



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 that..?

There is a new battle reappearing over public water fluoridation? There are always pros and cons but...

"Water fluoridation is one of the greatest preventative measures we have in the war against dental decay," said CDA President Dr. Deborah Stymiest. "There is clear evidence that fluoride helps natural tooth enamel remineralize. Jurisdictions around the world support water fluoridation - as do we - and it is important that everyone understands the facts and the benefits of fluoride."

The Canadian Dental Association

Do You Have Overage Dependants? Students?

Most group benefit plans define a dependent child as

"an employee's natural or adopted child, or stepchild, who is

- unmarried;
- not employed on a full-time basis;
- not eligible for insurance under a group policy; and
- either under 21 years of age, or, if a full-time student at an accredited school, college or university, under 25 years of age
- incapacitated due to a mental or physical disability

If you have a child who has entered post secondary school or who is returning to school, then it is your responsibility to ensure that their personal information is kept up to date with the insurer in order to maintain coverage.

Depending on the insurer, you may be asked to fill out a form with details such as the name of the school, the length of the program etc. Some may ask for proof of full time enrolment and others simply ask for a phone call with a verbal statement that your child is enrolled full time that will be recorded on file.

In most cases you will be required to update information with the insurer each year that your child is returning to school and remains eligible. Most carriers require the information by the end of August.

Keeping this information updated is EXTREMELY important. By ensuring coverage is up to date, it ensures quick and easy claims payment should your child need prescription drugs or a dental visit while at school. It also ensures that the appropriate out of country coverage is in force. This is very important if your child were to leave the country and require emergency medical treatment. A school or spring break trip are good examples of when services might be needed. An emergency is NOT the time to find out that your child has been removed from the plan because you forgot to update.

If your student is enrolled in a post secondary school that is outside of Canada, there are a number of other issues that need to be considered.

They will require an extension from OHIP (or your provincial health insurance plan). This does two things: it

ensures your child's ongoing OHIP coverage upon their return from school and allows group benefit plans to maintain coverage. This coverage is NOT always automatic and in most cases the insurer will need to be notified that your child will be attending school out of the country, that the OHIP coverage extension has been approved, and that they are enrolled fulltime (the same as an in province student).

If your child is no longer in full-time post secondary school, are married or are working full-time, they are no longer eligible to be on your benefit plan. They must enroll in the plan provided by their own employer or obtain personal individual coverage of their own. Having them remain on your employers benefit plan and not complying with the contract will result in their claims being declined.

Speak to your plan administrator or call the insurer directly if you have any questions or concerns, or to verify coverage.

Insurer contact information can be obtained from your employee booklet or through our website at www.mainstayinsurance.ca



Mainstay Insurance Brokerage Inc.

10 Linton Court
Thornhill, Ontario
L3T 5M9

PHONE:
(905) 886-9203

TOLL FREE:
1-877-624-6789
1-877-MAINSTY

FAX:
(905) 707-0216

E-MAIL:
inquiries@mainstayinsurance.ca

WEBSITE:
mainstayinsurance.ca

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...

All benefit plans with Mainstay Insurance brokerage are MANDATORY in nature. This is a contractual requirement of the benefit plan and ensures that all eligible, full-time permanent staff get the coverage they are entitled to. It also helps to reduce the liability employers could face if an employee or their dependants were to opt out.

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.

Wondering what others employers pay?

With the current uncertain financial environment, it is essential that you stay informed of the trends that impact operating costs. Your employee benefits are no exception.

An educated employer is in a better position to communicate with staff to make any plan changes that may be required to maintain reasonable pricing of their plan.

Even with benefits having higher rate increases than CPI inflation, they remain one of the most effective ways to attract and retain staff, while providing one of the few available non-taxable benefits (except Quebec).

As we are seeing more clients with more staff encountering even higher claim costs, the importance of benefit coverage is evident. Link this with our aging population and it is obvious why health benefits are more important than ever.

What do increasing costs and the corresponding rates mean to you, our clients?

It's not all bad news. The average increase in rates over the past 5 years and the year to date results for 2009 are listed here. We've also included the greatest increases and decreases to illustrate the range our clients have encountered. These numbers are from Mainstay clients only and are un-weighted.

Premium Changes

Year	Best	Avg.	Worst
2004	-37%	2.1%	+25%
2005	-38%	5.6%	+25%
2006	-11%	4.8%	+30%
2007	-12%	6.9%	+38%
2008	-28%	3.6%	+37%
2009 YTD	-26%	3.1%	+35%

Upon seeing these numbers everyone's first response is "we want that 30-38% rate decrease".

We wish that was the case as it would make our life much easier at renewal time. The firms that had the large rate reductions actually grew their staff population considerably while at the same time REDUCED their overall claim costs. In fact, they were actually overpaying at their old rates, until their pricing was adjusted to reflect the new increased population and actual claims of the firm.

What this summary tells us is that the client that paid an average cost of \$2000/person/year in 2004 will be paying \$2573 in 2010. A big increase? Absolutely at almost 29%; but not the rate doubling every four to five years that we were seeing if trends had continued as they had in the years leading up to 2002 (in both Canada and the US).

So who takes the credit

for these better than expected (lower than the past) increases? As much as we would like to be the sole reason for helping to keep costs down, much of it is due to the fact that employee claims are simply not rising to the levels many had expected.

Is it likely to get better? Are we going to see rates drop?

Probably not. Look at the column with the highest rate increases and you will see that many clients have in fact had to deal with significantly higher rates over the past few years. These increases have caused many employers to try to better manage their costs by (in some cases) reducing benefit coverage, sharing greater portions of the premiums with their employees, and switching to defined contribution style plans (Health Spending Accounts).

We think that the role of benefits is to attract and retain staff. Though not always the most efficient method of compensation, it is a comparator that many employees look for when considering entering or leaving a job. This fact should be considered before significant plan changes are considered.

If you are looking at ways to enhance your plan to hold onto your good staff or to make cuts to help reduce costs, please give us a call.