

CALIFORNIA BROKER

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APRIL 2019



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Millennials Working In Insurance? It's Not As Crazy As It Sounds

By JOHN SARICH

Numerous industries have been grappling with the fact that the millennial generation, with over 75 million people, is now the largest demographic component of the U.S. population. Much has been written about millennials and insurance: how they need to be educated about insurance, that they demand a frictionless experience and custom insurance products, that diametrically they want to buy insurance online, yet need to talk to a real person before they'll close the deal. But how much has the industry thought about the fact that soon millennials will make up the majority of the workforce? It's estimated that by 2020 millennials will occupy half of all jobs; by 2030 this number is expected to reach 75 percent. I'd like to make the case that despite what has been written and documented about millennials' lack of staying power at any particular job, insurance presents a great employment option for them to consider.

Let's start by looking at the part technology plays in insurance. Insurance has always been at the forefront of technology, usually a first or second adopter—case in point, the company at which I work is focused on automating internal processes for insurance companies. But insurance has arguably lagged behind other industries, most notably retail, in using technology to understand and connect with the customer, personalize offers, suggest products, etc, all in an ultra-frictionless environment. To millennials looking to buy anything, friction is a giant turnoff. Two days to get a quote, a product description, or access to a

person to answer questions is simply too long. They need the information now. In insurance, this lag time or latency happens primarily because of the perceived need for face-to-face contact before a policy can be written.

Long described as “tech savvy” and “digital natives,” millennials could transform the insurance industry from within—probably, in the process, reinventing it as a workplace. They could reimagine the role of the insurance agent, using technology to multiply themselves and be in many places, if not simultaneously, then much more quickly, using FaceTime, chatbots, and other instant video-communication tools. Who knows these apps better than millennials? You could argue that Gen Z knows them better, but this younger generation seems already to have moved on to other, even more remote, forms of communication.

Along with spearheading the “virtually being there” agent position, millennials could move forward the process of reducing friction in writing insurance policies. Pre-filling application forms can be accomplished much more easily now with the advent of open data or the use of AI and big data sets; again, millennials seem to be the ones poised to figure out the most ingenious ways of removing friction from the insurance system. The possibilities—and the need—are just about endless.

Now, a word on that idea that millennials need to be educated about insurance—what it is, how it works, how it can benefit them. I feel that the best way to teach—or for that matter, to learn—is by doing. Millennials appear to want custom insurance products

to fit their very specific needs—let's say a nontraditional policy covering an apartment for a few days, rather than a year. Certainly it's incumbent upon insurance companies to up their game and offer many more products and product “flavors” than they currently do, but they could help themselves immeasurably by using their millennial workforce to figure out what is really needed, the parameters of these new products, what to expect from them, even how to best build them. Many things have been said about millennials in the workplace, including that they're team players, respecting what others—including their elders—have to say. But by the same token they like to be treated as equals and have their ideas taken seriously too. Change is happening—the insurance business would do well to harness those who are at the root of this change.

And what's in it for millennials? Compared with many other fields, insurance jobs offer excellent, ongoing income—and it's relatively secure. Most millennials might be surprised to find out that if they sold a life insurance policy, they are “vested” and would continue to receive distributions, even if they'd left the company. And for those millennials who want to make a difference, there are few industries as primed for change as insurance. Just a thought.

John Sarich is an industry analyst and VP of strategy at VUE Software. He is a senior solutions architect, strategic consultant and business advisor with over 25 years of insurance industry experience. He can be reached at John.Sarich@VUESoftware.com.



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- Groups must satisfy standard CCSB binder payment requirements for enrolled employees to count towards incentive program payments.
- Business written through partnering General Agencies qualifies.
- CCSB intends to issue incentive payments 90 days following the effective month of a qualifying group. CCSB may modify its payment schedule at any time.

For a complete list of the program rules go to: bit.ly/AgentIncentive2019

MDRT Study: Consumers Want Technology to Complement, Not Replace Human Financial Advisors

Guess what? A new MDRT study says 85 percent of Americans prefer working with a human financial advisor rather than a robo advisor.

Seven Ideas Better Than Publishing A Charge Master List

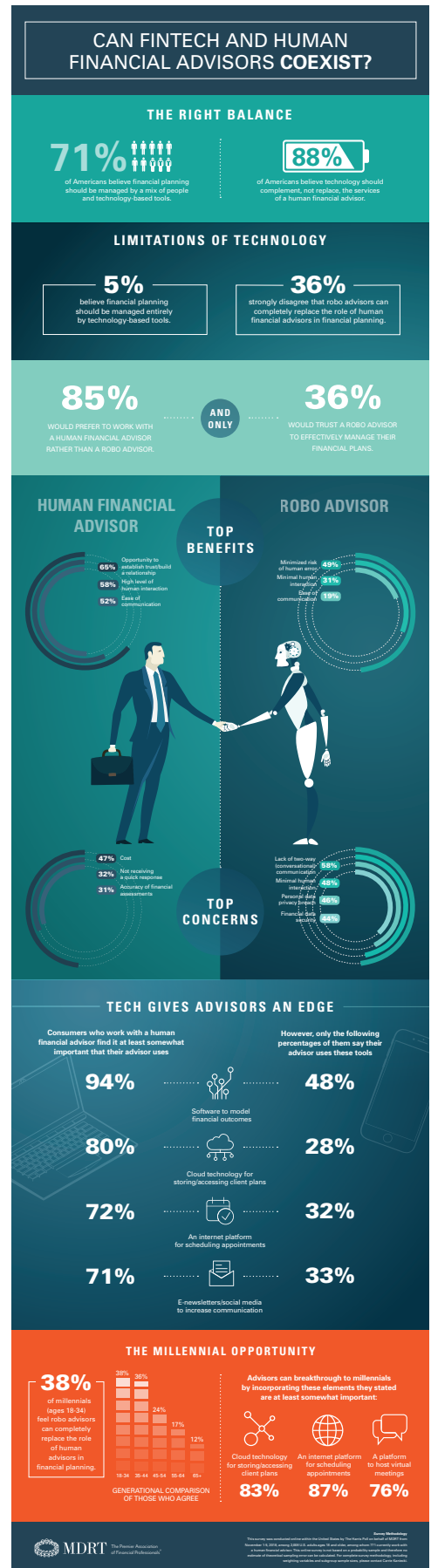
Hospitals are now required to publish their chargemaster list online, but The Commonwealth Fund's Lovisa Gustafsson and Shawn Bishop posit that price transparency without corresponding quality and out-of-pocket-cost data may actually lead to poor health choices and higher costs.

The two offer these core elements of effective price transparency that Congress, the Trump administration and insurers could consider in creating policies that will better empower patients:

- Focus transparency efforts on products and services that are truly shoppable, such as some prescription drugs or diagnostic imaging.
- Group health care products and services into units that patients can wrap their heads around, such as episodes of care, procedures, or the annual cost of care.
- Combine pricing data with data on quality or health outcomes.
- Present standardized data in the same format, in a centralized, convenient location—similar to the Medicare Plan Finder tool, which lets Medicare beneficiaries compare estimated total annual out-of-pocket costs for all Medicare Advantage and Part D plans available to them.
- Require price information be made available to physicians and other providers that direct patient care but rarely know the prices or quality of the services they deliver.
- Give patients the help they need—whether technology or care navigators or counselors—to weigh quality, cost, and convenience.
- Encourage more shared decision-making around treatment options, so that patients' out-of-pocket costs become part of the equation.

Anthem: Health Care and Costs Improve With Integrated Benefits

A new study released by Anthem hints at what is sure to be a growing trend: integrated health care benefits. Anthem studies have determined that when medical, pharmacy, dental, vision and disability benefits are delivered in silos that have little or no interaction between them it too often leaves employees and health care providers with a disconnected view of total body health. By comparison, integrated health care connects benefits data to the employer's health management program based on member claims and population insights, which provides a fuller picture that delivers better health outcomes and cost efficiencies. According to the latest edition of Anthem's biennial Integrated Health Care report, more than 71 percent of the 222 employers with 100+ employees surveyed are either actively integrating or considering integrating their medical, pharmacy, dental, vision and/or disability benefits under their employer's health and wellness programs in the next five years due to the positive impact integration has on their employees. This represents an 11 percent increase from the study conducted in 2016.





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AALTCI Releases LTC Price Index

The American Association for Long-Term Care Insurance has released the 2019 Long-Term Care Insurance Price index for 55-year-olds available at aaltci.org. For the first time, the association has included 'planning' and 'savings' options because consumers considering this protection often cite price as a concern. According to executive director Jesse Slome, a member of the Cal Broker editorial advisory board, too many agents don't share the planning and saving concepts that would increase their sales and have more consumers buying this important protection. Slome's association has also been tracking large claims for many years. In 2018, AALTCI tracked claims from seven insurers. At each of these insurers, the largest open claim was for more than \$1 million. At several, the largest open claim has surpassed the \$2 million threshold. Most of the largest claims have been open for at least 11 years.



