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## **A Conversation With... Ewart 'Odie' O'Hara**

To mark its 15th year of publishing, **Benefits and Pensions Monitor** is featuring a series of conversations with people who have made a significant contribution to the industry.

Originally from Cardinal, a town in Eastern Ontario, Ewart 'Odie' O'Hara spent most of his early life on a farm there. In the early '50s, he attended St. Lawrence University in New York State, where he studied Business **Administration**. Upon graduation in the spring of 1957, he went to work for AETNA Life, based in Hartford, Detroit, and, eventually, Toronto.

The following is an edited version of the conversation between O'Hara and **Benefits and Pensions Monitor** Executive Editor Joe Hornyak.

**Benefits and Pensions Monitor:** How did the benefit trusts come to Canada?

**Ewart O'Hara:** The International Construction Unions brought the concept of benefit trusts to Canada.

During the Second World War, the U.S. had wage controls, but they didn't include other forms of compensation in the wage controls. So, the unions negotiated benefit programs and took over the administration of the first group life, disability, and very modest healthcare programs.

When the war ended, Senator Robert Taft and Congressman Frederick Allan Hartley, Jr. decided that the benefit programs being run by the unions had to be repositioned under the control of the employers." A compromise solution was reached wherein those plans were put in trusts controlled by both the employers and the unions. The unions disagreed, strenuously. The Taft-Hartley Act of 1947 codified the benefit trust arrangement.

That concept grew fairly rapidly in the U.S. Even though it started in the manufacturing industry, it was adopted by the construction industry where tradesmen, having no continuous employer relationship, were able to secure fringe benefits via employment-related contributions to a trust. Later, the construction trades brought the concept to Canada.

**BPM:** How did you get involved?

**EO:** Back in late 1958, there was a confluence of interesting factors.

First, the government of Ontario had just announced that it was going to introduce a public healthcare program. As a result, the insurance companies scrambled to replace the premium income they were going to lose, which could be as much as two-thirds of their health insurance business.

AETNA decided to bolster its premium income by developing expertise in the trustee benefit arena, which was just being established in 1958.

As the bottom guy on the totem pole, I was tapped to learn the Taft Hartley concept. So you had benefit trusts starting up in Canada, an insurance company wanting to secure that new market, and a young man trained to exploit the situation. It was a right-place-and-time scenario.

**BPM:** Maybe you can tell me a little bit about how you became involved with the International Foundation of Employee Benefit Plans (IF)?

EO: Since the IF was, initially, dedicated to training stakeholders in the benefit trust field, I attended its first Canadian conference. I was not officially involved, but, once in the door, there was a natural progression to speaking assignments and committee work. I became a director, chaired the Ottawa Legislative Update, spoke many times, and produced their first two training videos.

BPM: You've spent 50 years in the business. Looking back, would you say we're better off with the way things are today with the level of regulation or have we gone too far?

EO: In some ways, we've gone too far. In some cases, the regulators seem to lose track of their primary purpose, which is to protect the beneficial interests of the people in benefit plans.

The most glaring example is the regulation of multi-employer (trusteed) pension plans. Quite properly, the regulators worry about plan sponsors becoming insolvent and, hence, losing their financial ability to fund pension commitments. The related regulations, however, have been construed to fend off failures by single-employer plan sponsors. In those cases, if the sponsor goes down, so does the pension plan.

Multi-employer pension trusts are different. One failed contributing employer, out of many, does not destroy the trust or the pension plan it sponsors. The regulators seem not to appreciate that distinction and it shows in many ways.

This is not to say that multi-employer (trusteed) benefit plans are without problems. They have their share. Otherwise, firms like ours would not be in business. We help the governing trustees do their job properly.

BPM: So, how do you do that, without supplanting the authority of the trustees?

EO: First of all, our people never put themselves in the position of being the decision-maker. We make sure that the trustees have all of the facts and help they need to reach appropriate decisions. We do not direct their decisions or make their decisions for them. For example, as administrators and consultants, we assist our trustee clients in the selection of the other professional organizations they employ – audit firms, lawyers, money managers, and so on. We have ways of leading the trustees through the sourcing and decision-making processes, which keep us at armslength. After all, those other professionals must serve to balance off and monitor our work, impartially.

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This past August, Ewart 'Odie' O'Hara became the first recipient of the International Foundation of Employee Benefit Plans' Canadian Lifetime Volunteer Award. Influential in the Canadian employee benefits community for several decades, he has been a speaker, moderator, and committee member for the International Foundation since 1979. The selection criteria includes length of service, professional designations, other academic achievements, overall body of volunteer work, and contributions to the Canadian benefit industry. Bernard Christophe, chair of the International Foundation Canadian Board, says "Odie played an instrumental part in establishing the International Foundation's Canadian roots. Throughout the years, his continued involvement in the foundation has established him as a leader in the benefits community." He is currently president of Benchmark Decisions, Ltd., an actuarial and benefit consulting firm to benefit trust funds, corporate plan sponsors, and unions.

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BPM: Have any government agencies ever assessed the capabilities of trustees and, for that matter, your whole industry?

EO: The federal government did assess the qualities of our industry a few years ago. Senator Michael Kirby led an investigation team that did some good things. He identified inadequacies and suggested the need for remedial action. The IF met the call. It created special education programs for both trustees and professionals, which have produced obvious improvements in all sectors.

BPM: Would you say that the trusteed benefits industry, and its government regulators, have had to suffer a lot of growing pains to get where they are today? If so, why has it been such a struggle?

EO: Yes, the growing pains have been intense and have lasted much too long – almost 50 years. Why, because the beginning was ambiguous. Unlike the USA, in Canada we started out with no codification; no Taft-Hartley Act; no legal guidelines. The service industry grew around an imported concept that had no Canadian foundation, and it grew like topsy until problems arose. The regulators stepped in with some of their typical overkill. It was fortunate that the IF was around to mediate and help to direct everyone's attention toward improvement and stronger success. ■

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