


ALSO INSIDE: CAREGIVER COVERAGE / HEALTH PLAN COMPLIANCE / GA VIEW FROM THE TOP

# CALIFORNIA BROKER

VOLUME 40, NUMBER 3

Serving California's Life/Health Professionals & Financial Planners

MARCH 2022



**Employers  
and Broker  
Benefits  
Outlook  
for 2022**  
Survey shows  
remote work  
and mental health  
rank as  
highest concerns



# Grow your business – all year long!

brand new day

A Bright HealthCare Company



CENTRAL HEALTH  
MEDICARE PLAN

We're here to help you grow your MA business. Brand New Day and Central Health Plan offer Medicare Advantage plans you can sell year-round.

**Together we offer:**

- Standard Medicare Advantage Plans
- Chronic Special Needs Plans  
(Diabetes, Heart Disease, Hypertension, Dementia)
- Dual Eligible Special Needs Plans  
(Medicare + Medi-Cal)
- Rebate Plans with a \$125 monthly rebate
- And even a Plan for Veterans with a \$140 monthly rebate

**Ready to learn more?**

**Contact Broker support today!**

**Brand New Day**

1-866-255-4795 Ext. 2018

[bndhmo.com/brokers](http://bndhmo.com/brokers)

**Central Health Plan**

1-626-388-2375

[centralhealthplan.com/broker](http://centralhealthplan.com/broker)

**Mayra Merrick**

AVP of Sales  
for Central Health Plan



**David Milligan**

VP of CA Sales



**Shaina Popkin**

AVP of Sales  
for Brand New Day

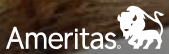


# CA

THAT CALIFORNIA DIFFER<sup>3</sup>NT FEELING.



A California Different way to think about ancillary benefits.



Quote Different | 866.412.9254 [choicebuilder.com](http://choicebuilder.com)



# CALIFORNIA BROKER

MARCH 2022

## 12

### **BENEFITS**

#### **Employers and Broker Benefits Outlook for 2022**

*13,000 benefits leaders in the employee benefit space weighed in on what they expect in 2022 as it relates to benefits and employee-focused issues.*

COMPILED BY YJ LEE

## 16

### **MEDICARE**

#### **Medicare and Elder Fraud**

BY PATRICIA A GRIFFEY

*As many as 1 in 18 “cognitively intact, community-dwelling” older Americans fall victim to an elder fraud scam every year. They are most likely trusting people who simply don’t expect a scam.*

## 18

### **GA**

#### **General Agency View from the top**

*Three experts share perspective Cal Broker got in touch with some of our favorite movers and shakers to find out the latest on General Agencies this year.*

## 22

### **MEDICARE INSIDER**

#### **Competitive Tips for the Local Independent Insurance Agent Part 2: Know and use your strengths**

BY PHIL CALHOUN WITH MAGGIE STEDT

*This article continues from Part One last month. The focus is on competitive differences local independent insurance brokers provide and can highlight. We will cover Medicare and group ideas for sharpening your competitive edge.*

## 24

### **DISABILITY**

#### **Planning for the Future With Income Insurance Safeguard the present with disability insurance and income protection**

BY JOE RUSSO

*Most Americans still don’t save enough in earned assets throughout their lifetimes..*

## 26

### **RETIREMENT PLANNING**

#### **Strategies for Navigating Double Taxed Retirement**

BY DAVID E. APPEL

*Retirement funds have the potential to be taxed in two ways as the plan is being disbursed: income and estate tax.*



## ***BUSINESS LOAN INDEMNIFICATION DI***

When a lender provides capital to a business, proof of disability insurance on the borrower is often required. The Business Loan Indemnification DI Plan continues loan repayment to a lender, should a borrower become sick or injured. And unlike overhead expense plans, the Loan DI Plan covers the loan principal as well as the interest.



PETERSEN INTERNATIONAL UNDERWRITERS  
(800) 345-8816 ♦ [www.piu.org](http://www.piu.org) ♦ [piu@piu.org](mailto:piu@piu.org)

# CALIFORNIA BROKER

## PUBLISHER

Ric Madden  
publisher@calbrokermag.com

## EDITORS

Victoria Alexander  
News & Events  
editor@calbrokermag.com

Linda Lalande Hubbard  
Contributed Articles  
Linda.calbrokermag@gmail.com

Thora Madden  
Surveys  
Thora@calbrokermag.com

## 2022 INDUSTRY CONTRIBUTING EDITORS:

Naama O. Pozniak, Louis Brownstone,  
Phil Calhoun, Dorothy Cociu, Lisa Rehbarg and  
Maggie Stedt

## ART DIRECTOR

Randy Dunbar  
Randy@calbrokermag.com

## VP MARKETING

Devon Hunter  
Devon@nustepinsurance.com

## ADVERTISING ACCT EXEC

Cindie Klima  
cindiek@gmail.com

## CIRCULATION

calbrokermag@calbrokermag.com

## BUSINESS MANAGER

Lexena Kool  
lex@calbrokermag.com

## LEGAL EDITOR

Paul Glad

## EDITORIAL AND PRODUCTION:

McGee Publishers, Inc.  
3727 W. Magnolia Blvd., #828  
Burbank, CA 91505  
(818) 848-2957

## calbrokermag@calbrokermag.com

Subscriptions and advertising rates, U.S. one year: \$42.  
Send change of address notification at least 20 days prior  
to effective date; include old/new address to: McGee  
Publishers, 3727 W. Magnolia Blvd., #828, Burbank, CA  
91505. To subscribe online: calbrokermag.com or call  
(800) 675-7563.

California Broker (ISSN #0883-6159) is published  
monthly. Periodicals Postage Rates Paid at Burbank,  
CA and additional entry offices (USPS #744-450).  
POSTMASTER: Send address changes to California  
Broker, 3727 W. Magnolia Blvd., #828, Burbank, CA  
91505.

©2021 by McGee Publishers, Inc. All rights reserved. No  
part of this publication should be reproduced without  
consent of the publisher.

No responsibility will be assumed for unsolicited editorial  
contributions. Manuscripts or other material to be returned  
should be accompanied by a self-addressed stamped  
envelope adequate to return the material. The publishers  
of this magazine do not assume responsibility for  
statements made by their advertisers or contributors.

Printed and mailed by Southwest Offset Printing,  
Gardena, Calif.

