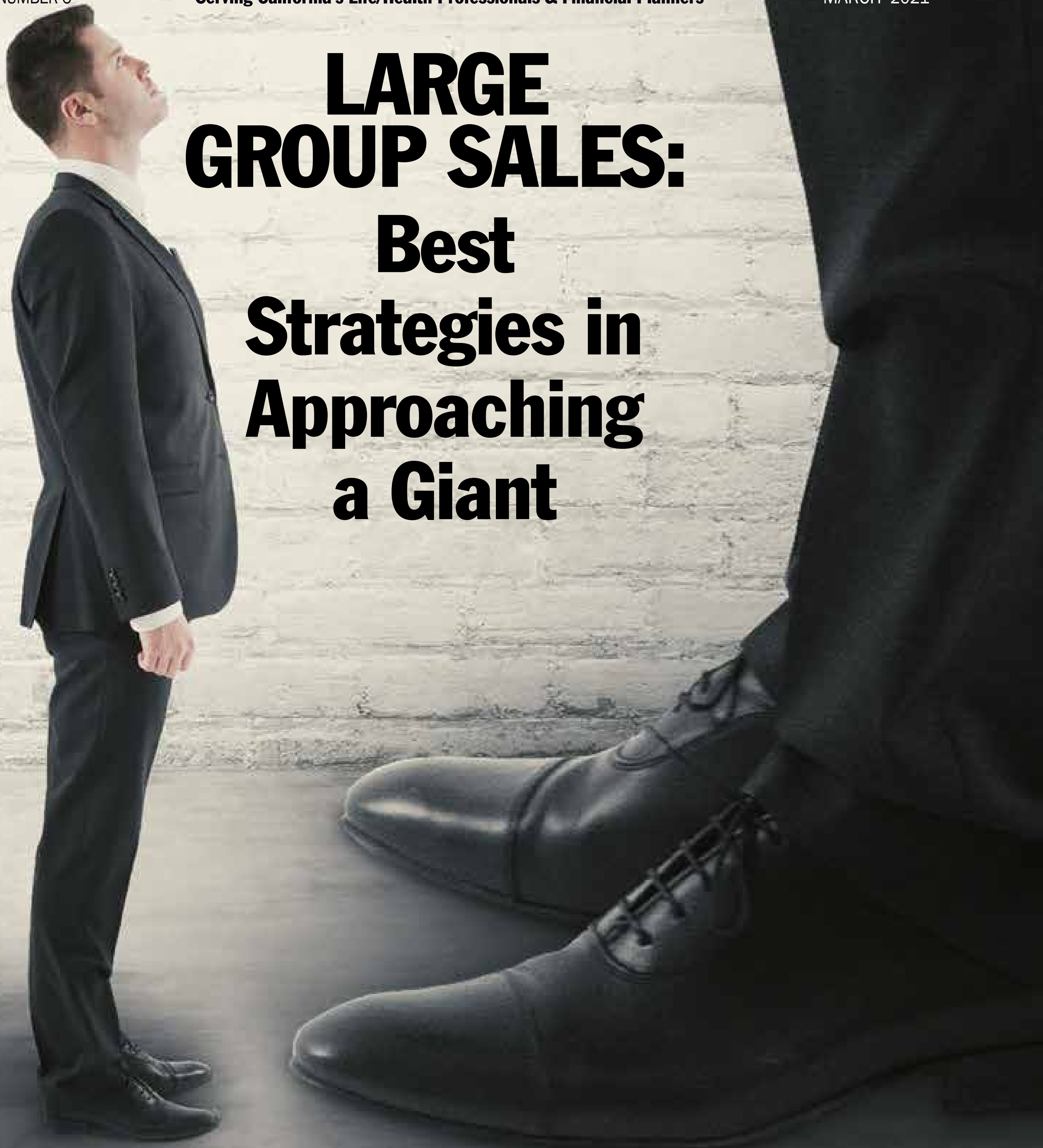
WHAT HAS THE PANDEMIC TAUGHT US ABOUT EMPLOYEE BENEFITS? | RX: MOVING ON FROM COVID

CALIFORNIA BROKER

VOLUME 39, NUMBER 6 Serving California's Life/Health Professionals & Financial Planners MARCH 2021

LARGE GROUP SALES: Best Strategies in Approaching a Giant



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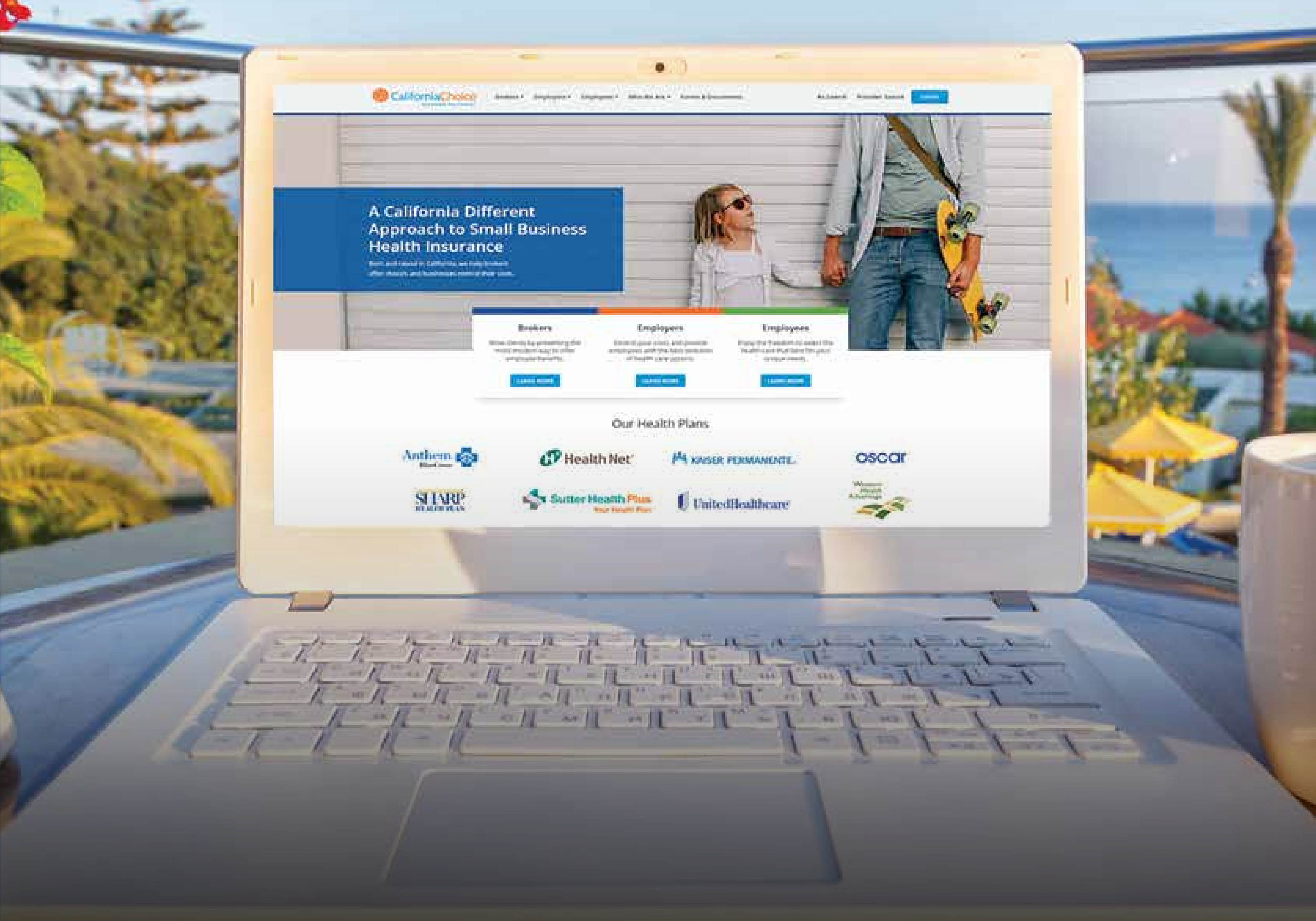

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CALIFORNIA BROKER

MARCH 2021

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VOL. 39 NO.6

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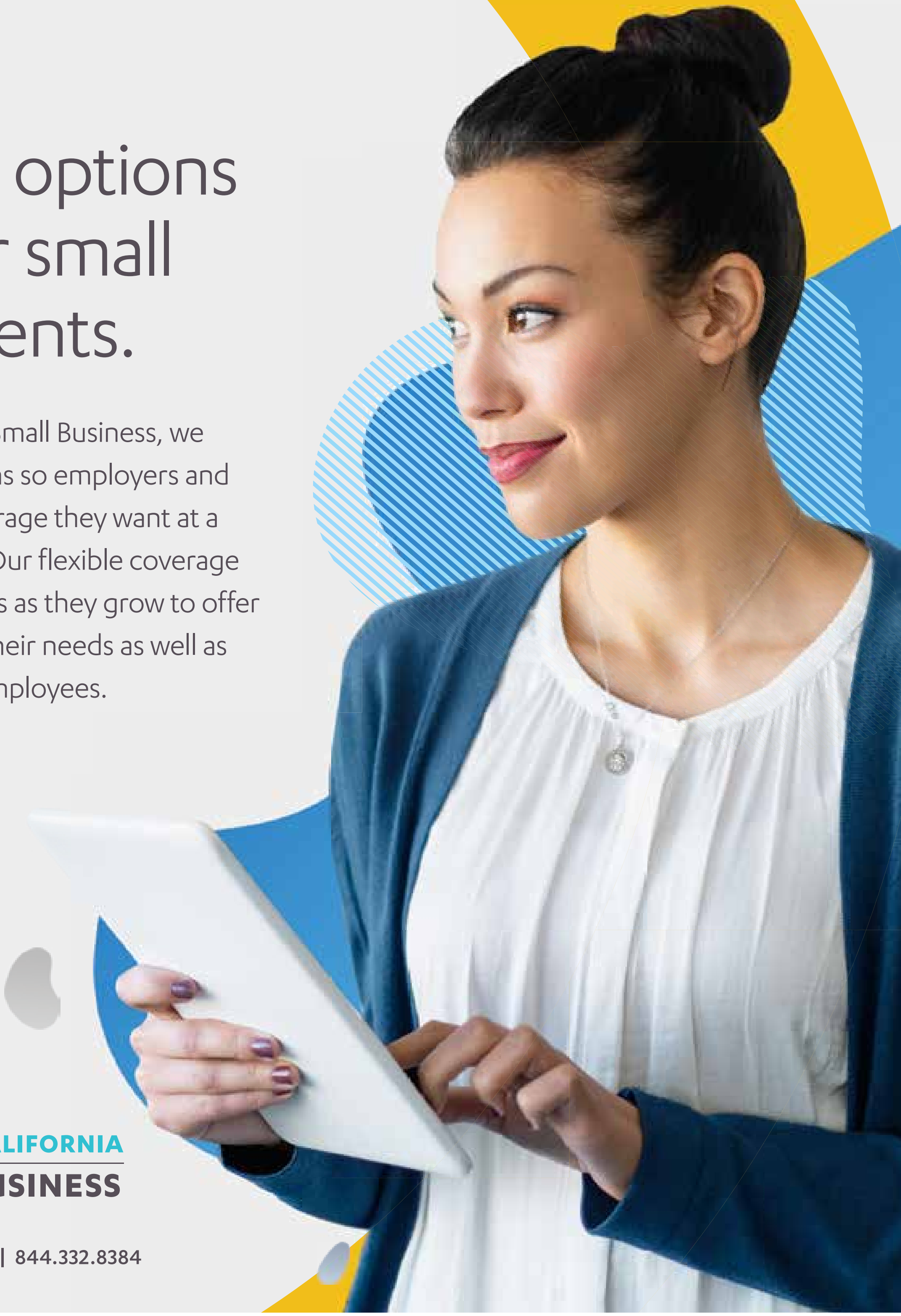

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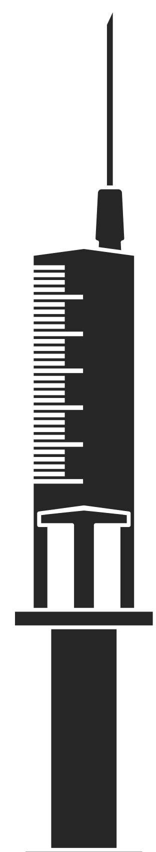