Transitions Optical Offers Updated Healthy Site Working For You Website

Transitions Optical launched an updated version of its Healthy Site Working For You website. Check out the savings calculators for both employers and employees, eye care tips, research presentations and much more at healthysiteworkingforyou.org.

5 Steps to Defining a Personal Brand

Steven Starks, senior career counselor at University of Phoenix, sent us some tips on defining your personal brand. We thought you might be interested...

Identify Brand Attributes

Everyone has a personal brand, whether they know it or not. One way to discover it is to ask questions that can help uncover personality traits, strengths, interests and values. Consider the moments in life and work where you shine; the interests and passions you daydream about; and the values that are important to you. With these in mind, begin to formulate a personal mission statement for your personal brand. This mission statement will capture the purpose that drives you and the outcomes you strive to achieve. Seek feedback from others and evaluate whether or not the way you perceive your brand aligns with the way others perceive it.

Develop Goals

Clearly developing goals for what you want to accomplish will enable you to know where to invest time and energy to enhance skills, reputation, and professional relationships necessary to build a fruitful career. Don't limit the scope or size of goals and dreams or prematurely judge whether or not they're realistic.

Define Audience

All successful brands know their target markets. They research their customers to understand what they want and need, so they can offer products and services that solve their problems, make their lives easier or offer them a pleasant experience. Similarly, you need to know who your target market is. Start with internet research to learn more about the industries you're targeting and talk to professionals in those fields. Then try volunteering with or otherwise building contacts in those industries.

Tell a Story

One way to establish the central theme of a personal brand is to develop a one- to three-sentence personal brand statement. The goal of this statement is to quickly communicate your skill set and background to your desired audience.

Promote Brand You

Look at your online footprint. Everything you post leaves behind a digital trace of information that is associated with your brand. Delete and refrain from posting any content you don't want associated with your personal brand. Post what you do want associated!

Congrats CAHU Royalty!

CAHU recently recognized its members who have been with the association for the long haul. Below is the list of esteemed insurance pros with the longest membership. Take a look: Fear, Katz, Brown, Wood, Word, Dickerson, Thal, Freeman, Warner and so many others. These names are pretty much insurance royalty here in California. We're very proud to say that many are also regular contributors to Cal Broker.

Terry Ives (42)
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EVENTS

BenefitsPRO Broker Expo

April 2-4, 2019, Hyatt Regency, Miami, FL
A leading educational and networking event for employee benefits brokers and agents. Cultivate important relationships and obtain the most practical industry education for positioning your business for sustainable growth. More info at benefitspro.com.

CAHU Women's Leadership Summit

April 3-5, Marriott, Las Vegas
Small group breakouts with introspective discussions focused on self care, relationships, and career success, lead by dynamic speakers, from both within and outside the industry. More info at CAHU.org.

LAAHU Annual Conference

April 17, 2019, Skirball Cultural Center, Los Angeles.
Register here. Exhibitor and sponsorship info at LAAHU.org. LAAHU's Annual Conference is the largest in the state and includes updates from D.C., breakout sessions for IFP, small group, large group, medicare and more!

IICF Casino Night

May 16, 6-10p.m. San Francisco. Register at IICF.org.

IICF Women in Insurance Global Conference

June 12-14, 2019, New York City. Info at IICF.org.

MEDICARE NEWS

Digital Tools to Predict \$?

By KAREN FLETCHER

A recent HealthMine survey of 781 Medicare Advantage beneficiaries shows that just 25 percent say their plan offers a digital tool to predict drug costs and a full 69 percent say that the health plan doesn't offer any tools to predict costs. Recently, CMS announced the Part D Payment Modernization Model for Medicare. CMS' voluntary, five-year model will test the impact of a modernized Part D payment structure that creates new incentives for plans, patients, and providers to choose drugs with lower list prices in order to address rising federal reinsurance subsidy costs in Part D. Look for more innovations to come from Medicare, especially as the public and legislators have become increasingly interested in healthcare expenditures and the payment methods Medicare uses.

Medicare Folks Tech Savvier

Apple is reportedly working with private Medicare health plans to subsidize the Apple Watch for seniors. HealthMine data shows that 21 percent of Medicare Advantage beneficiaries use a fitness/activity/steps tracker; and 70 percent cur-

rently use digital tools, with a blood pressure monitor being used by 50 percent of beneficiaries.

In addition, according to Pew Research, about two thirds of Americans 65 and older use the internet – about 67 percent. And the trend of more seniors using the internet is increasing. Pew Research data also shows that the share of non-internet users ages 65 and older decreased by 7 percentage points since 2016.

Long-term Care and Medicare

LTC creeping into MA? Medicare Advantage plan issuers seem to be taking a quiet, careful approach to adding home- and community-based LTC benefits for 2019, according to ThinkAdvisor.

About 1.5 million of the 2019 enrollees, or 7.5 percent of Medicare Advantage plan enrollees, may have access either to support services in the home or community, or to extra benefits designed to help enrollees cope with the burden of diabetes or other chronic conditions, according to CMS.

One example: In California, units of Anthem Inc. are openly stating that they will use the new flexibility to beef up the benefits offered by

some plans. Enrollees in certain Anthem plans will have access to what amounts to LTC benefits provided for a short period of time:

- Three meals delivered per day for up to 42 days.

- Four four-hour shifts of in-home assistance with daily living activities, such as laundry.

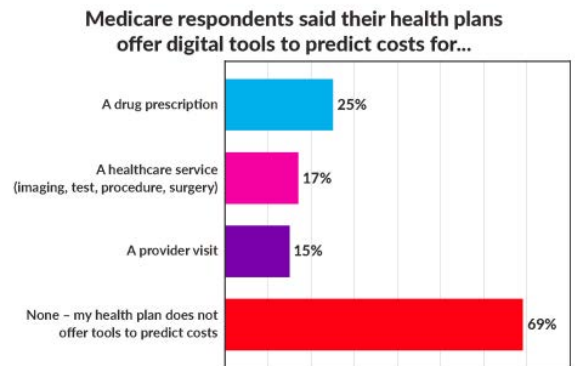
- 40 hours of respite care

for caregivers per year.

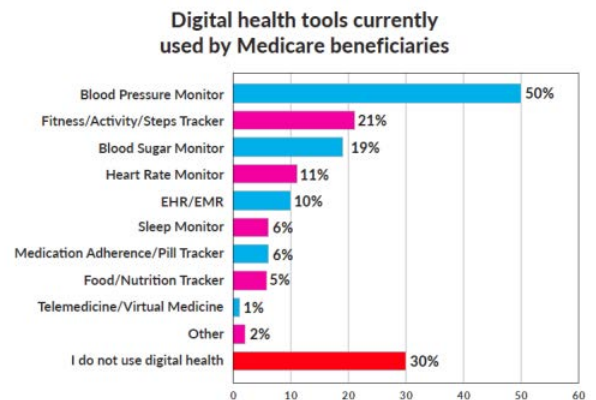
One visit per week for adult day care center services, for older adults who need supervision.

Health care appointment transportation services.

Percent of Medicare Advantage beneficiaries reported using the following digital health tools.



Total percentage exceeds 100% as some respondents have multiple answers. Source: HealthMine, Inc. Based on survey of 781 Medicare Advantage beneficiaries



Total percentage exceeds 100% as some respondents have multiple answers. Source: HealthMine, Inc. Based on survey of 781 Medicare Advantage members

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8 in 10 employees are affected by vision-related symptoms, impacting productivity.



Brand Names Matter

64% of employees say it's important their vision plan covers **authentic Transitions® brand lenses** vs. other photochromic brands.



Getting Back to Basics with

In a day and age where catastrophic claims are becoming more common, the need for affordable “specific stop loss” coverage has never been greater.

By DAVID L. FEAR

In order to address issues about self-funding of large groups, we need to go back to the basics about self-funding and then see how they are impacted by group size.

There are three parts to self-funding: A) The purchase of “stop loss” insurance coverage; B) The use of a “third-party administrator” to process claims and manage the plan, and; C) The plan design which directly impacts the payment of claims from the self-funded plan. Let’s take it from the top...