# 28

## AGENT'S VOICE

### In it for the Long Haul? Or not? Taking an Alternative Path to Selling an Agency One agent's experience

BY AMY EVANS

*In this first of four installments, I'll share my reasons for wanting to sell my agency, and the challenges I encountered while building my exit strategy. In future installments, I'll share the steps I took to position my book of business for sale, how I found the right buyer, and my experience during the selling process.*

# 30

## CAREGIVER COVERAGE

### The Struggle Continues: How Employers Can Boost Support for Caregivers

BY DENNIS HEALY

*There is a segment of the workforce that continues to struggle under the strain of the pandemic: employees who also serve as caregivers.*

# 32

## FINANCIAL HEALTH

### 4 Reasons to Discuss Voluntary Financial Benefits With Employers

BY MIKE WILBERT

*As the pandemic and the stress of a third year in a COVID-19 world continues, financial wellness benefits are becoming more top of mind with employees.*

# 36

## COMPLIANCE

### Health Plan Compliance for 2022: Something Old, Something New, Something Challenging and Something to Pursue...

Part 1

BY DOROTHY COCIU  
WITH MARILYN MONAHAN

*We have all lived through, and continue to live through, the COVID-19 Era... An era that seems to just keep on coming, with peaks and valleys and new hopes and of course, those disappointments. Will the current storm finally fade, and will we see perfectly blue and brilliant skies again? We all hope so.*

# 42

## LIFE TIME SETTLEMENTS

### Why You Want to Speak With a Client About Life Insurance Settlements — and, How to Do It

BY LISA REHBURG

*The good news is you don't need to know a lot about life insurance or even sell life insurance to help your clients with life settlements.*

# 44

## COMMUNICATION

### The 3 C's of Inclusive Client Relationships: Community, Connectivity and Communication

BY DR. DARALEE BARBERA

*Inclusive relationships are what we need today, more than ever.*

## IN EVERY ISSUE

Industry News	8
Classified Advertising	46
Ad Index	46

# Scalable Solutions for Self-Funded Employers

We're a leading third party administrator for self-funded employers of all sizes, in all industries. Driven by the unique needs of our employers and brokers, our proprietary technology systems enable us to administer cost-effective plan designs that match the needs of your organization.

## Full Suite of Solutions

In addition to claims and benefits administration, we offer pharmacy benefit management, health management and wellness programs, stop-loss insurance, and print and payment solutions.

## Seamless Integration

We offer a broader range of services compared with other TPAs and administer solutions that seamlessly integrate with your vendors.

## See What Pinnacle Can Do For You

866.930.PCMI  
Quotes@PinnacleTPA.com  
www.PinnacleTPA.com

**PINNACLE**<sup>™</sup>  
CLAIMS MANAGEMENT, INC.

## DMHC ANNOUNCES HEALTH EQUITY AND QUALITY COMMITTEE MEMBERS, FIRST MEETING

The Department of Managed Health Care (DMHC) announced the establishment of a Health Equity and Quality Committee to help eliminate health care disparities for Californians in accordance with Assembly Bill (AB) 133. The committee will make recommendations for standard health equity and quality measures, including annual benchmark standards for health plans to assess equity and quality in health care delivery. DMHC Director Mary Watanabe said establishing the Health Equity and Quality Committee is the first step toward creating actionable and measured outcomes to hold health plans to a higher standard on equity and quality.

The committee's first meeting was February 24. The committee will provide its recommendations to the DMHC director by September 30, 2022. Following the recommendations and after the DMHC adopts standard health equity and quality measures, health plans will be required to annually report equity and quality data and information to the department. Starting in 2025, the DMHC will publish a Health Equity and Quality Compliance Report on the data and information reported by health plans.

The committee members and additional information about meetings can be found on the Health Equity and Quality Committee page of the DMHC's website. All meetings are open to the public.

## Insured But Exposed?

Aflac made an important discovery in its inaugural Aflac Care Index. The survey of more than 6,500 adults was designed to help measure Americans' awareness of and exposure to debt resulting from medical bills not covered by health insurance. Findings revealed that a staggering 46% of respondents don't have enough savings set aside to pay for potential unexpected medical expenses, even when they have insurance. For those living in economically distressed communities, that percentage is even higher. According to the Aflac Care Index, 24% of respondents report having no money in their savings accounts and 48% say they have less than \$1,000. Further exacerbating the situation is that 33% of insured Americans cannot go more than a single week without a paycheck, while 71% can't endure a month without pay, leading many (25%) to have to borrow money in the event of a medical emergency. Almost a quarter (22%) saying they would need to find an additional job, and 6% would have to file bankruptcy. At the same time, approximately three-quarters of insured respondents underestimate their financial exposure to common medical challenges, such as heart disease (79%) and breast cancer (73%).

## YOU POWERED OMMMM POWERED

The You Powered Benefits Symposium in Phoenix — an event created by Emma Fox Contorno and David Contorno — was a huge success. We hear it was an incredible gathering of positive, proactive people! Included in the photo below (bottom R) is Cal Broker contributing editor Naama O. Pozniak leading meditation.

Others pictured: E-Powered's Emma Fox Contorno and David Contorno

Eugene Starks  
Nelson Griswold  
Deb Ault  
Bill Hepscher  
Dr. Marty Makary  
Rachel Minor  
Megan Chiarello  
Allison de paoli  
Nancy Giacolone  
Karen Kirkpatrick  
Ben Winfield  
Chris Yarn



## Good News for Annuity Sales According to the Secure

Retirement Institute, total U.S. annuity sales were \$254.8 billion in 2021, up 16% from 2020. This represents the highest annual annuity sales since 2008, and the third highest sales recorded in history, according to preliminary results from the Secure Retirement Institute's U.S. Individual Annuity Sales Survey.

# expanded coverage options

NOW AVAILABLE FROM  
COVERED CALIFORNIA FOR SMALL BUSINESS



Offering employers more flexibility and new coverage options with **3 CONTIGUOUS METAL TIERS** and **4 METAL TIERS**. Choose up to 4 levels of coverage in touching metal tiers

### Offering you more ways to....

- ✓ Customize new and renewing small group coverage at no additional cost\*
- ✓ Control costs with contributions set to any metal tier plan\*\*
- ✓ Expand options so employees can select coverage that fits their needs

See how Covered California for Small Business can help  
[CoveredCA.com/ForSmallBusiness](https://CoveredCA.com/ForSmallBusiness)  
(844) 332-8384



**COVERED CALIFORNIA**  
**SMALL BUSINESS**



Insurance companies vary by region.

\*The additional metal tier options are available for new employer enrollment and renewing employers starting with the coverage effective date of October 1, 2021. Eligibility requirements apply. \*\*Employers must contribute at least 50% of the lowest cost plan in the metal tier they choose to set their reference plan. The preferred CCSB employer contribution strategy is to base your contribution on silver and gold metal tiers.

Covered California complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-855-777-6782 (TTY: 1-888-889-4500). 注意: 如果您使用繁體中文, 您可以免費獲得語言援助服務。請致電 1-855-777-6782 (TTY 1-888-889-4500). Insurance companies vary by region and are subject to change.

# INDUSTRY/NEWS

## CAHU = CAY-hip California Health Insurance Agents Renames Itself



The association representing California's professional health insurance agents has changed its name to California Agents & Health Insurance Professionals (CAHIP, pronounced CAY-hip). The association, made up of more than 1,600 members in 13 chapters, is the state's largest organization of professional health insurance professionals. The organization,

previously known as the California Association of Health Underwriters (CAHU), made the decision to rebrand after receiving feedback from members and lawmakers that its prior name was confusing. The management team of CAHIP, as well as the group's status under a national corporate structure, remains unchanged.

**Bye, bye CAHU. Hello CAHIP.** We need some time to get used to this re-brand!!

## INSURTECH EIS MARKS ONE YEAR OF LIFE AND ANNUITIES EXPANSION

EIS, a core and digital platform provider for leading insurers, says its commemorating a year anniversary of expansion of its core EIS Suite™ to carriers in the life and annuities markets by announcing a slate of new life insurance products with a host of industry-leading features. Innovative features include:

- **Illustrations:** Built-in graphical illustrations that demonstrate policy performance over time, as well as strong analytics and modeling capabilities, which enable policy administrators, agents/brokers, and consumers to visualize how financial decisions and life events can impact future performance.

