

Offering insurance helps attract and retain employees

IF YOU HAVEN'T REVIEWED YOUR INSURANCE BENEFITS IN A WHILE, YOU MIGHT BE MISSING OUT ON SOME OF THE MOST IMPORTANT WAYS TO KEEP YOUR BUSINESS SAFE AND SOUND.

THE INSURANCE LANDSCAPE is changing, says John Hodapp, CPCU, Hortica Insurance and Employee Benefits. "Businesses may qualify for tax credits that are part of the 2010 Affordable Care Act," he says. "They help employers afford group health benefits for their employees, depending on the number of employees in the company. Also, term life insurance rates have fallen, so people who haven't been in the life insurance marketplace recently may be overpaying."

Health insurance — Offering employees health insurance is more than a cost-effective way to attract and retain good employees, says Diane Bloemker, an employee benefits consultant with Hortica. It's also a great way to help them stay healthy, especially since employees with group insurance receive wellness benefits at no cost, also because of health care reform.

Landscape firms may find it difficult to meet the participation requirements established by health insurance companies, Hodapp says. Group plans require a certain percentage of eligible employees to enroll in the plan. Most landscape contractors hire a significant percentage of workers who don't think they need health insurance and don't want to pay for it.

"We've helped many employers implement dual-option plans," he says. Dual-option plans give employees a choice of either a basic low-cost plan or a more expensive plan that provides more robust benefits. Employees who might otherwise "opt-out" of health insurance may purchase coverage when a lower-cost alternative is available.

Disability benefits — Most workplace injuries are covered by workers compensation insurance. However, injuries and illnesses that are not work-related still occur. Short and long-term disability insurance covers the loss of earnings due to accidents and disabling illnesses. These policies can be funded by either employers or employees.

Key person life insurance — In the landscaping business, the loss of the service of a key person could hurt the business. When the key people are insured under this policy, the death benefit could provide dollars to help the business weather the storm, says Bloemker.

Work site benefits — "These are relatively low cost policies purchased voluntarily by employees to provide specified benefits directly to the employees," Hodapp says.

For example, employees with an accident policy who become injured receive a monetary benefit they can use in any way they choose, he says. This is in addition to workers compensation or any other insurance they have.


Employees also can buy insurance with "first occurrence benefits," Bloemker says. Policyholders are paid a lump sum benefit when they're first diagnosed with a covered major illness such as cancer.

Life insurance — Landscape firms also can offer their employees inexpensive group life insurance, and individual policies.

Long-term care insurance — Long term care insurance, funded by either employer or employees, can help protect employees' savings and investments.

"If someone has the need for a facility such as a nursing home, long term care insurance contributes toward the cost," she says. It also can cover home health care for individuals who are able to stay in their home.

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Employees say health insurance is important to them.

WHAT YOU NEED TO KNOW

1. Employees say medical insurance is their most important benefit.
2. Employees should take advantage of all available wellness benefits to maintain their good health.
3. Children can now be covered on a parent's group health insurance plan until age 26.
4. Employers typically pay at least 50% of the cost of employees' health care insurance.
5. Prescription drugs account for a major portion of health insurance costs. The use of generic drugs and mail order pharmacies helps control costs.

BENEFITS SHOPPING TIPS

A few things employers should keep in mind when they're shopping around for an employee benefits package:

- Know what benefits your employees really want.
- Hortica Insurance & Employee Benefits represents numerous health insurance companies and provides employers with multiple insurance quotes.
- Consider the importance of service after the sale. Hortica offers expert personalized service to help with billing and claims questions and helps employees get the most from their benefit packages.
- Employers who encourage wellness and healthy living are often able to reduce their health insurance costs over the long run.
- Talk with your tax advisor to ensure you receive the maximum tax credit.