MR. L'HIRONDELLE: Under the long-term disability plan we're proposing is the exposure question. You were saying, "What happens if he's disabled two days before the election?" His exposure is the other 88 days from the election until his qualifying period when he would receive no funds and no remuneration because he wasn't re-elected and because he hasn't completed the 90-day qualifying period. There would be an 88-day exposure to the individual member, but then he would qualify for long-term disability benefits based on his predisability earnings or salary two days before the election.

MR. McPHERSON: Seventy percent of his predisability earnings.

Dr. Carter, I know you're pressed for time. There's one other issue . . .

MR. CHAIRMAN: No, we're not; we're out of time.

MR. McPHERSON: We're out of time? Okay.

MR. CHAIRMAN: I'm sorry, but flag the issue.

MR. McPHERSON: It's this thing that kept coming up, this 80 percent reimbursement that Greg, Mr. Taylor, and Ms Barrett have mentioned. Yes, it is going to increase costs a little bit. We don't think a lot — frankly, very little in terms of 80 percent to 100 percent on basic dental. It's not going to increase it very much. But we don't have anything to do with that. You know, that is something that you as a committee are going to have to determine and

then ask the existing carrier to consider. If you want to keep it at 80 percent, fine. We're not going to do it. We can't do it because we're not getting paid to do it, and we can't afford any more time on this project.

MR. TAYLOR: Mr. Chairman, if I may . . .

MR. CHAIRMAN: I'm sorry. There's been sufficient warning for the last half hour.

The next meeting of the committee is November 14, which is a Friday, and it's at noon. I hesitate to ask you — I know you've put a lot of time on this and it's very evident from what you've done in the preparation and also the fact that you've been with us today — but I would hope you might consider coming back to be with us at that meeting, and we'll make sure it's the first item on the agenda, as requested by the vice-chairman.

MR. McPHERSON: We'd be happy to. Thank you for the invitation. We'll be here.

MR. CHAIRMAN: Thank you.

As mentioned earlier to the committee, I trust it's a day we resolve, because even once we've resolved it, it still takes a long time to get the things into effect.

Okay. Thank you both very much.

MR. McPHERSON: Thank you.

MR. CHAIRMAN: Committee members, we have a couple of things we have to rattle through.

MR. HYLAND: I'm a few pages short in my book.

MR. L'HIRONDELLE: I'll just take a moment of the time to explain it. We did not include the census data for the members, nor the complete submission, because Jack Campbell felt that his birth date of May 14, 1931, was confidential information. [laughter] We have left copies of the proposal that we asked to go to market with the census data, with the chairman and the deputy chairman.

MR. CHAIRMAN: Okay. We need additional copies to send to the absent members so that I can't get the excuse from them that they haven't read the document before the next

meeting. I ask all caucuses involved if you will deal with Mr. Wright on that issue so that he is aware, and Mr. Bogle with regard to the government members, so that we don't have people here the next day saying, "Gee, I haven't had time to read it yet."

Thank you both very much. If you are down in my office for a cup of coffee, I should be there reasonably soon.

MR. McPHERSON: Thank you very much for your time.

MR. L'HIRONDELLE: Thank you.

MR. CHAIRMAN: Sorry to engage in the bum's rush here, folks, but I had thought we were going to have quorum for a longer period in a day.

With regard to the agenda there that was published for today, the budget estimates will have to be dealt with at the meeting on November 14. That will be the second item on the agenda. I think all caucuses should bear in mind, though, that I don't think it will be viewed too kindly for estimates regarding your own operation coming in at an increased amount of money. It might do well to sort of provide various scenarios for zero, for a 5 or 10 percent decrease or whatever. We need to keep that in mind with respect to our committee as well, as we are with regard to all of the estimates coming in with regard to the Legislative Assembly.

Item 5: members' purchase of computer equipment. In terms of the overall review, I think we're going to have to spend some amount of money to have a complete electronic evaluation if we want to deal in terms of electronic mail and communication between our offices and our constituency offices. So back in your caucuses, if people are dashing out to buy electronic equipment for their offices, perhaps you could slow them down so that at least we have some equipment that's going to be compatible with whatever the main thing is. But again we need to discuss that in much greater detail.

I had mentioned earlier that there were some items. Christmas cards as done under the Legislative Assembly are there, if you're at all interested: exterior scenes, the Leg. as lit up last year, plus one that was commissioned by the artist who has done the original art for the

building Christmas cards the last number of years, Tom Tinkler. The one for this year represents, I think, a very interesting thing that happened with the Legislature last year, the fact of having it become much more of a people place. He's built that into the rendering that he did. But there are other varieties as well. Of course, all that's available through our administration office over in the other building.