- **Tax Testing:** Testing of policies in real-time to make sure they meet the definition of life insurance under regulation 7702 and ensure consumer tax efficiency.

- **Cash Value Management:** A cash flow management microservice tool that provides real-time cash value calculations and loan access through self-service portals for policyholders, agents/brokers, and customer service.

- **Associated Riders:** Eight of the most popular and commonly requested life insurance riders are available out-of-the-box.

- **Coverage Summary Screen:** A robust, persona-based agent workspace that provides a singular view of rates, renewals, changes, and loan terms for all market types, driven by analytics, with the ability to quote any product from a single page.

## ARE YOUR COMMISSIONS 100% PROTECTED?



"*The Health Insurance Broker's Guide How to Protect, Grow, and Sell Commissions*," by **Phil Calhoun**, MBA, contains many insights and secrets gained over 30 years in the field.

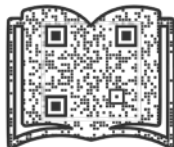
Discover how a **Commission Protection Plan** can help you protect your hard-earned income. This book has three significant values:

1. **Protect:** The important message is to identify a Successor to may achieve 100% commission protection and avoid losing all your hard-earned commissions.

2. **Grow:** "*The Health Insurance Broker's Guide*" outlines 15 strategies for retaining clients, gaining recommendations from a variety of sources, becoming a Successor for other brokers, and earning commissions.

3. **Sell:** The time it takes to sell a book of business can range from one to five years, and when a broker takes the time to prepare, the average increase in value is 20% to 33%.

## GET YOUR FREE COPY



SCAN OR VISIT

[www.healthbrokersguide.com](http://www.healthbrokersguide.com)



For more information contact  
**Phil Calhoun**  
714-612-0306  
phil@commission.solutions  
www.commission.solutions



# EVENTS

**OCAHU's Annual Sales Symposium**, in person, March 11, Lake Forest Community Center. Info at [ocahu.org](http://ocahu.org)

**LIMRA's 2022 Distribution Conference**, in-person, March 1-3, Miami, FL. Info at [LIMRA.org](http://LIMRA.org).

**CAHIP's Women's Leadership Summit**, in person, March 14-16, 2022, Green Valley Ranch, Las Vegas, NV. Info and registration at [CAHU.org](http://CAHU.org).

**LAAHU Annual Symposium**, in person, April 26, Pasadena Convention Center, Pasadena, CA. Info at [LAAHU.org](http://LAAHU.org).

**BenefitsPro Broker Expo**, in person, May 23-25, 2022, Austin, TX. Info at [benefitspro.com](http://benefitspro.com).

## Self Insurance: Calling All Future Leaders

The Self-Insurance Institute of America, Inc. (SIIA) announced the formation of its Future Leaders Forum, scheduled for April 11-12, 2022 in Indianapolis.

This new in-person event has been developed by the association's Future Leaders Committee, specifically for under-40 self-insurance/captive insurance industry professionals. Consistent with this mission, it combines highly targeted educational content combined with both structured and unstructured networking opportunities.

SIIA says that if you are younger professional and plan to build your career within the self-insurance/captive insurance industry, this a must-attend event. SIIA also hopes that companies make the conference available to their "rising stars".

Early event sponsors include Hi-Tech Health. If your company would also like to support this initiative, contact Justin Miller for sponsorship information at [jmiller@siia.org](mailto:jmiller@siia.org).

For additional info, go to [SIIA.org](http://SIIA.org).

## LIMRA: Black Americans Own More Life Insurance Than Average. Still There's An Opportunity

According to the 2021 Insurance Barometer study, conducted by LIMRA and Life Happens, 56% of Black Americans own life insurance, which is higher than the national average (52%). Yet 46% of Black Americans — representing 20 million adults — say they need (or need more) life insurance coverage, which LIMRA says indicates a substantial opportunity for life agents.

According to LIMRA research, 58% of Black Americans said they intend to purchase life insurance within the year — significantly higher than the general population's purchase intent (36%).

**BenefitMall**  
NEXT GENERATION BROKER SERVICES

DIGITAL  
TECHNOLOGY  
+ THE  
HUMAN  
FACTOR

FASTEST, EASIEST, MOST TRUSTED.

[BenefitMall.com](http://BenefitMall.com) 800.350.0500



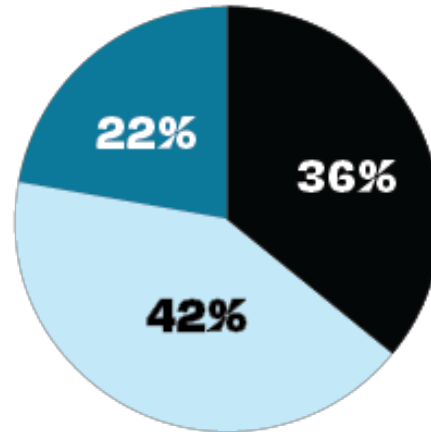
# EMPLOYERS AND BROKER BENEFITS OUTLOOK FOR 2022

*Survey of 13,000 benefit leaders shows remote work  
and mental health rank as highest concerns*

**COMPILED BY YJ LEE**

**Mandates. The Great Resignation.** Supply chain disruption. Hybrid workforces. The last year presented challenge after challenge for employers and their advisors alike. Given what we've learned from the challenges, it's time to prepare for the new year. In January 2022, we at the Granite List completed a survey of over 13,000 benefits leaders in the employee benefit space, asking them to weigh in on what they expect in 2022 as it relates to benefits and employee-focused issues. Here's what we've found...

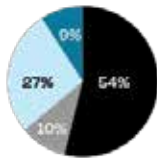
**We went to the source of folks responsible for plan design – benefits brokers, employers, and the teams they enlist for plan design. Of the survey respondents:**



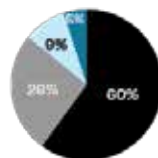
**Of those who responded, here's what group size looks like:**



For employers, the average employee headcount represented:



For brokers, the average business size was:



The past two years have forced employers and advisors alike to re-evaluate how benefits are administered. The Great Resignation has forced a shift in what drivers are now important in plan design.

**As you plan for benefits in 2022, which driver is the most important to you?**

Our respondents weighed in with their top three as:



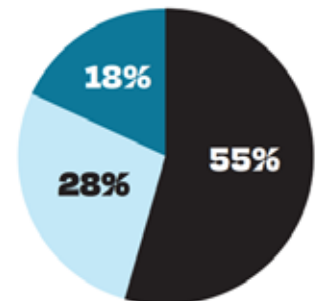
The runner ups include (in order): least disruption/passive enrollment which means continuing with the same benefits plan and member health which entails the person under the health plan.

There's no escaping COVID-19, yet. From OSHA mandates,

COVID-19 guidelines, to virtual/work from home workplaces, COVID-19 has shifted the gears with how benefits leaders approach and consider solutions.

When it comes to the importance and the weight of the issue, here's what we've found:

**Do COVID-19-related resources continue to be relevant to you moving into 2022?**



With the pandemic, many in-person events were modified into virtual settings and the convenience of staying at home, shopping for solutions and services, became the norm. Has this shift affected the way benefits leaders are sourcing new vendors?

