

July 2011, Issue 8

## Waiving Coverage and Late Applicants- IMPORTANT ADVISORY

We would like to revisit a very important issue that seems to be recurring and has generated some concern again lately. We want all of our administrators to be aware of their *responsibility* and the employer's *liability* when an employee is *not* enrolled on the group benefits plan, or is enrolled late. Although you as the administrator may do your due diligence and provide the employee with their enrolment form on time, it is also your responsibility to ensure that the form is returned to you and submitted to the insurance company within the allotted period of time. The onus will be on the employer, not the employee should the forms not be submitted on time. **Please see the attached**

**court case regarding this issue.**

Should your contract be non-mandatory and you have an employee refusing coverage, BE SURE TO HAVE THEM SIGN A WAIVER LETTER and keep it on file. Please contact your local advisor for more information regarding waivers.

### TIP

**Have any new employees complete their group benefits enrolment forms at their time of hire, as they are completing any new hire paperwork for your business.**

**FOR MORE INFORMATION ON AVOIDING LATE APPLICANTS, PLEASE REVIEW THE CANWEST NEWSLETTER FROM APRIL 2010 AVAILABLE AT [www.canwestgroup.com](http://www.canwestgroup.com). IF YOU ARE UNSURE OF HOW TO DEAL WITH LATE APPLICANTS, CONTACT YOUR LOCAL GROUP BENEFITS ADMINISTRATOR OR CALL 1-866-408-4999.**

## What is a Late Applicant?

A late applicant is a plan member who has not applied or made necessary changes to their benefits plan within a required amount of time. Late applicants can include:

- a plan member who gets married or begins to live common-law, but forgets to add a spouse to their plan
- a plan member who forgets to enroll on the plan after he/she loses coverage on a spouse's plan
- a plan member whose plan administrator does not enroll the plan member on the plan within the waiting period or the subsequent 30-day grace period

### What steps must be taken?

1. The plan member must provide a Medical Evidence form for himself/herself and all family members, and incur all associated expenses.
2. If medical evidence indicates a significant underwriting risk, coverage may be declined for all or partial benefits.

### How will this affect coverage?

1. If coverage is approved, it will be effective on the date the Insurance company indicates.
2. If coverage is approved, full premium is required from the effective date of the applicant's insurance.
3. If dental care is included in the plan there will be significant dental limitations for the first 12 months of coverage, depending on your contract.

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