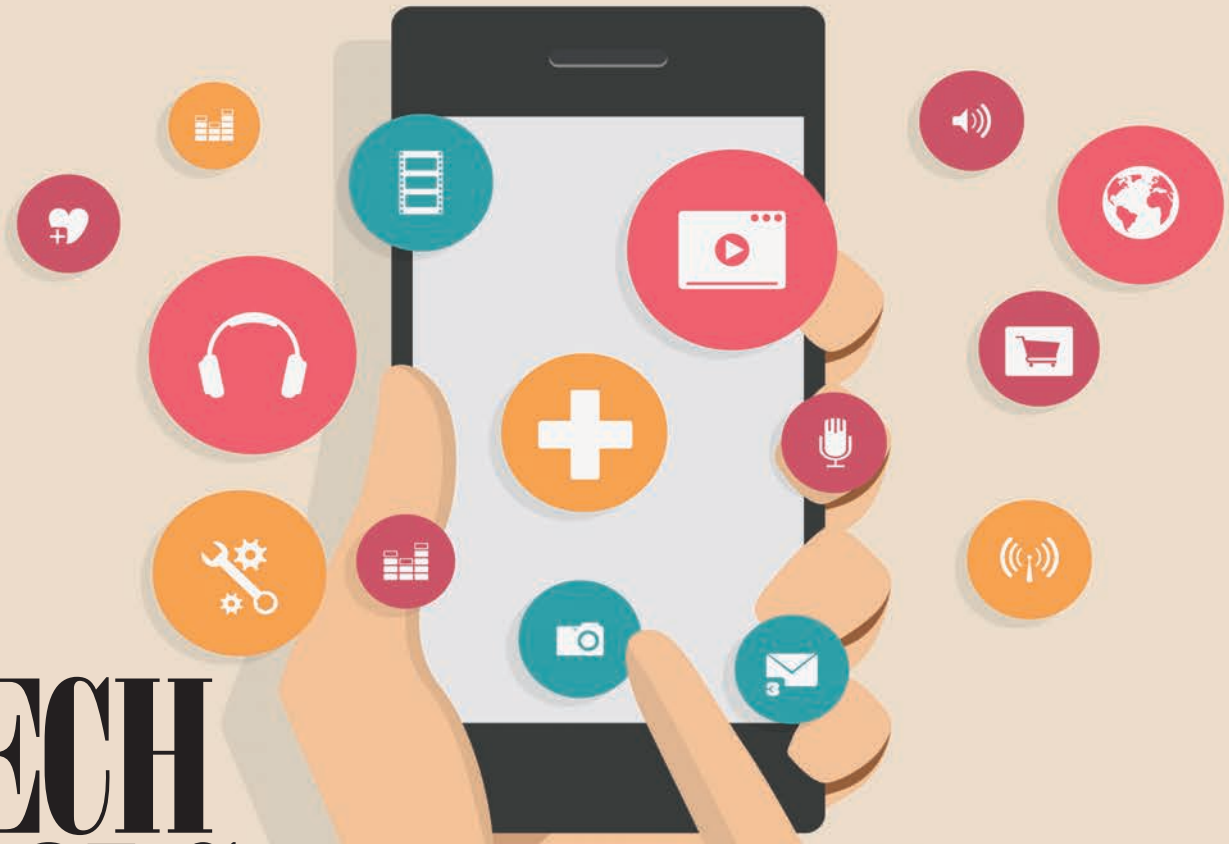
CALIFORNIA BROKER

VOLUME 38, NUMBER 8 SERVING CALIFORNIA'S LIFE/HEALTH PROFESSIONALS FINANCIAL PLANNERS MAY 2020



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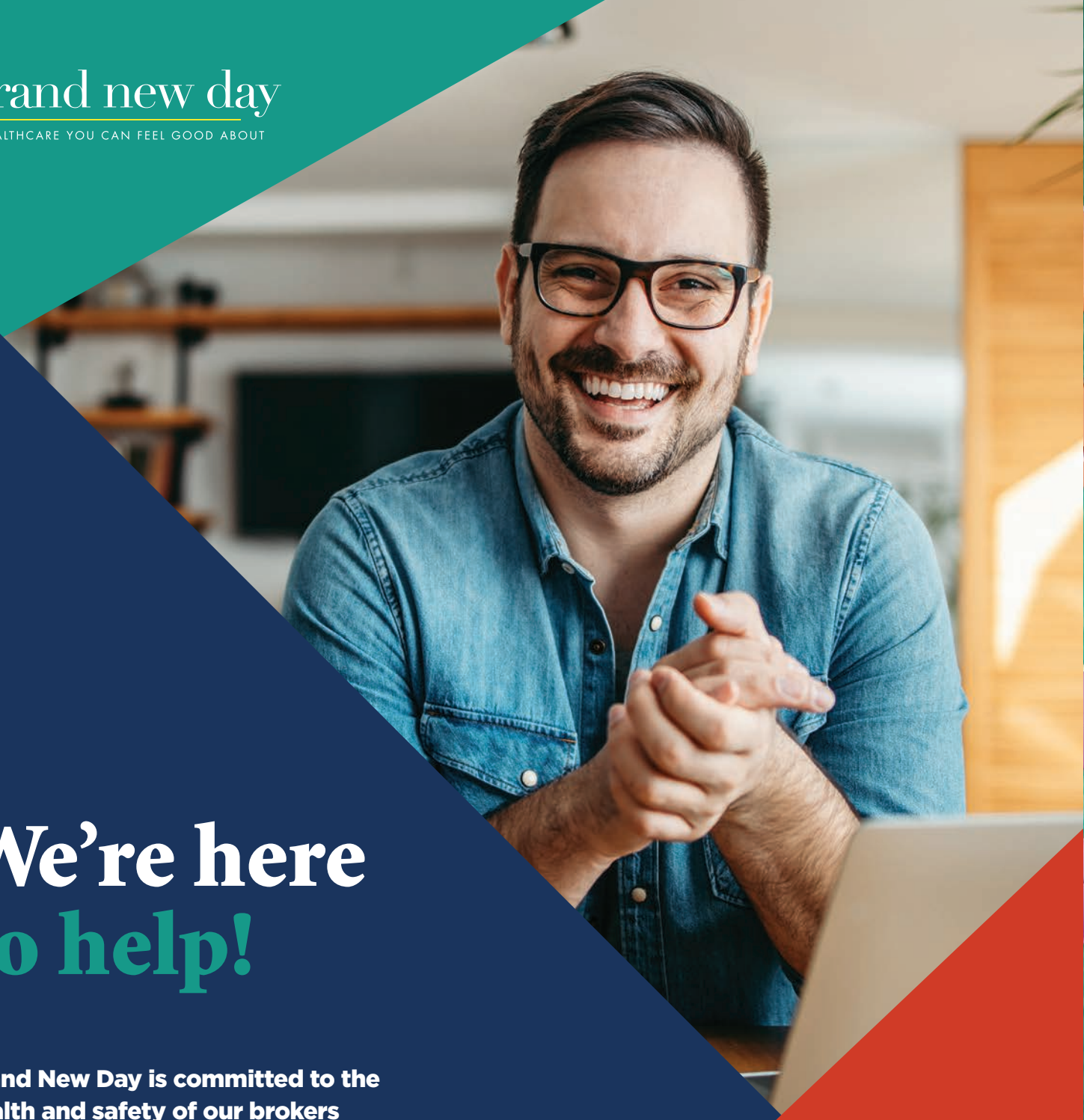

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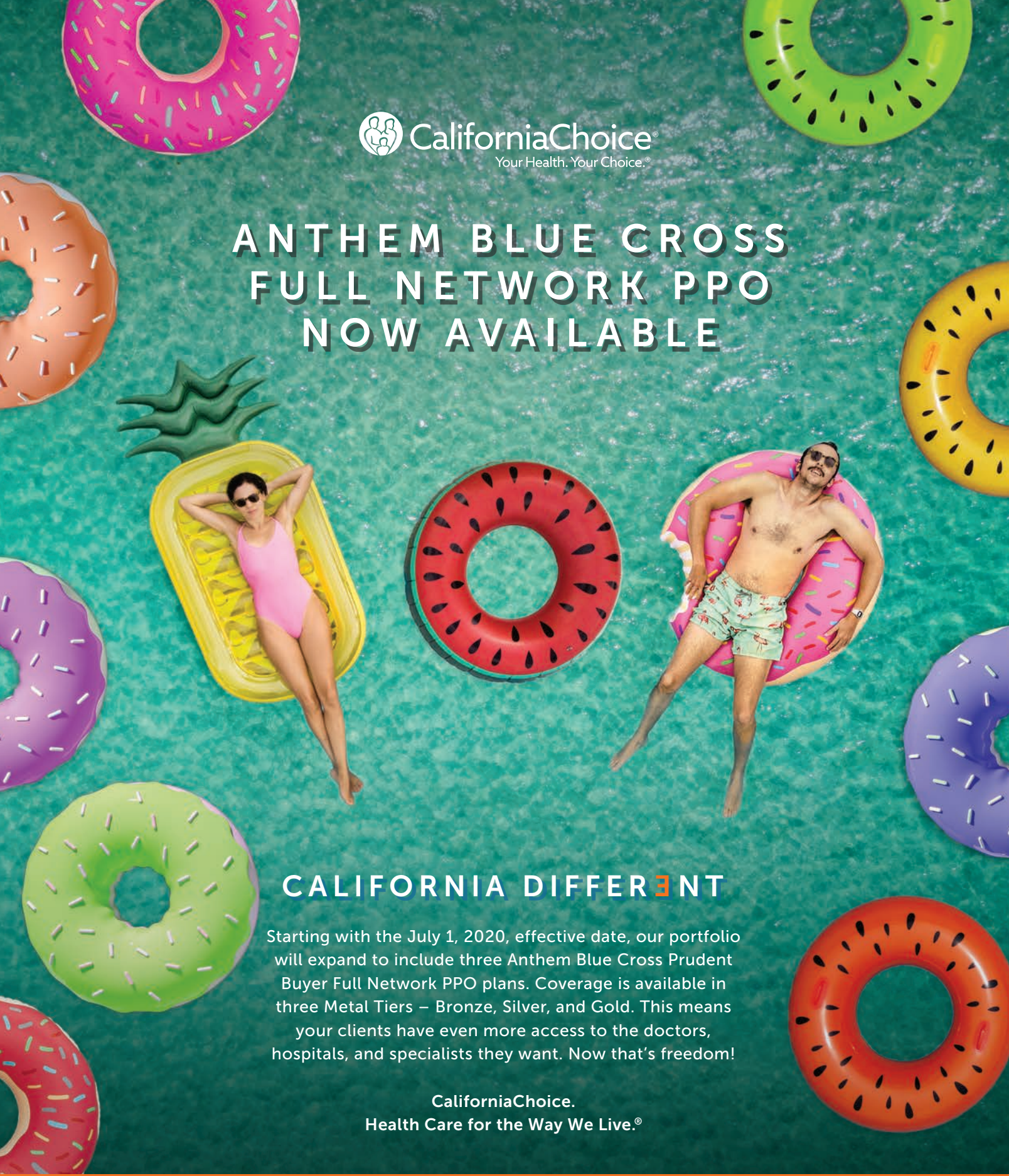
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Insurance companies vary by region and are subject to change

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STEP 01

Short Term Disability Ins.

