

Medical Insurance

By definition, health insurance is a contract between an insurance company and a policyholder. But the components of health insurance, premiums, copays, deductibles, and out-of-pocket maximums, can vary by plan and how policyholders access care. Military families utilize TriCare, our disabled and Senior population utilize Medicare and/or Medicaid, and the remainder of our country's population generally enroll in individual or group insurance. Preventive care like routine cleanings, exams, and fluoride treatments

- Group health insurance, more commonly known as an employee benefit plan, is established and maintained by an employer or by an employee organization. The employer provides access to medical care for members and their dependents through a contractual relationship with a private insurance carrier.
- Group health insurance plans are designed to be more cost-effective for businesses. Premiums are typically less expensive than an individual health plan and include an employer contribution for the employee and/or dependents that can be in the form of a defined dollar amount or percentage. Premiums are payroll deducted which allows the employee's premium portion to be tax-free. Employers pay lower payroll taxes and can deduct their annual contributions on their business tax returns.

There's a variety of different plan and claim funding available to employers, depending on a company's size.



Supplemental Insurance/Voluntary Benefits



Supplemental insurance has grown in popularity due to the significant shift in member/consumer cost share. More families are burdened with higher out-of-pocket costs forcing them to dig into their savings or delaying much needed medical care. Supplement insurance pay policyholders directly, not the medical insurance carrier, so those funds can be used however they choose.



Examples of Types Available

- **Cancer** – pays lump cash sums for a cancer diagnosis and per day for hospital stays, cancer specific medications, imaging, experimental treatment, and many other services related to cancer treatments.
- **Accident** – offers payment for a wide range of medical care services that could occur with an unexpected injury
- **Critical Illness** – Provides financial peace of mind if you experience a serious health event such as: heart attack, stroke, coma, paralysis, major organ transplant, third-degree burns, and many others. Payments will be in the form of lump sum cash payments for the health event and subsequent per day payments for recommended hospital stays and/or care.
- **Hospital Confinement** – policyholder is entitled to a lump sum for being confined to a hospital for 23 or more hours; additional claims may be eligible to be submitted for direct payment for rehab, emergency room care, doctor visits, ambulance, etc.

Supplemental insurance is advantageous when the unexpected happens, but consumers should consider these policies when they have a planned surgery/procedure.



Dental Insurance

Oral health can tell a lot about a person's overall health.

Dental coverage is an important coverage to have and can include:

- Preventive care like routine cleanings, exams, and fluoride treatments
- Basic services like fillings, basic extractions, emergency dental pain, periodontal and endodontic treatment
- Major services like root canals, crowns, and implants
- Orthodontia services and retainers
- Access to extensive dental networks of providers and specialists



Vision Insurance

Certain medical policies have preventive vision benefits included. But for individuals that need comprehensive coverage due to poor eyesight or stigmatism should consider stand-alone vision insurance to enhance the coverage and lower their costs.

Typical plan designs include coverage for:

- Comprehensive eye exams
- Retinal Health Screenings
- Contact lens fitting
- Low copays for prescribed lenses
- Benefit allowance for eyeglass frames and/or contact lenses
- Discounts on Lasik Eye Surgery

On average, consumers can save 50-60% off the total bill for exams and the purchase of lenses and frames/contact lenses.



Flexible Spending Accounts

A flexible spending account (FSA) is an account in an employee's name that reimburses an employee for qualified health care or dependent care expenses. It allows an employee to fund qualified expenses with pre-tax dollars deducted from the employee's paychecks.

Health Care Accounts

A Health Care FSA reimburses employees for eligible medical expenses, up to the amount contributed for the plan year. For 2023 the contribution limit is \$3,050; for 2024 it is \$3,200. Examples of qualified medical expenses include medical services subject to deductibles, coinsurance, and copays under a health plan, dental care, eye exams, eyeglasses, contact lenses, hearing exams and aids, and many other services. For a complete list of qualified medical expenses, visit the IRS website, [Publication 502](#).



