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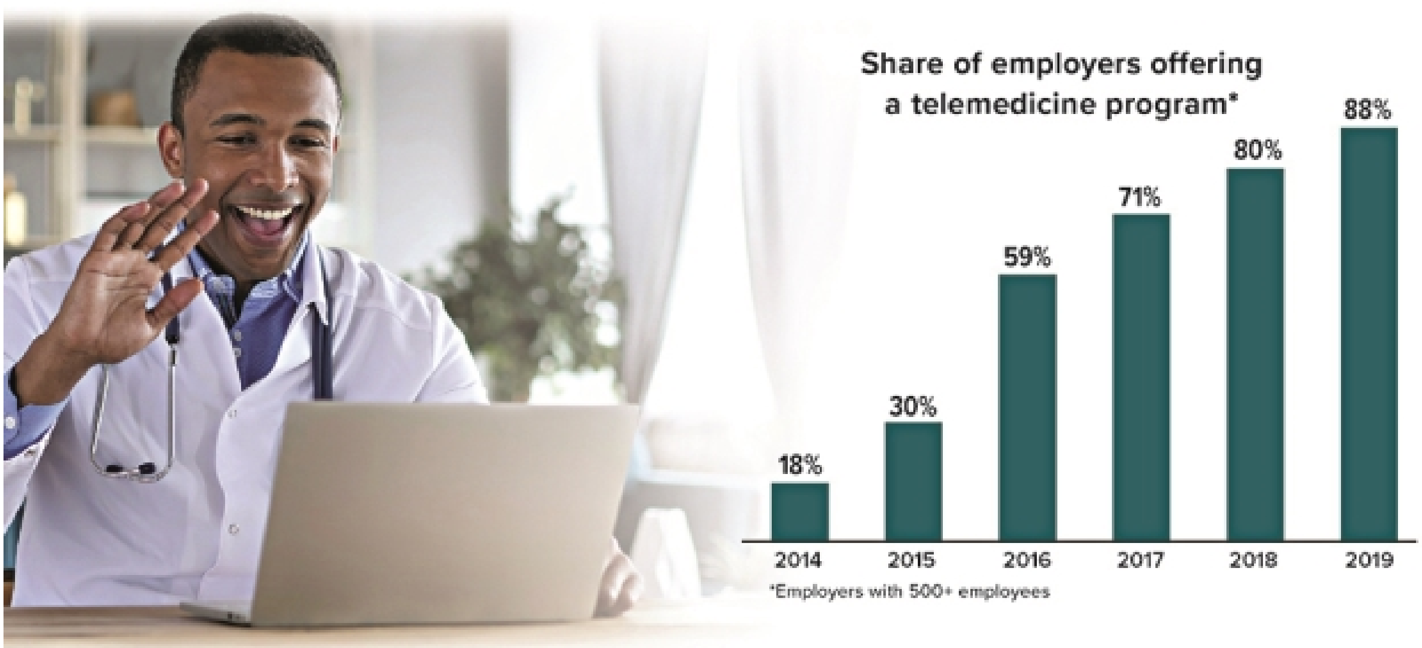
Most Large Employer Health Plans Include Telemedicine

Over the past five years, employer enthusiasm for telemedicine benefits has surged. Almost 9 out of 10 large employers now offer employees the opportunity to virtually visit their health-care providers.



Source: Mercer National Survey of Employer-Sponsored Health Plans 2019

February 2021

Are Value Stocks Poised for a Comeback?

Growth stocks have dominated the market for the last decade, led by tech giants and other fast-growing companies. While it's possible this trend may continue, some analysts think that value stocks may have strong appeal during the economic recovery.[1]

No one can predict the market, of course. And past results are never a guarantee of future performance. But it may be helpful to consider these two types of stocks and the place they hold in your portfolio.

Value stocks are associated with companies that appear to be undervalued by the market or are in an industry that is currently out of favor. These stocks may be priced lower than might be expected in relation to their earnings, assets, or growth potential. In an expensive market, value stocks can offer bargains.

Established companies are more likely than younger companies to be considered value stocks. Older businesses may be more conservative with spending and emphasize paying dividends over reinvesting profits. The potential for solid dividend returns regardless of market direction is one reason why value stocks can be appealing, especially in the current low-interest environment. An investor who purchases a value stock typically expects the broader market to eventually recognize the company's full potential, which might push the stock price upward. One risk is that a stock may be undervalued for reasons that cannot be easily remedied, such as legal difficulties, poor management, or tough competition.