**Here's how employers and brokers are sourcing new vendors moving into 2022:**

**30%** of Employers indicated they would rely on referrals from industry leaders and colleagues.

**And since that includes brokers and consultants, we're proud to report that...**



**53%**

**of Brokers chose a comparative marketplace tool like The Granite List as their first choice in sourcing new vendors!**

Now that we've gotten semi-used to the "fruit basket turnover" that has been the past few years, employers and brokers seem more confident in how to spend their benefits-related time. Determining what's important to protect the population, here's how they imagine their time will be spent...

**Looking ahead into 2022, rank the following issues according to how you anticipate your time will be spent?**



The runner ups include vaccine mandate, OSHA compliance, mental health, financial wellness, disease specific solutions and implementing virtual/app related services.

**However, time allocation doesn't always correlate to importance.**

When asked to identify which of these items were most important as they looked across their plan members' needs, respondents kept their first choice the same, but mental health became the second issue.

**#1**  
**26%**  
of employers and brokers chose remote work (cyber security, productivity, morale) as their #1 choice



**#2**  
**25%**  
of employers and brokers chose mental health as their 2nd choice.



When left with an open-ended question on additional topics they plan to explore moving into 2022, there was an emphasis on:

- innovative cost reduction strategies,
- solutions that are validated but also least disruptive, direct primary care integration,
- more tele-related solutions, and
- last but not least, transparency reporting.

Frank Kohn, broker from Birmingham, AL states:

"I wanted to compliment you on the survey results... Invaluable insights. It speaks to me of an additional level of maturity to people you're reaching. I think the knowledge base is getting stronger and people are thinking outside the box. Thus, The Granite List!"

**Overall, it looks like benefits leaders are taking the lessons they've learned from the challenges due to the pandemic and implementing them moving forward. Solutions developed and inspired by the unique challenges from the pandemic, such as The Granite List, provides a virtual marketplace for benefits shopping. CB**



**YJ LEE** is a data analyst and incoming marketing strategy advisor for Connect Healthcare Collaboration. She has been writing and editing for four years for a local nonprofit newspaper in Memphis, Tenn. Lee is passionate about optimizing the way technology, data and information is utilized and shared in business. Reach YJ Lee at [marketing@thegranelist.com](mailto:marketing@thegranelist.com).

Website: [www.thegranelist.com](http://www.thegranelist.com)

PROTECTING THE CONSUMER'S FUTURE



California Association  
of Health Underwriters

CALIFORNIA'S BENEFIT SPECIALISTS

# Women's Leadership Summit

March 14-16, 2022 at the Green Valley Ranch Resort, NV

You don't want to miss out on  
this experience of Speakers,  
Ladies Night, Golf and More!



PREMIERE PARTNERS:



The Word & Brown Companies



Scan this code with your  
smartphone to link to  
our website event page.

FOR MORE INFORMATION:  
[WLS@cahu.org](mailto:WLS@cahu.org)  
#cahuwls



# Medicare and Elder Fraud

CMS has seen an increase in beneficiary complaints

**BY PATRICIA A. GRIFFEY**

**A**s many as 1 in 18 "cognitively intact, community-dwelling" older Americans fall victim to an elder fraud scam every year, according to a 2017 study in the American Journal of Public Health.

These are older people who do not have diminished mental states and who live on their own. They are most likely trusting people who simply don't expect a scam. (Source: ConsumerNotice.org)

While visiting with one of my clients recently, I was made aware of a case by example: The client's mother had recently passed from Parkinson's disease, and her stepfather, I'll call him Paul, was then determined to be in early-stage dementia. As of our meeting date, the family was beginning to seek assisted care for Paul. Within weeks of his wife's funeral, the family discovered a strange briefcase at the house. Paul insisted that they not disturb the case because it contained \$10 million. Agitated, Paul picked up the briefcase and shook it to prove that you could hear the money moving inside. Paul also said he sent \$3,000 to the person who sent him the briefcase and was awaiting delivery of the combination to the briefcase lock. When asked why he sent money to someone he did not know, Paul said he wanted to give his money away to help other people. The police were called, the briefcase opened, and of course, it was full of newspapers. However, the story does not end there.

Paul and his wife had been living on a limited income. As the family cleared out personal belongings and reviewed the bills, they found that Paul had been enrolled in a Medicare Advantage plan by phone, not once but twice in the months preceding his wife's death. Still, Medicare and a supplement adequately covered Paul. Unlike the \$3,000 sent in the mail, which was lost forever, the family could rectify the insurance problem and cancel the unnecessary Medicare Advantage plan.

Third-party marketing organizations (TPMO's) place phone calls to Medicare-eligible consumers throughout the day, every day during the Medicare Annual Enrollment Period. Every person owning a TV is familiar with the onslaught of Medicare marketing advertising from October 1 through December 7 each year, some of which are misleading and prey on the elderly, urging them to "call now, it's free!" Not all TPMO entities are guilty of wrongdoing, but those that

are have caught the federal government's attention. The Centers for Medicare and Medicaid Services (CMS) is also concerned over these purported marketing activities.

According to the Federal Register (LINK) January 12, 2022, there is a proposed rule to provide policy and technical changes to the Medicare Advantage and Prescription Drug Benefit Programs for Calendar Year 2023 Marketing.


## These are older people who do not have diminished mental states and who live on their own.

### Item 10 of this federal posting offers the following:

CMS has seen an increase in beneficiary complaints associated with and has received feedback from beneficiary advocates and stakeholders concerned about the marketing practices of third-party marketing organizations (TPMOs)

who sell multiple MA and Part D products. In 2020, we received a total of 15,497 complaints related to marketing. In 2021, excluding December, the total was 39,617. We are unable to say that every one of the complaints are a result of TPMO marketing activities, but based on a targeted search, we do know that many are related to TPMO marketing. In addition, we have seen an increase in third-party print and television ads, which appears to be corroborated by state partners.

As a member and past president of the National Association of Health Underwriters (NAHU), I want to encourage all producers to approach Medicare sales in a consultative manner, with the end goal to find the best product for the individual, regardless of the producer's company affiliation or product focus. By working together as professionals, we can improve the consumer experience.

(For additional information on NAHU, please visit: NAHU | Medicare Portal or [www.nahu.org/membership-resources/medicare-portal](http://www.nahu.org/membership-resources/medicare-portal).) 