Dependent Care Accounts

A Dependent Care FSA can be used to pay for care of dependent children under the age of 13 by a babysitter, day care center, or before- or after-school program. Care for a disabled spouse, parent or child over the age of 12 is also eligible for reimbursement.

At this time, the annual allowed contribution is \$5,000 per taxable household.

As required by the Internal Revenue Service (IRS), an FSA has a “use-it-or-lose-it” provision stating that any unused funds at the end of the plan year will be forfeited. Since the employee makes their desired election each year, it is encouraged they choose an amount that will cover medical or dependent care expenses, but not so high that the money will be forfeited at the end of the year.



Life Insurance

Life insurance, group sponsored specifically, is a convenient and inexpensive way to provide financial support for beneficiaries in the event of death. Most employer sponsored policies will utilize a term life platform, but enhanced policies, like universal or whole life, can sometimes be offered as an employee benefit. Employers may pay all or a portion of the premium for a flat amount (ex. \$50,000) and/or allow employees to purchase additional amounts with limited underwriting requirements.



Disability Insurance



Auto...home...life...health....wages? Disability insurance is a way to insure an individual's wages but not a benefit that is widely discussed. If an unexpected accident or severe medical diagnosis occurred making that person unable to work, disability insurance comes into play. Short Term Disability supplements a portion of missed income for a specific time period (12/13/26 weeks). If the claimant is still considered disabled, Long Term Disability takes over and typically supplements income through Social Security Normal Retirement Age (SSNRA). Please note, policy provisions differ by employer and industry.



Pre Paid Legal Plans

Engaging in the legal field can get expensive, even for basic needs protecting your family. Vendors like Legal Shield and Legal Resources help employees pre-pay for legal services while providing a network of dedicated attorneys. A nominal premium (typically \$20/month) can protect the employee and their entire family

Typical services include:

- Juvenile Representation
- Uncontested Divorce
- Adoption and Immigration Assistance
- Purchase/Sale of Home
- Real Estate Transactions/Disputes/Tax Assessments
- Bankruptcy
- Financial Disputes
- IRS Audit Protection
- Small Claims Court Assistance
- Wills/Power of Attorney/Medical Directive Preparation



Pet Insurance

Many American households have at least one pet. In any given year, one in three of these beloved family members will need costly veterinary care, even if it is for routine exam visits and vaccinations. Should a pet become severely ill and need emergency care, costs can sometimes be more than pet owners can bear. However, if they have pet insurance, owners will never have to make a decision about their pets well being based on cost.

Pet health services are the same or similar to the reasons why you or your employees would visit the doctor. The average cost to treat a dog hit by a car is \$5,000; ingesting a foreign item can be up to \$4,000; annual cancer and diabetic treatments ranging from \$2,000 - \$3,000. Most policies do not cover existing conditions or injuries but do assist in paying for: new accidents and injuries, X-rays, surgeries, cancer care, prescriptions, hospitalization, vaccinations, heartworm therapy, flea control, urinalysis, dental care, and spay/neuter.

Though pet insurance is a nontraditional benefit and is generally paid for by the employee, it is becoming increasingly popular in the workplace to help employees care for their pets without going bankrupt. Offering insurance for man's best friend is a great way for companies to round out their employee benefits package!



Group Retirement Plans

Experts estimate that in the American workforce as a whole, workers will need 70 to 90 percent of their pre-retirement income to maintain their current standard of living once retired. Studies show only half of workers 25-64 years of age participate in an employer-sponsored retirement plan.

By offering a retirement savings plan, you will help your employees save for the future while securing your own. It will attract and retain better qualified employees. Tax advantages have made it more appealing than ever to establish and contribute to a retirement plan and may include the following, depending on the type of retirement plan selected:

- Employer contributions are deductible from the employer's income
- Employee contributions (other than Roth contributions) are not taxed until distributed to the employee
- Money in the plan grows tax-deferred

There are many different types of retirement plans to include: SEPs, Simple IRAs, 401k(s), 403(b)s, 457(b)s, and defined benefit plans. Our dedicated team at Full Circle Financial Group can help you determine which type of retirement plan is most suited for your organization and employee's needs.

