

July 2018

Volume 18, Issue 3

# 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) in order to provide quick access 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:

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

## Did you know that...

...the majority of benefit plans have been amended to be "mandatory generic" drug coverage.

Although the majority of people use generic drugs, recent changes in prescribing patterns are reducing the level of generic substitution and as a result we are seeing increases in employer and employee costs.

If you are prescribed a brand name drug where a generic is available and wish to receive the brand at 3 to 4 times the generic price, there are a variety of "Patient Choice Cards" available to help offset the difference in cost.

Follow the links for more info.

<http://www.rxhelp.ca>

<http://www.innovicares.ca>

## Update your Beneficiary Designation

You should review your beneficiary designations regularly and notify your plan administrator of any personal changes that might affect your benefit coverage.

Typically these include status changes such as marriage, common law or same sex partners who are cohabitating, the birth or adoption of a child, changes in spousal coverage, a separation or divorce, or the loss of a spouse. If such changes are occurring in your life it may be a good time to review your coverage and beneficiary designation.

If you do NOT have the correct beneficiary designation identified, your 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 estate 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 child reaches the age of majority when the funds can legally be paid out. This may result in a financial hardship for those 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.

If you want to make changes to your beneficiary, you can get the form from your plan administrator or directly from the insurers website. The change of beneficiary form must be completed and signed and then submitted to the insurer.

## Why are you asked for medical information?

Employees often ask why insurers occasionally ask them to complete personal medical information forms. There are a number of reasons why such information is requested.

One occurrence is when a new group is starting and as a result the insurer is taking on a new risk. They may ask employees questions to rule out the risk of a catastrophic drug claim, or a life or disability risk, before they accept the case. If approved, you will receive the benefit and if not, your coverage may be limited to amounts previously granted, if any.

The second occurrence may be if your earnings increase by a larger than average

amount. This could be due to a change in hours worked such as from part time to full time, a change in position with a significant increase in earnings, a change to commissions or simply a large annual salary increase.

It is important that you fill these forms out completely and send them to the insurer when requested. All information provided is private and should be sent directly to the insurer. Your employer does NOT need a copy, but you should keep a copy for your personal records. If you are asked for further specific

information from the insurer, please provide it as soon as possible to ensure that your coverage is not impacted.

We (and your employer) want to ensure that you get the maximum benefit coverage that you are entitled to in the event you ever have a claim. A delay or failure to submit this information could result in a reduced benefit amount at a time when you can least afford it.

Proper coverage protects both you and your family. Feel free to call us, your insurer or speak to your plan administrator if you have any questions.



## 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](mailto:inquiries@mainstayinsurance.ca)

WEBSITE:  
[Mainstayinsurance.ca](http://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...

The 2018 Sanofi Canada Healthcare Survey is available.

The survey polls both employers and employees regarding their perceptions about their benefit plans. Though the results are skewed as many responders are public, union or larger plans, it does provide interesting insights into what people think.

[Get it HERE](#)

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.

## Lots Happening with Public Health Care & Taxation

There seems to be more disruption and noise in Canadian politics (at all levels), than at any time in the recent past. This includes promises made during the recent Ontario provincial election, to suggested changes at the federal level that Canada has not seen since the 50's and 60's. As of the printing of this newsletter the newly formed Conservative government has stated they will make OHIP+ the second payor to private plans only 6 months after the program was implemented.

Some of the other issues being discussed are in the area of healthcare and have the potential to dramatically change the employee benefits that you offer your employees.

On a federal level, we saw the Ontario Minister of Health and Long-Term Care (Eric Hoskins) move to the federal government to work on the future National Pharmacare plan. There is

discussion that this plan could be a "one payor" plan where the federal government would be the sole source of a basic level of prescription drugs. How or if private plans will be able to top that up is the big question, especially for new drugs and high cost drugs that the government may not see as being marginally better than existing treatments (so they will not be on THEIR list).

Will employers choose to cover this "excess" list of drugs? Will Ontario even agree to be a part of the program after the recent OHIP+ announcements?

Another area that has been investigated by the Parliamentary Budget Office (PBO) is the taxation of employee benefits. The federal government floated the idea in late 2016 until the Prime Minister stopped the initiative by making a

statement on Feb 1, 2017 that employees would not be taxed.

Since then the PBO was requested to complete a report and has recently released it showing that the taxation of these benefits would benefit the government by \$3.8 billion a year.

This is a concern for employers as employee benefits such as Health Spending Accounts (HSA's), would lose the value of the benefit when taxed the same as income. A typical employee with a traditional benefit plan being paid for by the employer would see a \$100 to \$125 loss of pay each month due to the tax if it were to be implemented.

We will continue to monitor these areas and share articles through our future newsletters and Blog postings.

## Upcoming October 3<sup>rd</sup> Seminar on HR resources & more

As a client of Mainstay Insurance Brokerage Inc., you are always welcome to attend (as our guest) the Canadian Group Insurance Brokers seminars that we run 5-6 times a year.

On October 3<sup>rd</sup> we are running a seminar that is HR focused and that may be of interest to you.

The speaker is an HR professional who will be sharing some of the challenges employers face as their companies grow, merge, evolve, unionize and

more. The speaker will also share what employers should expect from a benefits broker and where they can add value to the employer relationship.

We will also have a presentation on the newly released ConnectsUs HR resource program that is available to Mainstay clients free of charge.

This speaker will discuss the importance of HR

policies, employment contracts and handbooks. She will also provide a demonstration of the software that can easily generate a Quick Start Employee Handbook, that can then be customized to fit your organization.

Mainstay is covering the annual subscription cost for this program, so it has never been easier for our clients to start building and customizing your HR footprint.