IN EVERY ISSUE

The secondary market for life insurance gives policyowners powerful options for managing their life insurance policies. Through transactions like a **life settlement** or a **life settlement with a retained death benefit option**, you and your clients now have the tools to tap into the market value of policies that are underperforming or are simply no longer needed. The result is **new estate planning strategies that maximize value.**

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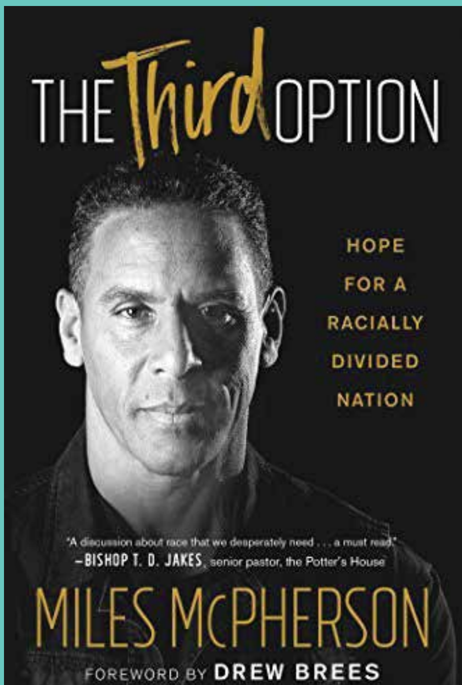
INDUSTRY NEWS

CAL BROKER GPS

Here's associate editor Linda Hubbard Lalande out with Gypsy Ginger Fox and Princess Narnia of the White Clouds enjoying her Cal Broker in beautiful Topanga Canyon. Linda, an insurance industry veteran, is in charge of sponsorship programs and other innovative editorial projects. Linda has recently been talking to educational associations about how they can be Cal Broker partners. If you'd like to discuss ideas with Linda, email Linda@calbrokermag.com

Also — send us your photos reading the magazine! We're suckers for furry friends. So include a dog or cat in the photo and it will surely run. Email **editor@calbrokermag.com**



LAAHU Launches Diversity, Equity and Inclusion Book Club

This month, LAAHU will launch the DEI Book Club that will go through September. It will be based on Miles McPherson's book, "The Third Option" and sponsored by Dickerson Insurance Services. LAAHU invites all to join them. More info at LAAHU.org.

There are many other ways to get involved in equity and inclusion efforts. "We cordially invite our fellow professionals to get involved in our efforts to mitigate unconscious bias and increase equity and inclusion throughout our organization, and more broadly throughout our industry," says Kaiser Permanente's June Taylor, RHU, chairperson of the LAAHU DEI Committee. For more info, please reach out to Ross Pendergraft, LAAHU secretary/treasurer and DEI Committee co-chair, at ross-pendergraft@leavitt.com or (818) 624-0504.

NAAIA
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"Now Is The Time"

Don't miss NAAIA content

The National African American Insurance Association offers many free recorded webinars on its site. NAAIA has addressed topics like brand identity in 2021, sisterhood in organizations, the cannabis industry and much more more. Check out the webinars at naaia.org.

INDUSTRY NEWS

Agency Revolution Announces HomeServices Insurance as Newest Enterprise Marketing Automation Customer

Agency Revolution, an FMG Suite Company, serving independent insurance agents, announced that HomeServices Insurance, a wholly-owned subsidiary of HomeServices of America, a Berkshire Hathaway affiliate, has signed an enterprise agreement for Fuse, the company's marketing automation platform. Under this agreement, HomeServices Insurance will use Fuse to power digital customer communications across its 26 locations. HomeServices Insurance will integrate Fuse with its Agency Management System, Applied Epic, through a seamless bulk data extract (BDE) integration. The integration allows the marketing team to use clients and policy data for targeted client and prospect communications.

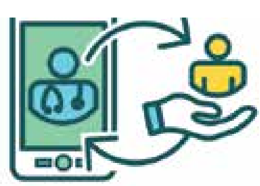
IICF Event Raises Money for Community Grants Program

The Insurance Industry Charitable Foundation (IICF) Western Division will host the virtual Horizon Award Gala, March 18. This is a chance to both celebrate the insurance industry's legacy of collaboration and philanthropic commitment, while also raising funds for the IICF Community Grants Program, benefiting nonprofits with a focus on children at risk, education and human services. More info at IICF.org.

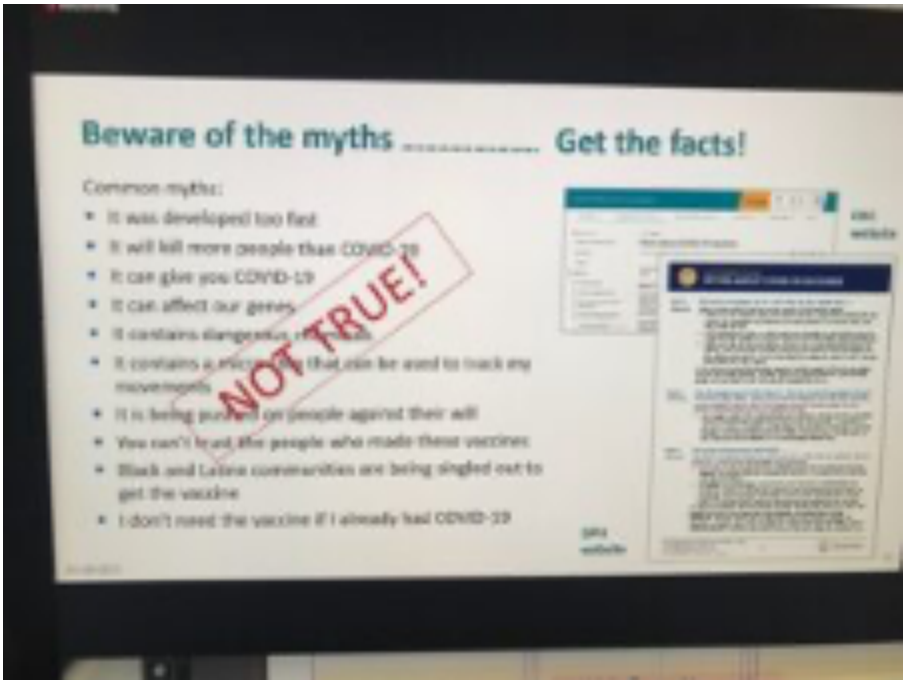
AIG Partners with Beacon to Certify Annuity Information Through Annuity Switchboard

Beacon Annuity Solutions, a provider of cloud-based annuity software and compliance solutions, announced AIG has joined their list of Annuity Switchboard partners. Annuity Switchboard, a Beacon Annuity Solutions service, is a fully automated data delivery platform that connects insurance carriers to its ecosystem of distributors and software providers.

A.M. Best Weighs In on Telehealth



*A new A.M. Best special report "**Telehealth Claim Surge from Pandemic Transforms Healthcare Delivery**" found that just one-quarter of respondents said they would prefer a virtual appointment over an in-person healthcare visit once the pandemic ends. That said, Best contends telehealth is positive for the health industry. Telehealth has increased access to and usage of mental health visits, made healthcare access more effective for low-income people and easier for those with chronic conditions. It also reduced the risk of exposure to COVID-19 for the elderly. Payment parity between virtual and in-person visits expanded provider willingness to offer services virtually, enhanced access to enrollees and filled the earnings gap for providers affected by reduced in-person visits. But Best also says there are caveats. For example, healthcare providers must use different skills to connect with patients. And then there's that thing about people really wanting to be in the doctor's office with a live person.*



Agents as Vaccine Ambassadors

Cal Broker sat in on a recent lunch hour presentation about COVID vaccinations. Franklin D. Pratt, M.D., the Medical Director of the Los Angeles County Vaccine-Preventable Disease Control Program (VPDCP) spent about an hour and a half going over the latest on COVID-19 vaccinations. The biggest takeaway was that even people who have had COVID-19, even people who take vitamins and meditate and even people who have the most positive energy and optimal health, need to get vaccinated when they can. Yes, we are aware that there are still some people who will refuse the vaccine when offered. But Dr. Pratt implored all those present to be vaccination ambassadors. He said that the health insurance agent and broker community is a powerful force in the fight against misinformation and scams.

Please let your clients know that vaccinations are safe and that they are imperative for getting us all to get back to work and back to health. That said, everyone should be aware that there are also plenty of scammers out there. Only get vaccinated from reputable healthcare providers. For reliable local information, go to your county department of public health. You should be able to sign up for COVID-19 news and updates which will detail the absolute latest info on vaccinations in your area.

New Poll: Worries Increase Over Worsening Mental Stability

We've talked a lot about how employers are worried about mental health issues during the pandemic. A new poll suggests it's not just employers worrying. A "Back-to-Normal Barometer" survey for the first time finds that nearly 50% of people agree that their own mental health has gotten much worse and 56% of Americans believe that over the course of the pandemic, the mental health of others that they know has gotten much worse. Rich Thau, president of Engagious, one of the three firms—along with the Sports and Leisure Research Group and ROKK Solutions—that conducted the survey said the survey results suggest we're only beginning to grasp the emotional toll this crisis has taken on us. The survey also found that 57% agree with this statement, "As more Americans get vaccinated in 2021, I expect my mental health will be much better." 35% strongly agree; 24% somewhat agree; 22% somewhat disagree and 19% strongly disagree.

INDUSTRY NEWS

Rosenberg Wins Public Service Award

Compassion, humility, sincerity, caring, authenticity, helping others, being blessed, seeing the good, focusing on helping customers during difficulty — these sentiments and more were heard again and again at the NAIFA-LA awards and FSP-LA/Pasadena awards event, held virtually on Feb. 18, 2021.

A **pandemic-respecting** Zoom gathering for the 68th annual Will G. Farrell Public Service Award and Recognition Event was expertly organized by Executive Director Janet Fishman. It attracted 68 people to listen to speakers and honor colleagues — from new agents and quality leaders, to industry veterans receiving their highest honor. That honor — the Will G. Farrell Public Service Award (complete with trophy) — went to Lynne Rosenberg, a 36 year NAIFA member, and the founder and owner Innovative Solutions Insurance Services.

"I'm passionate about this business," Rosenberg shared. "We are here to help consumers and share the value of having insurance — especially in these difficult times. I'm touched and honored to be acknowledged and join the industry giants who are among the past recipients."

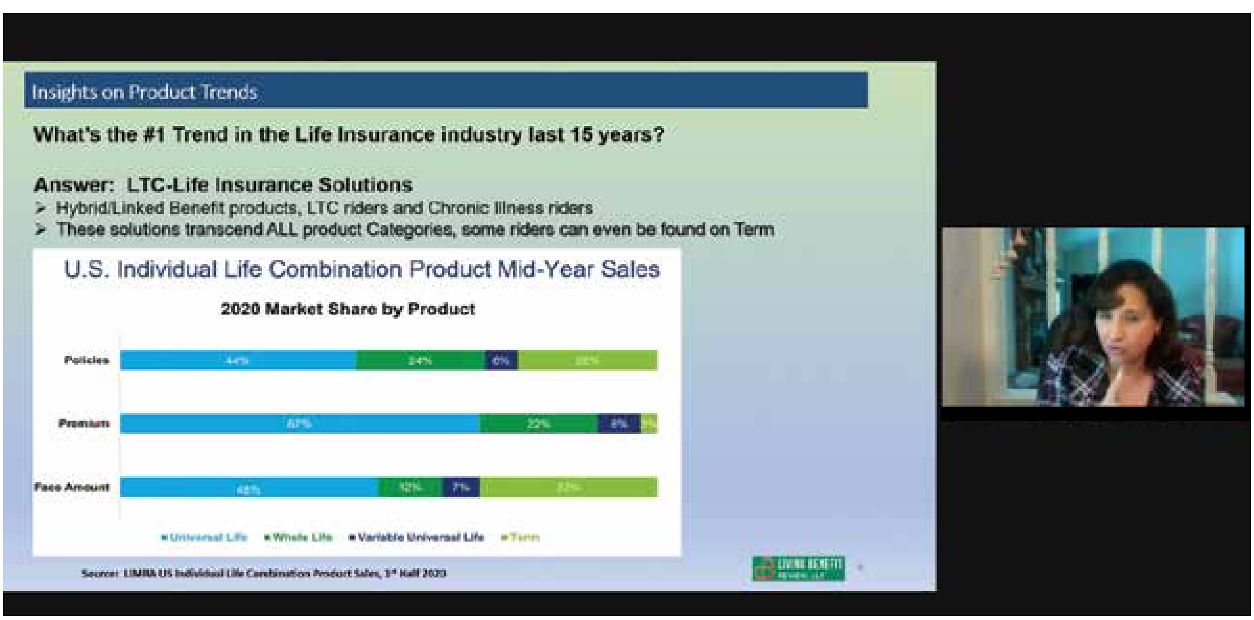
For more on the Society of Financial Service Professionals (FSP) - LA/Pasadena, go to National.SocietyofFSP.org.

