

ESSENTIALS BY DEBI & JIM BOWMAN

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Total Benefit Services

www.bowmanbenefits.com

Looking Ahead

We have decided to redefine the focus of the company. Instead of marketing and promoting the company as “Complete Financial Services”, we will now focus on “Total Benefit Services”.

Although this will not change what we do, we have grown in size such that this better identifies exactly what we do. **Our core business is individual, senior and small group health insurance**, but we provide many other types of benefits.

Here is a summary of the products and services we offer:

Health Insurance Group, Individual & Temporary

Section 125 POP plans

Long Term Care (Health & Cash Value plans)

Disability Income Replacement

Medicare Supplements

Critical Illness

Cancer

Discount Drug Cards

Life Insurance (Term & Cash Value)

Key employee & Cross Purchase plans

401k plans

Simple plans

Fixed Annuities

Indexed Annuities

Immediate Annuities

Charitable Giving

Dental Insurance

Small Business Overhead Disability Insurance

Thank you for trusting your family and/or company benefits with us. We appreciate your business and loyalty.

Health Insurance Rates

We know that health insurance rates have been climbing at a high rate that is unacceptable to all of you. These increases are not limited to any one company. Rather all insurance companies, individual and small group, are passing on the same percentage increase. They are just reacting to what health care providers are billing them. Insurance companies adjust their rates so that they collect more in premiums than they pay out. This has been very difficult the last 2 years.

Industry studies indicate that hospitals have contributed about 50% to the increase, and pharmaceuticals 27%.

In order to maintain the premium you pay, we recommend you choose a plan with a higher deductible. This is the trend in the industry, along with higher office visit co-pays. Health insurance is becoming insurance against catastrophic event costs (other than office visits & drug coverage). But even drug benefits are being reduced and office visit co-pays increased. The idea is that consumers will slow down their usage of the health care system by not relying on insurance to pay the bill. Rather, individuals will assume the smaller cost items, with insurance covering the bigger expensive costs.

Supplemental Plans

With the health insurance headed towards more and more costs being paid by consumers through higher office co-pays and deductibles, it may make sense to offset these potential cost exposures with supplemental insurance.

The cost for these plans are relatively inexpensive, easy to get and pay you directly for a variety of illnesses and accidents. You can choose from Critical Illness, Cancer and accident plans. These can all be purchased by individuals and families.

Other plans are available only through group plans, where the employee is payroll deducted. With a section 125 pre-tax POP plan in place, the savings in taxes can pay the cost of the premium.

2002 Texas Health Plan Law

The Texas legislature passed HB1440 this year changing the legal age a dependent may stay on a parent (or grandparent) policy. Unmarried children (young adults) may be covered on their parent's plan to age 25 and there is NO requirement of full time student verification. This also applies to those grandchildren claimed as dependents for federal income tax purposes. This change took place January 1, 2002.

DIABETES

Diabetes is the body's inability to produce insulin. Type 1 occurs earlier in life and is marked by the total absence of insulin while Type 2 happens when the body cannot make enough or use insulin properly. Once you have diabetes, you will have it the rest of your life.

Negative side effects are damage to the heart, kidneys, blood vessels, eyes and feet. There are things you can do to reduce or eliminate your risk. These include: eat right, exercise, lose weight and quit smoking. Eating right includes reducing the amount of carbohydrates and sugars consumed each day. As a side effect of doing this, weight loss may occur. If it cannot be controlled this way, medication may be required. Insulin is required for more severe cases.

It is important to remember that an individualized nutrition and exercise plan may reduce the need for medications and could also prevent or delay other negative consequences. For more information, go to www.diabetes.org

Updated Website

In conjunction with our marketing focus change, we are updating our website to accommodate the increased traffic and usage. www.bowmanbenefits.com has always had links to many of the carriers we represent, but we have not had the flexibility to make changes and update the information on it.

More and more insurance business is being conducted on-line, so we are geared to handle it. Insurance companies are adding forms, applications, help numbers and information to assist policy holders. However, not all are geared up and there is no consistency between companies.

