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Benefits

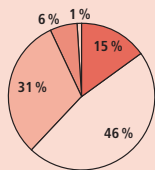
Healthcare Survey Results

In June of this year, Aventis Pharma Inc., a pharmaceutical company, released the results of a healthcare survey. The objective of the survey was to take the pulse of Canadian employees towards the public healthcare system and their private benefit plans. The results are interesting and important to remember for insurers as well as plan sponsors, plan administrators and benefits advisors. This article will outline some of those results.

The attitude of respondents towards their benefit plan

Most members say their needs are being met very well or extremely well, the proportion being however lower this year (61%) than last year (65%) and on a declining scale during the last five years. According to the authors of the survey, this should not come as a surprise because of the employers' efforts to control costs during recent years which have had a clear impact on member satisfaction.

The degree to which plan members believe their plan meets their needs



15% Extremely well
46% Very well
31% Somewhat well
6% Not very well
1% Not well at all

Half of respondents (53%) said that their benefit plan is an incentive to stay with their employer. This confirms that a benefit plan is an effective retention tool for the employer.

Not surprisingly, a drug plan is the most important benefit for members. Actually, 97% of respondents rate this benefit as being very or somewhat important, a higher rate than last year. Next in importance come the short and long term disability benefits, with 96% of respondents rating these benefits as being important. The survey's analysts say these numbers give plan sponsors reason for optimism because when employees value a benefit, they are more likely to share a sense of accountability in addressing costs. In addition, disability management and prevention programs are more likely to be well received.

Percentage of plan members who rate certain benefit plan features as "very important" or "somewhat important."



1- 97% Drug plans
2- 96% Disability
3- 92% Dental
4- 90% Healthcare
5- 84% AD&D
6- 79% Life insurance

What would survey participants do if the cost of their current benefits rose and their employer was no longer paying the extra bill? Half of respondents (50%) say that they would pay higher premiums to maintain the same level of coverage while 31% would be willing to pay a higher portion of their claims. Only 14% would allow their coverage to be reduced.

Managing benefit plan costs

Regarding the extent of benefit plan cost increases, 52% say that they are aware of them, meaning that they strongly or somewhat agree with the fact that their benefit plan costs have risen significantly over the past few years. Across Canada, the proportion is highest in Quebec (64%) and lowest in Ontario (44%).

It is interesting to note that 83% of respondents feel that they have an obligation to help their employer to control plan costs, with Alberta having the highest proportion (90%) and Quebec having the lowest proportion (67%).

Most plan members say they wouldn't trade their benefit plan for another type of compensation. Respectively 82%, 65% and 60% would choose their benefit plan rather than an extra week of vacation, an extra \$5000 per year or a more generous pension plan. This result depends upon employees satisfaction towards their benefit plan: those employees who say that their benefit plan does not meet their needs are more prone to trade it for another benefit. This emphasizes the importance of communication as dissatisfaction is often related to a lack of information.

Respondents

The survey was conducted from February 6 to 16, 2003 using phone interviews with a sample of 1,500 plan members. About half of those surveyed are married (56%) and 42% have a household income above \$60,000. The most represented age groups are 18-34 year-olds, with 30% of respondents, and the 55+ group, accounting for 29% of members. Most members are employed by companies with more than 1000 employees, with or without unions, and within various areas of work. The margin of error is 2.5%, 19 times out of 20.

Administration

Web-based secure systems and their benefits to the management of group plan

For its informational content or as a communication tool, the Internet now plays a major role in professional activities. The rapid expansion of the Internet over the past few years has led many companies to turn to this technology to enhance their service. The insurance and financial services industry has followed the trend as technological development has resulted in new administrative options. Tools such as drug cards, interactive voice response systems and a web-based secure system are now major components in the selection process of an insurance carrier.

What is a secure site?

It is a site whose contents and data are protected and which has controlled access. Only authorized clients can access it using a confidential access code and password. The secure site adds value to the traditional web site.

What actions can be taken on a group insurance secure site, in general?

