

Cost Plus

1. What is it

Cost Plus, with its broader scope of eligible expenses and tax effective payment of health and dental items, can be a valuable component of your company's health care plan.

This arrangement may be used to cover deductibles and co-insurance amounts, provide unlimited maximums on items otherwise restricted and/or provide reimbursement for expenses that may not be considered eligible by your group insurance program.

All services and supplies which are considered eligible medical expenses under the federal Income Tax Act are eligible for payment through Cost Plus.

2. How does it work?

Since Cost Plus is used to extend coverage beyond basic group benefits, an employer must identify and register employees who are eligible for the benefit. Employers generally use Cost Plus to enhance the coverage afforded to themselves and their key employees.

With Cost Plus, the employer sends a cheque to ENCON (payable to Maritime Life) for the amount of the claim plus the administration charge and applicable taxes. Maritime Life then issues a cheque to the original claimant for the amount of the claim.

The process is a tax effective employee benefit because expenses that are not eligible under the group insurance plan can be reimbursed under the Cost Plus program. The employee does not have to pay for these expenses with after-tax dollars. Also, because corporate dollars are used, these expenses may be eligible as deductions against income on the employer's financial statements. We recommend you contact your tax advisor for details.

Cost Plus will not be referred to in the employee benefit booklet. Claims which are paid under this arrangement will not be reflected in your claims experience.

3. Administrative Procedures

Prior to, or concurrent with, the first Cost Plus claim, an employer must identify the employees who are eligible for the Cost Plus arrangement by completing and submitting the Request for Cost Plus form.

To submit a claim, send the cheque, original receipts and/or Explanation of Benefits and the completed Cost Plus Billing Worksheet to your Client Service Representative. Please keep a copy of the claim for your records.

It is important that your cheque reflects the correct claim, tax and administration fees or your claim may be returned to you for revision and resubmission. If you require assistance in determining payment amounts, please contact your ENCON Client Service Representative for assistance.

Cost Plus claims must be submitted within 180 days after the end of the calendar year in which the expense is incurred, or the expenses will not be eligible for reimbursement.



Request for Cost Plus

Section 1 Administrative Information

Please print clearly

Name of Employer

Client No.

Policy No.

Extended medical benefits to be covered

Hospital

Drugs

Extended Medical Supplies and Services

Dental benefits to be covered

Basic Services

Major Restorative Services

Orthodontia

List of employees (or classes of employees) to be covered

All Employees

Yes

Dependents

Yes

No

No

Classes

Specific Employees and Dependents to be covered

Name of Employee

Name of Dependent(s)

Employer Signature

Date (yyyy/mm/dd)

Cost Plus – Billing Worksheet

Section 1 Administrative Information

Please print clearly

Name of Employer _____

Client No. _____

Name of Employee _____

Employee S.I.N. / Certificate No. _____ Date of Birth (yyyy/mm/dd) _____

Employee's Address _____

If the submitted expenses include claims for dependents, please provide information for each applicable dependent below.

Name of Dependent	Relationship	Date of Birth (yyyy/mm/dd)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Claim Documentation

- You must attach the original, itemized receipt for each expense claimed. Cash register tapes and credit card receipts are not accepted.
- If the claim has been partially paid by a group benefits program, please attach the original Explanation of Benefits received from the insurance company. Original receipts or proof of payment are not required when an Explanation of Benefits has been provided.
- Payment will be mailed to the employee, at the employee address noted above.
- Please keep a copy of all paperwork for your records.

Section 2 Checklist

Before sending your claim to your ENCON Client Service Representative, make sure you have:

- Completed the billing worksheet.
- Calculated the administration fee and applicable taxes.
- Enclosed your cheque or money order for the full claim amount, made payable to Maritime Life.
- Enclosed all original expense invoices, receipts and/or Explanation of Benefits.

If information is missing, incomplete or inaccurate, your cheque and documentation may be returned to you for revision and resubmission.

Employer Signature _____ Date (yyyy/mm/dd) _____

Please sign here

Section 3 Claim Details

Please print clearly

Name of Claimant	Date of Claim	Description of Claim	Total Amount of Expense	Amount to be claimed through Cost Plus
John Doe	May 5, 2003	Eyeglasses	\$200.00	\$50.00
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

Section 4 Claim Amount

Total amount to be claimed		A = \$
Administration Fee amount (A maximum administration fee of \$250 per claim submission applies.)	Claim Total x 10%	B = \$
	Subtotal (A+B)	C = \$
<ul style="list-style-type: none"> - Calculate the applicable taxes below using the subtotal above. - Please note that taxes are based on province of residence. - Indicate \$0 if no taxes apply. 		
Provincial Sales Tax amount	Ontario: subtotal x 8% Quebec: subtotal x 9%	D = \$
Premium Tax amount	Ontario: subtotal x 2.35% Quebec: subtotal x 2.4066% Newfoundland and Labrador: subtotal x 4.167%	E = \$
	Total Claim Payment Amount (C+D+E)	F = \$

Please follow example