Growth stocks are associated with companies that appear to have above-average growth potential. These companies may be on the verge of a market breakthrough or acquisition, or they might occupy a strong position in a growing industry. The dominance of large technology stocks over the last few years is one example of this.

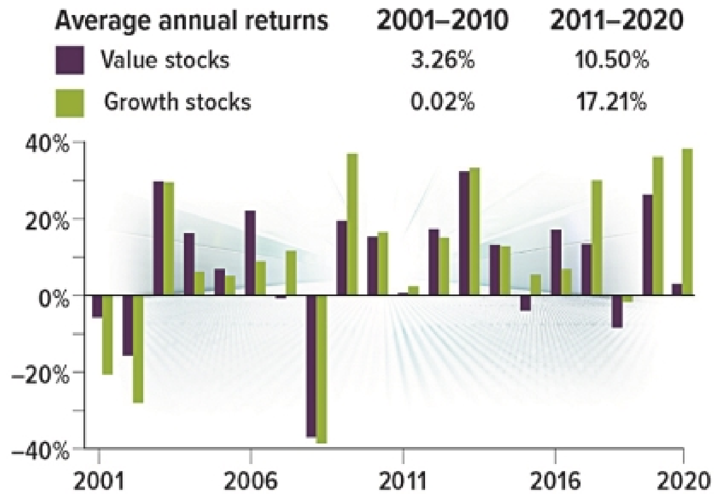
Growth companies may be more aggressive with spending and place more emphasis on reinvesting profits than paying dividends (although many larger growth companies do offer dividends). Investors generally hope to benefit from future capital appreciation. Growth stocks may be priced higher in relation to current earnings or assets, so investors are essentially paying a premium for growth potential. This is one reason why growth stocks are typically considered to carry higher risk than value stocks.

Diversification and Weighting

Value and growth stocks tend to perform differently under different market conditions (see chart). For diversification, it may be wise to hold both value and growth stocks in your portfolio, but this can be accomplished by investing in broad index funds, which generally include a mix of value and growth stocks. These are considered *blended funds.*

Different Styles for Different Times

Value and growth are considered investing *styles.* The last 10 years have been a strong period for growth stocks, but value stocks were stronger during the previous decade, which included two recessions with extended bear markets.



Source: FTSE Russell, 2021, for the period 1/1/2001 to 12/31/2020. Value stocks and growth stocks are represented by the Russell 1000 Value Index and the Russell 1000 Growth Index, respectively. The performance of an unmanaged index is not indicative of the performance of any particular investment. Individuals cannot invest directly in an index. Investment fees, charges, and taxes were not taken into account and would reduce the performance shown if they were included. Rates of return will vary over time, particularly for long-term investments. Past performance is no guarantee of future results. Actual results will vary.

Typically, investors who follow a value or growth strategy weight their portfolios to one side or the other through funds or individual stocks. If you use a mutual fund or exchange traded fund (ETF) to emphasize value or growth in your equity portfolio, it's important to understand the fund's objectives and structure, including the index that the fund uses as a benchmark.

Diversification is a method used to help manage investment risk; it does not guarantee a profit or protect against loss. The return and principal value of stocks, mutual funds, and ETFs fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. The amount of a company's dividend can fluctuate with earnings, which are influenced by economic, market, and political events. Dividends are typically not guaranteed and could be changed or eliminated.

Mutual funds and ETFs are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

1) *The Wall Street Journal,* September 30, 2020

COVID-19 and the Importance of Disability Income Insurance

The prospect of being unable to work due to an illness or injury may seem remote to many of us, particularly during our younger working years. However, the COVID-19 pandemic has increased the chances of getting sick and not being able to work for an extended period, making disability income insurance (DI) more important than ever, regardless of your age.

Health insurance may pay for some of the medical expenses related to your illness, but it won't cover your lost wages if you can't work. And while many employers offer some form of sick leave, it may not last long enough to cover the length of time you can't work. Disability income insurance pays a portion of your salary if you are unable to work due to an injury or illness. But will DI cover you if you can't work due to COVID-19?

Will Disability Insurance Pay for COVID-19-Related Disabilities?

Generally, disability income insurance provides income benefits if you are unable to work for a medical reason. Before paying a claim for benefits, most DI policies require that you are unable to work because of a diagnosed medical condition, such as COVID-19, that has been verified by a doctor or other qualified medical professional.

If you are ill, or test positive for the virus, and are unable to work due to your illness or a medical quarantine (i.e., you can't work remotely), you should qualify for DI benefits. On the other hand, even if you tested positive and have a mild illness or are under a medical quarantine, but you have the ability to work, (i.e., you can work remotely), then you probably won't qualify for DI benefits. It is important to note that social quarantine (e.g., a government-mandated stay-at-home order) is not a medical quarantine and will not qualify for DI benefits. Likewise, if your employer shuts down temporarily or permanently due to the virus, you will not qualify for DI benefits.

