

GROUP INSURANCE QUOTATION

The cost of the association group insurance program depends on the type of benefits selected, and the age, classification and family status of each employee. Contact Morneau Sobeco for a quotation.

BY PHONE

Call Morneau toll free:

1-800-267-0097

Please complete the following form, and provide this information to the Morneau consultant on the phone.

BY FAX

Please complete the following form and fax a copy to:

(416) 445-7989

BY MAIL

Please complete the following form and mail a copy to:

**Morneau Sobeco
895 Don Mills Road, Suite 700
One Morneau Sobeco Centre
Toronto, ON M3C 1W3**

Please provide information about yourself and all eligible staff to be insured.

Company Name _____

Full Address _____

City & Province _____ Postal Code _____

Your Name _____ Title _____

Phone # _____ Fax # _____

Name of any affiliate Association _____ e-mail: _____

Please provide information about yourself and all eligible staff to be insured.

Name	Date of Birth (mm/yy)	Smoker or Non-smoker (S,N) *	Single or Family (S,F)	Classification	
				A - Owner/managers	B - All other staff
1. _____	_____	_____	_____	<input type="checkbox"/> A	<input type="checkbox"/> B
2. _____	_____	_____	_____	<input type="checkbox"/> A	<input type="checkbox"/> B
3. _____	_____	_____	_____	<input type="checkbox"/> A	<input type="checkbox"/> B
4. _____	_____	_____	_____	<input type="checkbox"/> A	<input type="checkbox"/> B
5. _____	_____	_____	_____	<input type="checkbox"/> A	<input type="checkbox"/> B

(If you have more than 5 employees, please advise us)

Notes

* A non-smoker discount is available for employees who have not smoked/used tobacco products in the past 12 months.

Do you already have a group insurance plan? Yes No

If yes, a Morneau Sobeco consultant will be able to provide you with a comparison of cost and benefit features for your review. Please forward to Morneau Sobeco: (1) a copy of your current employee booklet or insurance policy; and (2) a copy of your most recent billing statement.

Group insurance quotations are normally sent within 48-hours of receipt of the above information. You will receive a full description of the program, and all material needed to join. We look forward to the opportunity to be of service.

ASSOCIATION GROUP INSURANCE PROGRAM

The success of any organization depends largely on the quality of its staff. Smaller employers find it difficult to compete for good staff because these individuals often prefer the security and benefits offered by larger employers. To compound the problem, insurance companies are either unwilling to provide a group benefits package, or offer "small employer" packages that are too restrictive.

A significant advantage of membership in an association program is the opportunity to obtain superior employee benefit coverage tailored to meet the unique and specific requirements of each and every member. This benefits program offers flexible options at low cost through combined volume purchasing power.

Note: Further to the 1998 federal budget, self-employed, unincorporated businesses can deduct the full cost of health and dental premiums from business income. Prior to this, only incorporated businesses were entitled to deduct these costs.

There is no minimum group size requirement for participating in this program. This group insurance program is suited for groups with up to 5 employees. Morneau Sobeco also offers alternate programs for larger groups.

The program is based on a core-plus-options approach. This means each member group can choose a plan which is best suited to the needs of its owners, managers and staff.

Costs vary depending on the benefits selected, province of residence, age, and family status of employees. Non-smokers receive a discount on life insurance premiums.

To find out the actual cost of a plan for you and your staff, please submit the "Group Insurance Quotation" form on the back page of this brochure.

The Core Plan includes basic life insurance, accidental death & dismemberment insurance, and medical services/supplies.

Optional Health Benefits which can be added as enhancements to the plan include prescription drugs and hospital/out-of-country emergency medical coverage.

Optional Dental Benefits provide coverage for check-ups, cleanings and other routine dental work. Partial coverage for crowns, bridges, dentures and other major restorative procedures can be added as an enhancement.

We hope you will be able to take advantage of the program right away, or will add it to your budget for the upcoming year.

