

Coordination of Benefits

Coordination of Benefits (COB) is one of the most effective methods for families to maximize their benefits coverage. It was developed by the Canadian Life & Health Insurance Association (CLHIA), which was formed to ensure consistency for all insurance companies and their customers.

Coordination with your Spouse

You must submit your personal health and dental claims to your own insurer first. Once the insurer pays the eligible claim, you can then submit any unpaid portion to your spouse's insurance plan for COB. This means you may receive reimbursement for the unpaid portion, if eligible, under your spouse's plan. The result is reimbursement of up to 100% of the eligible amount.

Children

When you and your spouse have coverage from two separate plans, claims for your children should first be submitted to the insurer of the parent whose birth month falls first in the calendar year. COB uses month, then day (year is not applicable), to determine which plan children's claims are first submitted to. Where parents are separated or divorced, the custodial parent would claim under his/her plan first.

Example

John and Jane Smith have two children and two family benefit plans. John is insured by Great-West Life through his employer, while Jane's benefit plan is with Manulife Financial.

Claim: John's dental check-up - \$200.

John sends his \$200 claim to Great-West Life and receives 80% reimbursement or \$160. The co-pay amount John was required to pay himself was \$40. Along with his cheque he receives an "Explanation of Benefits" (EOB) – a statement explaining what portion of the eligible claim was paid. He sends his COB statement, along with a copy of the original claim, to Jane's insurance company. Her insurer, Manulife Financial, processes the claim and sends a cheque for the eligible amount of the unpaid balance. As a result John receives 100% reimbursement for the cost of his check-up.