

Dear Clients and Friends,  
 The TBG mission is oriented around delivering clarity and confidence related to our clients' insurance and benefit plans. In today's world this is becoming increasingly complex. From an employee benefit standpoint, the Affordable Care Act is here to stay although its reach and impact will continue to evolve. We never lose sight of the financial commitment that our corporate clients make to create security for their teams.

From our vantage point we see unexpected hardships develop that confirm the importance of the benefit plans in place. We are grateful for the

compliments that we receive related to our HelpDesk, compliance and the broad scope of services that we provide.

The tools and techniques used with individual life and long-term care planning are evolving during a period of unprecedented change. The extended period of low interest rates is causing some life insurance policies to expire earlier than expected. This means that policy reviews are necessary in order to manage the outcomes. And, individual and group long-term care coverage premiums are increasing which is causing new alternatives to emerge.

We are grateful for your confidence.

— Gary Bottoms, President

In August, David Bottoms was a speaker at the Health Care Reform Summit sponsored by the Cobb Chamber of Commerce. Additionally, Gary Bottoms was a speaker at the annual Georgia Society of CPAs Estate Planning Conference. The comprehensive outline on "Insurance Planning - Best Practices for Helping Clients with Complexity" can be found on the TBG website: [www.thebottomsgroup.com](http://www.thebottomsgroup.com)

**About TBG:** The Bottoms Group, LLC, has for decades been listening to clients and developing employee benefits, insurance and estate planning solutions customized to their unique and changing needs. For more information about TBG, visit [www.thebottomsgroup.com](http://www.thebottomsgroup.com).

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# Key Person Insurance: Protect your most important business asset

You are protecting your building and equipment. You are even protecting your ideas. But are you protecting against the loss of a key person in your organization? Have you considered the impact to your business if anything were to happen to such a person? While a loss of a key employee would be emotionally challenging, would you have disruptions in management? Loss of earnings and customers? Delayed product launches?

Key person protection is important to help ensure that your business can overcome the loss and continue moving forward. Unfortunately, many business owners do not consider the risks of losing a key person until it is too late. Key person protection is a life-insurance based program designed to help you value the loss your business would face. Here are a few ways in determining the value:

- Multiple of their annual salary
- Loss of value to the business
- Cost to replace the key person's sales profits
- Cost to replace the key person's contributions to income

If your key person unexpectedly died, the insurance can provide your business with the funds needed to help you withstand the financial shock and help sustain your business following the death. It can be a source of funds to cover debts and operating expenses in the face of lost sales, as well as to hire a qualified replacement. And you would receive the death benefit in the form of tax-free cash when you need it most. The business would own the policy as well as pay the premiums. The business can decide whether they need to be the sole beneficiary or if they would like a portion to go towards the employee's beneficiary as well.

## NOT SURE IF YOUR BUSINESS HAS THIS NEED?

### Does your business have a strong entrepreneurial owner?

It is hard to find a business that is NOT dependent on its owner or founder. While the loss of this person would be substantial, hopefully the business could continue in the hands of heirs or employees. However, a loss might trigger credit and cash flow issues, licensing issues, or management issues.

### Does your business have key sales personnel or managers?

The loss of key sales personnel can trigger a loss of revenue or clients. With the death of a manager, critical projects or divisions may lose direction.

### Does your business hire skilled professionals?

The loss of a skilled professional could reduce business income until their expertise or niche practice could be replaced. This includes

physicians, attorneys, architects, engineers, skilled artisans, writers, real estate brokers or business managers with select clients.

### Does your business have a specialty product or service?

When a business is dependent on a special line of products, or offers services that are key to its operations, the loss of its key personnel will result in reduced income or trigger credit issues until operations can return to normal.

