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CALIFORNIA BROTHER

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2. Bonuses will be calculated on number of subscribers (employees) in effect for the first effective month of the policy as determined by CCSB.
3. No pro-ration of target values will take place.
4. Business written through partnering General Agencies qualifies.
5. Covered California intends to issue incentive payments forty-five (45) days following the ninety (90) day requirement outlined in Section D(1)(b) of Exhibit F. Covered California may modify its payment schedule at any time.

For a complete list of the program rules go to:

<http://www.coveredca.com/agents/become-an-agent-for-small-business/CCSB-agents/>



*Insurance companies vary by region and are subject to change.

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¹ Average savings for UnitedHealthcare Fully Insured groups 2–50 nationwide migrated to UnitedHealthcare Level Funded, Jan. 1, 2021 – Dec. 31, 2022. Savings are not guaranteed.

² Kaiser Family Foundation Employer Health Benefits Surveys, 2019 and 2022. For the purposes of the surveys, a “small business” was defined as groups with 3–199 employees. 2019 survey available: <https://www.kff.org/report-section/ehbs-2019-section-10-plan-funding/>. 2022 survey available: <https://www.kff.org/report-section/ehbs-2022-section-10-plan-funding/>. Accessed: Feb. 17, 2023.

³ Please consult a tax and/or legal advisor to determine if, by receiving this refund, there are any restrictions or obligations. Surplus refund available only where allowed by law.

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INDUSTRY/NEWS

CURATED NEWS FROM THE INDUSTRY



NABIP Names Jessica Brooks-Woods as Incoming CEO Janet Trautwein retires after 26 year

The National Association of Benefits and Insurance Professionals (NABIP) proudly announced Jessica Brooks-Woods as its incoming CEO and celebrated the remarkable 26-year tenure and service of outgoing CEO Janet Trautwein during their recent Annual Convention held in New Orleans, LA.

Assuming her CEO role on Sept. 1, Jessica will provide strategic guidance and leadership to a 30-member staff in Washington, D.C. She will oversee the representation of over 100,000 licensed health insurance agents, brokers, general agents, consultants, and benefits professionals through 200 state and local chapters.

In their press release, NABIP stated Trautwein led NABIP through a remarkable transformation in her 26-years of leadership. "Her deep health expertise, fierce advocacy and longtime commitment to the profession will be missed."

Link: <https://bit.ly/3Q7X2KJ>



Janet Trautwein



One Year In, And the National 988 Suicide Hotline Is Making a Difference.

Over 4.5 million calls, texts, and chats received since July 2022 launch

When there's a life-or-death emergency, you call 911 – you don't stop to look up the 10-digit phone number for the local fire or police department. Why should a mental health emergency be any different?

Last July, the number for the National Suicide Prevention Lifeline became 988, and in its first year, millions of people experiencing a mental health crisis used these simple three digits to get quick support.

The hotline provides a free, safe, anonymous space to have a conversation with a trained mental health counselor 24/7. What's more, 988 also offers support through texts and computer chats.

Read more:

<https://news.blueshieldca.com/2023/07/11/one-year-in-and-the-national-988-suicide-hotline-is-making-a-difference>



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www.workhuman.com/resources/reports-guides/the-opportunity-cost-of-wellbeing?

AHA PODCAST: ENHANCING CARE FOR OLDER PATIENTS WITH AGE-FRIENDLY HEALTH SYSTEMS

Sonja Rosen, M.D., chief of geriatrics at Cedars-Sinai, discusses the health system's journey as an Age-Friendly Health System and its multidisciplinary approach to providing quality care for older patients in the midst of a workforce shortage.

LISTEN NOW:
aha.org/advancing-health-podcast/2023-07-12-enhancing-care-older-patients-age-friendly-health-systems?

How to Cut Your Social Security Taxes

Many retirees are dismayed to learn that they owe taxes on a portion of their benefits. But you can take steps to minimize the pain.

Taxes on Social Security benefits are based on your provisional income, which is made up of half of your Social Security benefits, your modified adjusted gross income and tax-exempt interest.

With that in mind, the wisest course of action is to look for ways to lower taxes on your benefits.

Four strategies to trim the tax tab

1. Convert traditional IRAs to a ROTH
2. Contribute money in your IRA to charity
3. Delay claiming Social Security benefits
4. Make your taxable portfolio tax efficient

Learn more in the full article here at Kiplinger.com:

kiplinger.com/retirement/how-to-cut-your-social-security-taxes

EVENTS

August 6-7 CAHIP Engage Region 8 Conference, Anaheim.

Register : <https://bit.ly/3K3Z76B>



August 16

from 8:00 am to 4:30 pm

“Medicare on the LaLa Land Stage”

sponsored by www.laahu.org | www.vcahu.org | www.sbahu.org, at The Odyssey, 15600 Odyssey Drive Granada Hills.

Register: <https://bit.ly/46ED7c2>

August 22-24,

“Senior Summit: Exploring the Medicare Jungle,”

Pechanga Resort, Temecula. Register: <https://bit.ly/3XLSQII>

August 30

8:30 am to 3 pm, **Sacramento Medicare Summit**, Citrus Heights. Register: <https://sahu-ca.com/event/2023-biz-expo/>



NABIP Gordon Award Winners Thomas Harte (L) and David Mordo (R)

NABIP Honors Gordon Award Recipients With Highest Honor

The National Association of Benefits and Insurance Professionals (NABIP) honored recipients of their highest kudo — the Harold R. Gordon Memorial Award — in June at the association's 93rd Annual Convention in New Orleans, Louisiana.

David Mordo, BenefitMall senior compliance analyst and sales representative was recognized for exceptional contribution to the compliance field ahead of retirement. Throughout his extensive 43-year career in the industry, Mordo dedicated his expertise to providing guidance to brokers, as well as both small and large employers. He has been a member of NABIP since 1999 and has educated, inspired and helped thousands of members during that time

Tom Hardt, president, founder and managing partner at Landmark Benefits, was recognized for his more than twenty years of relentless effort to grow the association. When he served as president of the association in 2013 and 2014, the industry was trying to deal with all-new employer and individual mandates. Hardt confidently led the association and was a very visible proponent of private health insurance and the great work that benefits professionals do every day. For more than twenty years, he worked relentlessly to grow the association.

The Harold R. Gordon memorial award is the industry's highest honor. Gordon is considered to be the father of the American health insurance industry. Each year NABIP pays tribute to his legacy by presenting the Harold R. Gordon Memorial Award, which recognizes the recipient as the industry's "Person of the Year."

Blue Shield of California CEO Says Value of HealthTech Has Been Mixed So Far

Paul Markovich believes in the value of health tech in managing both chronic diseases and in general health and wellness. In this podcast, he talks about the company's Wellvolution platform and the digital tools that are offered there to members, now even to those on Medicaid.

Listen to podcast here: medcitynews.com/2023/03/medcity-pivot-blue-shield-of-california-ceo-says-value-of-healthtech-has-been-mixed-so-far

Sweeping changes to Medicare Advantage: How payers could respond

The Medicare ecosystem is facing a series of simultaneous challenges, disruptions, and opportunities that add up to one certainty: this market will look meaningfully different in the years ahead. Medicare Advantage (MA) is projected to be the line of business that drives the most profit for payers in 2026, even while headwinds are emerging in the Medicare program.

Read Full Article: www.mckinsey.com

Takeaways from the California budget deal between Newsom and Democratic lawmakers

Gov. Gavin Newsom and Democratic legislative leaders agreed in late June to a \$310.8-billion spending plan that will reduce investments in fighting climate change and reflects a compromise on the governor's last-minute proposal to speed up infrastructure projects across California.

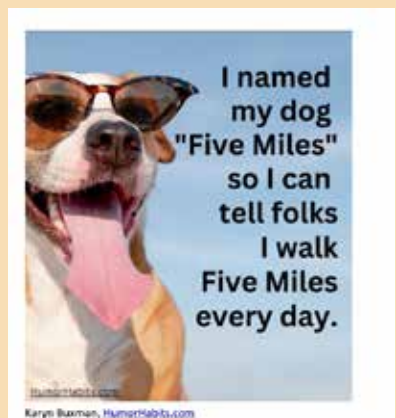
Among the highlights:

More money for healthcare providers

Doctors and other Medi-Cal providers have long argued that low reimbursement rates for services reduce access to care for nearly 16 million Californians, or one-third of the state's population, who are covered by the health plan.

With the support of a broad coalition of doctors, community health centers, hospitals and unions, Newsom and lawmakers agreed to renew a tax on managed healthcare organizations, known as the MCO tax, to fund Medi-Cal at a time when the state is expanding the pool of eligibility. The tax is expected to generate \$19.4 billion in state revenue from 2023 through 2027. The budget provides the first reimbursement rate hikes, in some cases, in more than two decades, and adopts a faster timeline to spend the money than Newsom proposed in May.

Full article: latimes.com/california/story/2023-06-26/california-state-budget-deal-need-to-know



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Transitioning with You in Mind: Part Two: CHOICES

Adding digital media and paid print subscriptions

By Phil Calhoun
Cal Broker publisher

Moving into the second half of 2023, we welcome our readers into the future with California Broker media with the theme of CHOICES. Media trends show digital magazines are the future and print is moving into the past. Not ready to leave print entirely, we have moved to offer California Broker Magazine readers a CHOICE. And as a result, we are now able to reach more readers by offering the choice of free digital and paid print subscriptions.

We are on target to reach OVER 75,000 digital subscribers by January 2024.

Along with our monthly print magazine and our website available 24/7, we have two digital media products we send to our email subscribers: The monthly California Broker eMagazine and the weekly Insurance Insider eNewsletter. Both have become very popular. The print magazine and eMagazine contain the same content, so our subscribers have two ways to read our popular monthly magazine. We've also added an eDirectory where you can purchase an annual listing and receive a free print subscription. (See details below).

TRANSITION to our Paid Print Subscription

Beginning August 2023, our print piece, the California Broker Magazine professional journal becomes a paid subscription. Priced at only \$18 a year, our loyal readers can continue to receive California Broker Magazine mailed to them in print each month. Next steps:

- 1. Subscribe to CalBroker Magazine in PRINT: www.calbrokermagstore.com for \$18 annually**
- 2. Subscribe to the FREE DIGITAL email magazine: www.calbrokermag.com/digital-subscriber/**
- 3. Subscribe to our FREE weekly eNewsletter Insurance Insider: www.calbrokermag.com Enter email in window on right side navigation bar**
- 4. Subscribe to our annual e-Directory (PAID) and receive a FREE annual print subscription: www.ca-brokerdirectory.com**

What's the New eDirectory?

A new digital product we started in March is our annual Directory (formerly in print), now called the e-Directory. We are enhancing the e-Directory by including links in all our print and digital media to the e-Directory, for easy access. We consistently work to improve our SEO ranking when consumers search for life and health insurance to make sure we grow to be the go-to location to find the professionals and companies listed in the CalBroker e-Directory.

Pay the annual price of \$99 for a one-year e-Directory Basic Listing And get a FREE one-year print subscription delivered to YOU.

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www.ca-brokerdirectory.com

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On the e-Directory website you will see four listing choices. All come with a free print subscription.

- 1. Basic Listing - \$99**
- 2. Enhanced Listing: Includes Basic Listing and banner advertisement - \$495**
- 3. Half Page Listing: Includes Basic Listing and half page advertisement - \$795**
- 4. Full Page Listing: Includes Basic Listing and full page advertisement - \$1,295**

OUR COMMITMENT TO YOU

We are committed to continuing the 43-year history of success California Broker Magazine has accomplished. Our commitment continues with California Broker Magazine achieving the largest circulation in the state, reaching more than three times the number of California brokers than any other media combined. We appreciate how our industry supports California Broker. We also appreciate the many authors of the articles we publish and our many advertisers who enable us to accomplish our mission. We are also grateful to our varied sources for news and events.

We achieve our mission each month by providing readers with an interactive, informative, and interesting experience.

Reader loyalty is growing as we stay focused on articles of value to provide tips and tools that help our readers be the best advocate possible for their clients. This is possible through the support of our many dedicated California licensed life and health insurance professionals.

Our way forward is to continue executing our mission to be interactive, informative and interesting to our readers. Our digital media provides you with maximum interaction.

We are seeing our readers embrace our addition of digital media due to the flexible nature of digital information. Many readers prefer both options, as with the digital version of the magazine, readers can access our content from all electronic devices, phone, laptop, or desktop. The additional advantage in digital is that our readers can link to our content and reach our authors and advertisers electronically. It's as easy as one click to go to more content. And we are able to gather metrics on many of interactions to help our authors and advertisers reach their desired audience.

That said, even with many favoring digital, we still provide the CHOICE of print so that readers can continue to receive the physical copy of California Broker Magazine. We know many enjoy reading the paper magazine, keeping it handy to pick up and read an article or two at a time. Or to share with family, friends and colleagues.

If you have any questions and comments, you are welcome to reach out to me at publisher@calbrokermag.com.

Don't Be Lost in the Medicare Jungle! Come Join the Adventure!

By Maggie Stedt and Ricky Haisha

The 11th Annual Senior Summit at Pechanga Resort and Casino takes place Aug. 22 to 24 promises to be the best one yet for the agent and broker who wants to expand their knowledge and distinguish themselves in the Medicare Plan Sales Market. Not only do we have a great line of speakers on many requested topics but we have added the Carriers First Look presentation on Thursday Aug.24!

