

Managing Health and Productivity Outcomes through Highly Rated but Underused Practices

Use of an on-site consultant is an effective way employers can integrate early disability reporting and disability duration guidelines, according to a new white paper from The Standard titled "The Future of Absence and Disability Management, Part 2: Continuing the Conversation." This white paper is a companion piece to The Future of Absence and Disability Management (published in December 2011) and continues to explore major trends in managing absence and disability by highlighting two health and productivity management (HPM) practices that are highly rated but underused by employers.

The white paper asserts that the deployment of an on-site consultant can result in positive health and productivity outcomes by maximizing the following two HPM practices:

1. **Early disability reporting**—This practice involves reporting an employee's absence or disability claim as soon as possible. Early disability reporting can work together with a transitional return-to-work (RTW) program to help shorten the duration of an absence or disability.
2. **Disability duration guidelines**—These guidelines help predict the anticipated duration of a disability and serve as a standardized method of assessing the effectiveness of an RTW program.

"Ideally, those HPM practices that employers find to be the most effective in meeting their intended goals should be the most widely used," said Michael Klachefsky, national practice leader, Workplace Possibilities for The Standard and author of both white papers. "Based on a revealing employer survey conducted by the Integrated Benefits Institute, this is not the case. It is important that employers recognize this discrepancy and seek a solution to managing absences and disabilities that integrates such highly rated practices as early disability reporting and disability duration guidelines."

To download the white paper or to learn more, visit www.workplacepossibilities.com.

Asset-Based LTCI Attracting Younger Buyers

The sale of asset-based long-term care insurance protection continued to grow significantly, according to research by the American Association for Long-Term Care Insurance. According to data gathered from leading insurers,

premium increased nearly 20% and the number of covered lives increased 13.5%.

"We expect the sale of asset-based, or linked, LTC products will continue to grow as they offer some highly attractive benefits to a category of buyers looking to protect their retirement savings," stated Jesse Slome, AALTCI's director. "The growth of sales will only continue as more large players enter the marketplace." Pacific Life recently introduced a universal life insurance policy that provides long-term care benefits.

According to the association's annual study of new policy sales, more than half (53%) of male buyers were under age 65. In the prior year's study, only 48% were under age 65. The percentage of women buyers under age 65 also increased to 50%, up from 44% in the prior year.

"We are seeing two market conditions fueling growth," Slome explained. "Younger buys facing a long-time horizon before needing care favor the money-back provision of these policies, and older buyers are being priced out of the market for traditional long-term care insurance making this a more attractive option."

"At a time when long-term care is increasingly top of mind, these life insurance-based solutions avoid the 'use it or lose it' risk associated with traditional long-term care insurance," says Chris Coudret, CLU, ChFC, vice president at OneAmerica, an insurer offering linked-benefit solutions. "In most cases, people make a single payment, effectively removing the risk of future premium increases."

For 2011, the study found that the initial single premium face amount of policies purchased was \$100,000 or greater for nearly three-quarters (73%) of new policies. In addition, the vast majority (96%) of new life+LTC policies issued did not include a benefit increase option that bumped up available benefits to keep pace with inflationary growth of costs. By comparison, the association's study of traditional individual long-term care insurance policy sales found that, in 2011, some 96% included a growth option.

For more information, visit www.aaltci.org.

Unum Research: Cancer, Pregnancy Continue to Lead Disability Causes

For more than a decade, cancer, pregnancy and back disorders have been the top causes of disability claims for Unum. That trend continued in 2011, but new research reveals that most employees think injuries cause the most