With all this being said, replacing a key person will take time, especially moving past the shock of losing that individual. But whether the vacancy is filled with an existing employee or new hire, the business must locate, recruit and groom a replacement to fill the gap (to the best of its ability). The death proceeds from life insurance will provide a business with the necessary cash to stem business losses during this hard time.



by Laura Bottoms Higginbotham  
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# Employee Benefits: Never Forget Why You Provide Them

In light of the Affordable Care Act (ACA), a compliance focus has bolted to the forefront of most employee benefit conversations and articles. Sadly, this has relegated the "why" of employee benefits to the back burner.

Last week, during a client open enrollment meeting, I was reminded of the importance of focusing on why employers provide employee benefit programs to their employees. As I reflect on that experience I am reminded of scores of other instances I have seen in my career where lives have been saved, finances preserved, and confidence restored all because employers cared enough about their employees to provide them with benefits.

In the specific example from last week, a business owner stood up during our open enrollment meeting to explain that the core reason he was providing his employees with a strong health plan (and paying generously for it) was so that they would not have to worry if a serious illness were to befall them or their immediate family members.

You see, this business owner's wife has recently been diagnosed with cancer and he has seen, in a very personal way, the importance of having strong health insurance coverage. Thankfully, his wife's employer provides a health plan which absorbs a great deal of the cost associated with her medical care while also giving her access to the best doctors and facilities. This strong health insurance coverage allows her the opportunity to focus all her energy on beating the cancer rather than on the financial aspects associated with her medical treatment. This employer, because he cares about his employees, wants to ensure that they are similarly protected.

In another example, a young employee passed away in his sleep,

leaving behind his wife and two young children. His employer had never thought much about their decision to provide employees with a generous life insurance benefit. My recollection from initial conversations was that they wanted to provide the benefit in order to be "market competitive." In that moment when the death claim was being filed and later when the benefit



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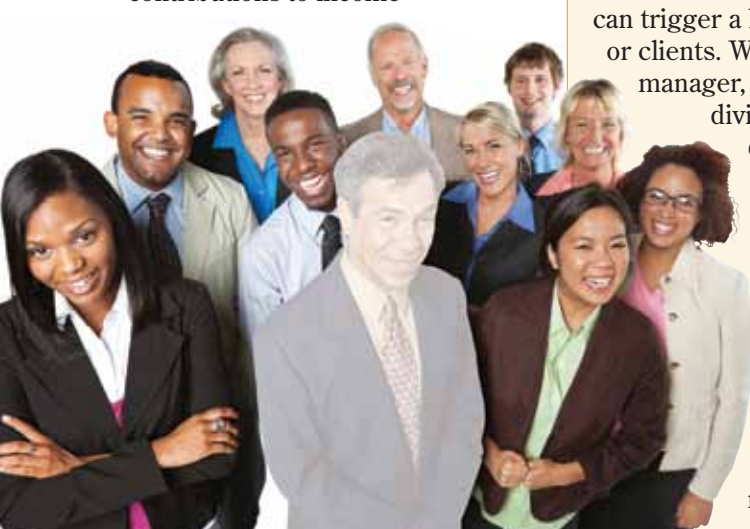
them to embrace many of the health and wellness resources the employer made available.

One of the key components of the fair was a voluntary biometric screening opportunity whereby employees could be screened for potential health related red flags. One gentleman who underwent the testing discovered (quite unexpectedly) that he was at serious risk of a heart attack and went straight to the hospital where a stint was inserted and a ticking time bomb was diffused. This gentleman has since determined to lead a healthier lifestyle and it is not an exaggeration to say that he has his employer to thank for the fact that he is still alive.

Prior to ACA, employers were not required to provide benefits. They provided benefits for a number of reasons, chief among them the fact that the employer cared about its employees. It is important that, in the new ACA environment, we always keep in mind that benefits are so much more than a formula driven, fine avoidance mechanism. To the contrary, an employee benefits package has the ability to impact the lives of employees in many ways, more than a paycheck on its own ever could. Consistently remembering "why" you offer employee benefits is just as important as ensuring that the "how" and "what" of your benefits package enables you to maintain compliance.

check for \$250,000 was delivered to the newly widowed spouse, the importance of that life insurance benefit was very clearly seen. What had been initially seen as an inexpensive way to bolster the benefit plan had proven itself immensely valuable. In fact, the life insurance provided by the employer enabled the young, now single parent, family to stay in their house and maintain financial dignity as they dealt with their unexpected loss.

