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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 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 that..

... all insurers utilize reasonable and customary (R&C) fee tables for health care practitioners?

These guidelines are established by using the fee schedules provided by each of the provincial and territorial associations.

In circumstances or areas where schedules are not published, associations often provide "typical" reasonable and customary fees. Surveys from practitioners may also be used to establish reasonable figures.

If you are unsure of the R&C amounts for a specific benefit you may be utilizing, please contact your insurer.

Update your Beneficiary Designation

You should review and update your beneficiary designation regularly to incorporate any personal changes that might affect your benefit coverage.

Examples of status changes include marriage, common law or same sex partners that are co-habiting, the birth or adoption of a child, changes in spousal coverage, a separation or divorce, or the loss of a spouse.

If you do NOT complete a beneficiary designation form, the life insurance proceeds will be directed to your estate. This is a

less than advantageous option as the insurance proceeds may be used to pay final costs and taxes rather than be distributed as you had expected or desired.

In the case of underage minor children, a trustee should ALWAYS be listed. If one is not included then the insurer will hold the life insurance proceeds until the children reach the age of majority and the funds can be legally paid out. This may result in a serious financial hardship for the individual raising the child(ren).

You should always consult

a lawyer experienced in wills and estate planning to review these issues. It makes sense to have a will prepared (or updated) at the same time you are revising your beneficiary information. By doing so, you can ensure that your wishes are carried out upon your death and that there is no confusion as to who should receive what.

In situations described earlier a change of beneficiary form must be completed and submitted to the insurer. You can get the form from your plan administrator or from the insurer on their website.

Your employer is looking out for you

Employees often ask us why plans are "mandatory" and why they have no choice in being enrolled. There are a number of reasons including that insurers require certain levels of enrollment to maintain a plan, and it helps to reduce the liability to employers in the event of a catastrophic employee claim. Your employer has implemented a benefit plan because they think it is a good investment in maintaining a healthy workforce and it offers a degree of protection to their staff in the event of a major health life or disability claim. If you

opted out or failed to complete necessary enrolment forms the plan could fail to protect you and costs could be into the millions of dollars.

At times your employer or the insurer will require you to complete health questionnaires in order to obtain the proper life or LTD coverage that your income level dictates. It is essential that you complete and return these forms immediately in order to obtain coverage. Why is this so important? Imagine an example of a 35 year old making \$50,000 a year. A typical LTD benefit might pay

\$2,500 a month in the event of total disability. If the person failed to apply for coverage or to supply required health information, they could be giving up as much as \$900,000 in future disability benefits. To avoid this from occurring encourage your employees to complete and return the forms. We will often suggest to employers that employees stay at home until they comply with these requests. Employee privacy is protected and if the form is submitted directly to the insurer, that information will not be shared with the employer.



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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 really appreciate your business. As you probably know, we only accept new business by referrals and any recommendations you make mean the world to us. We can't always help everyone in every situation but we will try our best to assist when we can, and provide them with the piece of mind that that a second opinion often provides.

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 "mandatory enrollment" is SO important

This is a re-cap of what we speak to each and every client about at plan renewal each year. We think it is important enough to use this article as a reminder to protect clients from the potential effect of costly errors.

We **STRONGLY** suggest that employers have "mandatory enrolment" structured plans as a condition of employment to protect both the employee and the employer in the event of a catastrophic claim. We often hear things like... *"the employee doesn't want to pay for it and I don't want to make them..."* or *"I've asked the employee five times and they refuse to complete the enrolment form, oh*

well, I guess it's their problem now" or *"the employee says that the insurer keeps asking for more detail and it's too much of a pain to get so I'm not going to"*.

NONE of these is an acceptable option if an employer wants to minimize their liability. As the previous article identifies, the cost of just one error could easily enter the millions of dollars. This is obviously a situation that every employer should try very hard to avoid.

We often advise clients that getting employees enrolled in a plan and ensuring they are provided with the proper coverage is as important

as ensuring that employees wear work boots in a factory setting.

Using that analogy, if an employee showed up to work in your factory wearing sandals you would send them home because they are posing a risk to themselves and they are failing to meet a condition of employment. The risk to the employee of not having a life, health or LTD benefit can be just as great and the risk to the employer, even greater.

If you have an employee who unable or unwilling to be enrolled in your plan for any reason, please contact us immediately and we will rectify the situation.

Communicating Change

Many clients are facing plan design changes with their benefits. Insurers making changes to plans, or employers having to make reductions due to cost saving measures or plan enhancements can cause such changes.

Short of union environments with collective agreements, there are seldom any legislative reasons that small employers are required to maintain a benefit plan. That said, the termination of a benefit plan for long term employees could be considered a change in the terms of employment.

Likewise an employer can change or modify their benefit plan design or cost

sharing arrangement at any time, and this could also be considered a change in the terms of employment.

Recognizing this, any change to your benefit plan should be communicated to staff with as much notice as possible. The amount of notice varies but in some circumstances it could be as much as two to three months for small firms with longer service employees.

When this is not possible, as much notice as is practical should be given. New benefit booklets should be distributed (either hard copies or e-versions) and in a perfect world, employees should sign off stating that they

have been fully advised of the plan changes.

The communication of plan changes is becoming a greater challenge as more employees work from home and remote offices that may be scattered across the country.

Supplying these employees with the benefit information after a change, can often be handled by e-mailing "PDF" versions of booklets or by encouraging staff to sign up for insurer plan member website where they can view booklets or short web based benefit summaries.

Whether by PDF, printed, or web versions, employers who communicate will come out ahead.