

**The Advisor Buzz**  
**BBD's e-Newsletter for Advisors, Brokers &**  
**Consultants**  
**Spring 2008**



**A Message from our C.E.O.**

Spring has sprung, as they say. Although it may not feel that way as far as the weather goes, BBD certainly “sprung” in March.

As I wrote this message, we had 58 sales on the board for the month of March. That shatters our previous best month by a fair margin. In fact, we've never had a month where we've exceeded the 50 sale mark. As a comparison, if we look back only 5 years, in March of 2003, we had 24 sales.

We also passed another big milestone a few months ago. BBD now bills in excess \$40,000,000 per year. In fact, our annualized billing for April equates to nearly \$42,000,000. Putting this into perspective, 10 years ago we were billing about \$5,500,000. In other words, it takes BBD less than two months to invoice all of what we collected in 1998.

We would like to extend a huge thank you to our valued Advisor Partners. It is because of you that we are where we are today. There is also no question that these results don't come about without a considerable amount of hard work by the BBD team. The New Business and Client Services teams have been going “flat out” to support all of this new business, and we appreciate their efforts as well. We look forward to continued success!

Mike McClenahan  
C.E.O.

**BBD Wins Award of Excellence – 2008 WorkLife BC Award**

BBD is proud to have received the 2008 WorkLife BC Award of Excellence for the Fraser Region.

WorkLife BC aims to help employers get ahead by creating winning workplace strategies that recruit and retain employees. A flexible workplace that enables employees to balance life's responsibilities does just that.

BBD knows the importance of group benefits and that includes ensuring their own employees have a flexible and supportive workplace.

BBD offers their staff of over 50 employees a wide range of flexibility, including start and end times to the work day to suit employees' schedules, telework, and a Flex program that allows employees to work an extra 45 minutes each day to receive every 10<sup>th</sup> day off.

The flexibility that BBD allows employees has resulted in low absenteeism, productive employees and a high employee retention rate.

## Changes to our Benepac plan

**We are pleased to offer the following enhancements to our Benepac® plan effective immediately:**

**Dieticians** – We have added Registered Dieticians up to a maximum of \$500 per person per calendar year. A certificate must be provided to Green Shield by the attending physician indicating the medical necessity of the treatment. Dieticians must be registered with their Provincial Association and a provider number is required for all claims. Registered Nutritional Consultants (RNC) and Registered Nutritional Consulting Practitioners (RNCP) are not eligible.

**Master of Social Work** – Clinical Psychologist or Master of Social work will be included up to a maximum of \$500 per person per calendar year.

**Major Dental** - We will now be able to match Major Dental coverage down to 3 lives participating when experience is provided.

**Family Content** - We are now able to offer EHC and Dental coverage to groups with over 50% family content for groups that currently have coverage.

**STD EI Max** - This was changed to \$435 effective January 2008.

**Voluntary CI** – we now have the ability to distribute and invoice Voluntary CI through IAP. Further information will be going out with the May Commission Statement.

Please contact your Regional V.P. for further information.

## Group Plans covering OTC drugs may be at risk

The majority of private health services plans may be in contravention of Canada Revenue Agency guidelines and in jeopardy of losing their tax status, according to new federal budget changes.

The budget proposes to limit qualifying medical expenses under the *Income Tax Act* to drugs that must be lawfully prescribed by a medical practitioner. A pharmacist must also fill the prescription, record it and give the patient a receipt.

These changes impact sponsors of PHSPs (which include group health insurance plans and health care spending accounts) because expenses covered under a plan must be for items that would qualify as a medical expense under the Act.

As a result, it appears that vaccines (such as Gardasil), over-the-counter drugs prescribed by a doctor (such as low-dose Aspirin), and life-sustaining products (such as nitroglycerine) can no longer be covered by private plans.

"I think [the federal government] knew that an awful lot of plans were not complying with the guidelines and policies," says Marcel Theroux, head of Mercer's legal and tax practice, adding the government knew exactly what it was doing when it made the changes. "I strongly suspect they just didn't want any more litigation; they just wanted it ironclad."