The benefits program is underwritten by The Co-operators Life Insurance Company, who has significant experience with plans of this type and a strong reputation for service.

Morneau Sobeco Inc., a leading employee benefits consulting firm, has been retained to assist in the development and maintenance of this program. We are available at **1-800-267-0097** to answer any questions you may have and to help you enroll in the program.

Optional Short Term Disability Insurance provides income replacement for disability due to illness or injury in the short term.

Optional Long Term Disability Insurance provides income protection if you are unable to work due to disability resulting from illness or injury. Additional coverage can also be added to enhance this benefit.

The inside pages of the brochure describe the benefits in more detail and explain how you can join the program.

CORE PLAN

Basic Life / AD&D	Optional Enhancements
\$50,000 owners/managers \$25,000 all other staff	Additional amount up to \$250,000 in units of \$25,000

Extended Health Care	Optional Enhancements
Medical Services and supplies (Single or Family coverage)	Prescription drugs Hospital accommodation and out-of-country coverage

OPTIONAL BENEFITS

Dental Benefits	Optional Enhancements
Basic services - Single or Family coverage	Major restorative services

Long Term Disability	Optional Enhancements
\$1,500 owners/managers \$1,000 all other staff	Additional amount up to 3 units of \$500 each

Short Term Disability	Optional Enhancements
66.67% of Weekly earnings	To the current Employment Insurance (EI) Maximum

BENEFIT SUMMARY

BASIC LIFE INSURANCE

- Flat benefit of \$50,000 for owners/managers, and \$25,000 for all other staff
- Coverage reduces by 50% at age 65, and terminates at the earlier of retirement or age 70
- Premiums are waived after six months of total disability

BASIC ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) INSURANCE

- Pays an additional amount equal to the basic life insurance benefit in the event of accidental death
- Pays a portion of the death benefit for dismemberment or paralysis due to an accident

OPTIONAL LIFE AND AD&D INSURANCE

- Insurance can be increased in units of \$25,000, to a maximum optional benefit of \$250,000
- Available for the employee or spouse, or both

EXTENDED HEALTH BENEFITS

- All extended health benefits are subject to a \$25 calendar year deductible for single coverage and \$50 for family coverage
- Unlimited overall lifetime maximum for all health benefits (other than out-of-country expenses)
- In the first calendar year of coverage, all extended health benefits are limited to a maximum of \$500 per person (except out-of country coverage)
- Each employee can choose **single** or **family** coverage or **wave** coverage if there is comparable coverage under a spouse's plan

Medical Services and Supplies

- 100% coverage for professional ambulance service, out-patient services, and private duty nursing
- 100% coverage for diabetic supplies, laboratory expenses, hearing aids, and other medical equipment and supplies
- Charges by licensed and qualified paramedical practitioners when prescribed by a physician (maximum \$500 per practitioner per year)

Prescription Drug Coverage (*elective enhancement*)

- 80% coverage for prescription drugs, to a maximum of \$1,000 per person per calendar year

Hospital Accommodation and Out-of-Country Coverage (*elective enhancement*)

- 100% coverage for semiprivate hospital accommodation in Canada
- 100% coverage for emergency out-of-country medical costs, to a maximum of \$1,000,000 lifetime

DENTAL BENEFITS (*optional benefit*)

(Benefits are based on the current dental association fee guide)

- All dental benefits are subject to a \$25 calendar year deductible for single coverage and \$50 for family coverage
- Coverage is limited to \$500 per person for the first calendar year of coverage
- Subsequently, all dental benefits are limited to a combined maximum of \$1,000 per person per calendar year
- Each employee can choose **single** or **family** coverage, or can **wave** this coverage entirely if there is comparable coverage under a spouse's plan

Basic & Comprehensive Basic Services

- 100% coverage for routine check-ups and x-rays
- 100% coverage for cleaning, prophylaxis and other preventative services
- 100% coverage for fillings, basic restorations and minor dental surgery
- 50% coverage for root canal and periodontal procedures

