

GROUP INSURANCE PLANS FOR SMALL BUSINESS



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Freedom 55
Financial

A division of London Life Insurance Company

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ABOUT US

As financial security advisors with Freedom 55 Financial, we're responsible for providing financial security advice to clients in the business and individual family markets.

Part of our practice has been to enlist the assistance of specialists from a wide array of financial product lines through Freedom 55 Financial, to help ensure our clients are provided with sound, innovative financial security advice.

Our philosophy

Our clients are our partners! Together, we have a single goal - to help them reach their present and future financial goals.

We provide financial security advice, supported by a team of specialists and systems to consistently deliver on that promise.

About Freedom 55 Financial

A division of London Life Insurance Company, Freedom 55 Financial is backed by a history of strength and stability.

London Life Insurance Company has been helping Canadians meet their financial security needs for more than 130 years.

London Life is a subsidiary of The Great-West Life Assurance Company. Together, Great-West and its subsidiaries - London Life and Canada Life – serve the financial security needs of more than 12 million people across Canada. London Life, Great-West and Canada Life are members of the Power Financial Corporation group of companies.

GROUP BROKER SERVICES

A group insurance broker acts as an intermediary between the client and insurer. The group broker's responsibility is to match those seeking group benefits with insurance companies that most closely meet the client's needs.

Group brokers can seek the group benefits plan best suited for their client, from a variety of sources.

In this situation, Freedom 55 Financial is a subsidiary of Great-West Life – the market leader in group benefits plans nationwide. While we'd recommend Great-West as a provider of group benefits solutions, they may or may not be the best fit for your company. Our responsibility is to work with you to find the right fit.

Companies whose group benefits products we can offer include:

- Great-West Life
- Manulife Financial
- Green Shield Canada
- Standard Life
- Equitable Life
- Empire Life
- Desjardins

ADDITIONAL SERVICES WE PROVIDE

Plan design and implementation

- Work with you to design a group benefits plan that suits the needs of your corporation
- Solicit quotes from group benefits suppliers that best meet your organization's needs
- Engage in a full review of each quote to establish the best fit for your company

Plan reviews

- Annual review of service rates, employee changes and industry or government developments
- When appropriate, We will take your group benefits plan to market to make sure the rates and benefits continue to be competitive
- Strategic approach to market comparisons

Ongoing consultation and support

- When necessary, We'll hold employee meetings to communicate and refresh your group benefits material to new and existing employees
- Answer questions and handle concerns regarding claim payments
- Help ensure payments are handled efficiently

Individual employee consultations

- Individual consultations for every employee and their family, if requested
- Opportunity for your employees to discuss important personal and specific planning needs and to understand how their group benefits plan integrates with their individual financial security plans
- Convenient, flexible, no-cost consultations

Additional services

- Retirement planning
- Critical illness protection
- Educational Saving
- Estate planning
- Life insurance planning
- Disability protection
- Mortgages
- Savings plans

FIFTEEN ADVANTAGES OF GROUP BENEFITS

1. Life insurance and disability insurance can provide a corporate policy in the event of an employee's death or injury/illness.
2. Accidental death and dismemberment benefits can provide a lump sum payment to help ease changes in lifestyle as well as unexpected deaths.
3. Provides 24-hour coverage for all benefits, including disability insurance.
4. Health and dental coverage helps keep medical costs down for plan members.
5. Provides out-of-country emergency care for business or pleasure, so the need for individual travel insurance is reduced.
6. Drug coverage is available by submission of receipts or through convenient pay-direct drug cards.
7. Employee assistance programs provide 24-hour counseling services.
8. Employees get guaranteed levels of coverage without having to submit medical evidence.
9. Conversion privileges are available for both life and disability insurance products, in some cases.
10. Less expensive than a raise because there are no additional increases in CPP, EI or WCB payments, and premiums can be tax-deductible.
11. Helps attract and retain key employees.
12. Can increase productivity, morale and the quality of employees' work.
13. Healthier employees reduce turnover and absenteeism.
14. Employees and employers receive benefits without having to belong to an association, where membership fees are usually required.
15. Group benefits are an investment in a company's well-being, rather than an expense.

