

On behalf of the entire Ontario Medical Association, I would like to congratulate the OMA Insurance Program for a historic achievement – we are celebrating 50 years of commitment to providing the best quality and the highest level of customer service to our physicians and their families.

Our programs have been very successful. More than 18,900 people are now insured under OMA plans. We look forward to continued success.

Thank you for your hard work and dedication to our members.

*Dr. David Bach*  
President

The Physician Health Program is proud to have recently joined OMA Insurance and Membership Services in promoting the benefits of OMA membership to medical students at various provincial academic centres. It was a great opportunity to work collaboratively in building a strong voice for the doctors of the future.

Congratulations on achieving 50 Years of Service in providing insurance needs for the physicians/medical students and residents in the province of Ontario.

*The Physician Health Program of the OMA.*

## Happy Anniversary to OMA Insurance Services – 50 Years and Growing!



*OMA Insurance Team: (l-r) Cara Markic, Poly Christou, Maggie Stavropoulos, Judy Wood, Lynda Hallett, Milo Blank, Sampada Kukade, Jacques Rocheleau, Bill Kwan, Patrick Chiu, Glen Johnson, and Steve Halajian (Absent: Manuela Tesi, Martha De Sa, and Lisa Milroy).*

The OMA introduced its first insurance plans for members on September 1st, 1956. The original life insurance plan provided a maximum death benefit of \$10,000 plus \$80 per month until the insured would have reached age 50. The maximum disability income benefit was \$600 per month after either a 14 day or 60 day elimination period.

There were two important reasons why OMA wanted to offer insurance plans to its members. The first was to pro-

vide competitive, stable life and disability insurance that members could count on to protect their families. Ensuring that premiums not required to pay claims and expenses were returned to the OMA (for distribution to insured members) was an important component of the original design of the plans.

The second reason for offering insurance was to help members who were unable to obtain life or disability insur-

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ance due to their medical history. So, both New York Life Insurance Company (for life insurance) and Union Mutual Life Insurance Company (for disability insurance) agreed that once 2,000 members were insured some basic amount of coverage would be made available to members without the requirement to provide evidence of good health. In his book *The First 100 Years*, Glenn Sawyer, M.D. reported that the 2000 member requirement was reached in 1959 for the disability insurance plan and in 1961 for the life insurance plan.

**Who said change isn't a good thing!** As the needs of our members changed, so did our products. Over the past 50

years there have been great improvements to our insurance products and their features.

**Dividend Refunds** have been paid to insured members every year since the inception of the plans. The refunds represent the portion of that year's premiums that were not required to pay claims and expenses. Average refund amounts received over the last 10 years are:

- Disability Income (including all riders) 38%
- Life (and spouse life) 58%
- Professional Overhead Expense (POE) 50%

**The future**, with OMA Insurance Services, looks even better! Although OMA Insurance currently serves 19,000 members, *we want to do more*. Even though insurance premiums paid to OMA Insurance exceed \$50,000,000 annually, plus an additional \$35,000,000 paid through Willis Canada for auto, home and office insurance, *we want to do more*.

We want to offer more products. We want to provide better service. And we want to serve more members including family members and office employees!

To that end, two important initiatives were planned for 2006. The first occurred in May when OMA Insurance outsourced our "back room" computer and administrative functions to Sun Life. This will allow us to focus our energy on ensuring members receive enhanced service. It will also allow us to spend more effort on business development.

The second initiative is a strategic alliance with CMA Holdings Incorporated (CMAH). This alliance will see OMA Insurance making more referrals to MD Management's financial consultants and insurance consultants for financial and estate planning services. It will also result in more referrals from MD Management to OMA Insurance. In addition, both CMAH's insurance broker (Lancet Insurance Agency Limited) and a newly licensed OMA insurance agency will provide a variety of individual insurance products to complement the existing group insurance plans offered by OMA Insurance.

The next 50 years promise to be every bit as interesting and challenging as the past 50. More importantly, members can expect to benefit not only from the existing insurance programs, but also from a host of new benefits and services.

