

Benefit Facts Article

New Enrollments and the Late Entrant Provision

In most cases firms with benefit plans in place have a 3 month waiting period before new employees are eligible for coverage for themselves and their dependents/family members. If a firm is in an industry that has a high employee turnover rate, they may be better suited to a 6 month waiting period; this can be arranged with many insurers. Firms can also choose to waive the waiting period for key employees if they wish or need to do so.

All new, full-time employees require to complete their portion of an Employee Application when they join a firm. The signed and completed application must be received by the insurer within 120 days of the date full-time employment began.

It's a good idea to have a system in place so that this process does not get overlooked. Failure to add an eligible employee to your firm's benefit plan within the above mentioned time period will cause that person to be a **Late Entrant**. Medical evidence of insurability will be required for the employee and their dependents and no coverage will be provided until they are all underwritten.

If such an employee and or their dependents have a a pre-existing medical condition they could be excluded coverage for their present medical treatments and drug requirements, or be declined coverage altogether. Also, rather than having the usual \$1,000 - \$1,500 per calendar year of dental coverage for each family member, Late Entrants are subject to just a \$250 dental benefit maximum during the first 12 months of coverage.

The Late Entrant Provision was created to stop employees from jumping on and off their employer's benefit plan whenever they need something covered. To allow such a thing to happen would ultimately have an adverse affect on the cost of the benefit plan. It's purpose is to protect the insurer, the employer and all the employees who participate and share in the cost of the benefit plan.

The Late Entrant provision also applies to insured employees who get married, give birth or adopt children. In these cases the employee has 30 days in which to submit an Employee Change Form with all the pertinent information.

Common-law couples require to add their spouses as a dependent to their benefit plan when they have co-habitated for a period of one year. This particular situation should be confirmed as it is not always the standard unless the firm has specifically requested it.

Let me tell you, when a firm causes a new employee to become a Late Entrant it usually spoils any chance of creating a good working relationship with that individual. Having the dental coverage reduced is bad enough, but when someone's coverage is declined it's like trying to repair a wound that just won't heal.