
How Coordination of Benefits Really Works

Coordination of Benefits (COB) is a provision that is included in all health and dental programs, and allows members and their eligible dependents, to submit claims to more than one group plan. The order for submission has been determined by the Canadian Life & Health Insurance Association (CLHIA) to ensure consistency.

1. Claims for Members

- **First Payor:** A member submits claims to the group plan where they are an eligible member.
- **Second Payor:** A member submits claims to the group plan where they are covered as an eligible spouse.
- If a member is covered under more than one group plan, the priority for submission of claims is:
 1. The group plan where the member is considered active full-time.
 2. The group plan where the member is considered active part-time.
 3. The group plan where the member is considered a retiree.
- If a member is covered with the same employment status under more than one group plan, for example, part-time under two group plans, the priority for submission of claims is:
 1. The group plan where the member has been employed the longest.
 2. The other group plan.

2. Claims for Spouses

- **First Payor:** A spouse submits claims to the group plan where they are an eligible member.
- **Second Payor:** A spouse submits claims to the group plan where they are covered as an eligible spouse.

3. Claims for Dependent Children

- **First** to the group plan of the parent with the earlier birth date (month/day) in the calendar year.
- **Second** to the group plan of the parent with the later birth date (month/day) in the calendar year.
***If the parents have the same birth date (month/day), then the alphabetical order of the parent's first names are used to determine first and second payor.*
- Claims for dependent children as part of a single custody arrangement:
 1. The group plan of the parent with custody.
 2. The group plan of the spouse of the parent with custody.
 3. The group plan of the parent who does not have custody.
 4. The group plan of the spouse of the parent who does not have custody.

- Claims for eligible dependent children who are students with coverage through an educational institution, and have coverage under their parent's group plan:
 1. The plan of their educational institution.
 2. The group plan of their parent.
- Claims for eligible dependent children who are employed on a part-time basis with benefit coverage, and have coverage under their parent's group plan:
 1. The group plan through their part-time employment.
 2. The group plan of their parent.

It is important to understand that the group plan that is first payor will calculate eligible expenses based on the provisions of the benefit program and as though no other benefits are available. The second payor limits benefits for each eligible expense to the lesser of the amount that would have been paid had it been the first payor, and 100% of the eligible expense reduced by what the first payor paid. The combined payment from all payors cannot exceed 100% of the eligible health or dental expense.

Doesn't it feel good to be informed!