

# COST PLUS BENEFIT CALCULATION FORM - QUEBEC

Please read the Important Information on page 2 of this form, before completing and sending it.

Submit a separate form for each plan member.

| Plan Member Information  |                                   |                |             |
|--------------------------|-----------------------------------|----------------|-------------|
| Name of Employer         | Group/Division/Certificate number | Email address  |             |
| Employee name            | Date of birth (dd/mmm/yy)         | Phone number   |             |
| Address (street, number) | City                              | Province<br>QC | Postal code |

| Patient Information - complete below: |           |                                  |                                 |
|---------------------------------------|-----------|----------------------------------|---------------------------------|
| Patient first name                    | Last name | Total amount of medical expenses | Total amount of dental expenses |
|                                       |           | \$                               | \$                              |
|                                       |           | \$                               | \$                              |
|                                       |           | \$                               | \$                              |
|                                       |           | \$                               | \$                              |

| Information about claimed amounts  |           |
|--|-----------|
| <b>Total medical claimed</b> (per certificate for above claims)          | \$        |
| <b>Total dental claimed</b> (per certificate for above claims)           | \$        |
| <b>TOTAL CLAIMED<sup>(1)</sup></b>                                       | <b>\$</b> |
| <b>Administration Fee*<sup>(2)</sup></b>                                 | \$        |
| <b>Subtotal<sup>(3)</sup></b>  | \$        |
| <b>Premium Tax**</b> (% of subtotal <sup>(3)</sup> ) <sup>(4)</sup>      | \$        |
| <b>Subtotal<sup>(5)</sup></b>  | \$        |
| <b>Retail Sales Tax**</b> (% of subtotal <sup>(3)</sup> ) <sup>(6)</sup> | \$        |
| <b>TOTAL AMOUNT PAYABLE BY CHEQUE TO EMPIRE LIFE<sup>(7)</sup></b>       | <b>\$</b> |

Enclose a cheque in the amount of \$ \_\_\_\_\_ and the receipts. Payments and explanation of benefits will be sent directly to the employee.

| DISCLAIMER  |
|---|
| The Empire Life Insurance Company ("Empire Life") acts as the administrator and not as insurer or underwriter of the plan. The policyholder is financially and legally liable for all Cost Plus claims submitted to Empire Life. The policyholder also accepts full responsibility for any tax consequences for the plan member and/or the Canada Revenue Agency related to this reimbursement, and releases Empire Life from any such liability. The policyholder agrees to indemnify Empire Life for damages, obligations, at-source deductions, penalties, fines, interest, lawsuits brought against Empire Life and any other fees, including legal fees, arising from this Cost Plus claim. Empire Life has no duty to defend any action taken against the policyholder in connection with this Cost Plus claim. |

| Policyholder declaration  |      |                  |
|---|------|------------------|
| <b>The policyholder acknowledges and agrees that Empire Life:</b>   |      |                  |
| <ul style="list-style-type: none"> <li>Relies upon the information provided by the policyholder set out in this form along with any supporting documentation to process this Cost Plus claim;</li> <li>Relies upon the policyholder to obtain confirmation from the plan member stating that the plan member authorizes Empire Life, its agents, service providers or any other person or organization who has relevant information pertaining to the plan member's claim to collect, communicate and use the necessary personal information to manage their file and process benefits related to this claim;</li> <li>Did not provide advice, including tax advice, concerning the administration of this claim;</li> <li>Is not responsible for withholding income taxes or making at-source deductions, which remain the sole responsibility of the policyholder.</li> </ul> |      |                  |
| <b>I, the undersigned, hereby request the reimbursement of the Total claimed<sup>(1)</sup> under this Cost Plus claim. Please find enclosed a cheque for \$ _____, which represents the Total payable to Empire Life<sup>(7)</sup>. I understand that Empire Life will reimburse the plan member for the Total Claimed<sup>(1)</sup>. I declare that I am duly authorized by the policyholder to sign the Cost Plus Benefit Calculation form.</b>   |      |                  |
| Name of authorized representative   | Role | Email address    |
| <b>Signature</b><br>   |      | Date (dd/mmm/yy) |

# Cost Plus Agreement

Between The Empire Life Insurance Company (“**Empire Life**”) And “**Policyholder**” (as identified below - “Name of Employer”)

## Background:

A Cost Plus claim is a claim, submitted on an exceptional basis, for medical or dental expenses that exceed or aren't covered by your group insurance plan or your administrative services only (ASO) plan, but that are generally deemed eligible expenses under the Income Tax Act (Canada). Plan members and their dependants must be covered by health or dental insurance benefits under their group insurance plan or ASO plan to submit a Cost Plus claim.

The Policyholder pays Empire Life, which acts as the administrator (not as the insurer) 100% of the expenses incurred by the plan member that are not covered by the group insurance plan or ASO plan. Empire Life then issues a benefit payment to the plan member in the amount of the **TOTAL CLAIMED**<sup>(4)</sup>.