Here are some of the speakers and topics that you just have to hear:

Two keynote speakers will share vital information to help you grow and distinguish you as an agent.

- Hear best-selling author, **Tony Rubleski** explain how you can become a profitable agent. He will discuss his "Mind Capture" acclaimed series that has received many endorsements from a wide range of leaders in marketing, sales, psychology to academia and multiple New York Times bestselling authors. Book #8 in the series titled, "*Positive Disruption – Vol. II More Quotes & Question to Upshift Your Life*" was released December 2022.

- Author **Bill Cates** will present "Don't keep me a secret: How to create perpetual flow of quality referrals!" He is the author of 3 best-selling books, "*Get More Referrals Now*," "*Beyond Referrals*," and "*Radical Relevance*." He is founder of The Cates Academy for Relationship Marketing™. Bill helps professionals move from push prospecting to magnetic marketing — to attract more ideal clients.

Additional presentations will help you grow your business and increase your knowledge. Here are just a few:

- Exploring the CMS Medicare Website, CE course, **Brad Miles**, Miles Insurance
- The Future of Medi Medi with **Gale Gajardo**, SCAN HealthPlan
- Automate, Digitize, and Modernize – Unlock the Insurance Agents New Superpower to Sales Growth, **Andrew Kassover**, AgentMethods

- After the Sale of Dental Insurance, **Chad Knies** with Ameritas
- Why Do Clients Leave, **Steve Ogden**, AgencyBloc
- 2023 Medicare Trends, CE course, **Jeff Sullivan**, Senior Market Sales
- Employer Benefits vs Medicare Benefits, CE course **David Garcia** and **Mary King**, Warner Pacific
- The New LTC Opportunity for California Agents, **Stan Israel**, Israel Insurance
- The Power of Branding, **Pete Blasi**, Financial Grade

We will also explore the both the national and state legislative environment with a deep dive into regulations and challenges especially the CMS Marketing Regulations for this year's upcoming Annual Open Enrollment! **Faith Borges**, **John Greene**, **Nick Uehlecke** and **Tim Kantor** are gearing up to provide you with the timely updates.

Thursday will continue with more classes and the information you need such as the changes in the Medicare MediCal offerings and opportunities.

To wrap up the Summit we will spend Thursday exploring the carrier's plan offerings for the coming year. The Exhibit Hall promises to be full and buzzing with information and materials you need for the coming year!

To register, just go to theseniorsummit.net. Better hurry as the early bird rate is ending!



Exploring the Medicare

JUNGLE

Don't Miss This Informative Summit!

August 22 to 24, 2023

at Pechanga Resort Casino, Temecula, CA

Register today for this important Medicare Summit! A full 3 days of educational certifications and classes, informative panel discussions with guest speakers who are sure to give you all the tools you will need to be a successful Medicare agent. Plus breakout sessions and exhibitors including various insurance carriers, medical groups, and supplemental benefit providers all ready to share their information. It's a great way to network, meet in person and talk to the different representatives.



*Scan this Code
to Register Today!*



*Breakout Sessions, Training Programs,
and discussions about the new Medicare
Legislation both state and federal for 2024*

Visit our website: theseniorsummit.net

Preparing for Medicare's Annual Enrollment Period (AEP)

By Maggie Stedt

Anual Enrollment Period (AEP) is just around the corner. I want to take this opportunity to remind you of the importance of getting certified, planning your AEP marketing and making sure that you are up to speed on the new 2024 CMS Marketing and Sales Rules.

As an agents or brokers, I know you are busy taking certifications and product trainings to prepare for this challenging time. AEP continues to provide the biggest opportunity for growth of the Medicare focused agent's business, for the retention of their book of business. That makes it the greatest challenge for time management and for their health and sanity!

This is the time that the Medicare Advantage covered persons can enroll or move to another Medicare Advantage Plan (MA/MAPD). If certain criteria are met, they can apply for a Medicare Supplement Plan on a Guaranteed Issue basis. It is also the time that covered persons can enroll into or change their Stand-Alone Prescription Drug Plans.

TIPS TO HELP YOU PREPARE

Certifications/Product Trainings

Schedule time to complete certification trainings. Depending on the companies you are contracted with, make sure to complete your AHIP, NABIP or company certifications and then move onto each companies' product's training. The trainings continue to be offered on line, with a few companies providing face-to-face trainings.

Review the plans carefully. Note any benefit additions and changes, and withdrawals and additions of plans in your targeted sales areas. This is especially important to your retention efforts and the opportunity for covered individuals to move from a Medicare Advantage Plan to a Medicare Supplement Plan during AEP.

Creating a grid of the plans for my own use has been a helpful tool to note the highlights of the plans. It is helpful if a group of agents work together, such as my Medicare Builders Group who work together to create and complete the grids. (Note that these are *never to be used with the clients* as it is not an approved marketing piece.)

Marketing Outreach

You have many marketing approaches to use for AEP for the acquisition of new clients. These can include mailers, the use of social media outreach, advertising on radio or TV outlets and in circulars or local newspapers, holding community meetings, "camping" at provider offices, and manning booths at community fairs, senior centers and local pharmacies.

As there can be substantial costs involved, explore programs with the companies you work with, and with your Field Marketing Organization (FMO) or General Agency (GA). Many provide marketing dollars and lead programs on a shared cost basis or dedicated product basis. They may require the submission of a marketing plan and a financial commitment especially for focused mailings. You may want to use their giveaways or order your own. **Create a budget and stick to it!**

Make sure to follow the Medicare Marketing guidelines for meetings and materials. Remember to always file your sales meetings with the respective companies for the products you will be representing. For your mailers, presentations and collateral, most agents use the companies' or the FMO's Medicare approved materials. If you want to use your own design, remember these must be filed and approved by Medicare and there is a lead time for the approval process. Check with the companies' Sales Representatives and your FMO/GA for opportunities and costs.

Meetings may be scheduled in person or using a virtual platform such as ZOOM.

You should strive to create long term relationships with local independent pharmacies, physicians and senior centers. You may also want to reach out to faith-based communities and organizations such as VFW's, the American Legion and Am Vet. Many of your clients have community contacts and may be involved in organizations and would be willing to assist you to reach the right people to arrange for your involvement and marketing efforts.

IMPORTANT CHANGES FOR 2023 AEP

You must secure a signed Scope of Appointment (SOA) 48 hours prior to meeting with your prospect to discuss plans.

- For office walk-ins you will need to secure a SOA prior to starting discussions of plans.

- A signed SOA is valid for the discussion of benefits. A new SOA should be secured if benefit discussion

was completed or the individual wishes to discuss the plan type not previously initialed on the current Scope.

- The validity of the SOA or Beneficiary Contact Information (BRC) is limited to no more than six months following the date the individual requested information.

Agents are required to record calls when reviewing plan benefits and enrolling individuals into a Medicare Advantage or Stand-alone Prescription Drug Plan.

Please refer to the 2024 CMS Marketing Rules for additional information.

For those who are conducting sales and educational meetings CMS has established additional rules such as:

- Sales/Marketing events may not immediately follow an educational event and cannot take place within 12 hours of the educational event at the same location.

- Agents cannot collect Scope of Appointments (SOAs) at an educational meeting.

- Agents are not permitted to set up future marketing appointments at educational events.

Client Retention

Reach out to your clients during this important enrollment period to help them determine if they wish to remain on their current plan or are considering changing. Many agents mail an initial letter to all clients to remind them of AEP and include their options. The letter requests that they contact the agent if they have had any changes in their health, prescription drugs, provider relationships or have other concerns. A second mailer is plan specific to provide guidance and recommendations for consultations regarding their specific plan's changes for coming year. This approach is proactive and provides confidence and an annual routine for your clients. It will help you to manage and retain your clients.

Review of prescription drug coverage and plans are handled differently by each agent. Many prefer to assist their clients with the plan changes and review the coverage with their clients and prospects. There are some agents that prefer to refer the clients to the Medicare

or company's website. You need to determine what is best for your clients and your business model.

Changes from Medicare Advantage to Medicare Supplement Plans

There are a number of Guarantee Issue (GI) situations that apply during AEP. Make sure to review the Medicare Supplement company's GI outline to specifically see which Medicare Supplement plans may be offered, what is required to qualify and what must be submitted for proof of prior coverage such a copy of the specific change from the MA/MAPD Plan's Annual Notice of Change or a print out from the Medicare Plan finder. There also may be a specific submission time limit to apply. A copy of their current Plan ID Card and a signed replacement form must also be submitted with the Medicare Supplement application. A number of Medicare Supplement carriers require that you submit proof of termination of the MAPD (HMO/PPO) plan to underwriting prior to approval of the Medicare Supplement Plan.

The two most used GI situations during this period are:

Trial Period: The MAPD covered person is within the first year of joining the plan and was first eligible for Medicare when they joined the plan or they dropped a Medicare Supplement plan to join a MA/MAPD plan.

Medicare Advantage Plan

Change: There are a number of scenarios that can qualify a person for the change to a Medicare Supplement Plan. Two of the most used are:

1. The MA/MAPD plan increased the premium, copayments, reduced the benefits or terminated its relationship with their medical provider for reasons other than good cause relating to the quality of care. The covered person may change from their company's MA/MAPD plan to their company's Medicare Supplement Plan.

2. The company offering the MA/MAPD plan does not sell Medicare Supplement plans and one of the following criteria have been met

- (a) increase premiums or copayments by 15% or more;

- (b) reduced the benefits or

- (c) terminated its relationship with their medical provider for reasons other than good cause relating to the quality of care.

Also note that if a Medicare Advantage Plan (HMO/PPO) is discontinued in the plan's service area, then the individual may apply as early as 60 calendar days prior to when the MAPD coverage will end. They can apply no later than 63 calendar days after the MAPD coverage has ended. Please note that I am referring to California-based Guaranteed Issue Guidelines. They vary from state to state.

Individuals must disenroll from their MA/MAPD plan by contacting the company or enrolling in a Stand-Alone Drug plan. For prescription drug coverage they should enroll in a Stand-Alone Drug plan during AEP.

Many agents are confused by the Medicare Supplement Birthday Rule. Remember it only applies to the Medicare Supplement plans covered persons and not to any changes from MA/MAPD Plans.

With planning, study and commitment you should have a successful AEP and feel confident that you have done the best you can for your clients, your business and your family. Here's to having a great AEP!



MAGGIE STEDT

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PREPARE FOR AEP 2024 SUCCESS WITH THIS CHECKLIST

Medicare Annual Enrollment Period (AEP) 2024 is around the corner. For brokers who offer Medicare products, it's an important time to reach out to current and potential clients and provide them with information about Medicare plans that may be right for them. AEP begins on October 15 and ends December 7.

By Austin Felch

Medicare Annual Enrollment Period (AEP) 2024 is around the corner. For brokers who offer Medicare products, it's an important time to reach out to current and potential clients and provide them with information about Medicare plans that may be right for them. AEP begins on October 15 and ends December 7.

The best way to thrive? Be prepared and organized. See Applied General Agency's 2024 Broker's checklist for 5 things to focus on to make the most of the Medicare AEP.

1 Review and Select Carrier Plans

Take some time to review the carriers and plans in your portfolio. When reviewing carriers, familiarize yourself with their application, plans, benefits and any other helpful tools offered.

Don't forget to remember your current and prospective clients' needs to ensure you can provide them with the best options possible. Keep the plans your clients have been loving, and also consider diversifying your portfolio with other products, and large and small brands.

2 Make Sure You're Ready To Sell

"Ready to sell" means you have completed all of the requirements needed to sell Medicare products. These requirements include passing the AHIP certification and completing all individual carrier contracts and certifications.

3 Complete Carrier Certification

It is important to get certifications completed ahead of time to ensure you are ready to sell with the carriers and plans you wish to offer.

4 Pass AHIP Exam

The AHIP certification is a two-part course that is required for all agents who wish to sell Medicare. The certification is put in place to ensure agents are Medicare compliant. You must complete your AHIP certification to sell during AEP.

5 Develop a Marketing Plan

While you can't market or sell for AEP to clients until October 1, that doesn't mean you need to delay your sales and marketing strategy.

Get ahead of the game by:

- **Defining your target market.**

Be specific. Instead of just "Medicare beneficiaries," think of married couples or those turning 65 or with chronic health conditions.

- **Knowing your audience.**

What are their interests? What do they read, watch? What are their primary concerns? Who do they follow on social media?

- **Researching your competitors.** What are they doing that you aren't? How is your niche different from theirs? How can you outshine them?

- **Making sure your marketing is compliant.** Get your ads, websites, handouts, presentations (any marketing material) approved in advance so there aren't any delays when it's mission critical time.

- **Scheduling and planning your marketing events.**

- **Connecting with current clients to review their current year plan benefits.** Note, you can only discuss their current year, but in doing so, you will learn about what their needs are and have a warm call to make come October 1.

- **Educating your audience on when AEP is and what happens during that time.**

Take Advantage of Resources and Marketing Tools

AEP is the time of year when it really pays off to partner with an FMO. A great FMO should have resources and support to set you up for success during AEP.

