

# The VB Solutions Report



## June Celebrates National Cancer Survivor's Day

The first Sunday in June is designated National Cancer Survivors Day. National Cancer Survivors Day® is an annual, worldwide Celebration of Life that is held in hundreds of communities throughout the United States, Canada, and other participating countries. Participants unite in a symbolic event to show the world that life after a cancer diagnosis can be meaningful and productive.

Who is a cancer survivor? The National Cancer Day Survivor's Foundation defines a survivor as anyone living with a history of cancer from diagnosis through the remainder of life.

To improve the quality of life of cancer survivors, more resources, research and survivor-friendly legislation are needed. The National Cancer Survivors Day Foundation encourages a greater commitment to resolving the issues of

cancer survivorship through public education.

The non-profit National Cancer Survivor's Organization supports hospitals, support groups and other cancer related organizations to arrange and plan National Cancer Survivors day events. Hundreds of communities across the country will be holding events on Sunday, June 6, 2010. To locate an event in your community, contact your local cancer treatment center or the National Cancer Survivor's Day Foundation at 615-794-3006 or [info@ncsd.org](mailto:info@ncsd.org).

### Did you know...?

**In America, there are over 11 million people living with a history of cancer...**

## Importance of Critical Illness Coverage

In the event that your employees suffer a critical illness, they will not have adequate protection under normal medical and disability insurance plans to cover their expenses, as suffering from a critical illness can be extremely expensive – especially during the recovery process. Some of the expenses associated with critical illness are not even covered on many plans. Beyond traditional medical costs, your employees and their families may also suffer financially because of the travel expense to treatment facilities, lost wages, out of network charges and

alternative treatment charges. To combat these expensive medical means, consider providing Critical Illness Insurance coverage for your employees. This coverage provides a lump-sum benefit for leading illnesses.

**Contact VBS today for more information. ♦**

### Inside this issue...

National Cancer Survivor's Day ~ June 6th

Critical Illness Coverage

#### Have you Heard?

- VBS at the Benefits Expo
- Health Care Reform Update

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## Benefits Selling Expo ~ April 19-21 / Washington DC



The Gang at VBS!

Voluntary Benefit Solutions attended the 2010 Benefits Selling Expo in Washington DC this past April. For six years, Benefits Selling Expo has been the industry's #1 educational and networking event for benefits brokers, agents, consultants and providers. Each year close to 1,000 professionals make Benefits Selling Expo their preferred destination for getting the latest and most practical tools, tips, trending pattern, developments and other critical information to help them shape their strategic and tactical sales plans.

However, the primary focus and overall tone of the Expo was healthcare reform. What will happen, how, when and what does it mean to all the players in this market; employers, employees, insurers, our clients and us. Being in the voluntary benefit marketplace uniquely positions VBS for the challenges that will be presented ahead. We will rise to that challenge and continue to bring you innovative, cost effective solutions for you and your clients.

**Contact VBS today for more information** ♦

This year's keynote speakers were Scott Halford of Complete Intelligence, LLC, Greg Scandlen of Consumers for Healthcare Choice at the Hartland Institute, and Karl Rove, Former Deputy Chief of Staff and Senior Advisor to President George W. Bush. Topics included: The consumer driven healthcare vision, effecting presenting, the value of limited medical plans and healthcare reform.



## Voluntary Benefit Solutions at the Benefits Selling Expo

Voluntary Benefit Solutions created quite the buzz on the exhibition floor, as the only enrollment firm of our type to exhibit, we had many visitors who were interested in our unique business model.

When not attending our exhibit booth, we visited over 50 carriers to learn about what is latest and greatest. This was our 5th visit to the expo and that has allowed us the opportunity to come to know many of the top people at the largest carriers.

Of course, our Carrier Goodies Basket giveaway (see photo) certainly excited the crowd. This basket was valued at over \$600 and contained unique and fun items donated by over 10 of our top carrier partners (Aflac, Colonial, UNUM, HM, Allstate, Benefits Connect, Mutual of Omaha, Embrace, Cigna and Sunlife). Greg Blemike of PA was the lucky basket winner!

The main theme we took away from the experience was that many brokers will now try to enter the voluntary benefits field in light of healthcare reform. The "usual" modus operandi in the healthcare business is over. Brokers will start to try and reposition themselves. However, the voluntary market is tricky and at times difficult to navigate. As a consumer, you want a voluntary benefits company with experience, a profitable and satisfied client base, a large portfolio of carrier/vendor partners and a deep knowledge of the ins and outs of the marketplace.



Our Booth!



Linda, Sue and Barbara with Peter from Mutual of Omaha's Wild Kingdom.

## Health Care Reform ~ Update



### What to Expect Before the End of 2010

Beginning six months from enactment there are three major changes planned. First up: dependent coverage, which is extended to the age of 26 for all employer plans and new plans for individuals. This legislation also prohibits health plans from excluding coverage of pre-existing conditions for children.

Next, insurers will no longer be able to impose lifetime limits on benefits. And finally new group health plans cannot establish eligibility rules for health care coverage that effectively discriminates in favor of higher wage employees.

In addition, in 2010 small businesses that offer health care coverage to their employees are eligible for tax credits of up to 35 percent of premiums. The smallest firms, ten or fewer employees, will receive the full credit, while larger small employers will see a lesser credit. This tax credit will increase to 50 percent for the smallest employers in 2014.

## Health Care Reform ~ How to Prepare

### *The Value of Voluntary*

- **attract and retain good employees**
- **no employer contribution required**
- **portability feature upon termination**
- **simplified underwriting**
- **protects against underinsured assumptions**

### Steps to Take

Employers should take initial steps to address the short-term and long-term implications of health care reform, including the new reporting and notification requirements. These steps include:

- Performing a detailed financial impact analysis.
- Communicating the immediate and long-term impact to employees.
- Developing an administration and compliance strategy, along with a transition plan to meet the varying effective dates.
- Adjusting income statements, and the reporting of liability for retiree benefit obligations under Financial Accounting Standards Board statements FAS 109 and 106, to reflect changes in retiree health care obligations. These changes include, beginning in 2013 (but subject to immediate reporting under accounting rules), elimination of the deduction for the federal retiree drug benefit subsidy.
- Implement a mechanism to collect healthcare cost data for reporting on the employee's W-2 (beginning in 2012 for tax year 2011).
- Prepare a notification strategy to meet the myriad of new notification requirements, such as, 60 day advance notice of benefit changes.