



Dear Clients and Friends,

Employers sometimes find that employees expect them to solve all of their problems. It's nice when an employer can serve as a resource for the employee – and provide some options to solve problems that employees may not have considered otherwise.

When an employee faces a dependent losing coverage, they often don't know where to turn. They may not have a personal insurance agent

to help them figure out what steps to take. With COBRA costs as high as they are, any options that provide reasonable coverage are worth considering. By letting the employee know about alternatives employers get that rare chance to be heroes!

We can help your employees solve these problems. Just give us a call.

*Sincerely yours,
Jim Lill, President*

Grads Mean Change

June is the month of graduations. Employers may believe that graduations are "family events," until a frantic employee realizes that their college graduate is no longer on the health insurance plan. No longer being a full-time student is often an event that causes a loss of health coverage.

Many employers routinely provide COBRA or state continuation information. Once the employee sees this information – and the actual cost of an employer's health insurance plan – the panic escalates.

A recent survey by MetLife found that 28% of employees believe that their company spends less than \$1,000 per employee annually for medical benefits. Almost one-half of employees – 49% – believe that the annual cost is less than \$2,000!

If employers are not aware that there are other less costly insurance options for graduates, the employees may encourage their children to go without insurance or, they may pressure the employer to expand the plan's eligibility to

cover children longer. Some plans cover "children" to age 25.

When graduates are starting a job soon, a temporary or short-term insurance plan may be a good interim solution. Temporary policies are reasonably priced since most purchasers are not expected to incur claims of any significant dollar amount. Also, the plans attract healthy people since they do not cover pre-existing conditions. A limitation of these plans is that they are meant to be temporary with limited terms of 30 to 185 days, on average.

There are even more options available in the individual health insurance market. Plans can be purchased that have copayments and drug cards – similar to some employer-based plans. Other popular plans include those with higher deductibles that minimize monthly premium expenses. Some employees may also want to consider a qualified high deductible health plan (HDHP) and a tax-favored Health Savings Account (HSA). This can mean favorable rates and tax advantaged savings.

Ask us about free COBRA and FSA administration!

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Fax: (630) 789-9516 Email: JimLill@midamgroup.com The information on this page is for general information only. It should not be construed as legal advice. All rights reserved. Pamela D. Mitroff Consulting, Inc. Wheaton, IL

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The Advisor Advantage