



August 2004

QUARTERLY NEWSLETTER

DID YOU KNOW?

(1) It is most important when an employee goes on Long Term Disability leave, that the company also apply for the Waiver of Premium option under the Group Life Insurance policy at the same time.

(2) RBC Financial (Royal Bank) purchased Unum/Provident – the largest independent Disability Insurance carrier in the country. We are happy to report that RBC will continue to support the products and service provided by Unum/Provident, but under the RBC banner.

DE-LISTING OF SERVICES FROM OHIP

The Ontario Government recently de-listed 3 services from OHIP sponsorship:

- 1) Routine Optometry Exams, except for seniors and Ontarians under 20 years old, Effective November 1, 2004
- 2) Chiropractic Services effective December 1, 2004
- 3) Physiotherapy Services for everyone other than seniors, who will continue to receive physiotherapy through home care and long-term care facilities, effective April 1, 2005.

What effect will these changes have on Group Benefit Plans? One company in particular, estimates that there will be nominal changes to physiotherapy and plans that already have complimentary chiropractic in place. Plans without complimentary chiropractic in place may see a 3 - 5% increase to healthcare premiums.

Vision Care could see premium increases of approximately 12%

These figures are only initial estimates and the actual impact will be dependent upon the particular insurance company's estimates and the circumstances of each particular group.

PENSION PLANNING

The Joint Forum of Financial Market Regulators has published **Guidelines for Capital Accumulation Plans (CAP) – May 28, 2004**. This has received the approval of the Canadian Association of Pension Supervisory Authorities (CAPSA), the Canadian Council of Insurance Regulators (CCIR) and the Canadian Securities Administrators (CSA).

This is an important document that is the result of much time and effort and it is significant, especially in the defined contribution group retirement program industry. As a reminder, CAPs represent any tax-assisted investment or savings plan that permits its members to make investment decisions among two or more options offered within the plan. Specifically, this covers defined contribution registered pension plans, deferred profit sharing plans and group registered retirement savings plan (RRSPS).

If you and your company offer such a program, you should be familiar with these guidelines. You can also familiarize yourself with such by visiting any of the following regulatory websites: CAPSA www.capsa-accor.org, CCIR www.ccir-ccra.org, CSA www.csa-acvm.ca or the Joint Forum www.jointforum.ca.

We are aware of these guidelines and are currently monitoring this in relation to our clients' programs to ensure that all aspects of the plans comply and meet the requirements put forth in the guidelines. The intent of these guidelines is to clearly outline your fiduciary obligation and liability as a plan sponsor of a CAP. If you have any questions or require clarification in relation to any of this information, please do not hesitate to contact James Timms, BBE, FLMI, CIM, CFP, Vice President, Group Pensions and Retirement Programs at 905-844-8820 or email: james@baicorp.ca.

What's New At Baicorp/BaiTrak?

Toria Clarke has joined our BaiTrak Benefit Administrator team and would be happy to assist you with your needs or concerns. You can reach Toria at 905-844-8820 or email: tclarke@baicorp.ca.

We have at your service, Ron Clarke, CFP, CLU, Director of Corporate and Individual Client Services, who works with our clients and their employees providing expertise on integrated financial planning. Ron will assist individuals on understanding the importance of their own individual plans and how they integrate with group and government plans. You can reach Ron at 905-844-8820 or email: ron@baicorp.ca.