



Canadian Life
and Health Insurance
Association Inc.

Association canadienne
des compagnies d'assurances
de personnes inc.

NEWS RELEASE

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LIFE AND HEALTH INSURANCE INDUSTRY WELCOMES ONTARIO MOVE TO EQUAL PRICING FOR PRESCRIPTION DRUGS

(Toronto) – The Canadian life and health insurance industry welcomes the Ontario government's announcement today that they are moving toward providing the same prices for generic drugs to all Ontarians whether they are covered by public or private plans or paying out of their own pockets. "We are very pleased with the government's announcement that they are reducing prices for generic drugs across the board, and moving towards equality for all Ontarians," says Frank Swedlove, President of the Canadian Life and Health Insurance Association. "This is significant progress in dealing with the high cost of generic drugs in Canada."

Life and health insurance companies deliver the substantial majority of Canada's private drug insurance plans and paid \$4.1 billion in drug benefits to Ontario workers in 2008. Private plans are predominantly group plans purchased on a voluntary basis by employers, unions, professional organizations or other affinity groups and are designed to complement the public health system. They provide financial resources for health services that are not covered, or not fully covered, by public health care and therefore play an important role in reducing financial pressures on the public system. Prescription drugs represent 60 to 80 per cent of the costs of supplementary benefit plans.

The Canadian life and health insurance industry provides a wide range of financial security products including life insurance, annuities (including RRSPs, RRIFs and pensions) and supplementary health insurance to about 26 million Canadians and their dependants. Established in 1894, the CLHIA is a voluntary association whose member companies account for 99 per cent of Canada's life and health insurance business.

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Media Enquiries: Wendy Hope, Vice President, External Relations
(416) 777-2221 or (416) 565-1853

Irene Klatt, Vice President, Health Insurance
(416) 359-2023