Stop Loss

The two major risks that need to be addressed are specific or individual catastrophic claims and the overall total or aggregate claims for the group. In a day and age where catastrophic claims are becoming more common, the need for affordable “specific stop loss” coverage has never been greater. In the past, the rule of thumb was that the amount of specific risk should be limited to about 10 percent of the total plan funding. For example, if an employer had a self-funded medical fund of \$1,000,000 annually, they would consider purchasing “specific stop loss” coverage that had a \$100,000 deductible (or retention). Over time, advisors might recommend that this be lowered to 1/12th of annual claims (or one month’s worth of funding) – thus that number might be lowered to \$85,000 instead of \$100,000. Then as the employer began to establish a better track record on claims history, they might increase those deductible/retention amounts as they set up a reserve fund.

Obviously, the lower the “specific stop loss” deductible/retention level, the higher the premium. Again, in a day and age where a catastrophic claim can quickly exceed \$50,000 per person (i.e. week stay in a hospital, or an expensive “specialty” drug), the need for specific claim coverage has never been greater.

Conversely, the use of “aggregate stop loss” coverage is less common among larger employer self-funded arrangements. A smaller employer coming off of a traditional fully insured plan should consider purchasing “aggregate stop loss” insurance for the first few years under their self-funded program. Eventually they can establish a more predictable claims pattern. Keep in mind that most “aggregate stop loss” coverages assume that the employer takes some risk too. It is typical that an “aggregate attachment point” (the total aggregate claims deductible for the plan year) will be set at 110 percent to 150 percent of expected paid claims. So, a smaller employer might have a \$500,000 claims fund in which the “aggregate stop loss” coverage kicks in when total aggregate claims exceed \$625,000 for the year ($\$500,000 \times 1.25 = \$625,000$). If an employer has credible claims experience from their prior fully insured plan, then it is possible that the “aggregate stop loss” claim attachment point might be lower than 125 percent, whereas employers with little or no prior claims experience are going to see “aggregate stop loss” attachment points higher than 125 percent (if they

can purchase the coverage at all).

There are many related issues to purchasing the right kind of stop loss insurance for employers including the “incurred and paid” policy provisions (allowing for claim run-off protection at year-end), “advance funding” of specific claims and monthly accommodation features of the aggregate stop loss coverage. Of course, the more bells and whistles included, the higher the premium that is charged, so in general a larger employer will pay less for stop loss insurance coverage than a small or mid-sized employer – which makes sense when you consider that larger employers have credible claims experience and are more predictable in terms of expected paid claims.

ASO or TPA

The second consideration for large employer self-funding is that of choosing an administrative services company. It is rare to see employers “self-administer” their self-funded health plan. Most now use the services of either an insurance company through an “ASO” (Administrative Services Only) program or contract with a “TPA” (Third Party Administrator). In either case, employers will pay to have their self-funded plan administered in a way that produces efficiency and accuracy of claim payments, follows regulations imposed on such plans and generates credible information about their plan so they can make informed decisions.

There are thousands of licensed ASO/TPA firms throughout the United States and each company can vary

Large Group Self-funding

greatly in terms of size, experience, expertise and ability. The selection of an ASO/TPA is not something to take lightly: They are handling the employer's money and dealing with employees and members who need top-notch service. The typical TPA will charge a bit less than a carrier ASO, but may also lack the sophisticated administrative and claims system that an insurer or health plan offer. At the same time, most TPAs have invested in or created their own claim and administrative platform that can actually outperform some of the legacy systems used by insurers and health plans.

Large employers typically will enlist the services of a consultant or attorney to vet out the services of an ASO/TPA firm—making sure they deliver on all of their promises to provide efficient claim and administration services at a competitive price. Even though the cost of ASO/TPA services is the least part of the overall self-funded plan, it may not pay to always go with the “low bidder” because you get what you pay for.

Most large employers tend to choose a carrier ASO over a TPA because they want something that appears to have the security and stability of a carrier name – especially when dealing with employees in multiple locations. At the same time, we now see a trend for some insurers or health plans to set up strategic relationships with regional and national TPA firms who are consistently outperforming traditional carrier ASO arrangements. Nearly every TPA in the U.S. now has relationships with

carrier provider networks or reference based pricing arrangements and they offer that to clients on a “cost-plus” basis.

Plan Design

Finally, large employers who self-fund have to look at plan design and claim costs much more intensely than in the past. Of particular importance in this is the plan design that goes a long way toward how claim utilization shakes out over time. A good consultant will review the employer's claims data, and work with an outside actuary to develop plan features that will help bend the cost curve of health care services.

The development of “consumer directed” health plans has made an impact on some aspects of individual utilization. The establishment of Health Savings Accounts, Flexible Spending Accounts and Health Reimbursement Arrangements are now common in most self-funded plans offered by large employers. They have seen an impact in utilization of services when an employee has some “skin in the game” with regard to where and how they obtain health care. This is a direct result of a plan design strategy that has been years in the making.

Large employers are very aware of the cost of health care and while many offer choices to their employees which impact the bottom-line cost, these choices don't just pop out of nowhere. Larger employers gather into “business groups on health” or more formal associations such as the Self-Insurance Institute of America, to discuss

their health care challenges and seek out solutions to stem the rising cost of health care. Their leadership in these programs is vital so that smaller and mid-sized employers who are considering alternative funding can learn from the experiences of the largest employers who pay a substantial amount for U.S. worker health care services.

In conclusion, there is no question that the needs of large employers differ from those of small and mid-sized employers when it comes to self-funding their group health benefits. Large employers are in a position to make more risk in providing health benefits to their workers and as risk takers they require much more data and expertise to evaluate that risk and not just buy the first thing proposed to them from their broker. For this reason, large employers will contract with consultants and attorneys to advise on legal, regulatory and risk-management issues.

Brokers who desire to get into the large employer market should consider establishing a relationship with an experienced consultant or employee benefits attorney to feature a “team” that the large employer will come to respect and rely on going forward.



Cal Broker editorial advisory board member David L. Fear, Sr. RHU is managing partner of Shepler & Fear General Agency and a 40-year veteran of the employee benefits industry. He is a past-president of CAHU and NAHU and 2015 recipient of the NAHU Harold R. Gordon Memorial Award as 'Health Insurance Person of the Year.'

WAYS BROKERS CAN HELP EMPLOYERS SUPPORT CAREGIVERS

By CYNTHIA COVERSON

Caregivers make up a significant percentage of the workforce and are growing in number each year. Whether your clients have given thought about caregiving as a personnel issue or not, they may be surprised how much it can affect their business, particularly in a time of record-low unemployment when it's more difficult to attract and retain talent. Caregiving ranks among employers' top 10 employee health and wellness benefits priorities, according to a recent study by employer coalition NEBGH and the AARP.

The term "caregiver" can take on many different meanings, from caring for an aging parent to having a newborn child or handling family medical situations. With so many different generations in the workforce, it's likely that a good percentage of employees are dealing with at least one of these issues at any given time—and a good number may be dealing with more than one.

Millennials—the largest contingent in the workforce—aren't just recent college grads anymore; they are today's parents. With their desire for a better work-life balance to handle their parenting responsibilities, this generation of employees is transforming the workforce. And, at the other end of the spectrum, your clients' baby boomer and Gen X employees are also dealing with their own caregiving responsibilities, providing support for aging parents and/or spouses.

Taking on a caregiver role can be stressful and time-con-

suming for employees working full time. To address this issue, many employers are adding a wider array of voluntary benefit options that help employees address the issues they face as a caregiver. By educating employers on these benefits, you can help your clients to meet their employees' needs, which will, in turn, increase loyalty and retention during a time of record-low unemployment.

Employees appreciate having access to benefits that help them to manage personal issues in their life—and they are willing to pay for it, according to MetLife's most recent Employee Benefit Trends Study. Sixty percent of employees said they are willing to bear more of the cost in order to have a choice of benefits that meet their needs, according to the study. Offering a variety of voluntary benefit options, such as group legal plans, critical illness or disability, give employees access to services that can help them deal with personal issues. And best of all, these benefits can be added at little to no cost to the employer.

Voluntary Benefits Support Caregivers

One voluntary benefit that can give employees peace of mind when it comes to taking on a caregiver role is a group legal plan. There are many expensive legal issues that arise when caring for an aging family member. A legal plan can connect caregivers with attorneys who can provide answers to questions about Medicare or Medicaid, review nursing home agreements or give advice on a parent's

Taking on a caregiver role can be stressful and time-consuming for employees working full time...many employers are adding a wider array of voluntary benefit options that help employees address the issues they face as a caregiver.

power of attorney or will. For new parents, a legal plan gives them access to attorneys that can draft the important estate planning documents they need to protect their new family.

