Health & Retirement Services of Illinois
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OUR NEWS LETTER HRSI

Social Security will cut paper statements — again

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Say goodbye to receiving your Social Security statements in your mailbox — yet again.

The Social Security Administration announced in a blog post that it would send fewer statements in the mail in an attempt to cut down costs.

Only individuals who are 60 and over, who aren't receiving benefits and who don't have a My Social Security account online will get paper statements. These statements detail information on your earnings, your estimated benefits, and the contributions you've paid via payroll taxes.

This measure will reduce the cost of processing and mailing statements by $11.3 billion in the 2017 fiscal year, according to the blog post.

"We know that our cutbacks will affect many of you, but we have no choice," wrote Doug Walker, deputy commissioner of communications at the Social Security Administration, in his blog post.

This latest move marks the second time Social Security has trimmed its mailing schedule for statements.

Back in 2011, the agency stopped mailing its annual paper statements to save on costs. The following year, Social Security launched a web-based version of the statements, which workers can view if they sign up for a My Social Security account.

After a wave of criticism and a push from Congress, in September 2014 the agency resumed sending paper statements to workers who aren't receiving benefits and who haven't signed up for an online account.

Up until now, these individuals were getting their paper documents as they turned 25, 30, 35, 40, 45, 50, 55 and 60 and over

In Our Newsletter

11 useless things to stop wasting your money on in 2017

Kathleen Elkins Tue, Jan 10

Whether it's paying a late fee or snagging a candy bar while waiting in the checkout line, it's all too easy to spend mindlessly and waste money. But that cash could be directed toward your savings goals or **growing substantially in a retirement account** .

"We all have room to set aside a little money for our future," certified financial planner Carrie Schwab-Pomerantz **tells CNBC** . "A good habit to develop in 2017 is to take on a more mindful approach to spending."

Step one is to identify *where* you're wasting money. Do any of these purchases sound familiar?

ATM fees

It'll cost you a record high of $4.57 to withdraw money from an out-of-network ATM. There's no reason to continue paying these fees, which can add up significantly over time.

A simple 2017 resolution: If your bank's logo isn't on the ATM, don't use it.

If you use one of the traditional, bigger banks, there should be ATM options in your area. Simply look up the locations online and put in the extra effort to get to one of your bank's ATMs. If there aren't any convenient ATM options in your city or town, you may want to consider opening a checking account with a more accessible bank.

Late fees

Like ATM fees, late fees are a pointless money suck. And there's more to late payments than simply paying a fee. Missing payments can also lower your **credit score** , which affects your ability to borrow money for bigger purchases, like a home or car, in the near future.

Never miss a bill again by setting up automatic payments online for fixed costs such as cable, internet, and insurance. For expenses that can't be paid online, such as rent, set up calendar reminders and pay them at the same time each month so it becomes routine.

Underused subscriptions

"Nothing makes a company happier than getting its customers to sign up for *subscriptions*," writes Yahoo tech columnist David Pogue in his 2016 book, "Pogue's Basics: Money."

"Millions of people sign up for 30-day free trials of things, intending to cancel within 30 days — and then they forget. Or they sign up for certain services but have long since stopped using them."

Look over your last couple of credit card statements and figure out exactly what you're paying for, whether it be subscriptions to magazines, software, or online services. Next, ask yourself which you can eliminate, and cancel them on the spot to save a couple hundred dollars a year.

You could also use Trim, which automatically finds and cancels your subscriptions with a text.

Buying lunch every day

Eating out can add up quickly. The more food you can prepare at home, the better off your food budget will be. Plus, packing lunch also tends to be better for your waistline.

Of course, it's OK to treat yourself and buy the occasional meal out, but if you're aiming to hit major financial goals in 2017, going homemade is one of the simplest ways to cut back without making dramatic sacrifices.

Bottled water

While you're getting into the habit of packing your lunch, start filling up a water bottle too.

"Most people who buy water in bottles do it for convenience," notes Pogue. "If you carry a water bottle with you, you spend nothing. (And lose weight. And live longer.)"

Cable

"The average American cable-TV bill is $100 a month," writes Pogue. That's a large sum to pay for a service that people often don't take full advantage of.

