



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

In order to serve you better

To assist you with your employee benefit plan, we are continually updating our website. Located at:

www.mainstayinsurance.ca

The site provides easy access to many insurance company's websites and to the health and dental claim forms you utilize on a regular basis. We have also added links to the log on pages for members (employees) in order to provide quick entry to other websites.

If you use a form that is not on our website and would like it added, please send us an e-mail at:

feedback@mainstayinsurance.ca

Did you know..?

Help is just a call away

You can call customer service if you need information on what is covered under your plan or if you need help with claims.

Most insurers have secure websites that employees can access to set up direct deposit, follow up on claims, print forms, check benefit coverage etc.

Phone numbers and web sites are often available in your employee booklet, on claim forms, or can be obtained from our website (noted above).

Important information about your travel coverage

Each year we meet with clients at renewal time to discuss issues that impact your benefit plan. A topic that is often discussed is the limitations of your plan's emergency travel coverage. These limitations exist in every plan to some degree (both group and individual coverage) and everyone should be aware of them.

The most important item is the definition of what **emergency** travel coverage is in the first place. Most insurers define it as "an accident or injury or an **unforeseen illness** that **begins** while the insured person is traveling". The key words noted above are often further clarified by the insurer as, "any illness previously diagnosed or treated in Canada may not be covered". **WHAT DOES THIS MEAN TO YOU?**

These definitions may mean that you are **NOT** covered when you travel out of Canada if:

1. You are in a high-risk pregnancy or beyond your 32-35th week of pregnancy.
2. You have recently had or are scheduled to have surgery or treatment for a medical condition.
3. It has been suggested that you have a medical test, have been scheduled for, or recently had and/or are awaiting test results.

4. Your physician would say or has said that you are not medically stable or safe to travel.

5. You have had recent changes to your medication such as the introduction of a new drug or dosage changes to existing drugs.

It is important to note that your out of country coverage may still be in effect for other illnesses and injuries that are **NOT** related to your pre-existing condition.

The second item that can cause a problem is the requirement by most carriers to contact them immediately when medical treatment is required.

This is becoming more significant as many carriers are amending plans to say that they will **NOT** pay if they are not immediately notified of a medical issue.

Often when someone seeks medical attention in a foreign country (this includes the US) they are asked for their insurance information and are assured that the hospital will "take care of everything". This **DOES NOT** mean that the hospital will contact the insurer. In fact, they may intentionally NOT contact them in an effort to run additional and possibly unnecessary tests. Some insurers specifically state

for example, that they will not pay for any PET/CAT scans, or MRI's unless they are pre-authorized.

What can you do to ensure that you are going to have full medical coverage in place when you travel?

1. Ensure you are in good, stable health and are not traveling against doctor's orders. Speak to your doctor if you have concerns. Your health should come ahead of a trip to the beach.

2. Take your travel insurance card and brochure with you when you travel.

3. Call the insurer the moment an event arises. Do not wait for a hospital or clinic to do so on your behalf.

When you are traveling, consider the use of a service such as Canada Direct (1-800-561-8868). This service provides you with a local phone number (at your destination) so that you can place a call from most countries back to Canada. This is done with an English-speaking operator and allows services such as collect calling and third party billing. Calling the number above or checking the front pages of your local phone directory can also provide more information.



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Note: This side of the newsletter is intended for you, the plan administrator. The information on the 'front' is targeted more to your staff and can be copied and distributed for their reference.

Just in case you were wondering...

Canada's health care spending continues to rise and is expected to reach \$160.1 billion dollars in 2007, up from \$150.3 billion in 2006. This represents an annual increase of 6.6% according to new figures released by the Canadian Institute for Health Information (CIHI) in its report on health care spending.

National Health Expenditure
Trends, 1975-2007

This information is provided as a reference to clients of Mainstay Insurance Brokerage Inc. It is not intended as advice. Your situation and the contract provided by your insurer as well as any relevant legislation shall always take precedence. Always obtain appropriate legal, human resource or accounting advice.

T-4 Reminders – Don't Forget !!!!

Each year at your plans renewal time we review some of the taxation issues that impact your benefit plan. In many cases your accountant or bookkeeper will also have raised these issues.

To ensure that issues are dealt with in a timely manner, we continue to include an annual reminder in this newsletter. This is not intended to offer advice but simply to remind you of some of the more important items so that you can discuss them with your accountant to ensure that your situation is handled in the most appropriate manner.

Employee life and dependent life insurance that is paid for by the employer is a taxable benefit in all provinces and ALL amounts must be shown as such on your employee's T-4. If your employee pays the premium for this benefit then this is not an issue.

Accidental Death & Disability (AD&D) premiums paid for by employers in QUEBEC ONLY are considered taxable and are treated like life insurance premiums.

Long-term disability premiums paid by the employer are generally NOT a taxable benefit but WILL be taxed at the time a claim is received. An alternative may be to have the employees contribute 100% of this premium cost throughout the year, to maintain a tax free benefit for them at the time a claim is received. The tax bulletin IT-428 can provide information on how to best handle this benefit.

Health and dental premiums (including Health Care Spending Accounts) are a taxable benefit to Quebec employees. Health plans must also comply with the Quebec legislation RAMQ. Information is available from RAMQ or under

"Additional Information" on our web site.

There are a number of pieces of legislation that interact and contradict each other. An example of this affects plans with Quebec employees. The provincial rules dictate that any benefit paid to an employee (such as HCSA amounts or cost plus benefits) must be included as a taxable benefit for that individual (in addition to any regular premiums). However, privacy legislation indicates that this data may no longer be provided to the employer to ensure the employees right to privacy. This makes the first piece of legislation difficult to comply with.

Because of the complexity of some of these issues, it is always best to discuss them with your accountant, lawyer or human resources professional to find the method best suited to your particular situation.

Administrators Need to Keep Insurers Informed

It is imperative that employers (plan administrators) keep employee data up to date with the insurer. Any and all changes that affect an employee's coverage MUST be sent to the insurer within 31 days of the effective date.

These changes can include; new hires, terminations, marriages, cohabitations, divorces separations, birth of children, change in student status, changes in

salary or hours worked, a change in spousal coverage, in employee class or a change of co-ordination of benefits information. Often the employer is not aware of these situations. It is a good idea to raise this issue with staff at least once a year in order to capture this information appropriately. This can help to ensure that any retroactive changes that may be required will have a minimal effect on staff or premiums.

All changes by the employer should be sent to the insurer immediately. Plans with benefits tied to earnings (such as life & LTD coverage) must be done within 31 days of becoming effective. Making annual salary adjustments to the carrier is NOT adequate as the coverage that an employee would receive in the event of death or disability could be less than anticipated creating a position of risk for the employer.