I'd like to point out one thing. The notice went out to all members of the Assembly that if they wanted to purchase for \$100 cold cash their seat in the Legislature, they have to notify us by October 31. After that they're out of luck. After that we're going to move to deal with . . .

MR. TAYLOR: Aren't you actually going to go out and buy a bunch of the others and claim it was theirs and sell it to them?

MR. CHAIRMAN: No, but it also makes for the line of reasoning that this will be the first time that politicians have legally been able to purchase their seats. Think about that.

MS BARRETT: It's our seats in the [inaudible].

MR. CHAIRMAN: After that, I propose with Ernie Isley that we'll contact members who were in the House from '82 to '86 to see if they wish to buy them. After that, then we have reason -- we've had the request from the building superintendent that he'd really like to keep enough to be able to put around the table in this room and perhaps dispense with these chairs. First, when you're in contact with your caucus -- we're doing a phone call through the lists right now. If you want to purchase them, it's 100 bucks. Monday, all the chairs will be moved into the Legislative Annex, and that's where the pickup will be. You're responsible for picking up your own chair.

MR. HYLAND: How do we know which is our chair?

MR. CHAIRMAN: They're already identified. From where you were last sitting in the Legislature, it's now identified. Bob?

MR. BOGLE: Mr. Chairman, on that point, if the building superintendent would like to move the excess chairs that are currently in the

Legislative Assembly to this room, then there's the question of these chairs. I would hope that MLAs would be given an opportunity to have these in their Edmonton offices before they're disposed of someplace else.

MS BARRETT: "Hear, hear," says the short person who actually fits the chair.

MR. TAYLOR: These are better than the MLA chairs, aren't they?

MR. BOGLE: Yes, as far as I'm concerned. These are the original cabinet chairs.

MR. CHAIRMAN: Duly noted, subject to a whole bunch of things we won't . . .

MR. TAYLOR: Mr. Chairman, a suggestion on the Christmas cards for next year. Through the years I've received a number of Christmas cards from politicians of all stripes. It's usually a picture of them or their family somewhere in the insert.

MR. CHAIRMAN: You can do that under your communications allowance.

MR. BOGLE: You have to purchase these as well.

MR. TAYLOR: I thought this would be a way that if you got the picture in early enough they would print it in with this.

MS BARRETT: Big bucks, darling.

MR. CHAIRMAN: You have that capability to enter into an agreement with a private printer to do that kind of thing with your communications allowance.

MR. HYLAND: You'd have to have a two-page foldout for Nick.

MR. TAYLOR: I would drive my snowmobile through a No Parking sign.

MR. CHAIRMAN: Okay, that's chairs off.

Former MLAs: we're still doing that track-down project. The number is down to about -- what?

MR. SCARLETT: It's hard to say.

MR. CHAIRMAN: Rough.

MR. SCARLETT: A hundred. We're still at a hundred for trying to track down a contact person.

MR. CHAIRMAN: That's out of the 600.

MR. HYLAND: Are there any in the constituencies that we represent?

MR. SCARLETT: I'm getting that list made up right now.

MR. CHAIRMAN: Okay. So there would be a letter going out. We'll send it to every member to let them know who is missing.

MR. BOGLE: I was extremely surprised with the number of errors that appeared on the information that was sent out to us in the second package. I mean the basic information as to the name of the person -- I had the spouse of a person listed as the member rather than the member, and the term of office was wrong. We can get those kinds of things out of the records downstairs so easily. I assumed that what you wanted was a little more detailed information on each of the members. Clearly, the name and length of tenure as an MLA would all be available and readily accessible downstairs.

MR. CHAIRMAN: It should be.

MR. SCARLETT: I didn't know we sent you any information. I thought we just sent the names.

MR. HYLAND: The Speaker sent a list out.

MR. BOGLE: There was a list sent out of people you wanted additional information on, and that's the list I'm referring to where there were errors in names and errors in the tenure. At least, I detected two errors from the Taber-Warner constituency.

MR. CHAIRMAN: Okay. We'll double-check on that. Thank you.

Alan, you mentioned the Legislative Assembly Act for the future. We'll put it onto the agenda.

MR. HYLAND: Yes, put it on the agenda for

next time. The tasks that we were given because of the changes in the Act.

MR. CHAIRMAN: Right. I don't think there's anything else there.

I would issue the invitation, though, to all of you involved if you would like to come down and join me in a consultation in the Chamber immediately. We have had two panels slung into the wall for comment. So if you'd like to now adjourn down there, I'd appreciate input.

[The committee adjourned at 12:26 p.m.]