For more information on the National Association of Insurance and Financial Advisors, Los Angeles Chapter, go to www.naifala.org.

The guest speaker was Thomas Michel, LACP, NAIFA National President, 2013 Recipient, Will G. Farrell Award. Michel spoke about the importance of being part of the advocacy organization which has been around for 131 years. "This is an honorable industry that is made for these times. We will continue to support consumers as we face this pandemic," he said. He explained that "NAIFA has representation in every state capital and in D.C. to help keep our industry informed and keep legislators aware of our contribution and interests. NAIFA has your back."

Keynote speaker Ramona Neal, CLU, ChFC, CLTC, REBC shared a deep dive on long-term care insurance. Neal shared well resourced, detailed information, explaining trends and opportunities.

Becoming a or NAIFA or FSP member helps you and your industry. Consider what you are missing and what you will gain by joining at **www.naifala.org** *or* **National.SocietyofFSP.org.**



INDUSTRY NEWS

Commissioner Lara Appoints Members to the California Long Term Care Insurance Task Force

Insurance Commissioner Ricardo Lara announced his six appointments to the new Long Term Care Insurance Task Force. Created by the legislative passage and Governor Gavin Newsom's signing of AB 567, the task force will explore how a statewide long-term care insurance program could be designed and implemented. Newly appointed members include:

>Dr. Lucy Andrews, director of nursing and CEO for At Your Service Nursing and Home Care.

> Grace Cheng Braun, MSPH, President and CEO of WISE & Healthy Aging.

> Michael Mejia, senior vice president, operations for Atria Senior Living.

> Doug Moore, executive director of the United Domestic Workers of America.

> Dr. Karl Steinberg, M.D., C.M.D., a skilled nursing facility and hospice medical director in San Diego County for over 25 years.

SURVEY

Americans Focused on Healthcare Over Student Loans and Legal Pot

Medicare Advantage Plans surveyed 1,000 adults in the United States about what policies they'd most like to see enacted. Drum roll, please:

51%

of Americans would like to see Medicare for All over student loan forgiveness OR marijuana legalization

1/3

would rather have student loan forgiveness, and 1 in 4 would prefer legalized marijuana

60%

of Americans would choose Medicare for All over a free college system

14%

said they'd rather have the Monday after Superbowl Sunday be a national holiday

EVENTS

NAHU Power Hour

4th Wednesday of the month from 4-5 p.m. PST. Members and nonmembers welcome. Register at NAHU.org.

Insurance Industry Charitable Foundation (IICF) Western Division Horizon Award Gala

virtual, March 18. Info at IICF.org.

CAHU Women's Leadership Summit

Green Valley Ranch in Las Vegas, April 7-9. Email questions to info@cahu.org.

American Association for Medicare Supplement Insurance National Medicare Supplement Insurance Industry Summit

Sept 8-10, Schaumburg Convention Center, Chicago area. Info at medicaresupp.org.

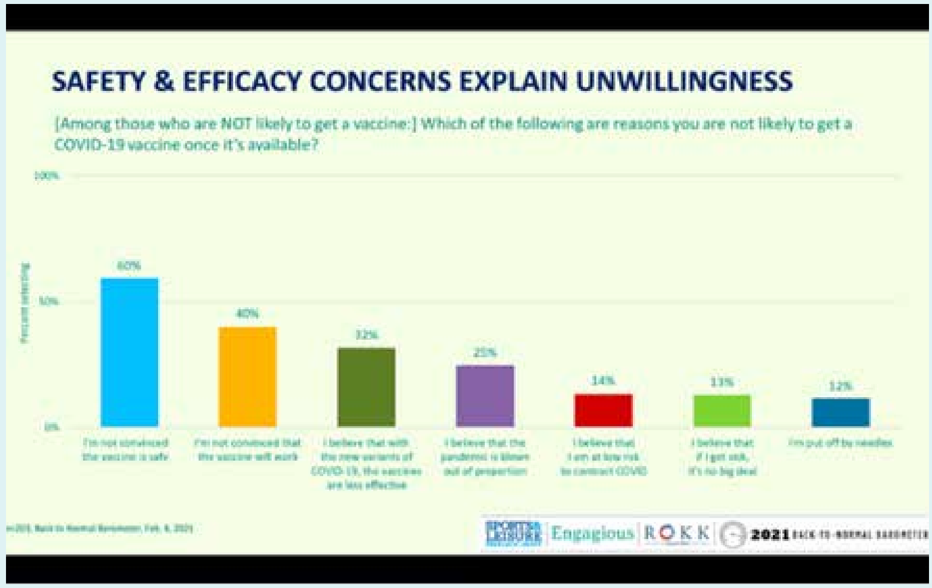
New Poll: Not Everyone Excited About COVID-19 Vaccine

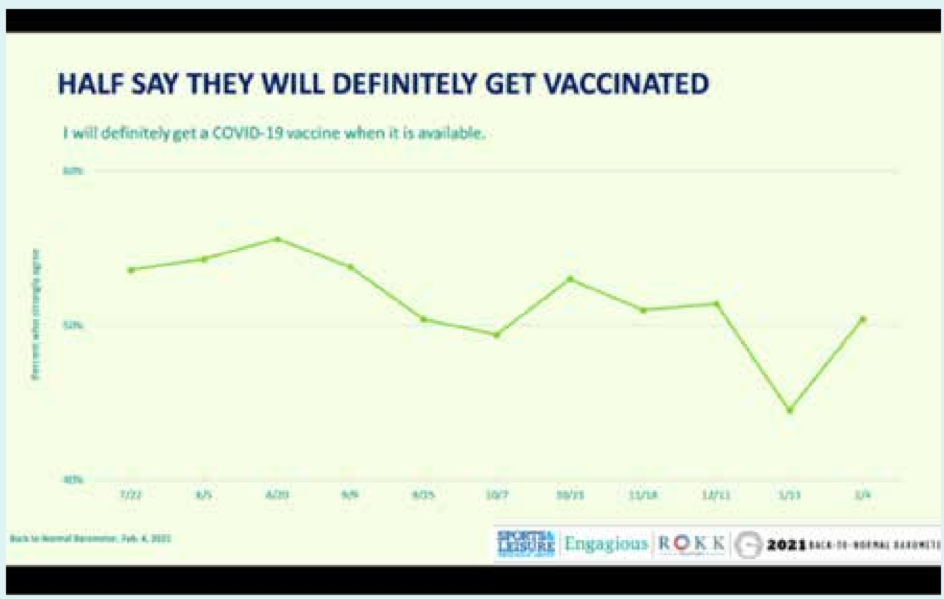
Many people are chomping at the bit for the day they can book their COVID-19 vaccine appointment. Meanwhile, the "Back-to-Normal Barometer" survey recently found that about half of Americans have misgivings about getting vaccinated.

The survey asked respondents if they agreed or disagreed with this statement: "I will definitely get a COVID-19 vaccine when it is available." 50% strongly agree; 12% somewhat agree; 15% somewhat disagree and 23% strongly disagree.

When those who are unlikely to get the vaccine were asked this survey question, "Which of the following are reasons you are not likely to get a COVID-19 vaccine once it's available," they could choose all that apply. In descending order, this is what they told the researchers:

- **60% said, "I'm not convinced the vaccine is safe"**
- **40% said, "I'm not convinced that the vaccine will work"**
- **32% said, "I believe that with the new variants of COVID-19, the vaccines are less effective"**
- **25% said, "I believe that the pandemic is blown out of proportion"**
- **14% said, "I believe that I am at low risk to contract COVID-19"**
- **13% said, "I believe that if I get sick, it's no big deal"**
- **12% said, "I'm put off by needles."**





The margin of error on the February 4, 2021 online survey of 534 Americans is +/-4.24% at the 95% confidence interval. The Back-to-Normal Barometer is a survey funded by marketing research firm Sports and Leisure Research Group, public policy message testing firm Engagious and ROKK Solutions, a bipartisan public affairs firm.

60%

of those who said they are unlikely to get the vaccine told researchers "I'm not convinced the vaccine is safe."

COVER STORY

MARCH 2021

Best Strategies

in Approaching the Large Group Sale

By Chris Della Sala

When it comes to "large group business," the scope and scale of what you are about to tackle may seem daunting. The reality of the situation is that there is often a great deal of overlap between large and small group characteristics when it comes to employee benefits. Additionally, there are varying degrees of definition when it comes to "small group" and "large group." Sometimes the definition may be over 50 lives, to be consistent with certain Affordable Care Act (ACA) provisions, but other times it might be 100 lives, 500 lives, or even 1,000+ lives, depending on the insurance carrier or consultant involved. Regardless, there is no doubt large group business requires careful consideration, meticulous evaluation, and the highest levels of professionalism. If you are in the benefits space and currently manage "small group" business, you have the skill set to sell "large group" business as well.

SIMILARITIES AND DIFFERENCES

There exist commonalities in how small and large companies evaluate employee benefits offerings and manage the administration thereof, but there are also obvious differences. Large businesses are often focused on issues such as:

- considering how a benefits portfolio will impact their competitiveness in an increasingly competitive landscape
- how to attract and retain top talent, and
- how to promote and sustain employee health.

Additionally, due to the law of large numbers, large businesses have both the capacity and need to focus on large-scale financial aspects of insurance, such as how much they are spending per employee per month (PEPM) on insurance contributions and other additional resources like ACA reporting, COBRA administration, benefits enrollment technology and other relevant services. There are vendors out there with unique business models that offer the ability to provide such solutions without paying high PEPM costs, you just need to know where to look.

Ask your carrier reps which partners they leverage to provide no-cost solutions of such services. Employers with larger employee populations often incur significant financial impacts when paying for solutions like these at market value.

Smaller businesses, on the other hand, tend to be more focused on individual employee concerns such as how a serious illness might impact key employees, tax incentives and employee workload. Oftentimes there is an inherent workload restriction on small business operators and administrators — it is quite common to have a single person handling benefits, human resources, payroll, office management and more. In these situations, it is very easy for those individuals to become overwhelmed when talks of change to their existing day-to-day functions or benefits strategy are introduced.

Furthermore, in today's COVID-19 environment, all sizes of companies are adapting to accommodate a remote work force and promote healthy living — a transition that has been rapid and new to many. In either scenario, showing empathy toward the administrators position and workload goes a long way. Serving as a resource, offering solutions, and illustrating in a clearly articulated way how you can relieve them of a burden of work and responsibility without jeopardizing their perceived value to the company will always win you big points.

If you are in the benefits space and currently manage "small group" business, you have the skill set to sell "large group" business as well.

