



# Connection

Issue 1 – 2013

Group Benefits News and Views for Clients of The Co-operators

## Keeping you informed

It's our first issue of *Connection* for 2013 and we want to keep you informed about what The Co-operators is doing for you and your plan members.

In this issue, you'll read about how your plan members will benefit from our secure, online claims system, which is launching soon. Also, we want to remind you that for those claims that fall outside your plan, you can contact us to set up Cost Plus benefits.

We also want to keep you up to date on changes in the industry. Inside, you will find details on changes to the Income Tax Act that may affect you and we have included a reminder on the Canadian Drug Pooling Agreement.

At The Co-operators, our group is you.

## Coming soon: securely submit Health and Dental claims online

We are pleased to announce that, your plan members will soon be able to submit their Health and Dental claims online through a secure portal in Benefits Now™ for Plan Members.

Our new online portal for e-claim submission is secure, easy to use and accessible 24/7. We encourage you to share this news with your plan members. Instructions on how to submit claims online will be provided on Benefits Now™ for Plan Members.

With e-claim submission, The Co-operators will receive claims faster than with paper submission. And we'll deposit all claim payments directly into your plan members' bank accounts, which means they'll get their money faster.

We are excited about this new technology and hope your plan members find this new online option more convenient. Because The Co-operators is committed to fraud detection and prevention, we will continue to perform regular audits on all claims, including those submitted by e-claim submission.

More details will be posted on Benefits Now™ for Plan Sponsors and Benefits Now™ for Plan Members when we launch. If you have any questions, please contact our Group Client Service team at 1-800-667-8164 or through the Ask a Question feature in Benefits Now™ for Plan Sponsors.



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## Keep wellness top of mind on World Health Day: April 7, 2013

The World Health Organization chose high blood pressure as the theme for World Health Day, April 7, 2013. "High blood pressure... increases the risk of heart attacks, strokes and kidney failure."<sup>1</sup>

Your plan members can learn how to stay healthy and avoid conditions such as high blood pressure by accessing the Wellness Now™ Online tool, which was developed by the Canadian Medical Association. The Wellness Now™ Online tool is designed to help:

- > Identify plan member health risks that impact benefit costs and productivity
- > Measure the impact of health improvement programs
- > Encourage plan members to take charge of their health

Your plan members can access Wellness Now™ through Benefits Now™ for Plan Members. They can complete questionnaires as well as get tips on how to stay healthy mentally, physically and emotionally.

### The benefits for your group

You will be able to access reports generated by the information entered by plan members. These reports provide only aggregate data, as the information plan members enter is all confidential. These reports can measure health risks and the risks of developing chronic conditions. You can evaluate the impact of health issues on plan member productivity and assess the relationship between your organization's culture, stress in the workplace and plan member job satisfaction.

Wellness programming can target key lifestyle factors or medical conditions that impact plan members' wellness. The reports help you follow trends in plan members' health that have an impact on health care costs and productivity. Start your wellness strategy today!

<sup>1</sup> For more information about World Health Day, visit [www.who.int/world-health-day/en/](http://www.who.int/world-health-day/en/)



## Bill passed: Income Tax Act changes to Accidental Death and Dismemberment and Critical Illness plans

Any employer contribution to Accidental Death & Dismemberment (AD&D) and Critical Illness (CI) premiums related to January 1, 2013 coverage and beyond will be considered taxable income to the employee.

In the last quarter of 2012, we communicated that there were proposed changes that may affect your AD&D and/or CI plans. Bill C-45 received Royal Assent on December 14, 2012, bringing these changes into effect. If you have not made adjustments yet, you will have to retroactively adjust your payroll systems to accommodate this change in tax legislation.

For further information, please contact your Group Benefits Advisor.

## Ensure no gaps in coverage: remind your plan members to update student status for their dependent children

Once a dependent child reaches the child maximum age based on the policy contract, we require student information to continue benefits if the student enrolls in full-time, post-secondary education. Your plan members must submit a completed Student Eligibility Form to Group Benefits Administration by August 15 every year the child continues to be enrolled in post-secondary education. If any changes in student status result throughout the year, an updated form should be submitted.

Student eligibility claims forms can be found on Benefits Now™ for Plan Members or on the website: [www.cooperators.ca](http://www.cooperators.ca) > Group > Group Benefits > Forms





## Maximize your Long Term Disability program by choosing a tiered plan

Traditionally, Long Term Disability (LTD) benefits have been based on a percentage of monthly salary; for example, 65 per cent. The LTD benefit is meant to help financially sustain your plan members who are unable to work; however, this must be balanced with a financial incentive to return to work.