The amendments – which came into effect just two days after the budget landed – impact almost every plan in the country. For example, a recent Mercer survey reveals that about 70% of group drug plans currently cover vaccines.

The changes stem from several recent court cases where people were claiming medical tax credits for drugs such as multivitamins and naturopathic medicines, says Theroux. "The federal government said 'enough is enough' and decided to amend the legislation to avoid these situations.

If plans continue to cover these drugs, not only will they lose their status as a private health services plan, but benefits payable from the plan become tax deductible for the claimant. It is also possible that all benefits payable under the plan -- even those for bona fide prescription drugs -- would become taxable.

"It appears that many plans are off-side," Theroux says, including, ironically, the federal public service drug plan. "It's the elephant in the room, the spark that lit the fire."

However, the Canadian Life and Health Insurance Association feels the proposed change does not apply to group health plans, says Hewitt Associates in a recent research advisory. Specifically, CLHIA believes that PHSPs are not required to limit their coverage to those expenses eligible for a medical expense tax credit and have requested clarification from Finance Canada.

"We understand that the initial response from Finance supports CLHIA's interpretation, and indicates that it was not the intent of the government to change the tax rules surrounding PHSPs through the budget," the advisory says. "We expect that there will be additional reviews of this position, by either Finance Canada or the Canada Revenue Agency. Until both are in agreement on the application of the new [regulations], there will continue to be uncertainty regarding the budget's impact."

Source: Employee Benefits News Canada – March / April issue

## **Laser Vision Correction**

Laser Vision correction is becoming increasingly popular to correct common vision problems, such as myopia (near sightedness), hyperopia (far-sightedness) and astigmatism (distorted vision when looking at objects in the distance).

If you are considering laser vision correction, it is important that you find out if you are a suitable candidate. Discuss your options with your eye doctor. If you and your doctor decide that laser vision correction is a good choice for you, ask for an initial consultation with a laser vision correction surgeon.

Green Shield Canada provides a national preferred provider network which now includes Lasik MD, one of Canada's leading providers of laser vision correction. Lasik MD doctors are among the most renowned and experienced in the world, having performed over 350,000 procedures. All Green Shield Canada plan members (and dependents over age 18) are eligible to receive a 10% discount off the cost of laser vision correction for both eyes at any Lasik MD location across Canada (up to a maximum of \$150).

## Health and Wellness in the Workplace – by Kim Macey, H.R. Manager

With the current labour market, every sized company is examining their employee compensation packages. Benefits are a key component in any employment package to ensure employers are competitive and pro-active in the search to recruit and retain talented employees.

A Health and Wellness program initiative is an integral part of any compensation package. It should create a workplace, which supports, enforces personal well being (including physical, social and personal health) resulting in a higher level of work/life balance, job satisfaction, employee commitment and individual responsibility.

Current research provides conclusive evidence that workplace absenteeism, productivity and morale are directly linked to physical and mental health of employees (*Ipsos-Reid study released March 18, 2004*) Employers offering programs to support employee wellness have positive impacts in the workplace. A solid Health and Wellness programs offers a win-win for the employer and employees.

Employers should ask for employee input when developing and designing a Health and Wellness program to ensure fit for their workplace.

Creating a Health and Wellness program makes good business sense. There is an unlimited amount of research and resources available to employers offering information on the positive effects of a healthy workplace. One thing is for sure Health and Wellness has become a standard to any comprehensive compensation package and can be a powerful recruitment and retention tool for employers.

Listed below are some ideas and considerations for introducing Health and Wellness initiatives into your workplace.

- 👤 Provide extended health and dental Benefits
- 👤 Provide an Employee Assistance Program (EAP)
- 👤 Create a workplace wellness committee
- 👤 Ensure a commitment from the principles of the company to support wellness in the workplace
- 👤 Implement programs that support and recognize wellness and productivity
- 👤 Develop, promote and implement policies and practices which define a healthy workplace
- 👤 Support lunch and learns, professional development and workplace resources, ie: web links, articles, health assessments
- 👤 Create employee clubs such as walking, running, and fitness
- 👤 Provide employee access to shower facilities
- 👤 Participate in special promotion days/weeks - walk to work, car pool, bike to work
- 👤 Have a company team – to incorporate active team building ie: softball, bowling, community fun run
- 👤 Host healthy pot lucks every month, quarterly or semi annually
- 👤 Ensure a safe workplace, free of hazards
- 👤 Support health initiatives for healthily living ie: stop smoking program, fitness subsidy, and/or sports team sponsorship.