**PATRICIA A. GRIFFEY**, *Lutcf, CSA, RHU, ChHC, REBC* has been a licensed agent for over 40 years.

# GENERAL AGENCY VIEW

**THREE EXPERTS SHARE PERSPECTIVE**

---

**CAL BROKER GOT IN TOUCH WITH SOME OF OUR FAVORITE MOVERS AND SHAKERS TO FIND OUT THE LATEST ON GENERAL AGENCIES THIS YEAR.**



**JACK LYONS**

Regional SVP West Region Sales  
Amwins Connect



**KRISTINE PETROSYAN**

Managing Partner, Dickerson  
Insurance Services



**MARC MCGINNIS**

President, Word & Brown  
General Agency



**“WE’VE GREATLY ENHANCED OUR COMMUNICATIONS SO THAT BROKERS WHO WORK WITH US CAN BE THE MOST INFORMED AND PREPARED IN THE INDUSTRY.”  
—JACK LYONS**

**“WE ARE HEAVILY INVESTED IN A COMPLETE DIGITAL TRANSFORMATION OF OUR ORGANIZATION, AND WE’RE ALREADY STARTING TO EXPERIENCE SIGNIFICANT EFFICIENCY GAINS AS A RESULT.”  
—MARC MCGINNIS**

**Cal Broker (CB): How has the ongoing pandemic impacted your business as a General Agent at this point?**

*Jack Lyons, Regional SVP West Region Sales, Amwins Connect:*

Brokers have expanded their role as trusted advisors as employers navigate a sea change in the workplace. We’ve greatly enhanced our communications so that brokers who work with us can be the most informed and prepared in the industry. That means providing key information through compliance briefs, our ConnectCast podcast series, our Coffee with Carriers video series, the Pulse newsletter, as well as webinars featuring industry experts. Our business intelligence team releases HR and compliance updates on a weekly, daily, and sometimes hourly basis. For example, we’ve been working hard to prepare brokers for the new compensation transparency rules.

Sales support teams have stepped up with in-person, phone and digital support. They’ve helped brokers make the transition to conducting Zoom enrollment meetings and helped them communicate more effectively with clients and prospects in a whole new environment.

*Kristine Petrosyan, Managing Partner and the Dickerson Insurance Services team:*

Many companies have moved to operate virtually, and more people are moving out of state since they can work virtually anywhere. Finding solutions for companies with out-of-state employees is a common trend. During the first year of the pandemic, businesses shut down or were struggling on multiple levels adjusting to new restrictions and challenges. The second year of the pandemic was very different than the first. As we enter the third year, businesses expect that there will be COVID-19, but unlike 2020, they are not closing or shedding employees. It’s quite the opposite, there’s a huge labor shortage which is causing employers to do more and offer benefits in industries that previously never considered benefits to attract new employees or retain their existing employees.

The pandemic is continuing, but what is not continuing is a slow down

in business. It’s full steam ahead, and brokers have more opportunity — not less. We see more quoting activity than we have ever seen, and a lot of it is from virgin groups.

*Marc McGinnis, President, Word & Brown General Agency:*

The pandemic has afforded us the opportunity to find new and creative ways to work. We are heavily invested in a complete digital transformation of our organization, and we’re already starting to experience significant efficiency gains as a result. A remote deployment strategy is no longer uncommon. It will continue to be imperative to invest in technology systems, tools, and resources to ensure our employees have everything they need to be effective in their roles – and to address the needs of brokers and their clients.

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

*Lyons, Amwins Connect:*

GAs need to provide customized outreach to support brokers with the range of issues that employers are facing. We have a vital role in bringing world-class technology to help brokers compete and win against digital start-ups. We provide access to industry-leading tools for enrollment, administration, payroll and digital marketing. Ultimately, this focus has helped brokers build their business while delivering a better overall experience to clients.

Employers also need more support to keep up with compliance, which is always a moving target. A whole new set of issues are arising as employees plan return-to-work efforts including PPPs, COVID-19 testing and vaccines. We see this as part of our mission to help each broker become a one-stop-resource for their clients.

*Petrosyan and Dickerson team:*

We’re seeing a lot more activity in the industry. Having a GA Sales Rep is a key differentiator. As a GA, we are knowledgeable on carrier offerings in the small and large group market, and we can help brokers find the best solutions. It’s important to have our team act quickly and efficiently. We

can support agents by strategizing with brokers regarding market opportunities and taking advantage of plans and underwriting.

Does the Sales Rep know how to put together creative packages? Carrier participation is down to 25%, and agents may not know how to mix and match carrier plans for ultimate savings and plan benefit. Is level funding or self-funding an option? What about captives? The GA will present and advise on a plethora of opportunities that did not exist even a couple of years back. A GA can help agents work smarter and more efficiently by offering online services like Ease and Zoom for presentations.

Having a reliable GA that provides the tools to assist with client presentations as well as keeping our brokers updated regarding carrier and industry changes is a huge benefit.

**McGinnis, Word & Brown:**

Brokers are looking to General Agents to be an extension of their servicing divisions. We will need to continue to handle servicing, quoting and enrollment, which so many brokers are struggling to find time/resources to support. We can also eliminate the account management and online enrollment burden for brokers and offer them new ways to enhance their value proposition. At Word & Brown, we're committed to delivering a wide range of services to help the average broker reach new sales heights and achieve greater retention.

**CB: What are your biggest concerns for the industry right now?**

**Lyons, Amwins Connect:**

With remote work taking hold, many employers are challenged with providing benefits to employees in multiple states. There is also an increased focus on recruitment and retention. As a national GA, we're perfectly positioned with local sales experts in multiple states, market-based solutions, and strong carrier relationships. With our most recent partnerships in New York, the Mid-Atlantic, and Arizona, we're positioned to provide new levels of

support to new markets.

Aside from the need for rapid digitization, our industry faces a new regulatory environment. It's both a challenge and an opportunity. Our industry has not only adapted, but also thrived with every regulatory and legislative change that's come our way. We've proven that we have an essential role in healthcare access. In fact, I think that brokers have become more essential in helping employers navigate the benefits landscape.

**Petrosyan and Dickerson team:**

Insurance premiums continue to go up with no end in sight to help bring them down. We are seeing more people going to Covered CA IFP with the hope for a subsidy rather than taking their group policy. Pharmaceutical companies continue to increase the cost of medication which contributes to the high cost of insurance.

We are concerned with the challenges the state exchange is experiencing. While more and more employers are signing up for health insurance, rates continue to outpace inflation. Everyone sees inflation at near 7% as an economic crisis, however, medical inflation is unsustainable. That's why we see bills like AB 1400 come up, even though it got struck down. AB 1400 may be dead, but the idea of a single-payer health care system is not, so we need to make sure all Californians see it as a poor option.

**McGinnis, Word & Brown:**

The industry is facing many challenges. Technology companies continue to enter our space with the goal of creating greater efficiencies, sometimes falling short. Payroll firms are selling benefits administration platforms without understanding the market and potential connectivity/integration issues. Brokers are facing new legislation and compliance burdens, especially related to COVID-19 and employer/employee mandates. Talent poaching and retention are a challenge for agencies and clients. There is a trend toward brokerage mergers. Employees moving out of state have made it difficult to offer certain networks and meet carrier participation for California-based plans. **CB**

**“THE PANDEMIC IS CONTINUING, BUT WHAT IS NOT CONTINUING IS A SLOW DOWN IN BUSINESS. IT'S FULL STEAM AHEAD, AND BROKERS HAVE MORE OPPORTUNITY – NOT LESS. WE SEE MORE QUOTING ACTIVITY THAN WE HAVE EVER SEEN, AND A LOT OF IT IS FROM VIRGIN GROUPS.”**

**– KRISTINE PETROSYAN**



**BY PHIL CALHOUN WITH MAGGIE STEDT**

**T**his article continues from Part One last month. The focus is on competitive differences local independent insurance brokers provide and can highlight. We will cover Medicare and group ideas for sharpening your competitive edge.

Local independent insurance brokers are most successful when they have resources they can access. Many brokers lean hard on carrier reps, general agencies, and Field Marketing Organizations (FMOs) to find and deliver solutions to their clients.