### Definition: what is an all source maximum (ASM)?

Most insurance carriers cap LTD benefits at 85 per cent of the pre-disability salary to provide incentive for plan members to return to active work. Without this cap, a plan member could be financially better off while receiving LTD benefits rather than actively working. However, high-income earners insured with a flat percentage LTD benefit may find that the benefit for which they are paying for exceeds the benefit they will receive due to the ASM. Here is an example of a plan of 65 per cent to a maximum of \$6,000:

- > \$10,000 salary per month x 65% = \$6,000 (plan maximum)
- > Net income is approximately \$5,800 for a \$10,000 salary and \$5,800 x 85% = \$4,930
- > This means that this employee would only get a maximum of \$4,930 even though he or she would be paying premium based on receiving \$6,000, which leaves a shortfall of \$1,070.

### What is the solution: tiered benefit formulas

A tiered benefit formula can shorten or remove the gap between the benefit amount that premiums are based on and the amount of disability payment for non-taxable plans. Although the tiered LTD benefit formula will calculate a lower overall benefit than the flat percentage for higher-income earners, these plan members would not be charged for a benefit that they would never be eligible to receive.

Feel free to discuss these options or any questions you have with your Group Benefits Advisor.

## Reminder: Canadian Drug Pooling Agreement effective January 1, 2013

The Canadian Drug Pooling Agreement was effective January 1, 2013. If you have an insured plan, your next renewal package will include an EP3 Statement confirming you are eligible to participate in the industry drug pooling arrangement.

### What is an EP3 Statement?

The EP3 Statement is an industry standard document and it recognizes your continued coverage in the arrangement.

### What do I need to do?

The EP3 Statement is required should you transfer coverage to another eligible insurer in the future. There is no other action required with the EP3 Statement, just simply keep it with your renewal documentation.

### Where else can I get a copy?

EP3 Statements are also available on request. If you require one, please contact your Group Benefits Advisor.

For further information on the drug pooling agreement, visit the CLHIA website at [www.clhia.ca](http://www.clhia.ca).





## Choose Cost Plus for better health benefits

Cost Plus is a tax-effective and flexible way to supplement Health, Dental and Vision coverage that may be limited or not covered under your Group Benefits plan. As an alternative method of reimbursing medical and/or dental expenses, it's an excellent way to provide enhanced health benefits to your key plan members or benefits to plan members who would not otherwise have coverage. For the cost of the expense itself (plus a small administration fee and applicable taxes), we will process the claim under the plan.

You are responsible for determining the eligibility of expenses and dependents as defined by the Canada Revenue Agency. The list of eligible medical expenses and definition of dependent can be found on the Canada Revenue Agency website at [www.cra.gc.ca](http://www.cra.gc.ca) (forms and publications, form IT-519) or by calling 1-800-959-2221.

## On the job with Product Development

For Aidan Pearson, every day brings opportunities to improve the entire client experience by evaluating our current products and developing new ones.

As a Senior Manager in the Product Management team, Aidan guides the organization through the investigation and development of new products and updates to existing ones. For each project, he stays on top of our clients' needs while making sure we stay competitive in the market.

### Maximizing client satisfaction

At the launch of each project, Aidan looks for broad perspectives from experts in many departments, including Marketing, Pricing, Underwriting, I.T. and Client Services. He's determined that no one gets left out of the chain; whether a department affects a client directly or indirectly, their insights are important to the client experience.

Once the team identifies the product requirements, a project manager takes the lead to ensure that the product is taken to market quickly and effectively. Because changes are driven by client needs and market demands, they must be incorporated consistently into our products.

### A culture of opportunity and learning

Aidan says that one of the main reasons he likes working for The Co-operators is the people: everyone has mutual respect for one another and a positive attitude. It was the first thing he noticed coming here seven years ago, and it hasn't changed since. He appreciates the opportunities all employees have to jump into new roles and bring fresh perspectives along with their individual project experiences and skill sets. He's also made the most of our corporate culture and its emphasis on continuous learning by earning his Project Management Professional (PMP) certification while at The Co-operators.

Aidan understands why we value well-being and engagement: it's because we know that our employees carry these values forward to our clients, which leads to our mutual success. As one of our clients, you can be sure that Aidan and the rest of the Product Management team are making sure you are getting a competitive plan with products built to suit your needs.



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## Co-operators Life Insurance Company

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\*Auto insurance not available in MB, SK and BC.