



COMPLIANCE

K+A viewpoint

An essential part of a Benefit Expert's role is to maintain a strong working knowledge of specific areas of law that directly affect the operation of benefit plans. Those areas generally include knowledge of provincial and federal employment, human rights, and tax laws. While only a few of these laws are specific to benefit plans (such as the Income Tax Act), many are not and may require an often complex and lengthy period of analysis before being developed into actionable process.

Legal activity in the benefits area is minor and is often isolated to litigation cases over an entitlement dispute. One of the major landmark cases in the benefits field was the Supreme Court of Canada's ruling on "Brooks versus Canada Safeway" – a 1989 Manitoba based case that eliminated the practice of denying disability benefits for recovery from childbirth. While the Supreme Court ruling applied to Manitoba based plan sponsors, it sent a message to the industry as a whole. What influenced whether a province complied was the language in its employment standards legislation.

Now 12 years later in September of 2001, Ontario, one of the most progressive provinces, finally revised its employment standards legislation to prohibit pregnancy related discrimination. Guess what happened. Just about every major insurer not only dropped the ball but also raised serious concern about its compliance with provincial legislation. Not only did it take some insurers up to 7 months to acknowledge the change and release general bulletins to their clients, policies that should have been implemented in the west 12 years ago, were absent. There seemed to be no concern that their actions caused all their Ontario based policyholders to be in violation of the law and open for potential litigation from a savvy employee. Compounding the issue was the inconsistent approach used by the industry to meet compliance.

Our question is – as this change was not only old news in other areas of the country but expected for many years in Ontario, why, when it happened did insurers react as if it was a new issue? Does this mean that there were no existing processes in place where compliance was required 12 years ago? Add to this the fact that many employers went out of their way to deny reality and avoid the inevitable.

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Why does an entire industry have a problem with compliance?

There are many reasons, but are any of them acceptable? Many feel that the government is to blame for the delay. Technology, in the form of a web site, allows our governments to announce legislative changes with increasing ease. One drawback is that if the media doesn't pick this information up and alert the general public, then it's up to the employer and industry professional to actively seek it out.

Changes often occur with little or no lead time causing plan sponsors to scramble to first understand and then meet legislative revisions. Eg. Medicare plans – rapidly made, announced, and implemented before anyone can digest the financial impact.

What have we become if we don't take legislative changes seriously?

Why is it not important to implement change in a timely and efficient manner, with knowledge of the whys and hows? Of great concern is the growing feeling that what people don't know won't hurt them. The insurance industry's performance during the September 2001 Ontario ESA changes was poor and irresponsible. As consultants, we had the history and knowledge to interpret and guide plan sponsors through the change, even where the government bodies and many lawyers were not fully capable of doing so. The insurance industry also had this knowledge.

The bottom line?

We can't operate this way. While it may seem that nothing negative happened as the result of such poor performance, our collective lack of attention or urgency denied people knowledge of their rights and accompanying entitlement. Law shapes our society and we should never be an industry that appears intentionally or unintentionally unaware of its application. Let's make a collective agreement to do a better job and find a way to make this important fact of life work the way it is intended to – for our mutual betterment!

FUN IN THE SUN UNTIL THE BIG RUN

A CAUTIONARY TALE

While vacationing on a sunny island, far from home last winter, I became violently ill in the middle of the night, from some toxin in my food or drink.

Ruby, my sister and travelling partner, called the front desk and a doctor was summoned. Thus began an experience that was not only highly unpleasant, but an eye-opener for me, a consultant with 25 years experience in corporate group benefits. I became vividly aware of how important it is to know what to do.

DOLLARS, SAYS DOC

The doctor won't accept our credit cards. There is no ATM in the hotel and no more than \$50 cash in the night till. Ruby pays his bill using borrowed cash.

She calls the emergency assistance hotline to report the claim and to get instructions about what hospitals are eligible. The response is helpful, but somewhat vague (just go to any hospital, they are all covered). The hotel advises a private hospital. Off we go.

Again, trouble with credit cards, but my treatment at the hospital is good, although I still felt rotten and weak after four days. As my illness occurred on the last planned day of our vacation, there were additional problems for Ruby to deal with – extending accommodation, taxi charges to and fro, and countless telephone calls home on business and personal matters.