Consider cutting the cord and getting your TV from the internet, through services like Netfilx ($8 a month), Hulu ($8 a month), or HBO Now ($15 a month).

Cable box and modem

If you decide you simply can't live without your cable, at least buy your own cable box and modem.

"As though the cable companies weren't already milking you dry with the cost of the TV service, they're also charging you about $235 a year to *rent the cable box*," writes Pogue. "You can buy your own replacement cable box for $120 (pays for itself in eight months)."

The same goes for the cable modem. "The damage is about $10 a month, forever," Pogue says, of the renting option. "Buy your own cable modem for $100, return the one you've been renting, and boom: a $120-a-year savings."

Extra smartphone data

"The cell phone carriers hope you'll go over your monthly allotment [of data]," says Pogue. "If you do, they slap absurd overage charges onto your bill."

To never pay an overage charge again, install a "fuel gauge" app, like DataMan or My Data Manger, which will monitor the data you use and warn you if you're approaching your monthly limit. Pogue also suggests identifying the "gas-guzzlers": "Different apps use different amounts of data, and you might be astonished to see which ones are the guilty parties."

Finally, use Wi-Fi whenever you possibly can. When you're connected to Wi-Fi, you're not using *any* of your data allowance.

Excess groceries

Collectively, we waste a lot of food. Every time you throw away excess groceries, that's money down the drain.

Before you grocery shop, think about the meals you're going to make for the week and write down exactly what ingredients you'll need to prepare those meals. When you actually go to the store, stick to *just* the ingredients on your list.

Brand-name products

Going generic — for groceries, toiletries, or pet supplies — is an easy way to save money over time. As Pogue reports, "store brands cost around 30 percent less than national brands."

You don't have to buy generic for *everything*. Identify what's really important to you and what you're willing to sacrifice — then, buy brand-name for the stuff you care about and go generic for everything else.

Impulse buys

From grocery stores to department stores, retailers have a way of tricking you into spending money mindlessly. One tactic is loading the checkout aisle with tempting products: cold sodas, candy bars, and 99-cent knick knacks. After all, your self-control is likely spent by the time you're done shopping, and stores bank on you giving into that pack of gum.

Skip the candy or magazine and redirect that $5 toward your savings goals or retirement account, where it could grow significantly over time.

Morning Briefing: Consumers are ready for insurance robo-advisors

by Steve Randall 12 Jan 2017

Consumers are ready for insurance robo-advisors

Seven out of ten consumers would welcome robo-advisory services for insurance and other financial services, a new survey reveals.

The global study by professional services firm Accenture found that computer-generated advice would be accepted by most but only to a certain level. For more complex matters, human interaction remains important.

For insurance advice, 71 per cent of respondents said they would be open to robo-advisors for helping to determine which coverage to purchase. This is the same percentage as for advice on which bank account to open.

Complaints is one area where consumers are less happy to deal with a computer but generally two-thirds want human contact for financial services matters.

The report also discovered the 29 per cent of respondents would consider switching to Google, Amazon or Facebook for insurance services and 30 per cent would switch to a retailer or supermarket.

Personalized insurance is a big one with 64 per cent of respondents showing an interest.

Unsurprisingly, many of the respondents who were open to new platforms and outlets for their insurance and other financial needs are millennials and those from emerging markets but even in mature markets there is an increasing acceptance of new ideas.

Three key risks for 2017 highlighted in global report

Economic inequality, societal polarization, and intensifying environmental dangers have been identified as the top three risks in the latest Global Risk Report from the World Economic Forum.

The report, developed with support from insurers Marsh and Zurich, surveyed 750 risk experts and highlights that rising inequality between top earners and those at the bottom is the largest risk to global development in the next 10 years.

The environment is second and reached a milestone with key elements of climate change being ranked highly both for risk and for likelihood. Extreme weather events are the top risk identified in this sector.

Polarization of societies is the third highest risk and there is also concern that society is not keeping pace with technological trends.

“We live in disruptive times where technological progress also creates challenges. Without proper governance and re-skilling of workers, technology will eliminate jobs faster than it creates them,” warns said Cecilia Reyes, chief risk officer of Zurich Insurance Group.

