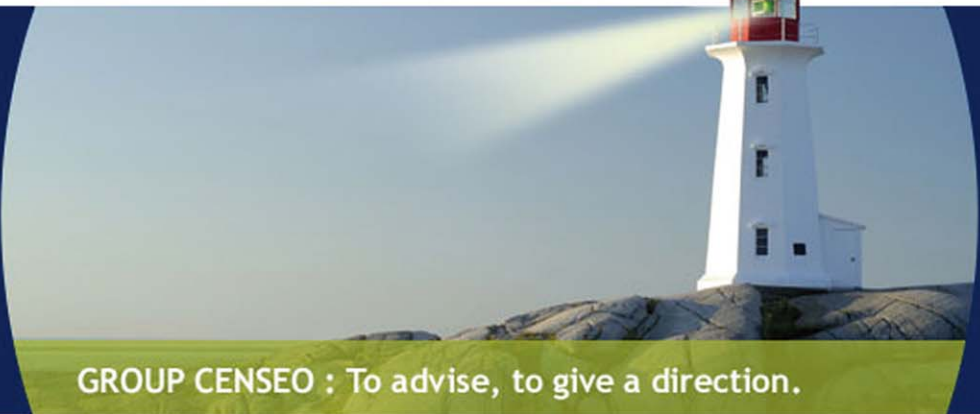


Bulletin No.1, 2009



GROUP CENSEO : To advise, to give a direction.

In brief

- Launching of the Censeo Bulletin
- Unveiling of the new website www.groupecenseo.com
- Employees aged 65 and over
- Quebec Pension Plan (QPP)
- Premiums exemption in case of long-term disability
- Employment Insurance Act (EI)
- Public Plan Rates Effective July 1st, 2009
- Group Censeo - News

Censeo Bulletin

To improve communication with our clients, we created a Bulletin that will be sent to employers *every four months*.

The main objective of the Censeo Bulletin is to inform our clients regarding current topics in our market in regards to laws and regulations, legislative changes and the latest trends in the group insurance market.

You will also find useful information about Group Censeo. Whether being the arrival of a new employee or the creation of a new service that may meet your needs.

We hope that this first Bulletin will be useful, and if you have any suggestions regarding the content of future Bulletins, please send it to [e.lirette @ groupecenseo.com](mailto:e.lirette@groupecenseo.com).

www.groupecenseo.com

Group Censeo unveiled its new website in December 2008. The address remained the same; www.groupecenseo.com, but the structure, design and content are improved.

The goal of our website is to be a reference in the group insurance market. We also hope that people will refer to our website to learn about different topics such as legislative changes and different laws and regulations.

Net surfers can also use the website to download our Health Capsules and to find relevant information about available resources in Quebec and in Canada regarding Health & Wellness, benefits, drug insurance, etc...



GROUP CENSEO: Added value.

Employees aged 65 and over

When an employee turns 65, he is automatically registered at the RAMQ unless he advises the Régie. If the employee is already covered for drugs by a group insurance plan, he has the option of joining the public plan and/or maintaining his current plan under certain conditions. If he wishes to keep all of his coverage with his private insurer, he must inform the RAMQ at the following number: **R.A.M.Q.: 1-800-561-9749.**

Here are the choices generally available for employees at age 65 :

1. Pay a **full monthly additional premium** (amounts differ from one insurer to another, but are usually very high) to remain fully covered by the plan. In doing so, there will be **no premium required from the RAMQ** on his tax report and he will have to contact the RAMQ to cancel his registration to the public plan.

2. Maintain his registration at the RAMQ and pay the **same premium** or a **partial monthly additional premium** (depending on the insurer) in order to keep all "other expenses" (hospitalization, laboratory exams, travel insurance, paramedics, etc.), drugs not covered by the RAMQ and reimbursement of the deductible and coinsurance of the RAMQ under the terms of the contract. With this option, **the RAMQ premium will be payable** on his tax report.

Note:

With some insurers, these rules apply depending on **the insured's age only**, while for other insurers these rules apply to the insured and their spouse (depending on the first person to turn 65).

Considering the different rules from one insurer to another and the various implications of the decision taken by the employee, we recommend that you contact your group insurance adviser or your Group Censeo's customer service representative to guide you and advise you adequately in your choice.

The Quebec Pension Plan (QPP)

- Maximum eligible earnings : \$ 46 300 in 2009.
- Basic exemption : \$ 3 500.
- Maximum employee contribution : 4.95 % of the maximum contributory earnings, maximum of \$ 2 118.60 in 2009.
- Maximum employer contribution : 4.95 % of the maximum contributory earnings, maximum of \$ 2 118.60 in 2009.
- Maximum contribution for the self-employed worker : \$ 4 237.20.
- **Warning** : A contribution is permitted if the group insurance plan is **taxable**, but in this case, the employer and employee contribution will have to be paid by the disabled employee.

