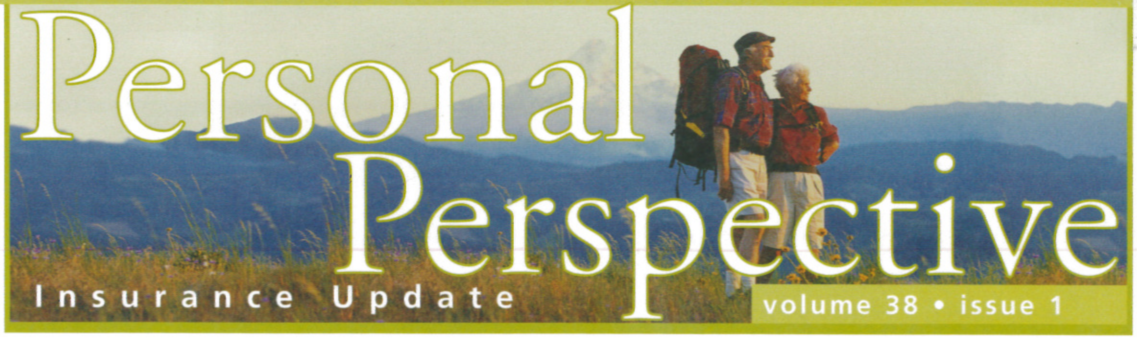

David G. Sayles Insurance Services

899 Lincoln Ave.
Glen Rock, NJ 07452

Phone:
(201) 652-0407
(800) 439-0292

Fax:
(201) 652-0721

Health Insurance for College Grads

According to a recent survey commissioned by the National Association of Insurance Commissioners (NAIC), nearly a fifth of young singles indicated they would decline employer-offered health insurance if doing so resulted in financial savings. The NAIC warns recent college graduates that deciding to forgo health insurance is a poor decision that could have catastrophic consequences in the event of illness or injury.

Additionally, many firms have employee probation periods before health coverage goes into effect, leaving even those young workers that desire coverage with a dangerous gap. For young workers facing this problem, the NAIC recommends checking to see if coverage can be extended under a parent's policy for the short term under COBRA. Some colleges also offer graduates interim coverage. If these options are not feasible, graduates should contact an insurance agent for information about a policy specifically designed to fill this gap.

For young workers accepting employment with a firm that does not offer health insurance through a group plan, there are lower-cost options. One such option is a high-deductible major medical policy that covers only very serious or catastrophic health costs. Another option is a health savings account, which combines the function of a high-deductible health plan with a savings account funded with pretax dollars that cannot be taxed if used to pay the cost of qualified medical expenses. ■

Pre-existing Conditions

Many people think that a pre-existing condition will completely exclude them from obtaining health insurance or that they will have to pay a massive premium to get coverage.

There are many different pre-existing conditions, and not all insurers exclude or charge more for all of them. Common conditions include pregnancy, obesity, arthritis, diabetes, depression and autism. Some states now mandate coverage for children even if they have a known condition, and many insurers will provide coverage but only after a waiting period that follows enrollment. Those periods vary depending on the policy and company.

Most states do have high-risk insurance pools, but they can be expensive. If you are covered under a group health plan, federal law says you must be covered under a new group health plan if you move jobs, irrespective of the pre-existing condition. States have varying laws covering individual plans, so exclusions and waiting periods for individually insured persons will depend on residence.

Give our service team a call to find out what is available to meet your needs. ■

A New Baby Means New Insurance Needs

Part of preparing for a new baby's birth is making sure your insurance is updated. *Kiplinger's Personal Finance* offers the following tips:

Life Insurance

Coverage should be obtained with a death benefit in an amount equal to or greater than four to eight times your annual salary. While some forms of life insurance couple a death benefit with various savings and investment tools, a term life policy is usually the cheapest way to buy a policy with a large death benefit.

Life insurance is not just for breadwinners. Expectant parents should consider purchasing a policy for a stay-at-home spouse to help cover the cost of child care in the event of their death.

Disability Insurance

Expectant parents should have disability insurance that will pay the family's bills in the event of an illness or injury that prevents the earning of income. While it's generally cheaper to purchase this coverage through your job, employer-offered plans often contain significant gaps, such as only covering 60% of your salary. If this is the case, a supplemental policy on the individual market may be necessary.

Health Insurance

Remember to add the baby to the policy! Make a point to call your health insurer before delivery to find out what you must do to ensure the child has coverage. If your employer does not offer health insurance through a group plan, consider purchasing coverage through the individual market. Without coverage, a normal hospital delivery can cost between $8,000 and $25,000 depending on where the child is born and the method of delivery. ■

Insuring 'Daycare' for an Elderly Dependent

Elder care is a growing industry in the United States, and the numbers of older citizens is only increasing. Many wonder if insurance will cover assistance and oversight of elderly dependents while the family caretaker is away at work.

