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## Avoiding Health Plan Scams

When considering a change to your group health plan, apply the following tips provided by the National Association of Insurance Commissioners for avoiding scams:

*High-Pressure Marketing:* Legitimate health plan providers will not market their products as a “must act now” or “one-time only” deal. If the agent is actually representing a legitimate health plan provider and yet is using such tactics, report the agent to the provider immediately.

*Surprisingly Low Rates:* When receiving competitive quotes from a variety of providers (recommended), beware of premiums that are 25% or more cheaper than similar services. This is a red flag and indicates you should vet that provider.

*Empty Applications:* Health insurance plans

tend to require quite a bit of information for underwriting purposes. If an application from a provider asks very few questions, this may be a cause for concern.

*Incredible Coverage:* If the coverage is extremely broad, claiming to cover everyone, everything, or both, proceed with caution. It is unusual for a plan not to contain certain limitations on services or applicants.

*Deposit or Fee:* If a non-refundable deposit or fee is required, think twice. Legitimate health plan providers will not normally have this requirement.

The best way to find a legitimate plan that respects your needs is to work with a fine agent or broker. Our team is one of the best. Give us a call! ■



## Disability Insurance Is for All Ages

**D**isability affects workers of all ages. Following are reasons you can give your employees for considering disability insurance at all stages of their lives:

Young singles who suffer a disability and cannot work will most likely have bills to pay. Younger workers have a 30% chance of becoming disabled before reaching retirement age.

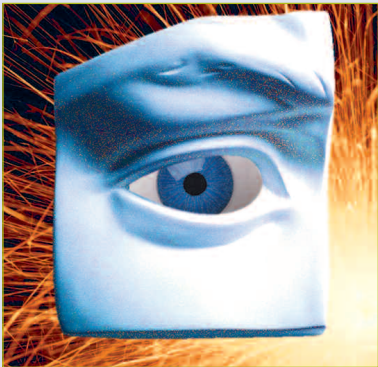
Young families may need both spouses' incomes to pay the mortgage, medical, life insurance and the other family bills. The disability of an income-

producing spouse could cause financial ruin.

Mature families have the same types of concerns as young families; however, mature families may have expenses associated with their children's higher education as well.

Not all empty nesters are old enough to collect Social Security or retirement benefits. Empty nesters who are still employed should consider maintaining disability insurance, especially if they have outstanding personal debt. ■

## Dental and Vision Plans Are Flexible Add-Ons



A survey conducted by a leading insurance provider places dental care coverage as the fifth most-requested benefit option, behind medical, vacations, pension and prescription drug coverage. Vision care was not in the top five benefits chosen by survey participants.

Many employers have concluded that the lack of dental or vision coverage does not significantly interfere with attracting and keeping staff. Yet, because of the flexibility of dental and vision plans, employers often continue to offer these benefits to those employees who need them, assigning a majority of the cost to the employee.

If you would like to offer dental or vision coverage to your workers, call us to review the variety of plans available and to help you find one that best fits your company's compensation program. ■

## Diagnosis... Good Health!

To reduce escalating group-benefits costs, many employers have instituted wellness programs. These low-cost, incentive-based programs not only boost overall health, but they can reveal potential medical time bombs.

Diagnostic exams, when incorporated into wellness programs, can reveal evidence of vision problems (such as glaucoma), diabetes, high blood pressure, high cholesterol and other cardio-vascular problems. Early detection of diseases and other medical conditions can be immense-

ly helpful in the prevention of costly, or even deadly, problems later.

Many local organizations sponsor diagnostic exams that are free to your company and its employees. The Lions Club might provide vision exams, and the local Red Cross or hospital may combine cholesterol, anemia and blood pressure checks with a blood drive. Ask your community Jaycees,

hospital or other social services agencies about diabetes testing and other diagnostic exams that they provide free of charge. ■

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## Investigate Mutual Funds Thoroughly

If your company is considering a mutual fund as a retirement option for its employees, here are several questions provided by the Securities and Exchange Commission (SEC) that should be asked about each mutual fund being considered:

- How has this fund performed over the long run? Where can I get an independent evaluation of this fund?
- What specific risks are associated with this fund?
- What types of securities does the fund hold? How often does the portfolio change?
- Does this mutual fund invest in any type of securities that could cause the value to go up or down rapidly in a short period of time (e.g., derivatives)?

- How does the fund's performance compare to that of other funds of the same type or to an index of the same type of investment?

