



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..?

### HPV Vaccine Coverage

There is much debate on whether or not the new vaccine for human papillomavirus (HPV) should be publicly funded as other vaccines are. Texas recently made the news when the Governor passed legislation requiring all girls in grade 6 to be vaccinated.

Until public funding is available, some benefit plans that provide vaccine coverage may cover some or all of the cost (approx. \$400 for the 3 required doses). Check your policy or call the insurance company's customer service number if you have questions on this coverage.

## Keep your employer up to date

You as an employee, have a responsibility to keep your employer up to date on status changes that can affect your benefits. Most plans require that such changes be updated within 30 days of the change taking effect.

Status changes can include: birth or adoption of a child, marriage, same sex or common law cohabitation, separation or divorce. If you have a child attending school full time out of the country or if they are over 21, there are also a number of items that must be completed in order to maintain or obtain benefits. In addition, changes in spousal benefit coverage (such as the addition or loss of coverage) must be reported as it can affect the way claims are paid.

It is important that all such information is kept current so that your dependants are eligible for coverage. Failing to make a status change within the 30-day period can result in the insurer invoking late enrolment rules. Such action can require you and/or your dependants to complete health questionnaires and may place you at risk of having benefit coverage declined.

Most carriers also have a late enrolment benefit limit on dental care. This usually limits an employee and their dependants to a maximum of \$125 for dental care during the first year of coverage. This could be a big limitation if a family had even minimal dental requirements during that timeframe.

Another area to be aware of is the impact that a lack of response to an insurance company's request for additional information can have. Often an insurer will ask for health questionnaires, information on hospital or paramedical visits or extra data in order to fully assess an individual's situation. It is your responsibility to ensure that such requests are complied with as soon as possible in order to obtain the level of benefit coverage that you are eligible for.

If your information is not shown correctly on your benefit wallet card, or if you are anticipating a change in status please contact your manager or plan administrator immediately.

## Keep your insurer up to date

If you are like most clients today, you probably take advantage of Electronic Data Interchange (EDI) to submit your dental claims. This is the process whereby your dentist submits your claim directly to the insurer electronically.

Depending on your plan design, it can mean faster claim turnaround time with cheques typically being mailed within days of service and direct deposits sometimes appearing as soon as the next day.

There can however be a problem with this system. It can be **too** efficient. The information that is sent by the

dentist contains not just the billing information (codes and costs) but also the patient's mailing address. This is to ensure that the claim cheque is mailed to the most current address.

A problem can occur, that is often wrongly attributed to the insurer, if you have moved and have not updated your dentists' records. It can also cause a problem when a dependant is at a different address than that of the employee (e.g. away at school).

When the claim is submitted, it takes the information that is transmitted and overwrites what was there and then

mails the claim to that "old" or "wrong" address. This can cause delays as the claim cheque must then be forwarded to the new address or it may be returned to the insurer.

What starts out as a simple problem and area of frustration can quickly cause problems in cases such as marital separations where you or your partners claim cheque is sent to your former spouses address.

To avoid these problems, ensure that your dentist has your most up to date information when you next visit.



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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...*

In the January issue we wrote on the Direct to Consumer Advertising (DTCA) lawsuit that Canwest Global had launched. Since then the suit has been delayed with a number of groups being asked to attend hearings that could begin as late as fall 2007 or early 2008.

We'll keep you informed as we learn more

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 let staff opt out of a benefit plan?

We structure most plans as "mandatory" enrolment meaning that all eligible employees MUST enroll in the plan as a condition of employment.

We do this for a number of reasons. It helps prevent anti-selection (only unhealthy staff enrolling in the plan causing prices to soar), and it also helps staff by providing coverage for risks that they might not anticipate today (e.g. life, disability or large health claims) but that might hit them at a later date. The most important reason is to reduce employer liability. By making this plan mandatory we attempt to

reduce the risk if an employee opted out of a plan and then encountered a major health issue in the future.

With rising drug costs and lost income that would have to be replaced by LTD coverage (if provided) the amount an employee would be missing could be in the millions. Did the employer make them aware at the time they opted out that this is what they were giving up? Did they understand it? Did their dependants? Can you prove it?

If the answer to any of these questions is no, then there is a potential liability,

if not from the employee then from their family or estate to recover the loss.

Remind your staff to let you know of changes that could affect their benefit coverage such as new partners, children or spousal benefit changes. Failure to do so could also result in late enrolment issues putting you in a risky situation.

For these reasons we also suggest clients obtain plan (or benefit) administration liability coverage each year.

If an error were made in the administration of your plan, it could help to protect you from a legal suit.

## Disclosure Legislation

Clients have been asked to sign off on the receipt of "disclosure" documents since the legislation was introduced in November 2004.

This legislation changed several older pieces of the act and added several more in an attempt to better explain the relationship between broker and client.

At Mainstay, we provide listings of the insurers we currently deal with, as well as information on the commissions and our eligibility for bonuses, and rewards. In addition we also show the range of commission that we charge (4-15%). Each insurer has slightly different commission structures with some increasing, decreasing, or flat rate structures.

Because we may be paid more by one firm than another, we are constantly in a perceived state of

possible conflict. If we put our needs over those of our clients and selected based on highest commissions, we would deal with only one company. We obviously do NOT, do this, as each clients needs vary and each insurer has different pros and cons that impact clients differently. The free market also ensures that carriers remain very competitive with each other in both rates offered to clients and compensation provided to brokers.

We can also be faced with conflict issues again at renewal time when rate increases also result in commission increases. Again the easy answer/incentive would be to let the plan increases be as high as possible in order to maximize commissions. In reality, we often fight for better renewal pricing from insurers in order to get the best pricing for clients that is sometimes at the

expense of our compensation. We cannot guarantee the BEST pricing ALL the time, but we do strive for fair pricing over the longer term. In a strange twist of irony, to obtain the BEST price a client would have to change carriers every few months to take advantage of the company that was trying to "buy" business. Doing so would mean that we would be making a great deal of new sales, which we are actually bonused the most. This would result in the highest bonus levels for us but in the longer term mean higher prices for clients.

We appreciate your assistance by signing off at renewal time to show that we have discussed issues like disclosure, privacy etc.

If you have any specific questions on these issues, we would be happy to discuss them in more detail with you.