Waiver of premium in case of a long-term disability

In all group insurance contracts, if a participant becomes disabled during the same disability period of more than 4 months (or 6 months depending on the contract), the life and disability insurance coverage are prolonged without premium payments as of the 5th month (or 7th month) as long as the participant is still on disability but without going over the age of 65, whether the current guarantees remain in force or not.

To be eligible for a waiver of premium, the insurer must receive written notice of total disability within 9 months (6 or 12 months depending on insurer) of the date the participant becomes totally disabled. If a claim is not presented (and proof submitted) in the allotted delay, the participant loses his right to exercise his privilege to the waiver.

In most cases, the disabled participant is paid by the insurer and the latter being at risk is aware of the disability and has in his possession the proof of the aforementioned disability. In this case, the participant is automatically waived by the insurer on the invoice without having to make a particular request to this effect.

However, if the disability is caused by a work related accident (CSST), a car accident (SAAQ), an illness during a layoff period or a maternity leave, or other, the insurer is not aware of the disability and continues to collect premiums for the participant.

If the request (which must be done in writing) is never made to the insurer, the participant loses his right to the waiver with the present insurer and loses his life and disability insurance coverage in the event of a transfer to a new insurer, and this, throughout the whole period of the aforementioned disability.

Thus, if the participant develops a second disability (or if he deceases) while on CSST for example, he would not be covered. It is only upon his return to work for more than 31 continuous days that he will become eligible to these coverages.

It is therefore **imperative** to notify the insurer and to send the waiver of premium request as soon as a disability exceeds 4 months.

Employment Insurance Act (EI)

- Maximum annual insurable earnings: \$ 42 300 in 2009.
- Contribution rate: per \$ 100 of gross insurable earnings:
 - In Quebec the contribution rate is \$ 1.38 for the employee;
 - Outside of Quebec, the contribution rate is \$ 1.73;
 - The contribution rate of the employer is equal to 1.4 times the contribution of the employee if there is no short term disability insurance plan;
 - When there is a short term disability insurance plan, the program allows a reduction of the contribution rate (\$ 1.117 in Quebec and \$ 1.175 outside Quebec).

Public Plan Rates Effective July 1st, 2009

Adults age 18 to 64 or persons age 65 or over receiving no GIS (0%)							
Rates in effect before and after July 1, 2009							
At the pharmacy						When filing income tax return	
Monthly deductible		Monthly co-insurance		Maximum monthly contribution		Annual premium	
Before	After	Before	After	Before	After	Before	After
\$14.30	\$14.95	31%	32%	\$77.21	\$79.53	From \$0 to \$570	From \$0 to \$585
+ \$0.65 per month		+ 1%		+ \$2.32 per month		Maximum increase of \$15	

Summary:

Annual estimated deductible:	\$179.40 per adult
Reimbursement:	68%
Maximum annual contribution (after it's 100%):	\$954.36
Maximum annual contribution for persons aged 65 or over (1% to 93% of GIS):	\$599.64
Annual premium (payable on the income tax report):	\$585 per adult
Annual premium for 2009:	\$577.50 per adult
(This cost represents 6 months at \$570 and 6 months at \$585)	

For more information on this subject, you can visit the following website:
<http://www.ramq.gouv.qc.ca/fr/citoyens/assurancemedicaments/tarifs.shtml>

Group Censeo - News

- We increased our working area of **3500 square feet** (for a total of 8600 square feet). Come see us and we will be pleased to show you our renovated office. You will soon see some pictures on our website.
- We welcome **Sylvain Érazola, Bachelor of Actuarial Science**, Renewal Analyst.
- We welcome back **Julie St-Germain, M. Sc. A.**, Renewal Analyst, which returned from her maternity leave.
- Congratulations to **Lison Chiasson, B. A. A.**, Renewal Analyst, for her beautiful Sara, born in March 2009.
- Group Censeo is proud to have been one of the main corporate sponsor of **Hike Help Heal**, founded by one of our client; Preston Phipps. The Vice President, Operations of Preston Phipps, Mark Paulin and his wife Stephanie, climbed the Mount Washington on September 12, 2009, to raise money for the Montreal Children's Hospital Foundation. All proceeds were donated to the Foundation. You can visit the Hike Help Heal website at the following address: www.hikehelpheal.blogspot.com.