*By Judy Wood*

### Some Key Improvements Over the Last 50 Years.

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|------------|--|
| 1956:      | Life and Disability insurance plans were introduced by the OMA.  |
| 1964-1966: | Professional Overhead Expense and Accidental Death & Dismemberment insurance products were introduced.   |
| 1978:      | Automobile, Residential and Office insurance plans were introduced.  |
| 1978:      | Life, Disability and AD&D became portable worldwide, subject only to continued membership.   |
| 1982-1986: | Future Insurance Option (FIO); Cost of Living Adjustment; and Own Occupation riders were introduced to the disability plan.  |
| 1992:      | HIV/HEP B benefit was automatically included in disability coverage at no extra cost. In 2000, HEP C was also included.  |
| 1992:      | Student Disability Income plan was introduced.   |
| 2001:      | Essentials offer was introduced. Residents became eligible for significant amounts of Life, Disability Income and Professional Overhead Expense insurance, without evidence of health, upon completion of their residency program. |
| 2002:      | A parental Leave of Absence provision was added to the Disability Income plan.   |
| 2004:      | \$100,000 free life insurance offered to undergraduate medical students.   |

# Medical Students Orientation Week

Sampada Kukade

To welcome first-year medical students to their respective schools this year, the Ontario Medical Association held orientation sessions in the last week of August and first week of September. And for the third straight year, OMA Insurance attended the orientation sessions—and what a success they were!



Presentations were given by the President of the OMA, Dr. David Bach, as well as by various local Board members. Students were given information about the services available through the OMA (including insurance), and were encouraged to apply for membership...for a low cost of only \$21 for the year!\*

Presenters spoke about the need for insurance, and why it is important for students to consider Disability Income insurance during medical school. They also talked about how disability insurance was not readily available to them during their days in medical school, and the stories they shared encouraged students to learn more about the insurance programs offered through the OMA.

After the presentations, students were welcomed with food and drinks while they browsed the Member Services' booths. Over 250 students visited the OMA Insurance booth. Many of them dropped off application forms, while others stopped to obtain information about the plans and to pick up brochures and application forms. Overall, we received a record number of applications this year for our Free Student Life plan and our Student Disability Income plan!

OMA Insurance would like to thank Nancy Dale in Public Affairs and Catherine O'Neill from the Canadian Medical Association for organizing the events, as well as all of the

first-year medical student orientation representatives for all of their hard work and assistance throughout the events.

We would also like to say what a pleasure it was to meet with so many first-year medical students. We are excited about building relationships with every one of you, and we encourage you to contact us at anytime to discuss your insurance needs, and to learn more about the OMA insurance plans that are available exclusively to you as medical students.

Alban Moran, CLU, Insurance Consultant for OMA Insurance in Atlantic Canada, also had the pleasure of attending medical student orientations at Memorial University and Dalhousie University. He was able to advise the first year students of the of the Free Life Insurance and the Student Disability Income Plans that are available to medical student members of the Atlantic Provinces medical associations/societies.

Congratulations again to all of you who started your medical studies in the fall—we look forward to being there with you...every step of the way!

\*Students who join the OMA are eligible to apply for a wide range of programs, including financial assistance, awards/bursaries, mentorship services and physician health services. For more information, please log onto [www.oma.org](http://www.oma.org).

## New OMA Insurance/MD Management Alliance

Jacques Rocheleau

**A key component will be the formation of an OMA-owned, for-profit life insurance agency that will be able to offer advice and products related to individual insurance. It is hoped that the alliance will be extended to include the four Atlantic provincial medical associations.**

In addition to supporting the role of MD Management's financial consultants and the current OMA group insurance products, the alliance will see both MD Management's insurance consultants and the OMA Insurance Agency's employees offer individual life and health insurance products to supplement the group insurance products available to members, and to make insurance products available to family members who do not qualify for the group insurance plans.

Key objectives of the alliance include:

the improvement of the real and perceived value of OMA and CMA membership; the expansion of services to members by increasing access to a broad range of high quality, competitively designed and priced life and health insurance services; and the ability to earn a greater share of the physician life and health insurance services business.

As part of this initiative, the plan is to offer insurance services not only to members, but also to family members and eventually to members' office

employees. A key goal is to make it unnecessary for any member to go elsewhere for financial and retirement planning services and products; as well for any life and health insurance products and services.

