

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

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 access to other websites.

Did you know that...

... Canada has a unique healthcare program for refugees and asylum seekers called the [Interim Federal Health Program \(IFHP\)](#)?

The IFHP provides temporary health insurance coverage to qualified individuals who have not yet eligible for provincial or territorial health insurance plans.

The program covers basic health services including doctor and hospital visits, prescription drugs, and medical testing. It also provides services related to mental health, vision, and dental care.

Need help finding a form, phone number, or just support in general, please do not hesitate to call us at: 1-905-886-9203 or send us an e-mail at: Dave@mainstayinsurance.ca

Benefits Fraud hurts your Employer, NOT the insurer

Employee benefits fraud can have serious consequences for both employees and employers in Canada. Fraudulent activities such as exaggerating medical expenses, submitting false claims, or using someone else's insurance coverage can lead to financial losses and undermine the trust and integrity of the health benefits plan paid for by your employer.

For employees, the impact of benefits fraud can be significant. Employees who engage in fraudulent activities may be risking their own job security, plus their reputation and trustworthiness within the company. Furthermore, other employees who rely on the benefits plan for their health and financial well-being may be left without adequate coverage if fraudsters drain resources from the program. This can lead to increased

stress and financial hardship for honest employees who need to make legitimate claims.

Employers are also be negatively affected by employee benefits fraud. Financial losses resulting from fraudulent claims can lead to increased costs for employers, which may ultimately affect the company's bottom line. Furthermore, fraudulent activities can undermine the credibility of the benefits plan and erode trust between employer and employees. This can create a toxic work environment, decrease employee morale and productivity, and harm the company's reputation.

In order to mitigate the negative impact of employee benefits fraud,

it is crucial for insurers to implement effective fraud prevention measures. This can include thorough verification of claims, regular audits of claims, and employee education on the consequences of fraudulent activities. Employers should also encourage a culture of integrity and transparency within the company, where employees feel comfortable reporting suspected fraud and unethical behavior.

Employee benefits fraud can hurt both employees and employers in Canada. It is important for both parties to take proactive steps to prevent and detect fraudulent activities in order to protect the integrity of the benefits plan and support the financial and health security of employees it is intended to cover.

You're going to pay more for dental treatments in 2023

Dental costs in Ontario are continuing to rise for several reasons including:

Inflation: Inflation continues to affect the economy, with the Ontario Dental Association fee guide increasing dental costs by 8.5% in 2023.

Demand: As the population in Ontario grows, the demand for dental services increase. This result in a higher number of patients seeking dental care, which has also

been delayed during the pandemic.

Technological: Advances in dental treatments are providing better outcomes for patients, but these innovations can be expensive (eg. implants vs bridges). Dental clinics need to invest in new equipment and training to provide these treatments, which drive costs up.

Overhead Costs: Dental clinics have experienced increased costs such as

rising rent, and higher staff salaries. These costs are passed on to patients through increased fees.

Overall, dental costs in Ontario will continue to rise in 2023 by about 10% or more. Patients can help manage their dental expenses by practicing good oral hygiene, attending regular check-ups, and reviewing and confirming the fees on their statements the dentist office provides.



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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 plus any relevant legislation shall always take precedence. Always obtain appropriate legal, human resource or accounting advice.

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...

This newsletter was generated by a form of Artificial Intelligence called [Chat GPT](#) (except article to the right on benefit costs).

This app is currently in test mode, but you can ask it to write articles, generate computer code, calculate excel formulas or do just about anything you can put into words.

In this test, I changed a few words here and there to be more clear, but they were created by asking it to... Write an article on dental plan rate increases in Ontario.

Let's remember why we have employee benefit plans

Employee benefit plans are imperative in Canada for several reasons:

Attracting and retaining talent:

In a competitive job market, employers need to offer employee benefit plans to attract and retain the best talent. Comprehensive employee benefit plans, such as health and dental coverage, can make an employer more desirable to job seekers.

Promoting employee well-being:

Providing a health benefits plan can also promote employee well-being and job satisfaction. Access to health and dental benefits for example, can help employees maintain good health and prevent illness.

Tax benefits:

Offering employee benefits can also provide tax benefits for both employers and

employees. Many employee benefits, such as health and dental coverage, are tax-deductible for employers and are received tax-free by employees.

Overall, employee benefit plans are essential in Canada because they help employers attract and retain talent, promote employee well-being, comply with legal requirements, and provide tax benefits.

What are others paying for their benefits?

Each year we meet to discuss your plan's renewal. During the meeting we review the change in rates based on changes in your staff demographics, claim costs and the claims of all small businesses in the pool.

Some of you see higher increases and others experience lower increases or even the occasional decrease.

The average annual increase in rates for our block of business over the past five years has been about 2.2%; over the past ten years 2.8%; and over 15 years only 3.3% per year. The biggest issue for groups (<100 employees) dealing with high cost claims, is a lack of "insurance" which results in rate volatility.

We anticipate higher than average increases in 2023 due to employees "catching up" on health and dental services delayed during the pandemic, and also from inflationary increases in most services (dental up 8.5% alone).

We have included our highest increases and decreases in the chart below to illustrate the range of plan cost changes that our clients encounter. These are compiled from our current clients and are un-weighted.

Annual Premium Changes

Year	Best	Avg.	Worst
2013	-21%	-0.2%	+17%
2014	-20%	1.7%	+14%
2015	-17%	6.3%	+37%
2016	-10%	2.2%	+16%
2017	-13%	7.2%	+44%
2018	-12%	4.2%	+31%
2019	-17%	-0.7%	+31%
2020	-18%	4.0%	+46%
2021	-19%	-1.8%	+18%
2022	-23%	5.4%	+30%
2023	-18%	11.5%	+47%
YTD			

The initial response we often get to this information is "we want that 23% rate decrease". Who wouldn't, one would think, but in reality, you likely would not want it.

The firm that had that rate decrease actually grew their staff population,

while at the same time REDUCING their overall claim costs. They were really overpaying until the pricing was adjusted at renewal to reflect the new staff added and the declining number of claims submitted.

What this summary tells us is that the average client paid a benefit cost slightly higher than inflation, but not as high as one might expect.

Are rate increases likely to get better or worse? We never know for sure but expect costs to increase at a faster rate as inflation does.

These increases are due to the aging of employees, higher utilization and the larger than average increases in healthcare costs seen worldwide.

We'll continue sharing information like this to keep you up to date.