



**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 access 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:

[Dave@mainstayinsurance.ca](mailto:Dave@mainstayinsurance.ca)

## Did you know that...

...there is more fraud occurring with paramedical practitioners than ever before? These services include massage, acupuncture, physiotherapy and chiropractic treatments etc. This type of fraud actually costs your employer and only leads to increasing costs and decreasing benefits.

Already this year 170 TTC staff, police officers and firefighters in the GTA have lost their jobs because they committed benefit plan fraud.

If you are involved in a deal that seems "too good to be true", or that gets you something for nothing, you may be risking not only your job, but also a criminal record and possibly jail.

## Students Back to School ? Time to update coverage !

Each year we run the following article as a reminder to parents.

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

Most group benefit plans define a dependant 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 another 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.

Depending on the insurer, you may be asked to complete a form providing 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 may simply ask for confirmation via a phone call to verify that your child is enrolled full time, and that call will be recorded.

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 for coverage. 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. School or spring break trips 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 their information.

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

The student will require an extension from OHIP (or your provincial health insurance plan). This extension does two things: it ensures your child's ongoing OHIP coverage upon their return from school and MAY allow group benefit plans to be extended to maintain

coverage. This coverage is NOT 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 in school fulltime (the same requirement for an in province student). Due to changes in US legislation (Affordable Care Act), US schools will no longer accept extensions of group coverage for students studying there. This is due to the fact that it is emergency only coverage and below their minimum requirements. Coverage made specifically for US students may provide the best option in these cases.

If your child is no longer a full-time post secondary student, is married or is working full-time, they are no longer eligible to be on your plan. They must enroll in the plan provided by their own employer or obtain personal individual coverage of their own.

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

Insurer contact information can be obtained from your employee booklet or through our company website at: [www.mainstayinsurance.ca](http://www.mainstayinsurance.ca)



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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...

We are running a half-day seminar on Wed. Nov. 29th on the changes that will occur in the new year as a result of changes to the Employment Standards Act as a result of Bill 148.

We will have an employment lawyer, HR consultant and potentially a ministry of Labour inspector speaking.

If our clients, HR or Plan Administration staff are interested in attending, please let us know and we will provide complimentary registration.

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.

## Employer Sues Insurer for Failing to Stop Fraud

You may have heard about the \$5 Million dollar lawsuit launched against Manulife by the Toronto Transit Commission (TTC) for a failure to provide appropriate fraud controls. Manulife and others have fraud squads in place to investigate and attempt to reduce fraud, but with insurance industry now stating that fraud is costing from 5 to 15 percent of all monies spent, this would

mean that \$4 BILLION a year is being wasted.

One area where insurers have made fraud easier is with their decision to change many paramedical services from a "per treatment" charge limit to a "per hour" limit. In the past, this would have limited a 2-hour massage claim (as an example) to a 50-minute standard treatment. With the

change, the plan would now allow for the payment of a 2-hour treatment. This effectively doubles the payment amount an employer is responsible for, and makes it easier for providers and employers to defraud plans at their employer expense.

If you think there may be fraud on your plan, please call us or the insurer ASAP.

## Commission Disclosure

At our renewal meeting each year we provide clients with our disclosure documents. These confirm that we are acting as your broker, outline which providers we work with, and communicate how we are licensed and compensated.

In most cases our commission is based on a sliding scale that begins at 10% of your plans annualized premium and reduces as the cost of your benefit plan grows. Some insurers may utilize higher percentage scales with no bonuses while others utilize lower commission percentages with an annual bonus also paid based on retention, growth and sales. Plans, such as health spending accounts (HSA's), pay a flat rate of commission equal to 4% of paid claims.

Regardless of the insurer, the compensation model, or the size of client, we treat all our clients in a similar fashion, and in many cases the compensation results in a similar amount being paid. We continue to use industry standard commission scales and are in fact compensated lower than many brokers who use flat 12%, 15% or even higher commission

scales. We offer clients excellent service and by specializing in the area of employee benefits, offer more to protect our clients from potential areas of liability than many brokers do who are generalists dabbling in a variety of areas of insurance.

We do not provide our services on a "fee for service" basis as we think this ends up increasing costs to clients and we never want you to hesitate in calling us out of concern of being billed simply because you have a question about your plan. Please call us as often as you wish.

As many of you know, we constantly work behind the scenes with pharmaceutical companies, insurers, industry groups, and even regulators to ensure we are aware of changes that could affect you and your firm. We often find and respond to these issues, protecting you, before other brokers are even aware something is going on. A great example is our work over the past 5 years to integrate insurers with the Ontario Trillium program that will save Ontario employers close to \$100 million dollars per year

on drug claims once it is implemented.

It appears that the insurance companies want to force detailed commission disclosure on brokers as early as January 2018. With the initiative they are discussing, a letter will be sent to you with the dollar amount we are paid. While we are in support of disclosure (and have been doing so for over 12 years), we think this can be misleading to clients. Imagine a small group that starts a plan with 4 staff and a \$1,000 commission is paid and communicated. The group grows rapidly to 12 staff by the end of the year and a statement is then sent that says \$2,500 was paid.

We think disclosure in this form can potentially lead to a limbo game of "how low can you go" with brokers reducing commission and the service provided to try and be competitive.

We will not compromise our level of service under any circumstances and believe we add value to your business. We always welcome your questions on what or how we are paid at anytime.