Short-Term Disability Insurance vs. Long-Term Disability Insurance

There are two types of disability income insurance, short term and long term. While the provisions may vary by insurer, short-term DI policies usually have short elimination, or waiting periods (3-14 days) following the onset of your disability before the insurance pays. Although some policies offer benefits for up to two years, many contracts pay benefits for six months to one year.

Long-term DI policies have a longer elimination period (typically 90 days), but may pay benefits up to age 65, although, in certain instances long-term DI may pay lifetime benefits. Disability policies typically pay benefits that equal 50% to 70% of your gross monthly base salary. A monthly maximum benefit may apply.

For disability protection related to COVID-19, short-term DI should be enough if you miss work due to a medical quarantine. However, if you're unable to work for a longer time due to complications from the virus, long-term DI would be needed.

A complete statement of coverage, including exclusions, exceptions, and limitations, is found only in the policy. It should be noted that carriers have the discretion to raise their rates and remove their products from the marketplace. Guarantees are subject to the financial strength and claims-paying ability of the issuer.

Where Can You Get Disability Insurance?

In general, access to disability benefits can come from private insurance (individual or group DI policies purchased from an insurance company) or government insurance (social insurance provided through federal or state governments).

Private disability insurance refers to disability insurance that you purchase through an insurance company. Many types of private disability insurance exist, including individual DI policies, group policies, group association policies, and riders attached to life insurance policies.

Private disability policies usually offer more comprehensive benefits to insured individuals than social insurance. Individually owned disability income policies may offer the most coverage (at a greater cost), followed by group policies offered by an employer or association. Check with your employer or professional association to see if you are eligible to participate in a group plan. Even if your employer offers disability insurance, it's probably short-term DI and may not provide benefits if a disability due to COVID-19 lasts for more than three months. For disabilities that last longer or are permanent, you'll need a long-term DI policy to provide benefits while you can't work.

Umbrella Insurance Offers Extra Liability Coverage

Accidents can happen, no matter how careful you are. Even if you make every effort to help ensure that your house and the surrounding area are safe for visitors, rain, snow, or ice can cause slippery stairs and walkways. You might face an increased risk of having a liability claim filed against you if you have a dog, a swimming pool, a trampoline, employ workers in your home, or own a rental property. Or you could be held responsible for a serious auto accident — a special concern if you have a teenage driver.

American society is litigious, and some legal judgments seem excessive. Standard homeowners and auto insurance policies generally cover personal liability, but you may not have enough coverage to protect your income and assets in the event of a high-dollar judgment. That's when umbrella insurance could be a big help, providing additional coverage, up to policy limits.

On top of the liability coverage amount, an umbrella policy may help pay legal expenses and compensation for time off from work to defend yourself in court. It might also cover situations not included in standard homeowners policies, such as libel, slander, invasion of privacy, and defamation of character.

Umbrella insurance is not just for wealthy households; it is also appropriate for middle-income families with substantial home equity, retirement savings, and current and future income that could be used to satisfy a large jury award. (Home equity might be protected, at least in part, by state law. Qualified retirement plan assets may have some protection from creditors under federal and/or state law, depending on the plan and jurisdiction, but you would still be liable for any judgments.)

Protecting yourself with an umbrella policy could help avoid expensive consequences down the road.

Although coverage and costs vary by insurer, you can typically obtain $1 million in coverage for $300 or less per year; higher coverage amounts can be even more cost-effective. Before adding umbrella insurance, however, you generally must purchase a certain amount of liability coverage on your homeowners and auto policies (typically $300,000 and $250,000, respectively), which serve as a deductible for the umbrella policy.[1]

Your insurer can help you determine how much current liability protection you have, and how much more you can purchase. It might be helpful to consider your assets, potential exposure, and what you consider to be an acceptable risk.

1) Insurance Information Institute, 2020

This is a resource that will answer your most important financial question, namely:

- If employed – When can I retire?
- If not employed – Can I stay retired?

Contour Financial will answer this question, suggest alternative scenarios, if needed, and implement investment strategies in order to reach your objectives.

Customized strategies are developed and implemented. Personalized service is provided by Certified Financial Planners (CFP) and/or Certified Public Accountants (CPA) to clients. Investment, retirement, tax planning & preparation, estate, insurance, cash flow and education planning are all integral parts to the process.

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