STEP 02

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STEP 03

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Crafting a Powerful Message

By ALAN KATZ

I'm writing this shortly after California Governor Gavin Newsom declared a statewide shutdown to battle the COVID-19 virus. I hope you are safe and healthy.

I do not know what the status of the pandemic will be when you read this. However, I assume working from home is still the order of the day. If you are like many shut-ins, you are using this time to clean house. (And, of course, thoroughly washing your hands).

This is also a good time to take stock of your marketing message. In last month's article I laid out how to identify your added value. Knowing your market position is one thing. Effectively communicating it is another. This month I offer a way to build on your position to craft a powerful marketing statement. Use it to improve your agency collateral and your website.

About those websites. For many prospects, your site is their first impression of you. For many agencies, this is a problem.

Too common websites

A friend of mine, Susan Cotton, did a study a few years ago on health insurance agency websites. Susan looked at over 100 sites (she is very brave). She found the vast majority relied on one or more standard messages:

- **Expertise:** Usually how long the agency has been in business.
- **Partnership:** These agencies do more than sell policies, they are trusted advisors. This statement is popular with larger agencies.
- **Service:** Agencies with friendly and responsive staff. This one is big with smaller agencies.
- **Cost Effectivness:** These folks shop the market to find the best value.

There is a lot right about these four attributes. But they are simply table stakes. All agencies should apply their expertise to be a trusted advisor delivering great service and finding the best value. Another problem is these are common messages. If every agency makes the same promises, none stand out.

Life and health agencies pretty much sell the same products at the same price. If they describe themselves in the same way they are commodities. As noted last month, being a commodity is kryptonite for sales professionals. Sales are the result of luck. Success, however, goes to the standouts.

Elements of a compelling message

There are many ways to shape a persuasive message. I like Doug Hall's approach from his book "Jump Start Your Business Brain." Hall's formula identifies three attributes marketing messages should include: An Overt Benefit; a Reason to Believe; and a Dramatic Difference.

Your Overt Benefit says how you solve prospects' problems. It answers their question, "What's in it for me?"

Your Reason to Believe explains why prospects should rely on you to solve their problem. It answers their question, "Why should I trust you?"

Your Dramatic Difference is what makes you special. It answers the question "Why you?"

Identifying your market position (as we did last month) is a strong start to answering these questions. Still, crafting your message takes work. And identifying your dramatic difference takes the most work.

There are several ways to be different. You may find you truly offer something unique. For example, onsite enrollment support – in four languages. Or you may choose to do something just to be different. This could be providing a free wellness audit to prospects or using your dog Spot as your spokesperson.

There are perceived differences, too. You may be an award-winning agency. By itself this would not make you different, but prospects may think it does.

Examples

You can use Hall's formula to craft any message, even a generic one:

- Overt Benefit: We help you find the right health plan to meet your company's needs and budget.
- Reason to Believe: We have been in business for 20 years.
- Dramatic Difference: We use this experience to find you the best policies for your unique needs.
- Better still, apply the formula to a standout message to make it even stronger:
- Overt Benefit: We improve the health of your bottom line by improving the health of your workforce.
- Reason to Believe: As Georgetown University showed, every $1 invested in wellness returns $3.27 in direct savings.
- Dramatic Difference: We do a free wellness audit of your company before we recommend a thing.

Take action

Once you've identified your position and your sharp, effective message, use it to create unified, consistent marketing material. This includes any communications from your agency. And it definitely includes your website.

For example, my company's positioning statement is that NextAgency promotes that "we save life and health insurance agencies time, money and clients." That is front and center on our website. We then organize the benefits of our agency management software by how they save agencies time, money and clients. The positioning and messaging become the site's framework.

Crafting your value statement and message takes time and thought. Unfortunately, you may be finding yourself with plenty of time. While staying healthy, I encourage you use some of it to think about how you communicate your value.

We will get through the nation's current challenges. When we do, be ready.

Alan Katz is a co-founder of NextAgency, an agency management system with CRM, marketing and commission tools for life & health agencies. Learn more at www.NextAgency.com. Alan is past president of NAHU & CAHU. A nationally known speaker on sales, marketing, business planning, and healthcare reform, he is author of "Trailblazed: Proven Paths to Sales Success," on Amazon. Follow Alan on Twitter (@AlanSKatz), connect on LinkedIn (www.linkedin.com/in/alankatz44) and contact him at AlanKatz@NextAgency.com.

COVID-19 RESPONSE

Today's World: What's Fact, What's Fiction and Do We Know the Difference?

The truth depends on who you talk too, and how it may relate to you.

The FACT is we don't know when this virus will play itself out. The best we can do is listen to the authorities and hope they know more than we do. Let's start with what exactly is an essential occupation.

Commissioner Ricardo Lara for the Department of Insurance released a notice on March 20, 2020, to: All Admitted and Non-Admitted Insurance Companies, All Licensed Producers, and Other Interested Parties.

Re: Guidance on Essential Businesses and Insurance

The notice issued by various Federal, State and Local Public Health officials generally provides that individuals may leave their residence and not shelter in place only to perform certain "essential services" or "essential activities."

The department received many inquires whether insurance activities are "essential services" or "essential activities" within the meaning of the various federal, state and local public health orders and what functions are included in "insurance services."

It is not appropriate for the department to determine whether public health officials intended that any specific aspect or function of an insurance business be designated as an "essential business" or "essential activity".

It was March 18, 2020, that Commissioner Lara issued a notice encouraging all insurance companies and other Department licensees to take steps during the COVID-19 crisis, maintain their ability to process and pay insurance claims and provide other required consumer services for insureds in a timely manner.

A notice was sent out requesting all insurance companies to grant extensions to premium grace periods at least 60 days, and asked agents, brokers and other licensees to take steps to protect the safety of workers and customers by arranging alternate methods of premium payment rather than in-person payment.

It is encouraged that in-person, non-mandatory activities deemed non-essential should be delayed, if possible until further notice.

Key points for all of us

Clients stay home, and avoid exposure. The coronavirus can spread through close personal contact or by touching an object or surface with the virus on it.

Steps to prevent other respiratory infection will help to prevent novel coronavirus.

Public health department is working hard to prevent the spread of the virus in all counties.

The truth depends on who you talk too, and how it may relate to you. As agents we would be remiss if we did not do our due diligence when giving our clients critical information.

The fact of the matter is we don't know what's around the corner, but we do know, "Together we can do the Impossible." As agents and brokers we can educate our clients with reliable information, and if we do that, we will whether this storm.

— *Yolanda Webb*

MetLife Provides Resources and Tools to Help Small Business Owners and Their Employees Navigate the Pandemic

Eighty-four percent of small business owners say they are concerned about the impact of the coronavirus outbreak on their business, and a majority (58%) are very concerned, according to a recent poll from MetLife and the U.S. Chamber of Commerce. In response, MetLife announced its offering several resources to both small business owners and their employees.

MetLife is making the following available to small business customers:

Financial Wellness. Small businesses with fewer than 100 employees can now access COVID-19-related guidance on cash flow issues, IRS taxpayer relief, government legislation, market volatility and asset allocation through MetLife's PlanSmart® Financial Wellness planners. For 90 days, small business owners and their employees will have phone access – at no cost to them – through MetLife's alliance with Ernst & Young, LLP (EY), to credentialed EY financial planners.

Overall Wellness. MetLife is offering a dedicated COVID-19 hotline provided by LifeWorks. Through the hotline, small business owners and their employees will have access to services including immediate emotional support, research and referrals along with guidance and resources to cope with COVID-19. The hotline is available to all customers with fewer than 500 employees through September 30.

No rate increases. MetLife will not increase rates on any Group Benefits products for customers who have fewer than 500 employees for June 1, 2020, through September 1, 2020, renewals.

Additionally, MetLife is making the following available for all customers and their employees:

Financial Wellness Hub. This dynamic new financial wellness microsite is designed to guide employees at all companies and in all circumstances as they actively manage stress, navigate life choices, and manage their finances. The hub, which will expand over time, helps consumers think about what they need to do now and how they can prepare for the future.

Legal document access and review. Through the end of July, MetLife Legal Plans will provide free document review and consultation to all employees, regardless of whether or not they are signed up for the service, of employers that offer MetLife Legal Plans. Employees can access MetLife's network of attorneys to get answers to questions related to legal issues they may be facing and have attorneys review estate planning documents or insurance forms.

These customer offerings follow MetLife Foundation's announcement on March 31 that it is committing $25 million to the global response to COVID-19 in support of communities impacted by the pandemic.

MetLife Foundation Commits $25M to Global COVID-19 Response

MetLife Foundation announced it's committing $25 million to the global response to COVID-19 in support of communities impacted by the pandemic. The grant funding from MetLife Foundation will span all regions where MetLife operates, and will address both short- and longer-term relief efforts. Initial grants will support communities and people with urgent needs for food, healthcare, childcare and direct financial support. MetLife Foundation will also stand by its existing partners on the frontlines of helping low-income people and small businesses respond quickly to emerging needs. As part of this commitment, MetLife Foundation and other MetLife entities have already pledged $4 million to relief efforts in Asia, EMEA, Latin America, and the United States, including $1 million to U.S. food banks to help them deal with increased demand for their services as a result of coronavirus. MetLife says that over time the foundation will closely monitor the global landscape for opportunities to deploy the remaining funds where they can make the biggest difference in helping people recover from the pandemic.

VSP Expands Access to Essential Medical Eye Care Services

In response to meeting the needs of its members during the COVID-19 pandemic, VSP Global® announced it has expanded access to essential medical eye care services for most VSP Vision Care insured members and their covered dependents. It is effective through May 2020 for most VSP members who do not already have this benefit. By doing so, these members now have access to supplemental medical eye care for the detection, treatment, and management of ocular and visual conditions, and can see their VSP network doctor in-person or remotely to get treatment for a variety of conditions including conjunctivitis, eye trauma and sudden changes to vision. Members can also use their routine VSP coverage for lost or broken glasses or replacement contact lenses to meet immediate eyewear needs by contacting their VSP network doctor.

Anthem Waives Cost Share for COVID-19 Treatment

Anthem announced it will expand coverage, effective April 1, for members in its affiliated health plans undergoing treatment related to a COVID-19 diagnosis. The expansion covers the waiver of cost share for COVID-19 treatment received through May 31, 2020. Anthem will reimburse health care providers at in-network rates or Medicare rates for Anthem's affiliated health plan fully insured, Individual, Medicaid and Medicare Advantage members. Anthem is strongly encouraging participation by its self-funded employers and will work with them to ensure their employees' needs are met. These employers will, however, still have the option to opt out of participation. Anthem will also provide post-discharge support to Medicare members with complex care needs who may need additional assistance as they transition back to home following hospitalization. The company says its care managers can help provide coordination of medications and home health needs, scheduling follow up appointments and transportation, and arranging for post-discharge meal delivery.

United Health Foundation Pledges $1 Million to Support Vulnerable L.A. County Residents

The United Health Foundation announced it has committed $1 million to provide urgent assistance to Los Angeles County residents experiencing homelessness during the COVID-19 pandemic. The partnership with the California Community Foundation's COVID-19 LA County Response Fund is part of UnitedHealth Group's previously announced initial $50 million commitment to fight COVID-19 and support those most directly impacted, including health care workers, hard-hit communities, seniors and people experiencing homelessness and food insecurity. The $1 million donation to the COVID-19 LA County Response Fund will support Los Angeles County clinics and hospitals that serve unsheltered residents and low-income individuals, triaging those who are sick or who have been exposed to the virus, and will assist housing providers and shelter operators who are responding to the increased demand for emergency services for the county's homeless population.