It depends on the circumstances. Various insurance policy types might be available to help with costs based on the specifics of the situation. Long-term care insurance comes to mind first, but workers compensation, disability and auto insurance might apply if the need for care comes from a covered injury or illness. Variable annuities and health savings accounts (or flexible spending accounts) can also sometimes be used to pay for elder care.

Where you can't look is within traditional health insurance or Medicare, neither of which covers most kinds of elder care that isn't therapeutic in nature. Government aid from Medicare won't kick in until the patient's savings are exhausted, meaning that there might be no money left for the care of a surviving spouse.

Where you can't look is within traditional health insurance or Medicare.

Elder care is the number one risk facing elderly Americans, and 60% of people over 75 will likely need it before dying.

Long-term care insurance or a variable annuity chosen with elder care in mind is probably the most preferable method to deal with this risk.

Talk to one of our professionals about your options and getting started on a plan for your future. Beginning coverage between the ages of 40 and 55 is excellent for rates, but good plans are available even if you are starting later in life. Give us a call today. ■

You Have Options in Life Insurance

There are many life insurance options to consider based on your family's particular needs. The Florida Department of Financial Services recently described the following common choices in an effort to educate consumers.

- **Mortgage protection term insurance** is a decreasing term insurance policy for the period of the mortgage. The face amount of term insurance follows the amortization schedule of the mortgage, and the premiums usually remain constant.
- **Term life insurance** will provide coverage for a specific period of time, usually until a certain year or age of the insured. Many people use term life insurance to pad their death benefits should they die prematurely while their families are still dependent on their income.
- **Whole life insurance,** also referred to as **permanent insurance** or **ordinary life insurance,** will provide financial protection for the entire lifetime of the insured, or to age 100. Premiums remain the same for the life of the insured as long as premiums are paid. Often, these policies accumulate cash value over time and can be liquidated instead of kept until death.
- **Variable annuities** are a form of long-term life insurance that can change with the ups and downs of the stock market. There are different types of annuities, but the basic idea is that you can pay over time or in a single upfront payment and you will receive periodic disbursements or a lump sum at some point, usually after retirement. They are tax-deferred and can offer a death benefit provision.

For more information, call our service team today.

For more information about your home, auto or personal liability insurance, fill out this form and send it in. Or give us a call today!

Thank you for your referrals. If you're pleased with us, spread the word! We'll be happy to give the same great service to all of your friends and business associates.

Please call me about:

- ❑ My home insurance protection
- ❑ Car insurance
- ❑ Boat insurance
- ❑ Insuring my in-home business
- ❑ Personal umbrella policy

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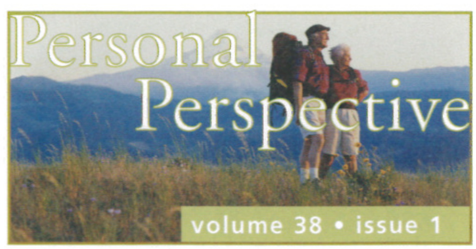

My name: ________________________

E-mail: __________________________

My home phone number:

(_____) ______________________

(If we don't already insure you)

My auto/homeowners coverage expires on: _____ / _____ / _____

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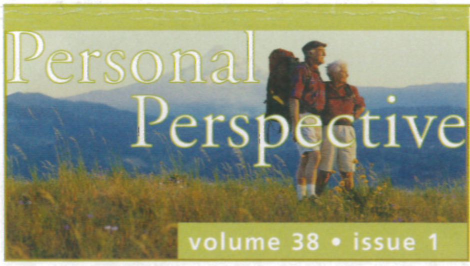

- A New Baby Means New Insurance Needs
- Insuring 'Daycare' for an Elderly Dependent
- You Have Options in Life Insurance

Change Beneficiaries After a Divorce

So the divorce is final, and after months of painstaking division, you and your former spouse have finally settled asset and custody questions. Unfortunately, the Supreme Court recently ruled that there's another step you must take before putting the process behind you.

The recent ruling confirms that you must notify your employer's retirement plan administrator in writing that you are changing 401(k) beneficiaries. Failure to do so means that, if something happens to you, 401(k) assets will be distributed to the previously named beneficiary.

The Supreme Court ruled unanimously that the Employee Retirement Income Security Act (ERISA) required such action even in cases where the former spouse agreed to give up rights to retirement assets in a divorce settlement.

According to Richard Muser, a retirement specialist and partner at the Manhattan law firm Clifton, Budd & DeMaria, the ruling "would apply to any ERISA-covered benefit plan." This broad description includes 401(k) plans, employer-provided life insurance, profit-sharing plans and traditional pensions. ■

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