For example, AGA partners have access to a wide range of agent services such as:

- Marketing Department
- Event Reporting & Coordination
- Agent Portal & CRM with Online Enrollment
- Coordinated Certification Training & Support
- Commission Team
- Compliance & Allegation Support
- Submission Department
- Contracting Team



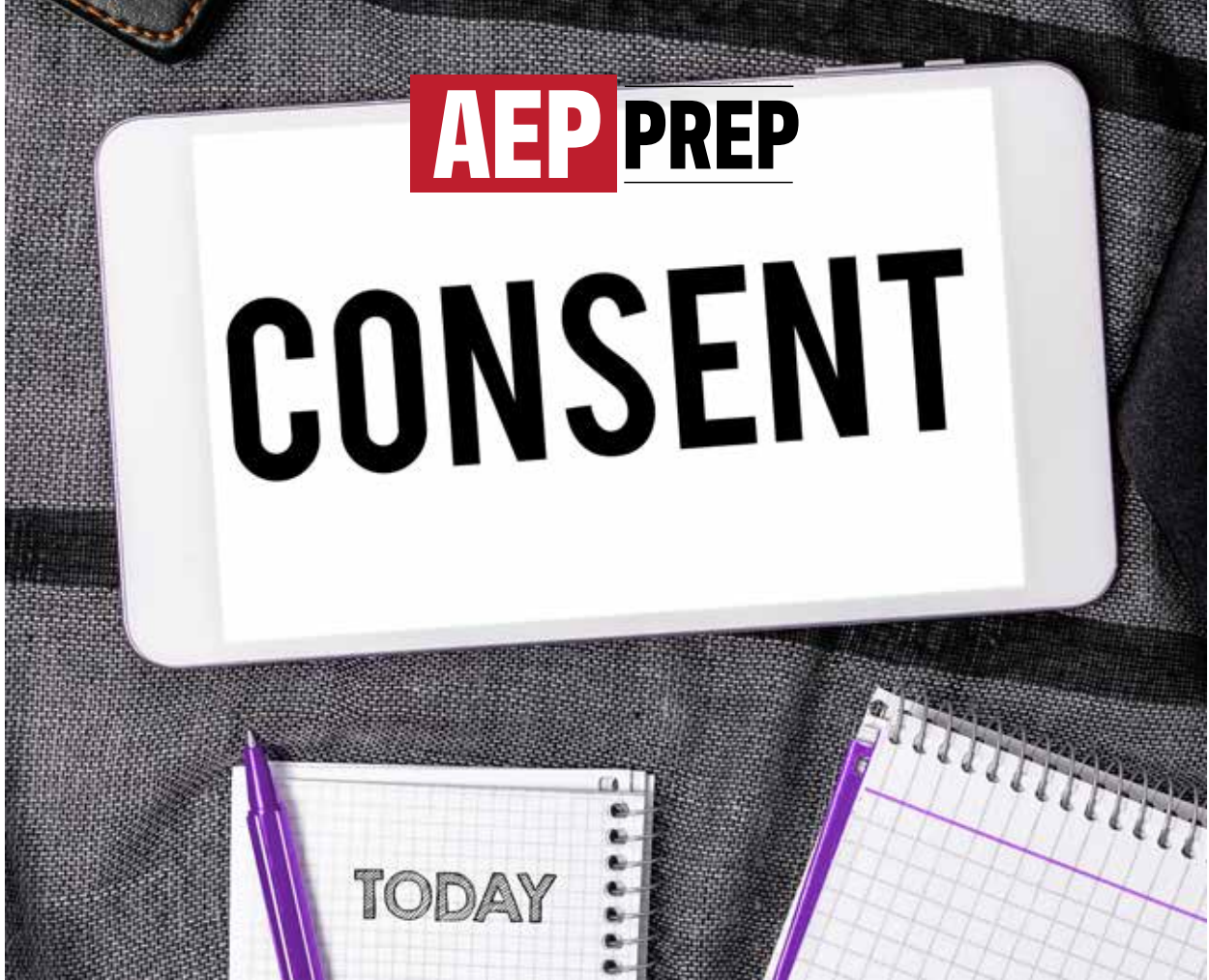
AUSTIN FELCH,
*COO, joined
AGA in 2019
with years of
Medicare industry
experience and
running a national
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program. His career has been focused on working with agents and agencies to develop compliant marketing campaigns that have the best ROI possible.

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Know the requirements for consent to contact for AEP

Make sure you understand Standards of Conduct and How to Comply to Federally-Facilitated Marketplace (FFM) guidelines

Additional requirements for life and health insurance brokers to obtain consent to contact prior to providing assistance were laid out by the Centers of Medicare & Medicaid Services. Take the time to remind yourself of these important requirements as you head into the annual enrollment period (AEP.)

Here's a link to the CMS presentation:

The Centers for Medicare & Medicaid Services (CMS) Understanding Marketplace Compliance Rules & Regulations presentation (<https://bit.ly/3PT2AIV>)

Here's what you need to know about the verification and consent health and life insurance brokers must obtain from their clients when assisting with Marketplace and ACA enrollments.

Note: This requirement is different from and in addition to the requirement that consumers must provide agents and brokers their informed consent for any use or disclosure of their protected health information (PII) outside the scope of the Privacy Notice Statement and the Authorized Functions for agents and brokers in the Marketplace.

Guidelines include:

“Agents and brokers should only make updates to a consumer's application or policy at the direction of the consumer. The Marketplace standards of conduct specify that agents and brokers must obtain the consent of an individual, employer, or employee prior to providing assistance to Marketplace consumers.

This includes but is not limited to:

1. Conducting a search for consumer applications using an approved Classic Direct Enrollment (DE) or Enhanced Direct Enrollment (EDE) website.
2. Helping the consumer apply for Marketplace coverage or financial assistance or enrolling the consumer in a Marketplace-qualified health plan (QHP).
3. Checking the status of the consumer's coverage and making updates throughout the year via HealthCare.gov, approved DE or EDE websites, and/or the Marketplace Call Center.”

Currently, the CMS does not require a standard format or process for obtaining or maintaining records of consent. Agencies and brokers can choose to create their own form or use a Broker of Record (BOR) form from an issuer or state Department of Insurance (DOI). The record of consent should include the following information:

- The individual's, employer's, or employee's name.
- The date the consent was given.
- The name of the agent(s) or broker(s) to whom consent was given.

At this time, any consent given does not expire, and the CMS shared that “the consent may last indefinitely unless the individual, employer, or employee revokes it.” Any documentation of the consent must be secured and retained for a minimum of 10 years. (<https://bit.ly/3PT2AIV>)

Get help to ensure compliance

An Agency Management System (AMS) can help you comply with the CMS Consent to Contact regulations.

All health and life insurance brokers that anticipate selling or renewing Marketplace and ACA plans for individuals and groups must obtain consent. Brokers can obtain consent in one of three ways:

- **Electronically.** You can gain this consent via email or through an electronically submitted form (see above for options).
- **In Person.** A client may verbally state their consent or sign a form. It's best practice to record their consent (written or verbal) and retain it for your records.
- **Verbally.** You can gather this consent over the phone. It's best practice to use a line that is

recorded, which will also allow your agency to comply with other regulations of the CMS Final Rule 2023. The CMS recommends that brokers read “a script that contains, at a minimum, the required elements, and they should memorialize that the required consent was obtained.”

Part of this rule requires agents to record and store all Medicare and Medicaid “marketing” calls. NABIP further outlines this ruling:

“The recording requirement applies to all agents who enroll beneficiaries into new plans, whether they are current or new clients. The wording of the rule references “marketing” calls, but NABIP confirmed that CMS interprets “enrollment” as “marketing.” Online applications that agents walk through with their clients are also subject to recording. SHIPS are exempt from the rule.”

It is important to note that conversations about this ruling are ongoing, and additional changes could be issued. For more information on the CMS Final Rule 2023, check out details at NABIP (<https://bit.ly/3PLVWUu>)

Obtaining consent is one part; the other part is maintaining and managing that record of consent. Some places agencies can store these records are:

- Local filing cabinet for written records.
- Electronically-based file folders or a cloud-based file repository (i.e., Dropbox, Google Drive) for electronic files (including recordings).
- An agency management system (AMS) or customer relationship management (CRM).

A local filing cabinet can allow ease of access for your employees when they're in the office, but they cannot be accessed on the go. Additionally, all local filings must comply with HIPAA guidelines to ensure safety and security.

A cloud-based file repository or electronic file folder makes the recordings more accessible, but there's no way to tie the call recordings to client records.

Using an AMS or CRM makes storage and access more secure and efficient by attaching the record of consent directly to the client's profile. This allows you to centralize your data to one location, thus simplifying access and adding efficiencies to your customer service and data management processes.

There are many AMS or CRM platforms to choose from. Do your research and find the best match for your organization. It can help you be better prepared for open enrollment, and better serve your clients

GROUP 4Q PREP



Tech Tools Every Agency Should Have

Gear up for 4Q as open enrollment approaches

By Alex Strautman

To compete effectively in today's market, it's important you implement technology to help you attract new business, communicate with prospects and existing clients, efficiently manage your block of business, and deliver outstanding service to your clients (and their employees if you're selling group health).

Listed below are some tools to consider as part of your technology arsenal.

#1 CRM

Customer Relationship Management (CRM) is especially important to health insurance brokers. It can help you increase productivity, enhance your customer service, and drive improved profitability, too.

A good CRM platform can help you manage your calendar, generate new business leads, and track important client information, such as:

- Contact address, phone numbers, and email
- Family composition (marital and parental status)
- Pre-existing health conditions
- Long-term goals
- Policy renewal dates
- Ongoing outreach

Using a CRM, you can automate your communications follow up, too — allowing you to focus on what's really important like sales, client service, renewals and referrals.

CRM.org describes itself as on a “mission to break apart what CRM is and means.” The site offers a CRM software comparison of HubSpot, Salesforce, Pipedrive, Freshsales, Microsoft Dynamics 365, Mailchimp, and four other CRM platforms.

#2 EMAIL MARKETING PLATFORM

Email is among the most powerful tools available to help you market yourself and your agency. Studies show email marketing has a higher return on investment than other digital marketing channels. McKinsey & Company says email is up to 40 times more effective than social media.

Frequency is key. No matter what you're sending — an email introducing a new product or service, quarterly newsletter, or seasonal message — it's good to establish a pattern to your outreach. Email automation software can work with your existing customer and prospect database to help you more effectively manage your communications. Forbes published a 2023 comparison that might be helpful in narrowing your options.

#3 WEBSITE CONTENT MANAGEMENT SYSTEM

Beyond just having a website, a content management system (CMS) will allow you to update content and add pages to your site in a seamless fashion. Content management systems like WordPress, Drupal, Shopify and others enable non-technical users to update and manage website content on the fly. This speed to market and ease of use are critical when it comes to enabling agents and agencies the ability to update website content. Keeping your site up to date and relevant based on market changes is an essential component to build site authority and trust, which impacts your website's organic SEO potential.

HubSpot published a list of 16 of the best content management systems to consider if you are not already using one.

#4 SOCIAL MEDIA + SCHEDULING TOOL

If you're not already using social media to promote your business, it's definitely time to start. Your competition is already there. That means you need to be there, too. After your website, social media is likely to be among the first places your prospects or referrals go to find you.

What platform you choose depends on your market focus. Global monthly active users (MAUs) are highest for: Facebook, YouTube, WhatsApp (popular in India and Brazil), Instagram, WeChat (popular in China), and TikTok — all have over a billion MAUs. The most-visited platforms in the U.S. are Facebook, Twitter, Instagram, Pinterest, YouTube, Reddit and LinkedIn, according to Statista. Read the Tribute Media article, "Top 10 Social Media Platforms for Businesses in 2023," for an overview of each.

While it's a couple of years old, another useful article is "10 Steps to Building Your Personal Brand on Social Media," as published by the Digital Marketing Institute. Once you choose your agency's social media platforms, one fantastic way to help manage and plan your content is to **use a social media posting tool**. These tools can help you automate and pre-schedule your content posts across multiple channels. You can then also download a calendar of your content to get a snapshot of your content portfolio. Here is a list of social media scheduling tools to check out: www.socialpilot.co/social-media-scheduling-tools.

#5 MARKETING ANALYTICS

One of the best aspects of marketing is that you can measure everything. Marketing analytics tools like Google Analytics, Adobe Analytics, Kiss Metrics, and Content Square enable businesses to gain insights into how new users, existing clients, and prospects interact with your business, including content planning, business value positioning, staffing and more. Here are 10 analytics tools to consider using to help take your business intelligence game to the next level: www.g2.com/products/adobe-analytics/competitors/alternatives.

Other Helpful Tech

Don't overlook tech that may be available through your partnership with a general agency. For example, the Word & Brown General Agency has a 38-year history of developing and offering industry-leading tech to help brokers quote, manage, and service customers.

Quoting: Word & Brown's proprietary WBQuote software allows you to customize your quote output, brand your quote so it reflects you and your brand, and choose a layout that can help you stand out from your competition.

When you're away from the office, WBQuote Lite allows you to quote on your cell phone or tablet. You can quote anytime, anywhere. Update a census and easily re-run a quote. Change an employer's plan assignment. Dynamically show different contribution scenarios. If your client adds an employee, you can easily run a new hire quote and generate a new hire worksheet in your choice of six languages.

If you don't have time, or just don't want to do it yourself, Word & Brown will run quotes for you.

Integrated Provider and Rx Searches: Word & Brown simplifies searches by giving you the ability to ensure your clients get access to the doctors, hospitals, specialists, and medical groups — and the prescription medications — in the plans they're considering.

In addition, our integrated solutions allow you to input a new provider or update a required provider — and immediately see available plans that offer employees access.