She added that governments cannot continue to blame globalization for society’s challenges but must embrace cooperation.

AIG develops automatic document processing solution
AIG has teamed up with law firm Bond Dickinson to develop a document processing solution which will save time and money for the insurer’s lawyers.

"As part of AIG’s strategic focus to concentrate resources on delivering value to our clients, we are continually looking for ways to streamline operations and automate processes and systems,” explained Chris Newby, General Counsel at AIG. “This approach simplifies the way we template legal documents enabling the legal team to focus on delivering value to the business."

The focus was the automation of non-disclosure documents with templates created by the law firm, which has represented AIG for many years. The process has been migrated to the insurer’s service center in Manilla

Dooming ACA Raises Sticky Questions About Guaranteed Coverage

Crossville Chronicle (TN)

WASHINGTON - Even while taking steps to repeal the Affordable Care Act, congressional Republicans echoing President-elect Donald Trump say they want to preserve a popular part of President Barack Obama's signature health care law -- guaranteed coverage for people with pre-existing conditions.

But without an agreement on how to replace Obamacare, health care leaders including the head of the Fairview Community Health Center clinics in Kentucky say they're worried about the future.

Obamacare, for all of its problems, led more people with chronic conditions such as diabetes to get insurance and medical care, said Chris Keyer, executive director of the center serving a rural area near Bowling Green.

If the guarantee is weakened, she worried that people may lose coverage, bringing back the days when patients went without treatment until they landed in an emergency room in a diabetic coma.

Though there's no consensus, the most extensive alternative to Obamacare laid out thus far would guarantee coverage for fewer people with pre-existing conditions.

The plan crafted by House Republicans last year removes the guarantee for those who've had lapses in insurance coverage, for example if they've lost a job or decided they couldn't afford insurance for a time.

Changes to the guarantee could disproportionately hurt states with high numbers of people with pre-existing conditions -- including Georgia, Kentucky and West Virginia, which have more people who suffer chronic illness -- according to the Henry J. Kaiser Family Foundation.

Questions of how to deal with those people illustrate the complexities of finding a replacement to Obamacare.

Requiring insurers to carry people with such conditions adds costs for those companies.

At the same time, Republicans and Trump say they want to dump Obamacare's controversial mandate that all Americans sign up for insurance or pay a fine. That provision was intended to balance costs for insurers, however, by forcing more healthy people to pay into the system.

Removing the individual mandate while requiring coverage for people with chronic conditions will cause problems, say health care analysts, insurers and even some Republicans.

Premiums will spike if healthier people forego insurance, wrote Larry Levitt, senior vice president of the Kaiser Foundation in an op-ed in the Los Angeles Times.

The result, he said, is a "death spiral" for the insurance industry as higher premiums prompt more healthy people to drop coverage.

Sen. Rand Paul, R-Ky., made the same point last week when writing for the news and commentary website Rare.us that the combination of the two "will only accentuate the bankrupting of the insurance industry."

It was unclear if Paul was calling for an end to the coverage guarantee, as have conservatives including Michael Cannon, director of health policy at the libertarian Cato Institute.

Paul is expected to unveil his own replacement plan later this week.

Sen. Robert Casey, D-Pa. a member of the Senate Ways and Means Committee, railed in an interview against Republican promises to preserve the guarantee while allowing young adults to continue to stay on their parents' insurance plans until age 26.

"If you're making those two promises, and at the same time saying you're going to get rid of the individual mandate, you've just lied to the American people," Casey said last week.

Sen. Elizabeth Warren, D-Mass., has also blasted Republicans. "They are shocked, shocked, to discover that guaranteeing Americans access to health care is a complex business, and they don't have any good ideas," she said on the Senate floor Monday night.

A potential strategy is the plan espoused by Rep. Tom Price, R-Georgia, who is Trump's nominee for health and human services secretary, which was approved by House Republicans last year.

In broad terms, the plan proposes lowering costs for insurers by creating unspecified incentives for people to stay healthy, and raising limits on how much older people may be charged for the same insurance that younger people receive.

The idea is to lower premiums for younger people, getting more to sign up.

