



The Advisor Buzz

Winter 2010

BBD's e-Newsletter
for Advisors, Brokers
and Consultants

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BBD Introduces Standard Life's Express™ Group Retirement Product

*Ensuring your clients stand by you today by helping
them plan for tomorrow*

- ✚ Tired of the KYC requirements?
- ✚ Bothered by plans that take 4 – 6 weeks to set up?
- ✚ Prefer Segregated pooled funds over Mutual Funds?

We have the solution for you!

Prospecting and implementing group retirement plans doesn't have to be complicated. In fact, it can be downright simple and very rewarding. We have partnered with Standard Life, a leader in group retirement, to bring you Express™.

With over two decades of experience in the group insurance market, BBD has been helping small businesses move forward because we believe in taking care of our own. We have partnered with Standard Life to distribute a viable savings and retirement plan for small businesses in Canada, offering wholesale fees because of big group buying power.

Designed exclusively for small to mid-sized businesses, this innovative group savings and retirement product offers clear-cut investment choices, streamlined implementation and effortless administration - all at a very competitive cost. Now you can help your clients and their employees plan for life!

Streamlined implementation process

BBD will help you choose a plan that suits your needs and submit both your application and employee enrollments for a quick and efficient start.

Monitored Avenue Portfolio Program™

No need to become a pension investment expert – MAPP does it all! This pre-packaged investment solution includes Standard Life's innovative Avenue Portfolios™, and it's all monitored and governed by the investment experts at Standard Life. Governance is taken care of for you and your client.

Time saving, state-of-the-art administration tools

Contributions, reporting, and administration can all be done online so your clients can efficiently manage their own program. Only 15 minutes per payroll period is required by the plan administrator!

No sponsor administration fees

There are no hidden fees...it's all-included! Members benefit from a competitive Investment Management Fee (IMF), which covers the total administration.

Award-winning tools to help members *Plan for Life*[™]

Express[™] offers all the benefits of a large-scale retirement and savings plan to the members of a small plan! Members have access to Standard Life's award-winning *Plan for Life*[™] communication and education program, printed materials, state-of-the-art online calculators and tools, and support by qualified telephone specialists.

With only 5% of small Employers (10-99 lives) in Canada with a Group RRSP, there is a significant untapped opportunity for you to thrive in this market! Express[™] creates a new revenue stream for you, and helps you consolidate and strengthen your existing business relationships - helping you build a fence around your clients.

Standard Life has already done the legwork and handled the details for you so the guesswork is gone - the only thing left for you to do is prospect and sell this unique product that was designed specifically for you, with:

- 👤 Minimum of 2 employees per plan
- 👤 \$10,000 minimum annual total cash flow
- 👤 RRSPs and/or DPSPs, with or without TFSA's
- 👤 Easy investment choices
- 👤 Effortless administration and implementation
- 👤 No sponsor administration fees, no DPSP Trustee fees
- 👤 Low IMF fees
- 👤 Competitive compensation - Cashflow 1%, Assets 0.30% and Transfers 1%
- 👤 Exceptional customer care

And with one of the most respected insurance companies in Canada underwriting the plan, your peace of mind is assured.

Taking care of your clients and your operating costs just got a little easier – let us help!

The BBD Advantage

- 👤 Provide you with tools to help you prospect existing and new clients
- 👤 Help you sell and close the plan
- 👤 Help you implement the plan
- 👤 Provide you with the tools and services to get the job done

Call your BBD Regional Vice President today, or visit www.bbd.ca for more information.

BBD now offers Life, ADD&D and Dependent Life benefits to Age 75

Effective immediately, BBD offers Life, ADD&D and Dependent Life benefits to age 75. The Life and ADD&D benefits will reduce by an additional 50% at age 70, to a maximum of \$25,000.

For existing BBD clients, employees between the ages of 70 – 74 can be added back on to the plan, with an adjustment made to the current life rate. The ADD&D and Dependent Life rates remain unchanged.

For new group quotes, the default termination age for these benefits will be age 75 and can be lowered at the request of the Advisor.

Groups with Critical Illness coverage can also be adjusted to reflect the same termination age as the Life benefits.

Contact your Regional Vice President or Account Manager for more information.

BBD introduces another addition to the Western Sales Team

BBD is pleased to announce the appointment of Andrea Stamatakis, Regional Vice President, Western Canada effective January 18, 2010.

Andrea brings extensive group benefits experience to our team. She was a Sales Analyst with Desjardins for four years and most recently has been a Sales Representative with Encon for the last two and a half years.

Andrea will be joining the sales team of Shannon Hamilton, Vice President of Marketing in Western Canada, and will be working with Regional Vice Presidents, Leanne MacKinnon and Jennifer Hughes. Andrea's territory will be Vancouver, and Squamish through Pemberton, Burnaby, Sunshine Coast and northern Alberta (including Edmonton, Grande Prairie and Fort McMurray).

BBD continues to expand service levels and develop our relationships with employee benefits focused Advisors.