MEDICARE INSIDER

Benefits Professionals Must Consider Medicare More Than Ever Before

BY BETHANY CISSELL, ACCOUNT MANAGER ALLSUP INSURANCE

With many business activities on hold because of coronavirus, employers may be questioning whether they will be able to continue supporting employees with healthcare benefits and reconsidering how these and other benefits offerings impact their bottom line. Here, benefits professionals have an opportunity to share important insights about alternatives to reduce healthcare costs, in particular with older workers. They have an opportunity to explain to employers that there isn't the need to pit the value of older workers' years of expertise against concerns about higher costs.

With some creativity, there are ways that benefits professionals can help them retain older workers and still cut costs. One way is by helping an organization's oldest employees learn more about their Medicare options, a move that would save the organization money now, and also prepare them for the future. According to the Bureau of Labor Statistics, 65- to 69-year-old Americans will make up 36% of the 2024 workforce. Most employees assume that their private employer plan is the best and most affordable option. But depending on the employer plan, that assumption is not always correct. In fact, in many cases Medicare:

1: Costs less. The cost of employer-provided health plans has been steadily increasing, with the Kaiser Family Foundation (KFF) finding that the average premium cost for family coverage under an employer plan has grown by 54% since 2009. The average annual employee premium is now over $20,000 for a family plan, with employees contributing about 30% of that. The cost of Medicare has also increased over the last decade, but not as drastically as employer plans. Most people qualify for a $0 premium for Medicare Part A, which covers in-patient care. Under Part B, covering outpatient care and preventative services, typically members will pay a standard $144.60 monthly premium in 2020. Even when added up for the whole year, the annual premium cost comes in at $1,735.20, substantially lower than the average employer premium. In addition, annual Medicare deductibles start at $198; by comparison, KFF found the average annual deductible under an employer plan was $1,655 for single coverage. Some Medicare members pay nothing at all, and pay significantly reduced or no out-of-pocket costs.

Meanwhile, 66% of members under employer plans are charged a copay for primary care treatment.

2. May provide better coverage. Speaking of primary care, compared to most private plans, Medicare provides greater access. This is a crucial resource to older individuals, who tend to require more care from physicians because they experience more chronic diseases and poor health conditions.

Medicare covers 93% of primary care doctors in the U.S., and members enrolled in traditional Medicare (Parts A and B) do not need a referral to visit a specialist so long as they are covered under Medicare. If traditional Medicare still leaves more to be desired, the good news is that of course there are supplemental plans like Medigap that members can add on. These fill in any gaps that the traditional plan doesn't provide and offer superior benefits, which is why 81% of people enrolled in traditional Medicare have a supplemental plan.

3. Has more options. Most employers have one or two health plans for their employees to choose from. But Medicare offers more variety. A 2018 report found that the average Medicare member in 2019 had the option to choose from 24 Medicare Advantage Plans. Some Medicare-eligible workers also may have the option to enroll in Medicare and keep their employer insurance. If they are actively working, in most cases, their employer would have to remain primary and Medicare would be secondary. Every individual has different budget constraints and health needs, and giving workers the freedom to curate a plan that fits their lifestyle allows them to have more autonomy over their health benefits. The interactions of these various options can be complicated, and employees are sometimes wary when an internal HR team offers them a deal that seems too good to be true. This can provide a good opportunity to bring in the agent as an external advisor, with Medicare expertise, to explain the options and help that may benefit both employers and employees, especially when it comes to reducing healthcare costs in the long run.

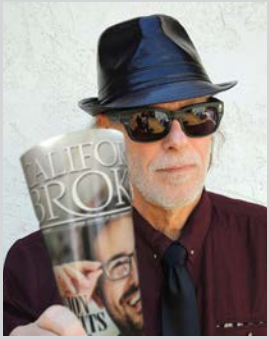
Humana Announces Streamlined Claims and More

Humana announced it is streamlining the claims review process in individual and group Medicare Advantage plans, Medicaid plans and employer-sponsored plans to ensure health care providers are reimbursed quickly during the COVID-19 pandemic. Humana is also suspending prior authorization and referral requirements for in- and out-of-network care related to COVID-19 and suspending prior authorization for most in-network care unrelated to COVID-19, with 24 hours' notice requested.

IICF Creates COVID-19 Children's Relief Fund

In response to insurance industry people asking how they can help, the Insurance Industry Charitable Foundation has created the COVID-19 Crisis: IICF Children's Relief Fund. The fund will help support children at risk of food insecurity, educational disruption, family homelessness and other circumstances exacerbated by the pandemic. Go to IICF.org to donate.

Cal Broker GPS: Working From Home



The past few months, we've been running photos of our readers on-the-go with their California Broker magazines. But this month, we thought it appropriate to share a few photos of our staff working from home. Next month, we'd love to feature photos of you staying safe and reading Cal Broker. Send your shelter-in-place photos to **editor@calbrokermag.com.**

Stay safe readers. We look forward to the time when we once again feature you in exotic and interesting locales as we come out of the COVID-19 crisis and begin to roam again.

Organization Focusing On Cancer and Critical Illness Insurance Is Relaunched

Jesse Slome announced the re-launch of the American Association for Critical Illness Insurance (AACII). Slome, who co-founded the American Association for Long-Term Care Insurance in 1997 and subsequently an organization focused on Medicare Supplement insurance, established the critical illness insurance organization back in 2009. The Association recently re-launched its website which Slome intends to make the primary online resource for consumers seeking information. One of the key features Slome explains is a cost calculator where individuals can see costs for $10,000 of cancer-only protection. "The calculator is free, no personal information is needed to see the cost and I believe this will be a valuable resource sought by consumers," Slome predicts. The organization is considering a future national conference exclusively focused on critical illness insurance along with ways to support insurance agents and brokers who market these products. More info at criticalillnessinsuranceinfo.org.

Aflac Signs Agreement to Acquire Group Benefits Business

Aflac Inc. announced its insurance subsidiaries American Family Life Assurance Company of Columbus and American Family Life Assurance Company of New York have entered into a definitive agreement to acquire Zurich North America's U.S. Corporate Life and Pensions business, which consists of group life, disability and absence management products.

CVS Health Adds New Voluntary Benefits

CVS Health announced a new line of voluntary benefits called Point Solutions Management. Sleep i.o. was the first wellness program added to the platform after its inception last year. New vendors include Hello Heart, for managing blood pressure and other cardiac conditions; Hinge Health, a digital exercise therapy platform for addressing chronic pain; Livongo, a diabetes and weight management tool; the caregiver support center Torchlight; and Whil, a mental health app that uses videos and exercises to build resilience.

Insurers Invest in Company that Promises to Make Sense of Chaos

Palo Alto, California-based Omniscience announced that both RGAX, LLC and Guardian Life Insurance Company of America have made equity investments in the company. Omniscience's breakthrough computing platform and artificial intelligence (AI) are assets for these investors and the insurance industry.

Omniscience offers a platform for processing all the data presented in a problem set rather than just basing analysis on approximations. When this unique capability is combined with Omniscience AI technology and applications, insurance customers can transform their business more rapidly by speeding and automating risk decisions, deploying capital more efficiently, and finding new business opportunities that have previously been overlooked.

UnitedHealth Group Accelerates Nearly $2 Billion in Support to Providers

UnitedHealth Group has announced it's stepping up in light of the COVID-19 emergency. The company is acceleratating payments and other financial support to health care providers in the U.S. to help address the short-term financial pressure caused by the crisis. UnitedHealth Group's move to accelerate claim payments to medical and behavioral care providers applies to UnitedHealthcare's fully insured commercial, Medicare Advantage and Medicaid businesses. Other financial support currently includes the provision for up to $125 million in small business loans to clinical operators with whom OptumHealth is partnered. The decision to accelerate claims and incentive payments builds on measures to streamline processes for health care professionals and facilities, as well as to help members more easily access the care they need, including:

- Suspension of prior authorization requirements to a post-acute care setting
- Suspension of prior authorization requirements when a member transfers to a new provider
- Extension of timely filing deadlines for claims during the COVID-19 public health emergency period for Medicare Advantage, Medicaid, and Individual and Group Market health plans
- Implementation of provisional credentialing to make it easier for out-of-network care providers who are licensed independent practitioners to participate in one or more of our networks

Providers can go to www.UHCprovider.com for specifics.

National Medicare Supplement Insurance Industry Summit
Rescheduled to 2021

The 2020 National Medicare Supplement Insurance Summit set to take place May 13-15, 2020, in Chicago will now be held June 2-4, 2021, according to the American Association for Medicare Supplement Insurance the conference organizers. The conference will take place at the Schaumburg Convention Center just outside of Chicago's O'Hare airport. The 2021 conference will include its free day for insurance agents who market Medicare and other senior insurance products. More info at medicaresupp.org.

CAHU Women's Leadership Summit
Rescheduled to August

Due to the ongoing COVID-19 pandemic, the CAHU Women's Leadership Summit has been postponed from March to August 5-7, 2020, at the same location, the JW Marriott in Las Vegas. We are hopeful that all current participants, and those who were recently forced to cancel, will be able to join us in August. CAHU will automatically transfer event registrations to the new dates. If you can no longer attend, please contact Korey Platt at koreyashtonplatt@gmail.com for additional options. If you have any questions or concerns contact info@cahu.org.

LAAHU 2020 April Annual Sales Symposium
Rescheduled to July

LAAHU will postpone the April 22 Sales Symposium, AdapTech until Friday, July 17, 2020. The event will take place at Skirball Center. More info at laahu.org.

Insurance Industry Charitable Foundation Women in Insurance Regional Forums
Rescheduled

IICF has rescheduled the Women in Insurance Regional Forums:
Chicago: October 14, New York: October 26, Los Angeles: October 30, Dallas: November 17
More info at IICF.org

16th Annual BenefitsPRO Broker Expo 2020 will be August 20-22

BenefitsPRO Broker Expo 2020 has been postponed to August 20-22 in Austin, Texas. More info at benefitspro.com

DILEMMAS IN SOLVING FOR LTC INSURANCE

By LOUIS H. BROWNSTONE

There has been a confluence of cost factors over the last few years which have made it very difficult for agents to propose robust long term care solutions for most of their clients. Let's examine these factors, first for traditional long term care insurance, then for hybrids and linked products, and finally look at the resulting dilemmas for agents.

Traditional long term care insurance

1. Rates for traditional long term care insurance have at least doubled over the last 20 years. The causes are well known: the low interest rate environment, near zero lapse rates, higher than expected claims, and the resulting added reserve requirements. Current rates may be more stable, but large rate increases on existing blocs have caused agents to worry that even rates on current policies could be increased substantially in the future. Carriers have retained the ability to raise rates, subject to approval by state insurance commissioners, creating uncertainty.

2. The costs of care have risen as expected by 4% to 5% per year for care in all types of facilities. Home health care costs have risen much more slowly, but have spiked recently, especially in states which now require raises in minimum hourly wages. These costs will in all likelihood continue to rise faster than the general rate of inflation.

