

Benefit Fact Article

The Importance of Guarantees With Group Benefit Plans

When you look at benefit plan options, most firms want a minimum of exclusions and a maximum number of guarantees. Some plans are particularly hard on small firms; rejecting many industry types, companies less than one or two years old, firms with too few employees, non-profit organizations and or in the case of family businesses where more than 50% of the staff are related. Benefit plans like these are also unlikely to offer guaranteed renewable coverage.

Solid product features, like reasonable entry requirements and coverage guarantees, not only make coverage more valuable to you, they tell you a lot about the organization you will be dealing with. When you compare the cost of various benefit plans, you should also take into account the value of each plan's rules and guarantees.

The Chambers of Commerce Group Insurance Plan not only provides these guarantees, but it also guarantees that firms with one to nine employees cannot be targeted for a premium increase based on your own firm's claims experience. This is really significant for a small firm!

The Chambers Plan is structured to provincially " pool " the claims of all of it's one to nine person firms with all other similar size insured firms. Health and Dental premiums are adjusted each year upon the April 1st renewal based on the overall claims experience of all the insured one to nine person firms. Like all benefit plans inflation also has an effect on the cost, as well as the increasing ages of the participating employees in regards to the life and disability premium rates.

The fact that the Chambers Plan is a non-profit plan, and therefore doesn't require to make a profit for any shareholders, is a big factor in it's ability to keep premiums stable. This latter point assists the plan in providing attractive benefit plans to larger firms with ten plus employees too.

It is my opinion, that because the claims experience for firms with fewer than 25 employees is so very volatile, and the Chambers Plan guarantees to; 1. Not target one to nine person firms for premium increases based on their own claims experience and 2. Not terminate any size firm for excessive claims, makes the Chambers Plan with their very stable premium rates, the #1 benefit plan available to small firms in Canada today.