Contact Vice President of Sales and Marketing Shannon Hamilton (shannon.hamilton@bbd.ca) with any questions.

Fundraising by BBD Employees

We are pleased and proud to announce that the employees of BBD have been hard at work, raising funds to help out worthy causes. In December, the BBD Employees raised \$1,500.00 for the Empty Stocking Fund, \$400.00 for the Ryandale Shelter for the Homeless in Kingston and both Vancouver and Kingston offices made large donations to the food banks.

BBD recently raised \$1,800.00 for the Red Cross Relief Fund for the Haiti devastation.

BBD Introduces our new Minipac Plan

We are pleased to present our new Minipac plan option, which is a scaled down plan with affordable rates for those employers that still want to protect their employees but have a limited benefits budget.

The following plan will be shown as an option on all quotes being released effective immediately.

Default Plan

Nil deductible

60% Drug and EHS Coverage

Direct Pay with Conditional Formulary

\$2,500 Prescription Drug Maximum

\$500 total combined annual maximum for Paramedical Services

Travel Benefits included

No Hospital Coverage

No Vision Care

All other standard Benepac® EHC provisions apply. Contact your Regional Vice President for more information.

What is Phase 2 of the Alberta Pharmaceutical Strategy, and what does it mean to you and your clients?

In December 2008, Alberta Health and Wellness announced the Alberta Pharmaceutical Strategy. It is designed to help make drug coverage more accessible, sustainable, and affordable for all Albertans and is being implemented in two phases:

- **Phase 1** (announced December 2008) focuses on a variety of drug programs, including changes to the Seniors' Drug Plan- Effective July 1, 2010.
- **Phase 2** (announced October 2009) focuses on reducing generic drug prices and expanding the roles of pharmacists.

For an overview of the phases, visit the Alberta Health and Wellness website at <http://www.health.alberta.ca/initiatives/pharmaceuticalstrategy.html>

For the majority of your clients, the biggest impact from these changes will come from Phase 2.

According to Green Shield Canada, "right now Alberta's generic prices are usually about 75% of the brand name price. The good news is that Phase 2 will roll back the price of various generics to 45% and these reduced prices will be available to all plans (public and private). The bad news is that to date there is not enough data available to accurately assess the impact on plan sponsors".

BBD Takes a Proactive Stand!

To offer your clients additional cost containment options for their Extended Health Care plans, BBD will offer a 5% decrease in EHC rates to any Alberta group that wishes to add a Mandatory Generic Drug option to their plan. Not only will this change result in more

competitively priced plans, it will also help to keep renewals more favorable. All you have to do is indicate at time of quote if this is something that your client would be interested in and BBD will rate the plan accordingly.

Existing BBD Alberta Clients

For any existing Alberta BBD clients that wish to add this option, just let us know at any time and we will be happy to make the change!

At BBD we are looking out for the best interests of you and your clients!

For more information contact your Regional Vice President.

Important Announcement about Green Shield's Pharmacy Reimbursement Model

Effective January 1, 2010 Green Shield has changed their pharmacy model in Ontario.

- The maximum allowable dispensing fee for prescription drugs in Ontario will increase from \$10.99 to \$11.99. Green Shield will reimburse the lesser of a pharmacy's posted usual and customary professional fee or the Green Shield maximum allowable dispensing fee of \$11.99.
- Pharmacies in Ontario have the ability to bill plan members for amounts in excess of Green Shield's maximum allowed dispensing fee at their discretion.
- The allowed markup for brand drugs in Ontario will increase by up to 5%.
- There is no change to the allowed markup for generic drugs in Ontario.

If plan members contribute towards the cost of the prescription drugs through a co-payment based on the ingredient cost and/or dispensing fee, they may see an increase in their portion of the expense.

Green Shield feels that their change to the pharmacy reimbursement model will ensure plan members will continue to have access to the medications they need at the pharmacy of their choice.

For more information, contact your Regional Vice President.

Quick Facts for 2010

Canada / Quebec Pension Plans

Contributions		2009	2010
Annual Maximum Pensionable Earnings		\$46,300	\$47,200
Annual Basic Exemption		\$3,500	\$3,500
Contribution Basis		\$42,800	\$43,700
Maximum Annual Contributions	Employee	\$2,118.60 4.95% of \$42,800	\$2,163.15 4.95% of \$43,700
	Employer	\$2,118.60 4.95% of \$42,800	\$2,163.15 4.95% of \$43,700
	Self-employed	\$4,237.20 9.9% of \$42,800	\$4,326.30 9.9% of \$43,700

Benefits - CPP		2009	2010
Retirement Pension starting at age 65		\$908.75	\$934.17
Death Benefits			
<ul style="list-style-type: none"> Lump sum Surviving spouse (under age 65) Surviving spouse (Age 65 & over) Child (per child) 		\$2,500.00 \$506.38/mon \$545.25/mon \$213.99/mon	\$2,500.00 \$516.57/mon \$560.50/mon \$214.85/mon
Disability Benefits			
<ul style="list-style-type: none"> Contributor Child (per child) 		\$1,105.99/mon \$213.99/mon	\$1,126.76/mon \$214.85/ mon