In addition, the plan only guarantees coverage for people with pre-existing conditions if they do not have a lapse in coverage. That discourages people from waiting until they have problems to buy insurance, which also encourages more healthy people to sign up.

Those who lose coverage can still get insurance through a high-risk pool, though critics say those pools come with astronomical premiums.

Meanwhile, Republicans in Congress want to keep the focus on Obamacare's problems and reassuring constituents that they'll have a plan.

"It's time to admit it, Obamacare has failed," said Senate Majority Leader Mitch McConnell, R-Ky., in the Senate on Tuesday.

Senate Majority Whip, Sen. John Cornyn, R-Texas, pledged in a statement, "We're not going to let people fall through the cracks."

While some Republicans are wary of repealing Obamacare before settling on a replacement, others said a new system can be created as the old one is phased out.

Sen. Shelley Moore Capito, R-W.V., a supporter of repealing Obamacare, said any replacement should have a "substantial transition period to protect access" for thousands in her state of people who got coverage through Obamacare, including people with pre-existing conditions.

Sen. Johnny Isakson, R-Ga., a member of the Senate health care committee, said he believes there's consensus about preserving the pre-existing condition guarantee. His office did not respond to questions about offsetting the costs.

Sen. James Lankford, R-Okla., who backed a procedural move to begin Obamacare's repeal, also said a replacement needs to provide a "smooth transition" to a better system.

Still unsure what that is, Keyer, of the health clinic near Bowling Green said, "There's a tremendous sense of worry."

Morning Briefing: Insurer drops EpiPen coverage to cut costs

by Steve Randall 13 Jan 2017

Insurer drops EpiPen coverage to cut costs

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Cigna has announced that it will no longer cover the cost of the life-saving EpiPen following a sharp rise in its cost since 2009.

CNN reports that the insurer will now only cover the cost of the generic version of the medication which was launched in December.
EpiPen manufacturer Mylan was widely criticized when it emerged that cost of the treatment for allergic reactions had increased 400 per cent since 2009 and was forced to develop the generic version which is half the price.

"The generic version, available now in pharmacies, has the same drug formulation and device functionality as the branded medication, but at a substantial cost savings," Cigna spokeswoman Karen Eldred told CNN Money.

Will Trump's move on the fiduciary rule affect insurance?

by Lucy Hook 09 Feb 2017

The Independent Insurance Agents & Brokers of America (IIABA) has praised action by the Trump administration to halt the implementation of a rule which it says would place "overly burdensome requirements" on its members.

The IIABA said in a release that it was grateful for Trump's move to direct the Department of Labour (DOL) to re-review a fiduciary rule implemented by the Obama administration, which it described as 'controversial'.

"The DOL rule places overly burdensome requirements on [IIABA] members who offer retirement advice, leaving many insurance agents and brokers struggling to find a way to effectively serve their clients moving forward," Robert A. Rusbuldt, the association's president & CEO, said in the release.

The fiduciary rule, which tightens conflict of interest rules under the Employee Retirement Income Security Act (ERISA) and requires insurance agents and brokers who give guidance about certain retirement investments to adhere to a fiduciary standard of care, was finalized in April 2016, but delayed until April 2017, in order to give the industry time to comply, the IIABA said.

Jennifer Webb, of the IIABA, told *Insurance Business* that the rule is "extremely complex," consisting of over a thousand pages, and would present a significant challenge for members when it comes to compliance.

"It's difficult, especially for small businesses to comply with regulations that are maybe one-size-fits all when they don't need to be," Webb said.

The rule, which Webb said would affect life insurance products such as annuities, and any kind of insurance product with an investment component, would require a great deal of education – which is why it has already been subject to delays.

"Our major concern is that it would push the middle class out of being able to get individual investment advice, and we are seeing that happen," Webb explained.

Charles Symington, the IIABA's senior vice president of external and government affairs, said that while the association "does not necessarily oppose a best interest standard for insurance agents and brokers, the Obama Administration's fiduciary rule is simply unworkable for many [IIABA] members and harmful to many consumers."

In its release, the association added that it was looking forward to working with the Trump Administration and Congress as the DOL reviews the next steps pursuant to the President's executive order.

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