## **Wellness Resources**

### **Canadian Centre for Occupational Health and Safety**

[http://www.ccohs.ca/oshanswers/psychosocial/wellness\\_program.html](http://www.ccohs.ca/oshanswers/psychosocial/wellness_program.html)

### **Canadian health Network**

<http://www.canadianhealthnetwork.com/servlet/ContentServer?cid=1048161679940&pagename=CHN-RCS%2FPage%2FGTPageTemplate&c=Page&lang=En>

### **Wellergize**

<http://wellergize.ca/>

### **Canadian Labour and Business Centre**

[http://www.clbc.ca/Research\\_and\\_Reports/Case\\_Studies.asp](http://www.clbc.ca/Research_and_Reports/Case_Studies.asp)

## **Change to the BBD Invoice Format**

We have changed the format of our monthly invoices, enabling us to add informational memos about various topics each month. We will be emailing these memos to all Advisors on our email distribution list in advance, in order to inform you first about what is being sent to your clients.

If you have any suggestions about topics for these memos, please email [suggestionbox@bbd.ca](mailto:suggestionbox@bbd.ca).

## **Update on the Informational Session held for Administrators and Advisor Assistants**

We held our first informational session on April 2, 2008 in Coquitlam, BC and it was extremely well received. We had approximately 60 attendees and offered four segments, which were Administrative Training, a Benefits Overview, BBD Online tutorial and a Human Resources segment on Benefits and Leaves.

Our next session will be held in Ontario and we will forward the invitation to all Advisors before it goes out to the Administrators.

Please contact your Regional V.P. for further information.

## **BBD Broker Brainstorm Update**

We have held a number of successful Brainstorm events in the last weeks. The Calgary, Vancouver and Toronto events have wrapped up and we had excellent attendance and received great feedback from our Advisors.

Two presentations were provided at each event. Robert Brown, an Actuary from the University of Waterloo, gave a presentation on the Impacts on Economic Security Programs of Rapidly Shifting Demographics, and Shamial Sheikh from Ceridian gave a presentation on Employee Assistance Programs. Both of these presentations will be made available on our website shortly.

We also compile the feedback that we received into a report that we will share with our Advisors which outlines changes that BBD will be making in the future, and a reinforcement of changes that we have already made to our products and services.

We held a smaller venue in Victoria in March with speakers from Green Shield and IAP and will be hosting venues in Regina, Saskatoon, Winnipeg and Halifax this year as well.

Please contact your Regional V.P. if you have any information.

## **BBD IT Article by [Jeff Sharpe](#), Director of Information Technology**

The importance of Open Standards<sup>1</sup> cannot be understated. It allows us to communicate, collaborate and ensure our work is available to future generations. Without standards we would not have the Internet. It affects all of us each and every day, allowing any and all access across the breadth of cyberspace.

A standard may not mean something that is commonly used. The [Portable Document Format](#) specification, or what we like to call PDF documents, is not a standard (though Adobe has begun the process to turn it into one).<sup>2</sup> Governments and large corporations (and most recently in the news, smaller ones) realize that in twenty years, data in non-open formats may very well be unreadable. The government of Norway mandated an open document format for that very reason.<sup>3</sup>

It is not only large institutions that need to be aware of standards - but even small. If you produce a website written only for the [Microsoft Internet Explorer](#) browser, did you realize that you are immediately limiting the audience that can view your site by over 25%?<sup>4</sup>

A standard is more than a specification, it is something behind the standard itself, it is the principles and practices that operate and make the standard open.<sup>5</sup> The principles of an Open Standard are:

