DISABILITY INSURANCE:
ARE EMPLOYERS OFFERING COVERAGE OR REAL FINANCIAL PROTECTION?

Why employer-paid benefits, voluntary coverage, and executive disability planning deserve a closer look



HEALTH INSURANCE
By Bryan Nester, President, Nester Insurance Inc.

When employers evaluate employee benefits, health insurance typically receives the most attention. Yet one of the most important forms of financial protection is often overlooked: disability insurance.

While health insurance helps cover medical expenses, short-term disability (STD) and long-term disability (LTD) insurance help replace income when an employee cannot work because of a qualifying illness or injury.

Many employers offer disability insurance voluntarily, allowing employees to purchase coverage through payroll deductions. Others pay for coverage on behalf of their employees. Both approaches have value, but simply offering disability insurance is not necessarily the same as providing meaningful financial protection.

Employer-Paid vs. Voluntary Disability Insurance

The structure of a disability program can influence participation, underwriting requirements, and available policy provisions.

Benefit feature	Employer-paid STD/LTD	Voluntary STD/LTD
Premium cost	Paid by employer	Paid by employee
Participation	Typically covers most or all eligible employees	Employees elect coverage
Guaranteed issue	Often available within group limits	May be available during initial enrollment
Pre-existing conditions	May qualify for reduced or waived limitations	Limitations may apply; favorable terms may also be available
Medical underwriting	Often waived within group limits	May apply to late entrants or higher amounts
Tax treatment	Benefits generally taxable if employer-funded	Benefits generally federal income tax-free if paid after tax

Actual provisions depend on carrier, group size, participation, and policy terms. Employer payment does not automatically eliminate exclusions or guarantee favorable underwriting. [1][2]



Why Pre-Existing Conditions Matter

One of the most overlooked disability insurance provisions is the pre-existing condition limitation. For example, a policy with a 3/12 limitation may restrict benefits for a disability related to treatment received during the three months before coverage began, if the disability occurs within the first 12 months of coverage.

An employee receiving treatment for a back condition could potentially face a coverage limitation if that condition later prevents them from working. Depending on the carrier and underwriting arrangements, employer-paid group plans may qualify for more favorable provisions.

Guaranteed-issue coverage can also be valuable because eligible employees may obtain insurance without individual medical questions, up to specified limits. However, guaranteed issue does not eliminate contractual exclusions. [1][3]

(Continued on page 48)

YOUR TRI-COUNTY
HANDYMAN



Renovations, Repairs & Handywork...
Done Right.

— Basement & Bathroom Renovations
— Deck Installation & Replacement
— Small Commercial Office Fit-Outs
— Ceiling Fan Installation & Light Repairs
— General Handyman Jobs



Joe Scotese, Owner
23+ Years of Experience,
Fully Licensed & Insured in PA

SVS CONTRACTING
Built on Experience. Backed by Trust.

PHONE: (610) 207-9841
SVScontracting.com

Marando Industries

Innovative Turn-Key Automation:
Full-Service Solutions That Fuel Growth

Delivering world-class innovations — from custom machinery to full production lines that connect advanced process tech to your market demands, slashing downtime while driving revenue and profitability. *Tailored for any sector or scale.*



Industrial Solutions
- Pipe Beveling
- Plate Beveling
- Industrial Robots
- Pre-engineered Solutions
- Industrial Controls

Process Automation & Robotics
- Custom Robotic Systems
- Robotic Integration & Programming
- Collaborative Robotic Solutions
- Material Handling Automation
- Automated Assembly Systems

Engineering Services
- Design & Engineering
- Project Management
- Industrial Millwright Services
- Technical Consulting

2201 Reading Avenue, Reading, PA 19609
610.621.2536 • sales@marando-inc.com • marando-inc.com

A. JACKSON ECKER, INC.
PLUMBING – HEATING – COOLING





144 KING ST., POTTSTOWN, PA 19464

(610) 326-5011

SERVING THE AREA FOR FOUR GENERATIONS SINCE 1925!

www.ajacksonecker.com

One Source Business Solutions LLC

Thinking About Selling Your Business?

Know what your business is worth before making your next move.

How We Help Business Owners:

✓ Business Valuations ✓ Business Planning
✓ Business Brokerage ✓ Business Consulting

Request a Confidential Business Valuation

717-824-4291 www.onesbs.com

Health Insurance

(Continued from page 47)

The Executive Disability Insurance Gap

Many group LTD plans replace 60% of earnings but impose a maximum monthly benefit. Consider a plan with a $5,000 monthly maximum:

Annual salary	Monthly LTD benefit	Income replaced
$60,000	$3,000	60%
$100,000	$5,000	60%
$150,000	$5,000	40%
$200,000	$5,000	30%
$300,000	$5,000	20%

Illustrative example based on 60% income replacement with a $5,000 monthly maximum, before taxes, offsets, and other policy limitations.

