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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](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) to provide quick access to other websites.

## Did you know that...

... the new Canadian Dental Care Plan (CDCP) does NOT integrate your claims with any private benefit plans. If you have no dental benefits and are below the \$90,000 family income, then you may be eligible, but most are not. As a result, benefit plans are still the best option for dental care coverage for most Canadians.

The National Pharmacare Plan on the other hand, is looking to cover SOME birth control and diabetes medications. Once finalized, this coverage will be provided directly through the Pharmacare Plan INSTEAD of through your benefit plan. However, it is important to note that many newer diabetes drugs are not covered by the National plan. Only time will tell how these claims will or will not be coordinated.

Need help finding a form, phone number, or just help in general, please do not hesitate to call us at: 905-886-9203 or send us an e-mail at:

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

## Ensure your information is up to date with your provider

You as an employee, have a responsibility to keep your employer up to date on status changes that can affect your employee benefit plan. Most plans require that such changes be updated within 31 days of the change taking effect.

If you have a child attending post-secondary school full time or out of the country, or if your child is over age 21, there is special information that must be provided to the insurer in order to maintain or obtain benefit coverage.

In addition to family changes, modifications in your spouses benefit coverage (such as the addition or loss of coverage) must be reported to your insurer as it can affect the way your claims are (or are not) paid.

It is important that all personal information is kept current so that your dependants are eligible for the appropriate benefit coverage. Failing to make a timely status change can result in late enrolment penalties which may require you and/or your dependants to complete health questionnaires and risk having coverage declined.

Most carriers also have a late enrolment limit on dental care if you do not make changes in a timely manner. This usually limits an employee and their dependants to a maximum of \$125 for dental care during the first year of coverage. This limitation could be a financial hardship if a

family required even minimal dental work during that timeframe.

Lastly, ensure that your life insurance beneficiary is up to date and reflects your wishes. If you are leaving life proceeds to underage children, ensure that a trustee is named. Failing to name a beneficiary will result in monies being paid to the estate and those funds could be used to pay taxes rather than to provide financial support as intended.

If your information is not correct, or if you are anticipating a change in status, please contact your plan administrator or update through your plan member site immediately.

## Are you interesting in learning more about benefits?

As the founder and operator of the employee benefits industry association, Canadian Group Insurance Brokers ([www.CGIB.ca](http://www.CGIB.ca)), I get to enjoy a few perks. One of those is being able to invite my clients and prospects to CGIB educational events.

We host events on the east coast (this year we are in Moncton), Toronto/Vaughan, Calgary and Vancouver each year.

If you are interested in learning more, or if you have team members who would

benefit from attending then these may be a great opportunity to increase you and your team's knowledge of the employee benefits field. Attendance at the events also qualifies for continuing education credits for those require them to maintain a professional designation.

The events range from smaller workshops of 50-60 people to larger seminars with as many as 150 to 200 people in attendance.

I facilitate the smaller workshops and at the larger seminars we have a variety of speakers who are subject matter experts in their field. Topics include: taxation, employment law, benefits fraud, annual renewals and much more.

As a Mainstay client or prospect, I will cover the cost of attendance at the event.

If you are interested, please check out our calendar of events at: <https://cgib.ca/events>



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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 plus any relevant legislation shall always take precedence. Always obtain appropriate legal, human resource or accounting advice.

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...

You can create your own HR policies and documents using the [ConnectsUs HR Toolkit for Small Business](#) that we make available to Mainstay clients at no charge.

You also receive unlimited **HR on Call** support for your business and the use of the **HR Toolkit** with this offering, plus a customized HR document of your choice.

Reach out and we'll get you signed up and using this excellent resource today.

## What are others paying for their benefits?

Each year we meet to discuss your plan's renewal. During the meeting we review the differences in rates which are based on changes in your staff demographics, claim costs, and the claims of all small businesses in the insurance company pool.

Some of you will see higher increases and others will experience lower increases or even decreases.

The average annual increase in rates for our block of business has been 4.5% over the past 5 years; 4.2% over the past 10 years; 3.7% over the past 15 years and 4.0% over the past almost 20 years.

The biggest issue for groups (<100 employees) dealing with high cost claims is a lack of "insurance" which results in rate volatility.

We anticipate higher than average increases in 2024/25 due to employees continuing to complete health and dental services that were delayed during the pandemic, and also from inflationary

increases in most services. For example, dental alone is up 4.8% this year, on top of the 8.5% increase experienced last year.

We have included our highest increases and decreases from our current clients in the chart below to illustrate the range of plan cost changes that our clients encounter. The changes are un-weighted.

### Annual Premium Changes

Year	Best	Avg.	Worst
2014	-20%	1.4%	+14%
2015	-17%	6.1 %	+37%
2016	-10%	6.1%	+16%
2017	-13%	7.2%	+44%
2018	-21%	3.7%	+31%
2019	-17%	0.8%	+31%
2020	-18%	3.3%	+46%
2021	-19%	-0.3%	+32%
2022	-26%	4.2%	+30%
2023	-18%	9.9%	+67%
2024	-19%	5.4%	+55%
YTD	-2%	4.4%	+13%

The initial response we often get when releasing this information is "we want that 19% rate decrease".

Who wouldn't, one would think, but in reality, you likely would not want it.

The firm that had that rate decrease actually grew their staff population, while at the same time REDUCING their overall claim costs. They were really overpaying until the pricing was adjusted at renewal to reflect the new staff added and the declining number and value of claims submitted.

What this summary tells us is that the average client paid a benefit cost slightly higher than inflation, but not as high as one might expect.

These increases are due to higher utilization, aging of employees, and larger than average increases in healthcare costs seen both locally and worldwide.

Are rate increases likely to get better or worse? We never know for sure but we do expect costs to continue to increase at a rate faster than inflation.

## Looking to add new benefits to your plan?

As you likely know, I am not big on upselling benefits. I think having a plan is important to attract and retain staff, but having a **better** plan, does not necessarily do a better job of that and may not be worth the additional cost incurred.

In our renewal discussions each year, you will also likely remember that while I am licensed to sell individual life, accident and sickness, living benefits and other

individual insurance products, I choose not to distribute them, and leave that to specialists in those areas.

There are many products available to add to benefit plans including: Employee Assistance Programs (EAP's), Health and/or Lifestyle Spending Accounts (HSA's or LSA's), Group Critical

Illness, disability benefits, student debt assistance, wellness programs, lifestyle drug coverage and many many more.

Your plan may not currently offer these, but they can be added upon request.

If you're interested in learning more, please do not hesitate to ask.