“Phil, one of biggest differentiators for both the Medicare focused agent and those with group business is their depth of knowledge and willingness to search out the answers when needed,” explains Maggie Stedt. “Although I have been Medicare focused in the past 18 years of my practice, I learn something new about Medicare and the products almost every day.”

When it comes to competition for new business and the service work needed for client retention, local independent insurance brokers mostly stand alone. The broker’s financial reward for this advocacy work is growing their commissions. True client service can only be provided by a trusted and experienced local independent insurance broker who performs this role one client at a time.

We hope this information gives you the tools needed to explain to both your prospects and clients how you are different and why you can be a better option than the competition.

First, remember that the carriers and other “non local” entities, use their significant resources to reach the same leads you want. Most importantly your clients are being targeted constantly, often with inaccurate information.

Make sure your clients know to contact you to fact check what they get in the mailbox, hear on the radio or see on TV.

Specifically, employers and people turning 65 are directly contacted by email, mailers, phone calls, Facebook and other social media. The same marketing tools you often use are also used by these competitors. The difference is the deep pockets of the competition who sponsor further advertising with TV commercials that hammer your target market, especially Medicare. Professional employer organizations (PEOs) and payroll companies offer their HR and other services practically free just to get the group health business. Educate your clients about the difference you make for them through being accessible and doing the work necessary to solve your employer client’s problem.

“To be successful in the business and compete with carriers and others, you need to continually learn about your

line of business and build many resources you can access to solve your client's problems," suggests Stedt. "There are many booklets and articles to digest to find answers to your questions. Do your homework before you call Medicare or the carrier. If you are in the Medicare sales business, your top two textbooks are the Medicare and You and Who Pays First booklets published by Medicare. Know the Medicare website and become familiar with where to look up information to serve your clients."

**Local independent brokers offer these advantages to clients:**

**1. No cost:** Working with you as a local independent broker means there is never any "cost" to learn about or enroll in a medical plan. When someone goes directly to an insurance carrier the premiums and plan coverage is the same. There is absolutely no savings on cost and no extras offered by a carrier employee.

**TIP:** Inform your clients that you get paid for your professional assistance to research options and then match and enroll them in the plan that suits their needs best. Payment is made by the insurance carrier to a broker who researches and enrolls their client in the plan with the ideal coverage and within their budget.

**2. Not tied to one company or one plan type:** Most brokers work with several insurance carriers and have the expertise to compare and contrast benefits from the many plans carriers offer. This gives you the ability to do what is best for your client – listen to their needs and then match them with a plan that will meet most of all of their needs.

**TIP:** Inform your clients that a carrier employee is only paid to enroll in the carrier's medical plan even if the plan is not a fit in all areas of need a client requires. You as a broker represent their needs and are committed to find a plan that is best for them.

**3. Can provide support for clients:** When calling an 800 line or carrier, the person who enrolls an individual is rarely the same person who will be there to help after the sale. Local independent insurance brokers are able to advocate for their clients because they remember who they are and they have the expertise to help. Carrier employees have a job to do. Enrollers enroll and do not service or advocate for "members". Clients looking to find a new doctor, get a referral for medical care, access valuable benefits, or seek plan options during open enrollment, are all reasons to work with local independent insurance brokers who can help and do so in a timely manner.

**TIP:** Inform your clients what the term "broker" means: brokers are not locked into one carrier and as such can match a client's needs to any plan in an unbiased manner because we can shop plans from all carriers.

**4. Can act as an advocate for clients:** Local independent insurance agents advocate by finding medical and drug plans that cover most if not all of their client's needed medications and medical providers. Also changing plans and medical providers is not something a carrier employee can do to the extent a local independent insurance broker can. How many times does a client end up stuck between the health care

system and the health insurance carrier? Can they get help from the insurance carrier?

**TIP:** Inform your clients that as their local independent broker you can advocate for them when they need to file an appeal or grievance against the decision made by the insurance company and or the health care provider. You provide this help at no cost. The knowledgeable broker can help the client navigate the appeals process and provide guidance on who should be contacted. They also keep up with changes in the carrier's service area, or the medical group changes with new doctors and closed practices.

**Please keep these four points in mind as you do have strengths over a carrier employee, outside the area agent, and especially a phone enroller.**

"Local independent insurance brokers often need help to find client solutions," Stedt comments. "Our carrier rep friends, general agent and FMO colleagues are a great resource. Successful brokers put time into building and maintaining these valuable relationships."

Many brokers benefit from involvement with local health insurance memberships in a professional association. Some have formed or joined collaborative groups of common minded independent agents. **CB**

**We want to know more about what you may find as helpful to you as a local independent insurance agent. We invite you to complete the local independent insurance broker survey and let us know what you need. Use the QR Code on your cell phone and you will be able to access the survey questions. Your answers are confidential.**



If you prefer, we can email you the questions so just contact **phil@integrity-advisors.com** and we will send the survey to you.



**PHIL CALHOUN** published "The Health Insurance Broker's Guide: How to Protect, Grow and Sell Your Commissions" last year. His goal is to help active brokers reach 100% commission protection and retiring brokers make the exit planning process work for them. Phil consults with brokers statewide and offers his eBook free online at [www.healthbrokersguide.com](http://www.healthbrokersguide.com). Contact:

**phil@integrity-advisors.com** or call 1-800-500-9799 to schedule an appointment and get your personal questions answered.



**MAGGIE STEDT** is an independent agent that has specialized in the Medicare market for the past 21 years. She is the immediate past president of California Association Health Underwriters (CAHU) and past president of her local Orange County Health Underwriters Association (OCAHU) chapter. **Reach her at**

**maggiestedt@gmail.com.**



# Planning for the Future With Income Insurance

**Safeguard the present with disability insurance and income protection**

**BY JOE RUSSO**

**G**reat strides have taken place in the financial services industry in recent decades. We've developed widely accessible and sophisticated fiduciary savings vehicles that allow Americans to plan for secured financial futures in retirement. Plans like 401(k)'s, Roth IRA's, annuities and cash value life insurance programs have grown in popularity and have proven to allow reliable income streams beyond volatile high-yield market investments and sedentary, sluggish bank savings and money market accounts. Consumers seem to recognize the folly of relying on miniscule social security benefits, a program whose future and longevity

have been suspect and vigorously debated in recent years.

Although these fantastic tools are readily present and gaining momentum, the sad reality is that most Americans still don't save enough in earned assets throughout their lifetimes. Many typically live paycheck to paycheck or close to it. Exacerbating this known dilemma is that little significant regard is given by most to financial planning beyond retirement. This is a predicament that can absolutely become an economic catastrophe when a working individual suddenly or even gradually becomes disabled during that ever-so-important first half of life — the wealth accumulation years.

Most of us work for a living to earn a regular paycheck, providing food, shelter, clothing, education, healthcare and transportation. These are the usual requisites of living in this country — for ourselves and our dependent families. Hopefully, after the bills are paid, a portion of income is leftover for simple luxuries, perhaps vacation travel or to be dutifully deposited into a savings vehicle. As the great disability insurance pioneer W. Harold Petersen often reminds us, "life is just a cash flow." We are dependent upon our paychecks to not only provide for us today, but to allow some accumulation of wealth, providing for comfortable lives in our senior years.

