

Corporate Profile

The objectives of the proposed benefits review may be summarized as follows:

1. To review the potential application of a number of items in the benefits/insurance areas, in order to minimize operating expenses and at the same time maximize the employee's or individual's net disposable income.
2. To examine the relationship of the benefits reviewed under the above to the current and future direct (compensation) costs of the Employer or Association together with the resulting impact on operating costs.
3. To develop a comprehensive, cost effective benefits/insurance/education program which reflects the varying needs of individual's and their dependents and at the same time, protects the previously acquired rights of both presently insured individual's and retirees. This would require a detailed review of all existing benefits in terms of:
 - ◆ benefit plan design;
 - ◆ adequacy of benefits relative to needs;
 - ◆ competitiveness of current costs;
 - ◆ methods of funding currently employed;
 - ◆ methods of underwriting insured benefits and competitiveness of same, including the cost of, and requirement for reinsurance or catastrophe protection;
 - ◆ impending financial liabilities of all benefits upon termination of employment or retirement;
 - ◆ contract terms and conditions;
 - ◆ administrative and claims settlement procedures;
 - ◆ compliance with provincial and/or federal legislation affecting benefit plans;
4. To establish methods of funding and underwriting these programs which will produce maximum investment return on the "cash-flow" of premiums, claims and expenses, along with a basis for rate determination which is equitable to all concerned.
5. To determine the most appropriate administration vehicle for the proposed programs.
6. To assist in the development of a strategy for future compensation/benefits/insurance programs for the benefit of both you our Client and those whom you seek to serve.

To assist in the orderly development of the study, several phases which would permit the identification of progress would be established along with guide points at which decisions could be made on further phases before they are undertaken. These are detailed below.

PHASE I

- ◆ Summarize and analyze existing benefits from all sources including such key factors as eligibility provisions, definitions, waiting periods, contributions, compliance with benefit plan legislation, taxation implications, etc.;
- ◆ Review past financial experience under each benefit, present premium rate structure, methods of funding and underwriting;
- ◆ Determine present and future liability of all existing benefit plans;
- ◆ Identify inconsistencies, gaps, duplication and overlapping of benefits;
- ◆ Identify areas requiring change to properly integrate with or reflect the presence of the social welfare benefits;
- ◆ Analyze administrative and claims payment procedures, including absentee control;
- ◆ Determine employee/member perceptions and understanding of present benefits as well as their expectations;
- ◆ Determine the adequacy of existing benefits relative to the needs of employees/members and dependents; and
- ◆ Prepare Phase I report summarizing the findings and recommendations.

PHASE II

- ◆ Develop an alternative benefit program designed to meet the varying needs of the employer, employee/member and dependents on a more cost effective basis;
- ◆ Develop more suitable funding and underwriting arrangements which will minimize long term costs, including a survey of available underwriting markets and an examination of self-insurance alternatives;
- ◆ Develop a future strategy relative to benefits; and
- ◆ Prepare a Phase II report summarizing the foregoing.

PHASE III

- ◆ Develop an implementation strategy, including obtaining management approval, selection of media and communication resources to effect a positive employee/member response to the proposed changes, and the training of staff to communicate and administer the revised program.

PHASE IV

- ◆ Develop an ongoing monitoring program to ensure the revised program continues to meet needs on a cost effective basis, and that it maintains pace with benefit and compensation trends, as well as reflects ever-changing social welfare and benefit legislation.