Online Enrollment & HRIS: Our partnership with tech providers means you have access to broker-friendly online benefits and management tools. These allow you and your clients access to single entry for personnel forms, new employee paperwork, and employee benefits.

Some platforms also offer optional payroll that works in conjunction with your client's existing provider to keep employee information up to date.

API Integrations: Our Application Program Interface (API) allows us to integrate data and systems with carriers and partners. That can save you valuable time.

Better Manage Your Business: The WBBroker app puts all the tech you need at your fingertips. It combines quoting, medical provider searches, and real-time underwriting updates — delivering a quick snapshot of your business. You can view open enrollments, in-force policies and premiums, upcoming renewals, cases in Underwriting, and more.

Take a tour of WBBroker on YouTube.
(https://youtu.be/_a5DPZUnHPM)

Then talk with your Word & Brown rep about everything we have to offer — to help you quote more, write more, earn more, and keep your clients coming back year after year.



ALEX STRAUTMAN is a senior copywriter at The Word & Brown Companies. He has decades of experience writing for the insurance industry. He has been with Word & Brown since 2011.

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Employ Technology to Make Small Group Benefits Profitable Save time, improve Service and Increase Profits

BY JEREMY M^CLONDON

There is a consistent dilemma in business, between complete customer service and return on time invested. The main issue being those clients that require 80% of your time only create 20% or many times even less of your profit. Providing healthcare coverage for small groups is not only time-consuming but often requires extra customer service and in the end is not profitable for a brokerage. The scale is imbalanced when you consider the time spent to quote, enroll and service your clients.

What if you could keep your local reputation as a business leader, while helping small businesses create realistic expectations and gain the benefits they desire for their teams and do so profitably?

Use this enrollment season to track your time spent with clients

Let's start by looking at your small group processes. Enrollment season is a great opportunity to track your time spent versus the return gained. As you work your way through this year's enrollment, take note and gather data to set a baseline to help you determine your best growth strategy going forward.

It's 2023, so why are you still quoting small group benefits like you did in 2013 or maybe even 2006? Your phone has updated, your computer has updated, and you probably have Alexa or Google turning on your lights every night. So, let's get your business up to date with the rest of your life and moving in a direction where as a broker or agent you are able to provide more service for your clients while increasing your revenue.

Tips to increase revenue

As mentioned, start by looking at your revenue per client compared to the time spent with that client.

- Are you spending a majority of your time on small business clients that yield little revenue?
- Arm yourself with a better vision of time spent vs. revenue per client.
- Explore resources at your disposal to help tilt the scales to a revenue producing conversation.

This could mean spending less time on quoting, enrollment and service of certain small group clients. By reducing the workload supporting an account you can increase the return on time spent with each client.

Accomplishing this demands that you align all your resources for the best possible outcome.

Consider assigning a research assistant to find a client's most direct need, then support the efforts find the right health insurance plans for those needs.

This is where new technologies can ease that effort. Insurance technology is advancing to make many tasks much easier and less time consuming. Things like quoting coverage options can now be done in mere seconds not weeks — and often with much less employee information.

Enrollment has come a long way as well through the advancements of technology. When you use an all-in-one platform (like MyHealthily and others on the market), you are able to seamlessly quote and enroll clients in both major medical coverage and numerous ancillary options.

This type of technology provides your clients with more options that better fit their needs, allowing you, the broker, to truly become an advisor, not just the person with a good price for coverage. Often times with more options comes better pricing than clients have seen in the past. This is a definite advantage!

Get faster quotes to improve service

Another way to look at your return on investment of time is to look at your quoting time for those who do not become clients. You might be spending significant time providing customer service that could be alleviated with actually better service. When you quote the traditional way, you speak with a client, learn about their needs, gain quotes from 2-3 carriers for a few plans — a process that can take weeks or even months! All for a potential client that ultimately lets you know they are going with another broker, or the price is more than they thought and it's not in their budget. Pair this with a generally tight timeline and high expectations of many small groups — it can and often does get hectic and labor intensive quickly.

Begin by managing a client's expectations. In the very first conversation with your client about health insurance and ancillary benefits, set out a realistic timeline to quote potential benefit plans. Now that you have set your potential client's expectations, use your resources to quickly provide these potential clients with a quote. Saving both time and money while opening indefinite plan options creates an "ah-ha" moment allowing you to offer and enroll clients in less time and with better service.

Ancillary Coverage is Sticky

When looking at client coverage options, how many times do you skip ancillary coverage because of the time and money it takes to quote and then enroll? Ancillary coverage is a place where many brokers leave valuable money on the table with

clients. Clients want all the options possible at the best price. For the average broker this means more time spent on quoting and customer service — going back and forth between the client and carriers. By again utilizing resources like technology, you can quote not only major medical, but ancillary coverage as well. This includes short term disability, dental, vision, cancer policies, hospital indemnity, and so much more. Now, with the right technology and a few simple clicks, it's done in seconds for all of your clients and their employees.

When you narrow down your focus and look at the dilemma of customer service within your book of business, you may find your highest expenses come from the time spent quoting small groups, who may not become clients. Or, as a broker leaving revenue on the table by not including ancillary coverage. **By reevaluating these potential clients and using resources at your disposal you will quickly see a change in not only your team and their use of time, but your clients and the amount of time spent.** Streamlined processes for quoting, enrollment, and servicing of clients keeps the return on time spent with customer service scale in balance, and clients happier with a quicker process.

By looking at your clients differently and understanding how to utilize resources, your small group business will generate revenue and growth for your company. First, by employing the latest tech, using a platform that is on the forefront of health insurance technology and pushing those boundaries daily. Then by seeing how these technological advancements will change the way you do business and even talk to clients about their health insurance needs. Finally, you are able to better assist your clients, giving them a simple straightforward shopping experience while providing education and more options than you ever thought possible.



JEREMY M^CLENDON is VP of MyHealthily. He began his insurance career in 2004. Jeremy takes pride in navigating the everchanging landscape of the health insurance industry and identifying solutions to the everyday problems that plague brokers in today's world. A native of Georgia, he graduated

from Berry College in 2004 with a BA in Public Policy. As a well-balanced insurance expert and prior agency owner, Jeremy has first-hand experience in the everyday hurdles that brokers experience. Jeremy joined MyHealthily at its inception and has accepted the challenge of identifying opportunities for innovation and fostering partnerships with market leaders and up and coming disruptors.

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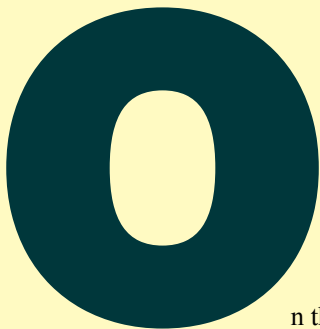
COMMISSION COACH

This article series covers topics related to
How to Protect, Grow, and Sell Health Insurance Commissions.

How do Health Brokers Young and Old Plan for Success

Start with the end game

BY PHIL CALHOUN



On the surface, for all active health insurance professionals, it may seem the main goal in planning is the future harvesting of the value in a book of business — with the hope to make an exit at some point years from now and happily move into the next phase of life. While this thought gives hope, hope is no guarantee of success.

The goal in planning for successful insurance professionals is to create a significant book of business. Young professionals in the business have the same focus as the more seasoned brokers. Success for health brokers is defined as executing a plan to Protect, Grow, and eventually Sell their health commissions.

So how does a health broker make their company significant?

We at Commission Solutions suggest finding out more about the building process and increasing your understanding what readiness to exit means. The bar to measure success for a health insurance professional is to consider the “end game.” Starting with the end game in mind means to know both the value of the book of business today and do the work to build the value so that at some point in the future your exit is highly profitable. To enhance the future value of your business, it is critical to know what your personal goals are. It is also important to understand what a buyer values or finds attractive in an insurance book of business.

Business coaches agree. Starting with the end game in mind is the basis to begin successful planning.

“Exit planning combines the plan, concept, effort and process into a clear, simple strategy to build a business that is transferrable through strong human, structural, customer and social capital,” explains Christopher Snider, CEO of the Exit Planning Institute. “The future of you, your family, and your business are addressed by exit planning through creating value today.”

One way insurance professionals can determine how significant their book of business is to buyers, is by completing a set of questions which provide a rating based on the company’s readiness and attractiveness value. We suggest employing the *Health Broker’s Business Attractiveness Index* as the index helps answer the question ‘How attractive is my business in the eyes of a buyer?’ The index is available by contacting phil@commission.solutions.

Keep in mind, a buyer could be a family member, employee, colleague or third-party. The ten categories covered in the Index address success points which are scored then averaged to produce an overall Attractiveness Score. Using the results of the Index, the strategy is to build a plan to improve the attractiveness and value of your business. The plan you develop will build on the value of your clients and commissions, which

for all successful insurance professionals is significant. When the plan is executed, low scoring areas will increase and the overall attractiveness of your business will improve in ways that reward you with greater value when selling or looking to partner.

Remember buyers can include family members, investors, bankers, partners, colleagues, and your employees.

Knowing how your business rates on key success factors provides information you can choose to use to improve. A high rating means a buyer will place more value on your business. A low score means there is work needed to improve. In all cases, you will have a list of items to maintain or “repair.” Do the work to improve and the value to a buyer increases.

The *Health Broker’s Business Attractiveness Index* is designed to help health insurance brokers and agencies measure their scores against a best-in-class standard within the health insurance industry. Even when the agency is only you, the index applies. The ten categories included in the Health Broker’s Business Attractiveness Index are:

1. **Customer Engagement Processes**
2. **Length of Client Relationship**
3. **Type of Insurance Lines**
4. **Automated processes**
5. **Financial Statements covering three-year history of revenues with new revenue by line of insurance, and debt information**
6. **Commission Protection Processes**
7. **Staff Culture and Employee Profiles**
8. **Subagent and Override Details**
9. **Value Acceleration and Cross Selling Potential**
10. **Three Year Business Plan including Readiness to Sell**

Each of the ten categories above includes a specific question and are scored. Scores are calculated for each category and then averaged to get a final score. This final score is your Business Readiness and Attractiveness Index Score.

If you would like to use the FREE Index, please contact phil@commission.solutions

Summary

Active brokers who desire success can build a plan to Protect, Grow and Sell their health commissions. The *Health Broker’s Business Attractiveness Index* offers an objective look at your business. Attractiveness and Readiness are two separate areas. They are different but together become critically important in the process of managing and growing a health insurance agency. Active brokers can use the index to identify areas of strength to continue. The index results also can provide a professional or agency areas to work on to increase both performance and value.

If you are personally ready to work on a succession or exit plan, it does not automatically mean your business is attractive to buyers. To attract buyers and get the greatest value, brokers will find there are more aspects of their business than just the annual commissions paid to you or your agency.

“Some argue that Readiness is more important than

attractiveness because it also includes personal and financial readiness,” Snider comments. “In order for your business to be significant, it must be both attractive to clients and potential buyers, as well as be ready to be transitioned.”

The succession planning process enables you to build incremental value in both your business and personal life that not only makes your business more attractive to buyers but makes you personally ready to exit your business. The index is a great first step in this vital planning process.

The new generation of health insurance professionals look different. Younger buyers usually look forward not backward, adapt quickly to innovative technology, and use social media far more often to assist with client issues (i.e. texting clients) than baby boomer brokers.

Two key factors in value and buyer fit are the impact of company culture and customer engagement. No matter how great the metrics are for your book of business, if your culture and customer engagement scores low, your business value will be lower. Younger brokers may not be on the same page and when considering buyers. Baby boomers and younger brokers need to come to agreement on culture and client engagement.

To learn more about how to grow your commissions ask about our Broker Commission Protection planning program. This program provides one-on-one coaching on how to find and work with active brokers who do not have a successor, and decide to choose you as their successor.

The focus of our next article on Commission Planning will be:

- Key deal points commonly used in transactions;
- How to get referrals for new business; and
- Growing your revenues through a professional collaborative partnership.

Editor’s note: Christopher Snider is CEO of the Exit Planning Institute and author of “*Walking to Destiny*.”

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You are not made up of small parts

*Make room for a broader understanding that doesn't reject what we know
but rather radically re-contextualizes it*

By Anoop Kumar, MD

Remember the molecular model kits you played with in middle and high school? The balls represented atoms, and the sticks represented molecular bonds. We would connect the balls with the sticks to form molecules. Voila! We had created the fundamental structure that a human being is made of.

This is what all of us were taught. It's what I believed, your clients believe, and you likely believe as well. But it's a radically incomplete picture — one that informs the comprehensiveness of the

diagnoses and treatments given to us.

Why is this important to brokers? Because it changes the way we view our human-ness AND our work with clients.

For thousands of years, we have been trying to discover what the human body is made of. We have been trying to learn about ourselves — what makes us tick, what makes us grow, and fundamentally, what we are. Philosophers approach this through deep introspection. Anatomists approach this by carrying out dissections. Spiritualists approach this through

meditation. Scientists approach this through experimentation. Each begins in the same way: by simply looking at the body. At a glance, we can tell the body made of smaller parts. The head, neck, arms, thorax, abdomen, pelvis and legs clearly come together to form a body. But we wanted to know more. So, we dove a little deeper.

In the 17th century, Robert Hooke found that plants were made of individual units called cells. Eventually, in 1839, Theodore Schwann found this to be true of the human body as well. Less than a century later, the planetary model

of the atom was developed by Ernest Rutherford. We now knew that these atoms were the fundamental units that constituted our bodies.

