

WAIVING DUPLICATE COVERAGE

What to do if you want to waive duplicate coverage

Benefits: A condition of employment

Employee benefit contracts in Canada generally require all employees and their families to enrol in the benefit plan that's offered by the employer, as a condition of employment. Eligible employees (as defined in the contract) must join the plan within 31 days after satisfying the waiting period set by the employer.

The reason for this is that if employees were given the choice to join a plan whenever it suited them, many would only join when they had claims. This selection against the carrier is a disadvantage, not only to the insurance company, but to the employer as well. The end result is the potential to have only high claimers on the plan, which would eventually lead to higher premiums and risking the plan's sustainability for everyone.

Waiving health and dental coverage

Employees who have extended health (EHC) or dental coverage through their spouse's plan do have a choice. The employee may choose to waive (decline) their EHC and/or dental coverage as it duplicates what they already have through a spouse's plan. This choice does not apply to other benefits such as life insurance, AD&D, or disability coverage.

Note that once waived, employees can only enrol in their employer's EHC or dental coverage, without providing proof of insurability, if the spouse's plan terminates (or changes materially) and if done within 31 days of the loss of spousal coverage.

Employees who have chosen to waive their EHC or dental coverage **still must** complete an application for coverage, specifically completing the Waiver of Benefits section on the form to ensure the employee is covered for all other mandatory benefits offered by the employer.

Do not opt out of the entire plan

Sometimes employees will mistakenly feel they do not need to complete an application form and therefore, by omission, opt out of their entire group plan, leaving themselves without life insurance or disability coverage. In cases where someone has not completed an application when the plan became available because they have EHC and dental benefits through their spouse, coverage may not be accepted or may be limited if the spouse's plan terminates and they try to enrol at a later date.

THE JOHNSTONE'S ADVANTAGE

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Treat each client as if they were our only client.

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We are completely independent. We work for you and offer total flexibility on insurers and plans.

We offer all your group insurance services including administration, brokerage, consulting, and communications.

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In these situations, when the employee then applies for coverage, the insurer considers them a late applicant. As a late applicant, the employee must provide proof of good physical and dental health, which may include an examination and x-rays. These tests are at the employee's expense, and could lead to the insurer restricting, or even declining, coverage. Further, it often takes a few weeks for the insurer to review the application, during which time these employees and their dependents could be without any coverage at all.

Properly documenting opting out

To prevent problems in the future, plan administrators need to ensure all employees who are eligible for coverage, complete an application form within 31 days of satisfying the waiting period. Those employees that have duplicate EHC or dental coverage and choose to waive that coverage must complete the section titled Waiver of Benefits on the application or change forms available from the Administrator area of our website at

www.jbenefits.com/admin-forms.aspx

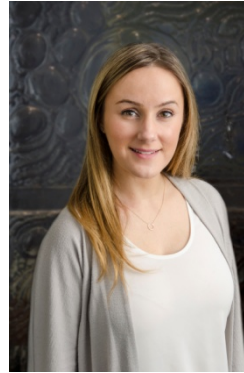
With this on file, an employee who waived coverage and subsequently lost spousal coverage will have little problem as long as the application is completed within 31 days after the spousal coverage cancelled.

Coming soon

Wallet cards will be getting a facelift

With insurer drug cards having replaced the need for Johnstone's Benefits wallet cards, we will be moving to employee benefit statements. They have all the same information and more, only in a different format. No need to carry it around, just store it in your files.

Another Johnstone's Benefits team member



Christine Landon joined us January 2018 as Benefits Specialist. She brings 18 years of experience in the insurance industry with knowledge varying from dental, extended health and individual products, specializing in customer service.

Christine assists our clients with benefit questions and claims inquires. She produces benefits booklets and employee communications to help our clients better understand their coverage's.

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