3. Insurance carriers no longer want to be exposed to future claims on policies with 5% compound inflation, and have priced them out of the market. The result is that agents must sell policies in which the inflation riders may not keep pace with the increase in costs of care. An alternative is to create more protection by increasing the daily or monthly benefit, but this approach may provide overprotection in the near term and decreasing protection as the policyholder ages.

4. The average age of the purchaser of long term care insurance has remained steady at about age 57. Policies would be much less expensive and easier to underwrite were they bought at younger ages, especially under age 50, but this has not happened. Younger prospects have so many other demands on their financial resources, and many don't have sufficient assets or income to save for the future.

5. The average sale for traditional long term care insurance has more than doubled over the last 20 years from about $125 per month to over $250 per month. This is despite a decrease in the average benefits in policies. How many people, especially couples, can afford $6,000 per year for long term care insurance? Maybe less than 10% of Americans would even consider such an expense, as most are having trouble paying their bills as it is.

Hybrids and linked products

Hybrids and linked life insurance and annuities are being utilized by many agents to solve a long term care need as well as a life insurance or annuity need. However, they come with their own separate set of advantages and disadvantages. Let's examine these.

1. These products attempt to sell two different pieces of protection in one product. This solution can be great for the policyholder. However, these products incur more risk for the insurance carrier, and are therefore generally more expensive than traditional long term care insurance. A possible exception is coverage for a single female, whose cost for traditional long term care insurance is higher than for single males but whose cost for life insurance is lower than for single males.

2. Life insurance with accelerated death benefits has a major flaw in protecting against long term care costs. The death benefit normally does not increase over time. The result is that the death benefit has to be a very substantial

The resulting challenge for agents is how to provide adequate long term care protection in the face of these rising costs. There is no easy answer to this dilemma...

one in order to create an adequate long term care solution, thus increasing its cost. In addition, the death benefit can erode substantially if it is in fact required to cover long term care costs. The use of the accelerated death benefit can thus defeat the main purpose of the life insurance, protecting one's family.

3. Products with chronic illness or long term care riders can provide more protection against long term care costs than policies with accelerated death benefits. The rates are normally guaranteed. However, the riders create an added expense to the policy one way or the other, whether there is a cost for the rider or whether its costs are imbedded in the cost of the life insurance.

4. These products can extend the benefit period of long term care costs, sometimes even providing lifetime protection, mostly now lacking in traditional long term care insurance. They also often offer inflation riders, at least on the rider portion, but these greatly add to the cost and are frequently not sold. Even so, once again the death benefit has to be a very substantial one order to create an adequate long term care solution.

5. Term life insurance can be very inexpensive, and is often sold to younger-aged people. However, term policies normally lapse before the need for long term care arises, due to the greatly increased cost of renewing them. Many can be converted to whole life insurance by a certain age, in which case they could provide good long term care protection, but at a much higher premium.

6. Deferred annuities with benefits for long term care also has a major flaw. The growth in value of the annuity is reduced by the added risk of providing benefits for long term care, and grows by a far smaller rate than other annuities. This is true even if there is a separate account for long term care benefits. Thus, the long term care funding can defeat the main purpose of the annuity, increasing ones guaranteed income for life.

The resulting dilemmas for agents

1. The resulting challenge for agents is how to provide adequate long term care protection in the face of these rising costs. There is no easy answer to this dilemma. Traditional long term care insurance is normally the lower cost option. However, robust protection with traditional long term care insurance now can cost over $100,000 during the life of a policy. Most prospects dislike the idea of spending that kind of money for a benefit they may never use. The hybrid and linked products are more appealing to prospects, but they normally cost more.

2. How much in benefits should one consider to be adequate protection? Here come the compromises: 3% compound inflation instead of 5% compound inflation could well not keep pace with inflation; $200 per day benefit, or $6,000 per month, is well below the cost of nursing homes in most states, and will also not cover 24 hour per day home health care. Ninety-day elimination periods make some sense but could result in high costs during the first 90 days of care. Two- or three-year benefit limits may cover the average period of care, but what about the 50% or so of scenarios that are longer than the average period of care?

3. These compromises result in truly partial protection, protection which will cover most of the costs, but over a relatively short period of time. What about the truly catastrophic scenarios that last six to 10 years, scenarios that most prospects want protection for but would not receive in most of today's policies? Are agents going to be sued by their clients because their assets were not adequately protected?

4. One could make the case that with the exception of the 5% to 8% wealthiest prospects, we are not able to adequately protect people against future long term care costs. There is no easy solution here, either in the private or in the public sectors. The need is greater than ever and growing fast, and our ability to satisfy this need is diminishing.

Louis H. Brownstone is chairman of California Long Term Care Insurance Services, Inc., located in Burlingame, California. California Long Term Care is the largest independent specialist long term care insurance agency in California, and is broker for a group of high-producing long term care specialist agents. Brownstone is also very active in NAIFA, the National Association of Insurance and Financial Advisors.

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LONG TERM CARE IS ABOUT LOVE

BY STAN ISRAEL

Several months ago I got to thinking about something. It was Valentine's Day and I thought everyone should go ahead and proffer the usual loving gifts—flowers, candy, dinner, maybe even a couple's massage. But there is another, more important gift you can procure for your loved ones and your clients—the gift of financial and insurance protection while you or your client is still living, as well as after you are gone. Planning for future insurance needs means protecting loved ones from having to make difficult decisions. This is truly an act of love. As insurance pros, this is what we need to convey to clients more than ever.

Long term care insurance

Unexpected illnesses or accidents are part of life. Not all extended illnesses occur later in life; sometimes life just happens. One's good health assists with the purchase of Long term care insurance (LTCI), which covers custodial care needs, those not covered by one's health insurance plan, Medicare, or Medi-Cal. A long term care insurance policy protects one's bank account and prevents spend-down to pay for care. Currently, home care costs in California run between $25-$30 ($680 per day/24-hour care); costs for an assisted living facility run between $4,000-$9,000/month. Long term care Insurance ensures that you or your clients will have a plan in place when care is needed; it protects families from scrambling to make important decisions about one's care—who, where, what, how and the cost. One can decide between Traditional LTCI and Hybrids (Life Insurance with LTC insurance riders). Of course, everyone should check with a financial advisor or CPA about possible tax issues.

Life insurance

Families often avoid the discussion about the stressors and decisions loved ones must make after a loved one passes away. Life insurance, a vital component of financial planning and retirement planning, assists with those difficult decisions. Those funds may go to paying for housing, food, medical, education and paying off bills. Planning for the inevitable shows one's family that they are remembered long after the insured is gone, a part of one's legacy for their family. How much life insurance is needed depends on the insured's age, lifestyle, number of children and income. The insured needs to know the options and variables available with term, whole, and universal life insurance coverages, including Indexed products.

Disability or Critical Illness insurance

Protecting an insured's income stream and/or business in case of an accident or sudden illness is another vital protection to consider—so there is no interruption with bills and obligations. Both disability insurance and/or critical illness coverages offer peace of mind while one is living, providing on-going funds.

With all these choices for insuring you or your clients—remember that the insured is precluding loved ones from having to make those sudden, difficult financial decisions. Consulting with you, the financial advisor, about insurance protection demonstrates to loved ones that the insured family member is always there for them.

So, next Valentine's Day gifts, tell your contacts to plan a marvelous dinner, romance their sweethearts—but remember to plan for the future. A true gift of love is forever.

Stan Israel, a Vietnam Era veteran of the U.S. Air Force, began his career in the entertainment and fitness industries before becoming an insurance professional, opening his own Life/Disability insurance brokerage over 30 years ago. Now, a premier specialist in long term care insurance, Stan guides his clients and financial professionals through the complexities of the choices available with long term care insurance for traditional and hybrid coverages. Stan currently teaches the general LTCi Continuing Education (CA) courses, as well as The California Partnership for Long Term Care, under the auspices of the California Departments of Insurance and Health/Human Services. Stan speaks and offers CE courses for local financial planning, legal, senior, and insurance associations, including FPA of the SF Valley, NAIFA, USC, and local and national AHU Medicare and Business Development Conferences. He serves on the advisory panel for the California Partnership for Long Term Care. More info at www.SDIINS.com or reach Stan at 818-706-1100.

Q&A: BLUE SHIELD OF CALIFORNIA ON MENTAL HEALTH

BY THORA MADDEN

Mental health benefits are top of mind right now. Cal Broker reached out to Blue Shield of California's Don Antonucci, senior vice president, commercial markets, and Bryce Williams, vice president, lifestyle medicine, to learn more about what Blue Shield is doing with these important benefits.

Cal Broker: Can you describe the behavioral health plans you offer?

Blue Shield: We recognize the need to address the biological, psychological, and social factors that impact behavioral health. Through our whole-health approach and collaborative care philosophy, we improve quality and deliver an enhanced patient and provider experience to more effectively meet both the physical and behavioral needs of the individual.

Today, we are now living in unprecedented times, not experienced in the last 100 years. COVID-19 is causing worldwide disruptions in our work lives, family ties and economic activity. For the last three weeks, we have been sheltering-in-place, resulting in challenges to our daily routines. In addition, social distancing can easily lead to feelings of separation and loss of community, stress and anxiety.

Blue Shield is addressing these concerns by using technology to expand access to behavioral health services so members can receive the care they need, when they need it. By providing members with mental health services via phone, app or video conferencing, either with their current therapist or a new provider, we are ensuring 100% continuity of care while allowing practitioners and members to remain in their homes to reduce exposure and transmission of coronavirus.

Blue Shield, in its commitment to transforming health care, offers a comprehensive program of industry-leading behavioral health services. Our health plans provide a sophisticated approach to managing both inpatient and outpatient behavioral health services, employing specially trained behavioral health clinicians to assess a member's situation and direct him or her to the most appropriate care setting. Having co-located care managers at Blue Shield ensures a seamless coordination process for the care of members with significant behavioral health needs. This collaborative approach promotes integrated care coordination which simplifies the member experience and enables personalized, relevant and responsive care.

Another way Blue Shield is getting to the heart of behavioral health is through our partnership with Bright Heart Health, which provides expert care and support to adults through two-way video conferencing via phone, tablet or computer. Bright Heart Health works with over 150 hospitals and specializes in opioid disorders, substance abuse treatment, eating disorders, and chronic pain/opioid dependency. It is equipped to complete intakes within 24 hours of receiving a referral from a provider or a patient self-referral. This provides members with on-demand care, moving toward zero wait times to speak to a doctor.

Blue Shield's value-added services provide our clients with game-changing opportunities which offer a broader clinical value story through seamless integration and improved competitive positioning through innovation and improved costs. Our newest cutting-edge solutions focus on

Don Antonucci,
Senior Vice President,
Commercial Markets,
Blue Shield of California

Bryce Williams,
Vice President,
Lifestyle Medicine,
Blue Shield of California

technology, medical/behavioral integration, early intervention, and breaking down stigma while promoting awareness.

For example, Blue Shield's award-winning lifestyle medicine program, Wellvolution®, combines best-in-class digital therapeutics, evidence-based therapies, and member-centric design to ensure members have access to personalized, flexible tools that work within their existing routines and address their unique problems. Blue Shield is committed to its members and focused at ensuring easy access to the holistic care that our members need.

