



# **GROUP BENEFITS GUIDE**

## **For Small / Medium Business**

*(Under 99 employees)*

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**WESCAN**



# INTRODUCTION

# WESCAN INSURANCE

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Wescan Insurance Brokers was established with the vision to provide quality service to our clients, in a professional & competitive manner and to exceed their expectations. We do comprehensive group benefits planning & offer all choices available, so you can make an informed decision. We envisage long term relationship with our clients based on this vision as we will only provide quality products & services via our network of Insurance carriers. Being an independent licensed advisory firm, we cater to all the employee benefit needs of our clients and provide technical expertise and value enhancements.

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## Why do you need **GROUP BENEFITS?**



- *Helps attract & retain key employees.*
- *Tax effective form of compensation - Less expensive than a raise because there are no additional increases in CPP, EI or WCB payments, & premiums can be tax-deductible*
- *Can increase productivity, morale and the quality of employee's work.*
- *Healthier employees reduce turnover & absenteeism.*

Making group benefits available to employees can be a challenging task for small & medium-sized employers who do not have the resources or economies of scale that larger organizations do. That is why insurance carriers, third-party insurance administrators, and advisors have developed products, services, and administration tools that can help employers offer competitive group benefits that any sized employer can tailor to their unique needs.

## Understanding and **IDENTIFYING EMPLOYEE NEEDS**

Small and medium-sized employers would never launch a new product or expand their business without first understanding the marketplace and current business environment. Similarly, employers need to understand what their employees and organizations are looking for before making any decisions about their benefits plans. As with general market research, there are several simple steps that employers can take to determine what type of benefits might be best for them and their employees:

- Conduct a benchmarking exercise to determine what benefits other employers in the same/similar sector are offering. General information is often available from Chambers of Commerce and the Conference Board of Canada
- Conduct an employee survey to determine the health needs, preferences and expectations of their workforce; and
- Review the demographic profile of their employees and previous claims experience (if available) to identify the needs of the workforce and to determine options that will meet the requirements and expectations of the largest number of employees.

These steps are something **Wescan Insurance Brokers** benefits advisor can assist and advice you with.

## Asking the **RIGHT QUESTIONS**

After establishing a benchmark for employee expectations, employers need to understand the role and cost of providing or changing the benefit coverage they provide. Answering a few basic questions can help provide this understanding:

- What is the reason they offer/plan to offer a benefits plan?
- What will the program's primary goal be? (Competitiveness, retention/recruitment, increased productivity, provide protection to the employee)
- Will/does coverage meet the needs of the current workforce?
- Will coverage meet the emerging and changing needs of future employees? (Demographics, health needs, age, diversity, expectations)
- What should the annual budget be for providing coverage?
- Do/will employees understand their benefits and what is being offered to them?
- How often should plan design/cost be reviewed to ensure that it meets the needs of a changing workforce and rising health care costs?

While some of the answers to these questions may require the assistance of an advisor, the exercise of working through these questions will allow employers to start to develop a group benefits strategy.

## Develop a group **BENEFITS STRATEGY**

Once the Employer has asked themselves the right questions and understand what role the group benefits plan plays/will play within the organization, small and medium-sized employers can develop a strategy for establishing their group benefits plan. During this process, employers will find that it is their view of benefits, not their size, that will dictate their strategy and what type of group benefits they offer.





Understanding differences between Experience-Rated Group benefits or,

## A FULLY POOLED GROUP BENEFITS PLAN?

PLAN VARIATION	CLAIMS RATED	FULLY POOLED
Renewals Rates	Based on Your Group Claims	Not Based on your Group claims
Plan Underwriting	Each Renewal to Set Rates	Only at the time of the application
Renewal Repricing	Not Predictable	Stable & Predictable
Coverage Limitation	By Group Size	Not Limited By Group Size
Benefit Category	May not be available for certain industry	Available Regardless of the industry
Plan Issuance	Can be issued regardless of Health	May not be issued due to health
Transparent Claims	Group Experience is available	Group Experience is not available

Claims Rated plans may have lower premiums initially and depending on your group's usage it can increase significantly, but if your group has a low usage your Plan Administrator can request a premium decrease; on the other hand, the Fully Pooled plans have a higher premium initially, but have a much predictable annual increase.