Imagine the excitement of those times. In everyday life, what we saw was our entire human body. Using common sense, we knew that this body could be divided into smaller parts, but to think further that even these smaller parts were made up of individual life forms such as cells would have been a radical shift in understanding. To imagine the trillions of cells, each with its own life, carrying out the exact functions of life that we carry out as entire organisms, such as eating, drinking, excreting, and sharing messages with the environment, must have been a revolution in thought.

But we weren't done yet. We would go on to discover that even atoms were made of subatomic particles — protons, neutron, and electrons. Atoms was supposed to be indestructible and indivisible. The very word a-tom means to not-cut or to not be divisible. Yet not only atoms, but even the protons and neutrons that were part of the constitution of atoms were made of even smaller parts — what we today call elementary particles, the smallest bits of matter.

So, then it was settled. These tiny bits of matter called elementary particles are what we are made of. Put a bunch of these together in exactly the right way, and we have you, me, and all of us.

But that doesn't seem right. Are we really just assemblages of parts? Can we put together a human body in the same way Henry Ford put together a Model T?

In fact, no. Surely, the body is made of organs. Organs are made of tissues. Tissues are made of cells. Cells are made of molecules. Molecules are made of atoms. Atoms are made of sub-atomic particles. And subatomic particles are made of elementary particles.

But why stop asking questions here? Why the large red stop sign? Let's ask the next question: What are elementary particles made of? It turns out the answer

is not so easy to understand, and this is why the answer is not popular.

Since we were children, we have been taught that things are made of smaller things. Nobody actually said this to us. It was just plainly apparent. When we stacked blocks on top of each other, we intuitively understood that the larger structure we created was made up of smaller blocks. When we put a jigsaw puzzle together, we intuitively applied the principle that a larger structure is made from smaller pieces. This fundamental understanding of the world is ingrained in us through perception and thought, beginning the day we are born.

But for now, I invite you to suspend that assumption.

To discover what we are truly made of, we have to make room for a broader understanding that doesn't reject what we know but rather radically re-contextualizes it.

“There are no particles; there are only fields. Unbounded fields, not bounded particles, are fundamental.”

-Art Hobson, Professor of Physics, American Journal of Physics

Elementary particles — the tiniest bits that make up the material world — are local vibrations in a boundless field of energy. Yes, the smallest things in the world are made from the biggest things in the world.

“If we observe quantum fields very carefully with sufficiently precise instruments, what we see are individual particles... When the field starts vibrating, we can observe those vibrations in the form of particles.”

-Sean Carroll, Theoretical Physicist, The Big Picture: On the Origins of Life, Meaning, and the Universe Itself

Yes, the smallest things in the world are made from the biggest things in the world.

Think of a particle as a wrinkle in a vast, unbounded bed sheet. The wrinkle is not different from the bed sheet. It is not a separate entity. It is merely a local pattern of the boundless bed sheet. To take another example, consider a small ripple in a vast lake of water. The ripple is not different from the water. The ripple is not different from the lake. In fact, to give the ripple independence is itself a lack of vision of the entirety of the lake. Yet, because we have been taught to focus on the particulate, we note and name the ripple and ignore the lake. The smallest bits of matter that we call elementary particles, which constitute the human body, are wrinkles in a vast sheet of energy. They are a small ripple and a vast, endless lake.

What does this mean? What is the significance of this? We'll tackle this in my next installment.

LAAHU PRESENTER



DR. ANOOP KUMAR, M.D. *is an emergency physician. He is co-founder and CEO of Health Revolution and co-creator of Health Jumpstart.*

“As a medical student, I had a near-death experience that changed the way I saw health forever. It opened me to a field of infinite potential where I ran into the limits of my own medical training. I saw a vast terrain with multi-directional pathways that support healing. My purpose is now to guide people along these paths so they can experience what health truly means.”

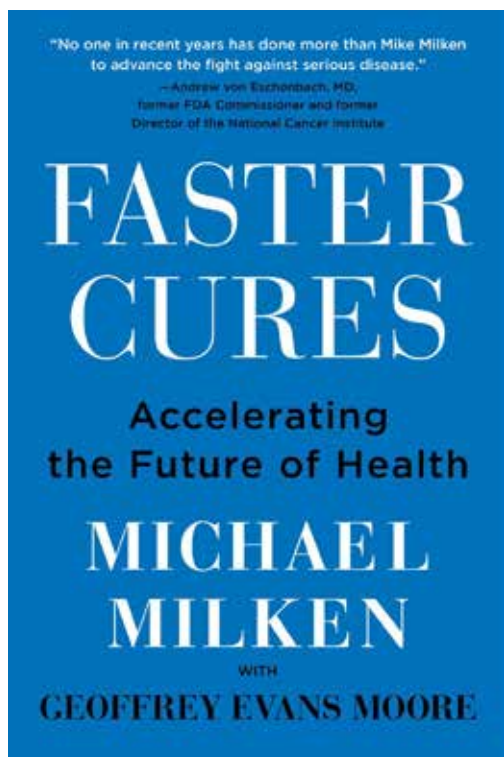
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“Faster Cures — Accelerating the Future of Health” by Michael Milken

**Reviewed by Phil Calhoun
PUBLISHER**



Partly a memoir and partly a recent history of medicine, the book provides a self-reported account of Michael Milken’s battle against prostate cancer and, from this experience, his lifetime work to accelerate medicine’s evolution.

Born in California in 1946, the book begins with a description of the 1950s civilization and culture that helped shape Milken’s early views. “Faster Cures” traces the life-extending acceleration of progress in medical research, public health, and clinical treatments over the seven decades since Milken’s childhood — and shows how he helped transform the process of developing disease cures. Among many examples, he recognized the promise of immunology more than twenty-five years ago and provided crucial support for the emergence of immunotherapy as a powerful life-saving treatment.

The book includes the events that made Milken what Fortune magazine called “The Man Who Changed Medicine.” Known worldwide as a legendary financier, philanthropist, medical research innovator, and public health advocate, Milken outlines accounts of his inspiring crusade to beat his own cancer diagnosis then his devotion of passion, time, influence and money used to accelerate cures and treatments so that more people around the world can live longer, healthier, and more meaningful lives.

Milken began in the 1990s pulling together many of the brightest medical minds, motivated public leaders, and the health tech industry, to work together and center efforts on tangible monuments of success. He pioneered the Young Investigators who still impact medicine today.

In 2003 he founded the Faster Cures organization to evaluate the research process, identify roadblocks, engage people and organizations, and propose economic incentives and regulatory efficiencies to accelerate scientific discovery. He also founded the Prostate Cancer Foundation (PCF), the first entity to address prostate cancer.

Forbes and others have recognized how Milken’s efforts and

Get and keep good health insurance!
Milken supports what we do. This is one of his factoids:
“Studies have shown that insured patients live longer.”
We can all agree insured people who use their preventative coverage live the longest.

leadership led to extending the lives of thousands. His focus is on curing, as well as preventing, cancer. His shift to COVID cures in 2020 included a daily podcast where he interviewed health leaders in government, academic medical centers, and industry.

As a health insurance professional, I took the career Milken pursued as something to learn more about — both the individual and the impact he made on the healthcare industry.

In my experience, successful health insurance professionals strive to do what is best for their clients. We seek to perform as our client’s advocate as we do the work necessary to help navigate clients through the often-challenging health care system. The challenges typically happen when trying to gain access to the medical care needed, tests and treatments desired that can provide lifesaving cures, and see doctors who are at the top in their specialty area.

Milken outlines some tips on what he feels all people, like our clients, family, and friends, can do to impact their own health. As I read through his list it seemed clear that health insurance professionals can focus on directing this guidance to their clients.

Here is a sample of Milken’s “Remaining Challenges and Your Crucial Role.” I can see how health insurance professionals can easily apply this guidance, found on pages 317-318.

1. Get involved. This means being the health advocate your client needs, from educating them about the plans available to accessing the care needed.

2. Get tested. Our role is to help more people — our clients and loved ones — get tested. Milken suggests cancer tests from colonoscopies, mammograms, pap smears to PSAs, as these tests can prevent death. All these tests are covered by medical plans as preventative services at no cost! Many clients do not use their health benefits. Take action to educate and provide incentives for your clients to use their benefits and get these important screening tests.

3. Take personal responsibility to advance health in general and when a client is diagnosed. If necessary, inform them they can go to www.clinicaltrials.gov to learn more and always work with their doctor. As a trusted health benefits advisor, you can inform your clients about these

resources when you discover a client, or their loved one, is at risk or recently diagnosed.

4. Advance science. Support your family and friends who want to get into medical careers. Museums are a great place for young people to become aware and engaged. Support your clients and encourage them to visit local museums with their children and grandchildren.

5. Keep track of your medical records. Clients have the right to access their medical records. Encourage this access and inform others why sharing these reports with new doctors and specialists is ideal. This is the ideal way to make certain all the tests and treatments are known so the most current and advanced medical care plan can lead to treatment with fewer issues such as medications and other past tried but failed efforts.

6. And finally, get and keep good health insurance! Milken supports what we do. This is one of his factoids: “Studies have shown that insured patients live longer.” We can all agree insured people who use their preventative coverage live the longest.

While this was a tough read, it was motivating to learn more about Michael Milken as he developed his mind, applied motivation, and took action to help others. He consistently worked through adversity and achieved many collaborative successes to advance Faster Cures.

For those who are put off by his past as a controversial man who served prison time, doing a deeper dive to discover more. Some fact-based reports show details of what he was accused of and his actual actions.

After reading this, one can see there were issues that were improperly handled. Rather than judging quickly, take the time to research the wealth of information available online to gain a more balanced and factual view. You will also find references to the many ways he devoted his time, resources, and talents to saving lives.



Help Customers Get Coverage They Don't Know They Need

Four in 10 Americans traveling abroad have had medical issues

By Don Van Scyoc

Americans love to travel. A recent poll shows that nearly half are planning to travel internationally in the next two years (International Travel Medical Insurance: Awareness, Usage and Perceptions, Harris Poll & GeoBlue, December 2022). However, many consumers are putting themselves and their employers at risk while traveling abroad.

Among those Americans who have traveled internationally over the last five years, four in 10 have had medical issues. While almost 80% of consumers say having affordable access to quality medical care is an important aspect of their trip, far too many don't have adequate coverage. A whopping 76% of consumers don't know how they would pay for medical treatment abroad or likely won't have adequate coverage (Harris Poll & GeoBlue).

Most travelers aren't intentionally taking a risk — they simply don't know

Although medical issues are a concern among traveling Americans, there is a dangerous lack of awareness regarding how medical care works overseas. Almost half (46%) of consumers expect to use

their existing domestic health insurance plan if they need medical care when traveling internationally (Harris Poll & GeoBlue).

The problem is many people aren't well versed in the specifics of their domestic plan (in fact, most don't even know it's a "domestic" plan — to them, it's simply their health insurance). Therefore, they have no idea that the many benefits they take for granted in the U.S. do not extend overseas.

Some domestic group plans offer no international medical coverage, nor do most Affordable Care Act (ACA) plans. Even the best Medicare supplement plans have limited international benefits.

Your customers may be shocked to discover that the following benefits are NOT included with most domestic plans:

- Direct pay (a cashless experience with no costly upfront payments for care)
- Access to 24/7 assistance services to set up hospital stays and coordinate care
- COVID-19 medically necessary testing and treatment
- Access to contracted global provider network
- Clear, extensive evacuation/repatriation coverage and AD&D

- 24/7 telemedicine and security profiles

If your customers rely solely on their domestic U.S. health insurance while abroad, they will likely experience critical gaps in care and coverage.

Help protect your customers by reaching out to them

You don't have to wait for your customers to come to you about international medical insurance (besides, chances are they won't — because they don't know they should). Be proactive. Ask your customers if they have international trips planned. Talk about vacations, extended work assignments, study abroad opportunities — anything that would take them or their dependents out of the country for either a short-term or long-term period of time.

Send out emails to your customer base a few times a year (consider timing them a few weeks before the winter holidays and in the weeks leading up to spring and summer breaks — basically, before busy travel times). In these emails, let customers know if they're planning any time abroad, they should talk to you about whether their domestic medical insurance will offer sufficient coverage.

This is an opportunity for you to share

your expertise and build your client relationships. It's also an opportunity for you to build your business.

Emphasize the financial and emotional value of travel medical insurance

It's important to help your customers understand that travel medical insurance is likely more affordable than they may think. Because many customers already pay premiums for their domestic health insurance, they may be hesitant to pay "extra" for coverage they may not even access when traveling overseas. And it can be hard to convince customers with an "it-won't-happen-to-me" attitude that purchasing international coverage is worth it.

However, you can help them see that international medical insurance plans can only cost dollars a day. Compare that with the out-of-pocket costs for an ambulance ride, hospital stay or medical evacuation — or the consequences that can arise if customers are denied care because they cannot pay the full amount upfront at the time of service.

Help your customers realize that healthcare is not the same around the world. Encourage them to research how healthcare works in the countries they are visiting. If your customers travel abroad thinking that medical care will be just like at home in the U.S., they may be in for an unwelcome surprise.

What to look for in an international medical plan

Great! You've helped customers realize that they need travel medical insurance. Now what? Once you've identified that a customer requires an international medical plan, you can start researching plan options from different providers. There are multiple carriers who offer international coverage.