Access to a legal plan makes the process of finding an attorney easy, as it connects employees with a network of attorneys that have been vetted and are committed to providing a high level of customer service. Employees don't have to spend time searching around to find the right attorney, and they can work with attorneys by phone or email, which allows them to stay focused at work and to take less time off work.

The health of the caregivers themselves is important as studies have found that caregiving can take a significant toll on an individual's health. According to an AARP survey, the percentage of caregivers reporting "fair or poor health" increases from 14 percent within first year to 20 percent after five years or more of providing care.

When a loved one is stricken with any number of disorders, it falls on caregivers to shuttle them to and from appointments, not to mention arrange for child care, keep the house organized and pay bills. Should a medical condition affect the caregiver, s/he now faces the inability to keep those going. That is why, when thinking about the healthcare needs of your clients' employees who act as caregivers, two other benefits worth consideration are disability and critical illness.

A disability policy helps to relieve stress on the caregiver, knowing that even if they are injured and have to take time off work, they won't be without an income. This is particularly important to millennial and Gen X employees who may be in the "sandwich" of caring for both children and elderly parents, and need to have that steady stream of income in order to keep all three generations running in their families.

Critical Illness insurance provides a lump sum that is paid upon diagnosis and can be used for any purpose, including paying insurance co-pays, but also things unrelated to medical expenses, such as child care, housekeeping, pet sitting, or even travel and hotel costs if they need to go to a distant location for specialist care.

Arm Employees with Right Info

Your clients' voluntary benefits will only be successful in meeting the needs of caregivers if those individuals understand how the benefits work. Employers can help employees get the most out of their benefits by better communicating about them. This is especially true for harder to understand benefits like a legal plan or critical illness. Looking back at the situation of "sandwich" caregivers, spelling out how a disability benefit can help them keep things running is valuable

information that they may never have considered.

One way that employers can get employees the right information on their benefits is through understanding how their employees like to receive benefit information. The MetLife Employee Benefit Trends Study found that a majority of employees prefer one-on-one consultations when learning about benefits, whether it be in person or on the phone. Employees also say that benefits handbooks and their company's benefits website are the most effective resources to assist with benefit selection. Your clients don't have to worry about creating all this information themselves, though: make sure they know that your brokerage or your carrier can provide communications, so everyone can get the information they need, even at smaller firms.

Research has also found that employees also would like to receive benefit information year 'round, not just at annual enrollment. Tying in certain benefits with annual occasions or events, such as National Caregivers Month, can help employees see the ways the benefit can assist them—and most brokers or carriers can provide communications materials tailored to these timely events. To keep benefits top of mind for employees and provide information on their benefits whenever they need it, you'll want to encourage your clients to keep standard communication materials easily available year-round on their company Intranet so that employees can access information about the benefit whenever they need it.

Another way that employers can make benefits easier to understand for their employees is by offering a streamlined enrollment process. To reduce the confusion with benefit offerings, it's a good idea to make the enrollment process as simple as possible by putting all voluntary benefits on the ballot alongside other core benefits at annual enrollment time. By integrating legal plans, disability, or critical illness into their existing benefits program and offering them alongside traditional benefits, your clients not only demonstrate their support for the benefit, but also streamline their employees' overall benefits experience and make it easier for them to choose their benefits.

While the issue of caregiving is not likely to go away anytime soon, the good news is that by providing a work-life balance, offering the right benefits and educating employees through proactive communication, employers can provide the support employees need to navigate these complicated life events.



Cynthia Coverson is senior vice president, regional business, in MetLife's U.S. Group Benefits Business.

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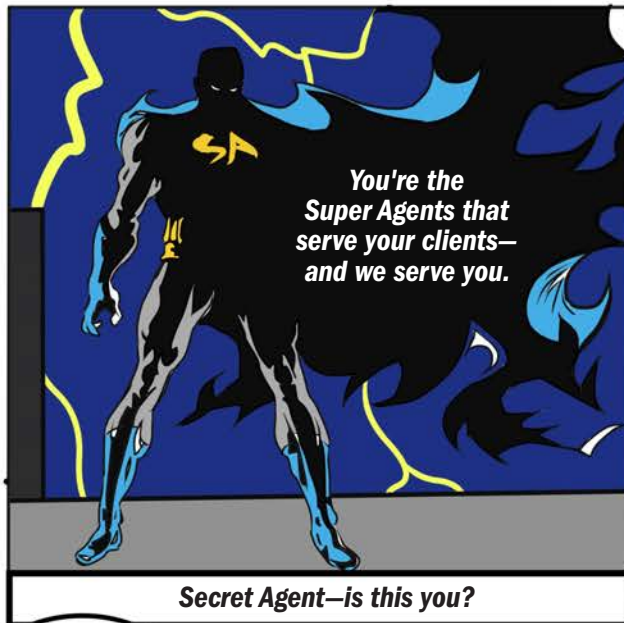
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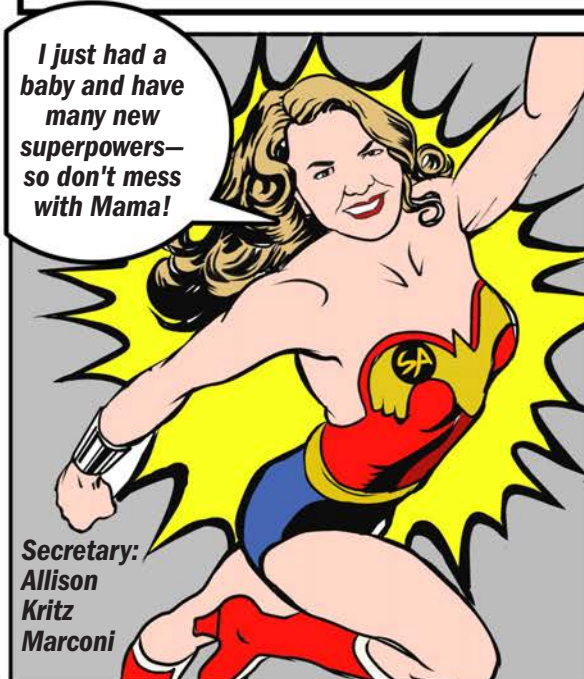
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TURNING A HEALTH SAVINGS ACCOUNT INTO A RECRUITMENT TOOL

By SHOBIN URALIL

An HSA is a triple tax-advantaged savings vehicle designed to help people pay for their ongoing medical expenses.

Brilliant minds are running rampant all across California. Some of the brightest minds from around the world end up in the sunshine state because they see opportunity, making Silicon Valley home to some of the most innovative technology companies of the last 50 years. Many thought the area was doomed after the late 1990s tech bubble had burst, but it is thriving yet again – even more so than before.

Talent seems to have followed the rise of these new innovative companies and with it, the fight to acquire and retain such talent has grown more and more competitive. Many of those talented people fit squarely into the millennial generation. Millennials tend to care more about happiness, passion, diversity, and sharing as opposed to justice, practicality, duty and integrity. They are explorers and are increasingly owning their own financial futures.

Millennials also probably don't stay at one job or one company for 30 years like previous generations once did. Their sense of loyalty has been trumped by other factors that they resonate with more. This presents a challenge for employers. Employers will need to find creative ways to attract and retain millennials for as long as possible to ensure that their efforts

aren't wasted. How can a Health Savings Account (HSA) make an impact on this problem? Let's take a look.

Health Savings Accounts, Reimagined

An HSA is a triple tax-advantaged savings vehicle designed to help people pay for their ongoing medical expenses. Contributions are tax-deductible, balances grow tax-free through interest (and potential investment gains), and distributions are not taxed if used for qualified medical expenses.

HSAs are coupled with qualifying High Deductible Health Plans (HDHPs). More and more employers are looking to offer HDHPs with an HSA to help control rising healthcare costs. In talent constrained areas where the competition is stiff, many companies often revert to offering the "high-end" health plan (e.g., \$0 deductible PPO and 100 percent premiums covered by the employer). This scenario is a "check the box" to offering the "best" health insurance. However, how do you know if an insurance plan is the "best" if it never gets used? It's a fairly subjective answer and the reality is that it depends. Sure, with a \$0 deductible plan and 100 percent of your premiums covered, you don't have to worry about a medical expense from a financial standpoint. But what if you don't go to the doctor

or don't seek medical care at all? Maybe you are fortunate like me and you only go to the doctor for your annual physical exam. So while you may not need to think about the financial cost of your care, the ability for you to save for when you actually need funds is taken away from you.

Employers work with insurance agents, brokers, and benefits consultants to help them understand the macro impact of their benefits decisions – from costs to employee satisfaction. All too often, employers can't make a decision about something they have no idea about. For that reason, we have a unique opportunity to help employers understand the value of an HSA from the employee perspective.