CUSTOMIZATION AND FLEXIBILITY REQUIRED

Large groups have unique needs, not canned requirements. Be attentive and responsive. Some of this may seem like common sense, but here are a few tips:

- When it comes to closing large group business, whether it is a case with 50 lives, 100 lives, or 2,000 lives, there are a few critical elements that one should always consider. First, you must position yourself as an expert that is readily available to do everything in your power to be an advocate and resource to them. Providing value is the most important element to this aspect of large group sales. Share your expertise in dealing with sophisticated business strategies, budget management and cost savings solutions, and ultimately having a thorough understanding of the human resources world as it pertains to employee benefits.
- Discovery is critical. The more you ask, the more you know. The more you know, the more helpful you can be. By understanding their goals and concerns, you can identify their challenges and offer valuable solutions. Understanding your clients' world — where they spend their time, what needs they have and what challenges they face — will help you not only build rapport, but also generate a method to deliver helpful solutions as you create a proposal.
- During the discovery meeting, your goal is to listen, listen again, and listen some more. I often equate it to the 80/20 rule—spend 80% of your time listening and the other 20% asking questions. Allow the person you are meeting with to do most of the talking. Do not "show up and throw up," as I once heard a mentor of mine say. If you do not have a thorough and consistent discovery document, I highly encourage you to develop one immediately — one that is transferable for all prospect types. And one that captures all the data you need to evaluate whether a prospect is a good business opportunity or not. Let's face it, not all opportunities are good ones. And that is another critical element of the large group world — know when to walk away and

have the courage to do so. When you attempt to onboard a new client that is not a good business fit, everyone loses. Do not subject your client to disappointment, or worse, damage your company's reputation. Be brave — walk away when it is justified.

Large groups have unique needs, not canned requirements.

- Be prepared and do your diligence on the opportunity. Invest time researching and educating yourself about the people and company you are meeting with. Know who their key employees are and their respective roles. Understand their brand and culture. Use language from their mission and vision statements in your proposal and during your meetings. Be professional, be knowledgeable and be sincere.
- Once your discovery is complete, make sure to establish concrete next steps and timelines. You should never leave any meeting or end a phone call prior to clearly outlining next steps. This is pivotal if you are to maintain the momentum needed to close or disqualify the opportunity. I always encourage my sales team members to look for ways to disqualify an opportunity. While it might seem counter intuitive, it is critical and accomplishes several things:

1) It will help you narrow your focus, so you are spending time on real opportunities.
2) It helps you identify opportunities that will benefit greatly from the services you provide, creating a win-win all around.
3) Lastly and arguably most importantly, adopting this approach will help you position yourself as someone who truly cares as opposed to someone focused solely on the sale. Distinguish yourself from others — this can be your greatest asset.

When presenting your solutions, tailor your solutions to the prospect's specific needs as identified during the discovery and position your solutions to fit their needs. And when you say you are going to do something, do it and do it well.

Ultimately, in its most basic form, winning a large case sale comes down to this:

- Be professional. Though it sounds like common sense, professionalism spans the gamut from communications, to attire and behavior.
- Seek mentorship. If you truly want to delve into the large group market, seek guidance from those who know the market well and are willing to help you grow.
- Perform your due diligence. There is no excuse for going into a meeting unprepared. Spend time researching the prospect's culture, mission, vision, and values. Leverage resources like MiEdge or the company's website to identify their current employee benefits offerings.
- Discovery is critical. Develop a discovery document that can be used for all prospects and use it consistently. Ask detailed questions and obtain a thorough "image" of their employee benefits offering, how they manage benefits and human resources, etc. Ask and listen. Remember the 80/20 rule.
- Focus on cost savings. Find ways to provide cost savings through tax mechanisms and leveraging partnerships with insurance carriers and vendors that provide no-cost solutions like COBRA administration, ACA reporting and benefits administration.
- Know when to walk away. Have the courage to walk away from business that is not a fit, people that are difficult, or businesses that you cannot be a valuable resource to. Look for ways to disqualify an opportunity. It is not all about the dollar, you risk more than losing a sale.
- Establish agreed upon, concrete next steps and timelines before ending every meeting.

Next time you find yourself entertaining a large group prospect — territory that you may or may not have explored before — leverage these tools and guidelines and you stand a good chance of landing the deal. Without a doubt, you will know with confidence you at least put your best foot forward. CB

CHRIS DELLA SALA *serves as the VP of sales at TBX®, an enrollment technology firm specializing in no-cost, contactless, self-serve enrollments. Chris recently joined TBX® after more than 8 years at Colonial Life, where he served in various capacities, including leading the Southern California, Orange County-based sales organization and being the large-group practice leader for the Southwest U.S. His vision for TBX is to serve as the premier broker partner, go-to technological enrollment platform, and ultimately disrupt the industry's mindset on enrollment technology and capabilities. Originally from Texas, Chris currently resides in Irvine, California. He can be contacted at* **Chris@TBXBenefits.com.**

Survey

General Agency:

202

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VIEW

Cal Broker checked in with some of our favorite general agencies to get a glimpse of what they're seeing right now.
Here's what they had to say...

COMPILED BY
Thora Madden

Cal Broker: How has COVID impacted your business?

Stephanie Shields
SVP of broker sales, Aflac

As an organization, our business remains the same: helping provide an additional layer of financial protection through difficult times by paying cash fast when policyholders get sick or injured. At the onset of the pandemic, Aflac was already investing toward growth initiatives to evolve with the digital trends in the benefits landscape, so the coronavirus accelerated our existing efforts. As workforces quickly transitioned to largely operating remotely, Aflac had to pivot the way we traditionally facilitated benefits enrollment — face to face — to providing best-in-class enrollment resources and capabilities in a virtual environment, all with a customer experience that balances high-tech with the human touch.

Pandemic conditions amplified Aflac's growth strategy to help businesses have a one-stop shop for benefits solutions. Prior to and during the pandemic, Aflac built on its continuous growth strategy, including our national launch of network dental and vision products as well as completing the acquisition of Zurich North America's U.S. Corporate Life and Pensions (Group Benefits) business, including group life, disability and absence management products. In addition to being a top supplemental insurance provider and a trusted brand for nearly 70 years, Aflac is well positioned now more than ever to stand by our promise to be there for customers during their times of need.

2020 was a difficult year for everyone globally, and we are hopeful that we will soon see the situation improve. Aflac is committed to continuing serving clients and customers to help them find solutions utilizing our benefit offerings.

Jennifer Lisanti
director of sales, Beere & Purves

COVID-19 has affected the way we do business, but thankfully not the bottom line. Just like most offices, we had to quickly transition to working from home. It was a smooth transition and resulted in even more efficient processes overall. The biggest change was the sales department had to shift how they interact with our clients. Instead of spending most of their day in person at agency offices, educating them on our carriers, or conducting in-person enrollment meetings, they had to move 100% virtual. In some ways it is easier to connect with clients because people are on the road less and more available. Online enrollment gained even more traction with the circumstances with COVID-19. Online enrollment expedites getting forms completed by work from home employees and returned contact free. Beere & Purves (B&P) helps agents with Ease. We set up new groups and renewals, monitor the enrollment process, pull the submission, and submit to the carriers. In 2020, more agencies took us up on our ongoing maintenance services as well.

It's been a challenging time for everyone, but it's made us a more effective industry.

— Jack Lyons, SVP, LISI

Small Group quotes in 2020 were down from 2019 but since small group renewals continue to be minimal for the fourth year in a row, if a group is content with their current carrier there is no reason to go to market. We continue to hear from agents that employers want to have the least amount of disruption possible since there continues to be so much unknown in the world. Employees and employers are struggling with COVID-19 safety, financial pressures, and managing kids' online schooling.

We expected our block to take an initial hit when the Shelter in Place began, but to date, persistency has been very stable. We have seen a lot of movement in Large Group resulting in better sales than 2019.

Jack Lyons
SVP, west region sales, LISI

When COVID-19 hit, LISI was in an excellent position to respond to a work-from-home environment because our marketing team had created such a strong digital presence. New communications platforms helped us disseminate early COVID-19 compliance information and market updates through our expanded LinkedIn presence, our Carrier Calls podcast series, our Coffee with Carriers video series, and our newsletter.

I am most proud of how quickly the entire LISI team has adapted, bringing new technology to communicate with our brokers and helping them work more effectively with their clients. Our business intelligence team has provided state and federal HR and compliance updates on a weekly, daily, and sometimes hourly basis. LISI sales support teams have used their expertise to help brokers conduct Zoom enrollment meetings and communicate effectively with clients and prospects in a whole new environment.

Marc McGinnis
SVP, sales & strategic client management, Word & Brown General Agency

We're busier than ever! As employers and their employees look for answers about maintaining or getting health insurance, coverage for COVID-19 treatment, COBRA and Cal-COBRA benefits, and other matters, the pandemic has reinforced the important role of health insurance brokers and General Agents.

We are all working from home and working to support the demand for virtual services, like enrollments, sales meetings, and trainings. We have also seen online enrollment activity jump up 40% in the past year. We have used a number of different technology platforms with our customers that allow us to create meaningful and engaging experiences, even if we are not there in person. We expect this to be a growing trend throughout 2021.

We also have our tech team to support the increasing demands of brokers and their customers as things continue to evolve on the technology front.

CB: How can a GA most help agents in today's climate?

Shields, AFLAC: In this ever-changing benefits landscape, GAs can continue efforts to help educate and streamline processes that are in the best interests of employers and employees. Whether offering counsel on benefits technology solutions or a year-long benefits communication strategy, it is paramount to listen and ask the right questions as well as know how to connect expressed needs with practical solutions.

Lisanti, Beere & Purves: Initially, the immediate need was for information. How would carriers handle furloughs? Groups struggling to pay their premiums? Would there be special open windows? Leniency on new business submissions since it was difficult to gather documents while they were working from home? How would the carriers handle treatment of COVID-19, etc.? B&P was able to quickly gather the details from the carriers and consolidate the information to help agents with the questions their clients were bombarding them with. Once the demand for information settled down, we then focused on providing tools to help our clients learn how to work in the new virtual world efficiently and successfully. Clients adapted. We then essentially transitioned to business as normal, just virtually.

We continue to help agents stay on top of the constantly changing information from carriers, COVID-19, and legislation. We market new and renewing groups, submit clean new group submissions for quick approvals, and provide valuable service to inforce groups: adds, terms, assistance with billing issues, claim issues, etc.

Ultimately, B&P continues to help agents work efficiently because they delegate to us and they know we will help them quickly and accurately resulting in excellent service to their clients and frees them up to focus on growing their business.

Lyons, LISI: It's been a challenging time for everyone, but it's made us a more effective industry. COVID-19 has accelerated the trend toward digitization. Employers need the best tools and resources to communicate effectively with employees in a work-at-home environment. Even after COVID-19, this trend is not going away as some employers plan to make telecommuting permanent, at least to some degree. They need video and online communications for everything from hiring, to benefits enrollment, to training and more. Employers also need more support than ever to keep up with compliance, which is always a moving target.

A whole new set of issues are arising as employees plan return-to-work efforts including issues with PPPs, COVID-19 testing, and vaccines. We see this as all part of our mission to help each broker become a one-stop-resource for their clients. We also have a vital role in offering world-class technology so brokers can compete and win against digital start-ups.

McGinnis, Word & Brown: General agents can be of the greatest benefit to brokers by providing them with resources to help them respond to changing client needs. By helping brokers understand the full range of services and support available — whether it relates to quoting, enrollment, account management, compliance or other assistance — GAs can positively affect the lives of producers and those they serve.

Offering online, virtual and in-person help to brokers enables them to focus more of their time on prospecting, sales, and renewals. Brokers are looking for increased support with eligibility transactions in general online enrollment and maintenance. Many were forced to embrace new technology to help them manage their clients and their books of business. However, some have needed further help making the most of their new tools. Our organization has been instrumental in training brokers on innovative technology, tools, and resources – while also managing the lift of implementation and eligibility transactions.

CB: What is your biggest concern for the industry right now?

Shields, AFLAC: A continuing concern is the rising cost of healthcare. Not only do employers need to better prepare for emotionally supporting employees, they also need to prepare for higher healthcare costs as employees are seeking less preventative care due to the pandemic. A Kaiser Family Foundation poll showed that about half of adults (52%) say they or another family member in their household skipped or postponed some type of medical or dental care because of the coronavirus pandemic, including 42% who personally skipped or postponed care. Dental care was the most likely to be skipped or postponed, followed by regular checkups or physical exams.

One solution lies with year-round employee education and reminders to use the benefits already purchased to help with preventative care. Another way to help with this concern is by expanding benefits offered at the worksite, including supplemental insurance.

Lisanti, Beere & Purves: At this point, the biggest concern continues to be COVID-19 and the effect on the economy. While persistency has held so far, we know a lot of small businesses are struggling with the duration of COVID-19 so we expect to see a lot more small businesses going out of business. We do continue to see a healthy number of start-ups. As we all know, crisis is the mother of invention. Another challenge that appears to be growing is that with more companies allowing their employees to work from anywhere, there has been an increase of migration outside of California. As a result, more and more employers have less eligible employees in California than outside of California which can make meeting underwriting rules as a California employer a challenge.