But wealth accumulation and income savings only happen when there is an inflow of cash. Trouble begins when the anticipated income halts or is completely terminated, which is the typical result of disablement. Without proper disability insurance and income protection, there is no sufficient planning for retirement. You can't plan for the future without safeguarding the present.

**The greatest weapon in combating short-term, long-term, partial, total, temporary or permanent physical incapacitation due to sickness or injury is comprehensive disability income insurance prescribed in sufficient amounts.** Personal disability insurance programs come in many shapes and sizes. Most industry experts agree that a layering of multiple "own occupation" defined income protection insurances to at least 65% of personal income is adequate, providing continuation of at least a semblance of one's pre-disability lifestyle.

The layered effect of income protection typically takes shape under varying tiers of employer-sponsored group disability programs and individual disability plans. Additionally, specialty-market excess, high-limit disability platforms or some reasonable combination thereof can be employed. Importantly, insurance company disability benefit calculations typically allow for the inclusion of 410(k) employee contributions. This keeps much of an earned salary intact including retirement allocations when an employee becomes disabled.

Personal disability insurance is the foundation of sound financial planning. It provides the first line of defense of income, and financially safeguards the consumer's arduous journey to saving for retirement.

Ancillary income protection products from specialty-market carriers can also assist in directly fortifying retirement planning. The Lloyd's of London market offers bespoke programs like retirement funding completion insurance as well as stock option protection insurance. Both of these protect career earnings to thwart off retirement-benefit collapse in case of premature disablement.

Retirement funding or pension completion insurances are standalone defined-contribution protection plans.

These provide an insured person with a lump sum of cash for the anticipated balance of aggregate retirement plan contributions at the time of permanent disablement. These novel resources are unique in that both employee and employer contributions may be included in the benefit calculations.

The stock option protection plan is a standalone disability program that insures anticipated stock option awards for those working for publicly-traded corporations who would stand to lose future stock option compensation in the face of disablement. A stock option plan pays a permanent disability lump sum benefit equivalent to a multiple of anticipated annual stock option awards.

Personal retirement planning can also be heavily influenced by business assets. Business owners have additional advisor needs and potential financial liabilities when considering retirement and how their physical demise could negatively affect their employees as well as their business partners.

Business loans and corporate debt can certainly pose economic shortfalls for companies faced with the pending physical loss of an owner. Disability products like loan indemnification insurance and business overhead expense coverage are available to clients in addition to their personal disability benefits. Both assist in covering outstanding business liabilities including utility and insurance bills and payroll costs while allowing business owners to keep their personal disability benefits intact and appropriately earmarked for familial needs.

From a business owner's perspective, much of the planning done to meet retirement goals falls under the category of succession planning. Agreements are made and contracts are drawn-up with business partners, trusted employees or interested third parties to settle corporate loose ends and eventual buy-outs of ownership interest in case of an owner's total disablement.

Key person disability insurance is an incredibly flexible financial asset when it comes to succession planning and business continuation. The product provides monthly, lump sum or a combination of benefits, so a business hit with the typically devastating loss of a marquee owner can survive and

navigate often unfamiliar terrain before an eventual buy-out of the disabled owner takes shape. Key person policies pump in much needed stabilizing capital which is often used to secure replacement staff, to cover recruitment costs or to help maintain revenues after the sometimes inevitable loss of key accounts.

But as a key person plan assists in business needs of the short-term, a buy/sell disability policy is the anchor of the succession plan. Designed to fund the buy/sell agreement between business partnerships and other corporate structures, an executed buy/sell disability policy provides cash payments over a scheduled period of time or in a hefty lump sum for the purchase of the corporate shares of the disabled owner, thus allowing a prudent and financially successful move into retirement.

The key purpose of retirement planning is to provide a client with a solid foundation of diversified savings, asset management and growth as well as insurance services to maintain a comfortable level of financial freedom once the client ultimately decides to no longer work for a living. Disability insurances for both personal and business needs are a big part of that foundation by protecting those assets and that savings from the devastation of physically losing the ability to work and earn that customary and necessary paycheck. **CB**



**JOE RUSSO** is an underwriter and account executive at Petersen International Underwriters. With over 20 years in the financial services industry, Russo is a "specialty market"

life and disability insurance expert. He is also the editor of Petersen International's weekly publication "The Communicator."

Russo can be reached at Petersen International Underwriters:  
<https://www.piu.org>



# SINCE THE PANDEMIC BEGAN,

## Strategies for Navigating Double Taxed Retirement

---

BY DAVID E. APPEL

clients and advisors alike are taking extra precautions when planning for the future. This often entails exploring the benefits of plans such as long-term care, disability or life insurance. One future-facing aspect of a client's financial plan is most likely a retirement fund. Yet, what happens to this

fund if the client were to suddenly pass? How much of that fund will actually make its way into the pockets of their loved ones?

Retirement funds have the potential to be taxed in two ways as the plan is being disbursed: income and estate tax. However, many clients aren't aware of the amount of their disbursement that goes toward taxes and may inadvertently end up leaving their beneficiaries less than originally planned.

By tapping into some savvy strategies, you can aid in creating a holistic financial plan that accounts for this taxation. This will ensure your clients are better able to distribute the intended amount to their beneficiaries, in the wake of the unexpected.

### DOUBLE TAXATION ON RETIREMENT DISTRIBUTION

To ensure your clients get the most for their loved ones after they have passed, I recommend starting with a basic policy review and audit. It's important to understand what life insurance policies, retirement plans and other assets a client



may have in their portfolio to determine the best approach.

First, identify any assets that are taxable, identifying the client's entire estate. This could be trusts, cash, annuities, real estate, stocks and more. During this step, I also review the client's retirement accounts, and their distributions. When looking at their distributions, you should be looking at two things specifically:

**1. Income Tax:** When funding their retirement plan, a client does not pay taxes as they are paying into the fund. Instead, the taxes are deferred to when the funds are distributed. This works similarly to when paying income tax on a regular paycheck, but instead is taken out of each retirement distribution.

**2. Estate Tax:** In the event of your client's passing, estate tax can be applied to assets handed down to their heirs if they are over the state and federal estate tax thresholds. Because estate tax is percentage based, it is important to have a full understanding of your client's assets and what is taxable. This is affected by assets such as the property they own, stocks, cash, or other non-liquid assets that can be passed down to heirs. If the client has built a strong retirement fund and worked to gather a large estate, this tax could be a large percent of their retirement fund and reduce the amount their heirs receive.

If your client qualifies for an estate tax on top of the income tax, they will see a significantly lower payout of their retirement income. In some cases, this may take away up to 60% of what was originally paid into the plan. For example, what may initially look like a one-million-dollar retirement fund payout could actually only be \$400,000 after estate and income taxes are applied. How can clients ensure that

their loved ones are taken care of after they are gone?

## **A POTENTIAL SOLUTION: LIFE INSURANCE**

Be transparent with your clients that double taxation is likely to occur, especially if they are high net worth individuals. Then, suggest strategies to help ease their worries of their loved ones being left financially insecure. One way to offset this double taxation is with an often-overlooked solution: life insurance.

When life insurance is paid out to the beneficiaries, it is done so income tax free, and if structured properly estate tax free. By incorporating a life insurance plan alongside the retirement plan, clients can pass the entirety of their policy onto their heirs without the heavy taxation that comes with a retirement fund. In today's economic climate, clients are seeking financial security for themselves and their loved ones more than ever and investing in a life insurance plan is a great strategy to achieve that.

