

Group insurance FNA

Client qualification criteria

To establish client insurability and the types of financial and administrative arrangements that can be offered to them, you must first determine their profile. As a representative, you have to ensure that you know your clients (KYC).

KYC is an ongoing obligation and applies both when implementing a new plan and when looking at modifying an existing plan.

Before modifying an existing plan or offering a new one, you must have on hand all relevant up-to-date information to allow you to qualify your clients and make appropriate recommendations. This ensures that you offer clients solutions that are adapted to their objectives, needs and financial situation.

It is usually when meeting a contact person designated by the employer that you will make sure that you have all the information you need on the client to carry out your analysis and then guide the discussion on key issues.

You should listen carefully to ensure you gather information and learn more about the concerns, needs, priorities and motivations of your clients.

The table on the next page shows the criteria and aspects that should be considered along with their impacts on the program recommended.

Criteria	Aspects to consider	Impacts
Insurability of client and employees.	Company profile, geographic distribution, industry type, job categories and status, employee demographics, insurable portion of income, etc.	Underwriting and interest of insurers. Plan funding method (insured, self-insured, administrative services only, retention, etc.).
Values of the company.	What inspires and guides the company: innovation, tradition, fairness, well-being of employees, etc.	Benefits.
Short- and long- term business and HR strategies.	Being competitive in a sector where labour is scarce, employee satisfaction, collective agreement obligations, finding tax solutions beneficial for both employer and employees.	Benefits, premium sharing and preferred benefits.
Financial capacity of the company.	Financial stability of the company, planned expansion or downsizing, tax liabilities, financial ability to achieve the client's overall HR strategy.	Appeal for insurers regarding possible types of funding and administrative arrangements, and budget available for group plan.
Manager availability.	Can the resource person make decisions about the plan and level of collaboration.	Effectiveness of the sales process and plan implementation.
Capacity of employer stakeholders.	Knowledge of the resource person responsible for decision making in terms of the group coverage.	Choice of potential insurers.

Other more general aspects should also be considered, such as:

- State of the economy in general.
- Budgetary and government programs.
- Industry and environment in which the company operates.
- Legal and tax regulations governing group plans.
- Legal minimum requirements in Quebec regarding drug insurance or pension plan capital adequacy rules.
- Inflation rate.

Reviewing existing plans

Determine if the client's needs have changed

In the case of an existing plan, you should check whether or not the client's objectives, priorities and abilities have changed since the last renewal or since the plan was implemented, for example:

- Is the client looking to save money (renegotiate the current rates, fees, etc.)?
 - Be careful, you must determine the rationale. If the client is experiencing financial problems, ask them what their plans are for the future. Do they plan on downsizing and does the coverage meet their needs? Also ask if employee collective bargaining agreements have been renegotiated, where applicable.
- Does the client need specific or additional benefits for the plan or coordination with social programs?
- Does the client need help administering the plan? For example, if a new plan administrator is inexperienced, or the company is opening a new plant, or has acquired a company, or a new regulation is implemented, they may require additional training.
- Does the client need help implementing or using new technology to manage the plan?
- Are employees satisfied with the benefits and service provided (for example when submitting a claim)?

Information needed when reviewing a plan

You need certain information when reviewing group plans.

Informations	Reasons
The full list of employees and plan members, including the following information: date of birth, marital status, salary, position held, date hired, job category, province of residence, place of work, if not in Canada, and if they are on disability or over 65.	Check plan enrolment compliance.
The list of employees, company directors and other officers who are exempt under CNESST, self-employed workers, or any other person who is not an employee but is authorized to participate in the plan.	Check plan enrolment compliance.
A copy of the application, policy, riders and employee guide.	Check the consistency of the coverage, benefits and documents.
Latest invoice.	Double check the unit costs, fees and group experience.
Last three renewal letters, where applicable.	Check the costs of the plan and variations.
Changes made to the plan in the last three years.	Check the costs of the plan and variations.
Employment policies or collective agreements that have an impact on the plan.	Ensure consistency of plan provisions.
Results of employee survey where applicable.	Determine level of satisfaction of plan members.