To help members with social distancing during the current COVID-19 outbreak, Blue Shield is providing expanded access to premium programming for Sanvello, a Wellvolution program and #1-rated app for managing stress, anxiety, and depression through July 31, 2020. This includes access to 45 different mindfulness and meditation sessions, coping tools, guided journeys, and community boards – all at no additional cost to Blue Shield members during the COVID-19 crisis. We also adapted our Wellvolution diet and lifestyle programs to support members during this uncertain time. These 100% virtual programs are customized to meet current challenges, supporting members to take better care of their physical and emotional health while they remain at home.

Value-added services to improve behavioral health outcomes and enhance an employee's experience

Finding time to take care of your health can be a challenge for everyone. In addition to Wellvolution, Blue Shield offers a suite of value-added services—including 24-hour telehealth visits, 24/7 access to support services for personal and family issues, support services for employers, and autism support services—to help employees and employers stay focused and productive.

To make it easier for employers to offer these value-added services, they are included in fully insured premiums, and available to self-insured clients through discounted bundles.

When members address their health and wellness needs using Wellvolution's lifestyle medicine approach, they opt for a far less costly route for themselves and their employer. For example, over 75% if members enrolled in Wellvolution's risk-reduction programs, which include stress management and behavior-change components, achieve an average reduction in weight of 5% within the first month and normalization of their hemoglobin A1C. Based on the results experienced by real users of our digital health network partners, members enrolled in Wellvolution can also expect to:

- Prolong their lives up to 14 years by adopting core healthy behaviors
- Reduce their risks for diabetes by 93%, heart attack by 81%, stroke by 50%, and all cancers by 36%
- Lose 5% of their body weight or more
- Develop better stress management and coping skills

Telehealth services

BlueShield offers 24/7/365 telemedicine and telebehavioral health services to members through Teladoc®, which includes a national networks of physicians and experienced psychiatrists, psychologists, therapists, and social workers to address a broad range of common illnesses and provide relief for issues like addiction, depression, stress or anxiety, domestic abuse, grief counseling and more.

During the current COVID-19 outbreak, we are leveraging this technology to expand access to behavioral health services so members can receive the care they need when they need it. By providing members with mental health services via phone, app or video conferencing, either with their current therapist or a new provider, we are ensuring 100% continuity of care while allowing practitioners and members to remain in their homes to reduce exposure and transmission of coronavirus.

Telebehavioral health sessions conducted during the COVID-19 period are covered in the same way in-person visits are covered. All credentialed and contracted behavioral healthcare providers are now permitted to conduct tele-

We are expanding telebehavioral health services coverage to all members, regardless of whether they previously utilized telehealth or if their plan explicitly includes telehealth provisions.

health video sessions for all routine services and certain advanced behavioral analysis, intensive outpatient treatment programs, and partial hospitalization program services. If a member is unable to participate in a face-to-face telehealth video session, outpatient providers may also conduct sessions via telephone. So, if members need care, they can call their provider to see how to receive services via their phone, Facetime or Skype.

We also are expanding telebehavioral health services coverage to all members, regardless of whether they previously utilized telehealth or if their plan explicitly includes telehealth provisions. And we are eliminating member cost sharing for Teladoc telehealth services through May 31, 2020.

LifeReferrals 24/7

Life can be overwhelming at times, and LifeReferrals 24/7 offers around the clock support for a wide range of services to cover personal, family, and work issues. It was designed to promote early intervention and wellness to enhance productivity and assist employees in addressing their everyday concerns. This program provides support for members in all areas of their lives, from relationships, child and elder care, to financial and legal issues. The program includes three face-to-face counseling sessions with licensed therapists in each six-month period at no extra charge.

Workplace support services

Managers and supervisors receive telephonic support to assist with employee issues, such as substance abuse or personal and family problems, that could be impacting job performance. Workplace Support consultants are master's level, trained clinicians who assist with the development of corrective action plans and a proper return to work, as appropriate, for the employee. Workplace Support consultants partner with managers and supervisors to ensure services are done in accordance with a client's human resources and legal policies.

Autism Connections program

The Autism Connections program was designed to manage autism spectrum disorder effectively, with resources to market-leading clinical expertise with the right components to improve health and lower costs. This program has been offered to Blue Shield membership since July of 2012 and is provided from the Autism Center of Excellence in the San Diego Care Management Center.

CB: Are you seeing an uptick in interest in behavioral health benefits?

BS: Yes, Blue Shield has seen an increase of interest in behavioral health benefits across employer markets. Current statistical studies from various mental health experts reveal not only the increase of the recognition of mental illness amongst the U.S. population, but the issue of limited access to mental healthcare coverage and providers.

More employers are interested in improving access to mental health and well-being. About 75% of employers offered programs for depression and mental health in 2018, up from 34% in 2014.

The National Alliance on Mental Illness (NAMI) reports that one-in-five adults and one-in-six U.S. youth aged 6-17 experience a mental illness each year, underscoring a critical need for mental healthcare access across all patient populations. This is a pervasive issue that warrants the kind of attention other chronic diseases often receive.

Millions of Americans are going without access to care, per Mental Health America. Common barriers to mental health care access include limited availability and affordability of mental health care services, insufficient mental health care policies, lack of education about mental illness, and stigma.

That limited care access is not for lack of patient motivation. A 2018 survey from the National Council on Behavioral Health (NCBH) showed that 56% of patients want to access a mental healthcare provider, but many face care barriers.

The NCBH survey revealed that 42% of patients see high cost and limited insurance coverage as their main barriers to accessing mental healthcare. As patients face limited options for in-network mental healthcare, they either face large medical bills or are unable to visit a medi-

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MONTH	FEATURE FOCUS	ALSO INSIDE	BONUS CIRCULATION
JANUARY	2020 Industry Outlook Health, Life and more	CA's Editorial Board weighs in on: Self Insurance Wellness Travel Insurance Medicare LTC & more	San Diego AHU Sales Expo
FEBRUARY	The Millennial Issue Survey: GA View from the Top	Wellness Part II Consumer Driven Health (HSAs) Life Settlements & IUL Vision	Orange County AHU Business Development Summit
MARCH	Large Group Survey: Large Group View from the Top	Annuities Dental Life Insu Medic	Inland Empire AHU S Symposium AHU Annual
APRIL	Vision Disability		
MAY	Voluntary Benefits Survey: Voluntary Benefits View f the Top		
JUNE	All About Ancillary P		Medicare Summit-Inland Empire Senior Summit-San Francisco
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AUGUST	Medicare Insurtech		
SEPTEMBER	Life Life Settlemer Survey: Life V	ealth (HSAs) ments	Healthcare & Benefit Congress
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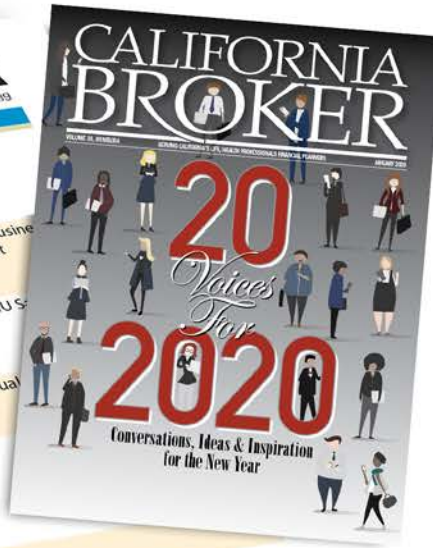

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Contact: Devon Hunter 626-755-4770

To help address the critical mental health needs Blue Shield launched BlueSky to enhance awareness, advocacy and access to mental health resources for middle and high school students.

cal professional at all.

Limited health insurance access or in-network care are keeping many patients from visiting a mental healthcare professional. And even when a patient can find an affordable provider who will accept insurance, clinician shortages, fragmented care, and societal stigma are getting in the way of adequate care access.

CB: Have there been any significant changes in recent years?

BS: Tremendous change in healthcare legislation has created a dynamic environment of new opportunities to transform the fragmented delivery systems across the healthcare continuum. Blue Shield provides a solid foundation that ensures system transformation through innovative solutions which leverage the strength of our combined medical and behavioral expertise with industry-leading technology to drive integration and person-centered care. We are committed to providing seamless behavioral care, focused on quantifiable results.

Blue Shield is taking bold steps to transform a dysfunctional healthcare system. Our North Star is to create a healthcare system that is worthy of our family and friends and sustainably affordable.

Blue Shield recognizes that there is a mental health crisis among California's youth. Studies show up to one in five students in the U.S. has a serious mental health need, yet in California too few of those affected receive the help they need. To help address the increasing critical mental health needs of California's students, Blue Shield launched BlueSky, our signature mental health initiative focused on developing emotional resilience and emotional well-being in today's youth. The goal of the initiative is to enhance awareness, advocacy and access to mental health resources for California's middle and high school students. BlueSky will provide additional mental health clinicians in schools, train teachers on the signs of mental health issues, and empower students with in-person and online mental health support resources.

Blue Shield of California BlueSky supports student mental health in collaboration with leading organizations, including the California Department of Education, Wellness Together, NAMI and Do Something.org.

In response to COVID-19, which is affecting over 52 million students in the US, Blue Shield worked swiftly with our resources from these organizations to provide the following services:

- DoSomething's New State of Mind Campaign: Tips on how to manage stress associated with COVID-19
- Child Mind Institute: Supporting families through phone consultations, live video chats,
- NAMI: Providing tips on how to stay and remain connected to your social network

Blue Shield is building a healthier California during the COVID-19 pandemic by developing resilience and emotional well-being in students.

CB: What can brokers and benefits people do to help employers/employees and individuals better understand their behavioral health benefits?

BS: We suggest partnering with your Blue Shield sales representative, who can provide you with the current layout of Blue Shield's offerings. This will help ensure employers/employees and individuals have full comprehensive knowledge of Blue Shield's mental health benefits.

Behavioral Health is bigger than a provider network, covered benefits, and tech-enabled care. Our members need to:

- Recognize early signs and symptoms
- Understand what programs are available and appropriate for them
- Access care across all acuity levels, quickly

If we realize our vision in the healthcare delivery system, future members will actually need less health care because problems that lie in social and behavioral circumstance—and currently become medical issues—will be lessened.

This is key to emphasizing not only Blue Shield's behavioral health and wellness benefits, but to communicate the importance of addressing mental health and helping a member find a clinician they can trust.

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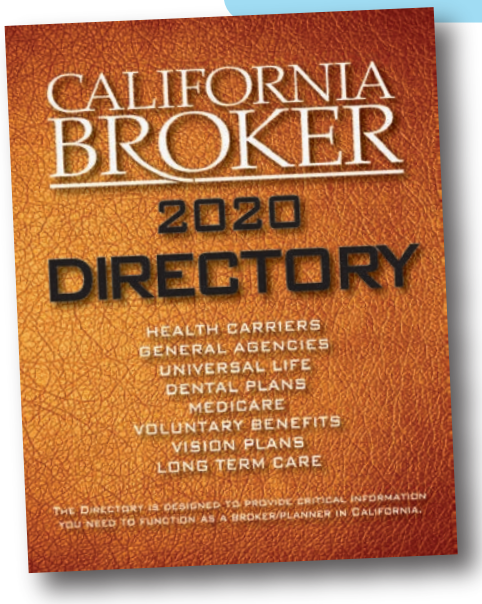
"Keeping up with the industry insiders in the California insurance business can be difficult. That's why Cal Broker publishes the most complete directory of contacts for virtually everyone in life, healthcare and financial planning."