An employee earning $200,000 may believe they have 60% income protection, but the monthly maximum reduces actual coverage to 30% of salary. Executive disability insurance can help address these gaps through supplemental coverage, potentially providing higher benefits, eligible bonus compensation, and enhanced provisions. [4]

The Tax Treatment Matters Too

According to the IRS, benefits attributable to employer-paid premiums are generally taxable, while benefits funded entirely through employee after-tax contributions are generally excluded from federal income tax. This can affect the spendable income employees receive. [2]

Offering Benefits vs. Providing Protection

Employers should look beyond premiums and advertised replacement percentages. Pre-existing condition limitations, guaranteed issue, benefit caps, tax treatment, and executive coverage gaps all matter. For some businesses, employer-paid core coverage supplemented by voluntary and executive benefits may be appropriate.

The objective should not simply be to offer disability insurance. It should be to provide coverage employees can rely on when their income is interrupted. After all, an employee's greatest financial asset may be their ability to earn a paycheck.

Bryan Nester is President of Nester Insurance Inc., an employee benefits consulting and brokerage firm specializing in employee benefits strategy, disability insurance, and executive benefits planning.

Sources and References

[1] NAIC, Small Business Insurance — https://content.naic.org/consumer/small-business.htm

[2] IRS, Life Insurance & Disability Insurance Proceeds — https://www.irs.gov/faqs/interest-dividends-other-types-of-income/life-insurance-disability-insurance-proceeds

[3] NAIC, Simplifying the Complications of Disability Insurance — https://content.naic.org/article/consumer_insight_simplifying-complications-disability-insurance.htm

[4] Council for Disability Income Awareness, Beyond Group Benefits: Closing the Disability Coverage Gap for Executives and High Earners (June 2, 2026) — https://thecdia.org/beyond-group-benefits-closing-the-disability-coverage-gap-for-executives-and-high-earners/






Bring Fine Art Into the Spaces Where You Live and Work

STEVE LADNER PHOTOGRAPHY & ART

Since Oct 2024, I have had the privilege of serving as the Cover Photographer for Route 422 Business Advisor. This opportunity has allowed me to help tell the stories of remarkable businesses and the people behind them through my lens. Beyond editorial photography, however, I have for many years created **digital art, mixed media artwork, fashion art, and paintings**, producing collections that range from bold contemporary abstracts to timeless equine portraits and dramatic landscapes.

For more than 30 years, photography has been my profession, my passion, and my way of seeing the world. Every image I create begins with the belief that art should do more than decorate a wall—it should inspire conversation, evoke emotion, and create an atmosphere that reflects your personality.

Whether you're decorating a new home, refreshing an office, or searching for a distinctive gift, my artwork is designed to transform ordinary walls into memorable spaces. Every piece is created to complement a variety of interiors—from modern and minimalist to traditional and eclectic.

A Collection for Every Style

My gallery features a wide variety of artistic styles and subjects, including:

- **Abstract Art –** Vibrant color, texture, and imagination for contemporary spaces.
- **Fashion Art –** Sophisticated, stylish fashion imagery from my career as a fashion photographer in NYC in the 1970s and 80s.
- **Equine Art –** Elegant portraits celebrating the beauty, grace, and spirit of horses.
- **Digital & Mixed Media Art –** Creative works that blend photography with artistic interpretation.
- **Landscape Photography –** Scenic images that bring the beauty of nature indoors.

Whether you are looking for a dramatic focal point above a fireplace, a calming landscape for your office, or a conversation piece for a reception area, you'll find artwork created with exceptional attention to detail and quality.

Museum-Quality Printing

Each piece is made to order, allowing you to select the size and finish that best complements your space. Every image is professionally produced using premium materials and is available in a variety of presentation options, including:

- Gallery-wrapped **Canvas Prints**
- Archival **Fine Art Prints**
- Contemporary **Acrylic Prints**
- Sleek, modern **Metal Prints**
- A wide selection of professional **Framing Options**

Custom Artwork Available

Looking for something unique? If you need a custom size, a specific color treatment, or would like artwork created for your home, office, medical practice, restaurant, or corporate environment, I'd be happy to discuss a custom project tailored to your vision.

Visit the Online Gallery

Browse the complete collection and order securely online at: **https://steve-ladner.pixels.com**

If you have questions or would like assistance selecting artwork, please contact me directly. Call **917-584-4503** or email **photo@steveladner.com**

Thank you for taking the time to explore my work. It is always rewarding to know that a photograph or piece of artwork I've created has found a place where it can be enjoyed every day. I hope you'll discover a piece that speaks to you and adds beauty, warmth, and inspiration to your home or workplace.