We will also archive these newsletters on the website beginning with the January 2001 issue. Of special note, is the September 2001 issue which highlights the tax law changes affecting all of us for 2002 and beyond.

If you have not already done so, we would like to add your email address to our database. **Please send us your email address to:** jmdwbowman@attbi.com

IRS Form 1040

April has rolled around again, making it tax filing time. This year there is a new line (#47 form 1040 or #30 for 1040A or #7 for 1040EZ) for those who did not get their full rebate check last year from the IRS. If you got a check for: \$600 for marrieds, \$500 for head of household or \$300 single, IGNORE this line.

You have until April 15 to set-up and/or fund your 2001 IRA.

Business Overhead Insurance

Perfect for small business owners. The policy pays business overhead expenses for up to 2 years (up to \$8,000 per month) in the event of the owner's disability. Since most small business have regular monthly expenses, and without the working ability of the owner, how long will the business survive? If the owner's disability is lengthy, this coverage will help pay the costs of the business until a new owner can be found.

How long can your company survive if you are disabled? And how much will it cost to keep the business open until a buyer can be found? As a bonus, the premiums can be deducted as a business expense.

Long Term Care for C Corporations

A C-Corp company can establish an endorsed group, which allows the premiums to be discounted 10-15% for anyone choosing to purchase LTC or.....

The Corporation can select certain personnel and their dependents to be covered. The Corporation pays their premium and the premium paid is treated as a usual business expense. AND, the premium paid is NOT included in the employee's taxable income. Premiums can be paid for life and choose a 10-pay option (paid up in 10 years).

Blood Donations

Did you know you can donate 1 pint of whole blood every 56 days (i.e. 8 weeks). This means a person can donate 6 times per year. Both of us are regular donators, and we wish you were, too.

Carter Blood Care is now experiencing a shortage in donated blood for the North Texas area. If you would like to donate, call to schedule a time (about 30-45 relaxing minutes). There are 12 locations in the metroplex, so one is likely near you. Call 1-800-366-2834 to get the address near you or go to carterbloodcare.org.

Interesting Study

A Rand Corporation study shows that obesity is now more costly than either smoking or alcohol abuse. With the annual per person cost of adult health insurance at \$1,500, obesity adds \$395 to this, with smoking adding \$225 and alcohol abuse \$150. Being overweight, adds \$125.

Medical experts state 1 in 3 Americans are overweight and 1 in 5 is obese based on the body mass index (BMI). From 1991 to 2000 obesity rose 60% in the US, while smoking rates have been reduced by 50% since 1964.

Being obese "is like aging 20 years", states Roland Sturm, author of the study. The experts hope the study will correct the widely-held impression that smoking, drinking and substance abuse are bigger problems than obesity.

UNICARE Update for April 2002

Starting April 1, 2002 (no fooling) Unicare is implementing a new computer system. Everyone on quarterly billing has had their invoices adjusted so that the new quarter begins April 1. In addition, EVERY member will be getting new ID cards once you are switched to this system. Your current ID card is good until then.

For those of you who made plan changes, it may take a little longer to get the correct ID cards. Please let us know if you have any questions are get an incorrect card. We will help you get the correct ones.

Indexed Annuities

After the past 2 years of volatile stock markets and in most cases, decreased portfolio value, those who have had an Indexed Annuity have not lost anything, rather they still have their peak account value. Plus, with no down side risk, their principle and earnings intact, these people have not experienced the emotions of a down market.

These same people have seen their annuity gain in value in rising market years. Although not appropriate as an entire portfolio, these make excellent anchors with which to balance equity investments. You owe it to visit with us and go over how an Indexed Annuity can help your portfolio perform better and help preserve earnings.

After all, it is not only what you make, it is also what you can retain that counts.

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This newsletter intends to offer factual and up-to-date information on the subjects discussed, but should not be regarded as a complete analysis of these subjects. Professional advisors should be consulted before implementing any option presented. It is meant for educational use only.

Spring 2002 Calendar of Events

April 25 10-11:30am	<i>Plano Senior Center</i> Class comparing LTC funding and coverage options.
May 14 6 - 7:30pm	<i>Plano Senior Center</i> How to set-up a home based business.