EMPLOYEE BENEFITS AS AN ALTERNATIVE TO SALARY INCREASES

Group benefits instead of a salary increase

An attractive overall compensation package can help protect an employer's most valuable asset: your employees. With government cutbacks and increasing drug, hospital and paramedical costs, giving your employees a pay increase isn't always the most cost-effective compensation method.

A raise in salary can cost you more than you think. Consider a three per cent increase on a \$35,000 salary for an employee in Ontario, versus an equivalent premium allocation:

From the employer perspective:

As illustrated in the example below, it can cost you \$44.66 more per employee to implement a three per cent salary increase than to provide group benefits:

Sample Illustration:

| | Raise | Group benefits |
|-----------------------------------|-------------------|-------------------|
| Enhancement | \$1,050 | \$1,050 |
| Employment Insurance ¹ | \$25.43 | N/A |
| Canada Pension Plan ¹ | \$51.98 | N/A |
| WSIB ² | \$30.77 | N/A |
| Payroll Tax ³ | \$20.48 | N/A |
| Sales Tax ⁷ | N/A | \$84.00 |
| Total | \$1,178.66 | \$1,134.00 |

¹EI and CPP as per 2009 CRA rates (assumes Employer not eligible for EI premium reduction). ²Using a WSIB of Ontario rate of \$2.93 per \$100 (actual rates vary by industry). ³Payroll tax of 1.95 per cent for annual Ontario remuneration over \$400,000. ⁷Sales tax of 8% of premium. For your actual Workers Compensation rate and payroll tax, please speak to your tax advisor or payroll department.

From the employee perspective:

Having the company purchase benefits on behalf of employees increases purchasing power when federal and provincial income tax rates are taken into account, as seen in the following example:

Sample Illustration:

| | Raise | Group benefits ⁶ |
|-------------------------------------|-----------------|-----------------------------|
| Enhancement | \$1,050 | \$1,050 |
| Employment Insurance ¹ | -\$18.16 | N/A |
| Canada Pension Plan ¹ | -\$51.98 | N/A |
| Federal tax ⁴ | -\$157.50 | N/A |
| Provincial income tax ⁵ | -\$63.53 | N/A |
| Ontario health premium ⁸ | -\$3.00 | |
| Total | \$755.83 | \$1,050.00 |

¹EI & CPP as per 2009 CRA rates. ⁴Federal tax rates for 2009. ⁵Provincial /territorial tax rates – Ontario 2009 (does not include assumptions for personal exemptions or credits). ⁶Assumes the value of non taxable benefits only. ⁸Increase in Ontario Health Benefit Premium. <http://www.cra-arc.gc.ca/tx/ndvdl/fq/txrts-eng.html>

OTHER GROUP BENEFIT SOLUTIONS FOR A DIVERSE WORKPLACE

In addition to the standard products covered under a group benefits plan, there are a number of other healthcare benefits that are available to meet the growing needs of the Canadian workforce.

Provincial health insurance replacement coverage

For companies who look outside of Canada to enhance their personnel, this product is designed to temporarily replace provincial health coverage until the plan member and their dependants are eligible for government coverage.

Coverage for U.S. based employees of a Canadian organization

This coverage is available for U.S.-based plan members who reside full time in the United States. It includes a full compliment of benefits, from life insurance to full health and dental coverage.

Coverage for Canadian organizations with employees working abroad

Coverage is available for expatriates, including rotational workers and third-country nationals, who are plan members of Canadian organizations working outside Canada or the United States. It also includes a full complement of benefits, from life insurance to full health and dental coverage.

Employee assistance plans (EAPs)

A healthy workforce is essential in maintaining an edge in today's competitive marketplace. An employee assistance plan can help your plan members and eligible family members cope with difficult personal situations before they spiral out of control. An employee assistance program can help prevent absenteeism, reduce stress and poor emotional health and enhance workplace effectiveness.

Group critical illness insurance

Statistics show the chance of contracting a serious illness is more common than most people think. The financial support offered by group critical illness insurance allows plan members who become critically ill to focus on recovering and managing their illness.

CONTACT INFORMATION

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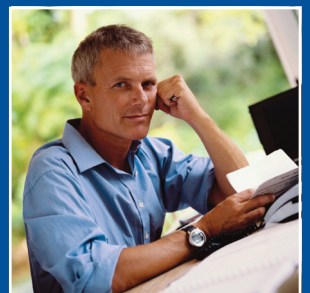
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