

# Industrial Alliance Group Insurance at a Glance

Premium revenue in 2003

\$702 million

Corporate clients

About 4,500

Insured members

500,000

2003 market ranking (sales)

6<sup>th</sup>

Distribution of premium by region

Western Canada: 21%

Ontario: 34%

Quebec and Atlantic provinces: 45%



## Administration

### To Contact Us

In January, we began marketing and distributing our products and services throughout Canada under the Industrial Alliance name. To this end, we have recently revised some of the postal addresses, phone and fax numbers of our Toronto and Montreal administrative centres. Please note that in order to facilitate processing of requests, we now have two separate postal boxes for the Administration and Claims departments. We have also implemented a new unique Group Customer Service toll-free phone number across Canada.

Here is how to contact us, according to your Toronto or Montreal administrative centre:

#### ■ By phone

##### Customer Service Centre

Toll-free across Canada:  
1-877-IA-ANGUS (1-877-422-6487)  
(see inset "Who is Angus?")  
Toronto: (416) 585-8921  
Montreal: (514) 499-3800

Business hours (EST)

Toronto: 8:30 a.m. to 5:30 p.m.  
Montreal: 8:00 a.m. to 5:00 p.m.

#### ■ By fax

##### Customer Service Centre

Toll-free across Canada:  
1-877-FX-ANGUS (1-877-392-6487)

#### ■ By Internet

Industrial Alliance website:  
[www.inalco.com](http://www.inalco.com)

Group Insurance website:  
[www.inalco.com/groupinsurance](http://www.inalco.com/groupinsurance)

Group Insurance e-mail address:  
[groupinsurance@inalco.com](mailto:groupinsurance@inalco.com)

#### ■ By mail

##### TORONTO

Administration or Disability Claims  
Department  
522 University Avenue  
Toronto, ON M5G 1Y7

##### Health and Dental Claims Department

PO Box 4643, Station A  
Toronto, ON M5W 5E3

##### MONTREAL

Administration Department  
PO Box 790, Station B  
Montreal, QC H3B 3K6

##### Claims Department

PO Box 800, Station Maison de la Poste  
Montreal, QC H3B 3K5



#### Who is Angus ?

Angus is the real-life African elephant that served as the inspiration for a series of Industrial Alliance ads that ran during the mid-90s. Angus also inspired the design of the Company's logo: the elephant.

This choice was made based on the numerous attributes that the Company has in common with this magnificent animal:

- Strength and energy
- Solidity
- Longevity and memory
- Strong sense of family and responsibility

## About Industrial Alliance

The INFO Bulletin is presented to you by Industrial Alliance.

Industrial Alliance is among the most solid financial institutions in the country and is a leader in insurance and financial services. With offices from coast to coast, Industrial Alliance insures more than 1.7 million Canadians and has over \$20.5 billion in assets under management and administration, making it the 6<sup>th</sup> largest life and health insurance provider in Canada.



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[www.inalco.com](http://www.inalco.com)

## Benefits

### Travel Assistance

Whether for business or for pleasure, whether alone or in a group, people are travelling more and more and often to exotic destinations. Although never desirable, emergency situations may occur when travelling abroad and that's why it is important to have good coverage and access to a support network in order to obtain the best medical care available in a timely manner. It is for this reason that most group health plans that include the reimbursement of emergency medical expenses incurred outside the province of residence also provide a travel assistance benefit.

In addition to the range of medical and travel services described below, primary travel assistance services include referring the insured person to a physician or an appropriate hospital, organizing consultations with physicians, assisting with admittance to a hospital and arranging for emergency medical transportation. Travel assistance also plays a role in managing health benefit costs because it provides for efficient claim management even before expenses are incurred. That's why most group insurance contracts include travel coverage and travel assistance as a package.

#### Available Services

The most common services available through travel assistance are:

- Travel information before, during and after the trip
- 24-hour multilingual telephone access
- Referral to a physician or an appropriate hospital
- Assistance with admittance to a hospital
- Arrangements for transportation or transfer to a hospital

- Return of the insured person to his home or to a hospital near his home by ambulance, train, air ambulance, helicopter or commercial airline
- Payment of medical expenses and cash advances
- Return of the deceased in case of death
- Return or visit by a member of the insured's immediate family
- Return of vehicle
- Payment of expenses for accommodation and meals
- Delivery of emergency drugs
- Help with lost baggage or travel documents
- Whether eligibility depends on the insured's medical condition before departure (pre-existing conditions).
- Whether it is mandatory for the insured person to be covered by the provincial health plan.
- The procedure to be followed in the event of an emergency abroad.