Knowing the specifics of your customers' travel plans can help you recommend the most appropriate plan for their needs. Ask your customers how often they travel internationally, the length of their trips and their reasons for travel. For instance, GeoBlue offers different plans for people who are taking a single trip abroad versus people who may visit international locations multiple times a year. GeoBlue plans also vary based on long-term versus short-term trips.



Also encourage customers to consider their specific health concerns to help ensure the plan they select can meet their needs. Here are some specific things to look for:

- Is COVID-19 testing and treatment included?
- Does the plan cover pre-existing conditions?
- Does the plan have inside limits?
- What are the medical limits for medical evacuation and repatriation?
- Does the plan offer telemedicine access to multilingual doctors?

Technology and accessibility are important factors

Also think about the convenience of accessing the coverage and availability of customer support. Most of us carry our phones with us all the time, so mobile access to services is ideal. Some providers even offer a mobile app, so instead of navigating a website and trying to log in or find the right phone numbers to call for support, customers can simply pull up the app and quickly access everything they need.

- For example, the GeoBlue mobile app
- gives customers access to their ID card
 - offers multiple ways to contact a medical assistance team that's available 24/7/365
 - helps them locate local doctors and hospitals
 - provides access to unlimited telemedicine visits
 - finds medicine equivalents

- includes alerts to local security and health issues.

The convenience and peace of mind this type of mobile app offers shouldn't be underestimated, so encourage customers to look for plans that offer this level of technology and support.

You're there to help your customers...and we're here to help you

Travel medical insurance can feel like a complicated matter. It doesn't need to be. Here are two ways to simplify it.

First: easily identify who needs it. Just follow this mantra: If you need a passport, you need travel medical insurance. (Yes, there are some domestic plans that do extend coverage overseas, but you should check for any gaps in coverage.)

Second: call us! Most insurers offer support to help you understand the complexities of global health insurance, so you can better help your customers. Working together, we can help ensure that your customers can travel the world with confidence, knowing they have the medical coverage they need.



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GeoBlue is the trade name for the international health insurance programs of Worldwide Insurance Services, an independent licensee of the Blue Cross and Blue Shield Association. For 25 years, GeoBlue's purpose has been to simplify the international healthcare experience for the globally mobile. Members have access to one of the largest care networks in the world, coupled with high-tech, high-touch services that enable them to fulfill their international aspirations.

To learn more, go to: about.geo-blue.com

Enhancing Financial Wellness Programs with Estate Planning

Employees need to know more about protecting their legacy

BY TIM WEBER

When employees hear the term “estate planning,” many tend to think of something that’s only for the wealthy. The term “estate” may conjure images of “trust fund kids” or sprawling mansions. But, in reality, estate planning is a necessary financial planning tool to support all employees’ financial security — and provides peace of mind that their families will be taken care of if something happens to them.

As employers strive to attract and retain talent, they’re leaning heavily on competitive benefits packages to help them stand out from the crowd. Among the most sought-after benefits are those that support employees’ financial wellness and security.

According to a recent [Betterment report \(betterment.com/work/financial-wellness-report\)](https://www.betterment.com/work/financial-wellness-report)

- 74% of workers surveyed said they would be likely to leave their job for an employer that offered better financial benefits
- For millennials that climbs to 79% and 84% for Gen Z
- Further, more than 72% of workers who don’t currently receive estate planning as a benefit say they would be interested in using estate planning services if they were offered by their employer.



If your clients are looking for an employee benefit that can be meaningful across generations in the workforce, helping those from all backgrounds, estate planning may warrant a closer look.

Essential elements of estate planning

At its core, estate planning guides important decisions concerning money, property and other assets, the care of loved ones, one’s own medical care and a host of other issues that may arise when someone dies or is incapacitated. Having the right legal documents in place will help ensure employees’ wishes are respected and their legacy protected.

While many people think of wills when they think about estate planning, there are several important documents that should be considered and executed, including these:

- **Will:** outlines where and when assets should go and who will care for minor children, other loved ones, or pets. Those who die without a will have to rely on the state to make those important and very personal decisions.
- **Trust – living or testamentary:** enables you to put conditions around how and when assets will be distributed, both before and after they pass away. A trust can reduce estate taxes, protect property, and avoid a lengthy probate — the official proving of a will.

- **HIPAA Authorization:** provides a designated person the authority to review and discuss health information with your healthcare providers.
- **Healthcare Power of Attorney:** gives a trusted person the ability to make medical decisions on your behalf if you're unable to do so.
- **Durable Power of Attorney:** enables you to delegate the right to make legal and financial decisions to someone else upon your incapacitation, including real estate, tax, banking and finance decisions.
- **Living Will:** expresses directions about life-sustaining treatments. If you're capable of making a healthcare decision, however, your decisions will override what's listed in the living will.

Most employees are familiar with wills and think they're all that matters when completing an estate plan. But this couldn't be farther from the truth. While it's hard to think about our mortality, having proper legal documentation and holding crucial conversations with family members is vitally important. This will help make sure that the employee's wishes are properly executed — and not leave critical decisions in the hands of the court.

How estate planning works with other employee benefits

Estate planning benefits are complementary benefits — it plays nicely with benefits employers are already offering, like life insurance, 401k, retirement plans and financial education. It's the key to creating a well-rounded benefits package that supports all employees, no matter where they are in life.

When it comes to life insurance and 401ks or retirement plans, an estate plan is vital to make sure an employee's hard-earned money is going to the person or people they choose. A properly crafted estate plan makes sure the beneficiaries in these financial instruments are updated as needed.

Financial education benefits also help employees set up their estate plans

When employees gain the understanding that estate plans aren't just for the rich — they're necessary for everyone. They realize the importance of preparing these documents and saving their family from undue stress. Financial education can also help your employees know more about inheritance laws, estate taxes and how to maximize their estate for their families' benefit.

In addition, many legal insurance plans cover the creation of estate planning documents as part of its affordable monthly premium. These plans also give employees access to a network of attorneys who can answer questions and provide counsel given the employee's specific situation — which can help mitigate [stress](#).

Estate planning affects all generations — but their approaches differ

As I mentioned earlier, estate planning benefits can support all generations in the workforce. But an interesting factor to explore is each generation's perspective and approach to estate

planning.

According to a recent Bank of America report, 81% of older millennials (aged 36 to 42) have a trust or are very interested in a trust. The study also showed that 84% of millennials believe it's important to leave an inheritance for their children. This is in sharp contrast to just 63% of baby boomers who say the same. (<https://www.privatebank.bankofamerica.com/articles/generational-financial-estate-planning-priorities.html>)

Millennials' high interest in estate planning may be driven by their experience as a sandwich generation: many millennials are raising their young children at the same time they're caring for aging parents and grandparents.

The Bank of America study revealed that Gen X and baby boomers say that the greatest challenges in estate planning are tax burdens and legal documents. **Your clients have the opportunity to help mitigate this by offering benefits like financial education and legal insurance.**

How brokers can be a part of the estate planning discussion

As a broker, one of your biggest challenges is balancing the employers' needs and advocating for your clients' employees.

- Do your clients survey their teams for how satisfied they are with their benefits offerings, particularly those designed to support their financial security?
- Are there any notable gaps or employees who might benefit from estate planning education or services?

Another option is to analyze employee data for life events that commonly trigger the creation or updating of estate planning documents, like marriage, divorce or having children. If you see a significant portion of employees falling into these categories, benefits that support estate planning could be a timely recommendation.

As always, any time you can provide new solutions or recommendations that enhance the lives of employees, you're seen as a go-to advisor to your clients. Extending financial wellness programs with estate planning benefits to help employees protect what's often most important to them — their families and finances — can help you build that trust and credibility.



TIM WEBER, a long-time voluntary benefit veteran, serves as VP, Group Sales and Client Management at ARAG, overseeing ARAG's core sales business: group sales, sales operations, client management, product development and client support services.

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Be Aware of 3 Pitfalls in Business Succession Planning

Help your clients be better prepared by identifying preferences and bias

BY CHIA-LI CHIEN

Only 34% of family businesses have a robust and documented succession plan. This is according to PwC's 2021 Family Business Survey. Before you can help your clients plan for succession, first show them how to avoid three financial psychology mistakes, defined below.

Definitions: Behaviors Finance, Financial Therapy/Counseling, and Financial Psychology

Behaviors Finance was first researched by economists who tend to measure behaviors economics through the impact of emotion and cognitive biases on financial decision-making, according to American Psychological Association. These economist researchers often described people "misbehaving" in financial decisions as "irrational." However, Dr. Statman's 2019 book "Behavioral Finance: The Second Generation," argued that people have specific reasons for behaving irrationally. Dr. Statman used the term "normal" people to clarify. Normal people have wants, desires, dreams, and situations they have to handle. When designing comprehensive financial planning, professionals must ascertain the client's goals, wants, desires, dreams, values, and cognitive biases.

One of the most common cognitive biases is STATUS QUO. The status quo is "the preference for maintaining one's current situation and opposing actions that may change the state of affairs," according to The Wharton School of the University of Pennsylvania.

Example: I bought two dozen Georges de Latour Private Reserve Cabernet Sauvignon 15 years ago at a 50% discount or \$45 per bottle. Though I am

not a wine collector, I still have a dozen left today. I am not planning to sell them, although the retail price ranges from \$500 to \$800 per bottle. Perhaps I am waiting for a special occasion to enjoy them. I am exhibiting the classic cognitive bias of the status quo.

How many of your clients hold on to their corporate stocks (or stock options) and are unwilling to diversify their portfolios? They, too, are exhibiting the status quo cognitive bias.

• **Financial therapy/counseling** is a process informed by therapeutic and financial competencies. Financial therapy/counseling is related to how we individually think, feel, communicate, and behave with money, according to the Financial Therapy Association.

Example: My husband grew up poor. His up-bringing conditioned him to think, feel, communicate, and behave with money differently than me. He will tell you that "he has no money" when we plan for vacation despite the fact that I forced him to save a lot already. He only shops at Walmart, Dollar Store, and Aldi. Conserving is a good habit, but refusing to enjoy life may not serve him well, especially when he can afford to.

• **Financial Psychology** is defined by the Financial Psychology Institute as a broader field encompassing behavioral finance and financial therapy & counseling. Financial psychology is the relationship with money and how to improve financial health and beliefs about money.

Returning to my husband's example, he consistently looks for a good deal because of his conservation habit. Again,

it's a good thing to conserve, but it may limit your choices. In this instance, he has been wanting to purchase a Tesla since they came on the market. However, he opted to take the tax credit of \$7,500 for new clean vehicles purchased in 2023, for a 2023 Chevrolet Bolt EV, scheduled to deliver in early Fall 2023. His beliefs about money led him to believe that the tax credit of \$7,500 under Internal Revenue Code Section 30D is a far better deal than getting a Tesla. He was not wrong, despite his love for Tesla.

Case study: ABC Advisors

This example illustrates three financial psychology mistakes to avoid in succession planning

To better understand behavioral Finance, financial therapy/counseling, and financial psychology, in this article, I will use my 2021 peer-reviewed published case study "Succession Planning in the ensemble financial planning practice." The names have been changed to protect the client's confidentiality, but the facts are real.

ABC Advisors' financial planning practice has three equal partners — Mary (age 70), Jerry (age 60), and Cindy (age 40). ABC Advisors had three other team members when the author started working with them. Mary and Jerry's goals are as follows:

- ABC Advisors will triple the assets under management (AUM) to \$1.2 Billion in 5 to 10 years.
- Mary will transition out of practice in 5 years.
- Jerry will transition out of practice in 10 years.
- Mary and Jerry will sell two thirds of the shares to Cindy.

- Ways to expand the practice are to
- 1) buy solo practices
 - 2) hire experienced CFP(s)
 - 3) hire entry-level employees.

There are three financial psychology mistakes to avoid in succession planning:

- 1) **unwillingness to let go of control of the firm**
- 2) **attachment to maintaining a certain lifestyle**
- 3) **procrastination about making necessary changes**

Mistake #1: Unwillingness to let go of control of the firm

The firm's management decisions, such as hiring, firing, and strategies-setting, lie in the owners' hands. Mary and Jerry hired the author for succession planning. When Cindy learned she was not part of the management decision making team, she hired her own succession consultant.

Mary and Jerry built their practice based on their social status and identity. Letting go of the firm's control means losing this. Mary and Jerry resented Cindy not including them in hiring a consultant. Cindy was frustrated with Mary and Jerry for not including her in management decision-making. Mary and Jerry regretted not having a proper succession plan. They also felt ashamed and fearful about not being able to retire at the age planned. Mary and Jerry both had social proof and overconfidence biases.

Mistake #2: Attachment to maintaining a certain lifestyle.

Jerry envies Mary because she has a very-together family compared to him. He was going through a bitter divorce where he had to downsize to a 2,000 square foot home from 10,000. He lost half of his assets during the divorce and may not be able to maintain his current lifestyle during retirement. Jerry is especially humiliated due to his recent divorce and feels ashamed of feeling "unable" to maintain a certain lifestyle.

Mistake #3: Procrastination.

Business owners often play the game of "five (5)" increments. Owners believe that their business is worth 5x their revenue, or they can afford to wait for

five years before doing any planning. Most importantly, the game of "five (5)" increments causes business owners to miss the windows of opportunity.

