

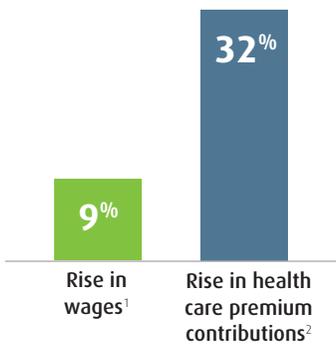


# Healthcare Protect Benefit®

Protecting disabled employees from the high cost of medical insurance

COBRA stands for the Consolidated Omnibus Budget Reconciliation Act, which can provide disabled employees with temporary continuation of health coverage at group rates.

Between 2007 and 2012:



Only 10% of employers are not interested in increasing participants' deductibles and/or co-pays within the next five years.<sup>3</sup>



Employees on disability typically need every dollar of their benefit payment to meet everyday living expenses. The high cost of continued medical insurance can often be out of reach.

This enhancement to Unum's long term disability insurance provides disabled employees with an additional benefit to help pay for medical coverage.

After one year of disability, employees typically lose their employer-sponsored health care insurance. COBRA offers them a chance to continue important medical coverage. But the price is often too high for an individual dealing with reduced income and added expenses.

These scenarios show the financial impact of COBRA coverage and the advantages of the Healthcare Protect Benefit (HCP). In the examples below, the employee receives a \$3,000 monthly salary and elects a COBRA continuation plan at \$468 per month for an individual plan and at \$1,312 per month for a family plan.<sup>4</sup>

Scenario 1 Without HCP benefit	Scenario 2 With HCP benefit of \$500/mo. for 18 months
<b>Individual plan</b>	<b>Individual plan</b>
60% income replacement reduces to 44%	60% income replacement increases to 63%
\$1,800.00 (60%) - 468.00 COBRA	\$1,800.00 (60%) - 468.00 COBRA + 500.00 HCP benefit
<b>\$1,332.00 (44%)</b>	<b>\$1,902.00 (63%)</b>
<b>Family plan</b>	<b>Family plan</b>
60% income replacement reduces to 16%	60% income replacement reduces to 33%
\$1,800.00 (60%) -1,312.00 COBRA	\$1,800.00 (60%) -1,312.00 COBRA + 500.00 HCP benefit
<b>\$488.00 (16%)</b>	<b>\$988.00 (33%)</b>

*Which scenario better protects a disabled employee's income?*

Total income replacement percentages are rounded to the nearest whole number.

Healthcare Protect provides a flexible range of options:

- Benefit amounts of \$300, \$500 and \$1,000 per month
- Benefit durations of 18 months
- Benefits paid whether the disabled individual chooses COBRA coverage through the employer's plan or chooses another coverage option.

Healthcare Protect can ensure that your employees have a way to pay for medical insurance during a time when they need it the most.

**To be eligible for the Healthcare Protect Benefit, an employee must:**

- Be receiving long term disability benefits
- Be covered under the employer's group medical plan on date of disability
- Provide proof of COBRA qualifying event\*
- Provide proof of ongoing medical coverage



**To learn more about adding this enhancement to your long term disability plan, please contact your local LISI representative.**

\* Qualifying events are certain events that would cause an individual to lose health coverage.

1 BLS, *Employment Cost Index* (2013). Private industry workers ECI for wages and salaries, 4th quarter.

2 The Kaiser Family Foundation and Health Research and Educational Trust, *Employer Health Benefits 2012 Annual Survey* (2012).

3 Aon Hewitt, *2012 Health Care Survey* (2012).

4 The Kaiser Family Foundation and Health Research & Educational Trust, *Employer Health Benefits 2012 Annual Survey* (2012).

Underwritten by: Unum Life Insurance Company of America, Portland, Maine

The policy has exclusions and limitations which may affect any benefits payable. See the actual policy or your Unum representative for specific provisions and details of availability.

The policy or its provisions may vary or be unavailable in some states.

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