The claimed medical expenses become eligible only when the requirements of a private health insurance plan, as defined by tax legislation, are met. The reimbursement is treated as a non-taxable benefit for plan members in all provinces except Quebec. The reimbursement and the administration costs incurred to issue the Cost Plus claim are considered eligible business expenses for the Policyholder.

**Note:** Before submitting a claim for payment, the Policyholder should consult with their tax advisor to evaluate the Cost Plus request and understand the tax impact to both their organization and the plan member. Not all claim payment requests made under this arrangement will qualify as an eligible expense payable under a private health services plan.

## How to submit a Cost Plus Claim:

### Policyholder will need to:

- Complete all sections of the form directly in the fillable PDF and sign where indicated. Fees and taxes will be automatically calculated by the form.
- Secure a cheque for the **TOTAL AMOUNT PAYABLE BY CHEQUE TO EMPIRE LIFE**<sup>(7)</sup> to the claim form.
- Include original receipts and documents with the claim form and keep copies for their records as they will not be returned.
- Send documents to Empire Life, Group Health Claims, 259 King Street East, Kingston, ON, K7L 3A8.
- Keep a copy of the completed, submitted Cost Plus form for their records.

### Reimbursement process:

- The policyholder submits the Cost Plus claim to Empire Life, providing the following information on the claim form: the type of expense to be reimbursed (medical or dental), the name of the plan member who will be reimbursed, and the plan member's certificate or identification number, which will include claims from all their family members (as necessary).
- Empire Life will reimburse the plan member for the eligible medical and dental expenses.
- Empire Life retains the right to refuse to process the Cost Plus claim for any reason.

Benefits cannot be paid directly to the provider, expenses must be paid by the plan member before the policyholder can submit a Cost Plus claim to Empire Life.

## TERMS AND CONDITIONS

### 1. Defined Terms

- Definitions in this Agreement will have the same meanings as in the Policy, unless otherwise specified.
- Party means the Policyholder or Empire Life, as the case may be, and “parties” means both of them.

### 2. Non-Insured Benefits

This Agreement will cover the costs as presented, for the following expenses:

- Extended Health Care
- Dental Care

### 3. Amount Payable

- A 10% administration fee will be added to any claim amounts.
- The minimum administration fee is \$25.
- The maximum administration fee is \$150.
- This amount does not include applicable taxes.

Empire Life reserves the right to adjust the fees outlined above upon 31 days written notice to the Policyholder.

#### 4. Dispute Resolution and Indemnity

- a. Empire Life acts as the administrator and not as insurer or underwriter of the plan. The Policyholder accepts full responsibility for any tax consequences for the plan member and/or the Canada Revenue Agency related to a Cost Plus reimbursement, and releases Empire Life from any such liability. The Policyholder releases and forever discharges Empire Life, its shareholders, directors, officers, employees and agents from any and all actions, causes of action, complaints, claims, demands, debts and liabilities of any kind the Policyholder has, had or may have in respect of this Agreement and any Cost Plus claims submitted to Empire Life. In no event will Empire Life be responsible for the payment of any benefits owned under the Policy.
- b. The Policyholder indemnifies, defends and holds harmless Empire Life, its shareholders, directors, officers, employees and agents from and against all claims, suits, proceedings, demands, actions of any nature or kind whatsoever, damages, judgments, cost, liabilities, expenses and fees, including but not limited to reasonable legal expenses and amounts paid to settle an action or satisfy a judgment, arising out of or in any way connected to this Agreement ("Losses"). Empire Life will notify the Policyholder of any claim or potential claim under this section 4(b). Empire Life reserves the right to control its own defence or settlement. The Policyholder will provide indemnity even if the Losses are due, in part to Empire Life.
- c. All disputes arising out of or in connection with this Agreement, or in respect of any legal relationship associated with or derived from this Agreement, that cannot be resolved between the parties, shall be finally resolved by arbitration. The arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the parties. The arbitration shall be held in English, take place in the City of Toronto, Ontario and shall be conducted in accordance with the National Arbitration Rules of the ADR Institute of Canada Inc.
- d. This Agreement will be governed and construed in accordance with the laws of the Province of Ontario and the federal laws applicable therein. Subject to 4(c) above, each party irrevocably attorns to the exclusive jurisdiction of the Ontario courts located in the City of Toronto.

#### 5. General Provisions

- a. The parties will at all times comply with all applicable legislation.
- b. The parties are independent contracting parties and nothing in this Agreement will make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of the other party.
- c. Policyholder will ensure that it obtains all appropriate consents for the collection, retention, use and disclosure of personal information in relation to this Agreement.
- d. The terms contained in this Agreement which, by their nature, are intended to survive the termination of the Agreement, including without limitation sections 4(a)-(c) and 5(c) will survive the termination of the Agreement and will continue in full force and effect.
- e. Empire Life shall be deemed to have accepted this Agreement upon processing the Cost Plus claim listed below.
- f. Empire Life reserves the right to adjust this Agreement in the event that legislation or regulation is enacted, amended or modified by any level of government in a manner that directly affects (a) any taxes payable by Empire Life or (b) any other tax assessed against Empire Life under the Agreement.