Major Restorative Services (*elective enhancement*)

- 50% coverage for major restorative services, including dentures, crowns and bridgework

LONG TERM DISABILITY INSURANCE (*optional benefit*)

- Basic benefit of \$1,500/month for owners/managers, and \$1,000/month for all other staff
- The basic amount of coverage can be increased in units of \$500 to a maximum of 3 additional units
- Benefits start on the 120th day of continuous disability and continue to age 65
- Payments offset by workers' compensation and disability benefits under CPP or QPP

SHORT TERM DISABILITY INSURANCE (*optional benefit*)

- Benefit amount is 66.67% of Weekly Earnings to a maximum benefit equal to the current EI maximum
- Benefits start on the 15th day of continuous disability and continues for up to 15 weeks
- Payments are offset by workers' compensation, EI and CPP or QPP

NOTE: This summary is intended to provide a brief description of the benefits available under the association group insurance program. This material does not create or confer any rights. The exact terms and conditions of your benefits are outlined in the applicable group benefits agreements or policies.

IMPLEMENTING A BENEFITS PROGRAM

The group insurance program is available to all members and there is no minimum size of organization. To establish a plan, you need to consider the following questions:

1. Which employees should be classified as managers (Class A)?

Normally this decision is based on earnings and level of responsibility. However, it is not necessary to have the title "manager" to be included in Class A for benefits.

2. Whether to pay the entire cost of the plan, or share part of the cost with employees?

Most employers pay the entire cost of benefits for their staff. If costs are shared, employees are often asked to pay at least half of the cost of their health and dental benefits; the employer pays the rest of the cost. Minimum employer contribution required is 50% of the total cost for each employee.

3. Whether to include part-time employees?

You can cover any employee who works at least 20 hours per week. There is no legal requirement to cover part-time staff, but you must adopt a consistent policy about who is eligible for benefits.

4. Whether to pay your premiums monthly or quarterly and what method of payment to use – pre-authorized bank withdrawals or by cheque?

Many smaller firms find it is easier to budget for a monthly cost. Select the payment option which best fits your current bill payment arrangements.

5. Can you make plan design changes after your initial enrolment?

Plan design changes can be made only during the calendar month immediately following Policy Renewal date of each year. Some restrictions may apply.

ELIGIBILITY FOR BENEFITS

Employees are eligible for benefits if they are under age 65, work at least 20 hours per week and have been employed by your firm for 3 continuous months. Participation in this plan is mandatory for all eligible employees. Certain restrictions apply in the first 12 months of coverage if an employee does not apply for coverage within 30 days of becoming eligible.

Eligible dependents include the employee's spouse (legally married or common-law) and children up to age 21, or age 25 if a full-time student (or age 26 if the employee is a resident of Québec).

All eligible employees must apply for coverage by completing an "Employee Application for Group Insurance" form. Coverage begins on the 1st day of the month following approval from the insurance carrier.

The program does not cover disability claims which occur during the first 12 months of coverage, if these are due to a pre-existing condition. A "pre-existing condition" is defined as any medical condition for which the employee was treated or took medication in the six months before coverage took effect.

Follow these steps to apply for coverage:

- Step 1** Complete the "Group Insurance Quotation" form on the back page of this brochure.
- Step 2** You will receive a group insurance quotation from Morneau Sobeco, including a full description of the plan and all material required to join.
- Step 3** The employer completes a one page "Application for Group Insurance Form" to select a plan design for the group.
- Step 4** Each employee completes a one page "Employee Application for Group Insurance" form to select the type of coverage required.
- Step 5** Send all completed application forms to Morneau Sobeco, 895 Don Mills Road, Suite 700, One Morneau Sobeco Centre, Toronto, ON M3C 1W3. Please keep a copy of all application forms for your files. No binder cheque is required.

All insurance is subject to medical underwriting by the insurer, and does not take effect until you are notified of approval. Within two weeks of approval, you will receive a letter confirming coverage, a claims kit and your first premium billing information.