However, COVID-19, just like the ACA rollout, has reminded employers of the value of their insurance broker. Employees value their medical coverage more than ever and employers appreciate having an expert that can guide them through employee benefits, COVID-19 information, and new legislation. Employers rely on their agents to help them strategize on how best to take care of their valuable employees in the most financially prudent ways for the business in these difficult times. B&P continues to be behind the scenes helping agents work as efficiently and successfully as possible.

Lyons, LISI: Aside from the need for rapid digitization, our industry faces a new regulatory environment that comes with a new administration. It's both a challenge and an opportunity. Our industry has not only adapted, but also thrived with every regulatory and legislative change that's come our way. We've proven, over and over, that we have an essential role to play in healthcare access. In fact, I think that brokers are more vital than ever in helping employers navigate the increasingly complex world of employee benefits.

McGinnis, Word & Brown: The longer we are locked down due to COVID-19, the greater the impact on employers. Businesses may continue to furlough or terminate employees and reduce their group health plan participation. This creates a challenge for brokers as it relates to income, while also affecting the financial growth opportunities of general agencies, and the employment of our workforce. Our goal is to provide support to ensure employers and brokers can be effective, saving them both time and money, with the intent that employers can retain their workforce and maintain their employee benefits.

We are also working closely with our partners at NAHU on our industry response to the Consolidated Appropriations Act, which mandates brokers disclose to employers how much they make from insurance carriers and vendors. This is of serious concern to our community, and Word & Brown continues to help shed light on the importance and the value of the broker community to lawmakers in Washington, D.C., both through financial contributions to the Health Insurance Political Action Committee and through our own lobbying efforts. CB

Aside from the need for rapid digitization, our industry faces a new regulatory environment that comes with a new administration. It's both a challenge and an opportunity.

—Jack Lyons

COVID-19 Prompts Critical Illness Coverage

Show your clients how enhancements to critical illness insurance make this protection even more valuable during the pandemic

BY MICHAEL A. STACHOWIAK

Critical illness insurance has been in the employee benefits spotlight for the past decade. It's one of the industry's top growth products, with sales up 14% last year to $846 million.

This trend started long before anyone heard of coronavirus, and with good reason. Heart disease has been the leading cause of death in the United States for decades, and more than 600,000 people in this country will die from cancer this year.

Thanks to better treatment, technology and detection many more people are surviving these critical illnesses, but with a big price tag. Medical costs for cancer total $80 billion in the U.S., while costs for cardiovascular disease treatment are projected to more than double from the current $318 billion to $749 billion by 2035.

When you add indirect costs — lost time at work, paying for additional services at home, transportation, childcare and other expenses — it's projected to skyrocket even more.

CORONAVIRUS COVERAGE

COVID-19 is now the third leading cause of death in the U.S., killing more people than the flu, Alzheimer's and diabetes. Similar to heart disease, cancer and other critical illnesses, the treatment for COVID is expensive. According to public health experts, approximately 20% of people who get COVID-19 and seek treatment may need a hospital stay. Those without health insurance could see bills exceeding $73,000. Those patients with private insurance using in-network providers can still expect to pay about $40,000.Some critical illness carriers are responding to this need for expanded financial protection by adding infectious disease coverage to their plans. The coverage may be offered as a rider that provides a lump sum benefit that employees can use to help pay health care expenses, nonmedical costs and other bills. Benefits typically cover hospital stays up to 14 days. Covered conditions can include coronavirus along with other infectious diseases such as antibiotic-resistant bacteria, Legionnaires' disease, meningitis, Lyme disease, sepsis and more.

Some of the latest critical illness plans cover 50 or more different conditions such as heart attack, stroke, cancer or organ failure, and treatment procedures like coronary artery bypass graft surgery. Plans may also pay benefits for the reoccurrence of the same illness such as cancer. Additional conditions covered for children can include Down syndrome, cystic fibrosis, cerebral palsy, spina bifida and cleft lip or palate, often at no additional cost.

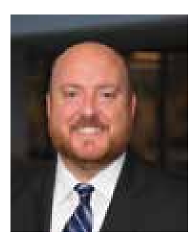
Wellbeing assistance benefits are another category and may cover dozens of health screening tests, such as a colonoscopy, mammogram or BRCA genetic test that identifies breast cancer risk.

WHAT TO LOOK FOR IN A CRITICAL ILLNESS PLAN

There's a tremendous amount of variety in the critical illness market. Look for these features to achieve the greatest value:

- Customization and choice. The newer critical illness plans provide many options to tailor coverage. Your clients should expect a choice of several different plan designs with different features. For example, they may want a plan that includes more cancer coverage to offer a combined benefit to employees. If they already offer a cancer plan, they may prefer a critical illness design with less emphasis on cancer benefits.
- Personalization to meet individual needs. Employees should be able to choose from different levels of coverage to meet their financial and family situations, including spouse and child protection. They might also want coverage that pays additional benefits for first diagnosis, heart procedures or progressive diseases such as Alzheimer's disease.
- Guaranteed — with no health questions. All employees, spouses and eligible dependent children will have access to coverage.
- HSA-compatible. This allows employers to provide coverage that can be used with employees' health savings accounts.
- Breast cancer coverage at 100%. This benefit should apply to invasive and noninvasive cancers.
- Digital access. Easy-to-use technology with mobile apps help employees track symptoms, treatment plans and appointments and find resources for transportation, financial assistance, and emotional support while dealing with cancer.
- Employee communication and enrollment support. Look for carriers that provide clear communication and educate employees on enrollment. In a virtual world, access to integrated platforms, call center options and online tools are crucial.

The coronavirus pandemic has shed new light on the value of critical illness coverage. Educate your clients on the importance of critical illness insurance as an affordable option that can help employees better protect themselves and their families. CB



MICHAEL STACHOWIAK *is VP of sales for the southwest region at Colonial Life & Accident Insurance Company. He is a growth leader with more than 13 years of experience in sales leadership. He has built sales organizations and agencies and led broker sales teams in Southern California.*

Moving On From COVID-19

Top Rx Utilization Trends & Vaccine Questions Answered

BY RICK SUTHERLAND

For most employers, the financial uncertainty brought on by COVID-19 has caused their well-intended budget forecasts to be unsteady at best. Business leaders faced tough decisions, including whether to furlough staff, reduce employee pay, or cut employee benefits. As companies across industries look forward this year, it's a prime opportunity to be an advocate and resource for employers so that you can support them in a new and different way. Focusing on prescription drug benefits will provide you with the most significant opportunity to generate savings for your clients and can mean the difference in how they recover and return to the "new normal."

Employed patients make up at least 30% of the nation's total COVID-19 cases and counting. More than half of those cases are employees of small companies with fewer than 500 employees.

TOP 5 COVID-19 RX UTILIZATION TRENDS

In any given year, evaluating prescription drug utilization trends can be challenging. It's more important now than ever to understand how COVID-19 has impacted your clients' benefits budgets. Going forward, it will be important to analyze the plan's prescription drug utilization data to understand what is driving the group's specific trends and patterns. As you look at the data set, an important part of that analysis includes deciphering what was a result of COVID-19 and what is expected to be part of the group's new normal. Only then can you begin to consider which clinical programs to put in place to manage appropriate prescription drug utilization for 2021.

Here are several key things to keep in mind as you review 2020 drug trend data:

1 **Changes in Enrollment** – As the virus wreaked havoc on businesses and industries across the country, we saw member enrollment numbers shift up and down. For those impacted companies, enrollment shifts could mean a higher per member per month (PMPM) pharmacy benefits cost. As you evaluate any PMPM spikes over the last year, dig in a little deeper to see if it's because of membership fluctuations and the prescriptions they are using.

2 **Changes in Drug Mix** – The most significant shift in 2020 occurred in acute to chronic condition prescriptions. With people sheltering in place for much of the year, there was a clear reduction in prescriptions for temporary ailments like sinus infections, strep throat and muscle strains. However, there were more prescriptions for chronic conditions, including diabetes, high blood pressure and other conditions that require daily medication therapy. Additionally, some of the newer COVID-19 therapies, including Veklury® (Remdesivir), which was approved by the U.S. Food and Drug Administration (FDA) in October 2020 for the treatment of COVID-19 in patients 12 years and older who require hospitalization, are very costly. Drug mix matters because acute condition prescriptions typically are inexpensive generics or lower-cost brand drugs. Without those drugs in the product mix, the change in the plan's average PMPM cost may be substantial despite reducing the volume of drugs.This phenomenon is likely short-term, as we expect the number of acute condition prescriptions to tick back up over 2021.

As companies across industries look forward this year, it's a prime opportunity to be an advocate and resource for employers so that you can support them in a new and different way.

3 **Changes in Quantities Dispensed** – There was a notable shift from 30-day to 90-day maintenance medication fills and increased mail-order prescriptions. These trends likely will continue throughout 2021. Because of the convenience and potentially lower costs, once members make that shift, they are more likely to stay with it.

4 **Changes in Medical Costs** – Reductions in cost due to lower utilization of specific medical services may offset some unplanned COVID-19 expenses. For example, postponed or canceled elective surgeries and procedures, physician office and clinical lab visits, and other outpatient services may help counterbalance an employer's added costs for COVID-19 testing and treatment. This shift may help employers manage some of their medical benefits costs; however, we expect companies to see higher healthcare costs from hospitalizations related to the virus. Businesses with employees in high-risk categories, such as older workers, front-line workers, or those more prone to chronic illness (e.g., the logistics industry faces a well-known challenge with diabetes and pre-diabetes impacting long-haul truck drivers) will suffer a larger impact. Employees who are infected and recover from COVID-19 may face different health issues long-term, and we do not yet know what new high-cost drugs may come to market to address them.

5 **Changes in Progressive Trend Expectations** – Looking at your clients' trend from quarter to quarter, you usually see a natural trend progression throughout the year. It's a natural part of how benefits are designed today, with deductibles and

people paying more at the beginning of the year. In 2020, however, we saw a discernible difference in how drug trend progressed. By December, it was beginning to shift back to what we consider a more normal range for the year but not quite back to net-neutral of what we expected without COVID-19. This change is indicative — and encouraging — that we might be starting the year with a trend pattern more in line with what we would typically see.

There's no doubt that the next several months will be trying, and the vaccine roll-out schedule will be confusing. Each organization will have to make tough decisions in the best interest of its business, company culture, and employees. Leadership teams will have to decide how to get their people back to work safely and appropriately.

WHAT THE COVID-19 VACCINE MEANS FOR EMPLOYERS

There is an overwhelming amount of information from various sources on the COVID-19 vaccine, with limited details on the implications for employers. There are critical questions and concerns that employers and their employees are thinking about, and so it's important to understand how to effectively consult with employers on what the vaccine means for their business, their member population and their pharmacy benefits program.

Are the vaccines safe?

The FDA has a review process to issue Emergency Use Authorizations (EUA) before vaccines are authorized for use by the general public. All vaccines approvals are based on the FDA's rigorous scientific guidelines for verifying vaccine efficacy and safety. Search for the Washington Post's vaccine tracker for up-to-date information on how many doses of the vaccine are being sent to each state. It's important to note that the vaccines have not been approved for pregnant women or children; results from trials in children likely won't be available until mid-to-late 2021.

How does the vaccine work?

Vaccines are intended to prevent the vaccinated person from getting seriously ill, not to prevent the spread of the virus. This means that although the efficacy rates are very high, transmission of the virus can still occur, which is especially important to remember in workplace situations where some people are vaccinated and others aren't. It's recommended that all people stay cautious and continue to wear masks, practice frequent hand-washing, and socially distance until at least a majority of the population is vaccinated.

Who is paying for the vaccine?