In California, consumer-driven health is not a new concept and High Deductible Health Plans were popular for a period of time, but I would argue for all of the wrong reasons. Those reasons include the (historical) wide premium difference that an HDHP vs. a traditional PPO/HMO had. It was largely touted as a cost savings offering for the employer. While this is true, from the employee's perspective, one of the biggest benefits of the HSA is their inherent ability to create a future nest egg.

In recent years, the California insurance market has seen the premium gap decrease leading to fewer employ-

All too often, employers can't make a decision about something they have no idea about. For that reason, we have a unique opportunity to help employers understand the value of an HSA from the employee perspective.

ees having the HDHP option. But this shouldn't result in taking the long-term savings benefits of an HSA away from employees.

The (Not So Obvious) Opportunity

What if you can turn an insurance product into a recruiting tool? Do you think you could gain more attention and more trust from your employer client? Think about it for a moment. If a company has a large portion of their employee pool who are millennials and that portion, on average, rarely seek medical care (proactive or reactive), wouldn't it make more sense to include an HDHP with an HSA? Rather than paying the premium for a product they would never use, pay the same or likely less to give the employee the option to begin saving for their eventual healthcare needs. Even if, from a cost perspective, your employer client breaks even, the employer has unlocked an employee benefit that was not available to their employee before: the HSA.

Most employers operating in "hot" markets compete for talent day in and day out. Those same employers often feel as though they have an obligation and responsibility to watch out for the long-term wellness of their employees. Rising healthcare costs are not a secret and, frankly, it's just getting worse. To put things in perspective: The average couple will spend \$280,000 on out-of-pocket medical expenses by the time they retire and live through life expectancy. According to a 2017 study by the Federal Reserve, 44 percent of Americans couldn't cover a \$400 emergency expense out of their pocket.

When you take these two things together, the cynic would say there is no hope! However, the optimist would tell you that the future is bright. By helping employers think through the value of of-

fering an HDHP with an HSA, it allows employees to begin chipping away at the savings needed to maintain their own health in retirement. When pensions began going away and the 401(k) market began to take off in the 1990s, employers stepped up to help employees through that transition. Isn't it about time employers did the same for their employees' healthcare costs?

Dare to be Different?

A little bit of creative thinking may yield some longer lasting and trustworthy relationships. Isn't that the goal? Employers look for trusted relationships because they want to know that you have their long-term interests in mind. Bring them an idea worth talking about!

Shobin Uralil is the COO and Co-Founder of Lively, a modern Health Savings Account (HSA) platform for employers and individuals. Lively HSAs works alongside qualifying high deductible health plans to make managing healthcare costs easier for everyone. Lively is not a bank but has all of the benefits of one. Lively was started to help consumers optimize their healthcare spending, maximize their savings, and better their livelihood. Prior to Lively, Uralil was the vice president of operations at Retroficiency, an energy analytics software company, and co-founder and CEO of kWhOURS, Inc., an energy auditing software company. Uralil earned a BS in Business Administration from Georgetown University and an MBA from MIT's Sloan School of Management, where he was the recipient of the inaugural Howard and Carol Anderson fellowship for entrepreneurship. Lively is headquartered in San Francisco. For more information visit Livelyme.com.

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EMERGING TRENDS IN WELLNESS PROGRAMS

Over the past two years, wellness administrators focused on implementing three emerging trends into their programs: wearable devices, wellness challenges and advanced analytics.

By DAVID ASHWORTH

The work of a wellness program administrator is never done. Just when you finish implementing all of the latest technology and techniques, a new wave of emerging trends crashes onto the health scene. As such, it should come as no surprise that in order for a wellness program to remain relevant and competitive, employers must stay on top of these emerging trends.

As new devices and programs become available, administrators should determine whether they fit into the company's culture. If they do, they should incorporate them into the company's wellness program as quickly as possible in order to offer employees the complete package and attract or retain high-quality workers. The success of a wellness program, and therefore the health of the entire company, is dependent upon its ability to stay on top of trends.

A Look Back at Past Trends

Over the past two years, wellness administrators focused on implementing three emerging trends into their programs: wearable devices, wellness challenges and advanced analytics. Let's take a deeper look into how these trends improved wellness programs before we discuss this year's newcomers.

Wearable Devices—Since wearable tracking devices became more stylish, functional and affordable in recent years, their popularity as tools to use in wellness challenges and incentives has grown greatly. A tracking device improves the accountability of the user by automatically recording data, such as step count or heart rate, and lessens the chances of mistakes or misrepresentation that accompanied the inputting of numbers manually. Modern

wearable devices also include additional features beyond the standard step counting technology, including heart rate monitors, calorie counters and sleep tracking capabilities, which allow them to be used to monitor and record a variety of health-related activities for use in challenges. Even with this technology, administrators should be sure to allow manual entry or administrative override to accommodate days when people's devices are not functioning, or out of power. Since wearables are now more affordable than in the past, many companies are able to provide employees with fitness trackers as an incentive to join the wellness program.

Wellness Challenges and Gamification—In connection with the prevalence of wearable devices, wellness challenges and incentives have skyrocketed in popularity. Many people are competitive by nature and participating in challenges on teams or against their coworkers has proven to be a good motivational strategy. Thanks to wearable devices, tracking results of competitions, such as step count or calories burned, became easier and more accurate than ever. Wellness portals also now offer the capability to create sub-groups to divide the workplace according to athletic ability. Competing against coworkers with a similar skill level fosters a healthy environment in which many people can succeed without feeling discouraged by the constant wins of more advanced peers. By implementing social challenges that motivate employees to participate in wellness programs, administrators can help decrease the overall cost of healthcare for the company.

Advanced Analytics—Wellness programs have begun to offer more advanced analytical features that allowed administrators to further investigate their company's popu-



Since wearables are now more affordable than in the past, many companies are able to provide employees with fitness trackers as an incentive to join the wellness program.

lating health and pinpoint which issues needed the most attention. By combining biometric information with medical and pharmaceutical claims, companies are now able to identify trends and make better decisions to improve the company's health and lower healthcare costs.

Emerging Trends in 2019

Now that you have seen the way that past trends improved wellness programs, let's look at how this year's incoming trends will impact the health and business worlds. There are four emerging trends to consider in 2019: intelligent personalization, social recognition, virtual wellness and smarter analytics.

Intelligent Personalization—One of the top trends in wellness programs in 2019 is intelligent personalization. Since every person has a different set of health needs, it is important that wellness programs are able to be personalized to the individual and accommodate their preferences. Furthermore, by utilizing intelligent personalization, administrators can discover the primary health risks within the company and identify problem areas that can be focused on to decrease healthcare costs. Administrators can send personalized and targeted messages to individuals directly from the reports, which serve as a call to action instead of simply a piece of information. Through targeted messages, employees can be made aware of the health programs that benefit them without being inundated with information that is not relevant to their health.

Social Recognition—Considering that social media plays a big role in people's everyday lives, it's not surprising that commenting, liking and posting achievements to a community board is becoming common in wellness programs as well. By offering a public forum for participants to both share their progress and cheer on fellow employees, it fosters a supportive environment that encourages people to reach their goals. Managers and team leaders can also boost wellness program morale by praising employee achievements and offering incentive points for tangible rewards. The more that people feel their efforts are being recognized and appreciated, the more likely they are to try their best and ultimately improve their health.

Virtual Wellness—Many companies offer flexible work

schedules that allow for remote work and non-traditional hours. By shifting the wellness program to provide a variety of activities and resources to employees, particularly ones that can always be accessed from any location, it gives people more opportunities to interact with the program and take better control of their health. This would allow remote workers—or people working in distant locations—to feel “included” as part of the employee base. One way to do this is to offer online classes to reach more employees at times that are convenient to their schedule. A primary goal of every wellness program should be to increase engagement, and offering virtual wellness classes and information is a great way to recruit new participants who may have had trouble fitting traditional wellness program offerings into their busy schedules.

Smarter Analytics—While previous years focused on advanced analytics, this year takes it a step further with the spotlight on smarter analytics. Technology continues to constantly improve, which offers administrators the ability to delve even deeper into statistics to get a better understanding of a company's health and the ways that the wellness program can improve it. With smarter analytics, administrators can generate reports that answer specific questions as well as layer multiple reports, such as biometrics, health risk assessments, incentives and challenges, to get a clearer picture of what is and is not working in terms of health care.

These four emerging trends will continue to impact wellness programs over the next year or so. Make sure that your clients are ready for them, and all future trends, by starting to incorporate them into game plans now. After all, nobody wants to be caught falling behind.