Although Mary and Jerry did not totally "miss the windows of opportunity" yet, they felt embarrassed when working with me. Especially since they are their clients' planners, that sense of embarrassment could also linger into emotions such as shame and guilt when they could have done succession planning when Mary was in her early 60s.

Solution: Listen Well

Use these succession planning techniques before client meetings to make sure you are listening well!

- What is the owner's business valuation?
- What makes a business valuable?
- What activities are important for owners to focus on in their daily operations?

A good balance of planning techniques and financial psychology (combined with behavioral finance and financial therapy & counseling) allows financial planning professionals to listen actively in client meetings. Professionals need to have proper succession planning technical skills and park their personal financial psychology preferences when advising clients.

Practice active listening

- Ask sensitive questions to avoid unconsciously shaming your clients
- Listen carefully to what clients say, what their body language reveals, and look for their emotional cues.
- Coach clients by nudging them to self-discover a solution.

Know thyself

To be a better financial planner, be curious enough to determine your own financial psychological preferences. For example, I discovered that I prefer "variable annuity" for retirement investment by using Dr. Wade Pfau's **Retirement Income Style Awareness Profile (RISA™)**. However, financial planning professionals should not force their own personal preferences (or biases)

into clients' recommendations.

An effective financial planning professional should be able to identify and align their approach with the client's financial psychology. I do my best to make sure my recommendations align with the client's goals and financial psychology/biases preferences for the best results.

Resources

Financial planning professionals can consider tools like Money Script and Money Habitudes to assess clients' preferences and biases.

Find more information in an article from the 2011 Journal of Financial Therapy. In the article Dr. Bradley Klontz, Dr. Sonya L. Britt (Lutter), and Dr. Jennifer Mentzer describe "*Money Beliefs and financial behaviors: Development of the Klontz Money Script Inventory.*"

Plus, you can refer to an article titled, "*Reliability Analysis of Money Habitudes*" by Dr. Lucy M. Delgadillo and Dr. Brittani S. Bushman.



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in Fortune 500 companies. Dr. Chien is a frequent speaker and has published several award-winning books. She holds a doctorate in financial planning and is a Certified Financial Planner (CFP®). Dr. Chien is an associate provost of graduate programs at The American College of Financial Services.

Dr. Chien conducts workshops by using case studies to help financial planning professionals gain insights into balancing succession planning technical skills and financial psychology preference.

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How to Foster a Trusted Advisor Relationship

Broker exemplifies best strategies

By Phil Calhoun

This case study is a real example; names have been altered for privacy.

Nicole works for an agency in California where she began her insurance career two years ago working with the agency's Individual and Family Plan (IFP) book of business. Nicole handled IFP enrollment and service work so well with excellent retention rates and new business growth that her agency transitioned her to focus on Medicare as a promotion.

Fostering a Trusted Advisor Relationship

Due to Nicole's people skills, she is often able to build on the client relationships she develops. The move to Medicare is challenging but she has a natural pipeline of leads she developed with individual health clients. Many people who age into Medicare is a plus for her. One example is a client who needed to solve the gap between Cobra coverage and Medicare eligibility. Nicole knew her client had a clear issue to solve: find coverage for the period of time until they aged into Medicare on their 65th birthday month.

Nicole first quoted a few IPF options. Since the client was basically healthy, they opted to save money on premiums and go with a bronze plan off exchange. Even though the premiums were higher than what they paid through Cobra, the client found coverage to prevent a major financial problem should a large medical claim occur.

Nicole's effort with her client was conducted in a professional manner and provided options to solve the client's issue. This work led to a stronger trusted client relationship, so there is no doubt her client will work with her when the time comes to enroll in a Medicare plan.

This was an excellent learning process and Nicole was pleased with her progress. When she first started with the agency she would refer Medicare leads to her colleagues who specialize in Medicare. Now she was able to continue learning about Medicare solutions. In this situation she helped solve her client's immediate coverage issue and has a solid lead for Medicare as well.

The Referral Request

Knowing her client was pleased, Nicole asked directly if the client would please share her name if there was anyone her client knew who could use the assistance she provided. The new client again expressed their satisfaction with Nicole's work and said they would give the request some thought.

After a few days, Nicole sent a thank you note with her business cards and mentioned if there were any other concerns about future insurance needs or retirement concerns of any type to please contact her.

As in most cases, Nicole's suggestion about other concerns led to a collaboration opportunity. She built on her success based on the excellent service and professional health plan

analysis she provided.

Since the client expressed their satisfaction with the final plan coverage and Nicole efforts, Nicole skillfully emphasized her appreciation for the chance to help and thanked them for their business.

Collaborating with a Subject Matter Expert

Many new to Medicare clients are open to a review of their retirement savings. Over the years it is common that many 401K and IRAs can be better managed.

Also, a review of in-force life insurance is another area many retirees want to explore.

Nicole's note opened the door for both referrals for Medicare and IFP. Since she also suggested more ways she could help, she was able to both enhance client retention and look for more ways to help with various issues. A few months went by and Nicole sent a card encouraging the client to expect a call about Medicare to sign up for Parts A and B soon. On this call the client was ready for Nicole. After she successfully helped her client sign up for Parts A and B, she received a couple of referrals of friends who are not yet 65 and needed the same help for Medicare options.

In addition, her client mentioned a life insurance policy that was older and could use a fresh look. This led to a request for help with the process to look at their retirement income needs.

Specifically, they wanted to explore ways to combine two 401K plans and review some investments they were concerned about. They wanted to know how to move funds into a more secure position with less risk.

Nicole was excited to have a client show such interest in working with her and her collaborative colleagues. Nicole's agency had arranged ways to work with a collaboration center to have a subject matter expert (SME) help clients with planning work which was outside of the expertise of the health insurance agency.

The agency owner, Glenn, had avoided getting involved in collaborative work for years. However, he gave it a try and after having several successful experiences with SMEs, he was able to help staff learn about how the specialists can bring solutions to clients. He showed that when insurance is part of the solution they would share in the success of cases with insurance enrollments.

Nicole was interested in learning more about life insurance and was

able to follow up with satisfied health insurance clients to then pursue other needs that arose when asked if they had any concerns to share.

Other agency employees learned about Nicole's success with clients as Glenn congratulated Nicole in staff meetings for taking the initiative to generate referrals to collaborative partners. In most cases, a broker who refers a client to an expert will share in the success from the referral. In fact, after the second client was identified by Nicole and referred to an SME, Nicole earned well over \$1,000 while the agency also shared in this success.

Nicole's referrals led to life insurance sales, specifically one to replace a policy that was not performing. This included a transfer of cash value as well. The client paid lower premiums and locked in the death benefit they wanted.

The other referral led to a new term policy as the client's policy had one year left on the 20-year term and was set to expire with no value in ten

months. This is often the case when a subject matter expert also finds new financial planning ideas that are better suited for a client's current issues. Some of the options come with significant success sharing amounts.

In addition to life insurance, some clients moving to Medicare have savings and retirement plans which need a fresh look. Nicole now knows this, and Glenn supports this work. Nicole regularly asks her clients if they have any concerns about their retirement in addition to their medical coverage. This question opens up issues which can be brought to collaborative partners.

Successful Health Insurance Professionals Appreciate Working with SMEs.

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info@healthbrokercollaborators.com**



PHIL CALHOUN is owner and publisher of California Broker Magazine. Phil also is a leader in coaching health insurance professionals.

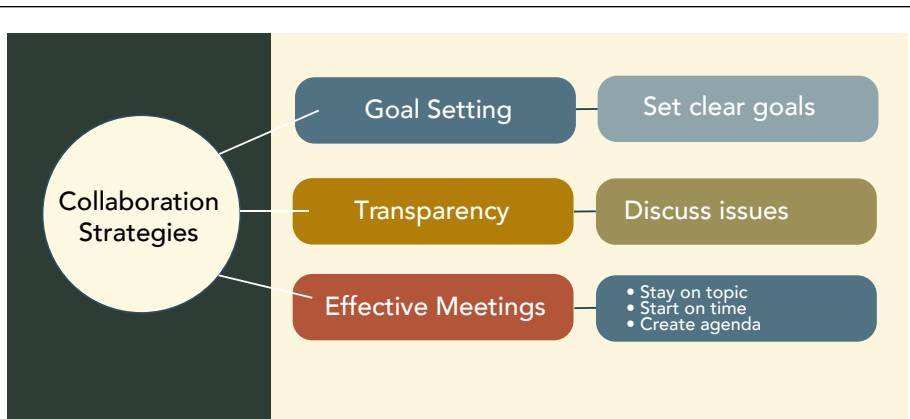
He is an active member of several insurance associations including the California Association of Health Insurance Professionals (CAHIP) and local chapters in Orange County, Los Angeles, San Diego and Inland Empire Health Insurance Professionals. He attends many state and local California chapter meetings.

Phil's book, "The Health Broker's Guide: To Protect Grow and Sell Commissions" is available free at www.healthbrokersguide.co

He offers complementary 15-minute coaching sessions.

To schedule a phone call "Click Here"

**Contact:
phil@commission.solutions
714-664-0311**



Health insurance professionals have the option to work with The Collaboration Center where subject matter experts enjoy working with health insurance professionals. (Call: 657-229-2849). They respect the work health insurance professionals perform and the fact that clients trust them and place great value in the work they do for their clients. Because of the insurance license most health insurance professionals hold, subject matter experts, who provide expertise in life insurance, annuities, long term care insurance, and disability insurances, can help the health insurance expert to successfully collaborate with clients who need planning work done in these areas. The collaborative process enables health insurance professionals like Nicole to help more people and earn more too. When a health broker reaches out to professionals with the experience and expertise needed to bring new solutions for client's issues, they become even more valuable in their client's mind.

Younger People See Value in Term Life

By Michael Giusti

young adult isn't the typical demographic that life insurance sales teams have targeted over the past decades, but increasingly various socio-economic forces have made adults in their 20s an increasingly attractive sales target.

The traditional sales model for life insurance has been to target buyers who have other people depending on their income, and who would be left in a bind if they were to die and no longer be able to support them.

So, once a young person gets married and starts having children, the traditional life insurance sales pitch began.

And while that model still holds true — young parents are still terrific potential life insurance customers — they aren't the only people in their 20s who are now thinking about taking out a life insurance policy.

One area where the life insurance conversation makes sense is around student loans.

The vast majority of student debt is federal student loans. In fact, only about 8% of student loans are written by private lenders. But that distinction is important when it comes time to talk about life insurance. That is because while the 92% of loans that are federally backed will die when the student dies, there is no requirement that private loans get discharged upon death.

So, if a parent helps their child by taking on private student loans on their child's behalf with the idea that the child will repay that loan after they get a job, the parents may be left holding the bag if the child were to die prematurely.

In this case, a small term life insurance policy that would pay out enough to pay off that private loan would be a sensible hedge for the parents.





While the traditional advice for life insurance has its place, with shifting realities of society, many younger people are now seeing value in a financial product more traditionally associated with older buyers — life insurance.

Student loans aren't the only place where parents are stepping in to support their adult children. According to the Census Bureau, parents make about \$17 billion in payments to support their children who are 21 or older each year. And that support isn't just in the form of cash payments.

Parents are also backstopping their adult children's mortgages and car loans, and even just floating personal loans to help their children launch into adulthood.

If that aid was given with the expectation of repayment, or in the case of a co-signed loan where the parent would be on the hook if the child were no longer able to make payments, this is another good case for a term life insurance policy to help families protect themselves from the worst outcomes.

And that support often goes both ways, too.

While the stereotype is for parents to support their adult children, the Census Bureau found that 4.3 million U.S. adults give their parents voluntary support each year.

And just like if someone's young family were to rely on their income, if a parent is relying on their adult children for support, a life insurance policy is another good potential hedge in case that young adult were to die prematurely, leaving those parents without that financial lifeline.

One traditional rule of thumb that does tend to still apply is that term life insurance policies do still tend to be the best options for young buyers in most cases.

Term policies have a fixed amount of time where they protect their policyholder. So, say a young adult bought a 20-year term policy when they graduated college, they would have that protection until their early 40s, at which time they would either have to buy a new policy if they wanted to retain coverage or reevaluate the risks they and their family are facing.

The main advantage of term policies is their lower lifetime cost. Because of their expiration date, they cost only a fraction of what a permanent life insurance policy, such as whole life or universal life would cost, because those permanent policies are guaranteed to pay out when the policyholder dies.

Early in a young adult's financial life, it often makes the most sense to maximize that coverage for the minimal costs, and at the same time, take the savings over what they would have paid for a permanent policy and use it to

fund things like retirement accounts.

Later in life, after tax advantaged retirement plans are funded and things like family homes have been purchased, the general rule is that then permanent policies may have a role to play for things like retirement and tax planning.

The disadvantage of that term-early strategy is that life insurance policies cost less the younger the policyholder is, so if they would have purchased a permanent policy at a younger age instead of the term policy, they could have locked in those lower rates while they were younger and generally considered to be healthier, even if it means their monthly premium is much higher than term would have cost.

No financial plan makes sense for every situation, so each policyholder needs to consider all the savings and time-value of money considerations with their financial planner and tax adviser before settling on a strategy.

While the traditional advice for life insurance has its place, with shifting realities of society, many younger people are now seeing value in a financial product more traditionally associated with older buyers — life insurance.