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FIVE TRENDS IN INSURTECH AND LEAD GENERATION

Must haves and nice to haves to better serve your clients

BY CASSIE CARLON

The insurance industry has had a reputation of being late to the game when it comes to adopting new technologies. But in today's digital landscape, it has become apparent that insurance agents, brokers and carriers are embracing new technologies to remain competitive and grow their businesses. In fact, according to Accenture's insurance blog, about 96% of business executives say innovation at their companies has increased over the past three years. Below are a few tech trends we see the insurance industry deploying effectively for a competitive advantage:

1. Increased use of sales enablement technologies

Carriers and agents will continue to use tools to effectively track and engage buyers and help them move through the sales funnel to purchase, as well as address, subsequent needs post-purchase. A CSO Insights study found that the use of sales enablement tools is on the rise. Sales enablement encompasses all of the tools—from onboarding, to training, marketing and sales and analytics—that sales people need to sell more effectively and deliver a better customer experience. According to the CIO study, only 20% of organizations reported using sales enablement tools in 2013. That number increased to over 60% in 2019.

2. Customer relationship management (CRM) tools are a "must-have"

Similarly, agents also want to gain an understanding of who the lead is, what they need and how they can better serve them to drive more effective communications and sales enablement, fuel analytics and future programs. That often starts with leveraging CRM databases, like Salesforce, Velocify and VanillaSoft to track prospects and leads.

With over 200 options to manage relationships with prospects, insurers are at a crucial point to adopt CRM technologies. Carriers and agents need these CRM and sales enablement systems to integrate with each other, as well as other technologies—from sales automation systems to mobile apps—to enable access to real-time data and a more seamless process.

Many are looking to CRMs that help track leads and integrate with other emerging technologies. Advancing CRMs are leveraging artificial intelligence (AI) to optimize workflows, data entry, workflow automation and integration with chatbots and even signals from IoT devices, to help manage and track customer interactions. Some of these databases may also help to enable some aspects of sales enablement, such as with Hubspot's CRM providing marketing automation, starting to further blur the lines from CRM to sales enablement.

3. Personalization and real-time delivery

Use of the above technologies and others, are being fueled by the need to provide a better customer experience. Knowing how to cut through the noise in an appealing and helpful way to reach people and inspire them to act, is key. Technology has enabled a world of extreme customization and on-demand experiences.

According to Accenture, 90% of insurance executives say that integration of customization and real-time delivery is the next big wave and competitive advantage. Additionally, nine out of 10 insurance executives believe a tailored approach will give companies a competitive edge. The firm says the ability to fulfill consumers' needs at the 'speed of now' will be the way to stay competitive. The insurance industry must harness this technology to deliver the superior customer experience that consumers are quickly coming to expect in order to stay competitive.

4. Mobile

One way agents and carriers need to deliver on an enhanced experience is through mobile. Consumers want to research plans, compare options and buy insurance products when they need them on the device they choose, and often that's on their mobile phone. According to Google, in 2019 more than half of all search inquiries came from a mobile device. This increase in mobile phone usage has influenced our marketing, design and development team to concentrate on a highly mobile-optimized user experience. We're seeing a consistent and highly effective mobile push from both the carrier and broker/agent levels and we think mobile apps will be the industry standard very soon.

5. Data protection and security

Finally, consumers want to be able to maintain a level of privacy from certain levels of outreach and know information about them is protected and secure.

Consumer data protection has become a popular topic in the media, therefore we can anticipate more states embracing a data protection policy similar to the European GDPR. California was one of the first states to adopt such a policy with the California Consumer Privacy Act (CCP), which went into effect January 1, 2020. With more legislation centered around protecting consumer data, we anticipate a big push towards industry-standard software to confirm a company's right to contact consumers and store their data. Compliance continues to be a top priority for insurers and it's a smart strategy as governments and consumers continue to question how data is used and stored.

Technology plays an important role in today's world. It's important for insurers to embrace it and constantly evolve.

Cassie Carlon is VP of business development at NextGen Leads, specializing in driving targeted and validated sales leads to carriers, insurance agencies and independent agents in the health, Medicare, and auto insurance industries. She can be reached at Cassie.Carlon@nextgenleads.com

DON'T LET A PANDEMIC STOP YOU FROM ACHIEVING RESULTS

BY DAVE DONCHEY

The state of general affairs right now appears grim. At best, challenging. Life will eventually go back to normal. We just don't know, yet, when that will be.

The good news for life insurance producers, however, is that you can do a lot right now to build your business and position yourself for growth. In fact, if you think that all of your sales activities must come to a grinding halt, you couldn't be more wrong.

Now, if you were running a car repair shop, a restaurant or a salon, you'd be in a much more challenging position. As a life insurance producer, however, you have a unique advantage. You have many digital tools at your disposal that allow you to take applications and process cases – without being in physical contact with people.

Working around restrictions

Stay with me on this as I show you how you can continue your life insurance business during the coronavirus "shelter-in-place" or "stay-at-home" orders. Right now, you have time to focus on planting seeds and keeping your pipeline full. And you should absolutely capitalize on this growth potential and maintain your momentum.

Step 1: Start conversations

This is the time to keep clients engaged in conversations. In fact, consumers are very interested in buying life insurance right now, as the coronavirus is putting the need to have one's financial affairs in order front and center. They're even "panic buying" life insurance right now, so your prospects and clients are likely going to welcome the discussion, and in fact, need your expertise so they don't buy the wrong product.

This is the time to keep clients engaged...In fact, consumers are very interested in buying life insurance right now, as the coronavirus is putting the need to have one's financial affairs in order...

Here's how to approach your clients:

Create a list of prospects and clients who are due for a policy review. Reach out and start the conversation.

Ask them, "When was the last time someone reviewed your life insurance policy?"

Or, "We haven't looked at life insurance lately. Since circumstances change over time, you might have a life insurance need that you haven't thought of."

As the life insurance expert, you have insights and product knowledge that prospects and clients will value at this uncertain time, and you can walk them through the various options available and point them to the policy that best suits their needs.

And be sure to tell them that the entire process can be done online—no in-person meetings required!

This last point may be the most important one. Normally, you'd have to physically stop and see clients, to sit and review options. But the process of purchasing life insurance can, in many cases, be performed entirely online.

Step 2: Use electronic processes

Electronic processes are your ticket to "business as usual" during the coronavirus. You definitely do not have to stop doing business when you have drop tickets and electronic applications available to process applications.

Here's how to use e-applications and drop tickets so you can maintain business activity during COVID-19 restrictions.

E-Applications

This process works exactly like a paper application, but it all happens online. Here's what it looks like:

- You complete the application via a computer.
- You email the application to the client, who will "e-sign"

You can use all of these strategies post-coronavirus, and you should. Employing these electronic tools will help you process applications quickly and more efficiently, saving you time and money.

it. You also e-sign the application.
• Then, you submit the application to the carrier for processing.

Drop Tickets

• Similar to the e-application process, drop tickets are another digital application tool you can use.
• Fill out and submit a client questionnaire. (10 minutes)
• The carrier will contact your client and perform a phone interview to complete the application. (30 minutes)
• The carrier submits the application and underwriting begins.

Step 3: Avoid in-person exams

There are also ways to avoid your clients needing an exam, labs and medical records—all parts of the life insurance application process that normally require face-to-face interaction. And these are the factors that make life producers think they have to halt business during this time. But that's not necessarily true.

Some life carriers offer accelerated underwriting programs where your healthier clients may be able to forgo an exam, labs or the need for the carrier to order their medical records. Accelerated underwriting programs may offer up to $1 million of life insurance coverage, usually up to age 60. In fact, there are a couple of life carriers who may offer more coverage than that.

The key is that you have a prospect or client who is healthy. If they answer the telephone interview questions with favorable responses and pass certain background checks, they might see an approval in just a few days. When combined with e-policy delivery, accelerated underwriting can make it easy for you to sell life insurance with far less effort than by using a traditional paper and underwriting process.

Thriving During COVID-19

Keep in mind, you can use all of these strategies post-coronavirus, and you should. Employing these electronic tools will help you process applications quickly and more efficiently, saving you time and money.

COVID-19 will pass, and when it does, you won't be starting from less than ground zero if you follow the tips above to keep your momentum going, building your pipeline, taking applications and closing cases.

Dave Donchey is President and CEO of LWT Agency. A third-generation insurance agent, Dave spent 10 years in life insurance and long-term care insurance personal production and subsequently joined LWT in 1996 as a brokerage manager. He's published numerous articles and has served as a member of several insurance industry field advisory councils. Dave handles the firm's marketing efforts and is also a Life Sales brokerage manager. You can reach him at 626-304-1300 ext 111 or email him at Dave.Donchey@lwtagency.com.

HELPING YOUR 401(k) PARTICIPANTS COPE WITH VOLATILE MARKETS

Reassure your 401(k) participants that markets rise and fall and that they are long-term investors who should not be concerned about short-term market fluctuations

BY ROBERT C. LAWTON

Volatile markets have returned with a vengeance. The Dow Jones Industrial Average has fluctuated by thousands of points on recent trading days. During these times your 401(k) plan participants can become very nervous, and understandably so.

Plan sponsors and their investment advisors can help calm participants during these volatile markets by sharing the following:

Don't stop contributing, unless…

Participants often contact me during times when stock markets are falling so they can confirm that "…now is a good time to stop making 401(k) contributions, right, Bob?" Many participants wrongly believe that rising markets are good to invest in but falling markets are not. The current situation presents a wonderful opportunity to discuss the merits of dollar-cost averaging.

However, if, during these unprecedented times, a participant or their spouse loses their job, they may wish to stop contributing until things return to normal again.

Resist the urge to sell

Many participants are pained to see the value of their accounts falling and feel the only way to stop the bleeding is to sell, before their investment falls even more. Selling, and realizing losses during times like this, is a major reason why most participants average less than half of the return of the funds they are invested in.

Reassure your 401(k) participants that markets rise and fall and that they are long-term investors who should not be concerned about short-term market fluctuations.

Don't look at your account balance

Many participants can become very upset when viewing unrealized or paper losses in their 401(k) accounts. Advise your participants to refrain from viewing their account balances on days in which the markets suffer large losses.

Get help if they need it

This is a good time to for participatnts to have the investment advisor's contact information. Participants should be encouraged to contact the advisor first if they are thinking about making any sort of change to their accounts.

Stick with your plan

Fast-moving markets, either rising or falling, are not times during which major changes to saving and investment plans should be made. Emotions tend to color perceptions to a high degree during these times, leading to bad decision-making.

Ups and downs are par for the course

Volatile markets are common—especially when investing for the long term. But when these episodes occur, participants may find it difficult to sit still. Remind them that they are in it for the long haul and that they should resist the temptation to invest based on how they are feeling at that moment.

