



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..?

In a recent presentation to the Group Insurers and Pharmaceutical Committee (GIPC), the rising cost of drugs was discussed by Steven Semelman of ESI Canada (the firm that processes claims for drug cards for many insurers in Canada and the USA).

In it, he presented the Average Annual Prescription Cost (Nationally) to be \$329 in 2000, rising to \$524 in 2004 with a projection of \$1,023 by the year 2010.

A large portion of the rising cost is the impact of new drugs entering the market. Of those new drugs that were introduced in the period 1997 to 2004, they now make up 28% of total drug expenditures.

Your Travel coverage has limits – READ THIS

Each year we meet with clients at the time of renewal to discuss evolving issues impacting your benefit plan. One topic that is always discussed is the limitation of your plans emergency travel coverage for those traveling out of the country. These limitations exist in every plan (both group and individual coverage) to some degree and employees should be aware of them in the event they are affected.

The most important issue is the definition of what **Emergency** travel coverage is in the first place. Most insurers define it as "an accident or injury or an **unforeseen illness** that **begins** while the insured person is traveling". The key words noted above are often further clarified by the insurer to say, "any illness previously diagnosed or treated in Canada may not be covered". **WHAT DOES THIS MEAN TO YOU?**

Essentially these definitions mean that you may not be covered when you travel out of Canada if:

1. You are in a high-risk pregnancy or beyond your 32-35th week of pregnancy.
2. You have recently had or are scheduled to have surgery or treatment for a medical condition.
3. It has been suggested that you have a test, have been

scheduled for or recently had a test and or are awaiting test results.

4. Your attending physician would say or has said you are not stable or safe to travel.

5. You have had recent changes to your medication such as the introduction of a new drug or dosage changes to current drugs.

Your coverage may still be in effect for other illnesses and injuries that are **NOT** related to your pre-existing condition.

The second issue that can pose a problem is the requirement by most carriers to contact them immediately when treatment is required. This continues to become a larger issue as many carriers are amending plans to say that they simply may not pay if they are not notified immediately.

Often when someone enters emergency in a foreign country (including the US) they are asked for their insurance information and are assured that the hospital will "take care of everything". This **DOES NOT** mean they will contact the insurer. In fact, they may intentionally NOT contact them in an effort to run additional and possibly unnecessary tests. Some insurers specifically state for example, that they will not pay for any PET or CAT scans, or MRI's unless they

are pre-authorized.

What can you do to try to ensure you are going to have full coverage in place when you travel?

1. Ensure you are in good, stable health and are not traveling against doctor's orders. Speak to your doctor if you have concerns. Your health should come ahead of a trip to the beach.

2. Take your travel card and brochure with you when you travel. Consider exchanging copies with traveling companions in advance in the event an emergency should occur.

3. Call the insurer the moment an event arises. Do not wait for a hospital or clinic to do so on your behalf.

If you are traveling outside of Canada and the USA, considering the use of a service such as Canada Direct (1-800-561-8868).

This service can provide you with a local phone number (in your destination) so that you can place a call from most countries back to Canada. This is done at Canadian rates, with an English-speaking operator and allows services such as collect calling and third party billing. More information may be obtained by calling the number above or checking the front pages of your local phone directory.



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...

This year marks the 60th anniversary of community water fluoridation in Canada, which began in Brantford, Ontario in 1945.

Community water fluoridation is cited as one of the 10 great public health achievements of the 20th century by the US Centers for Disease Control and Prevention (CDC).

Ontario Dental Association website

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.

New Year "T-4" Reminders

Each year at renewal time we review some of the taxation issues that affect your benefit plan. In many cases your accountant or bookkeeper will also raise these issues.

To ensure that issues are dealt with at the appropriate time of the year, we continue to include an annual reminder in this newsletter. This is not intended to offer advice but simply to remind you of some of the important items so that you can discuss them with your accountant to ensure that your situation is handled in the most appropriate manner.

Employee life and dependent life insurance that is paid for by the employer is a taxable benefit in all provinces and ALL amounts must be shown as such on your employee's T-4. If your employee pays the premium for this benefit then this is not an issue.

Accidental Death & Disability (AD&D) premiums paid for by employers in QUEBEC only are considered taxable and are treated like life insurance premiums.

Long-term disability premiums paid by the employer are generally NOT a taxable benefit but WILL be taxed at the time a claim is received. Therefore an alternative may be to have the employees contribute 100% of this premium cost throughout the year, to maintain a tax free benefit for them at the time a claim is received.

Health and dental premiums (including Health Care Spending Accounts) are a taxable benefit to Quebec employees. Health plans must also comply with the Quebec legislation RAMQ. Information is available from RAMQ or under "Additional Information" on our website.

There are a number of pieces of legislation that interact and contradict each other. An example of this affects plans with Quebec employees. The provincial rules dictate that any benefit paid to an employee (such as HCSA amounts or cost plus benefits) must be included as a taxable benefit for that individual (in addition to any regular premiums). However, privacy legislation indicates that this data may no longer be provided to the employer to ensure the employees right to privacy. This makes the first piece of legislation difficult to comply with.

Because of the complexity of some of these issues, it is often best to discuss them with your accountant, lawyer or human resources professional to find the method best suited to your particular situation.

Please Provide Travel Information to your Staff

The front of this newsletter is intended for and written with employees in mind. We strongly encourage employers to review the information on the front of this issue then copy and provide it to your staff with an up to date copy of your insurers travel brochure. If you do not have recent copies, please contact your insurers customer service number to order more.

The travel coverage provided by your plan is year round (as is the potential for people to have claims). At this time of year however, many people are traveling to southern destinations for

their annual "winter trip" or "March Break" with the kids. As a result of more people traveling, they are also more likely to run into health problems while away.

Those travelers that have pre-booked and pre-paid for trips are an especially high -risk group. Often these travelers have health situations that develop but due to the cost of the trip or the preplanning that went into it, they are willing to travel in possibly compromised health and consequently possibly without coverage.

Cancellation insurance is available from most travel

agents and policies usually contain a clause for illness that will allow you to cancel your trip and get a full refund.

We do not want employers to be in a position where they are "screening" staff or asking health questions before they travel, BUT if you are aware of a staff person or dependent that has recently had surgery, is pregnant or has an unstable health condition, it might be advisable to have them call the number listed in their travel brochure to confirm coverage and the limitations within it.