



The Certified Employee
Benefit Specialist® Program



GBA1 Managing Benefit Plans

Study Materials Update—October 2026

This material is required reading for purposes of the CEBS program and the national exam for the GBA 1 course administered on or after January 15, 2027.

This update covers Module 2 of the Study Guide, Second Edition
(First Printing—September 2022 and Second Printing—September 2023).

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How to Use This Update

For the printed version of the Study Guide:

Keep this update with your study materials. It should be read in conjunction with the assigned reading for GBA 1.

For the digital Study Guide:

These updates will be reflected in the digital versions of the Study Guide.

Instructions

There are two types of updates:

1. Minor—Where changes are made to a small section of the text, changes are indicated in **bold**.
2. Major—Entire sections are provided as a replacement.

Study Guide Module 2

Pages 3 to 4, Key Terms: Remove the current pages 3 to 4 from your Study Guide and replace them with the new pages that follow. The Key Terms have been updated.

Pages 21 to 22, Learning Outcome 4.8: Remove the current pages 21 to 22 from your Study Guide and replace them with the new pages that follow. The Learning Outcome and page references have been updated.



Outline of Knowledge

- A. Overview of benefits plan management activities
 - 1. Plan design
 - 2. Plan funding—sources and arrangements
 - 3. Plan administration
- B. Overview of types of plans
- C. Role of governance in benefits plan management
- D. Impact of government-sponsored programs on benefits plan management
- E. Legislation affecting benefits plan management
 - 1. Canadian Charter of Rights and Freedom
 - 2. Human Rights
 - 3. Employment Standards
 - 4. Income Tax
 - 5. Privacy
- F. Role and mandate of key stakeholders, insurance regulators, industry associations and consumer protection organizations in benefits plan management
- G. Contractual rights of group insurance stakeholders
 - 1. Insurer rights
 - 2. Policyholder rights
 - 3. Plan member rights
 - 4. Dependent rights
 - 5. Advisor rights



Key Terms

- Benefit plan management
- Association plan
- Multi-employer plan (MEP)
- Single employer plan
- Funding sources
- Funding arrangements
- Underwriting
- MEP trust fund
- MEP trust agreement
- MEP participation agreement
- Insurer solvency
- Insurer's market conduct
- Life Insurance Capital Adequacy Test (LICAT) ratios
- Legal contracts
- Agent of record
- Employment Income
- Taxable benefits from employment
- Nontaxable benefits from employment
- Tax incentives

4.6 Explain the significance of privacy laws for group benefits plan management.

(Text, p. 2-28)

Privacy legislation directly impacts all benefits plan administration activities, including enrolling employees, confirming eligibility, obtaining evidence of insurability, managing coverage provisions, processing claims, communicating with plan members and other stakeholders, and overall management of the data stored in the benefits administration systems. To avoid liability, plan sponsors must establish proper procedures, policies and forms to ensure staff and service providers adhere to privacy rules.

4.7 Describe the regulation of Canadian insurance companies. (Text, pp. 2-30 and 2-33)

In Canada, the regulation of insurance companies has two different but interrelated purposes: the regulation of insurance industry solvency (i.e., financial soundness) and the regulation of insurers' market conduct. Solvency regulation is the responsibility of both provincial/territorial governments and the federal government, depending on where the company is incorporated. Insurers that incorporate federally are subject to the financial soundness/solvency regime administered by the Office of the Superintendent of Financial Institutions (OSFI). OSFI is an independent agency of the Government of Canada. Insurers that incorporate in a specific province or territory are subject to the oversight of that province or territory.

In practice, the industry is largely regulated for financial soundness/solvency by the federal government, as most insurers incorporate federally (federally incorporated companies account for over 90% of total premium income of life and health insurers). While provinces and territories reserve the power to ensure that federally incorporated companies conducting business in their respective jurisdictions are financially sound, provinces and territories (with the exception of Quebec) have agreements with the federal regulator, OSFI, to carry out prudential supervision of provincially/territorially incorporated companies on their behalf. The Autorité des marchés financiers (AMF) performs the same function for companies incorporated in Quebec.

Provinces and territories are responsible for the regulation of insurer market conduct.

4.8 MapleShield Life Insurance reports a Core Ratio of 68%, down from 74%, and a Total Ratio of 94%, down from 102% in its previous reporting period. The supervisory targets are 70% for the Core Ratio and 100% for the Total Ratio, while the regulatory minimums are 55% and 90%, respectively. What do these results indicate about its capital resources, and how might OSFI respond? (Textbook Errata, pp. 1-4)

MapleShield's Core Ratio and Total Ratio are both below OSFI's supervisory targets but remain above the regulatory minimums. The decline in both ratios indicates material safety and soundness concerns and a vulnerability to adverse business and economic conditions. Therefore, MapleShield would attract increased supervisory attention, generally including an early warning intervention status. The intensity and nature of any further supervisory intervention would depend on MapleShield's circumstances, including the level and nature of risks it is exposed to and whether its capital resources are expected to strengthen or weaken.

4.9 Explain the significance of the so-called Uniform Insurance Acts. (Text, pp. 2-34 to 2-35)

The Uniform Insurance Acts (and the Quebec Civil Code) establish many of the fundamental rules and regulations applicable to all insurance contracts, including group life and health insurance policies. The Uniform Life Insurance Act requires every group policy to provide the following information in the policy:

- (a) Name of the group policyholder or a sufficient description of the insured (e.g., the group policyholder)
- (b) Method of determining persons whose lives are insured
- (c) Amount, or the method of determining the amount, of the insurance money payable as well as conditions under which it becomes payable
- (d) Period of grace, if any, within which the premium may be paid
- (e) Whether the contract provides for participation in a distribution of surplus or profits that may be declared by the insurer.

The Uniform Accident Insurance Act contains equivalent policy information requirements as well as protects the interests of the policyholder and insured members from misrepresentation by one of the insured members.