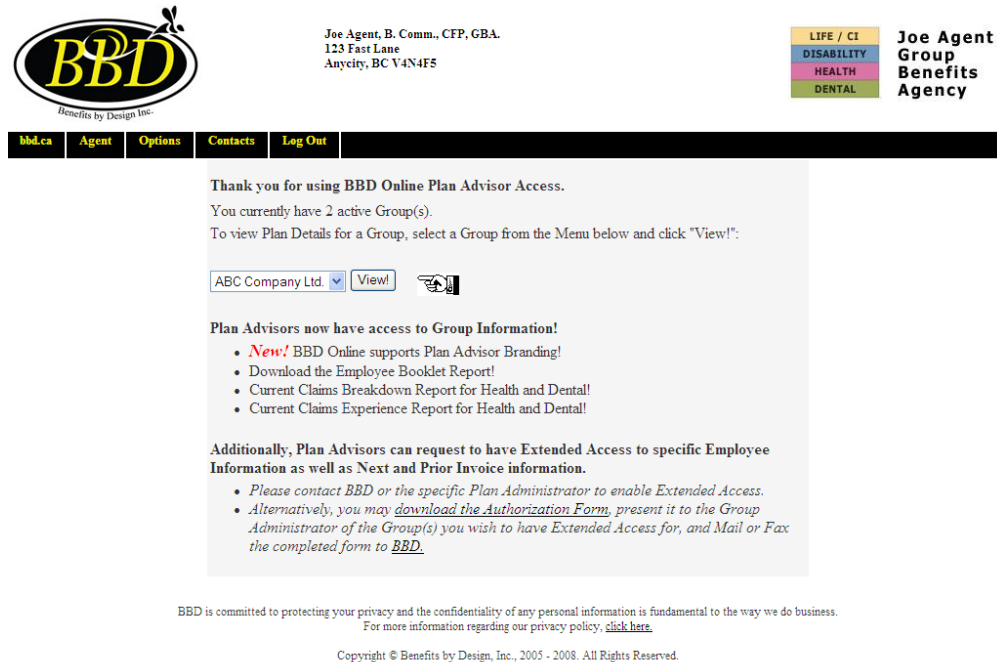
1. Available for all to read and implement.
2. They create a fair, competitive market for implementations of the standard.  
They do not lock the customer in to a particular vendor or group.
3. Free for all to implement, with no royalty or fee.
4. Organizations that administer standard do not favor one implementer over another for any reason other than the technical standards compliance of a vendor's implementation.
5. Standards may be extended, or offered in subset form.
6. Standards employ license terms that protect against subversion of the standard by embrace-and-extend tactics.

Due to my role I am very concerned about technology standards, and how we should implement it. From sharing documents, to securing private information - my role is about ensuring every solution follows a standard, because what we are doing now needs to be maintained, extended and used for an indefinite period. It is the only way, in my opinion, to correctly do technology in business.

References:

1. [http://en.wikipedia.org/wiki/Open\\_standard](http://en.wikipedia.org/wiki/Open_standard)
2. <http://arstechnica.com/news.ars/post/20070129-8724.html>
3. <http://www.theinquirer.net/gb/inquirer/news/2007/12/20/norway-mandates-government-odf>
4. <http://marketshare.hitslink.com/report.aspx?qprid=0> (March 2008 Statistics)
5. <http://perens.com/OpenStandards/Definition.html>

