

WHAT'S IN IT FOR ME?



CHOOSING the **RIGHT** Benefit Plan
for **YOUR COMPANY**

Like any business decision,

selecting the right benefit plan takes time, energy, and effort.

Working with the right broker will streamline the process significantly.

The **First Step** in this process is to ask "Why"?

Why offer an employee group benefit plan?

Why go through the ordeal of selecting, implementing, and managing a plan? Never mind the additional costs.

There are a few reasons, but the favourite three are:

- **Tax:** Employees receive the benefit tax-free and the corporation receives a corporate tax-deduction for all premium paid on the employees behalf.
- **Attraction & Retention:** It is a proven method of offering a work-life balance for valued employees.
- **Insurance:** Providing protection for unforeseen, unexpected risks like death, disability, or the diagnosis of a major illness or disease.

Important Steps:

Nothing will ever get off the ground until the decision is made to proceed.

To make the right choice:

Decide on the **BUDGET** for benefits. Be reasonable knowing you can not get something for nothing. Think overall how much the company is willing to invest and break this down per employee. You may have different classes of employees with cost differentials, depending on the size of the employee group, but your broker will discuss this when developing the plan design. Then decide on the employee participation to the overall cost. Typically, employees contribute between 40-50% of the overall premium.



Consider Your Options for a Benefit Broker.

Many business owners make the mistake of calling insurance carriers directly seeking quotations.

First of all, almost all insurance carriers must deal with licensed brokers as the go-between for the client. Additionally, they will only release one quotation to one broker.

Second, you would be doing a lot of additional time-consuming leg work your broker is better equipped and familiar with completing. Remember this is their job, not yours.

When making the choice of who to use to represent you, consider:

Are benefits their primary focus? Or are they an individual financial planner, who "can do benefits" too. This will make a difference at renewal time to have some one dedicated to negotiating rates and understanding pricing models.

What is their relationship with the insurance community? Are they able to represent the majority of providers, or are they limited to a select few?

Design a Benefit Plan to Achieve Your Overall Business Goals.

This should include analyzing both the business “wants” as well as the “needs” for a strategic plan, which will not only mirror the overall business strategy of the company, but the compensation model utilized to reward and incentivize employees.

Once the needs and wants are outlined, cost can be addressed and the plan modified to remain within acceptable budget constraints.

Remember the fine print and establish what you are actually paying for. Sometimes costs are reduced at the expense of coverage.

The plan design should never be set in stone. As your employee members change from one year to the next, as the business strategy changes, and as the compensation model evolves in the various market economies, so too should the benefit plan change and evolve over time.



Insurance Can Be Complicated...

but it doesn't have to be.

The right benefit broker will help cut through the noise to streamline and get the best benefits for the best rates.

Critical Questions to Use to Screen Any Potential Brokers:

- What is the process used to thoroughly assess the needs in combination with the wants?
- How does the proposed plan design compare with other companies in the same industry?
- How does the proposed plan work to attract, motivate, and retain valued workers?
- What does the renewal process look like?
- Is the broker available after the sale to address both the client and employee questions or concerns relating to the administration and claims issues?
- Will the broker host employee meetings to communicate details of the plan to the members?
- What is the after sale education?

- How often is the plan analyzed to ensure it keeps pace with the marketplace trends and competitive pricing?
- What is the broker retention of clients?

This will show whether they have a successful track record of properly negotiating renewal rates to the best advantage for the clients they represent.



Other Considerations

Access to unique solutions, outside the traditional model and an ability to merge these to the full benefit of the employees within the company.

- Flexible benefits
- Health Spending Accounts
- Administrative Services Only

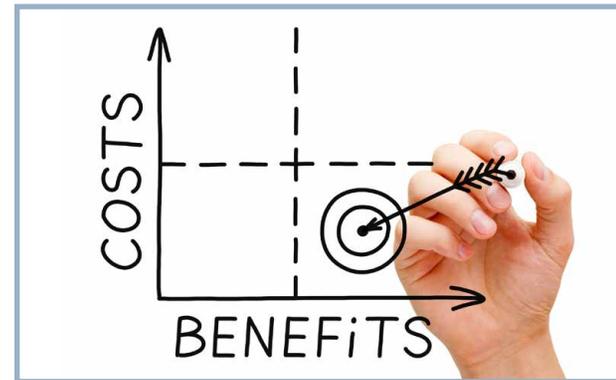
“No matter the size of your organization, there is a solution which is right for you.”