*David Ashworth, chief executive officer at MediKeeper, has more than 30 years experience heading local, regional and global businesses – from start-ups to \$4 billion companies. He has held management positions in organizations in Europe, Asia and the United States. David holds a BA in business administration from Lady Spencer Churchill College in Oxford, England, and has attended INSEAD Business School and the Stanford Executive Program. To learn more about the emerging trends in wellness programs and how they will impact your plans for employee wellness, read *Four Emerging Employee Wellness Trends for 2019* available at medikeeper.com.*

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CAPITOL CONFERENCE 2019 TODAY'S REALITY, TOMORROW'S OPPORTUNITY

By NAAMA O. POZNIAK

Region 8 was rock and rolling over the last #CAPCON2019 #NAHU. We won two categories as a region for achieving the highest percentage of membership contributing to HUPAC and the highest amount of contribution. HUPAC raises funds from NAHU members for the purpose of supporting the political campaigns. Capitol Conference represents an unprecedented opportunity to present positive solutions that will contribute to a stable, competitive and efficient health insurance market. This is really incredible and we are heading in the right direction for a very strong PAC. We need everyone to make a contribution!

February welcomed the annual NAHU conference in Washington D.C. and what an experience it was for everyone involved! The nation's capital has an incredible energy like no other city. Just walking through the historic streets somehow uplifts the spirits. D.C. is a remarkable place to people watch. It is somehow inspiring to observe this rainbow nation of Americans, each with different and original vibes, traits and backgrounds.

Conference attendees had the pleasure of meeting with several California legislators and aides to discuss their work and share experiences. Although we all had distinctly different points of view, one thing was absolutely clear: Our representatives in Washington truly understand the needs for transparency in our healthcare industry and the importance of continuing to educate themselves about the changing

market. While our current system is not perfect, we need to continue to build upon and protect the parts of the system that do work, while improving the parts that do not.

The conversations were at times quite emotional. NAHU was a priceless resource in illustrating the living breath of daily healthcare all over the U.S. We were the voices of the agents who deliver health insurance, day in and day out. We were the voices of the demanding and distraught consumers that are met with on a daily basis. We communicated to our representatives the pain and agony of our current healthcare system that is supposed to be healing people. We made clear the necessity to transform and enhance our current healthcare system and to find ways to make it more efficient. We also made sure to advocate for better value for every healthcare dollar that we spend.

This year's focus was explaining the importance of the individual market

stabilization. We discussed the problem of getting billed out of network as a surprise billing situation. Even Alex Azar, the secretary of Health and Human Services, admitted he had fallen victim to incorrect billing. Secretary Azar received a standing ovation for his insightful remarks on the healthcare reform in the works with the current administration, including reducing prescription drug costs, increasing access and quality of care, and eliminating billing errors.

The employer market was also a key topic of discussion, including the conversation about eliminating the Cadillac tax and HIT tax, and why the legislation must be repealed to avoid another government shutdown. It was emphasized that Americans with employer-sponsored insurance should be allowed to keep their coverage options. One size does not fit all. As Lauren Crawford Shaver said, "Americans do not want their healthcare to be a politi-



Cathy Daugherty
Region 8 HUPAC chair.

cal game played out by politicians. Healthcare should be between the patient and the doctor.”

The pros and cons of "Medicare for All" were evaluated. Excellent points were made on how COBRA should be considered as a continuation of coverage. There were some great talks about different forms of single payer and changes that must be made to benefit the Medicare community and our lovely seniors. We all have aging family members and agreed that steps must be taken to make the system more user-friendly and productive for their benefit.

Amazing representatives like Representative Suzan Del Bene (D-WA) spoke of reducing healthcare costs for families. Representative Larry Bucshon (R-IN), spoke about healthcare perspectives from a physician in congress, along with Randy Pate, CMS deputy administrator and director of the Center for Consumer Information and Insurance Oversight. It

was agreed that we must all come together as one unit, one mind and spirit, to create the best and most affordable solution in the healthcare industry.

In the end, it's clear that the only way we can truly make a difference is to stay open and embrace the new options. We must be open to the possibility of change, transparency and technology in order to deliver our healthcare in the most kind, efficient and meaningful way.

Even if you were not able to attend the conference, it is crucial for everyone to join today as members or to make a generous contribution to the efforts of NAHU's PAC. Together we can influence and make a tremendous difference. As member Suzy Johnson stated, "There is nothing like experiencing the important work of our association by attending #CapCon. It's an experience I wish for everyone devoted to our industry."

May we all transform our health-

care experience in a positive way,

Wherever you are, happy spring, and many blessings on this special journey.



Naama O. Pozniak, a member of the Cal Broker editorial advisory board, is Valley Village-based Paz Holding Inc.'s (dba A+ Insurance Service) CEO. Pozniak has been delivering employer benefits for 30 years.

She's a mother, a yogi, a speaker, a consultant, a healthcare strategic innovator, and a meditation instructor, certified by the Chopra Center. She is currently a certified healthcare reform and Medicare certified specialist and a Covered California Champion Certified agent. Pozniak was recognized as the Most influential Woman in benefit advising for 2016 and 2017. She is a Top of the Table producer and holds the life time Soaring Eagle Award. Pozniak was the recipient of the NAHU Distinguished Service Award for 2018 and is currently the NAHU Region 8 media chair and LAAHU community outreach chair.

10 PRIVATE EXCHANGE FEATURES THAT BENEFIT BROKERS, EMPLOYERS AND EMPLOYEES WANT

Well-designed exchanges can benefit both employers and employees by giving them the freedom to choose which insurance carrier best suits their needs.

By **RON GOLDSTEIN**

Debates on universal health care continue to dominate headlines across the nation – and are likely to continue throughout 2019 and 2020. As politicians from both sides of the political spectrum weigh in and dive more deeply into the pluses and minuses of universal coverage, health care exchanges are likely to gain more visibility as a strong alternative.

Think of an exchange as a health care marketplace. Well-designed exchanges can benefit both employers and employees by giving them the freedom to choose which insurance carrier best suits their needs. Additionally, the brokers who represent these exchanges are not forced to serve up a one-size-fits-all option.

For example, a 20-something unmarried employee just entering the workforce will likely want a different health plan than a mid-50s sales manager with a spouse, three children and

plans to retire in the next decade. Private exchanges allow brokers to offer a variety of health care plans and meet varying employee needs.

Private exchanges provide many benefits to brokers, employers and employees. Here are 10 features that make private exchanges a great option for all:

1) Employee choice: Employers and their employees have access to leading national, regional and local health plans and dozens of coverage options. This makes it is easy to find a plan that can address each employee's individual or family health care needs. One employee who rarely visits the doctor may prefer an HMO because of its limited out-of-pocket costs and lower cost overall. Another may be drawn to an Exclusive Provider Organization (EPO) plan because it includes a specific health care provider. A third may like the flexibility offered by a PPO, while another prefers a High Deductible Health Plan paired with a Health

Savings Account (HSA). An exchange delivers options for all employees. If a business owner wants to change plans at renewal, he or she can remain in most private exchange programs year-after-year.

2) Cost control: Many small group employers can attest to the fact that they want to have complete control over their operational and benefits costs. The good news is that private exchanges give employers the power to decide how much to spend on employees' benefits, with a fixed dollar or fixed percentage contribution to the overall premium. In addition, that amount is locked-in for 12 months. If an employee selects a plan that costs more than his or her employer's contribution, the employee simply pays the premium difference.

3) One single bill: In the past, employers would receive individual bills from each carrier for their employees' health insurance coverage.



Multicarrier exchanges will continue to provide an increasing number of small group employers with the cost control they want and the customized benefit plan designs employees have come to expect.

For small group business owners with more than 20 employees insured by multiple health plans, this was a nightmare. Having separate bills from each carrier created monthly paperwork that could be confusing and time-consuming to sift through. Now, when employers choose coverage through an exchange, they can receive one bill for all employees even if they choose different health plans from different insurers. Ultimately, this process is much more streamlined and eliminates unnecessary piles of paper.

4) Automated tools: Today's workplaces can feature as many as five different generations of workers, each with his or her own health and wellness needs, wants and specific budget requirements. Automated tools, such as choice profilers, give brokers and their clients the power to easily compare health plans – not just based on premium but on doctor availability, quality, affordability and how employees expect to use their plan.

5) Provider search: One of the top questions employers have about health care is "can my employees keep their doctors?" The good news is that, typically, provider searches are built into private exchanges to help brokers and their small group clients identify health plans associated with employees' preferred doctors. It is easy to confirm hospital and network affiliations, medical groups and other critical information that influence the personal decision-making process.

