

## **Benefit Facts Article**

### **Find Out If You Can Offer What You're Promising**

Every year I receive a few phone calls from business owners who ask if I can help them to provide group benefit coverages for just one key employee. The background and industry of every business has been different but their stories are very similar.

The owner tells me that they don't have coverage for themselves or their present employees, but they need it for just one person. In most cases this person has recently been hired, is in a managerial or supervisory position and they are key to the operation of the business. Some of these key people have been lured from a competing firm who offered group benefits. They consider the coverage important and they have negotiated for it to be part of their employment package with their new position.

The business owner explains that he promised their key person the same benefit plan coverages that they had with their past employer. No, they didn't make any inquiries beforehand and they are very surprised and disturbed that they have had no luck what-so-ever trying to fulfill their promise of coverage.

How big of a disaster do you think this might be? One business owner complained to me that his new key employee and his spouse were quite perturbed with him because they couldn't make appointments for their family with their new local Dentist because they still didn't have coverage after three month's employment and time. That's nothing I told him. Just imagine what would happen if your key employee or family member experienced a serious illness or injury while being without insurance benefits? Now that's trouble I said, and guess who could be held responsible for the employee's loss of income, drugs bills and other medical costs? It would be bad news for him but a dream come true for the firm of Shapiro and Shapiro.

There are presently 15 markets in Ontario who underwrite group benefit plans for businesses and as well there are a vast number of associations who offer group plans to their firm members. The majority of the 15 markets, (Great-West Life, Manulife, Sun Life and etc.), who I have access to, require firms with 5 or more full-time employees in order to provide coverage. In addition, most of these insurers require 100% participation for firms with fewer than 10 employees.

It is also important to know that many of these insurers require 5 - 10 or more employees in order to provide a benefit plan with guaranteed coverages. Therefore, if an employee with a small firm has a pre-existing health condition they could be declined some or all coverages.

The list of criterium of the different group insurance markets are too many to mention in one article. The point I wish to make is that business owners should take the time to consult a Group Benefits Broker to ensure that their promises can be honored in full.