



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..?

The Conference Board of Canada has determined that every smoker in a workplace costs the employer about \$2,565 per year.

The "Driven to Quit Challenge" is a free health promotion campaign funded by the Ministry of Health Promotion and is a great way for workplaces to support and encourage smokers in their efforts to quit. Visit...

www.driventoquit.ca

Employee Questions & Answers...revisited

Your plan administrator, our firm and the insurance companies are often faced with questions about claims.

In this issue we revisit the questions regarding dental coverage and claims.

Q. My dentist makes me pay for the cost of treatment and then I submit my claim for reimbursement. A co-worker never has to submit any form or pay a thing. Why?

A. There are a number of ways to make dental claim submissions to the insurer. There are also a number of ways to have those claims paid. Each of these depends on the system that your dentist uses in his or her practice.

The newest form of claim submission is electronic data interchange (EDI). With EDI the dentist transmits your claim electronically at the time of your visit. The dentist can often also tell you, while you are still in the office, what will or will not be covered based on your plan design and limits.

If your dentist does not utilize the EDI system, the second most common method of submission is to have the dentist print out a completed claim form for you. In most cases, the dentist can print the claim on a Canadian Dental Association (CDA) standard claim form. If you

provide a current home address, plus your policy and certificate number, the dentist can prepare the claim form so that you only have to sign it and mail it to the insurer.

The final method of claim submission is to complete the form manually and attach your dentists' bill. This is the method used if your dentist does not have the capability to use EDI or print claim forms. This system is also used for orthodontic work, as there are no codes utilized like there are with regular dental visits.

There are also a number of alternatives for the payment of your claim.

Depending on the method utilized to submit your claim, your reimbursement cheque will follow in anywhere from two days (for EDI claims with auto deposit) to three weeks (with manually completed forms being mailed in and returned).

With the first payment option, you pay your dentist the full amount owing at the time of your visit. This is the most preferred payment method as it keeps you fully aware of the services being performed and the accompanying fees that you are being charged.

Alternatively, your dentist may allow you to assign payment of the benefits directly to them. With this process payment is made

from the insurer directly to the dentist. You pay only the costs that are not covered by your plan.

If you are considering assigning benefits directly to your dentist due to a cash shortage, an alternative may be for you to provide payment by credit card or by post dated cheque. Doing so will result in you receiving the reimbursement cheque from the insurer before the credit card bill or post-dated cheque are due. Check with your dentist about options that they provide.

Q. What is a dental pre-determination?

A. A pre-determination is a detailed estimate of the work that your dentist is planning on performing. It includes both the codes and costs associated with each procedure.

Insurers suggest that you obtain pre-determinations from your dentist prior to undergoing higher cost services (over \$500).

By submitting this information in advance of the treatment occurring, you will receive details about what is or is not covered by your plan. By receiving a pre-determination there will be no surprises about the costs you will be responsible for when the dental work actually occurs.



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...

In 1921 the average life expectancy was 59 for men and 61 for women. By 1991 it had risen to 75 and 81 respectively.

Statistics Canada

Think about the impact this has and will continue to have on public health and benefit costs as more staff work and survive longer beyond age 65.

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.

Disclosure Regulation

As a client, you are aware from past renewal meetings, that the Financial Services Commission of Ontario (FSCO) has implemented new disclosure requirements that effect brokers and our relationships with clients.

Mainstay Insurance Brokerage Inc. complies with this legislation. We have also elected to provide our clients with additional information on the form of commissions we are paid to service your account.

We state not just that we are paid commissions (and are eligible for bonuses) but also by providing the range of

commission charged (4 to 15% of premium).

The formula that most of our client plans pay commissions on is the "crown scale" or a modification thereof. This scale reduces the percentage paid as your group premium costs grow.

When choosing carriers we place the needs of our clients ahead of our own. Some carriers specialize in small clients and others in firms with ten, twenty or more staff. Some insurers allow home-based business, higher family content, unusual industries, not-for-profit associations or organizations

and others are more selective in the clients they deal with.

As shown in our disclosure letter, we deal with a number of insurers and third party administrators (TPA's) to provide a variety of services to clients with different needs.

If you have a question about an insurer or would like further information on disclosure of commissions, please do not hesitate to contact us or visit our website for our disclosure letter under the "contact info" button at www.mainstayinsurance.ca

Keeping Benefits (that are tied to earnings) Up-to-Date

Each year at plan renewal we do a brief review of your plan and its history, and we look at new and ongoing issues that may impact it.

The proper administration of your benefit plan is an ongoing process that needs regular periodic maintenance throughout the year. Hiring, terminations, salary changes and the status of your employee's families all require that your plan be updated on a regular basis.

One area that should be reviewed when you are updating salaries is the definition of what "earnings" are. Each insurer and individual policy considers earnings for disability and life insurance benefits in different ways.

Most plans cover base salary as a minimum and many provide coverage for overtime, bonuses, and can also include coverage for commissions.

It is important to report an employees full "earnings" so that an employee experiencing a death or disability claim may obtain the highest benefit they are entitled to. Failure to keep this number current could expose your firm to a liability situation.

Another area to monitor is the impact of salary increases on disability and life insurance. In most cases, there is a non-evidence limit (NEM) offered by carriers. This provides a base benefit for each employee that does NOT have to be medically approved.

Values that are in excess of this amount require an evidence of insurability (EOI) or statement of health (SOH) form to be completed by the employee. This risk must be approved by the insurer who may also ask for more specific information to help them assess the risk.

It is very important to ensure that staff complete and return these forms (to the insurer) in a timely manner in order to obtain the benefit amount that they are entitled to.

If you see an employee on your billing that has a life or disability benefit amount equal to the NEM or an amount that has not changed even though you have updated salary information, please contact the insurer to see if there is any outstanding information required. It is your responsibility to ensure that each employee obtains the coverage they are entitled to.

If an employee is declined the excess coverage (e.g. due to a pre-existing health condition) a note will be sent to the plan administrator to be kept on file for reference.

If you have any questions, please call your insurer's customer service line or contact us at (905) 886-9203 or 1-877-624-6789.