#### Before Departure

Anyone can have an accident or sudden illness but it is wise to be fully informed of precautions to take depending on the country being visited. For example:

- Health Canada warnings
- Visas and other required documentation
- Vaccination and first-aid kit
- Climate
- Food and water quality
- Time zone differences

Such information is available from the Health Canada web site at [www.travelhealth.gc.ca](http://www.travelhealth.gc.ca)

It is also important to verify certain conditions of the group contract in order to make sure the insured person is eligible for travel benefits, such as:

- The maximum eligible length of stay.

#### In Case of Emergency

In order to have access to the best services possible, it is of the utmost importance that the insured person contact the emergency assistance service as soon as an emergency occurs. Telephone numbers are often shown on plan members' insurance cards or certificates.

#### Communication and Information

Because travel insurance and assistance benefits represent only a fraction of the overall budget for group insurance, they are often perceived by plan members as having poor value. However, for plan members who travel, group insurance travel protection is much more affordable than individual insurance. Those members realize the full value of the travel benefit. It is important for plan members to be well-informed of the group travel insurance they get in order not to double their protection when travelling or to avoid travelling without coverage. Plan administrators thus have an interest in informing their plan members of the coverage and benefits available to them when travelling abroad.

For more information on the travel assistance services offered by Industrial Alliance, please contact your employee benefits advisor or your Industrial Alliance group sales representative.

## The Increasing Cost of Dental Care

In recent years, there has been a lot of talk about the causes of the increase in the cost of drugs within group health care plans and the possible ways of controlling this increase. But what about dental care costs? Have they increased as significantly? What causes dental care costs to increase?

There is a 5 – 10% annual increase in dental care costs. According to an article written by Towers Perrin consultants and published by Benefits Canada in April 2003 (*Does Your Dental Plan Need a Check-up?*), dental plan costs have increased more rapidly than salaries in recent years. The article also points out that, over a seven-year period (from 1996 to 2002), the

cumulative increase in the provincial dental fee guides (see chart) exceeded the increase in the Consumer Price Index (CPI) by about 4%.

The increase in dental care costs is attributable both to fee guide increases and to utilization by plan members. These two factors account for the overall increase by 3% - 5% and 2 - 5% respectively.

### Dental Fee Guides

Dental fee guides, issued by the various provincial dental associations, are intended to serve as a reference document that can assist dentists in developing a fair and reasonable fee structure. This means that fees charged by dentists for services

rendered may be higher or lower than the amount indicated in the provincial fee guide. However, most group insurance contracts provide reimbursement of eligible expenses up to the maximum amount indicated in the provincial fee guide of the year specified, for example: current year, previous year, 2002, etc.

### Provincial Dental Fee Guide Increases for 2004

Province	Increase	Effective Date	Details
British Columbia	4.48% overall	February 1, 2004	The % varies by code (0 – 7.5%)
Alberta	0 – 16% The overall increase depends on each plan.	February 1, 2004	The Alberta Dental Association stopped publishing fee guides in 1997. The % increase corresponds to the benchmark provided by the insurance industry.
Saskatchewan	5.68% overall	January 1, 2004	
Manitoba	3.20% overall	January 1, 2004	Northern Manitoba (north of the 53rd parallel) has a 5% higher percentage.
Ontario	4.0% overall	January 1, 2004	The % varies by code (0 – 8%)
Quebec	3.9% overall	January 1, 2004	Many preventive codes have not been increased to encourage accessibility. Complete examination and posterior composite codes have been increased to reflect their complexity and level of responsibility.
Newfoundland and Labrador	1.6% overall	January 1, 2004	
New Brunswick	3.0% overall	January 1, 2004	
Nova Scotia	3.38% overall	February 1, 2004	
Prince Edward Island	1.8% overall	January 1, 2004	

### Utilization

The utilization of dental plans is affected by such factors as:

#### Heightened public awareness of the need for good oral health

According to the Report on the Health of Canadians issued by Statistics Canada in 1999, almost two-thirds (62%) of Canadians reported visiting a dentist during the course of the year, whether they were insured or not. This percentage is even higher (up to 71%) for groups of people – such as youth, working-age adults, those in the highest income group and university graduates – who are more likely to have dental insurance;

#### Greater utilization of costly procedures

Such procedures as dental implants, white composite fillings and surgery, while more costly, are becoming more and more popular;

#### Government cutbacks

In Quebec, for instance, the maximum age of children for free benefit coverage has progressively declined in recent years. At present, only the Quebec, Nova Scotia, Newfoundland and Prince Edward Island governments provide certain dental services;

#### Fraud

The impact of presumed dental fraud is difficult to measure. The Canadian Dental Association has a zero tolerance policy with respect to fraud and

encourages patients to have frank discussions with their dentists about the care that they receive.