## Claims Experience Reports now available on BBD Online



The screenshot displays the BBD Online Plan Advisor interface. At the top left is the BBD logo with the tagline 'Benefits by Design Inc.'. To the right of the logo is the contact information for Joe Agent, B. Comm., CFP, GBA, located at 123 Fast Lane, Anycity, BC V4N4F5. Further right is a vertical stack of colored boxes representing insurance categories: LIFE / CI (yellow), DISABILITY (blue), HEALTH (pink), and DENTAL (green), with the text 'Joe Agent Group Benefits Agency' to their right. Below this is a navigation bar with buttons for 'bbd.ca', 'Agent', 'Options', 'Contacts', and 'Log Out'. The main content area features a message: 'Thank you for using BBD Online Plan Advisor Access. You currently have 2 active Group(s). To view Plan Details for a Group, select a Group from the Menu below and click "View!:"'. Below this is a dropdown menu showing 'ABC Company Ltd.' and a 'View!' button. A mouse cursor is hovering over the 'View!' button. Below the dropdown is a section titled 'Plan Advisors now have access to Group Information!' with a bulleted list: '• **New!** BBD Online supports Plan Advisor Branding!', '• Download the Employee Booklet Report!', '• Current Claims Breakdown Report for Health and Dental!', and '• Current Claims Experience Report for Health and Dental!'. Another section titled 'Additionally, Plan Advisors can request to have Extended Access to specific Employee Information as well as Next and Prior Invoice information.' includes a bulleted list: '• Please contact BBD or the specific Plan Administrator to enable Extended Access.' and '• Alternatively, you may download the Authorization Form, present it to the Group Administrator of the Group(s) you wish to have Extended Access for, and Mail or Fax the completed form to BBD.' At the bottom, there is a privacy statement: 'BBD is committed to protecting your privacy and the confidentiality of any personal information is fundamental to the way we do business. For more information regarding our privacy policy, [click here.](#)' and a copyright notice: 'Copyright © Benefits by Design, Inc., 2005 - 2008. All Rights Reserved.'

Variable Claims Experience reports for the last 12 months can be generated for ABC Company Ltd. The group is selected in the drop down list and the View button is selected.



Joe Agent, B. Comm., CFP, GBA.  
123 Fast Lane  
Anycity, BC V4N4F5



BBD.ca Agent Group Plans Employees **Reports** Contacts Log Out

Selected Group: ABC Company Ltd.

Show plan for: Class A - All Employees

Group Plan:		Life Insurance - Class A	
Benefit / Covered			
Life Insurance	Yes	Benefit: 2.0 x Annual Earnings	Participation: 100%
AD&D	Yes	Minimum Benefit: \$25,000	Eligibility: 20.0 hours per week
Dependent Life	Yes	Maximum Benefit: \$500,000	Waiting Period: 3 months
STD	Yes	Non-Evidence Limit: \$100,000	Policy Number: 1111
LTD	Yes	Rate: \$0.280 per \$1,000	Underwriter: The Co-operators
Critical Illness	Yes	Benefit Reduction: 50% at Age 65	Effective Date: September 1, 2004
Extended Health	Yes	Termination Age: 70	
Dental	Yes		
Health Spending Account	No		
Optional Life	No		
Optional AD&D	No		
Employee Assistance Program	Yes		

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The Report menu option is selected next.



Joe Agent, B. Comm., CFP, GBA.  
123 Fast Lane  
Anycity, BC V4N4F5



BBD.ca Agent Group Plans Employees **Reports** Contacts Log Out

Selected Group: ABC Company Ltd.

Prior Invoices

Next Invoice

Select due date: April 1, 2008 Run Report

Due date: May 1, 2008 Run Report

Other Reports

Select a Report:  Run Report

- Employee Booklet
- Group Record Summary
- Employee Data Listing
- Current Claims Breakdown
- Current Claims Experience**

In order to view the selected Invoice or Report, you will need a Portable Document Format (PDF) - capable reader, such as Adobe Acrobat Reader. If you do not have it, you may download it here:



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Claims Experience is selected next in Other Reports.



Joe Agent, B. Comm., CFP, GBA.  
123 Fast Lane  
Anycity, BC V4N4F5



BBD.ca Agent Group Plans Employees Reports Contacts Log Out

Selected Group: ABC Company Ltd.

Prior Invoices

Select due date: April 1, 2008 Run Report

Next Invoice

Due date: May 1, 2008 Run Report

Other Reports

Select a Report: Current Claims Experience Run Report

<-Claims Experience Report Options->  
1) Show last 12 months (Apr 2006 - Mar 2007)?  Yes  No

If No, please provide the periods:

Start Date End Date  
mm yyyy mm yyyy  
Apr 2006 to Mar 2007

In order to view the selected Invoice or Report, you will need a Portable Document Format (PDF) - capable reader, such as Adobe Acrobat Reader.

If you do not have it, you may download it here:



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1. The user chooses the "Yes" option to view the Claims Experience for last 12 months.
2. Finally, the Run Report button is selected to generate the report.