



Mainstay Insurance Brokerage Inc. Phone: (905)886-9203

To Serve You Better

In order to assist you with your employee benefit plan, we are continuing to update our website.

Located at:

www.mainstayinsurance.ca

The site provides easy access to many of the insurance company's websites and to the extended health and dental claim forms you utilize on a regular basis.

We have recently added the phone numbers for customer service and the mailing addresses for claims. You can now download your forms, get phone numbers to have questions answered, and obtain the mailing address for your claim all with one stop. This will allow you to process your claims faster and get your claim cheque back into your pocket as soon as possible.

We have also introduced an auto translation to a French language version of the website. This version will be beneficial for our French speaking employees and their dependents such as our client population located in Quebec and New Brunswick.

If you use a form that is not available at our website, or would like additional information included on the website, please send us an e-mail and we will be happy to add it to our site.

feedback@mainstayinsurance.ca

Employee Questions & Answers...

Your plan administrator and our firm are often asked questions about participation in benefit plans. Following are the answers to the most commonly asked questions.

Q. Why do I have to be enrolled in the plan at all?

A. Most benefit plans are of a "mandatory" nature meaning that all eligible full time staff must be enrolled. This requirement helps to protect you in the event you have future health problems. Without being enrolled up front, a change in the future would require you to complete an "evidence of insurability" form (health questions), which could result in a denial of coverage to you and/or your dependents.

Q. What if my spouse already has coverage through their employer?

A. You may "waive" health and dental benefits if you have coverage through a plan with your spouse. You would still be enrolled in your employer's plan for benefits such as life and long term disability coverage that are typically not provided through a spousal plan.

Q. What if I am in a common-law or same-sex relationship?

A. Depending on your situation, you may elect to take "single" coverage if your common-law or same sex

partner also has single coverage through their employer. You may choose "family" coverage if your partner does not have benefit coverage. You may also choose to "waive" health and dental coverage if you can receive benefit coverage through your partner.

Q. I am divorced and have remarried. How do I go about covering my new spouse, my children, my spouse's children and my ex-spouse?

A. This situation can get tricky so we recommend that you speak directly to your plan administrator for assistance. A few guidelines follow.

- You cannot cover both spouses at the same time.
- Agreements and court orders take precedence in most cases. If you agreed to provide your "ex" with benefits, you will have to continue until this obligation is discharged.
- You can cover all of your eligible dependents, which could include both sets of children after the new marriage.

Q. Why do I have to pay for part of my benefits?

A. Cost sharing is recommended for a number of reasons. In almost all cases employees pay long-term disability premiums so that any benefits received in the future will be realized tax-

free. This will provide you with a better level of income replacement when you need it most at the time of a disability.

Another reason for sharing costs is the rising cost of benefits. In the past, the inflation rate for health care was well below 10%. With the addition of expensive new drugs, greater downloading from provincial governments, and a greater utilization of paramedical services, we are seeing an increase in claims at an extremely rapid pace. As a result premium increases in the 15-20% range are becoming common. This can result in benefit costs doubling every 4-5 years. In order to help employees better understand the rising costs and support the future long-term viability of the plan, we often suggest a 50/50 split of costs between employer and employee in order to keep a plan affordable over the long term.

Q. What if I already have life insurance? Do I need to participate and have more?

A. Life insurance is a mandatory benefit with most group policies. It is required for all staff, even those who are covered by spousal plans for other benefits. Most individuals are under insured and the minimal amount (usually \$25,000) that is included with most plans is only intended to help defray final burial expenses.



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We're on the Web!

See us at:

mainstayinsurance.ca

Just in case you were wondering....

For the first time in our history the total charges for physician services has been surpassed by the cost of prescription drugs. This combined with other reductions in provincial healthcare benefits, means that more costs are being downloaded for payment to our private plans. The end result is an increase in the number of claims being paid for by private plans and increasing premiums.

The information contained herein is provided as a general aid and guide to employers and benefit administrators. The policy or contract provided by your insurer as well as relevant legislation shall always take precedence.

Mandatory Plans provide benefits...

It has come to our attention that a number of clients have policies with less than 100% participation requirements. This can result in late enrolment limitations as well as a possible decline in benefits for employees and/or their dependents that were not enrolled in the plan during their original eligibility period. Most clients would be better served by amending their current policy to a "mandatory plan" requiring 100% participation.

This change would mean that all full time employees who meet your policy's requirements and the insurer's eligibility definitions, would be required to

participate in the plan at the time they become eligible. Most plans currently operate under this principle and have been structured in this manner in order to help reduce liability and reduce the risk of late enrolment limitations and denials.

By utilizing this type of plan design, if an employee were not enrolled within the required 31 days of change, the plan would be billed back to the actual date of change and the employee would be eligible to have claims paid for expenses incurred during that time. For example, if an employee were married Jan. 1, 2002 but did not report the change to the employer and

insurer until May 1, 2002, the employer would be billed the difference between the family and the single rate that was charged for the four months prior to the reported change. If the employee shared in the premium cost, they would also be responsible for their portion. It is important to note that this is NOT a penalty but a "catch up" of premium owing due to the change, because the employee and their new spouse will be eligible for coverage for this period of time.

If your plan is not mandatory now is a good time to amend to one of a mandatory nature before issues arise.

Ontario Dental Fee Guides are changing...

The 2002 Ontario Dental Association Suggested Fee Guide has gone through a number of changes. The biggest change is the "unbundling" of the packaged recall codes that have been used in Ontario for the past 15 years. These codes encompassed exams, scaling, polishing, and fluoride treatments and were the most common billing used for adults and children at check-ups. Your dentist will now use the individual codes for each procedure performed during a visit.

New on the Web

We continue to add new links to our website that we think will assist you in plan administration. The newest additions are links to information that is human resources focused. Much of this data, such as Canada Pension Plan (CPP) and Employment Insurance (EI) benefit information as well as

The long-term effect that this change will have on claims remains to be seen but is being monitored by the insurance companies.

While there may initially be higher claim costs these can be partially attributed to the 1 to 4% inflation increase that the fee guide itself has seen. Ongoing increases due to utilization trends will also continue to drive claim costs up.

One way to help your employees remain aware of costs is to avoid the

assignment of benefits to the dentist. This means that the patient pays the dental bill and then submits the claim to the insurer for reimbursement rather than assigning the payment directly to the dentist. This makes the employee part of the process and provides them with the opportunity to discuss services and fees with their dentist at or before the time of service.

For more information visit...

www.dental.oda.on.ca

provincial health care coverage details, links with your existing employee benefit plan.

These areas of legislation are constantly changing and you should remain current with them in order to ensure that you remain within the law.

To assist with this we have added a new link to **Dejardins Financial Security's** provincial benefit legislation page. These annual reports provide a summary of many of the Provincial and Federal programs that affect you and your staff and are a great resource for you to access.