It is also important to remember that benefits are not just there to make tragic situations less tragic. A benefits plan which also incorporates work/life components, such as wellness, helps to enrich employee lives. For instance, recently, our firm helped a client organize and orchestrate a health fair. The goal of the event was to help employees get a handle on the importance of wellness and encourage





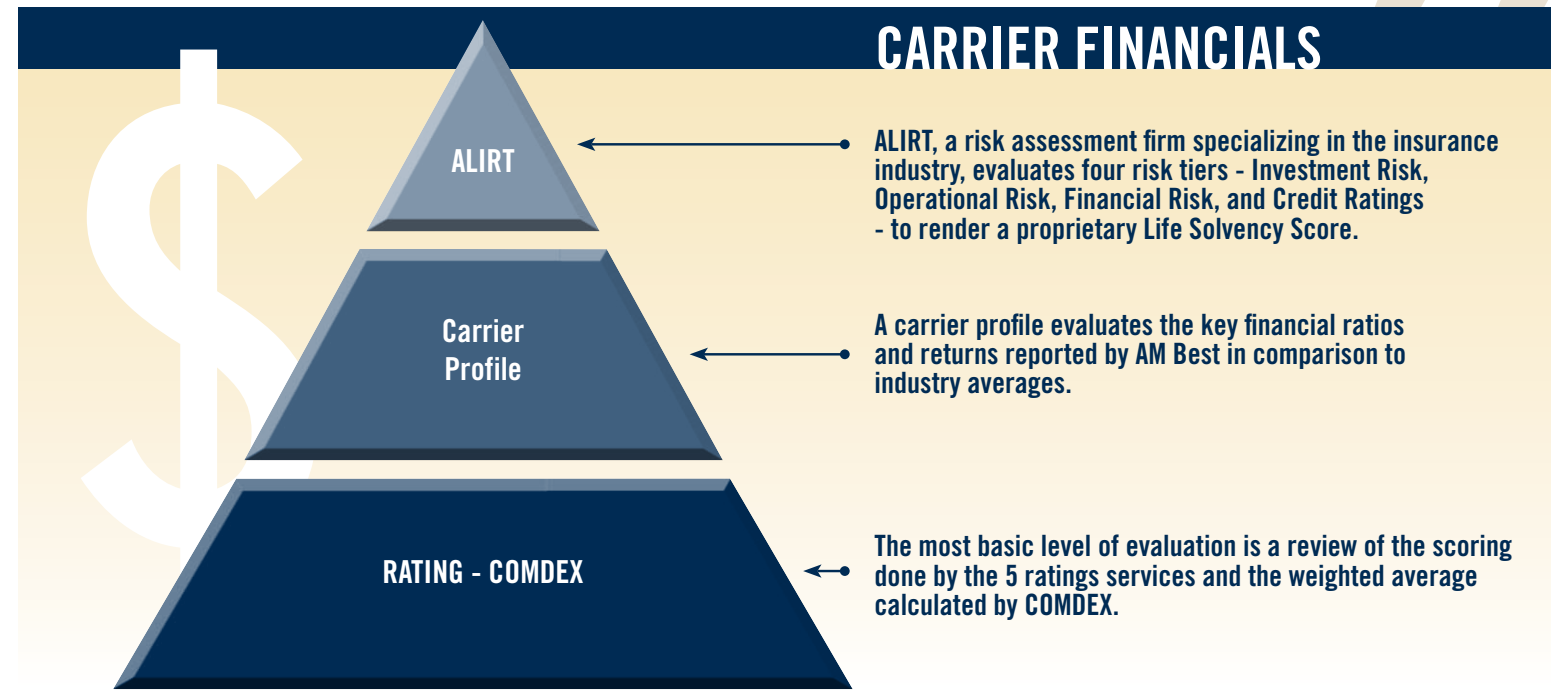
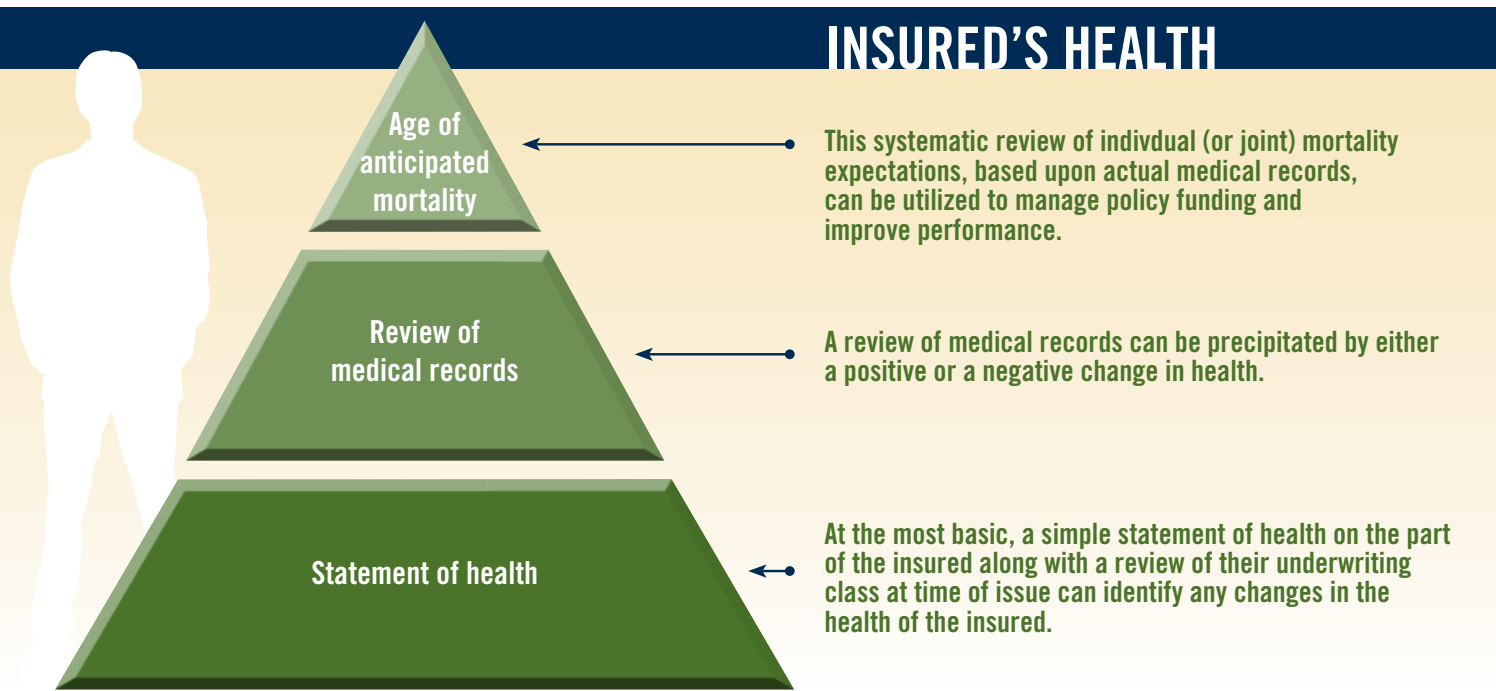
# TBG's Process for Life Insurance Policy Reviews

by Laura Bottoms Higginbotham, Director of Insurance Services | laura@thebottomsgroup.com

If we were to develop a list of concerns that we feel our life insurance clients should focus upon, we would put policy duration at the top of the list. That is, the policy needs to last as long as it is needed. A prolonged period of lower than expected interest rates has caused policy performance, in most cases, to be less than was projected when the policy was initiated.