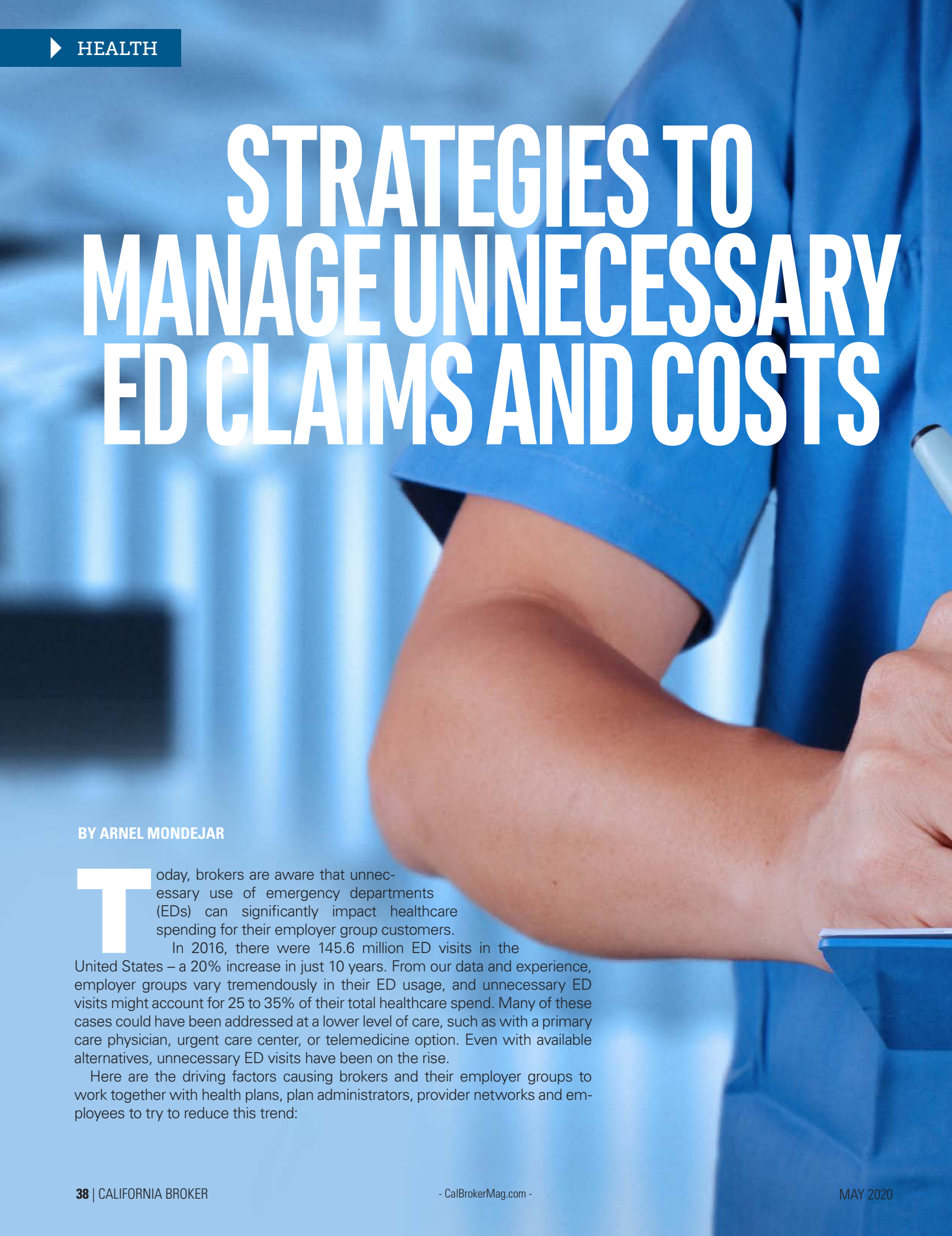
Remember that volatile markets don't last forever

Nothing good or bad ever lasts forever. Although it may seem like this latest period of volatile markets will never end, it will likely be over sooner than most think. Riding out the storm is usually the best bet.

Although the COVID-19 crisis is unlike anything we've ever experienced, the advice to ride it out still applies. In short, participants should hang on, stick with their plan and contact their advisor before making any changes.

Robert C. Lawton, AIF, CRPS is the founder and President of Lawton Retirement Plan Consultants, LLC. Mr. Lawton is an award-winning 401(k) investment adviser with over 30 years of experience. He has consulted with many Fortune 500 companies, including: Aon Hewitt, Apple, AT&T, First Interstate Bank, Florida Power & Light, General Dynamics, Houghton Mifflin Harcourt, IBM, John Deere, Mazda Motor Corporation, Northwestern Mutual, Northern Trust Company, Trek Bikes, Tribune Company, Underwriters Labs and many others. Lawton may be contacted at (414) 828-4015 or bob@lawtonrpc.com.

STRATEGIES TO MANAGE UNNECESSARY ED CLAIMS AND COSTS



BY ARNEL MONDEJAR

Today, brokers are aware that unnecessary use of emergency departments (EDs) can significantly impact healthcare spending for their employer group customers.

In 2016, there were 145.6 million ED visits in the United States – a 20% increase in just 10 years. From our data and experience, employer groups vary tremendously in their ED usage, and unnecessary ED visits might account for 25 to 35% of their total healthcare spend. Many of these cases could have been addressed at a lower level of care, such as with a primary care physician, urgent care center, or telemedicine option. Even with available alternatives, unnecessary ED visits have been on the rise.

Here are the driving factors causing brokers and their employer groups to work together with health plans, plan administrators, provider networks and employees to try to reduce this trend:

Seeking ED alternatives can translate into lower out-of-pocket expenses for plan members and tremendous savings for the employer group.

• **High costs:** The ED is expensive. The average cost of a visit is about $2,200—10 times more than care at an urgent care center for the same diagnosis. Seeking ED alternatives can translate into lower out-of-pocket expenses for plan members and tremendous savings for the employer group. In total, a mid-sized group might save hundreds of thousands of dollars, and a large group, millions.

• **Long wait times:** In the ED, issues are addressed according to severity, so patients with non-emergent conditions must wait to be seen after those who have critical medical concerns. In California, wait times can often last more than five hours. Needless to say, non-emergent patients will actually have a much better experience at a lower level of care – in most cases, waiting less than 30 minutes to be seen.

• **Adverse outcomes:** Misuse of the ED can have an adverse effect on long-term outcomes. For example, about half of all patients who leave the ED do not have the follow-up care that's needed to help get to the root of their medical issues. This can cause adverse effects to that person's health and may even lead to a return to the ED.

Strategies to reduce unnecessary ED visits

Brokers should be aware of the following strategies and tools available so they can advise employers on how they can reduce unnecessary ED visits:

1. Use data analytics to identify ED super-utilizers.

Data analytics is a vital tool for effective ED management. Brokers should ensure their groups have access to sophisticated data analytics. In this way, they can receive insights into their plan's overall ED utilization trends. For example, brokers can suggest groups request a report from their plan to identify super-utilizers who have visited the ED three or more times in the past 12 months. Or, groups can have their plan configure a real-time dashboard to monitor ED usage and costs, so they can promptly take action to minimize both factors.

2. Communicate with members to identify gaps in care.

Once identified, super-utilizers should be targeted for education. For example, be sure health plans have an outreach program to contact super-utilizers to find out why they went to the ED. These conversations might reveal a gap in care. For example, the network might be lacking primary care physicians (PCPs) within a convenient distance to the member's home or work. Make sure plans can help groups address such gaps by recruiting PCPs or providing other options, such as urgent care, walk-in clinics, or telemedicine.

3. Ensure appropriate follow-up care with primary care physicians.

ED physicians only have time to address the primary concern that brought members into their facility. For example, if a member has a urinary tract infection, the ED physician might prescribe an antibiotic, but they aren't in a position to provide holistic care—that's the role of the PCP.

Brokers and their groups should ensure that a plan's outreach program also engages with ED utilizers to schedule follow-up care with PCPs, when needed. PCPs can perform a full assessment that takes into account all risk factors such as existing conditions, vital health statistics, and family history. By collecting comprehensive health information, the

To minimize ED visits into the future, brokers must ensure groups have access to ongoing monitoring. Armed with up-to-date insights, groups and plans can work together to address emerging issues.

PCP can address a member's overall health, instead of just a single health issue.

The PCP can also educate members on health practices to keep them from going back to the ED. Furthermore, a PCP, working with the plan, could suggest members enroll in disease management programs, if they have chronic conditions, such as diabetes or high blood pressure, that cause them to frequent the ED.

4. Educate members on the various levels of care and what types of conditions are appropriate for each.

Brokers should ensure groups are providing educational material to plan members. This material should breakdown common medical issues that can be addressed at the various levels of care – including PCP, urgent care, ED, and telemedicine. Through education, members will come to understand that ED management can help reduce their out-of-pocket costs, while also fostering quality care and a superior patient experience.

Educational material must also include contact information for the plan's service center, so members can call if they need help finding a provider at an appropriate level of care. Digital resources, such as an online portal with the option to chat with service agents, can also be helpful. With today's multigenerational workforce, it's useful to have both paper and digital resources to help identify ED alternatives.

Education can also occur via member outreach. For example, one group in manufacturing implemented an internal clinic to help rein in ED costs. At first, the in-house clinic was under-utilized. Through member outreach, the group learned that plan members were avoiding the clinic because they believed supervisors would find out about their medical issues. The plan educated members on their right to privacy in all venues of care. Once this misconception was dispelled, the manufacturer saw an increase in clinic utilization and a reduction in ED costs from 25% to 12 % of their total spend.

5. Use ongoing monitoring to combat unnecessary ED visits into the future.

To minimize ED visits into the future, brokers must ensure groups have access to ongoing monitoring. Armed with up-to-date insights, groups and plans can work together to address emerging issues. For example, the member outreach program might identify ongoing super-utilizers and enroll them in the plan's case management program. This would allow case managers to closely guide those members to appropriate levels of care, even helping to schedule appointments with appropriate providers.

If a group launches a new ED management initiative, monitoring tools also provide a baseline for comparison. Several months to a year down the line, groups can determine if the initiatives have made an impact. Monitoring can enable groups to promptly address any unexpected spikes in ED utilization.

However, if unnecessary ED visits continue to be a challenge, brokers might consider organizing a summit for a group, which would include the plan administrator and other service providers, to recalibrate its ED management approach.

Arnel Mondejar, RN, BSN, CCM is the vice president of care management at HealthComp, a benefits administrator for self-funded health plans. Mondejar oversees HealthComp's care management department, which helps brokers and employers control healthcare costs by improving health outcomes. This department provides services such as utilization review, case management, disease management, prenatal programs and targeted programs for cancer and ED visits.

HIGH-VALUE BENEFITS FOR HIGHLY VALUED EMPLOYEES

How to help your clients close their income protection gaps

BY PAUL WICKLINE

You have your renewal meetings penciled in for next fall—time to sit back, right?

Not so much, especially if some of those clients have highly compensated employees or partners. In fact, now is the perfect time to pivot back to those clients and give them a clear look at whether they're doing enough to help all their associates protect their most valuable asset: their ability to earn an income.

Three points of protection

Let's back up a minute and talk about financial wellness and risk management. Think of it as a triangle with three essential points to make it complete:

- Savings and investments if they live a long time
- Life insurance if they die early
- Disability insurance if the unexpected happens and they can't work

Your clients probably have 401(k)s and term or permanent life insurance in their employee benefit packages. They might have group disability coverage, too, but there are two key differences: access and portability.