6) Rx directory: Access to prescription drugs is one of the most important features of a health insurance plan. Allowing employees to price their

monthly and/or annual costs of generic and brand name medications is just as important. An online Rx search directory provides the solution that meets both of these needs. It helps ensure the plans under consideration include coverage for employees' necessary prescriptions and, ultimately, delivers health care that best meets the needs of every member of the employer's team and their families.

7) Ancillary benefits bundling: Historically, employer-sponsored health insurance has focused specifically on standard medical care such as doctor visits, prescription medications and occasional trips to the emergency room. However, today, there are opportunities for brokers to enhance health plan packages with additional services at affordable rates that involve minimal employer investment. This means bundling benefit packages to offer voluntary options for dental, vision, life insurance and other ancillary coverage, while staying within an employer's budget. Ancillary products can often be added as a voluntary-only option.

8) Online enrollment: Small group enrollments no longer require brokers and their clients to fill out a pile of enrollment forms by hand. Now, this process is increasingly available online, with many brokers embracing going paperless. It helps eliminate incomplete applications and dramatically speeds up processing time, while also allowing for a more positive enrollment experience for broker and clients alike.

9) Access to health and fitness products and services: An increasing number of workplaces are embracing wellness by offering employees ac-

cess to gym memberships, weight-loss programs and other lifestyle enhancing offerings. Employers who purchase health insurance through private exchanges can often meet this need and provide employees with discounts to health and wellness programs and services, including fitness trackers, fitness gear, vitamins, juicers, cookbooks, baby monitors, strollers and more.

10) Customized benefits: Access to added benefits is another unique feature of private exchanges. These can include employee discounts on shopping, entertainment and regional attractions. Employers also enjoy customized benefits such as payroll and 401(k) integration. Brokers can provide increased value to small group employer clients by incorporating these perks into their clients' employee benefit plans.

Benefits professionals with access to private exchanges offer the most comprehensive service to small group employers by providing them with valuable information on traditional health insurance as well as optional add-on services. Multicarrier exchanges will continue to provide an increasing number of small group employers with the cost control they want and the customized benefit plan designs employees have come to expect.



Ron Goldstein, CLU, is president and CEO of CHOICE Administrators®, which provides health insurance options and provider access to small businesses and their employees. He also created and currently manages America's longest-standing, state-approved exchange, California-Choice. For additional information, please visit <http://www.mycalchoice.com/>.

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THREE WAYS BROKERS CAN ENHANCE THEIR CLIENTS' VISION BENEFIT

By DAVID S. KARLIN

While comparably lower in cost to other health benefits, employers are beginning to see the true value of offering a vision benefit. According to Kaiser Family Foundation's 2017 Employer Health Benefits Survey, among the employers who provide health benefits, 47 percent of small firms and 82 percent of large firms offer vision benefits. In addition, employees are asking for it. The 2016 Annual Employee Perceptions of Vision Benefits survey conducted by Wakefield Research on behalf of Transitions Optical, found eight in 10 people chose to enroll in an employer-sponsored vision plan.





It's obvious why more and more brokers are requesting vision benefits information today. We are experiencing historic lows in unemployment, causing the need for smart employee retention strategies.

It's obvious why more and more brokers are requesting vision benefits information today. We are experiencing historic lows in unemployment, causing the need for smart employee retention strategies. Employers and employees are touting the importance of vision coverage. But, how can you ensure these benefits are generating optimal ROI? Here are three ways of enhancing a client's vision benefit program, at minimal cost, to improve a client's vision benefits program.

1) Expanding coverage for diabetics—According to the Centers for Disease Control and Prevention (CDC), more than 100 million people in the United States are diabetic or pre-diabetic. Diagnosed diabetes cases cost the U.S. \$327 billion dollars per year, \$90 billion dollars of this cost is in reduced productivity. Diabetic Retinopathy is the leading cause of blindness in adults and can complicate eye diseases such as glaucoma and cataracts. Adding diabetic coverage can help manage diabetes complications resulting in a healthier employee and an improved bottom line for your clients. The cost of adding this benefit is about 1 percent of premium and diabetic coverage typically is comprised of the following:

- Initial comprehensive eye examination including Dilated Fundus Evaluation, plus semi-annual eye examina-

tion follow-up;

- Diagnostic tests including gonioscopy, fundus photography (picture of back of the eye) and retinal scanning or imaging (laser scan of back of the eye) for those diagnosed with diabetes; and.

- Data sharing of ICD-10 diagnostic codes with medical management intermediaries.

2) Add coverage for polycarbonate lenses for children (19 and under)—Polycarbonate is a thin, lightweight and high-impact resistant lens with built-in ultra-violet (UV) protection and scratch-resistant coating. It is recommended for all children because they can keep up with their rough and tumble lifestyle and are shatter resistant. In addition, they are compatible with all eyeglass frame types. Adding this coverage will only increase benefit costs by 2 to 3 percent—a minimal increase for a significant benefit increase for employees with children.

3) Add a fixed specialty contact lens fitting fee—Due to advancements in contact lens technology, many people who previously could not wear contacts can now be fit for them. Today, approximately 25 percent of all new fittings are done for specialty contact lenses. Specialty contact lenses include Toric Lenses

(correct for astigmatism), Multifocal Lenses (correct for distance and near vision) and Gas Permeable Lenses (provide correction for astigmatism and other conditions, where soft contacts are not appropriate).

The process of fitting specialty contacts to the patient requires more time from providers, often over multiple visits as compared to more traditional, standard lenses. Vision plans often require the patient to pay for specialty contact lens fitting fees at pricing that is frequently based on a discount on the provider's retail price, which can exceed \$100. You can add a fixed price maximum for this fee that is significantly below retail pricing and will not increase the cost of the plan. The change will also guarantee a uniform experience regardless of which in-network vision care provider is used.

Next renewal season consider these three vision benefit enhancements. Your clients and their employees will be happy you did.



David S. Karlin is an insurance industry veteran with 30 years of management experience in vision and prescription drug plan administration. He currently serves as president of National Vision Administrators (NVA), Benecard Services, and Heartland Fidelity Insurance Company.



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HELPING EMPLOYERS

By MATTHEW MOFFITT

Light sensitivity in the workplace can be caused by many sources—ranging from computer screens and mobile devices, to fluorescent or incandescent lighting, to the sun outdoors, to glare or reflections indoors.

Here's a riddle for your clients—what affects nine out of 10 employees, is detrimental to their productivity, and can be mostly resolved through one benefit offering? The answer is light in front of them.

That's not a typo. The light in front of employees is literally impacting your clients' bottom lines. In fact, nine out of 10 employees (86 percent) say they've experienced light sensitivity in the workplace—and, of those who have, an equal amount (89 percent) say it has negatively affected their ability to perform their jobs, according to the 2019 Transitions Employee Perceptions of Vision Benefits survey. There are several steps that you can take to help your clients address light sensitivity in the workplace—starting with understanding its impact.

The Productivity Impact of Light Sensitivity

Light sensitivity—or photophobia—is typically described as being sensitive to or bothered by different types of light, according to leading experts and optical organizations. Light sensitivity in the workplace can be caused by many sources—ranging from computer screens and mobile devices, to fluorescent or incandescent lighting, to the sun outdoors, to glare or reflections indoors. If not addressed, light sensitivity can lead to problems such as squinting, eyestrain, eye fatigue and even headaches.

Light is everywhere we go—and it's needed to accomplish just about everything we do—so it's not a surprise that it can have a big impact on a workforce. According to the Transitions survey, while nine out of 10 employees have experienced light sensitivity at work, more than half (54 percent) say they're



SEE THE LIGHT



***When asked how light sensitivity is affecting their work...
four in 10 employees [said] that they are less productive
than they could be because of light sensitivity.***

experiencing it frequently—with growing demographic groups, such as millennials and Gen Z employees, more likely to say they experience it all the time.

Even more concerning, virtually all employees who participated in the survey say that light sensitivity is affecting their ability to complete their work—with half of employees saying these distractions are a regular occurrence. When asked how light sensitivity is affecting their work, the top response among all employees was productivity—with four in 10 employees saying that they are less productive than they could be because of light sensitivity. Additionally, more than one-third of employees say that light sensitivity makes them unable to focus and that it leads them to take more breaks than they'd like during the day. Millennial employees were the most likely to report that because of light sensitivity, they are unable to work as many hours as they'd like—with one in five saying this.

Helping your clients address light sensitivity at work is important for many reasons—not only because it's impacting their bottom line in terms of productivity, but also potentially in terms of health care costs if employees are seeking medical attention for headaches and other issues caused by sensitivity to light. Beyond this, it's important to address with your clients because it matters to employees. According to the Transitions Optical survey, 44 percent of today's employees are more concerned about light sensitivity than they have been in previous years—and the vast majority are looking to their employers to offer solutions, such as comprehensive vision benefits, to address these issues.

