

Juggling ACT

It's not surprising for Sylvain Carrier to hear that one of his plan members is in Mexico with her spine bent so severely that the back of her knees are touching the top of her head. Or that a member in Amsterdam spends most of his time dancing with fire and knives. Carrier, the director of compensation, benefits and HR systems for Cirque du Soleil in Montreal, expects his members to push their bodies to extreme physical limits.

Administering benefits to the variety of Cirque's plan members—from trapeze artists and wheel of death performers to marketing managers and office assistants—has been challenging. To balance the needs of traveling workers and office employees, Carrier has had to juggle multiple insurance companies and innumerable administrators. In the past, these demands strained both human and monetary resources and prevented members from receiving the best possible benefits program.

As part of an overall study of risk factors at Cirque, Carrier has spent the past year revamping the company's benefits plan by upgrading coverage and reorganizing cost-sharing arrangements. He has also consolidated the administration of the plan by introducing four new insurance providers. It's been a giant leap forward.

WORLD OF DIFFERENCE

Cirque du Soleil began 22 years ago as a 73-member street theatre group in Baie-Saint-Paul, a small town near Quebec City. Today, it presents 13 different shows around the globe involving over 3,000 employees, 900 of them working as performers. Among employees, the average age is 35 with a balance of men and women and a mix of cultures; over 40 nationalities and 25 different

Cirque du Soleil is known for its death-defying stunts and incredible acrobatics. But switching to a centralized benefits administration system for its shows around the world was no small feat.

By Leigh Doyle

languages are represented. Before the recent benefits plan changes, these different groups meant different approaches to insurance.

"At the beginning, Cirque had some basic group insurance coverage that has evolved over the years," says Carrier, who joined the company three and a half years ago. Now, there are four geographically differentiated groups: the International Headquarters in Montreal, the Las Vegas office, the Amsterdam location and the touring shows, which are lumped together as one.

Prior to the revamp, nothing was consistent. "We had many insurers and many administrators," says Carrier, "which made things very complicated." The coverage provided to each group was not standardized and members on the touring shows sometimes had unsatisfactory coverage depending on where they were in the world.

Carrier believed a review of the group insurance was

long overdue. Early last year, Cirque's human resources department suggested a systematic evaluation of human capital risk, general insurance risk and liabilities. The exercise required Carrier to focus on three parts of the benefits plan: the design, the financing and the administration.

Throughout 2005, with the help of a consultant, Carrier reviewed the benefits plan and hunted for new providers. In particular, he wanted one insurer for each of the geographic groups. The biggest obstacle was finding one for the tours because of the traveling nature of the shows and the many languages and cultures in the group.

He decided that straightforward interviews alone were not going to determine the provider Cirque selected. Instead, he took a creative approach. While visiting potential insurers for the touring shows, he presented two medical claims as a test. One was written only in Mandarin and the other completely in Russian—neither with accompanying claim forms. "We asked the candidate insurer to get back to us in 15 minutes and tell us how they would adjudicate it," he says.

At the end of the selection process, Carrier had found providers for each of the groups: International Headquarters in Montreal would be covered by Desjardins Sécurité Financière in Quebec; the Las Vegas office would be covered by Aetna in Connecticut; the Amsterdam branch by ONVZ in the Netherlands; and the touring shows by Philadelphia-based CIGNA.

The Amsterdam office began the new plan on Jan. 1, 2006. In March of this year, three of Cirque's touring shows: Dralion, Corteo and Quidam, transitioned to the new providers. The shows Saltimbanco, Alegria and Varekai and the Montreal and Las Vegas offices made the switch in April.

The enhanced benefits plans came into effect at the same time. Cirque added major coverage for dental, including orthodontics and increased limits for massage and physiotherapists. That's because plan members at Cirque use the services more frequently than other companies, says Carrier. To increase coverage, Cirque set individual limits for each medical service instead of grouping all of them under "paramedical" with one cap, which had been done previously. In some cases, this tripled the allowance for members.

The deductible for family coverage was also eliminated and a new cost-sharing program was implemented. In the past, those members with single coverage paid nothing and those with family coverage paid 50% of the supplemental cost. Now, both pay a fixed percentage of their respective costs.

This change proved to be a roadblock for Carrier when launching the new plan. Single plan members in all of the geographic regions were not receptive to paying higher costs



Sylvain Carrier, director of compensation, benefits and HR systems, Cirque du Soleil, Montreal.

Photo: Julie Durocher

for their coverage. When traveling to each site to make live presentations last year, Carrier and his team were called upon to explain that similar companies use such systems and the new cost-sharing program was fairer to employees.

Another challenge was ensuring claims assessments were fair across the board. The benefits packages were similar for each of the geographic groups; however, due to the nature of the tours, members in those shows would inevitably receive treatments in other countries. So, Cirque used a policy of “reasonable and customary” when assessing claims made in different countries to help manage and control costs. If an employee visits a dentist in Tokyo for a specific treatment, says Carrier, the insurer

“It simplified a lot of the administration—and not just from the employer point of view.”

will consult a database of prices to compare what the typical cost in Tokyo is for the treatment and establish reimbursement using that information.

Fair compensation was another hurdle, so a minimum benefit for workers compensation was also introduced. Since legislation around the world dictates different compensation obligations for employers, Cirque now provides a standard minimum level of compensation regardless of the state or country where the performer is injured.

The most difficult obstacle for Carrier and the touring shows were the varying laws associated with taxable benefits. Depending on where members of the tours perform, certain benefits are taxable while others are not. With the introduction of enhanced benefits, members needed help completing their taxes. Cirque already provides annual tax clinics for each tour to help employees complete income tax returns from the various countries they visited. “Some may have up to six or seven returns to do in a single year,” says Carrier. Luckily, the implementation of the new plan coincided with the tax clinic. “We took the

opportunity of having our experts on site to further explain the impact of the new program on their taxes.”

ON THE SAME PAGE

Standardization among the different geographic groups has been a constructive move for Cirque. “It simplified a lot of the administration,” says Carrier, “and not just from the employer point of view.” Payment cards were given to members in the touring shows and at the Montreal office to ensure getting medical treatment or prescriptions is easier for plan members. This cut down on reimbursement claims and extra paperwork.

In addition, CIGNA, the global insurance provider for the tours, provides telephone support in every language, 24-hours-a-day and seven days a week. With 13 shows playing worldwide in different time zones, Cirque always has someone working somewhere. “We like to say that the sun never goes down at Cirque du Soleil,” says Carrier. This service provides any employee with direct access to the insurance company for support. In the long-term, he adds, the adjustments will make accounting both easier and more accurate and will help to contain costs. And the insurance structure is in place for when Cirque ventures into new business markets.

Only a month after the complete introduction of the new program,

Carrier has heard very positive feedback from plan members. His next immediate project is to take a closer look at Cirque’s short- and long-term disability cases. With its proactive stance on injuries, in which injured performers receive treatments and lesser roles until they fully recover, Cirque wants to take best practices from this area and apply them elsewhere. “It would certainly be fruitful to us if we can apply some of those best practices to the rest of the workforce,” says Carrier.

For now, it’s all about stability. Carrier knows that no matter on what part of the globe his plan members are performing or how incredible their contortions get, they will have a reliable, easy-to-use benefits plan to depend on. **BC**

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