

# From the Masthead



**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](http://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](mailto:feedback@mainstayinsurance.ca)

## Did you know that..?

Amounts that you pay for medical expenses from your pocket could be eligible under the Medical Expense Tax Credit (METC) on your personal taxes.

This can include amounts paid for deductibles and co-insurance, amounts over your plan maximums, or cost sharing with your employer.

Charges for those health expenses not normally covered by plans such as cosmetic or laser eye surgery, dental implants, teeth whitening etc. may also be eligible.

Hold on to your bills and explanation of benefit forms and check with your tax preparer for advice.

## Drug costs rising again

According to recent information released by the Canadian Institute for Health Information (CIHI), the annual average spend by Canadians on drugs has continued to rise at a rate far in excess of inflation.

In 2008 the amount rose to approximately \$897 per Canadian per year. That represents an estimated annual growth rate of 8.3%. This high rate of increase has caused drug expenditures to nearly double in the past 10 years.

The majority of drug costs is for prescription drugs

(84%) that for the most part (55%) are being born by the private sector through individual plans, employer group insurance plans and private out of pocket payments.

With recent economic conditions, this is having a greater effect as some people are losing benefit coverage through employers through loss of employment, loss of eligibility, or general reductions in benefit plans overall.

How can you make your drug benefit dollar go further?

1. Coordinate your benefit coverage with your spouse's plan.
2. Watch and shop for the lowest dispensing fees
3. Make sure you are getting generics where available.
4. Use medication as suggested. Wasting medication often leads to longer-term costs.
5. Speak to your physician. Are you on the latest and greatest drug when another less expensive one might do just as good a job?
6. Investigate the Trillium program with your pharmacist if your drug costs are VERY.

## Positive economic news. It's not all bad...

Everyday we pick up the paper, listen to the radio and see news on the TV about how the economy is doing so poorly.

I hate to be the one to break it to you but in MANY cases it is NOT the end of the world. Armageddon is not around the corner. The sky is not falling. All businesses are not failing.

In fact most of my clients (mostly small to mid-sized firms like yourself) seem to be doing okay. Some are seeing record growth, others are holding their own and matching last years numbers.

There are of course some firms that have been facing very tough times. Many firms that are directly tied to the auto and manufacturing sectors have been adversely affected and are having larger issues that they may not overcome.

Overall, at Mainstay, we have seen very small average increases (1.75%) for clients over the first six months of the year. This relatively flat period of increases is helping many to weather the economic storm. In fact, many are using this time to re-invest in benefits. Instead of

cutting benefits (and costs), they are using the opportunity to enhance benefits and invest in their core staff.

We have seen an inordinately high increase in the number of amendments to plans.

Some have been revenue neutral, such as number of hours worked to become eligible for benefits, while many have been revenue increasing adding vision benefits, increasing maximums or adding new levels of coverage in areas like dental or paramedicals.



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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...*

Employees may come to you for a receipt for the amount deducted from their pay for health and dental benefits.

If employees are sharing the cost of health and or dental (not life or LTD) benefits, those costs may be eligible for the Medical Expense Tax Credit and as such, they will need to know the amount you have deducted over the past year.

From Mainstay Insurance

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.

## Why not support a local athlete?

In business we all meet a wide variety of interesting people every day. Some are clients, their employees, insurance company reps, or our peers at events etc. Every now and then you run across someone special that falls out of the norm. I have had the pleasure of that happening to me in recent months.

Those that excel in the areas where I have little or no talent never fail to impress me. People who create music are one such group (me being unable to carry a tune at all).

The other group is athletes who dedicate a big part of their lives to being the best that they can be and in some cases, amongst the best in the world.

## We are staying up on things...

We thought it might be of interest to our readers to pass along some of the behind the scenes work that brokers, such as Mainstay do, in order to better educate ourselves so that we can more effectively serve you our clients.

Those of us who are licensed to sell life, accident and sickness insurance (which includes employee benefits) are required by law to complete Continuing Education (CE) courses each year to maintain our licenses.

These courses are often hosted by insurers and professional associations

Many of these people make their training a full time job and get by with very little funding from other sources in Canada.

We at Mainstay have decided to try and help a few of these people to achieve their best and invite you to do the same. Even a small contribution can help to cover some expenses in their quest to be the best.

The first person we are supporting is a young local man Lenny Valjas, who has recently made the Canadian National Ski Team and is hoping to make it to the Olympic team when it is picked later this year. As one who is the youngest in his class, he has finished in the top ten in Canadian, European and world cross-country skiing

and deal with a variety of topics covering our various areas of specialization.

Mainstay Insurance is also one of the founding members of a monthly breakfast group that encourages the self-education of those who specialize in benefits in The Greater Toronto Area (GTA).

This group has evolved into a membership organization over the past year and has almost 100 members with between 20 and 30 who choose to participate in a monthly breakfast meeting at each of our locations in and around the GTA.

competitions. Next time we see him, I hope it is in Vancouver in 2010. To find out more or to sponsor Lenny please visit his blog at [lennyvaljas.blogspot.com](http://lennyvaljas.blogspot.com)

The other athlete, who we came into contact with, is Andy Holborn. Andy is a golfer who plays in the Ontario PGA and the Great Lakes Tour. His goal is to earn a spot in the extremely competitive PGA circuit.

To sponsor Andy please visit his website at [www.andyholborn.com](http://www.andyholborn.com)

Why not try and give them a hand to realize their dream?

Give us a call if you are interested in helping them out or want more details.

The idea is to share knowledge between our peers (and in many cases our competitors) in order to improve the industry and ourselves and in turn, provide better service to you, our clients.

We are also proud to have organized our first (sold out) seminar at the end of April on reducing liability for plan administrators. We are in the process of planning our next for September. Eventually we hope to do three or four seminars a year

See more about the group at our site...

[www.gbgb.ca](http://www.gbgb.ca)