

For Your Benefit...



**GREATER KITCHENER WATERLOO
Chamber of Commerce**

By Todd Letts, President

There has been a lot of interest, activity and growth in the Greater Kitchener Waterloo Chamber of Commerce group benefit plan lately. I thought I would ask our Benefit Consultant a few questions to help us understand some of the reasons for its success. As a value to our membership, I thought I would share with you some of the information that I received. Perhaps this information will lead you to our plan for a quote, or perhaps it will challenge our members to examine their current plan.

Q: *I have heard about rate increases for group insurance plans routinely of over 20% lately, yet our plan had an overall increase of only 4.5% last year. What makes our plan different?*

A: The Greater Kitchener Waterloo Chamber of Commerce Group Insurance Plan differentiates itself from many other small employer plans in three ways:

First, the plan has been in existence for over 20 years which provides stability to rates and very predictable trend factors. Most group insurance plans change carriers at least every five years. Our 20 year history in partnership with Equitable Life of Canada (Equitable), provides us with service and rate stability unmatched by most group insurance plans. To further illustrate the rate stability, Cowan has a written agreement in place with Equitable that limits the life and disability rate changes in any given year.

Secondly, ours is an association plan (one group, many employers). Insurance companies tend to shy away from these plans due to the complexity of administration and the risks to the entire group of collective underwriting. Association plans tend to attract groups that rate shop and will move their plans to the cheapest coverage available. They will only join due to an unfavorable renewal from their current carrier and will leave as soon as something better comes along. We have managed the potential hurdles that lead to the demise of association plans and are proud of the number of years that most employers have maintained their coverage through our plan.

The third and by no means final element that differentiates our plan is our underwriting principles. Small groups are required to provide a little more health information to the insurer than large groups. This reduces the risk of small groups joining the plan and negatively impacting the predictable claims experience of the group. This practice is not unique to the Chamber plan. However, as our plan grows, our minimum number of lives to join without having to provide evidence of insurability has also reduced. This risk and potential claims for this group are well managed and very predictable.

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Q: What other benefits does participation in the plan provide to members?

A: Any time that you can support the Greater Kitchener Waterloo Chamber of Commerce group plan, you continue to strengthen the Chamber in its initiatives to help our business community succeed.

We continually look for ways to make our insurance product better. More participation from Chamber members gives us flexibility to expand the product offering. Recent upgrades have included doubling some Life Insurance maximums and adding acupuncture as an eligible extended health benefit. By participating in the plan, members also support two strong local companies, Equitable Life of Canada and Cowan Wright Beauchamp.

Face-to-face service and local processing make a noticeable difference in response time and quality of service. The staff at Cowan, for example, are pleased to conduct meetings with your employees to explain the benefit plan to your staff.

I would be remiss if I didn't mention the rate stability again. Our stable rates have a positive impact on your budgeting, profitability and employee retention.

Q: Do members need to wait for their current plan's renewal to get a quote on the Chamber's group insurance plan?

A: No, unlike your home and auto policy, there is no need to wait until your renewal to get a quote on your group insurance plan or change your carrier. Group insurance can be terminated with 30 days notice to your current carrier. Our rates are very competitive and stable, and our plan design has met the needs of employers for over 20 years. It's a good business decision to make the call to Cowan Wright Beauchamp to get a quote.

Contact:

Debbie McKenzie

Cowan Wright Beauchamp

Ph: 886-1690, ext. 408

chamber@cowanwrightbeauchamp.com

www.cowanwrightbeauchamp.com