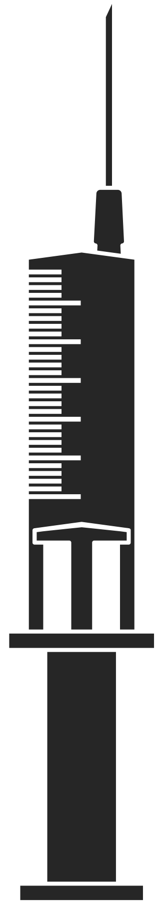
During the initial phase of limited vaccine supply, federal funding authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act covers the ingredient cost of the COVID-19 vaccine. As established in the CARES Act, members receive the vaccine at no out-of-pocket cost and no deductible, regardless of whether they get it at an in-network or out-of-network pharmacy, with employers covering the costs of vaccine administration. This means that both fully insured and self-insured pharmacy benefits plans will be required to pay for the administration of the vaccine. Employer Group Waiver Plans (EGWPs) can allow coverage for the administration fees but incur additional financial risk.

What is the vaccine administration fee?

During this time, pharmacy benefits administration fees are expected to align with or near the published reimbursement rates from Medicare Fee for Service: around $17 for the initial dose and $28/$29 for the second dose. For one-dose vaccines, it would be around the $28 price point. One PBM stated they plan to put the COVID-19 vaccine under the pharmacy vaccination program, along with the yearly flu vaccine. For that program, there would be a $0 ingredient cost, but plans would see a typical vaccine admin fee of $20 plus a dispensing fee for it.

How will the COVID-19 vaccine claims be processed?

PBMs are working with NCPDP to set up benefits and process claims under the pharmacy benefit that meet the NCPDP guidelines, which are published in the NCPDP Emergency Preparedness Guidelines. Vaccines will adjudicate as brand medications. Consistent with current vaccine strategy, COVID-19 vaccines are not rebate eligible and are not included in the calculation of rebate guarantees.



Will proof of a vaccine be required to attend indoor events? Will all airlines require employees and travelers to get the vaccine? Some international airlines already have added this as a requirement for travel.

KEY QUESTIONS TO START THE CONVERSATION

Employers also will be wondering how other companies are approaching the vaccine roll-out for their employee populations and looking to you for advice. Here are several considerations worth discussing with your clients to ensure they are prepared:

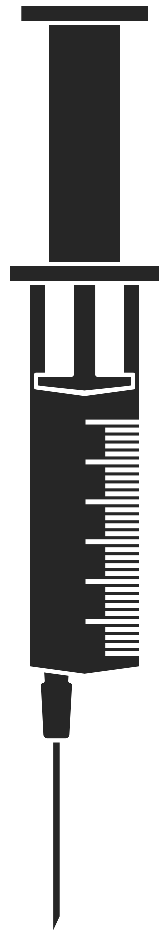
Will a vaccine be mandated for people in your state? In October 2020, each state was required to submit to the CDC their own roadmap of their vaccine plan, including distribution, prioritization and mandates. In some states, such as Virginia for example, the Health Commissioner has authority to mandate immunizations during a public health crisis if a vaccine is available. Employers will be able to set up benefits to meet the applicable regulations, and so employers should be aware of requirements in their particular state.

Will a vaccine be mandated for employees in certain job functions? Employers also are seeking clarification as to what the vaccine means for their industry to open up as well as the implications for specific roles. Will proof of a vaccine be required to attend indoor events? Will all airlines require employees and travelers to get the vaccine? Some international airlines already have added this as a requirement for travel.

How will unvaccinated employees be protected? Because vaccines don't prevent the spread of viruses, vaccinated employees still are contagious if they contract COVID-19. Until a large majority of the general population is vaccinated, it is wrong to assume that things can resume to pre-COVID operations. High-risk employees who choose not to vaccinate, those who are allergic, and women who are pregnant remain at risk of exposure. Workplace precautions must be maintained for their protection.

How will you overcome vaccine hesitancy in your workforce? Vaccine hesitancy refers to a person›s delay in acceptance or refusal of vaccination despite availability of vaccination services. Despite the toll COVID-19 has taken, many people in the U.S. are concerned about a vaccine. However, history shows that achieving herd immunity is possible only through vaccination. Being cognizant of employee concerns is important to be able to address them in a timely and appropriate manner.

How will you balance vaccination costs with other benefits-related costs? The COVID-19 vaccine will be managed in a similar manner to other preventative vaccines. In general, clients can choose to cover the administration cost through their medical and/or PBM pharmacy benefit. As established in the CARES Act, patients are to receive the vaccine at no out-of-pocket cost and no deductible, regardless of where they get the vaccine. Employer Group Waiver Plans (EGWPs) are able to allow coverage for the administration fees but would incur additional financial risk.



What communication and outreach will you do to support member adherence to the second vaccine dose? Some PBMs and retail pharmacies are planning multi-pronged communications that include email, IVR and text messaging to remind members about their second dose appointments. Employers should determine how they will support those efforts and relay messages using their established communication channels.

With a still relatively uncertain future ahead as things slowly begin to normalize, 2021 will be a defining year for many HR leaders – and you are in prime position to help them achieve the cost savings and member experience they want and need. This includes giving careful consideration to the points discussed above, as well as delivering innovative ways to address the prescription drug cost challenges they already were facing. Your employer clients will need a risk management solution that ensures only the most clinically effective, lowest cost medications are being utilized. Independent clinical oversight from a pharmacy benefits optimizer can help them manage and reduce their pharmacy benefits spending, while preparing them for what's to come. CB

2021 will be a defining year for many HR leaders – and you are in prime position to help them achieve the cost savings and member experience they want and need.

RICK SUTHERLAND *works in business development for RxBenefits, the nation's first Pharmacy Benefits Optimizer. He supports brokers in the California and Hawaii regions, guiding them through the pharmacy benefit contracting process to help them evaluate their clients' prescription drug plans for optimal savings, clinical management and service. Rick is also the current board president for the Employee Benefit Planning Association of Southern California (EBPA). He can be reached at* **rsutherland@rxbenefits.com**.

Pandemic milestone: A fresh perspective on group benefits

BY RICH WILLIAMS

March marks one year since the start of the U.S. coronavirus pandemic — a time of enormous disruption altering how we live, work and interact that has brought health and financial wellness to the forefront of Americans' minds. Amid these difficulties, the insurance industry has experienced two prominent trends: an accelerated adaptation to a digital-first approach and clients' growing awareness of the value of a strong benefits portfolio. Brokers can learn from these to help clients better navigate the ever-changing group benefits landscape in 2021.

In light of the pandemic, 63% of employees expect at least one expanded benefit, and more employers are considering benefits like supplemental insurance, which helps with expenses health insurance does not cover.

MEETING ACCELERATED DIGITAL TRANSFORMATION HEAD-ON

Whether ordering groceries online, chatting virtually with customer support or seeing a doctor through telehealth, many areas of life have swiftly shifted to a virtual interface when possible. In fact, consumers' migration to digital channels grew 20% globally in 2020 — nearly quadrupling the compound annual growth rate of the prior four years, according to a Bain & Company survey.

Brokers are looking to align with carriers providing digital solutions delivering on the promise to be there for customers during their time of need. This includes customer experience capabilities such as online policy management, claims filing and tracking, and live chat with customer service. It also may mean counseling clients on an appropriate benefits administration platform that best suits their needs for virtual enrollment, accurate payroll deductions, year-round communication and education, and more. However, though technology is in high demand, maintaining high-touch human interaction is imperative to helping ensure a satisfactory customer experience.

BROADENING CLIENTS' BENEFITS PACKAGES

Coming off the events of last year, a comprehensive benefits offering not only helps employees during a health event, but it also supports employee productivity, recruitment and retention. According to the 2020-2021 Aflac WorkForces Report, 35% of workers say improving their benefits package is the one thing their employer could do to keep them in their jobs — second only to increasing their pay. (Learn more about the survey at Aflac.com/AWR.)

In light of the pandemic, 63% of employees expect at least one expanded benefit, and more employers are considering benefits like supplemental insurance, which helps with expenses health insurance does not cover. A mixed-benefit product like Aflac's BenExtend® could be a cost-efficient option, as it combines popular benefits from hospital indemnity, critical illness, accident and life insurance plans into one offering.

Work absences persist due to illnesses like COVID-19 as well as injuries, making disability insurance a prominent benefit and heightening the value of an absence management solution. With laws and regulations related to paid time off changing often, these solutions help organizations easily manage employees' time off related to bereavement leave, unpaid leave, family and medical leave, and more.

CHANGE FOR GOOD

Insurers today have evolved to meet the challenges clients are facing. Look for partners that have adapted to the ever-evolving digital and benefits landscapes to offer a broad range of technology and product solutions. Partnering with a carrier devoted to enhancing the customer experience and offering more of a one-stop shop for benefits packages helps simplify the enrollment and administration process — something both HR managers and chief financial officers can appreciate.

Brokers can look at the one-year milestone of COVID-19 as an opportunity to help clients see that while things have been changing in response to the pandemic, benefits solutions are available to help keep clients' workforces financially protected and satisfied. CB

RICH WILLIAMS *serves as the president of Aflac group benefits division and EVP of Aflac U.S. In his current role, he is responsible for leading the growth strategy and profit and loss of Aflac's group benefits division. Key areas of his organization include broker distribution, service and administration of Aflac's group business, which includes two newly acquired companies of dental and vision and group life, absence and disability.*

Top Strategies You Can Use To Increase Your Sales

BY URSULA MENTJES

As a professional sales coach, people often ask me what my top sales strategies are. What's the magic script or the key to overcoming objections? Oftentimes, they are surprised to hear how simple my answers are! Surely success in sales can't be that easy, right?

In fact, sales is not complicated, though we tend to overthink it. Most salespeople are great humans who genuinely believe that they have something of value to offer their clients. Where they struggle is in thinking that they need to do something that they aren't currently doing. They think they need to just find that one magical strategy—the golden nugget so to speak—and then they will have it made! It's in this mental minefield that good salespeople get mentally locked up into thinking that what they currently have isn't enough.

SO WHAT ARE MY TOP SALES STRATEGIES?

RELEASE YOUR LIMITING BELIEFS

Too often, people read "release your limiting beliefs" and check out. Or they continue to scroll through looking for the piece of magic that they didn't previously possess. But hear me: Because all the strategies in the world will not make you successful if you don't first have your mindset right.

Before you have any sort of strategic plan in place, you need to first know that you can and will succeed! Your mindset is the key—it's the single thing that will launch you forward or hold you back. Once you know you can succeed, you then tackle your limiting beliefs.

What is a limiting belief? It is a belief held tight by someone—and oftentimes they don't even realize that they believe it! The best definition I ever heard is it's just a "thought you think is true" and you keep pointing to evidence that it is true, when it might not be. In fact, at first, they will reject the idea that they actually hold this belief. But under the surface, when they really get through all their struggles with sales, they find what it is.

At the beginning of the pandemic, many of our clients were worried about their sales. Would they survive or would they thrive? And then we noticed something. Those clients who believed they would succeed kept going and, in fact, have had some of their strongest sales months ever. Those who moved into survival stayed there — until they realized that their limiting beliefs about the pandemic were actually stopping them more than anything else. Once they shifted their belief that they were stuck, sales started coming again.

Most salespeople are great humans who genuinely believe that they have something of value to offer their clients.

The first step to shifting a limiting belief is to look at three things that might not be true about that belief. For example, if you think people will see you as pushy, you can consider that you are a friendly and personable salesperson. Your clients want what you have to offer, so you aren't pushing anything on them. Finally, your clients are living busy lives so you are being a consistent, persistent problem solver.

Some of the most common limiting beliefs I see in salespeople are:

Sales is hard.
People will think I'm being pushy.
Nobody wants what I have to offer.
I don't deserve to make that much money.
There's no way I can double my sales.
The top 20% doesn't exist for me.

Next, you can create a new achieving belief. The best new beliefs are in the present tense. So, replace them with:

Sales is easy. (Because it is!)
I am a professionally persistent problem solver.
My target market genuinely needs what I have to offer as it carries value for them.
I deserve to make as much money as I want.
I am already on my way to doubling and tripling my sales.
I only work with my top 20%.

Find your limiting belief and replace it with a new one that will move you forward!

FOCUS ON THE 20%

Italian economist Vilfredo Pareto was the first to observe this phenomenon in the early 1900s. The 80/20 rule specifies that "80% of consequences come from 20% of the causes, asserting an unequal relationship between inputs and outputs." This rule applied in many different areas.

