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Group Advisor Update | January 2018

Happy New Year! We're pleased to share with you our first quarterly Advisor News Update of 2018. You can find all our news updates and current news on the Group Advisor site at www.empire.ca/group-advisor-news.

Product News



New Drug Only \$7,500 Pooling Product

On January 22, 2018 we [announced](#) a new \$7,500 drug only pooling product. It's available February 1, 2018 for new customers and at renewal for current customers.

High cost drug claims can have a substantial impact on customers' ability to manage their risk and budget. This is especially true for small and mid sized business owners. That's why we're maintaining our \$10,000 pooling threshold option and investing in our pooling products by offering this new drug only option.

Our new product:

- Is available to both insured and ASO plans
- Must have the following cost management features to be eligible:
 - Mandatory generic drug plan
 - Specialty Drug program*
 - Prior authorization
 - Step therapy*
 - R&C dispensing fee and drug markups*

*excludes Quebec

We believe Empire Life is currently the only carrier to offer a drug only pooling product at \$7,500. It's an innovative response to the changing landscape, and makes it easier for customers to protect employees while also protecting their plans. We're delighted to be providing customers with this added level of flexibility and choice. For more

information please refer to our [Healthcare Pooling Product Guide](#).

Your Empire Life Account Executive will be happy to tell you more about how this new product may benefit your customers.



New Coverage Option for Dependant Life

In case you missed it, on November 30, 2017, we [announced](#) a new option that provides a higher level of protection for groups with fewer than 20 employees. Plan sponsors can choose between \$20,000 Spouse/\$10,000 Child and \$10,000 Spouse/\$5,000 Child, for their Dependant Life coverage.

Dependant Life provides coverage for a plan member's spouse or dependent children. It's important protection that gives financial assistance and peace of mind in a plan member's time of need.

We have added more choice and flexibility for our small group customers and encourage you to let them know about the higher dependent life options.



Dental Fee Guide increases for 2018

It's that time of year when most provincial and territorial dental associations release their annual dental fee guides. Typically, there is an overall increase for dental services provided by general practitioners.

We use the fee guides to establish reimbursement levels and ensure that fees are representative of what the majority of dentists charge.

The Alberta Dental Association and College (ADAC) released its new fee guide, which took effect January 1, 2018. ADAC had not updated its guide since 1997. As previously announced, Empire Life adopted the new fee guide effective January 1, 2018 to ensure we reimburse claims using the most current reasonable and customary fee guide. The new fee guide is available on the group advisor site.

Important Updates



Empire Life Group Advisor Bonus Program Upgrades

On December 14, 2017, we [announced](#) that we've upgraded our Empire Life Group Advisor Bonus Program for new and inforce business generated in 2018. Our upgraded program:

- Increases overall compensation
- Simplifies bonus calculation and qualification rules
- Rewards new and existing business

Our bonus program aims to build strong and supportive partnerships, reward both new and existing business, and make it easy for you to grow and sustain a profitable block of business. We want you to place your trust and your business with Empire Life and experience the rewards that come with a strong business relationship. We value your business!



OHIP+ Update: Transition Period for Some Exceptional Access Program Drugs

All Ontario residents age 24 and under who have OHIP coverage are now automatically covered by [OHIP+: Children and Youth Pharmacare](#). OHIP+ covers all drugs currently covered through the [Ontario Drug Benefit \(ODB\)](#) program. Additional drugs not covered by the ODB formulary may be eligible for funding through the government [Exceptional Access Program \(EAP\)](#) under specific clinical circumstances.

Because drug funding decisions under the government EAP can take time, insurers have agreed to **temporarily assist** with coverage from **January 1 to June 30, 2018**, for the following specific categories of EAP drugs:

- Antibiotics and anti-infectives
- Blood thinners
- Drugs with low EAP approval rates

This transition period for these specific drugs will help ensure there are no gaps in coverage for children/youth. Beginning on July 1, 2018, these drugs will no longer be eligible for coverage under the private plan unless a plan member's application for coverage under the Exceptional Access Program is denied.

It is important that impacted plan members who may be eligible for funding under the government EAP apply before July 1, 2018.



Improved Onboarding Experience for AssistNow Employee Assistance Program delivered by Aspira

We're pleased to announce we have streamlined the onboarding experience for new customers who add AssistNow to their benefits program. We have:

- Eliminated the requirement for two cheques at time of application. Aspira will now invoice customers directly to cover the first monthly premium, based on the initial number of employees on the effective date.
- Attached Aspira's application to our Group application. This expedites the signing process by ensuring the two applications are reviewed and signed at the same time.

Please discard any previous versions of the applications you may have stored and begin using the new [Benefit](#) and [20Plus](#) Application. To be sure you are always using the most up to date applications, go to the group product page on empire.ca or the secure group advisor site.