GOTTA GET OUT OF HERE!

Returning to the hotel I still felt very ill, bed ridden and unable to travel home. After two days, we had to decide: go back to the hospital, or fly out by air ambulance or a commercial airline, if they will take me.

I won't go back to the hospital. Ruby spends the entire day on the telephone to the emergency service and professional contacts in the industry back home. We put in a formal request for an air ambulance, because commercial airlines will not fly seriously ill persons.

While most employees focus their attention and plan knowledge on dental, drug and vision claims, it is when the need for real benefits arises that they and many employers find themselves most in the dark. When an emergency happens, that is not the time to find out.

Responsible consumerism of benefit plans involves two things; knowledge and personal responsibility. Unfortunately, without knowledge people don't have the skills to be responsible.

Benefit plans historically focus attention on what is most often used or wanted by employees; reimbursement of generally affordable and routine expenses.

To get an air ambulance I would have to be re-admitted to the hospital (the only allowable pick-up location). The estimated costs of all this had mounted so high, we even seriously contemplated selling property to pay for the flight.

Once we accepted that an air ambulance arrangement wouldn't fly; Ruby was determined to get me on a plane and off that island that night. What followed was a hectic sequence, being dressed and pushed in a wheel chair by my sister onto one plane, and then onto another after an overnight stopover in a second country before arriving home.

Our first flight was in one of those "20 people barely fit in" planes, where you bump along on every updraft.

TOTTERING HOME

We arrived in Florida at one of the busiest airports in North America. No wheel chairs. Tottered to a shuttle bus and hence to a hotel.

More trouble with lack of wheel chairs when we return to the airport and when we arrive home at Pearson.

Although we had finally made it home, the business of sorting out eligible expenses, doctors' bills, etc. had just begun.

This is one, not uncommon story of what can happen, when you have to use your group benefit plan. We knew what to do, how to make reasonable and fair decisions, control expenses, and potential abuses of the plan.

However, we learned some practical lessons from this first-hand experience. Employees travelling abroad need clear practical information about what to do, what to ask: and how to get help.

If the plan member becomes ill will her travel companions be able to understand and use this travel information, making the right calls, etc.?

Krieger + associates knows all about group benefit plans and not just from first hand experience. We help people understand the value of a group benefit plan with practical knowledge. Knowing what to do protects the users and controls costs. That in itself is a "group benefit".

A lack of education about emergency services puts both the employee and the plan at risk. Emergency Travel Assistance services are one of those commonly overlooked and misunderstood benefits, whose importance is paramount in an emergency while away from home.

The story you just read is not only true but also a common occurrence. Just imagine if the patient was your employee without information or awareness about the service or what to do. More importantly, if the sick employee doesn't or can't contact the service, what makes you think that their travelling companion knows what to do? Who travels with their booklet?

HOW CAN YOU HELP YOUR EMPLOYEES BE BETTER PREPARED FOR A MEDICAL EMERGENCY WHILE AWAY FROM HOME?

Here are some helpful hints from our friendly benefits experts:

1. Start by understanding the service yourself and what purpose it serves in the event of an emergency. These services not only help to protect the well being and treatment of the employee but are also important coordinators and protectors of the direction and costs of the eventual claim.
2. Learn the correct process of contact and action from your provider so you understand the flow and interactions of the service through a standard claim, such as a medical emergency in the U.S. or commonly visited islands such as the Caribbean.
3. Recognize that your employees need to be able to travel with information about the service in addition to their Medicare and group benefit plan identification cards. Very few will travel with a cumbersome booklet where its bulk and contents not only make it an avoidable item in a suitcase, but difficult to source the right information.
4. Recognize that employees generally aren't travelling with another employee. Their travelling companions are more commonly family or friends who haven't a clue about the benefit plan or travel services. In an emergency, these people need to know what to do on behalf of the ill employee. If they can't find any information, they will fly "by the seat of their pants" through the emergency while trying to fight the stress and panic of the situation. Will the right things happen? – only by chance.
5. Before the summer holiday season, consider a refresher course for your employees about travelling; what services exist under their benefit plan, Medicare coverage, and what to do in the event of a medical emergency. Get your provider involved – maybe a fun lunch session where people can come and talk to an emergency travel coverage expert or Human Resources and learn about how to get the most out of the service.
6. Develop a communication product that lets your employees travel with the right information, designed in a way that a travelling companion can easily find it and understand what to do.