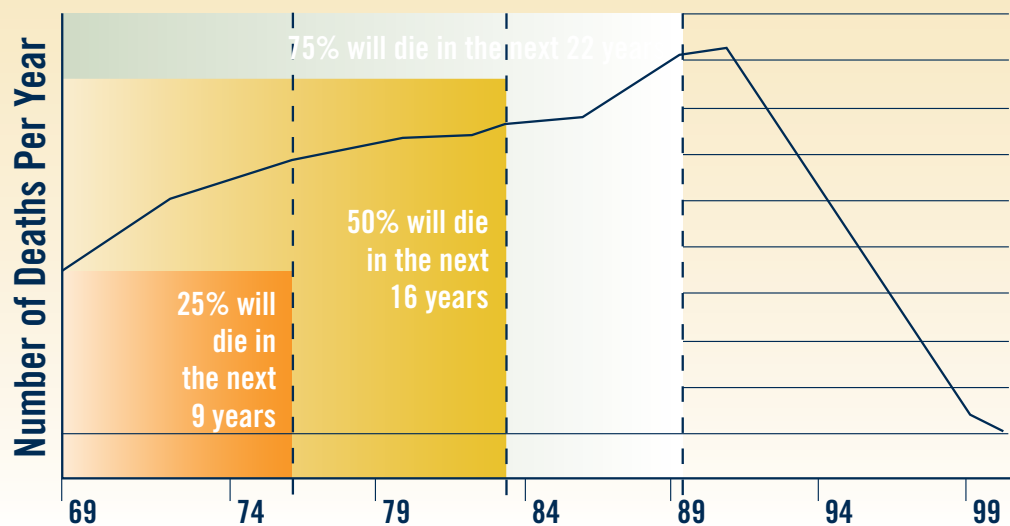
We have developed a comprehensive policy review process that is valuable as we assist our clients in managing their life insurance portfolios. The portfolio needs to work as intended and surprises need to be avoided. Based upon the results found, we can better determine if your insurance is performing to suits your needs. Below is an overview of the three areas to be reviewed and the varying levels of review, depending upon the circumstances, within each area:

**A PROLONGED PERIOD OF LOWER THAN EXPECTED INTEREST RATES HAS CAUSED POLICY PERFORMANCE, IN MOST CASES, TO BE LESS THAN WAS PROJECTED WHEN THE POLICY WAS INITIATED... THE PORTFOLIO NEEDS TO WORK AS INTENDED...**