Employees can go online or pick up the phone and buy their own life insurance at near the same cost their employer offers it (and most often, for much less and with higher benefits). Same thing with savings and investments, where banks and financial advisors abound to help them set up plans with a variety of retirement options.

But disability coverage is different. Employees can't buy income protection insurance on their own at anywhere close to the cost of buying it through work. And they can only access this valuable coverage without medical evidence at the workplace. Not only that, if it's a group long-term disability plan, they'll lose their coverage if they leave the employer. That's why your clients need to help all employees protect their income if they become sick or hurt and can't work—providing needed protection for future years, even if they change employment.

Paint a clear picture

This is why now—after the W-2s are out—is the ideal time to reconnect with your clients. They've just seen a complete view of their employees' current incomes, so gaps in protection for all income are easier to spot.

One way to paint this picture is plotting income and age on a scatter diagram, then looking how many annual incomes fall above and below the $200,000 line. We set our metaphorical Mendoza line there because the most popular disability plans.

Now—after the W-2s are out—is the ideal time to reconnect with your clients. They've just seen a complete view of their employees' current incomes, so gaps in protection for all income are easier to spot.

That amount of coverage will adequately protect employees earning up to $16,667 a month, or $200,000 a year.

But higher earners will still have a coverage gap. Add incentive earnings such as bonuses, commissions and restricted stock units (often not considered by group LTD plans), and the underinsurance increases dramatically. If you have clients in fields such as financial, information technology, medical, legal or evolving industries such as biopharma, business services, energy or consultancies, they probably have employees who need more protection.

Paying for parity

Some of your clients may tell you they want to treat all employees the same, while others see value in differentiating based on job role, seniority or value to the organization. Both philosophies are legitimate, but you may need to ask more questions to determine what clients really mean if they talk about parity or an egalitarian structure.

Offering the same amount of coverage to lower and higher earners isn't necessarily treating them equally. One group has a safe amount of protection, while the other is exposed to more liability. This unfunded liability and inequity is often brought to your clients' attention at the time of claim—but it's too late then to transfer the risk. Your clients can choose to offer coverage that helps close this income gap and treat all employees equitably.

Personal protection

Individual disability insurance (IDI) is one solution to bring to your clients. It can be layered on top of the group disability plan they offer all employees and offer much higher levels of income protection with guaranteed rates on a guaranteed-issue basis.

An advantage of this solution over simply increasing the maximum amount of coverage on the group plan is greater cost containment and predictability for the group plan. The IDI coverage is essentially "walled off" from the group contract, so claims on the individual plan don't affect the experience on the group contract.

And because the IDI policy is individual coverage, it's 100% portable. That could be an important attraction point for some of your clients' highly paid—and highly valued — key contributors, especially with severance and employment contract obligations.

Adding IDI coverage doesn't necessarily have to increase the burden on your clients' benefits budget, either. Look for a plan with flexible payment solutions that allow them to choose whether to provide it as employer-funded coverage or facilitate access as a voluntary benefit for greater parity.

In a perfect world, employees would own their benefits—not "rent" them. Unfortunately, they're not always going to be able to access benefits on their own. So when they can, they need to get those benefits they can keep by accessing them through the workplace.

Paul Wickline is a senior account executive in sales and client management at Unum. He can be reached at PWickline@unum.com.

DISABILITY INCOME IS ABOUT COMPASSION AND PROTECTING MORE LIVES

A Netflix documentary produced by Barack and Michelle Obama's Higher Ground Productions, Crip Camp, has been called "a moving tribute to the triumph of the human spirit" and "a feel-good story at a time we desperately need it." This award-winning film is about the disability rights movement and focuses on the protests that ultimately lead to the Americans with Disabilities Act. It may also inspire a compassion to protect more financial lives.

Those of us who promote disability insurance know how a continuing income can provide choices for those who become disabled while covered by our policies. We also know that there are a great number of people who are not eligible to apply for individual income protection products due to their pre-existing disabilities. Some were born with a disability or were struck with a disabling sickness or injury at an early age, like the Crip Campers. Others have acquired pre-existing conditions along the road of life.

Then there are the "Waiters."

Seeing Waiters clearly

The Waiters are waiting until marriage and/or children, waiting for symptoms, waiting for the right plan at the right job, waiting until after vacation, waiting until after the next doctor's appointment, waiting until after the next big bill is paid or the next big check comes in, waiting until the tax return is done, etc. Or maybe they're just waiting to be asked to buy!

The Waiters are who we need to reach. When we don't reach them, they are added to the list of those who potentially limit the amount of funding and benefits available to the those who were born with a disability or incurred a disability before their working years. The Waiters need to know that by waiting, they are inadvertently signing themselves up to share limited resources with those who cannot buy an income protection insurance plan. They are expecting GoFundMe to pay back medical bills instead of helping a new business get started (which GoFundMe was designed for). They are expecting to compete for limited charitable funds.

Contrarily, our customers have taken the personal responsibility of managing their risk of losing an income source during their working years. And if more Waiters buy DI, premiums could be lower for future customers.

Occasionally, however, a customer becomes disabled. And although they have DI policies, the reality is that some customers with disabilities still need to use services provided by the government and charitable agencies. This includes access to buildings, housing and places of employment. These customers benefit from the ADA and the work done by the disability rights activists.

Pros eliminate Waiters

Serious professionals have foresight. It is unconscionable and unprofessional for a person who calls him- or herself a financial planner, CFP or financial consultant to ignore income protection when developing a plan for a client who, if disabled, would not have a steady flow of income sufficient to pay the bills to maintain their lifestyle. Serious professionals make it their mission to eliminate Waiters.

Watching Crip Camp may stir a compassion within you for people with disabilities that will inspire you to make sure you have a plan and your clients have a plan, allowing more funding to be available for all persons with disabilities.

Please consider a donation to your local Center for Independent Living to empower individuals with disabilities to achieve their maximum level of sustainable independence as equal participants in your communities. And make it your mission to help more people become former Waiters.

Jack Schmitz, CLU, CHFC, CASL, has been a brokerage general agent with DI + LTC (formerly known at Bay Area Disability) for over 30 years. His expertise in long-term care developed the same time Congress was beginning to address this need in the early 1990s. He received his CLU, ChFC, and CASL from the American College over the course of his career and was the recipient of the International DI Society 2015 W. Harold Petersen Lifetime Achievement Award. He has led several local associations, to include the Marin chapter of the National Association of Insurance and Financial Advisors and the North Bay Society of Financial Service Professionals. Schmitz is the Northern California representative and a past president of The Plus Group, America's Premiere DI + LTC Marketing organization.

INSURANCE

BY JACK SCHMITZ

AD INDEX

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2 **Brand New Day**
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3 **CaliforniaChoice**
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17 **Canopy**
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coveredca.com/forsmallbusiness
844-332-8384

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Joe Zambito
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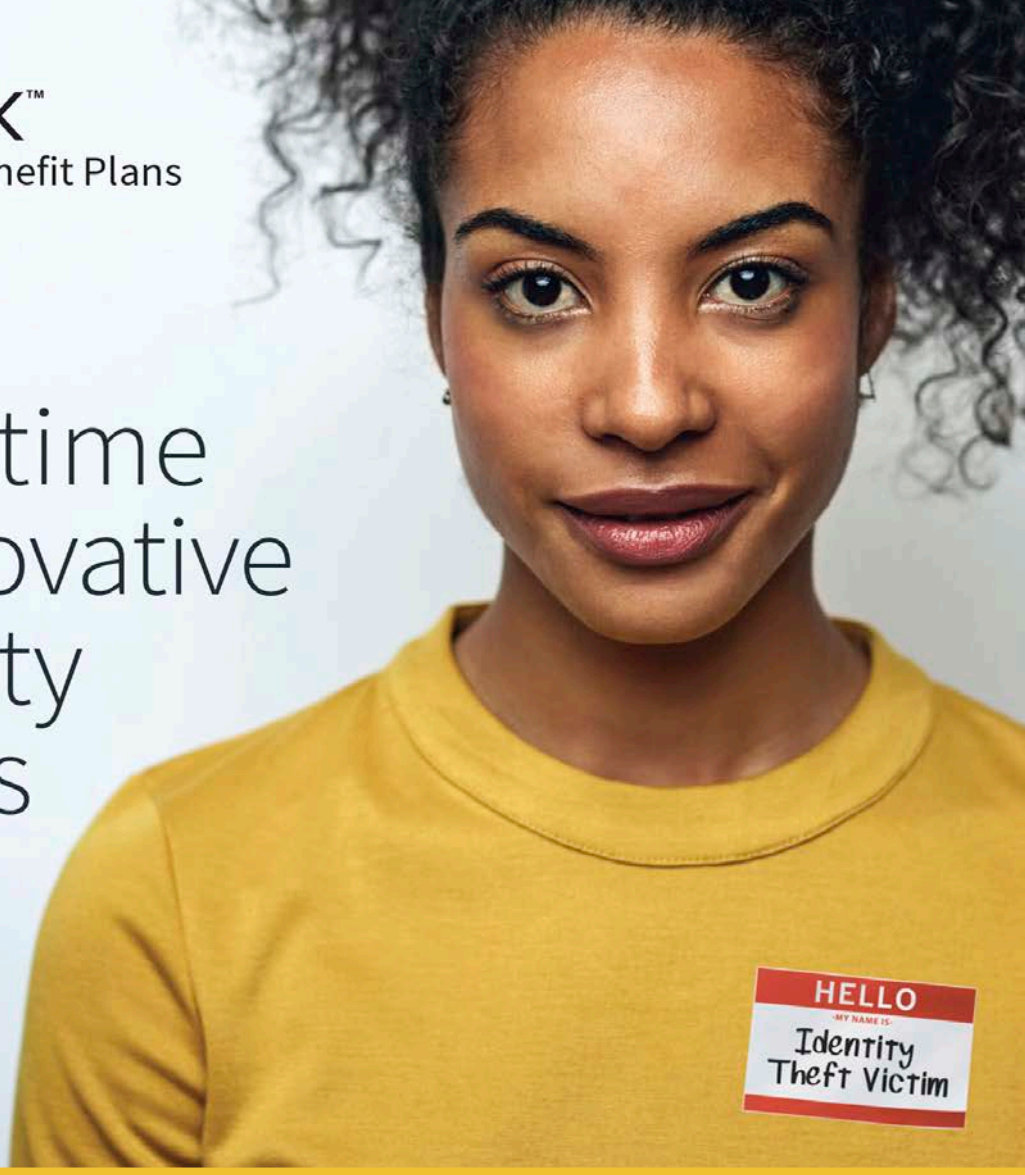

It's about time for an innovative cyber safety solution as a benefit.

Did You Know?

Of the identity theft victims who contacted the Identity Theft Resource Center in 2018:

42%

Noted that as a result of their identity theft incident they are in debt and **40% said that they could not pay their bills.**[1]

85%

Felt worried, angry and frustrated because of their identity theft.[1]

32%

Felt that the incident caused problems for them at their place of employment (either with their boss or coworkers).[1]

Joe Zambito
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Norton™ LifeLock™

No one can prevent all identity theft or all cybercrime.

[1] The Aftermath®: The Non-Economic Impacts of Identity Theft. Identity Theft Resource Center © 2018
LifeLock and Norton by Symantec are now Norton LifeLock.

GPPM8740

Do you replace pictures of your friends with framed photos of your Account Management Team?

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