A clear understanding of the factors that influence dental cost increases can assist plan administrators in making the right choices when implementing, designing or modifying a dental plan for their members. It can also assist them with their annual management of the dental care budget.

## Integration of Short-Term Disability Benefits with Employment Insurance Sickness Benefits

Employers usually choose to provide a Short-Term Disability (STD) Benefit Plan as an alternative to having their employees rely on Employment Insurance (EI) Sickness Benefits from Human Resources and Skills Development Canada (HRSDC) when they are absent from work due to a disability. By providing an STD Benefit Plan that provides a benefit that is at least equivalent to the EI Sickness Benefit an employer will qualify for a premium rate reduction with respect to its employment insurance premiums.

However, an employer can choose not to set up its STD Benefit Plan as an alternative to having its employees rely on EI Sickness Benefits when they become disabled. Instead the employer can integrate its STD Benefit Plan with the EI Sickness Benefit program. Integration can be accomplished with a number of different plans, the most common being a Carve Out Plan, a Wrap Around Plan and a Supplementary Unemployment Benefit (SUB) Plan.

### Carve Out Plan

Under this Plan, the employer's STD Benefit Plan will pay the first 2 weeks of an employee's disability (the qualifying period for employment insurance sickness benefits). No benefit payments will be made under the employer's STD Benefit Plan for the next 15 weeks, which is the maximum benefit period under the EI Sickness Benefit program. Benefit payments under the employer's STD Benefit Plan will recommence with the 17th week of disability, and will continue, while the employee remains disabled, until the end of the maximum benefit period specified under the Plan.

### Wrap Around Plan

Under this Plan, the employer's STD Benefit Plan will pay the first 2 weeks of an employee's disability. No benefit payments will be made under the employer's STD Benefit Plan while the employee is subsequently receiving EI Sickness Benefits. Benefit payments will recommence under the employer's STD Benefit Plan on the date the employee is no longer receiving EI Sickness Benefits, provided the employee continues to be disabled. Disability benefits will be paid under the employer's STD Benefit Plan for the remainder of the benefit period specified under the Plan.

Unlike the Carve Out Plan, the period for which the employer's STD Benefit Plan does not pay a short-term disability benefit will not be a set period (15 weeks). Instead it will be based on the period the employee is receiving EI Sickness Benefits, which could vary from employee to employee due to such factors as the employee not qualifying for an EI Sickness Benefit due to his or her length of employment or the fact that he or she may have received EI Sickness Benefits during the prior 12 months.

### Supplementary Unemployment Benefit (SUB) Plan

Under this Plan, the employer's STD Benefit Plan will pay the first 2 weeks of an employee's disability. The employer's STD Benefit Plan will then top up the EI Sickness Benefit to the level of the short-term disability benefit that the employee qualifies for under the employer's Plan.

Since the EI Sickness Benefit program is considered the second payor during an employee's period of disability, any benefits received from another source (for example, an employer's STD Benefit Plan) would automatically reduce any EI Sickness Benefit that is payable. To prevent this from happening, the employer must register its STD Benefit Plan as a SUB Plan with HRSDC. Once registered, the employer's STD Benefit Plan will become second payor to the EI Sickness Benefit Program.

An employer can also limit the scope of the SUB Plan so that it only tops up the EI Maternity and Parental Leave Benefits. Under this type of Plan, the SUB Plan will top up the EI Maternity or Parental Leave Benefit during any period of the leave that the employee is deemed to have a health-related reason which would have prevented the employee from working if the employee had not been on the leave. For all other employees under the STD Benefit Plan there would be no integration of their short term disability benefits with EI Sickness Benefits. This type of Plan can be used by employers, with employees in provinces such as Ontario and Alberta, who due to their providing a STD Benefit Plan for their employees, must provide a disability benefit to employees on maternity leaves.

To obtain more information on the integration of STD Benefit Plans and EI Sickness Benefits from HRSDC, you should contact your sales representative.



### Carve Out Plan

### Wrap Around Plan

### Supplementary Unemployment Benefit (SUB) Plan