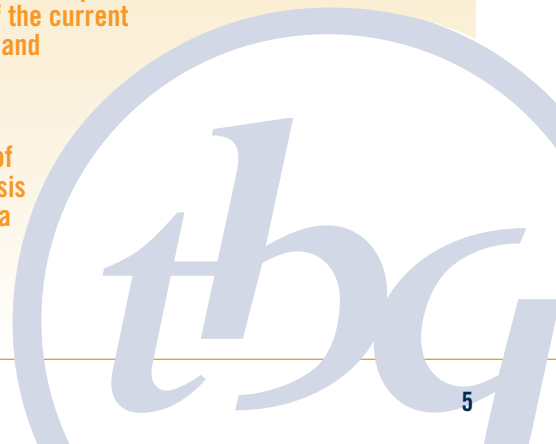
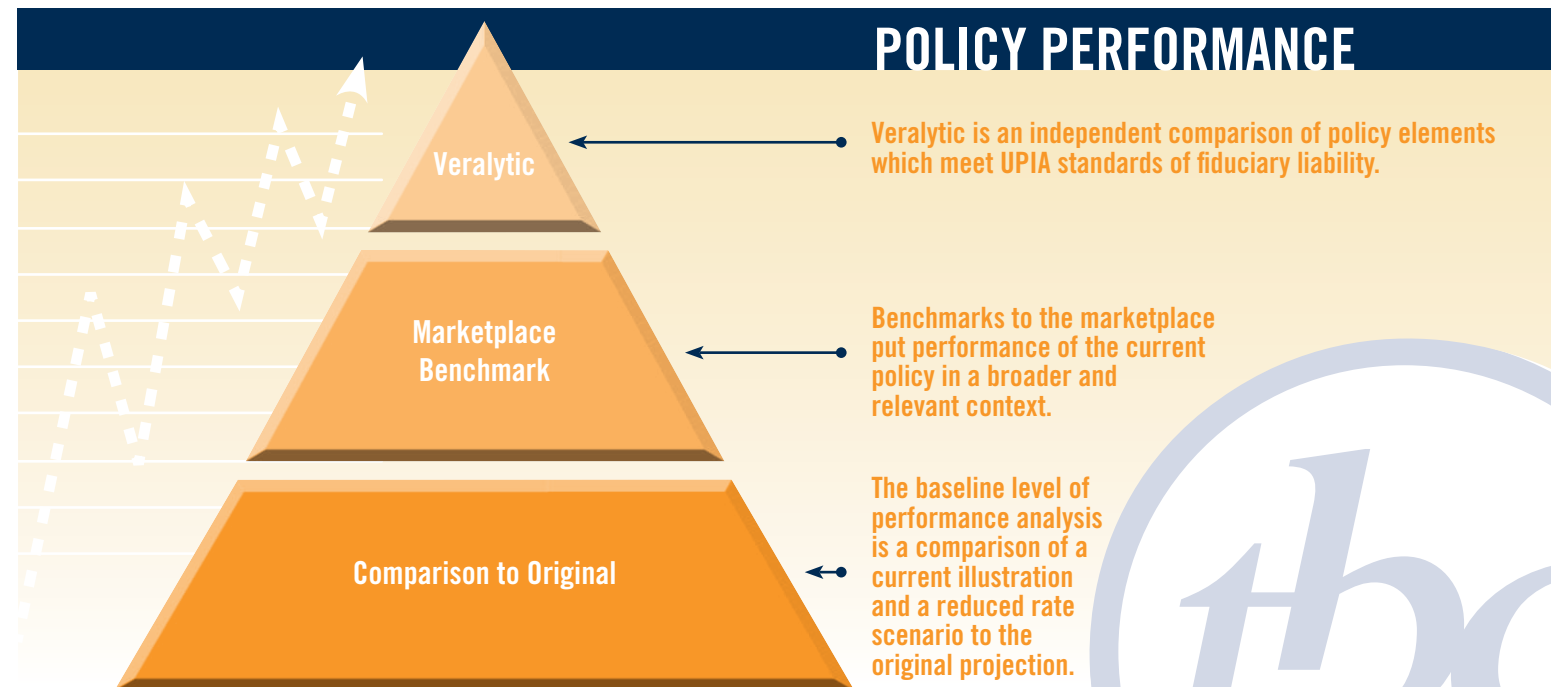
## ANTICIPATED MORTALITY YEAR FOR MALE, AGE 69\*

Below you will see how the anticipated mortality of a client is helpful when determining how long a policy should last.



Life Expectancy for Standard Nonsmoker with no ailments is 19.26 years.

\*based on evaluation of medical records



## The Whole Experience – It Needs to Work

by Gary Bottoms CLU, ChFC  
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The title above sums up our philosophy as we work with our clients. From a purely superficial standpoint our role is to deliver insurance claim checks when financial losses happen. Going beyond this, we have chosen to care way

beyond the obvious and are passionate about the entire experience of working for our clients, their families and business partners. After all, that is what our clients really want.

