

The following is a review of the information required to prepare an employee benefits plan quote for your organization.

ASSOCIUM will prepare a proposal based on your current plan design. Our goal is to provide for equal or superior coverage at lower costs.

Quotes are based on the following:

1. *Organizational and Plan profile.* The Request for Quote form asks you to list your current rates, the percentage of each benefit paid by the employer and a breakdown of what you would like quoted. It also asks you to identify any employees who are currently injured or suffering from a serious illness or a condition such as epilepsy (that you are aware of). It is to your advantage to respond as future claims can be disallowed when a known condition is not disclosed in advance. Please see Request for Quote form.
2. *Demographic information on covered employees.* The data includes gender, family status, coverage type (family, single or waived) dates of birth, employment start dates and job titles/descriptions. It is confidential; names are optional (initials are often used). This information is primarily for rating life and disability insurance, the carrier assesses the risk factors for each individual employee. Please supply as much job description detail as possible. The more detail the more accurate the quote. You might, for example, include academic qualifications.
3. *Claims experience and rate history going back three years* (see sample request letter attached). These data indicate the frequency of benefit usage, mostly for health, drug, dental, and disability claims. With this information we will assess the probable annual claims expenditures for the organization. Please address the request letter to your current carrier quoting your policy number and return it to ASSOCIUM. We will then arrange for your insurance company to send us the required information. (Please see template letter attached)
4. *Sample of existing policies.* We need to have a copy of the employee's policy handbook. It outlines exactly what kind of coverage you currently have. This allows us to quote "apples to apples" for comparison purposes.

Please don't hesitate to call us if you have any questions regarding this process. Our plan is very flexible; if you would like to discuss the implications of changing your plan design, please call.

### Privacy

In order to provide an accurate employee group benefits quotation for your organization, insurance companies requires information on employees that is private and confidential. This includes their salaries, age, marital/dependent status, job description and length of service with your organization.

The information is used to identify risk factors for each employee. The insurance company will set a rate for each employee (based on age, gender, job etc...) from which a composite rate is calculated. The composite is the rate your organization would pay for the insurance coverage. The information is used for no other purpose.

Some employers feel reluctant to divulge such information. In addition, the privacy legislation, Bill C6, regulates how such information can be used or disseminated for commercial purposes without an employee's permission.

Therefore, when completing the forms, do not identify the employee by name but rather by an initial or number (1,2,3,4 etc.). This will allow us to provide you with accurate information without identifying any individuals.

While it is not necessary at this stage that the insurance company know who the employees are, it is important that you as the employer are able to verify that the information provided is correct.

ASSOCIUM Benefits and our partners (including Green Shield Canada, NexgenRX and the Co-operators) warrant that the information provided will not be sold or used for any other purpose than quote preparation.

### Permission

We will require your permission in order direct your current insurance company to release pertinent information in order that we may provide a group insurance quotation.

Please attach the following template of information on your letterhead and return the signed original to ASSOCIUM.

ASSOCIUM will then contact your insurance company and request the needed information, saving you time and hassle.

At any time, please do not hesitate to call us if you have any questions regarding this process. We would be more than happy to explain the process to you.

## Elements of a Quote

One Concorde Gate, Suite 802 | Toronto | Ontario | M3C 3N6

Sample Letter on your company letterhead



Date

Dear (Mr. / Ms. Insurance Carrier or Group Representative)

**Re: Policy Number:** \_\_\_\_\_

Please consider this letter as our authority to release the following experience information to our representatives *ASSOCIUM Benefits*.

- Experience per benefit and the dates applicable over the past three years (including short and long-term disability);
- Paid premiums and paid claims;
- Rate history over the past three years;
- Employee nominal data including D.O.B, sex, salary and occupation;
- Information on any disabled employees;
- Retention percentage including stop loss level and fees;
- IBNR reserve formulas and inflation factors and Target Loss Ratio.

Please provide ASSOCIUM with this information within two weeks.

Thank you for your assistance.

Sincerely,

Signature

Title