For instance:
• In team efforts, 80% of the work is done by 20% of the participants.
In countries, 80% of the land is owned by 20% of the people.
In agriculture, 80% of the crop comes from only 20% of the seeds.

When you ask your client a question and the silence fills the air, this moment is a gift.

And in Sales, 80% of your sales come from 20% of your clients.

80% of your time is spent on 20% of your revenue.

80% of your results come from the first 20% of your time and effort.

... and so on.

Who are your top 20%? These are the clients that you love to work with. They are the ones that buy easily, whom it's a pleasure to serve, that you tend to connect with, and that you want to see more of.

• Focus on them. Yes that may mean that you lose the 80%—but since they are taking 80% of your time and only supplying 20% of your income, the trade off is ultimately beneficial.

• Furthermore, the 80/20 rule applies once again within that 20%. So what does that mean? When you start to focus on that 20% that is giving you the majority of your revenue, you'll find that 20% of them are supplying 80% of that revenue, and so on. In the end, your sales won't just double—they increase exponentially.

KNOW YOUR NUMBERS

Many salespeople want to grow their sales. But all too often, this is a vague dream with lofty aspirations that have no clear direction.

How can you double your sales if you don't know what you are doubling?

Every salesperson and business owner needs to take the time to really examine their numbers.

Let's use some simple math. Imagine that you need 12 new clients per month with the average client value of $1,000. If your average closing ratio is 50%, meaning half of the prospects you meet with will become your client, you would need 24 qualified appointments to reach your goal. By clarifying your sales goals and knowing how many qualified appointments you need, you can then begin to reverse engineer your marketing strategies. It's that simple!

LISTEN

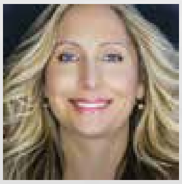
I recently read that many companies are hiring individuals with communications degrees in preference to a skill-specific degree. Why? Because it turns out that no matter what industry you are in, communication skills are far more important than degree-related skills. Now this is obviously not true in certain fields, of course, such as medicine and engineering. But the point is clear: Communication skills matter a great deal and effective communication is essential for salespeople. More pointedly, effective listening is an essential sales skill.

Selling isn't telling. Selling is asking questions, making recommendations, encouraging dialogue, and solving someone else's problem. In order to listen, you need to develop the skill of asking the right open ended questions — then waiting to hear what they have to say. Then, you can summarize what you heard them say, offer two to three options for them to choose from and simply ask, "Which one will work best for you?" By asking questions and listening, you can carefully guide your prospect through the sales process.

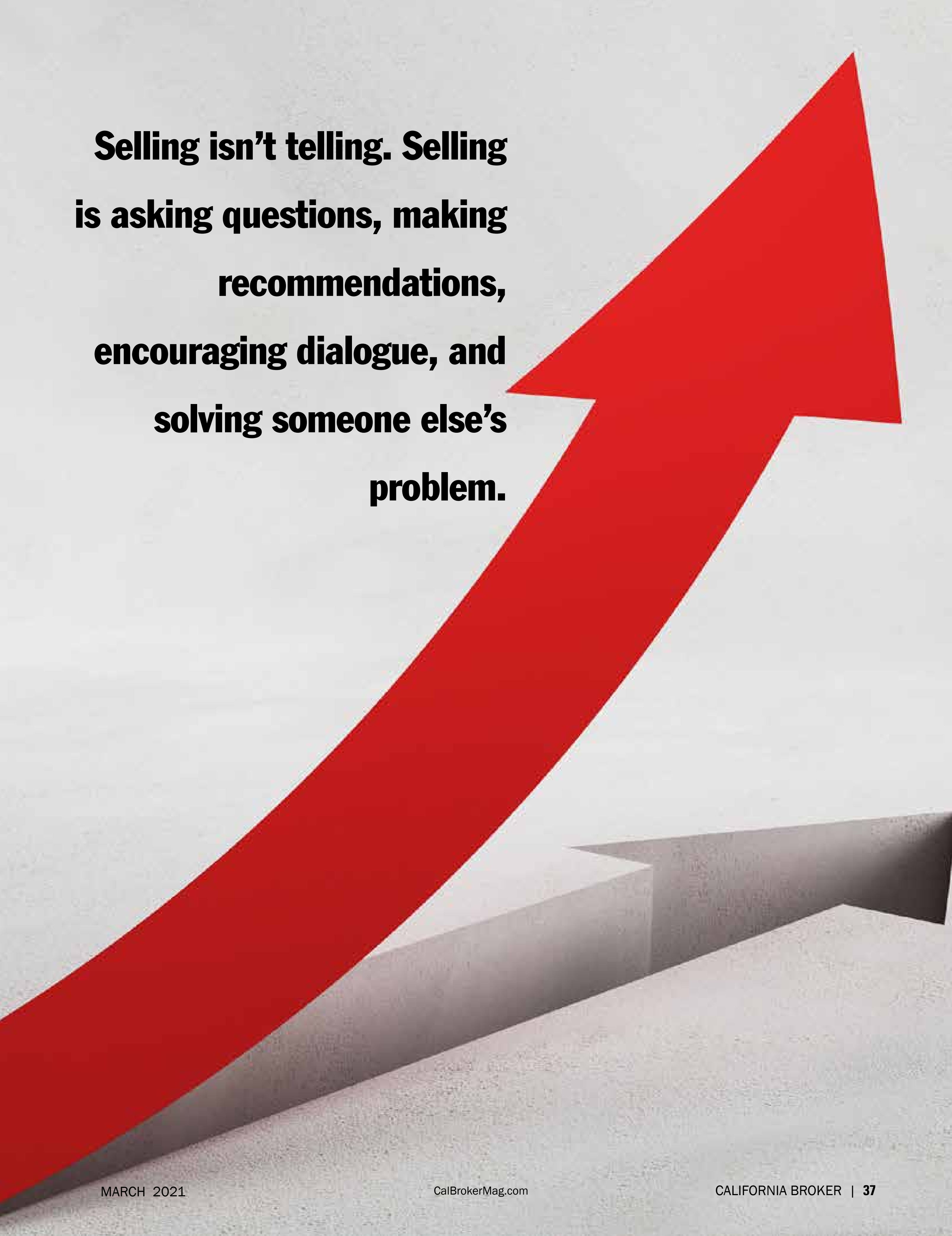
And, after you ask a question, be okay with silence! According to research, people start to get uncomfortable after only 5 seconds of silence. We feel the need to fill a space with words to ease the discomfort. But when you ask your client a question and the silence fills the air, this moment is a gift. It communicates to your client that you greatly value what they have to say, enough that you are going to grant them that space to think. This, in turn, creates a connection, and communicates to your client that they genuinely matter to you.

Before you even start networking, calling, setting up appointments, or closing deals, your thinking must be in line with what you wish to see for your business. It begins with releasing limiting beliefs, identifying your top 20%, running the numbers, and refining your communication skills.

Then you will become unstoppable! CB



URSULA MENTJES *is an award-winning entrepreneur, sales expert and inspirational speaker. She was promoted from account executive to president of an international technical training company in just five years at the age of 27 with revenue in the tens of millions. Ursula is the recipient of the SBA's Women in Business Champion, Willow Tree Extraordinary Example and Extraordinary Entrepreneur Awards, and chosen as PDP's Extraordinary Speaker and Businesswoman of the Year. She is also the author of four award-winning books: "Selling with Intention," "One Great Goal," "Selling with Synchronicity" and "The Belief Zone". Her clients include Aflac, Ebenezer, Keller Williams, Fairview Hospitals, New York Life, Paychex, Union Bank, LeClair Group and more. Reach her at:* **www.UrsulaMentjes.com**



Selling isn't telling. Selling is asking questions, making recommendations, encouraging dialogue, and solving someone else's problem.

To CalSave or Not to CalSave — That is the Question

It looks like the Biden administration won't attempt an answer

BY MONTE MERKEN

According to Northwestern Mutual's Planning & Progress Study, one in five Americans have saved nothing for retirement. Experts contend, then, that employers need to do the heavy lifting and push their employees to save for their future.

To be sure, employees are much more likely to save for retirement when their employers offer some type of retirement plan, be it a 401(k), SEP, SIMPLE or a pension and/or a profit-sharing plan. In recent years Roth 401(k) plans have become popular, too.

If the employee's company doesn't offer a plan, however, California has taken the bull by the horns and made it mandatory to offer a pension plan by the following schedule:

- Businesses with more than 100 employees: 09/30/2020
- Businesses with more than 50 employees: 06/30/2021
- Businesses with 5 or more employees: 06/30/2022

Employers now need to opt-in to CalSavers by visiting the CalSavers.com website and following a step-by-step guide, which involves sharing employee information and setting up payroll deductions. Although there is no cost to the employer, depending upon which investment options are selected, the employees will pay a fee ranging from 0.825% to 0.95% of their account balance, taken out directly.

A FEW IMPORTANT POINTS TO NOTE

- These accounts will be Roth IRAs (and thus not deductible from earnings) with the inherent under and over age 50 deposit guidelines.

- There is no cost to the employer, but there are no employer matching contributions allowed either. Participating employees have an option to re-characterize their contributions as a traditional IRA.

- Investment options available are: target date funds, money market funds, core bond funds, global equity funds and sustainable balanced funds.

- If employers miss their applicable option deadlines or fail to allow employees to participate, penalties are $250 per employee if they don't comply within 90 days of receiving notice. This escalates to $500 per employee if they fail to comply within 180 days of receiving notice.

- Employees opting into CalSavers are allowed to contribute 5% of their after-tax pay toward their CalSavers' account. They may also opt out of participating if so inclined.

MORE TO KNOW: LEGAL OR ILLEGAL?

The DOJ argued that under ERISA guidelines the CalSavers' program is illegal. An Obama era exception granted CalSavers an exemption (which was overruled by the Trump administration). The Biden administration has taken a different approach (see sidebar "New Administration Neutral with CalSavers"). It is also interesting to note that the Howard Jarvis Taxpayers Association is currently litigating this issue in federal court. They assert that CalSavers is an unnecessary government program and illegal under federal law. Instead, they advocate that there are many programs to assist private-sector workers without an employer-sponsored retirement plan, citing traditional and Roth IRAs, etc.

To be sure, employees are much more likely to save for retirement when their employers offer some type of retirement plan.

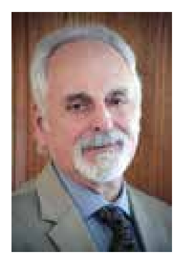
Another argument the Jarvis Taxpayers Association is asserting against the CalSavers' program is that even with its booming economy, California public pension funds are in financial difficulty to the tune of tens of billions of dollars in debt (CalPERS & CalSTRS). You can sign up for weekly Howard Jarvis Taxpayers Association updates by going to the news section at hjta.org. Information is also available at **CalSavers.com**. CB

New Administration Neutral about CalSavers

As Cal Broker was going to press, news broke that the Biden administration would not pick a side when it comes to CalSavers. According to the website Pensions & Investments (PIonline.com):

"The Department of Labor is no longer backing a twice-dismissed challenge to the CalSavers program, according to its Feb. 5 filing with the U.S. District Court for the Eastern District of California in Sacramento."

The Trump administration threw its weight behind the challenge filed by the Howard Jarvis Taxpayers Association, but the acting secretary of labor for the Biden administration notified the court that he does not wish to be included in the amicus. CalSavers Executive Director Katie Selenski told P&I that she wouldn't comment on pending litigation.



MONTE MERKEN, *DFP, HIP, LPRT, LUTCF, has had a 50+ year career in insurance. He is currently a personal producing general agent. Early in his career he was a sales manager at Prudential. He is a past president of GSBLUA, NAIFA-Los Angeles, and VCAHU. He has been an instructor and moderator of LUTCF, RHU, and DOI courses. Monte received the distinguished Will G. Farrell Public Service Award in 2017 from NAIFA-Los Angeles & Society of Financial Services Professionals-Los Angeles/Pasadena.*

Monte can be reached at: **montemerken@gmail.com**.

