

CAIP MEMORANDUM

January 29, 2007

To all CAIP members,

Re: Program changes effective March 1st, 2007

Please note that effective March 1st, 2007 the following changes to the CAIP program will take effect. As done in the past, in view of the numerous renewal dates with many of the sports, the changes will be phased into effect as the "In Canada" renewals occur during the year. For example, if a renewal is August 1st, 2007 the old program is in effect until that date and then the renewal will be based on the new program.

- **Rating Change**

<u>Plan</u>	<u>Old Rates</u>	<u>New Rates</u>
Bronze	\$50	\$65 per member per 12 months
Silver	\$115	\$160 per member per 12 months
Gold	\$165	\$230 per member per 12 months
Out of Canada	\$23	\$30 per week per member

- **Benefit Enhancements**

- The annual maximum reimbursement limit for Physiotherapy, Certified Athletic Therapist (CATA) or a Registered Massage practitioner has increased for the **Gold level only** from \$1,000 to \$1,200.
- The maximum payable for Specific Loss Accident Indemnity (Principal Sum) and Permanent Total Disability Indemnity has increased as follows:

<u>Level</u>	<u>Old Limits</u>	<u>New Limits</u>
Bronze	\$15,000	\$20,000
Silver	\$25,000	\$30,000
Gold	\$40,000	\$50,000

- The maximum payable for Accident Reimbursement Expenses for injuries and expenses incurred In Canada has increased as follows:

<u>Level</u>	<u>Old Limits</u>	<u>New Limits</u>
Bronze	\$15,000	\$20,000
Silver	\$20,000	\$30,000
Gold	\$25,000	\$50,000

The last changes to the CAIP program was July 1, 2005. Since that time we have observed the following trends:

In Canada Claims

The "Overuse" benefit, which has been the mainstay of the CAIP program since the beginning, remains the most sought after and popular benefit. Overuse coverage in the CAIP plan extends to Physiotherapy, Athletic Therapy, Massage, Chiropractor and Orthotics. Since the inception of the program, CAIP members have always and still favor these benefits as evident with the number of claims received and paid. Claims for medical equipment especially braces are being claimed at an increasing rate. The In Canada claims have always had the greater number of submitted claims.

Out of Canada Claims

Compared to the In Canada claims, Out of Canada claims have less of a frequency of submitted claims, however, there is a much larger dollar amount being paid out for Out of Canada claims. The Out of Canada coverage is 24 hours a day insurance protection for both accident and illness claims and of course we cover the athletes while they are doing their sport. In addition to sport injury claims, various illnesses contracted by the athletes while traveling seems to be almost equally claimed.

We would like to take this moment to stress the importance of making sure that the SOS Access card should be carried with all traveling members who purchase their Out of Canada insurance through CAIP. When a claim occurs Out of Canada involving an emergency medical situation such as hospitalization or a medical evacuation, International SOS Assistance Inc. should immediately be contacted at the "call collect" number in Philadelphia PA USA shown on the SOS Access Card. Not only can the ISOS Access Program provide for much needed assistance during a medical emergency, they have already shown that they can dramatically reduce the many expenses that is incurred Out of Canada. This helps us in keeping the Out of Canada claims costs down and consequently the premium. Further information on International SOS Assistance Inc. can be viewed at the back of the Out of Canada booklet on the CAIP section of our web site.

As many of you know, The Citadel General Insurance Company was the underwriting insurance company of the CAIP program since the beginning in 1982. In March 2006, AXA Canada purchased the Citadel. As a result of a new company, new offices and some new people, we encountered some claims servicing issues. The staff at AXA have corrected many of these problems and I believe that we are back on track.

We invite you to visit the CAIP section of our web site at www.armstrongmccready.ca for general information on CAIP, access to the claim forms, the In Canada and Out of Canada booklets, enrolment form etc. We will be updating the CAIP web site on a regular basis and we encourage you to view the web site to keep up to date on general information and forms.

We are very encouraged by the fact that since the CAIP program officially opened up January 1st, 2002, enrolment at the "Grass Roots" level has seen a nice steady rise in enrolment. We are working more with Canadian Sport Centers, Provincial Sport Organizations and certain Teams and Sport Clubs. The Bronze level appears to be the more popular choice. The annual premium per member is still very low considering the level of insurance benefits that are available including "Overuse" coverage and access to 24 hours a day Out of Canada insurance. We find that the easiest method of enrolling members is to have the premium costs part of your membership fees. This simplifies the administration by allowing you to submit most of the names altogether and avoid numerous renewal dates.

Over the years we have endeavored to provide the Canadian Sport Community the highest level of insurance protection at the lowest possible costs. Starting at \$65 per member per year, the member can enjoy enhanced insurance coverage. At a reimbursement of \$40 per treatment, a member after just two physiotherapy or massage treatments has more than paid for the plan. With key benefits such as "Overuse" coverage for Physiotherapy, Massage and Chiropractor and various medical equipment such as braces we have tried to provide as much insurance coverage as possible.

The 2007 year marks 25 years that Armstrong-McCready Inc. and the Canadian Athlete Insurance Program (CAIP) has been serving the Canadian Sport Community. We have never wavered from our original commitment to provide the same level of insurance coverage at the same rates to all Canadian athletes regardless of their sporting activity. We very much appreciate the good relationships we have with the Canadian Sport Community and we look forward to serving you even better in the years to come.

Please do not hesitate to contact me should you have any questions.

Sincerely,

*Michael Kirsch
Vice President*