



Employee audit checklist for your group insurance plan


A comprehensive checklist to ensure your benefits plan is in tip-top shape.

Auditing your group insurance plan

Keeping your group insurance plan running smoothly takes time and consistent effort — there's a lot to keep track of! But it's important to ensure information is accurate as the best way to save yourself time, money, and potential risk.

Why is a review important?

Employee benefits plans are complex and highly reliant on the accuracy of information. Keeping everything up to date will help employers avoid liabilities and ensure employees are paid the correct benefit amount should a claim arise. For example, many benefits payouts are based on salary, such as life and disability insurance. If an employee's salary has not been updated they or their beneficiaries may receive less benefit than they're entitled to.

A review can also make sure ineligible employees cannot make claims and can catch any [late applicants](#)  that may have been missed.

When should you review your employee list?

A comprehensive review should be completed annually. However, quarterly reviews of eligible and ineligible employees and dependents can also be beneficial to ensure coverage is in place and is correct. It can also capture any credits owed or help you avoid back paying premiums for late applicants (if applicable).

Use this checklist to make sure you don't miss any important steps when reviewing your employee information under the group insurance plan.

Employee audit checklist

This checklist will take you through the most common day-to-day tasks of a group insurance plan administrator and how to audit them to ensure accuracy, including:

- Enrollment
- Updating employee information
- Beneficiaries
- Waivers of coverage
- Ineligible employees and dependents
- Invoicing and payments

Note: the information contained within this checklist is for informational purposes and is meant to be used as a guide only. This checklist does not constitute recommendations or other advice regarding legal, business, or other decisions. If you have any questions or concerns, we suggest that you consult your group insurance advisor.



Enrollment: confirm all eligible employees and their dependents are enrolled in the plan.

All employees who are working above the minimum hours required and who have satisfied the [waiting period](#)

[Dependents](#), such as spouse and/or any children under the age limit for the plan

[Overage dependents](#) with a disability or attending post-secondary school

TIP: Participation requirements

The percentage of eligible employees who are required to be enrolled in the employee benefits plan is known as the [participation requirements](#).

For most small employers, participation is 100% – sometimes known as “mandatory participation” – due to the fact there are not enough employees to keep the plan sustainable if some of them were not participating. If you are unsure whether you have 100% participation or not, consult your benefits booklet or contact your insurer or group insurance advisor.

[Blog: Employee Benefits Participation Requirements Explained \(bbd.ca\)](#)



TIP: Life events

[Life events](#) are changes that occur in an employee's life that may require an update to their information, such as a marriage or divorce, the birth or adoption of a child, moving to a new address, and more. It's important to remind employees that they need to inform you should any of these situations apply.

For your part, pay increases, promotions, or employee tenure could mean a change in coverage. By updating information whenever a life event occurs, you can ensure your employees are receiving the correct benefits coverage.

[Blog: What is a Life Event and Why It's Important to Update Your Information? \(bbd.ca\)](#)



Employee information: confirm all employee information is up to date.

Salary — has anyone received raises or promotions recently?

Personal email address — has anyone changed their email address?

Mailing address — has anyone moved recently?

[Marital status](#) — has anyone gone through a divorce or separation or recently been married?

[Employee class](#) — has anyone become eligible for a different class?

Alternate plan information of employees' spouses for health and dental waiver, and/or [coordination of benefits](#)

TIP: Alternate plan information and coordination of benefits

Sometimes an employee has coverage under another benefits plan, such as their spouse, or through individual coverage. There should be a section requesting this information on your insurer's employee enrollment form. Employees can choose to waive their health and/or dental coverage and only use one plan, or they can coordinate the two plans.

[Blog: Coordination of Benefits: Can I Have More Than One Benefit Plan?](#)



Beneficiaries: confirm all beneficiary information is up to date as per enrollment forms.

[Beneficiary](#) designation updates

Benefit percentage equals 100% if there are multiple beneficiaries

[Trustee](#) appointed if the beneficiary is under the age of majority

Employee waivers of coverage: confirm all waivers have been applied.

Health and dental [waivers of coverage](#) when an employee or spouse has alternate benefits coverage

[Waiver of premium \(WOP\)](#) for employees on disability for their life insurance, accidental death & dismemberment (AD&D) (if applicable) and disability premiums.

Ineligible employees and dependents: Confirm that all ineligible employees and their dependents are no longer on the benefits plan

Terminated employees

Employees working below the minimum number of hours per week



Ex-spouses

[Overage dependents](#) 

TIP: Plan administrator experience

The administration of your benefits plan includes many responsibilities, many of which are covered in this checklist — but not all. We explain the importance of each on the plan administrator experience webpage – complete with downloadable resources and tools to make your administration job easier.



[Blog: Plan Administrator Experience](#)  

Invoicing and payments: review

Rates charged for each line of benefits are correct

Life insurance and disability benefit amounts tied to salary are correct

Eligible employees/dependents have been added for the correct billing cycle



Terminated employees/dependents have been removed for the correct billing cycle, and any credits or debits have been attributed correctly

No charges for any benefits that should be waived

All payment information (pre-authorized debit, address to send cheque to, other payment plan option) is up to date

Great job! You've completed the employee audit checklist and are well on your way to the smooth maintenance of your group insurance plan.

Other considerations: excess coverage and optional benefits


Excess coverage: do you have benefits tied to salary? This could include (but is not limited to) life insurance and/or disability insurance. If yes, employees could be eligible for [excess coverage](#)  and **you are required to inform them**. Confirm if any employees who have received a pay increase are eligible for benefit amounts above the [non-evidence maximum \(NEM\)](#) .

Check if employees who have received raises are at the NEM for these benefits – reach out to your insurer for this information if you are unsure

Request information and forms from your insurer to provide to your employee

Should your employee decide to pursue the increase in benefit amount and premiums, submit the forms to your insurer and follow the process they outline

Not sure if employees qualify? Reach out to your group insurance advisor and request a consultation.

Optional benefits: some employers offer [optional benefits](#)  such as life insurance and critical illness that employees can apply for on top of the coverage they already have. If optional benefits are available, make sure employees are aware and have the forms they need.

Provide your employees with the information and forms required for them to make an informed decision and enroll

Send all enrollment forms to the insurer

