to meeting separate annual deductibles for out-of-network care, patients can be balance-billed by doctors or hospitals for the difference between what the insurer pays them and their total charges.

That doesn't change under the federal health law, so consumers could be left on the hook for tens of thousands of dollars. There's no escaping that we're going to see insurance policies that include networks wide and narrow," says Quincy.

Individual Plans

Carriers May Be Declining More Individual Applications

Carriers are rejecting an average of 22% of applications for individual and family health plans, according to a study by HealthPocket. In comparison, a 2010 congressional study of the largest for-profit insurer found a decline rate of one in seven applications.

Kev Coleman, head of research & data at HealthPocket said, "Clearly there is great variability across states and within states, but nationally, it seems to be occurring more frequently than industry analysts had assumed. What is unclear is whether some insurers have increased their decline rate in order to improve risk pool health and profitability before 2014 when insurance companies can no longer reject applications based upon health status or pre-existing medical conditions."

Some insurers decline more than 70% of applicants while others rarely decline applicants. There is also significant variability in different markets. For example, Kaiser Permanente plans have a decline rate of 34% in Georgia and a 22% in Hawaii. Some non-profit insurance companies have higher decline rates than do for-profit insurers. For more information, visit http://www.healthpocket.com.

* Disability Insurance

How Financial Strain Increases the Need for Disability Coverage

The recession, along with higher health care costs and a multi-generational workforce, have created a unique situation for employers. Many Baby Boomers are working longer to recoup money lost during the Great Recession. Baby Boomers who are forced to delay retirement, are creating a workplace with higher likelihood of serious illness or injury, which can strain employer health care costs, according to an industry analysis by Standard Insurance Company.

Alex Dumont of The Standard said that it is increasingly important to offer Baby Boomers return-to-work, stay-at-work and wellness programs. But, younger age groups are also facing financial challenges including slowed upward movement and increased family responsibilities, such as caring for children and aging parents. Dumont said, "We've seen the cost of caring for children and aging parents rise over the last 10 years, placing a significant financial burden on Generation X and Millennials. These generations, sometimes referred to as the 'sandwich generation' are more likely to use family and medical leave benefits to care for family members. They are not afraid to use these benefits, especially since they can't always afford to pay for family care services."

To help employers manage costs associated with family medical leave, The Standard suggests giving workers more flexibility, including options for where and when they can work. A comprehensive absence management program should also be provided. For more information, visit www.workplacepossibilities.com.

Court Says Unum Unlawfully Denied Disability Benefits to Fibromyalgia Patient

Kantor & Kantor LLP announced a victory on behalf of client Tanya Mondolo, who sued Unum Life Insurance Co. in U.S. District Court for the Central District of California for wrongfully denying her disability insurance benefits. The court ordered Unum to reinstate benefits, with interest, and that Kantor & Kantor could make a motion for attorneys' fees and costs.

Mondolo suffers from fibromyalgia and avascular necrosis. She has difficulty walking, suffers from uncontrolled pain, and is too weak to tolerate prolonged sitting or typing. The court agreed that Unum failed to properly investigate Mondolo's claim, neglecting to determine how much sitting she could tolerate without significant pain. Unum did not investigate whether the alternative jobs it claimed Mondolo could perform were appropriate for her limited ability. Unum and its reviewing physicians failed to consider psychological evidence, even though the policy expressly stated that such evidence must be considered.

In addition, attorneys Kassan and Brehm argued that Unum's conclusions were unreasonable. For example, Unum insisted Mondolo could sit between one-third and two-thirds of a workday. The Kantor attorneys proved even if Unum's supposition was accurate, Mondolo was still not able to meet the requirements of or perform the sedentary work Unum argued she was capable of.

Long Term Care Insurance

Consumers Want Lower Cost LTC Coverage

Consumers are increasingly interested in the less expensive LTC policies, according to a survey by John Hancock. Thirty percent of consumers prefer a lower cost LTC policy over a traditional policy. That compares to 14% of consumers in a previous survey. Thirty-six percent of consumers age 45 to 51 prefer the lower cost policies compared to 11% in the previous survey.

Laura Vail Wooster of John Hancock Long-Term Care Insurance said, Lowering the cost of LTC insurance is critical to making this coverage more accessible to a broader population. Traditional LTC insurance options have become more expensive over the years, so the industry must keep pursuing innovative solutions to help more Americans prepare for and cover at least some of this cost."

On behalf of John Hancock, the Forbes Consulting Group surveyed 300 people, aged 45 to 65, with a household income above $70,000 and investable assets above $100,000.

The policies that consumers looked at were the same except for the benefit increase option and corresponding price. They offered a three-year benefit totaling $164,000 and a 90-day elimination period. The traditional policy reflected a CPI inflation option, which grows on a compounded basis according to increases in the Consumer Price Index. The lower cost option reflected an option that grows gradually based on the performance of the general account that funds the policy.

For each example, people were shown John Hancock's actual annual premium costs based on their age. They were then shown illustrations of how potential benefit increases could differ between the two policies and how the respective increases related to the anticipated increase in the cost of care. Consumers indicated the following preferences:

- 64% are interested in basic coverage at an intermediate price. They would be willing to pay some LTC costs out-of-pocket.
- 22% prefer full coverage at the highest price.
- 14% prefer catastrophic coverage at the lowest price. They would be willing to pay a