cornerstone BENEFITS

ANNUAL PLAN REVIEW CHECKLIST

12 questions to ask before your next benefits renewal

A well-managed plan involves much more than negotiating a renewal each year, yet for many employers, the renewal is the only time their plan gets a close look. These questions cover the areas that are easy to overlook and make the biggest difference to your employees, your budget, and your company.

PROTECTING YOUR EMPLOYEES

- [ ] **1. Do any employees have less life or disability coverage than they should?**
  Insurers limit how much coverage an employee can receive without answering health questions. Employees above that limit should apply for the extra coverage, or sign a waiver that protects the company. As your group grows, the limit can often be raised.

- [ ] **2. Does your insurer have current salaries for everyone?**
  Life and disability benefits are based on the earnings on file. Outdated salaries can leave an employee with less than expected at the time of a claim.

PROTECTING YOUR COMPANY

- [ ] **3. Is every eligible employee enrolled, or on file with a signed waiver?**
  An eligible employee who isn't enrolled and hasn't signed a waiver can become a liability for the company if a claim arises.

- [ ] **4. Has your company decided how long employees on disability leave stay on your health and dental plan?**
  Alberta has no specific rule, and expectations vary. A written policy, shared with employees before anyone needs it, keeps these decisions fair and consistent. It should also cover other leaves and reserve the company's right to change the plan.

- [ ] **5. Are employees on disability leave set up correctly?**
  Each one should have applied for waiver of premium, and should know how much they'll need to pay their employer each month for their share of the premiums, and how long their health and dental coverage will continue.

MANAGING YOUR COSTS

- [ ] **6. Have you looked at your company's contributions as a percentage of payroll?**
  As a general guideline, the employer's share of group insurance and group retirement contributions should be between 5% and 10% of employees' earnings. Below 5%, the plan may be light for what employees are paid. Above 10%, the cost can start to feel too high to the company, the employees, or both.

- [ ] **7. Do you understand what's impacting your renewal?**
  Claims experience, trend factors, reserves, and pooling charges all affect your rate. Each assumption can be reviewed and, where it's justified, negotiated.

- [ ] **8. Is your funding arrangement still the right fit?**
  For groups of 75 or more, refund accounting or budgeted administrative services only (ASO) arrangements may cost less than a fully insured plan.

- [ ] **9. When was your plan last marketed?**
  Comparing your plan with other insurers every few years keeps your current insurer competitive, even if you decide not to switch.

GETTING THE MOST FROM YOUR PLANS

- [ ] **10. Does your plan design still fit your workforce?**
  As your company grows, its needs evolve. Gaps such as spending accounts, an employee assistance program, or critical illness may be worth a look.

- [ ] **11. Are your group RRSP fees and participation reviewed?**
  As your plan's assets grow, employees often qualify for lower investment fees, but the reduction usually has to be negotiated with the provider. Employees who don't join also miss out on employer contributions that are part of their total compensation.

SUPPORT

- [ ] **12. Are your administrators getting the support they need?**
  Your plan administrators should have the training, tools, and other resources they need, along with responsive help with enrolments, changes, and employee questions.

Not sure how your plan measures up?

A complimentary review is a good place to start.

403-343-9210 info@cornerstonebenefits.ca cornerstonebenefits.ca