

FREQUENTLY ASKED QUESTIONS FOR THE HEALTH & DENTAL SPENDING BUDGET

1. What is the maximum reimbursable amount per employee?

The amount is granted by the employer and is entirely flexible. The employer decides on the amount it wishes to offer to every class of employees (maximum \$9,999), as well as the amount for an individual or for a family plan.

The maximum applicable per contract period for all insured persons under a given certificate (individual or family) will be indicated.

The total amount granted may be used by any member of the insured family. The total amount paid for a family will never exceed the maximum amount granted in the contract by the employer.

2. How are the allocated amounts determined?

The employer decides on the amount it wishes to offer every class of employees as well as the amount granted based on the type of certificate.

3. Are the amounts granted under the Spending Budget based on a calendar year or on a group insurance cycle (policy year)?

The amounts are always calculated based on an insurance cycle (policy year) rather than on a calendar year.

When the Spending Budget is introduced, if the guaranteed premium rate period exceeds 12 months, the Spending Budget ceiling is increased on a pro rata basis for the number of months in excess of the 12 months.

4. If an employee does not use the entire amount allocated, what happens to the unused amounts at the end of the cycle?

Any amount that is not used at the end of a cycle can not be reported to the next cycle. Such amounts cannot be reimbursed (or transferred) in any way, whether to the employee or to the employer.

5. What is the total amount allocated to a new employee who joins the company and becomes eligible for the group insurance plan in the course of the cycle?

A new participant who joins the insurance plan during the year is eligible for 100% of the amount allocated by his or her employer (contract). The maximum is not prorated.

6. Which expenses are eligible for reimbursement?

The Spending Budget reimburses expenses incurred for health and dental care, devices or treatment that are not covered under the policy or that complement existing coverage.

Eligible expenses are limited to those deemed eligible under the federal Income Tax Act (refer to the website of the Canada Revenue Agency at www.cra-arc.gc.ca).

None of the exclusions or limitations stipulated under the medical expense or dental care coverages applies to the Spending Budget.

7. How does the claims process work?

Just fill out part E of Humania Assurance's regular claim form.

ABOUT US

With You for Over a Century

Humania Assurance is one of the oldest and most stable life and health insurance companies in Canada. We design innovative insurance solutions at a competitive price and with a streamlined process that makes them easier to access. To date, our various insurance products and services protect hundreds of thousands of Canadians. Humania's vision is to give peace of mind to everyone through innovative solutions. In order to achieve this goal, we are committed to offering a human experience above all through the consistent efforts of our trusted employees, as well as our strong distribution network and innovative partnerships. Together, let's make insurance accessible!

Humania, a human experience above all!



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HEALTH DENTAL SPENDING BUDGET

CHOICE FLEXIBILITY COST CONTROL

A revolutionary concept in group insurance for small businesses



THE **HEALTH & DENTAL SPENDING BUDGET** IS A SIMPLE YET EFFECTIVE CONCEPT THAT HAS BEEN USED BY LARGE COMPANIES FOR MANY YEARS. HUMANIA ASSURANCE IS NOW PROUD TO OFFER THIS OPTION TO SMALL BUSINESSES.

HOW DOES THE SPENDING BUDGET WORK?

- + The employer introduces a Spending Budget plan to supplement existing health and dental insurance coverage.
- + The employer decides what amount is credited to the employee's account. The amounts can vary by division or by employee class.
- + With every renewal of the group insurance plan, the Spending Budget allocation is credited to each employee in the class. Employees are free to use the entire amount for health or dental expenses not covered by the group insurance plan.

WHICH EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT?

- + The Spending Budget reimburses expenses that are not covered by the health and dental insurance plan or related expenses.
- + To be eligible for reimbursement under the Spending Budget, medical expenses must be eligible for the medical expense tax credit under federal legislation.
- + For example, these expenses include:
 - + the deductible and co-insurance amounts under a group insurance plan;
 - + the fees of a dentist and dental prostheses;
 - + the cost of prescription eyeglasses and laser surgery;
 - + the fees of various therapists and practitioners, such as chiropractors or acupuncturists;
 - + the cost of certain medical supplies or prostheses.

ADVANTAGES FOR THE EMPLOYER

- + Broadens the scope of coverages available to employees;
- + Wider ranging coverage that is more flexible for employees;
- + Every employee has the discretion to use the Spending Budget as he or she sees fit;
- + The employer chooses the amount granted to each class of employees;
- + Choice of family or individual coverage;
- + Stabilizes part of the group insurance premiums;
- + Leads to a much more predictable renewal for this portion of the premium, since the portion allocated to the Spending Budget is set and not subject to inflation;
- + Employees perceive the Spending Budget as having excellent value, which increases their satisfaction. Reduces the rate of employee turnover;
- + Because the Spending Budget is an insurance coverage, the employer can pay the premium either in full or in part;
- + Premiums for the Spending Budget receive the same tax treatment as premiums for the regular group insurance plan. Employer costs are therefore tax deductible;
- + Quick and easy claims process.

ADVANTAGES FOR THE EMPLOYEE

- + Offers a more flexible and broader plan;
- + Allows each employee to choose how to use the Spending Budget based on his or her own needs;
- + No deductible;
- + Eligible expenses are 100% reimbursable;
- + Benefits paid are non-taxable for the employee;
- + For family plans, the credit is allocated to the entire family.

**HEALTH + DENTAL
SPENDING + BUDGET**

HUMANIA
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