Retirement security: Nurturing your nest egg

Each day approximately 10,000 Baby Boomers turn 65 and 25 percent of them have nothing saved for retirement. Those statistics from the National Association of Insurance Commissioners (NAIC) underscore the importance of retirement planning at any stage of life. The Connecticut Insurance Department is offering the following checklist to help you prepare for retirement:

Review your finances
Take advantage of savings opportunities that may be offered through your workplace, such as 401 (k), 403 (b), a profit sharing plan, an IRA or Roth IRA. If you are over 50, consider increasing the amount you can contribute to your retirement savings.

Is life insurance right for you
Life insurance, including whole life policies that build cash value, may be something to consider. If married, there is the possibility you could spend some of your retirement years without your spouse and should ask yourself if your spouse died, would you be financially comfortable?

Provide guaranteed income for life or a specific period in exchange for a one-time lump sum payment.

Deferred income annuity: Provides guaranteed income at a certain age.

Grow your nest egg
It is recommended that 80 percent of your current yearly income is a good amount to save up for retirement. If you’ll receive Social Security and a pension, subtract that amount from your annual income and use that number to plan out to age 100 for how much you’ll need based on when you retire.

Health Care
The U.S. Department of Labor estimates that 20 percent of retirement income is spent on health care. Understand what services are covered under Medicare or an employer retiree plan. You may want to purchase a Medigap policy to cover those costs.

For more information, visit NAIC Retirement Security Initiative or Connecticut Insurance Department at insurance@ct.gov or call, 860-297-3900.

Questions or Concerns?
Contact CID’s Consumer Affairs at:
insurance@ct.gov
(860) 297-3900
(800) 203-3447
Follow the CID at:
Facebook
Twitter
YouTube

Grow your nest egg
It is recommended that 80 percent of your current yearly income is a good amount to save up for retirement. If you’ll receive Social Security and a pension, subtract that amount from your annual income and use that number to plan out to age 100 for how much you’ll need based on when you retire.

Insurance Matters

Annuities
Annuities are regulated contracts issued by insurance companies to provide income for a specific period of time. There are four types of annuities:

- Variable annuities with guaranteed lifetime withdrawal benefits: Long-term, tax-deferred products with a mix of investment and insurance components.
- Fixed and fixed-indexed annuities: Long-term tax-deferred products that offer a guaranteed minimum interest rate.
- Single premium immediate annuity: Provide guaranteed income for life or a specific period in exchange for a one-time lump sum payment.
- Deferred income annuity: Provides guaranteed income at a certain age.

Grow your nest egg
It is recommended that 80 percent of your current yearly income is a good amount to save up for retirement. If you’ll receive Social Security and a pension, subtract that amount from your annual income and use that number to plan out to age 100 for how much you’ll need based on when you retire.

During the recent 7-week-long Anthem-Hartford Healthcare impasse, many Anthem policyholders had their medical services covered in-network under what is known as “continuity of care,” even though their doctor and hospital may have been temporarily out-of-network at that time.

In this issue, we explain continuity of care and your rights under state law.

The Department is here to help ensure these rights are upheld.

“Insurance Matters” is for informational purposes and is not intended to constitute legal advice.
CONTINUITY OF CARE: KNOW YOUR RIGHTS

Consumers have important rights under Connecticut insurance laws when their health care provider and/or hospital are no longer in their insurer’s network.

First, a health carrier is required to provide written notice 30 days prior to a network disruption to all covered persons who are patients or being treated on a regular basis by the participating provider leaving the network. Second, the notice must contain important information about continuity of care rights with their insurer. Consumers’ medical services can be covered in-network from their providers, who are out of network, if the consumers are in an “Active Course of Treatment including:

- Ongoing treatment for a medically necessary or life threatening condition
- Is in the 2nd or 3rd trimester of pregnancy
- Has a condition that his or her doctors says will worsen if care is discontinued

The continuity of care period for a covered person who is undergoing an active course of treatment shall extend to the earliest of the following:

- Termination of the course of treatment by the covered person or the treating provider

LOCATOR PAYING OFF

One year after the Insurance Department launched a Life Insurance Locator, Connecticut consumers have used it to find more than $900,000 in unclaimed benefits.

Developed by the National Association of Insurance Commissioners (NAIC), the Locator has returned $92 million to consumers across the country.

YOU ASKED: THE CID MAILBAG

Am I required to have insurance for my home once it is paid off?
You are not required to have homeowners insurance if the home is paid off. However, the policy not only protects you should the home be damaged or destroyed but could also protect you from lawsuits if someone is injured on your property.

Are life insurers required to annually notify holders of policies that are paid up?
Any policy that is in force, whether it is paid up or currently has premium payments being made on it will receive an annual statement or report from the insurance company. To receive these reports/statements the insurance company must have your current mailing address.

Are newborns automatically covered under their parent’s health insurance plans? Yes, all fully insured individual and group health insurance plans issued in Connecticut must cover newborns from birth through the first 61 days, and thereafter if enrolled. If both parents have health insurance plans, the newborn must be covered under each parent’s plan.