Why should you, the plan sponsor, do this or even be concerned? The corporate answer? – because you offer the benefit. Your involvement will, control significant claim costs, protect the employee's welfare and serve to maintain the integrity of the plan's true value. Let's not forget the most obvious reason – the right thing to do is to create knowledge and responsibility. The personal answer? – This could happen to you! Would you have enough knowledge to deal with an emergency? What would you do?

"We say pay attention to the important things and be prepared."



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READ THE FINE PRINT!

BY JOE FRASER, A RETIREE

"Did you read the fine print," I was asked, when I received a new policy. I mumbled something about not having read it all. Later, I thought, what does he mean? The whole thing is in fine print. Then I realized that it was about time to change again the prescription of my reading glasses.

I expect the day will come when even billboards seem to favour fine print. Perhaps my problem will be similar to Al's. A great tennis player, in his late seventies, he and wife Wilma almost always win the round robins.

However, he was missing a few volleys. One day, he says he is getting his cataracts done (Wilma had hers done earlier). Two weeks later he is back with these "bionic eyes" hammering volleys past his opponents with deadly accuracy.

The modern treatment is nothing short of incredible. In an outpatient procedure, the cataracts are removed

and you return home with near 20/20 vision, if there are no complications.

Dear Benefit Expert, could I persuade my ophthalmologist to do a job a little prematurely?

Of course "fine print" has another, more common meaning. Lurking in the shadows of the glib summary of your policy, supposedly, is a whole mess of legalistic gobbledygook – or so the mythology goes – about qualifications and exceptions that ensure your particular case of thrombotic frenzy, or whatever else may ail you, is not covered.

As your vision begins to fade, so does your tolerance for obscure language, convoluted prose. I remember a scientist once telling me that a great deal of science could be written in plain English so everyone could understand it. Why not benefit and pension plans? That's what you communication people seem to think and I am all for it. But make the type size at least 12 pt.



DEAR RETIREE:

I'm not sure we can help you with your Ophthalmologist, but taking the gobbledygook out of pension and benefit plan documents is right up our alley!

The term for this is "Plain Writing", also known as Plain English. It can be defined as "a language that the intended audience can understand and act upon from a single reading". Or a message, written with the reader in mind, with the right tone of voice, that is clear and concise. Plain writing should be used with any information that people rely on when they make decisions.

Plain writing is not just about reducing the length or changing the meaning of your message. Nor is it just about banning new words or killing off long words. It also takes into account design and layout. Did you know that the Serif style font (font with a tail) can be distracting? Which makes the Sans serif fonts (font without a tail) the best choice.

You are correct in requesting that the font size be 12 points. The general rule is you should not go any lower than 10 points.

Even line length can affect the ease and speed of your reader! Very long and very short lines force you to read more slowly. One line of body text should contain 60 to 72 characters (including spaces), or about 10 to 12 words.

Although justified text looks smooth, and is every designer's dream – it is more difficult to read. Copy which is aligned left, with a ragged edge, allows for smoother and easier reading.

In our industry, we have a responsibility to ensure that employees are informed. With government cost shifting and flexible benefit plans, education is mandatory. An educated employee is much better equipped to make the right decisions. The best way to accomplish this is to provide educational materials that are written to be understood. Materials that are targeted and focused on the reader.

Plain writing is definitely faster to write and faster to read. By applying Plain writing you get your message across more often, more easily and in a friendlier way.

Thanks for your letter, we will certainly comply with your request and good luck with your tennis game!

MORE PLAIN WRITING TIPS:

- ▶ A sentence should have an average of 15 to 20 words.
- ▶ Mix short sentences with long sentences.
- ▶ Put yourself in your reader's shoes.
- ▶ Try to call the reader 'you'.
- ▶ Say exactly what you mean, using the simplest words that fit.
- ▶ Don't use jargon that is part of your working life, unless your reader is someone who uses the same jargon.
- ▶ Imagine talking to your reader across a table.
- ▶ Cut out useless words.
- ▶ Sound positive.
- ▶ Use lists to split information.