Our philosophy has developed over many years of working with people in varying circumstances. On the personal estate and business planning side of our business, we have delivered many claim checks and often been able to observe what happens afterwards. Sometimes the legal, financial and tax structure in place was adequate and sometimes it was not.

We encourage our clients to develop a working team of advisors and we are willing to help with this process in any way our clients desire. Recently, I spent the better part of a day with some out-of-town clients who just retired and they asked for my help in assembling a planning team. We met with an estate planning attorney in the morning to think through new wills, a trust, powers of attorney and health care directives oriented toward their very personal objectives for their family and extended family.

We then had lunch and reviewed their personal life and long term care insurance needs. After lunch we met with a wealth manager who had prepared an analysis of their investment accounts and was prepared to make recommendations based upon their stated lifetime cash flow needs. At the end of the day, this couple felt that a lot of progress was made toward personal peace knowing that a team was in place and parameters and plans had been established.

### The list of common fears is quite long, but below are some dangers that are often addressed during the planning process:

- Outliving the accumulated financial resources.
- Financial assets passing outside the family bloodline as a result of a surviving spouse who remarries, children who receive assets and later become divorced, or other unforeseen circumstances.
- A child may receive assets prior to being mature enough to manage them.
- A surviving spouse may need help managing financial resources.
- Sibling conflict arises due to unforeseen developments related to inheritance.

As the above title states, our clients really do want the entire experience to work. For this to happen it does take a team. It is our pleasure to be a part of the process.

## TBG HelpDesk: Due Diligence

As an employee receiving insurance benefits, it can oftentimes be difficult to navigate claims and benefits. The HelpDesk at The Bottoms Group is certainly here to advocate on behalf of your employees with various insurance carriers. The HelpDesk is happy to assist those who have questions and concerns regarding their coverage within the space of group benefits.

TBG was recently contacted with a very peculiar situation. An employee, who has medical coverage through her employer's plan, reached out to the HelpDesk and expressed concern regarding a bill that she

received from a provider who filed a claim on her behalf. She received a bill over \$200.00 and was under the impression she would only owe a \$20.00 copayment at the time services were rendered due to benefits quoted over the phone by the insurance carrier. She had already made the copayment at the time of her appointment.

Thankfully, this member did her due diligence and kept detailed notes of conversations in regard to the quote she was given for the procedure. Because of the contacts and unique relationships that TBG has with all of the insurance carriers, the HelpDesk was able to reach out to a specific account management team



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to determine where the disconnect of communication may have occurred. The account manager was actively involved with the claim and billing issue went back to claims and they reviewed the call history between the member and representative. After weeks of in-depth communication and perseverance among the member, TBG and the carrier, the issue had been resolved. An updated Explanation of Benefits (EOB) was sent to both the member and provider, which was able to clear up the billing issue.

When in doubt, please encourage your employees to contact TBG and allow the HelpDesk to be the member's advocate.

## Wellness: Preventive Care Benefits



by Jamie Moody  
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Preventive care has continuously been a vital part of group health plans because it is one of the most significant steps you can take to manage your health. Preventive services include vaccinations and screenings to help identify potential illnesses and as you strive to maintain good health.

Taking the appropriate measures in making healthy lifestyle decisions by utilizing the services provided under your health plan does not always mean you will be able to control every medical condition, but following preventive care guidelines may lessen your chances of a serious

illness. If you are diagnosed with a certain condition, your provider can recommend steps that may reduce your symptoms, which in turn improves your quality of life and hopefully means fewer trips to the doctor.

With respect to health care reform, medical carriers and health plans now offer certain preventive care services in their plans that will be covered at 100% if utilizing an in-network provider. Essentially, this means that members will not have to pay any amount towards their deductibles, copayments or coinsurance for these preventive services.