For more questions concerning mutual funds and other investments, visit the SEC's Web site at [www.sec.gov](http://www.sec.gov). ■



## Encourage Employees to Review Life Options

If you offer life insurance to your staff, you might want to use the following list of suggestions to help employees keep their coverage current and to assist those who haven't purchased any to see how it could benefit them.

### 1. Sit down and evaluate needs.

Needs change with time. The accumulation of assets, significant changes in income or standard of living, and the addition of dependents (spouse, children, elderly parents) changes a person's life insurance profile. Often, people are reluctant to sit down with dependents to outline the financial requirements of the household and other needs that would arise upon the employee's death.

### 2. Schedule a time to explore options.

If an employee is new to purchasing

life insurance coverage or has not reviewed his or her current coverage in some time, recommend he or she block out a few hours to do research. There are many different forms of life

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insurance, from the most basic term policies to complex investment tools. Reputable life insurance companies will have good resources available online.

Employees can also talk to a qualified agent or someone in your benefits department for answers to questions. Provide them with information about your offerings as a starting point.

### 3. Predict the future—in writing!

Employees can better evaluate the coverage levels that are currently affordable to them and the financial needs of their dependents if they create written budgets, for now and the future. Different policies allow for expanding coverage at periodic intervals, which may require budget-ing into the future. Other policies decrease benefits over time, and that means other savings vehicles need to be established.

Encourage employees to look at life through an insurance lens and get a clear read on their needs for the future. ■

## Controlling Cost Involves Trade-Offs

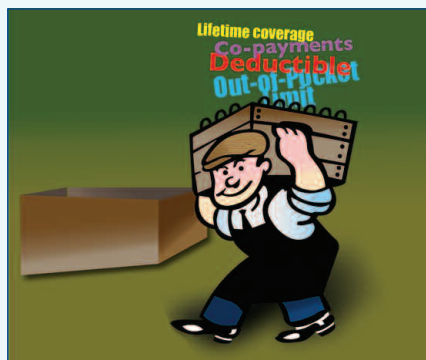
**W**ith the price of many health insurance plans increasing by 10% or more annually, employers are seeking ways to manage costs. Adjusting the type of plan purchased (PPO, HMO, POS, etc.) can save you money, but most cost-cutting methods unfortunately transfer expenses to employees.

Here are some of the plan factors you can control (and a few ideas on mitigating the inconvenience and budget concerns of your employees):

**Deductible** — The higher the deductible your employees pay, the greater the premium savings for your company. (Some employers offer a health savings account into which employees can make tax-free deposits. Workers can withdraw funds from these

accounts to pay their deductibles.)

**Co-payments** — As with deductibles, increasing employee co-payments can lower your company's premium. (A health reimburse-



ment account is a fund paid into by the employer that its employees can use to cover medical costs, such as co-payments.)

**Out-of-Pocket Limit** — Many plans include an annual maximum out-of-pocket expense for employ-

ees. Increase your employees' out-of-pocket levels and see your costs drop. (You might be able to combine this with a health reimbursement plan that kicks in at some point to allow the maximum benefit from the out-of-pocket limit, while providing assurance to employees that they will be helped by you before they reach that deep-pocket threshold.)

**Lifetime medical coverage** — This is the maximum payout covered by the health insurance policy for an employee over a lifetime. Some plans have lifetime medical coverage limits in the millions. The lower the limit, the lower your premium. (You might consider offering a supplementary, individual product to cover these kinds of catastrophic costs.) ■

**Thank you  
for your referrals.**

If you're pleased with  
us, spread the word!

We will be happy  
to give the same  
great service to all of  
your friends and  
business associates.

## Employee Benefits Sales Improve

**W**orksite benefits sales are rising. In 2006, sales totaled \$4.7 billion, up about 8% from 2005, according to an industry survey of 61 group and individual employee-benefits carriers.

Disability insurance was the most popular employee choice at 23% of sales, while life insurance was the second most purchased product at 21%. Other preferred products included accident, voluntary medical, cancer and dental plans. Long-term care insurance also showed signs of rebounding from declines posted in previous years.

The upsurge in employee benefits sales is attributed to employee concerns over rising medical costs. Sales of individual benefit products represented 57% of plan sales, while the remaining 43% were group products.

Our benefit plan representatives can help you find the product blend that is right for your company's employees. Give us a call to start or update your benefits plan offerings. ■

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