Cost/Benefit Comparison Between Plans

If you have gone through this process previously, you can appreciate the complexity of the comparison and selection process. Often overwhelming, always dreaded.

A strategic broker will ensure upfront analysis between plans is laid out in an easy-to-understand comparison format focused on your particular business. This will allow for an "apples to apples" review in order to make an informed decision which feels comfortable and therefore confident and proud to present it to the employee members.



THERE ARE NO "IN THE BOX", "COOKIE CUTTER" SOLUTIONS.

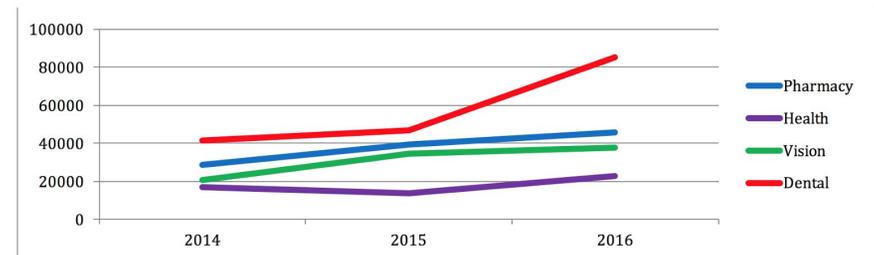
Design The Plan to Meet Your Goals.

With the right broker, the focus can be the plan itself. Knowing what to look for, and the key questions to ask, will make all the difference in ensuring proper coverage without sacrifice, guaranteeing you get what you pay for.

- Has the plan been customized to fit the unique features of your business?
- What options are most common in your marketplace?
- Are medical questionnaires required to obtain coverage?
- Are there pre-existing conditions clauses?
- Are there exclusions and limitations to coverage?
- Is the plan easy to use—make claims?
- Can employees make e-claims?
- Do employees have access via the web, smart phone applications and other ease to use methods?

- What is the administration process for adding, terminating, or making employee changes?
- Does the plan offer quick and easy claim payments? How long to receive reimbursement?
- What is the renewal process?
- Are there rate guarantees?
- What is the expected cost increase from year to year?
- What are the pooling levels?
- What is the impact on rates with significant claims?
- What is reserves funding for the pooled benefits?

TRENDING PATTERN



- How do I know if the carrier has “bought my business”?
- What is the risk of selecting the least expensive option?
- How hard will it be to modify the plan once it is in place?
- Am I locked into my decisions on benefits for 12-months?
- How often can I make changes?
- What are the human resources or tax implications?

Additional Considerations

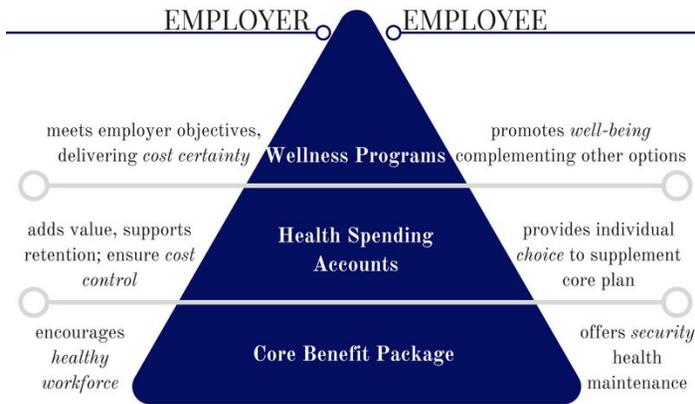
Company Size: benefits are available to companies of ALL sizes, even if you are a one-person incorporated operation. The benefits available; however, will vary according to how many plan members are covered.

Customization: getting the greatest value means selecting the benefits that matter most. Be sure to understand the options in each benefit category for items like co-insurance, deductibles, and overall maximums.

Lowest price: as with most things, the cheapest solution isn't always the best. BUT, this doesn't mean you have to pay the most for good coverage. All this means is to be aware of key coverage elements ensure there are no limitations or exclusions you are not aware of at the on-set.

Cost Stability: benefits WILL fluctuate in cost from one year to the next based on average age, number of participants covered, and gender split. Be sure to understand the corporate exposure for claims experience, verses pooled benefit options.





Available Benefits

Life Insurance: mandatory coverage on all plans in the industry.

Accidental Death & Dismemberment (AD&D): coverage works in conjunction with the life insurance, typically matching the coverage.