### Fifteen covered preventive services for adults identified by the government are as follows:

- ▶ **Abdominal aortic aneurysm one-time screening** for men of specified ages who have ever smoked tobacco
- ▶ **Alcohol misuse** screening and counseling
- ▶ **Aspirin** use to prevent cardiovascular disease for men and women of certain ages
- ▶ **Blood pressure screening** for all adults
- ▶ **Cholesterol screening** for adults of certain ages or at higher risk
- ▶ **Colorectal cancer screening** for adults over 50
- ▶ **Depression screening** for adults
- ▶ **Diabetes (Type 2) screening** for adults with high blood pressure
- ▶ **Diet counseling** for adults at higher risk for chronic disease
- ▶ **HIV screening** for everyone ages 15 to 65, and other ages at increased risk
- ▶ **Immunization vaccines** for adults—doses, recommended ages, and recommended populations vary: Hepatitis A, Hepatitis B, Herpes Zoster, Human Papillomavirus, Influenza (Flu Shot), Measles, Mumps, Rubella, Meningococcal, Pneumococcal, Tetanus, Diphtheria, Pertussis, Varicella
- ▶ **Obesity screening and counseling** for all adults
- ▶ **Sexually transmitted infection (STI) prevention counseling** for adults at higher risk
- ▶ **Syphilis screening** for all adults at higher risk
- ▶ **Tobacco use screening** for all adults and cessation interventions for tobacco users

If you have not been taking advantage of your preventative health screenings included in your policy, you ought to do so. Both your health and pocketbook will benefit in the process.

SAVE THE DATE!



Did you or a loved one miss last year's Individual Health Insurance open enrollment, are you uninsured, or just looking to make a change? The Open Enrollment period for 2015 coverage is November 15, 2014 to February 15, 2015. Depending on when you enroll during this period, coverage could start as soon as January 1, 2015. This is the time to enroll if you foresee needing to make a change in 2015 without a qualifying event. To browse plans and apply for coverage, visit The Bottoms Group Health Insurance Exchange at [www.thebottomsgroup.com](http://www.thebottomsgroup.com).



# Minimum Essential Coverage (MEC) Plans



The Affordable Care Act requires that employers with 50 or more full-time equivalent workers (working at least 30 hours per week) offer “minimum value” and “affordable” health coverage to all full-time employees. In some cases, employers are actually expanding their eligibility and coverage to employees who may not have been eligible previously, thus increasing costs for the employer as the enrollment numbers rise. However, as employers amend their strategies to avoid employer level penalties, they also need to be aware of individual penalties that apply to any of their employees who do not actually enroll in “minimum essential coverage”.

Accordingly, employers are reviewing and adjusting their medical benefit strategies while working to comply with the Affordable Care Act. Many employers are concerned about the employer penalties and what steps can be taken to avoid these penalties.

One new approach is to offer coverage to employees with voluntary plans that are called Minimum Essential Coverage (MEC) plans, also known as “skinny plans,” in addition to the major medical plans.

These skinny plans are not the typical plan design that a major medical plan is; however, they do provide a package of limited medical benefits, including limited physician visits, small indemnity benefits for treatment and in-network pricing for some procedures. While these “skinny plans” would not completely absolve employers of a potential for fines if they were offered as a stand-alone health option, these plans do



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meet the requirements for the individual mandate. As such, some employers are deciding to offer a base major medical plan to all full-time employees while ensuring that employee-only premiums are less than 9.5 percent of the employee’s income (which keeps the plan “affordable”). Given that often these “affordable” plans are anything but affordable for employees, the provision of a “skinny plan” allows the employee to obtain some coverage that actually is affordable while also allowing the employee to avoid personal penalties for not having minimum essential health coverage.



2014 Cobb Chamber Top 25

**SMALL BUSINESSES  
OF THE YEAR**

We are pleased to announce that The Bottoms Group was selected by an independent group of community business leaders as a Finalist in the Cobb Chamber’s Top 25 Small Businesses of the Year for 2014. We are honored by this recognition and grateful for the relationships that we have with our clients and friends.