



JOHNSTONE'S JOURNAL is published monthly, and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies, and use as a payroll stuffer.

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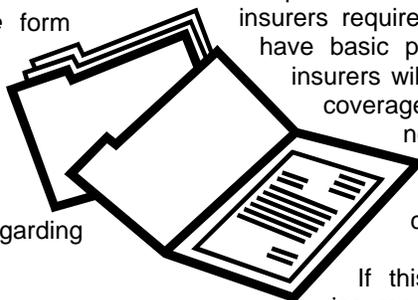
Administration Update

Now is a good time to audit your employee files

Employee Benefit Files

The information that you have in each employee's benefit file could be very important. Insurers do not need to see the original forms, except in the case of a death. At that point, it is often too late to guarantee the file is in order. To make sure your employee files are complete, here is a list of what we think are the basics that each file should contain:

- Original *Application For Coverage* form (Johnstone's keeps a photocopy of the original form)
- Original *Application for Change* form (used whenever beneficiary or dependent status changes are made)
- Annual review letters
- Proof of provincial medical coverage
- Miscellaneous correspondence regarding coverage



Application for Coverage/Change

When enrolling an employee the administrator (employer) keeps the original completed form, and faxes or emails a copy to Johnstone's Benefits. The original form is only required when there is a death claim. The beneficiary designation and the employee's signature are then verified.

When employees change their beneficiaries or add dependents, they must complete an *Application for Change*. This is a separate form and the original should be attached to the original *Application for Coverage*. It is **critical to correctly date and sign this form** as beneficiaries may change several times and the most current determines who receives the death benefit.

Annual Review Letters

Annually, Johnstone's provides you with individual employee letters so that each employee can review their dependent information and beneficiary

designations. We do not require copies of these letters unless something has changed. However, we recommend that each employee return a signed copy to the administrator to keep in the file.

If employees do not return the original, they have at least been given the opportunity for a yearly review of their beneficiary designations. It is worth noting the dates that you distributed these letters.

Provincial Medical Coverage

Extended Health Care benefits are a supplement to the provincial medical plan of each province. All insurers require that employees and dependents have basic provincial medical coverage. Most insurers will also accept proof that equivalent coverage is in place if an employee is a new resident to the province (contact Johnstone's Benefits if you require this temporary coverage).

If this coverage is not in place, the insurer can deny benefits. This could be especially problematic if the employee submits a large hospital or travel claim. Therefore, we recommend that each employee file also contains proof of provincial medical coverage for the employee and all dependents.

Miscellaneous Correspondence

Many group plans have non-evidence limits on the Life Insurance or Disability benefits. The non-evidence limit is the maximum coverage provided without the employee submitting a health declaration or questionnaire.

Annually, we will remind you of which employees are eligible for additional coverage, and provide you with the health declarations to apply for this coverage. Many employees choose not to apply for the additional coverage, and others are declined. You should keep correspondence about this, and make a note of the dates that you offered this additional coverage to the employee.