MICHAEL GIUSTI, M.B.A., is an analyst at *insuranceQuotes.com*, which publishes in-depth studies, data and analysis related to auto, home, health, life and business insurance. In his role as analyst, Michael studies the insurance industry in order to provide trusted tips, advice and insights. He has worked as a journalist for more than 20 years, including as a reporter

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Surviving the Washington State Fire Sale

*And how Washington could determine
California's LTCi fate*

BY MARC GLICKMAN

California is just one of the more than a dozen states considering ways to manage long-term care costs. How this all shakes out remains to be seen, but we're fortunate to have already had experience in Washington State. What follows is my first-hand account of the 2021 Washington Cares Fund initial rollout and my reflections on the impact of the law as it may pertain to California. With over 16.5 million employees in California's workforce, this is already creating an enormous market for LTCi employer benefit and individual solutions.

The Cares Fund provides a modest long-term care benefit that is funded by a new payroll tax. As employees in Washington learned about the possibility of qualifying for an exemption to the payroll tax if they had private long-term care insurance, the process took a chaotic turn in the industry.

I hope this story can benefit consumers and insurance specialists in California who may face similar decisions from actions that the state may take to address long-term care expenses.

March 2019 — A New LTC Payroll Tax Passes in Washington

The Washington Trust Act was first passed in 2019. This law seemed different than the Federal Class Act program a decade earlier that was part of the Affordable Care Act. The Class Act failed after it was deemed not to be actuarially sustainable. The Trust Act was different in the fact that it required mandatory participation for every W-2 employee and that it would be funded through a payroll tax. It was originally scheduled to begin in 2022 but was delayed to July 1, 2023.

In 2019, the insurance companies took a wait-and-see approach as the state had not engaged much with the private insurance community as the law was being developed. That would later turn out to have a negative impact on the amount of new business that the carriers could absorb.

February/March 2021 — Awareness of the Law Expands

Something changed in early 2021. The Washington legislature worked feverishly to amend the law that was about to be implemented. The biggest issues in the legislative negotiations seemed to revolve around the private insurance opt out and deadlines. Questions included:

- What types of insurance products qualified for the payroll tax exemption?
- When must an employee purchase a policy to opt out of the tax?

The law was amended for the private insurance opt out. It required purchase prior to

Nov. 1, 2021. Suddenly, there was much less time to plan for private insurance as an alternative to the payroll tax. This got the attention of many employers.

We hope that California's current bill and final legislation takes a less rocky path to its final implementation, but there is little doubt that those employees who seek private insurance sooner may have the most options.

April 2021 — Employers and Carriers React

In a matter of weeks, we received requests from over 200 Washington employers to begin immediate LTCi enrollments. We realized we were going to need a bigger boat with more carriers.

The worksite and standalone carriers experienced the heaviest inquiries. There was an even greater rush since the largest standalone worksite company had already announced their exit from the entire LTCi market. The other worksite and standalone LTCi carriers began to ration the availability of their products in Washington. Adding more uncertainty, it was not entirely clear whether the Life / LTC hybrid worksite products would qualify for the exemption because Washington State's definition of LTC insurance was broad. Our hope is that California learned a valuable lesson on this issue.

May 2021 — Warning Signs Ahead

In late April, the amended law passed as expected, but notably without a formal definition of the products that qualified for exemption, aside from the general Washington definition. One Friday in

mid-May, an update appeared on the state's website to include new language defining qualifying LTC insurance in a stricter fashion (see my article titled "Is It or Isn't It Long-Term Care Insurance?" in the June 2023 CalBroker issue - www.calbroker.com/more/is-it-or-isnt-it-long-term-care-insurance/). This could potentially disqualify many products including options for employer enrollments beginning the following week.

Just as concerning, we started to notice a consistent theme in our conversations with employers and employees. These questions included:

- How long do our employees need to keep the policies?
- When can we terminate the payroll deduction?
- Will the state check each year to make sure that everyone still has their policy?

Unfortunately, there did not seem to be a mechanism in the law for recertifying coverage. Nor was it clear that the state had been provided resources for ongoing review of the payroll tax exemptions after the initial opt out period. We had to manage expectations so that employees were not purchasing insurance just to qualify for the payroll tax exemption. They had to understand the implications of lapsing coverage.

June 2021 — Growing to Meet Demand

LTC planning is a consultative process that typically takes months. This was the most difficult transition the team had to embrace. How do we abbreviate the process to

meet the state deadlines? We developed an approach to offer at least minimum, meaningful coverage for clients who intended to keep the policy for LTC planning purposes. Additional coverage as a supplement could be offered once the clients had more time to plan beyond the Nov. 1, 2021 deadline.

July 2021 — Carrier Changes Ahead

Once we substituted most of the worksite enrollments for individual custom consultations, we were off and running. As you might expect, the most challenging conversation was with a typically younger employee just looking to opt out and with no particular interest in learning about the coverage or LTC planning. While we firmly believed it was in everyone's best interest to offer the products the way they were designed, there was still significant pushback from employers, employees and consultants. Their frustration was not directed towards us, but rather at Washington for having mandated such a short time period to make this important planning decision.

Of course, many LTCi agencies and agents in the market were taking different approaches. Some agents were getting licensed for LTCi in Washington for the very first time and many were succumbing to the temptation to figure out how to sell the lowest priced product possible to "beat the tax."

If you're planning to offer LTCi in California, do not take this approach, and here's why. As a result of some agents just selling for the opt-out, one of the largest standalone carriers in the market announced they were exiting in Washington.

We hope that California's current bill and final legislation takes a less rocky path to its final implementation, but there is little doubt that those employees who seek private insurance sooner may have the most options.

This put pressure and greater demand on the other carriers. Soon carriers began imposing minimum coverage requirements. Behind the scenes, carriers began to contemplate their exit from Washington as it was clear they could not satisfy the demand in such a short time frame.

August 2021 — Supply Leaves the Market

Early August represented a collapse in the supply of individual LTCi and hybrid products in Washington. As the carriers announced major product changes weekly, it only served to stimulate more demand. The carriers had no choice but to shut down as they simply could not keep up with the demand. One of the largest carriers in the market shared with us that at the peak, they were receiving about 1,000 individual applications an hour, which might normally be the number of applications they received in a month, across the entire country. They simply did not have the systems or employees to satisfy the demand.

By the end of August, the only products that remained had limited distribution and therefore more supply constraints. We continued to offer clients excellent options for those interested in meaningful LTC benefits, but for younger clients looking for individual solutions, there simply were not many options available.

The worksite options continued to be offered in the market despite the challenges of not knowing for sure whether the products

would qualify for opt out and if clients would keep the coverage. And time was running out.

September 2021 — Reflections on the Washington Fire Sale

Washington became the first state in the country to move toward a path of providing a minimum level of LTC coverage funded by their workers. This is the litmus test in a social experiment whose implications we do not yet fully understand.

There are elements of the Washington program that were well designed, like requiring the program to be actuarially sound, which meant mandatory participation. The state was tasked with creating an LTC planning education and awareness campaign that has the potential to help families in a variety of ways. The state also emphasized providing more home health care benefits, which will take some of the burden off the WA Medicaid program, which had begun to absorb much of these costs.

The State of LTCi in California and Beyond

My hope is that California uses the Washington experience as a guide to create better outcomes and coordination.

A feasibility report, commissioned by the California legislature, was released in its final draft form on Dec. 14, 2022. An actuarial report with additional specifics on cost and financial viability will be released in 2023.

KEY POINTS FOR CALIFORNIA ADVISORS

The California task force has recommended a payroll tax similar to Washington but may be more comprehensive.

The task force has recommended a private insurance opt-out.

It's prudent to offer a group or individual solution that is either traditional or hybrid with an LTC rider.

As we experienced with Washington, carrier capacity may be limited, so best to enroll sooner instead of waiting if planning to offer LTC, regardless of whether the payroll tax is implemented.

Now that the ability to purchase private insurance to qualify for an opt out may be over, Washington is embracing the private market to supplement the \$36,500 (plus nominal increases) their program provides, and carriers are listening. We expect California to do the same. That means more client questions about LTCi.

Are you ready?



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Marc has over 15 years of experience as an actuary including as the chief investment officer and chief sales officer for a major LTC insurance company. Marc earned his degree in economics from Yale University. In 2019, he was named one of the top 20 innovators in the insurance brokerage space.

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Publishers Note:

California Broker is pleased to have a collaborative relationship with Marc Glickman and his specialists. This gives our subscribers looking for LTCi case design help the option to use the LTCi portal we have set up with Marc and Buddy Insurance. Marc has a platform to help health and life insurance professionals learn more about LTCi and refer clients — or learn how to write LTCi policies using his process.

If you would like to collaborate on LTCi, you can find help through the online portal listed below. Try the portal and see how you can get LTCi case design help, make referrals to LTCi specialists who will collaborate with you and help you help your client. You will share in the success of a LTCi sale from your referrals.

CONNECT to the Buddy Insurance LTCi PORTAL HERE
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Your Civic Duty

GET INVOLVED IN YOUR PROFESSIONAL ASSOCIATIONS

I just got a jury duty request in the mail today. There was a time I was excited to get those. I love the idea behind a fair trial with a “jury of your peers.” My civics teacher at Nordhoff High School (RIP Warren Glaser) — one of my favorite teachers ever — made such an impression on me about my responsibilities as a citizen. I truly believe we are a result of the people getting involved and making a difference, and the old cliché “you can either be part of the problem or part of the solution” is true.

All the above to start my final foray from this agent’s perspective, of what I see happening in our industry in the legislative arena. I passed the torch on July 1 to Paul Roberts, the new CAHIP Legislative Chair.

On June 6, “the U.S. House Committee on Education & the Workforce passed H.R. 2813, the Self-Insurance Protection Act (SIPA). SIPA seeks to protect access to stop-loss insurance under federal statute, ensuring the ability of small and medium-sized employers across the country to sponsor self-insured group health plans.”

This could open some opportunities in California. I don’t write self-funded group business, but I am keen to learn and hear what transpires in that part of the market — I wouldn’t be surprised to see the future of employer healthcare migrate in this direction, with alternative funding plans, level funding, Reference Based Pricing, network creation and direct primary care models.

Big news from June: the House passed the Employer Reporting Improvement Act (H.R. 3801), a bill that provides much-needed relief for employers by easing certain aspects of the reporting requirements under Section 6055 and 6056 of the ACA. This has been an issue that NABIP has been active in for several years now.

And of course, we are still awaiting **final guidelines from CMS regarding the final 2024 marketing rules.** There

are several important changes, including the 48-hour Scope of Appointment Rule, and enrollment checklist and added info necessary to the required disclaimer.

There are Medicare Summits happening across the state and each will have the most up to date information for you. Be sure to attend!

- Medicare on the LA LA Land Stage, Aug. 16
- Senior Summit in Temecula, Aug. 22-24
- Sacramento Medicare Summit, Aug. 30

Find all registration links on each chapter’s website (find chapter website links here: cahip.com/Chapters)

Biggest news in recent legislation in our home state:

(CA) SB 770 passed out of the Senate, went to the Assembly Health Committee, passed again and is now in Assembly Appropriations Committee where it will be heard by Sept. 1. This is the bill setting up yet another committee to advance California toward a unified financing health system — instructing the head of Calif. HHS to engage in conversation with the federal government about how to get waivers for all current federal Medicare and Medi-Cal dollars to be redirected to fund a single payer system in California.

While CAHIP agrees that having an adult conversation about the financing of single payer legislation is necessary, CAHIP Legislative team lobbied against the bill in May because the bill also infers that the goal is to GET to a single payer system.

Note: there is a SPOT BILL for another single payer proposal. We expect it to be filed in late December, early January. We have sent operation shouts at each passing – please click here (<https://nabip.quorum.us/campaign/49034/>) to support the latest. (Remember that civic duty plug?)

Additionally in Calif, on June 13, the California Budget passed. (<https://bit.ly/3NThDzk>).

Considering the budget deficit Calif. is reporting, it is interesting that a couple of the key initiatives we have been following are getting pushed through.

The expansion of full-scope Medi-Cal coverage to all income-eligible Californians, regardless of immigration status, no later than January 1, 2024; and

The approval of resources and trailer bill language for the establishment and staffing of the Office of Health Care Affordability (OHCA), within the Department of Health Care Access and Information (HCAI).

CAHIP members will receive a more detailed run down on what was included in the budget and what legislation we are watching so keep your eyes peeled.

Not a member? Join at www.cahip.com to stay in the know!

Our industry will be ever-changing and we can do a better job at making access to care easier and more affordable. I am confident that, as change happens, good agents will be a necessary resource for the people. If you want to be a part of the solution, please become a member of the only organization that I have seen fighting for the health insurance agent and their clients, www.cahip.com!

Have a Happy Summer! **Dawn**



DAWN MCFARLAND is VP of Professional Development for CAHIP, president of M&M Benefits Solutions in LA and the Chair for

Leadership & Development Committee for NABIP.

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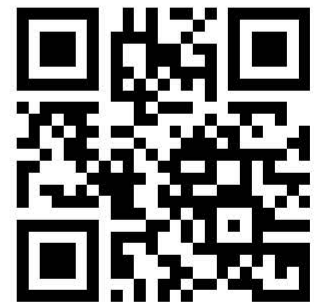


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- ✓ **GET LEADS**
Get leads from colleagues and consumers
- ✓ **BE RECOGNIZED**
Show clients you are included in the state's leading eDirectory of life and health insurance professionals
- ✓ **COLLABORATE**
Network with brokers, GA's, and FMO's to help you solve client problems



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