



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 to be of real value.

A significant advantage of membership in the Retail Council of Canada (RCC) 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 the combined volume purchasing power of the RCC.

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 RCC group benefits program is underwritten by The Co-operators Life Insurance Company, who have 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.

NOTE: Further to the 1998 federal budget, self-employed, unincorporated members 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. It is available to groups with as few as one employee.

The program is based on a core-plus-options approach, which 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 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. Additional life insurance, prescription drugs and hospital/out-of-country emergency medical coverage can be added as enhancements to the core plan.

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.

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

	Optional Enhancements
Basic Life / AD&D	
- \$50,000 owners/managers	Additional amount up to \$250,000 in units of \$25,000
- \$25,000 all other staff	
Extended Health Care	
<ul style="list-style-type: none"> Medical services and supplies - Single or family coverage 	Prescription drugs
	Hospital accommodation and out-of-country coverage

OPTIONAL BENEFITS*

	Optional Enhancements
Dental Benefits	
<ul style="list-style-type: none"> Basic services - Single or family coverage 	Major restorative services
Long Term Disability	
- \$1,500 owners/managers	Additional amount up to 3 units of \$500 each
- \$1,000 all other staff	

* At the employer's option, the program can be expanded to include short term disability coverage. Please contact Morneau Sobeco for more information.

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 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 additional 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 (maximum \$50 per family)
- For groups of five or less employees, or who have no previous group insurance coverage – to be replaced by this program coverage is limited to \$500 for the first calendar year of coverage
- An overall lifetime maximum of \$30,000 applies to all benefits other than out-of-country expenses
- Each employee can choose **single** or **family** coverage, or can **waive** this coverage entirely 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 your attending physician (maximum \$500 per practitioner per year)

Prescription Drug Coverage *(elective enhancement)*

- 80% coverage for prescription drugs, to a maximum of \$750 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

DENTAL BENEFITS *(optional benefit)*

(Benefits are based on the current dental association fee guide for your province of residence)

- All dental benefits are subject to a \$25 calendar year deductible (maximum \$50 per family)
- For groups of five or less employees, or who have no previous group insurance coverage – to be replaced by this program – coverage is limited to \$500 for the first calendar year of coverage
- All dental benefits are limited to \$1,000 per person per calendar year
- Each employee can choose **single** or **family** coverage, or can **waive** this coverage entirely if there is comparable coverage under a spouse's plan

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 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

NOTE: This summary is intended to provide a brief description of the benefits available under the RCC 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 program is available to all members and there is no minimum size. To establish a plan, you need to consider five questions:

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

Normally this decision is based on earnings and level of responsibility. 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 the entire cost of the long term disability benefit or half of the cost of their health and dental benefits; the employer pays the rest of the cost.

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 quarterly premiums in advance, or by monthly pre-authorized cheques?

Many smaller firms find it is easier to budget for a monthly cost.

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

Plan design changes can be made on July 1st 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. Certain restrictions apply in the first 12 months of coverage or if an employee does not apply for coverage within this time frame.

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". Coverage begins once the insurer approves the application.

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" to select a plan design.
- Step 4** Each employee completes a one page "Employee Application for Group Insurance" 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 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. You can start submitting claims immediately.

GROUP INSURANCE QUOTATION

The cost of the RCC 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 Sobeco 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

Our fax line is open on a 24-hour basis.



BY MAIL

Please complete the following form and mail a copy to:

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

Company Name _____

Full Address _____

City & Province _____ Postal Code _____

Your Name _____ Title _____

Phone # _____ Fax # _____

Membership # _____ 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
6.	_____	_____	_____	_____	<input type="checkbox"/> A	<input type="checkbox"/> B

(If you have more than 6 employees, please continue on a separate sheet)

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 mailed 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.