Benefits - QPP		2009	2010
Death Benefits			
<ul style="list-style-type: none"> Lump sum 		\$2,500.00	\$2,500.00
<ul style="list-style-type: none"> Under Age 45 	Without dependent children	\$449.47/mon	\$459.43/mon
	With dependent children	\$734.82/mon	\$745.93/mon
	Disabled (with or without children)	\$765.18/mon	\$776.41/mon
<ul style="list-style-type: none"> Age 45 to 64 Age 65 & over Child (per child) 		\$765.18/mon \$545.25/mon \$67.95/mon	\$776.41/mon \$560.50/mon \$68.22/mon
Disability Benefits			
<ul style="list-style-type: none"> Contributor Child (per child) 		\$1,105.96/mon \$67.95/mon	\$1,126.73/mon \$68.22/ mon

Employment Insurance

	2009	2010
Maximum Weekly Benefit	\$447	\$457
Maximum Annual Insurable Earnings	\$42,300	\$43,200
Employee Contribution Rate (outside Quebec)	1.73%	1.73%
Employer Contribution Rate	2.42%	2.42%
Employer Contribution Rate – Qualified Plan Cat.3	2.03%	2.02%
Maximum Employee Cost	\$731.79	\$747.36
Maximum Employer Cost – Non-Qualified Plan	\$1,024.51	\$1,046.30
Maximum Employer Cost – Qualified Plan (Cat. 3)	\$859.85	\$873.66
Employee Contribution Rate (Quebec)	1.38%	1.36%
Employer Contribution Rate	1.93%	1.90%
Employer Contribution Rate – Qualified Plan Cat.3	1.54%	1.50%
Maximum Employee Cost	\$583.74	\$587.52
Maximum Employer Cost – Non-Qualified Plan	\$817.24	\$822.53
Maximum Employer Cost – Qualified Plan (Cat. 3)	\$652.04	\$649.80

Quebec Parental Insurance Plan (QPIP)

	2009	2010
Maximum Annual Insurable Earnings	\$62,000	\$62,500
Employee Contribution Rate	0.484%	0.506%
Employer Contribution Rate	0.677%	0.708%
Maximum Employee Cost	\$300.08	\$316.25
Maximum Employer Cost	\$419.74	\$442.50

Registered Pension / Savings Plans

	2009	2010
Defined Benefit Plan (Limit for P.A. Calc.)	\$2,444	\$2,494
Defined Contribution Plan / RPP	\$22,000	\$22,450
Registered Retirement Savings Plan (RRSP)	\$21,000	\$22,000
Deferred Profit Sharing Plan (DPSP)	\$11,000	\$11,225

To access further information, go to www.bbd.ca/planadvisor.

Comings and Goings in 2010: In the drug world, that is.....

It's too bad that predicting when drugs will go off patent and when new ones will enter the market isn't as simple as gazing into a drug-world crystal ball. In reality, numerous factors influence drug comings and goings. Everything from legislative changes to legal issues to the internal workings of the pharmaceutical industry makes predicting what the future holds for brands and generics a complicated "guesstimate". Here is the word on the street to date.

Comings:

- No blockbusters like the Lipitors of the past appear to be coming down the product development pipeline in the immediate future.
- Bulk of new development will likely be in biotechnology drugs with expensive products for very small markets.

This could mean an increase in costs for plan sponsors.

Goings:

- Prevacid (treatment of stomach acid) and Norvasc (treatment of high blood pressure): originally predicted to come off patent in 2010 and 2011 respectively have already come off patent.
- Lipitor (treatment of high cholesterol): predicted to come off patent in 2011 but Lipitor could be as early as July 2010.

This could mean savings for plans sponsors.

So now the question becomes, what will be the net effect of these comings and goings for plan sponsor costs? Once again, the answer is to be determined, so stay tuned.

Source: Green Shield Inside Story – December/January 2010

BBD Online and GeoTrust

BBD Online is an Internet site that has been provided to Plan Administrators and Advisors. It allows peace of mind to securely view client information and perform certain transactions online, or access to invoices and commission statements. We have just added a seal of certification on the site that you can access to get more information from a renowned security authority, GeoTrust, who attests our site is indeed secure.

One way to keep the site secure is to deny unauthorized access unless the user provides a valid login and password. Unfortunately, no sites are safe with the use of bad passwords or poor practices in protecting the password. To help select better passwords, we have put additional restrictions on what they can contain. You now must use at least three kinds of characters in the password, and they are lower-case, upper-case, numeric, and non-alphanumeric (i.e. neither a letter nor digit). Furthermore, it would not be allowed to include your first name, last name, or login.

Finally, one of the good practices of protecting your password is to change it regularly. As a reminder, you can do that by clicking on "Options" on the menu bar.

We hope we have addressed any concerns you may have had about the security of BBD Online.

For further information, contact your Regional Vice President.