In addition, OMA Insurance will continue to sponsor its highly popular automobile, residential, office and clinic insurance programs, which are offered and administered by Willis Canada.

If you would like to discuss any of your insurance and/or financial planning needs, please do not hesitate to contact OMA Insurance at 416-340-2918 or 1-800-758-1641. You can email us at [info@OMAinsurance.com](mailto:info@OMAinsurance.com).

# Registered Retirement Savings Plans

By MD Management Limited

**A Registered Retirement Savings Plan (RRSP) is a tax-deferred savings plan that is "registered" with the federal government. Income earned within the plan is not taxed; however, any withdrawals from the plan will generally be subject to tax. Also, your RRSP contributions can be deducted (up to your RRSP contribution limit) on your tax return.**

An RRSP allows you to defer paying taxes on retirement savings during your prime income-earning years. You can draw on your RRSP after retirement, when you are presumably in a lower tax bracket.

RRSP contributions can be taken as a deduction against income in the year they are made, or in a later year. This can be beneficial if your income was low in the year you made the contribution, and you expect it to increase in future years. Claiming an RRSP deduction in years where you are in a higher tax bracket will produce greater tax savings.

The tax savings you realize by making an RRSP contribution are based on your marginal tax bracket. For example, if you are in a 45% tax bracket, a \$10,000 contribution could save you approximately \$4,500 in taxes. Personal income tax rates will vary according to your province of residence and income level.

You can contribute 18% of your previous year's earned income up to a maximum of \$18,000 for 2006 based on a prior year earned income level of \$100,000 plus any unused contribution room from previous years, less any pension adjustment. The maximum RRSP contribution limit for 2007 is \$19,000. The annual contribution limit will increase to \$20,000 for 2008, \$21,000 for 2009 and \$22,000 for 2010. The annual RRSP contribution limit will be indexed for inflation beginning in 2011. If you do not maximize your RRSP contributions, any unused contribution room can be carried forward indefinitely and accumulated for future years. Also, don't forget that RRSP contributions you make during the first 60 days of 2007 can be deducted on your 2006 personal income tax return, provided you have the available contribution room. Any contributions made after the first 60 days of 2007 can only be deducted on your 2007 return.

Earned income includes, but is not limited to, salary from

employment, self-employment business income and net rental income. It does not include certain types of income such as investment income, limited partnership income, taxable capital gains, or Registered Retirement Income Fund (RRIF) income. The calculation of earned income can often be complex and the above discussion does not include all the potential adjustments that may be required. Refer to your 2005 Notice of Assessment, issued by the Canada Revenue Agency, for their calculation of your prior year earned income. Your 2006 RRSP contribution limit will also be indicated on the assessment.

Many types of investments can be held in an RRSP, including mutual funds, GICs (guaranteed investment certificates), stocks and bonds. Prior to 2005, only 30% of the cost amount of all property held by your RRSP could be invested in foreign property. This limit was eliminated in the 2005 federal budget allowing you more scope to maximize the foreign content in your RRSP.

A spousal RRSP is a retirement savings plan registered in your spouse's name and is commonly used for purposes of income splitting. If your spouse earns less income than you do, you can contribute to his or her plan, as well as your own, and still get the RRSP tax deduction as long as the total of both contributions does not exceed your RRSP contribution limit. The real benefit is realized at retirement when the funds are withdrawn from the spousal plan. Your spouse will be taxed on the funds instead of you, therefore allowing that withdrawal to be taxed at your spouse's graduated tax rates. Note that the funds must be retained in the spousal RRSP until the third calendar year after your last contribution to any spousal plan, in order to ensure that your spouse - and not you - will be taxed on any withdrawals.

*MD Management Limited is a member of the Canadian Investor Protection Fund.*

## Group Presentations

3rd and 4th year medical student lunch n' learn presentations are currently being scheduled for the New Year. Please check with your class reps for dates.

If you would like to set up a meeting or presentation with OMA Insurance, please contact Judy Wood at 416-340-2918 or 1-800-268-7215.



**OMA Insurance**

*Working Together to Secure Your Future*

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