



Why Work with a Public Sector Specialist for Your Life and Disability Insurance?



A Public Sector Specialist Will Understand Your Sick Leave Policies and Proactively Protect You with Special Policy Provisions.



Standard Insurance Industry Coverage Termination Language

In standard life and disability policies, an employee must be Actively at Work at the time an accident, illness, or death occurs in order to be covered under the life and disability insurance policies. There are usually exceptions built in for situations such as FMLA but not typically for extended sick leave periods.

Non-Standard Coverage Termination Language

Most school districts and other public sector organizations such as cities and counties often have generous sick leave policies whereby employees can bank time and use it later. If your agent and carrier are fluent in public sector insurance plans, they will build in special continuation language so that employees can maintain their coverage during these extended absences.

Example

Jessica, a teacher, was a loyal employee who was rarely sick. As such, she accumulated 26 weeks of sick leave over her long tenure with the district. Jessica took time off work to care for her sick mother and used her sick leave pay during her absence. Sadly, she had been out of work for 14 weeks when Jessica

discovered she had cancer. Her treatment plan involved an immediate surgery, followed by chemotherapy and radiation.

Since she still had 12 more weeks of sick leave, she planned to continue to collect her sick leave pay until she exhausted it, at which point she would file for her disability benefits. If Jessica had a standard disability insurance policy, her claim would be denied because Jessica was not Actively at Work when she became disabled, and the only continuation of coverage language that existed was 12 weeks for FMLA, per regulatory standards.

If Jessica's employer was using a public sector specialist who was used to working with extended sick leave provisions, the policy would have language that takes this into consideration and allowed for coverage to be continued beyond the 12-week FMLA period.

The same would be true if Jessica hadn't become ill at all, but instead died in a car accident in the 14th week of her leave. Most life insurance plans would not include continuation language that factors in the large sick leave bank, so a life insurance claim may have been denied.

A Public Sector Specialist Will Understand Your Bargaining Needs and Offer Solutions and Support at the Bargaining Table.

If your organization is bargained, there are many nuances that many standard insurance agents and companies just do not grasp.

When You Work with a Public Sector Specialist, They Will:

- Regularly ask about your bargained agreements and any changes to your bargained agreements. A specialist understands how the smallest change in one line of your agreement can affect your insurance plans and how to find a plan flexible enough to include the protection you need.
- Help you strategize and offer solutions that will increase your success at the bargaining table. They can even attend bargaining sessions with you to offer support and explanations about complicated offerings.
- Understand bargaining cycles and timing. They can ensure your policy mirrors your employee contract language and it corresponds with the way you administer benefits. Even a subtle difference could be a potential issue. You want to ensure that you don't have a coverage gap that could expose you to any potential liability.
- Review and amend the policy if needed or suggest additional language you can add to your negotiated agreements that will protect you.



A Public Sector Specialist Understands What Can Go Wrong, S/He Will Proactively Deliver Solutions and Prevent Problems.



Public sector specialists will know what can and often does, go wrong. The specialist can proactively deliver solutions instead of waiting for problems to happen. For example, NIS uses a “Best Practices Checklist” based on 50 years of working with public sector clients to help our clients administer their plans correctly and avoid liabilities.



A Public Sector Specialist Will Understand How School District's Summer Coverage Works and Ensure Summer Coverage According to Your Practices.

A public sector specialist will understand that each school, city, and county may handle insurance coverage differently during the summer months. They will ask the correct questions regarding billing cycles to avoid potential claim issues.

Summer and 9/10 Month Employees

Some public sector employers such as school districts may have staff that is off during the summer, or in the case of a county, has seasonal workers. A public sector specialist can handle billing for payroll deductions for contributory coverages based on 9 or 10 month pay cycles.

What about Retired Employees?

It's important to note that an employee who has retired will NOT have summer disability coverage, regardless of whether or not that employee is still receiving a summer paycheck. The retiring employee is covered until his/her last day of work. A public sector specialist would know to include language in the insurance policy so that the retiree would be covered by their life insurance coverage through the end of the contract year.



A Public Sector Specialist Understands Your Sick Leave Plan/Banks and Why Implementing a Short-Term Disability Plan May Work for You.



Some public sector organizations are exploring the opportunity to reduce or eliminate their sick leave plan/banks and implement a short-term disability (STD) plan instead.

It is common for governmental organizations such as schools, cities, and counties to allow employees to accumulate sick days over the course of their employment and then pay out unused sick leave accumulations at retirement. Also, some organizations have a sick leave “bank” whereby employees can borrow days from a pool. Sick pay is often paid at 100% of an employee’s salary.

- Some organizations have discovered that as retirement nears, employees may start using their sick leave days as personal time instead. For school districts, misusing these days doubles the costs as they must pay both 100% of the employee salary, plus the substitute teacher.
- Depending upon how many employees retire in any given year, sick leave payouts can be a financial drain and may leave your organization struggling to fund the following year’s payout.
- In sick leave bank situations, some districts require committee approval to receive the banked sick days. Approvals are not based upon a doctor’s diagnosis which could impede the time an employee needs to take/recover.

A short-term disability plan can be used in lieu of sick leave pay. Employees are paid a percentage of their salary if they are disabled due to a sickness or injury. This may include things like pregnancy, a minor operation, etc.

Implementing a short-term disability plan can aid younger employees – who are more likely to have less banked sick leave. Having acquired fewer sick days than their older counterparts (longer length of service), they may use up all their paid days due to pregnancy and sick children. Implementing a short-term disability plan would give them more protection in these types of situations.



A Public Sector Specialist Knows the Importance of Asking about Employees Who May Be Out on Sick Leave or Out on Disability.

A public sector specialist would be knowledgeable and advise employers about what happens when employees go on any kind of leave, waiver of premium, and disability. They would discuss any current or potential employees that may fall into these categories. Employers should be educated about:

- How sick leave, waiver of premium, and disability works
- How and when to apply (for waiver of premium and disability)
- What forms to complete and submit
- What application should be filed
- Reinstatement procedures for returning individuals



About National Insurance Services:

Since 1969, National Insurance Services (NIS) has worked with public sector organizations such as schools, cities, counties, municipalities, libraries, and community mental health organizations providing employee benefit consulting services, as well as brokerage services for medical, dental, life, disability, and vision insurance benefits. NIS also specializes in early retiree benefit restructuring services, tax-free options for retiree payouts, as well as, on-site and near-site medical clinics.

NIS is trusted by over 2,500 public sector organizations and 500,000 insured individuals in 29 states. We are headquartered in Brookfield, Wisconsin with regional offices in Indiana, Iowa, Michigan, Minnesota, Nebraska, and Pennsylvania.

To learn more about NIS, visit our website NISBenefits.com.



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