Options for plan administrators:

- enrol new members and dependents;
- make changes to members' and dependents' benefits;
- view and modify information concerning members and their dependents;
- print members' insurance certificates;
- print monthly invoices and consult previous months' invoices;
- transfer files to the insurer using FTP (File Transfer Protocol).

Options for members:

- consult information on their insurance benefits;
- consult the status of their health and dental-care claims and obtain the total amount of the benefits paid during a particular year;
- consult the balance of their health spending account, when provided for in the group plan;
- print their insurance certificate.

What are the benefits of a secure site for plan administrators?

- Online access to important information (basic information, administration manual, frequently asked questions);
- Online updating of member information;
- Reduced workload because of the option given to members to access online the information needed;
- Reduce the use of paper in plan management;
- Web support team when needed.

What are the important elements to consider to maximize the benefits of a secure site?

Education, documentation and communication are important to facilitate the adoption and appropriate use of Internet technology. It is important not to assume that everyone has the same experience with technology and the same level of computer literacy. Access is also a key factor for success. Setting up computer kiosks at various locations to ensure that employees have access to the system is helpful.

Is personal information really protected?

Companies have the responsibility to protect their clients' personal information. Policies to protect personal information have been introduced in many companies. Moreover, companies are using technology to make sure that personal information is protected. For example, the Secure Sockets Layer (SSL) protocol with 128-bit encryption is used for the IAG secure site. This ensures the information sent by your computer to the company is encrypted and cannot be read by anyone other than yourself.

If you want to learn more about secure sites and how they may benefit your organization or if you want to learn about Web@dmn, the IAG secure website, please contact your benefits advisor or your IAG group sales representative.

Benefits

EDI Dental

Rapidity, simplicity and convenience are criteria considered by plan administrators when selecting a health and dental care claims processing mode. Because it meets those needs, drug cards, which pharmacists use to submit drug claims electronically to insurers for adjudication in real time, are an integral part of more and more drug plans. EDI (Electronic Data Interchange) for dental care claims is now also satisfying the criteria for efficiency.

How does it work?

EDI for dental care claims allows dentists to submit the claim electronically to insurers on behalf of their patients and to obtain adjudication in many cases immediately. The dentist can then choose to bill the insurer directly or request that the patient pay the entire fee. In the first case, the patient only pays for the part that is not covered by his or her benefit plan and the dentist receives the covered portion directly from the insurer, a process similar to that of a pay direct drug card. In the second case, the insurer will reimburse the patient for the covered fees, a payment mode like the deferred payment for drug claims. In both cases, no paper claim forms are required.

Networks

In Canada, 65% of dentists are members of CDAnet, a nationwide network of dental offices and insurance companies, developed and controlled by the Canadian Dental Association. Through this network, dentists can submit claims electronically to insurers, through the carrier's electronic claim provider. The dentist instantly obtains the following information via the CDAnet network:

- If the patient is eligible for coverage;
- If the treatment or procedure is covered;
- If a pre-determination is required;
- If there is an error or a detail is missing in the claim request;
- The amount the insurer will pay;

There is an additional service available in Quebec: the Centre Dentaide that allows for direct payment of dental care claims for all member dentists. 83% of Quebec dentists are members of Dentaide, and about 50% are linked to CDAnet. The information required from the dentist and the result of the adjudication provided by Dentaide are similar to that of CDAnet.

Advantages

EDI dental has many advantages as compared to claim forms sent by mail. First, it eliminates the hassle of completing and mailing a claim form. In addition, because claims are adjudicated in real time, the patient and his or her dentist know immediately what treatment is covered and what the reimbursement level is. EDI dental also reduces the time it takes to obtain pre-determination since the request is sent right away. Finally, when the dentist decides to bill the insurer directly, the patient does not have to pay the entire fee or wait for the claim payment.

At Industrial Alliance

The Industrial Alliance Group can electronically receive dental care claims from CDAnet. For groups in Quebec that request it, the Dentaide card is also available for direct management of dental care claims, whether or not the dentist is on line.

To obtain additional information about the various dental care claim payment options offered by the Industrial Alliance Group, contact your benefit advisor or your IAG group representative.