

Field Underwriting for Group Insurance Plans



In order to protect the Essential health care pool, and ensure long term pricing stability, the importance of field underwriting can not be underestimated. CGIB members are expected to perform this task to ensure the client is protected, and that the plan not just survives, but thrives.

What is Field Underwriting?

When an advisor takes on a portion of the frontline underwriting tasks. Good field underwriting results in a win for all parties involved by ensuring there are no surprises (upfront, or at renewal). The advisor typically has a relationship with their client and therefore understands things about them and their unique risk that underwriters and those removed from the client would not be aware of.

What kind of questions should you ask?

- Why are you putting a plan in place today? (is there a life, disability or other drug claim expected?)
- If you have a current advisor/plan, why are you changing?
- Are you aware of any ongoing high cost (over \$10k) drug or travel claims (current, in past claims reports, about to begin? Or end)?
- Are there any employees not actively at work? (for any reason – Mat. leave, disability, etc.)
- Is there grandfathering considerations required? (PA drugs, NEM, Max's etc.)
- Are all employees permanent, full-time employees? (are there contract staff, independent contractors, seasonal, temporary, part-time, foreign workers on permit etc. to be considered?)

- Do you have high staff turnover? Is the group younger or older than average? Are there any unique employee types to be considered (i.e. foreign workers, part-time staff, seasonal staff, contractors, etc.)?
- Are all staff in one province or spread across Canada? (pharmacare or non-pharmacare provinces)
- Are staff covered by their provincial health insurance plan? (or are there staff on work permits?)
- Do you have shareholders that are NOT employees enrolled in your plan?
- Are/Will all eligible employees be enrolled in the plan? (is it mandatory?)
- Is the client accepting of a 4-5% annual rate increase? (inflation, utilization, aging and trend)
- Are there non-traditional earnings to be considered? (commission, bonus, overtime, dividends etc.)
- Union? Non-Union? Not for Profit?

Why do we need this information?

Protect the pool	Stabilize pricing	Reduce employer liability
Ensure fair renewals	Set proper initial pricing	Understand unique challenges
Understand Client motivations	Avoid gaps & surprises	Ensure proper coverage