## Comprehensive Group BENEFITS PLAN DESIGN

**Wescan Insurance Brokers** offer big coverage options designed for the needs of small businesses. Our comprehensive employee benefit options can be customized, regardless of the number employees you have, and any premiums you contribute are a deduction against business income. Here are the different types of coverage we offer to help you protect your business, your employees, and their loved ones.

- **Life Insurance** – If an employee passes away, this coverage provides a tax-free lump-sum payment to beneficiaries of that employee to help replace their lost income.
- **Health Insurance** – This inclusive benefit helps you and your employees pay for a variety of health care expenses, including prescription medication, vision care, chiropractor appointments, massage therapy, and medical supplies.
- **Dental Insurance** – This comprehensive protection helps cover a wide range of dental work for you and your employees, including check-ups, cleanings, fillings, root canals, gum work, crowns, caps, bridgework, and orthodontic treatment.

- 🇨🇦 **Keyperson Coverage** – If an essential employee who helps you run your business were to pass away or become disabled, your business would be greatly impacted. This coverage provides you with a tax-free lump-sum payment that you can use towards recruiting and training a new employee, in addition to repaying debt. This coverage can also be used to replace lost profits while your new employee is learning the ropes. Keyperson coverage can also apply to you as the owner.
- 🇨🇦 **Critical Illness Coverage** – If you or one of your employees is diagnosed with a critical illness, such as a heart attack, a stroke, or cancer, this coverage provides a tax-free lump sum payment.
- 🇨🇦 **Income Replacement Benefits** – If you or one of your employees suffers an accident or illness, either on or off the job, income replacement benefits can act as a safety valve to help replace lost income.
- 🇨🇦 **Living Benefit Compensation** – This coverage provides financial protection when you or one of your employees has an accident or contracts a serious illness and is unable to take care of themselves.
- 🇨🇦 **Executive Compensation** – This plan helps business owners attract and retain key employees by providing tax-effective financial compensation that goes beyond typical salary payments, including long-term incentives.
- 🇨🇦 **Disability Protection** – This coverage provides you or your employees with compensation to pay bills when one is unable to work and earn a paycheck because of an accident or illness. This plan can be transferred over to the employee if they leave the company.
- 🇨🇦 **Retirement Benefits** – This benefits option can help you create additional income for your employees, as government benefits can be limited. Benefits include pension plans, Group RRSP/TFSA, and retirement compensation arrangements.
- 🇨🇦 **Retirement Planning** – These planning services include advice to control finances, manage debts and build up savings.





Forming/maintaining

# THE RIGHT PARTNERSHIPS

A key component to offering the right benefits plan is developing or maintaining a relationship with an advisor. It is the role of these professionals to find the right insurance carrier that can provide the right coverage that will work within the employer's overall group benefits strategy.

An advisor can also help employers by making them aware of legislative changes and how they may impact the benefits plan, new technology that would benefit the employer and employee as well as new products and services and opportunities to effectively manage the cost of the group benefits plan.

Employers should consult with their advisor to regularly review the plan design to make sure that it continues to meet the expectations of employees and fits in with any change to the overall group benefits strategy.

The right advisor can help identify which insurance carrier is the best fit for the employer's group benefits strategy. Insurance carriers offer a number of cost containment tools and services that can be highlighted and recommended by an advisor to meet an employer's unique situation, examples of these include:

- **Health care spending accounts (HCSAs):** These 'health accounts' allow an employer to meet the diverse needs of the workplace by allowing employees to have more control in how they spend their health benefits coverage.
- **Cost containment:** Insurers can provide plan design features to keep the cost under control, including cost-sharing with employees through deductibles and co-payments).
- **Education:** Insurers can provide information and resources for employees on the cost of the plan and how they can help alleviate costs through coordination of benefits and becoming a smart consumer in regards to such expenses as pharmacy dispensing fees. Insurers can often host on-site sessions that can help employees understand their benefits and the costs associated with them.
- **Self-service:** Insurers may offer a call centre and/or employee self-serve website that can reduce the employer costs and administration efforts in regards to the group benefits plan.

By understanding and identifying their employee needs, asking the right questions, developing a group benefits strategy and through the right partnerships, small and medium-sized employers can ensure that they are able to offer a group benefits plans that will help keep them competitive and attract and retain talent.





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