Recruiting with Heart <3

"Great vision without great people is irrelevant." --Jim Collins, Good to Great

BY LEILANI QUIRAY

The world is crazy right now. Everything has changed. Your workload hasn't. though. You're doing your best to keep up spiritually, mentally and physically. But you're still working nights, weekends…all the darn time. Yeah, you're amazing at what you do (heck yeah you are) but you can't do it all yourself. You shouldn't. You're bursting at the seams and possibly bursting into tears. You need help in your agency and you need it…like…now.

So, what do you do?
Hire someone. I need another "me."
But how?
I don't know. Put an ad out? Hire a friend?
Reach out to the "I know a guy" guy?
Okay and then what?
I gotta see that resume first. Interview them.
Pick the best one.

This is usually how it goes right? Or maybe you go through a recruiting firm. Either way the process is the same ol' way offices have been doing it for years. See a need, look at resumes, interview, hire and then cross your fingers it works out.

But might I suggest that there is something missing? The heart in it all and the strategy in that heart. I'll explain and we'll need to back up and take a look at you first.

YOU = CORE VALUES

There's a reason you've been so successful in your insurance business. It is because of who you are and how you operate that you've gotten this far. What are those key traits you possess that got you where you're at now? Can you name them? What about the things about you that are your big blind spots? Can you name those? You need to unearth exactly what those are. Those are your core values. When you consider your blind spots, just think of the opposite of those to find more core values. This is what you'll be using to evaluate what kind of person you need to hire. If you can identify these, you'll be able to bring someone on board who truly loves what they do because they'll possess the same core values as your company.

DON'T BE BORING

I can bet 90% of all the job ads to fill positions in the insurance industry right now are boring AF. Yeah, I said it because they are. I just googled, "receptionist" on Indeed (city undisclosed) and here is what I got:

We are looking for a bilingual (Spanish) candidate to handle incoming calls, greet customers, set appointments and follow up with prospects, handle Social Media for the store and answer emails. We will provide training!

Basic computer skills are required. Positive attitude helps a lot! Most important we want someone who loves communicating with people.

We are also offering an opportunity to earn bonus and commission on top of the hourly pay.

Woohoo that was fun to read! LOL. So where are those values? Where's the grab for the reader? Who are they really looking for? When writing your job ad, share what the ideal candidate looks like by giving a vivid, fun depiction of what a "day in the life" looks like. Or give a colorful 1-2-3 list of what that person does and loves to do in their job.

Check out what we did for one of our roles:

"You are the face, voice and heart of this company.

Without you we wouldn't be 'Be the Change HR.' You are responsible for handling our client's HR projects and processes as a reliable and knowledgeable HR consultant and true HR generalist. You care about your craft. You bring calm to the sometimes HR storm that can happen. You also know how to have a good time while doing it because, let's be honest, you really love HR."

And guess what...core values are woven into this language, too.

Oh, and when giving instructions on how to apply, ask them to reply to a fun question because why the heck not. My favorite is "What's your favorite food?" I mean who doesn't like food?! Put some love into that job ad and I promise it'll make them want to work with you.

SCREW RESUME SCREENING

So, I do something a little crazy (but, then again, I am a little crazy). I don't look at the resumes until the end. I'm being serious. Have your Applicant Tracking System filter out the ones who meet the requirements automatically. Only allow it to see those who have what you need as a baseline (i.e. experience in x, x Certification, etc.). My first impression besides what they wrote in the application email will be when I speak to them for the first time. No preconceived notions of who they are based on the dry resume writing. I'll meet the actual person first, not the paper.

WHAT TO ASK...WHAT TO ASK?

Now take those core values and make them into questions to ask your interviewees. If your core value is sustainability, ask a candidate how taking care of the planet shows up in their life. If your core value is integrity, ask a candidate about a time they did the right thing when nobody was watching.

HERE ARE A FEW OF MY EXAMPLES:

- Calming: Tell me about the craziest HR issue and how you handled it?
- Intuitive: How does emotional intelligence show up for you in life?
- Reliable: Were they on time? (This was not a question — I actually note if a candidate is on time.)

Ask personal questions

I know what you're thinking, "She's in HR she should know we can't do that!" But yes, you can. Some of my favs:

- What are you watching on Netflix?
- What's your favorite book?
- Who's your childhood hero?

Why ask these? My next tip explains a bit further.

BREAK BREAD (OR STEEP COFFEE, OR HAVE A DRINK)

These candidates are real people. Get to know who you're talking to. Show them you value them with your time and attention.

Real simple. After your phone interview, after your first in-person (or even skip this step), break bread. Invite them to coffee. For my hops or vine lovers — grab a pint of Hazy IPA (my fav) or glass of wine. And if you can't do that in-person — do the same thing over Zoom. Have them BYOB and sip together.

METRICS

By now, you might be saying, "Yeah, LeiLani, this sounds great but how do we measure the viability of a candidate against the others?" I was getting there. ;-)

Create a spreadsheet and measure every step of the process. I've got my own little scale I've been using since 2008:

1 = No way! I would never hire him/her!
2 = I wouldn't hire him/her but you can talk me into it.
3 = I would hire him/her but you can talk me out of it.
4 = Heck yes! I would definitely hire him/her!

And then there are assessments. Do the same there. Assign a rating scale to each assessment (most recruiting platforms now have them). Give bonus points for skills/requirements that are "preferred" in your job ad.

Add 'em all up and you'll see who is the front runner.

LEGAL-ISH

I'm hopeful by now, being the consummate professional that you are, that you know what you can and cannot ask but just in case, here are a few DON'Ts:

- Are you married?
- Where do you live?
- What did you make at your last job?
- Are you a felon?
- Where's your name from?
- How old are you? (I'm actually chuckling. I'm going to smack you if you ask this.)

Oh, and make sure this stuff isn't on your applications either (if you actually use paper ones).

RECRUIT WITH HEART <3

Let me close with a few thoughts...

- If you love the process, candidates will love it too.
- If you care about what you put out there for them to see, prospective employees will present themselves with care too.
- If you devote the time to them, candidates will devote it to you too.
- If you truly love what you do, you'll find someone great.

Love the process.
Love your (new) employees.
Love yourself.

LEILANI QUIRAY *is the founder and CEO of be the change HR, a conscious company helping small to medium sized businesses across the U.S. She has a fiery passion for both human resources and philanthropy. With 20 years as an HR practitioner in multiple industries at an executive level and philanthropic work, she desired to build a business that was different from your everyday human resources consulting firm. be the change HR, Inc. provides fractional HR executive support, strategy and services from pre-hire to post-term and everything else that happens in between.*

Fiduciary Essentials

Are You at Risk?

Assets in retirement plans represent the bulk if not the entirety of employees' life savings. It is a moral duty to be a good steward of these assets.

BY ROBERT RECCHIA

All ERISA plans, including all qualified retirement plans such as 401(k), 403(b) and profit sharing plans have fiduciaries. An individual or entity may become a fiduciary by agreement such as when named by the plan or named as a fiduciary in a service contract (a named fiduciary). An individual or entity may also be a fiduciary simply on account of the function the individual or entity performs (a functional fiduciary). Anyone who has the power to exercise control or discretion over a plan is a fiduciary. The trustee of a retirement plan is always a fiduciary to the plan and is ultimately responsible for everything.

Why this is important: First, assets in retirement plans represent the bulk if not the entirety of employees' life savings. It is a moral duty to be a good steward of these assets. Even if the moral duty imperative is rejected, it is a legal one. Fiduciaries are held to the standard of a prudent expert and must always govern their plans in the best interest of employees. This is the highest standard of governance under the law and duties that are neglected may result in substantial personal liability. If a fiduciary does not have the expertise required to meet the standard then it is required of the fiduciary to seek the expertise from a qualified professional. Qualified fiduciaries may share or fully assume the liability otherwise assumed by the Plan Sponsor.

What happens when the fiduciary role is neglected? Let's take a look at a few recent court cases that are illustrative of common fiduciary failures and the consequences.

5/21/2020 — Employees of the Banner Health 401(k) Plan alleged that the Plan Sponsor mismanaged the plan and requested $85 million as restoration. Following an expensive 8-day trial, Federal Judge William Martinez found in favor of the employees and awarded workers $2.3 million.

What did Banner do wrong? The judge found that Banner breached its duties by allowing the plan to pay excessive administrative fees and failing to monitor the performance of plan fiduciaries. The judge found it "highly significant" that Banner went many years without soliciting competitive bids for recordkeeping services through a formal request for proposal. And he agreed with plan participants that the plan's record-keeping arrangement — in which the plan paid uncapped, asset-based fees to Fidelity through a contract with no termination date — was imprudent.

Lesson: If fiduciaries neglect their duties and it costs participants money, the Plan fiduciaries will be liable to make up the loss. Plan fiduciaries must pay no more than reasonable costs, reasonable to be determined by a periodic Request for Proposal (RFP) process. A best practice is to conduct an RFP for service providers every three to four years. Plan fiduciaries must monitor performance of its investments and its service providers. A best practice is to conduct a performance review two to four times per year depending upon the Plan's size. Minutes of these meetings should be written and retained documenting the topics addressed and the rationale for making a change or not.

Reported by Manganaro, John. (2020). Plan Sponsor NEWSDash May 27, 2020. Banner Health ERISA litigation reaches mixed ruling. Retrieved from plansponsor.com.

5/13/2020 — A week earlier, employees of Aegis Media Americas filed a class action lawsuit alleging that the firm has permitted excessive fees to be levied on participants within its retirement plan: Kennedy v. Aegis Media Americas, Inc. Specifically, the suit alleges that:

1) defendants did not try to reduce the plan's expenses or exercise appropriate judgement to ensure each investment option was prudent, that

2) despite the availability of identical or similar investment options with lower costs and/or better performance histories, fiduciaries neglected to make the changes needed to take advantage of the opportunity, and

3) that the history of the plan supports the contention that no prudent fiduciary monitoring process was in place.

Lesson: A plan should have an investment policy statement sufficiently clear to document the fund selection and monitoring standards to be met. A Plan Sponsor should conduct regular performance review meetings where adherence to the Investment Policy Statement is documented.

Various record-keepers, mutual fund companies and other Plan Sponsors of 401(k) Plans – ADP, MFS, Goldman Sachs, Fidelity, Principal, Transamerica, Insperity, American Century, Franklin Templeton, MassMutual, Edward-Jones, BB&T, T. Rowe Price, JP Morgan, Voya, Capital Group, TIAA, Putnam, Morgan Stanley, Neuberger Berman, and Empower among many others have all been sued by their employees over issues similar to the above two cases.

You may conclude from this that failure to appropriately monitor performance and costs is widespread and that plan sponsors are at risk for defending themselves in court and possibly restoring participant losses.

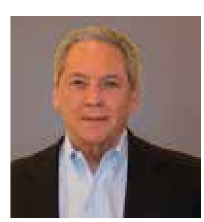
Lesson: Good plan governance is a wise investment. Since most Plan Sponsors do not possess the skills or have the time to devote to all the requirements to meet the fiduciary standard, it makes sense to hire a professional to assist.

How do you prudently select a professional financial advisor to assist with plan management?

It is now common for financial advisors to agree to be a fiduciary. But agreement to be a fiduciary can be offered by almost anyone. Agreeing to be a co-fiduciary alone does not protect a Plan Sponsor very well as the Plan Sponsor is still responsible ultimately for everything.

FI360 is a non-profit organization dedicated to defining the fiduciary standard and establishing best practices for professional advisors. FI360 has created a curriculum for training and a certification called Accredited Investment Fiduciary (AIF®) for those who qualify. You could consider the AIF® a minimum standard as those who hold this credential at least know what the fiduciary standard is and the best practices to follow. www.fi360.com.

The Centre for Fiduciary Excellence is a non-profit organization engaged in the practice of auditing retirement plan professionals to determine how well the audited firm is following all 21 best practices for Investment Advisors. The audit is conducted by an independent attorney or other independent competent professional. If the auditor determines that all 21 best practices are being followed on all accounts selected for audit and memorialized in writing, the CEFEX designation is awarded. Audits are annual. The CEFEX designation certifies adherence to the FI360 curriculum. It is a very high bar. At this writing there are only 137 retirement plan advisors in the nation certified. You can get more info at **www.cefex.org.**



ROBERT RECCHIA *is a CEFEX-Certified Investment Advisor Representative offering investment advisory services through Pensionmark Financial Group, LLC.*

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PETERSEN

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