Dependent Life Insurance: provide a small amount of insurance payable upon the death of the dependent. Designed to off-set funeral expenses.

Disability: coverage available for short-mid-long term disability to protect the employee's earned income.

Critical Illness: a lump sum payment in the event an employee is diagnosed with a life threatening illness.

Prescription Drugs: coverage for as prescribed pharmaceuticals.

Extended Health Care: includes coverage for medical services and supplies, as well as specialized practitioners like chiropractic, physiotherapy, massage, etc.

Vision Care: reimbursement for eye wear, exams and typically surgery.



Corporate Questionnaire

The following outlines the typical questions required to gather quotations from insurance carriers.

Company Name: _____

Address: _____

City/Town: _____

Province: _____ Postal Code: _____

Phone/Fax Numbers: _____

E-mail Address: _____

Contact Name: _____ Position: _____

Nature of Business: _____

No. of Years in Business: _____

Implementation Date of Benefits? _____

Present Provider? (Provide copy of booklet) _____

Employees Off Work Due to Disability? Yes No

If Yes, Who? _____

Workers Compensation? Yes No

Independent Contractors? Yes No

Commission Sales People? Yes, _____% No

Seasonal Employees? Yes No

All Employees Participating? Yes No, If No, Please Tell Us Why:

Life & A&D Insurance

Employer Contribution? _____%

\$25,000 \$50,000 \$75,000 \$100,000

% of salary: 100% 200% 300%

Dependent Life

Employer Contribution? _____% (sp=spouse, d=dependent)

\$5,000(sp) / \$2,500(d) \$10,000(sp) / \$5,000(d)

\$15,000(sp) / \$7,500(d) \$20,000(sp) / \$10,000(d)

Short Term Disability

Include Coverage: Yes No Employer Contribution? _____%

17-weeks Taxable: Yes No

Weekly Max: \$500 \$1,000 \$1,500 Other \$ _____

* Non-Evidence Maximum Applicable * EI Premium Reduction Applicable

Long Term Disability

Include Coverage: Yes No Employer Contribution? _____ %

17-week elimination to age 65 24-month own occupation

Taxable: Yes No

75% 66.67% (flat) 66.67% (graded)

Monthly Max: \$3,000 \$5000 \$10,000 Other \$ _____

*Non-Evidence Applicable

Critical Illness

Include Coverage: Yes No Employer Contribution? _____ %

30-day survival Taxable: Yes No

Lump Sum Max: \$10,000 \$25000 \$50,000 \$100,000

200,000 Other \$ _____

*Non-Evidence Applicable

Travel Insurance

Include Coverage: Yes No

Included with Health Care: Yes No

Employer Contribution? _____ %

Pharmaceutical

Include Coverage: Yes No

Pay Direct Drug Care (point of service): Yes No

Employer Contribution? _____ %

Deductible: Yes No

\$25-single/\$50-family \$5 per drug Dispensing Fee

Reimbursement: 80% 100% 50% Other _____ %

Extended Health

Include Coverage: Yes No Employer Contribution? _____ %

Deductible: Yes No

\$25-single/\$50-family Other \$ _____

Reimbursement: 80% 100% 50% Other _____ %

Paramedical

Include Coverage: Yes No Employer Contribution? _____ %

Reimbursement: 80% 100% 50% Other _____ %

Max Per Practitioner: \$300 \$500 \$750 Other \$ _____

Vision Care

Include Coverage: Yes No Employer Contribution? _____ %

Deductible: Yes No \$25-single/\$50-family

Reimbursement: 80% 100% 50% Other _____ %

Annual Eye Exams: Yes No

24-month Max: \$100 \$150 \$200 \$250 Other \$ _____

Dental Care

Include Coverage: Yes No Employer Contribution? _____ %

Deductible: Yes No \$25-single/\$50-family

Reimbursement for Basic Services: 80% 100% 50%

Other _____ %

Recall Exams: 6-months 9-months 12-months

Reimbursement for Major Restorative Services:

80% 100% 50% Other _____ %

Reimbursement for Orthodontics:

80% 100% 50% Other _____ %

Annual Max: \$1,000 \$1,500 \$2,000 Other \$ _____

Health Spending

Include Coverage: Yes No

100% employer paid

Include: Pharmacy Health Vision Dental

Reimbursement: 80% 100% 50% Other _____ %

Annual Max: \$ _____ per employee \$ _____ per single

\$ _____ per family

Employee Assistance

Include Coverage: Yes No

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