Voyageur Global Benefits



New Voyager Global Benefits Bonus Program

We are pleased to announce a new bonus program for Voyager Global Benefits (VGB) in 2018, available to all Canadian advisors. This program rewards new VGB sales and inforce VGB business. It is separate and distinct from our standard bonus program. VGB offers a comprehensive range of high quality group expatriate benefits and short-term global travel solutions, insured by Empire Life and administered by MetLife Worldwide Benefits with access to their extensive well-managed global network. For qualification criteria, please refer to the [Voyager Global Benefits Bonus Program Guide](#).

Spotlight on Group Life and Disability for Expats

Whether employees are working in Canada or abroad, Group Life and Disability insurance form the foundation of every group benefits package. Providing these benefits through a global carrier that understands the needs of expat employees can have distinct service and product advantages, compared to those offered through a domestic plan, for employees who work and reside outside their home country.

Benefits are available on a **stand-alone basis** from Expat Medical or as **part of the full VGB offering**. Read our new [Life](#) and [Disability](#) flyers to learn more about the coverage options and plan design features that VGB offers to groups with **as few as two employees**.

Empire Life Team Saddened by the Death of Drew Thompson

It is with great sadness that we report that Andrew Thompson lost his battle with cancer on January 12, 2018. Drew will be greatly missed by the many individuals who worked with him. He and his family are in our thoughts.

Michael Milos, Head of Sales for North America, at MetLife, assumes temporary responsibility for all new activity related to RFPs, sales inquiries, and new business opportunities, while we seek Drew's successor. You can contact Michael at 214 263-4408 or at michael.milos@alico.com.

Distribution Update

Building on our successes in 2017, Empire Life has an accelerated growth strategy for our expat products in 2018—and we're strengthening our team as a result.

As mentioned in our bulletin earlier this month, Nancy Brown, Director of Global Engagement, North America, at MetLife will support Michael Milos and the distribution team, providing advisor education, training and development. Met Life is also adding two Business Development Consultants to the team.

Helpful Tips



Understanding the LTD All Source Maximum

A well-designed long term disability benefit is one of the most important elements in a benefit plan.

It's designed to replace 60-85% of pre-disability income if a plan member is unable to work for an extended period of time. It can be structured so that benefit payments are taxable (employer pays part or all of the premium) or tax free (employee pays the full premium). The "all source maximum" is designed to incent plan members to return to work and earn their full salary. It limits the amount of monthly disability income so that the amount received from the plan plus other sources of disability income doesn't exceed 80-85% of pre-disability income.

Other sources of income may include, but are not limited to, benefits such as Workplace Safety Insurance Board (WSIB) / Workers' Compensation Board (WCB) benefits, Canada Pension Plan (CPP) benefits, auto insurance benefits, pension plan payments, and income from any employer. When the total income received exceeds the all source maximum, the LTD benefit payable is reduced by the excess amount.

Due to tax rules, and an employer's inability to know if an employee will be receiving income from other sources, it is not possible for an employer to know if an employee will hit the all source maximum prior to disability. Generally, high earners are at risk of being impacted by the all source maximum. There is also potential of hitting the all source maximum if an employee has had an increase to their income in the past 12

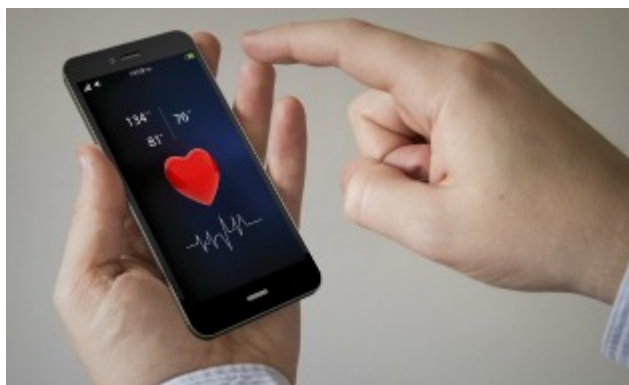
months. This is due to the use of the most recent 12 months of earnings as a basis for the all source maximum. The higher the plan member's income or the larger the increase to the plan member's income over the past 12 months, the greater chance they have of being impacted by the all source maximum. It is important for plan sponsors and plan members to understand the all source maximum so they are not caught off guard by receiving less benefit than expected at the time of a claim.

Industry News



The \$25 deductible: Useful Tool or No Longer Relevant?

In a recent [article](#) in Benefits Canada, Barbara Carnegie, our Director of Group Products, shares her views on the effectiveness of deductibles in today's environment and the challenges that rising drug costs are posing to the industry.



Smartphone Behaviour, Benefits Plans and the Demographic Shift

In a recent [article](#) in Benefits Canada, Bob Carter, our Regional Vice President of Sales for Special Programs, shares his views on the use of smartphones and apps, and discusses the implications for health-care and wellness services.



Growing Number of Canadians Benefit from Private Insurance Drug Pooling

[The Canadian Drug Insurance Pooling Corporation \(CDIPC\)](#) advised that, in 2016, more than 20,500 Canadians benefited from the private insurance cost-sharing framework. Further, CDIPC's cost-sharing approach benefited over 7,000 mostly small and mid-size employers by helping maintain the affordability of drug

benefit plans provided to their employees and their families.

[Read more](#)

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January, 2018

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