Four Tips for Addressing Employees' Light Sensitivity

Here are a few simple steps to share with your clients to help them reduce the occurrence of light sensitivity.

1. Offer a comprehensive vision benefits package.

Probably the most important thing any employer can do to alleviate light sensitivity is to offer a comprehensive vision benefits package. Vision benefits—which are relatively low in cost—have a tremendous return on investment, with the Vision Council estimating that employers can save up to \$7 for every \$1 spent on a vision plan. Offering vision benefits can help to attract and retain top talent. In fact, 52 percent of employees say that whether an employer offers vision benefits has been important in

their decision to accept a job, according to the Employee Perceptions of Vision Benefits survey.

Eyewear options that are covered by many vision plans—including anti-reflective coatings to help reduce glare; photochromic lenses, like Transitions lenses, which adapt their level of darkness and tint to provide more comfortable vision in changing lighting conditions; and blue light protection, to help protect against harmful blue light from sources such as digital devices and the sun—are important considerations for reducing light sensitivity.

Learn more about lens enhancement options like those mentioned with a simple interactive tool on EyeMed Vision Care's consumer vision education website (eyesiteonwellness.com/lens-guide/#/enhancements). Clients and members can access this educational information any time, too. What's more—94 percent of employees say that premium lens options, like these, are important to them when selecting eyewear, and eight out of 10 say they'd be more likely to enroll or keep using vision benefits that cover premium lens options.

2. Dim those lights!

You won't want to keep your clients in the dark when it comes to informing them about the impact of light sensitivity—but they may want to literally keep their employees in the dark when it comes to digital screens and fluorescent lighting. Optical experts suggest that taking small steps such as dimming the lights in the workplace—not too much, but enough so that employees can read their computer screens and papers comfortably—and encouraging employees to dim the brightness settings on their computer screens can make a big difference.

According to the Transitions Optical survey, six in 10 employees have not taken the step of dimming the brightness on their computer screens to protect their eyes from light sensitivity. Additionally, seven in 10 say they have not dimmed the lights in their office or workplace.

3. Limit screen time.

This is not an easy strategy to execute—especially when many employees rely on computers or other electronic devices to complete their work. The bigger problem is that many employees are “always on”—using their computers and other digital devices during breaks and after work hours, further contributing to symptoms from light sensitivity.

Helping your clients address light sensitivity at work is important for many reasons...if employees are seeking medical attention for headaches and other issues caused by sensitivity to light.

According to a 2018 Nielsen study, American adults spend more than 11 hours per day watching, reading, listening to or interacting with media—with much of that time being screen time. Assuming a person sleeps for 8 hours per night, that's the vast majority of their day! Employees who use computers or digital devices often should be encouraged to limit screen time as much as possible outside of their work day—making sure to tune out and give their eyes a break. Employees should also speak with their eye doctor about eyewear options to help make viewing their devices more comfortable—such as lenses with anti-reflective coatings and photochromic lenses. (The two paired together offer even more protection from light and glare and vision benefits can help employees save on these premium options.)

4. Encourage breaks—to avoid too many breaks!

The Vision Council encourages employees who are required to stare at a computer screen for most of the day to follow the 20-20-20 rule—take a 20 second break every 20 minutes to look at something 20 feet away. While it may sound counter-productive to ask employees to take breaks—it's not. Twenty second breaks every 20 minutes only add up to around 8 minutes per work day.

Consider the alternative—how much extra time an employee would need to recover from a headache caused by light sensitivity. Employers should encourage employees to follow the 20-20-20 rule—and can even take steps to create an office space that allows employees to feel comfortable doing so, such as stationing visuals around the office that can be used to look at.

Light sensitivity is among the most common problems faced by today's workers. Fortunately, it's also one of the easiest to correct if employees are encouraged to take advantage of their

company's vision benefits offerings. Providing employers with educational materials about the impact of light sensitivity and how to address it can help their employees minimize the symptoms caused by light sensitivity—and, in turn, boost productivity.



Matthew Moffitt is a consultant with Lockton's San Diego Benefits Practice. He specializes in complex, self-funded, large market clients in nearly every industry—including skilled nursing, private equity companies, high tech, manufacturing and education. He has significant experience in building and maintaining client and carrier relationships and has a reputation of providing excellent service to his clients. In his role, Moffitt focuses mainly on strategic direction, as well as overall planning and financial analysis for his clients.



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WHAT IT TAKES TO BE A DISABILITY INCOME INSURANCE PRODUCER

By LARRY SCHNEIDER

The common denominator for success between successful people, no matter what the product or service, is doing the things that failures don't do. It explains why many of those who appear to have all of the natural talent fail. And others with obvious handicaps succeed. I have learned over the last 45 years of exclusively selling disability insurance, that I do my best when I stay with the habits I employed when I first started my second career after heading up a management consulting department for one of the "Big 8" CPA firms. For purposes of this article, I'll refer to them as techniques, rather than habits, and discuss them as an agent/producer guide so you too can successfully sell disability insurance.

Overview

It's no secret that people don't want to be "sold" anything—what prospects really want is simply to be in the position where they are "buy-

ing." Before anyone buys, they need some reasons to justify the purchase. So what does it take to have someone purchase? It takes a variety of tools—perhaps more tools to sell disability income insurance than any other insurance product—simply due to the fact that disability insurance has more "language" considerations (e.g.; benefits/terms/formulas/definitions/ conditions, etc.). On the other hand, life or annuity policies basically are justified or based on absolute values and premium, rather than the "what if" language of disability insurance contracts. So, obviously, one of the necessary selling tools is product knowledge. They say knowledge is power. Knowledge doesn't stop with just knowing your company's product, though. You should also be conversant in disability insurance probability statistics and other pertinent information in order to support the sales cycle, and create the need. Some of the carriers provide charts and graphs to support your argument to convince

the prospect to say yes after their (expected) initial objection.

What good is knowledge, if no one knows how "knowledgeable" you are? Therefore, prospecting is a very important part of the sales cycle, in view of the fact that you're still bound to make some sales with enough exposure, even with a minimum of knowledge.

The basic sales tools one must have in order to be effective are made up of the following components:

- Attitude
- Knowledge
- Prospecting Techniques
- Presentation Skills
- Rebuttal Skills
- Closing Skills
- Application/Paperwork
- Delivery
- Referrals

I will go into limited detail for just a few of the above.



Knowledge

Not only should you know your products inside/out, you should also be prepared to accurately quote contractual differences between those offered by the competition and yours. When I do personal production as an independent, I usually present up to three carriers to a prospect (which gives the prospect the feeling I'm not "married" to any one company in particular). This then generates credibility. Which carriers I present are dictated by the prospect's occupation and objectives, since different carriers may have different definitions, premiums etc., for that occupational class.

Presentation

What's wrong with a "canned" presentation? Why re-invent the wheel each time?! George Whitmore, many years ago, did a one man show called "Give Him Hell Harry", and said the same thing over and over, word for word, twice daily, every day of the week for two years (but also got paid

handsomely for his efforts). There's nothing wrong with using a sales presentation flip chart. Remember, a picture is worth a thousand words! Again the presentation should be based on emotion. Minimize being a "feature preacher." You should concentrate on selling the need, based on emotion, rather than only focusing on the logic or the dollar values of the contract.

Rebuttal Skills

Great, you got in front of a prospect (prospecting) and explained the product (presentation/knowledge), but you haven't yet "sold" the concept. Remember, no one wants to be sold, they want to buy. Based on the fact that very few prospects will immediately say yes after a presentation, no matter how good it was, you must be skillful enough to elicit their objection(s) because without it you really have no way of continuing. Now that you've heard the objection, do you put your head down and run? Of course not! Instead, hopefully you've got several good re-

buttals in your bag, for anything the prospect can throw at you.

In conclusion, by employing these new found tools, you should immediately see an increase in commissions and your closing ratios, but more importantly, an increased satisfaction in the fact that you have provided a very important product to your client's welfare—income protection, which all financial planners say is the cornerstone of all financial planning.

Larry Schneider is a disability specialist with over 45 years experience and is the owner of Disability Insurance Resource Center, the nation's largest agency exclusively specializing in disability insurance. He can be reached at: info@di-resource-center.com. More information on his company and his CV, can be found at www.di-resource-center.com. Or, by calling: 800-551-6211 He is also an expert witness/claims consultant for disability insurance claims which have been inappropriately denied and a national resource for hard to place/declined clients, as well as a brokerage for standard cases whether they be for individual or business application.



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