## **WORKING AS A TEAM**

When working with a client to navigate retirement planning, it's imperative to connect with the rest of their financial team, such as their insurance professional, investment advisor, estate planning lawyer, and CPA to align on your client's goals and objectives. Without this cohesion, you may miss out on an opportunity to streamline your client's financial plan and provide them the best possible guidance. Connecting with other like-minded professionals within your community—such as those involved in your local Estate Planning Council—will also help you ensure you're providing your clients the most updated advice when it comes to taxation laws.

Utilizing these strategies can ensure that your client is prepared for what may come. No matter what phase of life they are in, tapping into life insurance while planning for retirement helps provide your client assurance that, in the future, their loved ones will be financially sound. **CB**



**DAVID E. APPEL, CLU, ChFC, AEP®** is the Managing Partner of Appel Insurance Advisors in Newton, MA, and a 25+ year Million Dollar Round Table (MDRT) member. David has been in the life insurance industry since 1992 and specializes in what his boutique firm has trademarked *People Insurance™*, life, health, disability, and long-term care insurance, for personal as well as corporate clients.



**FIRST OF FOUR INSTALLMENTS**

# **In it for the Long Haul? Or not? Taking an Alternative Path to Selling an Agency**

**BY AMY EVANS**

**I**n October 2021, my employee benefits agency was acquired by Shorepoint Insurance Services, an Acrisure agency partner, and I joined Shorepoint as an Associate VP of Employee Benefits. California Broker Magazine editors asked me to write about my experience in a four-part series. In this first installment, I'll share my reasons for wanting to sell my agency, and the challenges I encountered while building my exit strategy. In future installments, I'll share the steps I took to position my book of business for sale, how I found the right buyer, and my experience during the selling process.

I've been in the insurance industry for almost 20 years, and I started my own agency, Colibri Insurance Services, in 2015. I've always been open about the fact that I don't plan to be in the insurance business for the rest of my working life. From the start, I wanted to have a well thought out exit strategy that would honor the value I was building in my book of business (both the revenue and client relationships), expand on the level of service that my clients and their employees have come to expect from me, and allow me to make a graceful exit from my business when I was ready.

The two "traditional" exit strategies

## The two “traditional” exit strategies in our industry — die at your desk or retire on the golf course — never appealed to me. So, I set out to find an alternative that would work for me.

in our industry — die at your desk or retire on the golf course — never appealed to me. So, I set out to find an alternative that would work for me. I had conversations with recruiters and mergers and acquisitions (M&A) specialists to understand my options, and their message was consistent — my book of business would have to be generating more than \$500,000 in annual revenue to be of interest to a buyer. I never planned to grow my business to that size, particularly because I didn't want to hire the staff to support it. What were the options for someone who built a solid book of business that was generating less than \$500,000 in annual revenue?

I also didn't want to wait to sell until circumstances — foreseen or unforeseen — forced me to. Compression in our industry — larger agencies buying up smaller agencies — has made it harder to compete in the small group employer market in Southern California. Competition from payroll companies, Professional Employer Organizations (PEOs) and tech companies is shifting the perception of value from service (which I can control) to price (which I can't control).

I definitely had some big-picture concerns. What if my book of business started losing value rather than gaining value? What if I lost my largest client? What if new legislation made my job even more complex? What if insurance carriers reduced small group commissions AGAIN, leaving me to do the same amount of work for less revenue? What if I had a life event or a health event that kept me from running my agency? All of these scenarios were real possibilities and I didn't want to have a knee-jerk, “I want out” reaction that would result in less value for my book of business and more disruption for my clients.

So, I kept talking to recruiters, M&A specialists and people who sold their agencies. I asked a lot of questions and took notes. I learned the lingo,

got familiar with the questions that prospective buyers asked, and got a feel for the market. I was open about what I wanted and clear about what I didn't, especially when recruiters kept suggesting buyers who were clearly the wrong fit. I entertained possibilities but often felt unseen, unheard, under-valued and disappointed.

(Note to the M&A guys - don't send a slick-talking Property & Casualty guy who doesn't understand employee benefits to pitch a woman who has an emotional connection to her business and every single one of her clients.)

I also watched the market shift. More investment money flooded into our industry to fund acquisitions that went further and further down market, and the long-term value of group insurance contracts was validated by the non-insurance companies like Zenefits and ADP TotalSource that started openly competing for our business.

While all of this was happening, I focused on growing my book of business and taking what I learned to make solid investments in technology and client services, with the confidence that the right opportunity would eventually present itself, even if my annual revenue never hit that \$500,000 mark. Eventually, with conscious effort the right opportunity did evolve. There are many steps I am glad I took that helped me to position my book of business for sale. I'll share those in the next installment. **CB**



**AMY EVANS** is now associate VP at Shorepoint Insurance Services.

*She has more than 20 years of experience in the insurance industry simplifying*

*employee benefits for employers and their employees. In October 2021, her insurance agency was acquired by Shorepoint Insurance Services, an Acrisure Agency partner, and is now operating under the Shorepoint name. As an associate VP with Shorepoint, Amy works with employers to help them navigate the complex world of employee benefits, business insurance and risk management.*

*Amy is passionate about empowering professional women to network more effectively. In 2019, she founded AlignWomen, a leadership and networking organization for professional women. She is also the host of The AlignWomen Podcast, which features female entrepreneurs, leaders and other professionals who have demonstrated agency and innovation in their personal and professional lives.*

*Amy is a frequent speaker, writer, podcast guest and social media participant and you can find her engaging regularly on a variety of topics including health insurance issues, entrepreneurship, social media strategies, women's empowerment and networking with intention.*

Direct: 323-633-2263 | amy@shorepointinsurance.com  
**www.shorepointinsurance.com**

# The Struggle Continues:

## How Employers Can Boost Support for Caregivers

BY DENNIS HEALY

**E**ven though we've left 2021 behind, the level of volatility caused by the greatest workplace disruption in decades lingers, and new COVID-19 variants continue to emerge. It's caused many businesses to go back to the drawing board — again — to further tweak their hybrid work plans and get their employees back into the office in some capacity — and to help them through whatever's next.

And, there is a segment of the workforce that continues to struggle under the strain of the pandemic: employees who also serve as caregivers. BCG research reveals that as companies try to bring employees back onsite — despite continuing unknowns of the pandemic, caregivers are feeling more stressed than ever. In fact, those who take care of children or aging parents are 1.4 times more likely to say they are worried about their future at work and their overall well-being than those without such responsibilities.

For them, “return to work” doesn't necessarily mean a return to normalcy — nor does it signify an end to caring for a loved one. So, how can you help clients provide the types of benefits and services that will best assist employees who are caring for others — and that also help to take care of their own mental and physical health?

The pandemic amped up the pressure on caregivers

COVID-19 has certainly exacerbated the family care challenges that many employees still face: stop-start return-to-work arrangements, variant-driven COVID-19 surges, unexpected school



and childcare closings and worries around the quality of care for elder family members. It all adds up to a daunting balancing act for the more than 1 in 5 employees in the workforce who are also caregivers.

The pandemic exposed a gnawing gap that many caregivers — the majority of which are women — continue to have difficulty addressing: getting their work done, caring for an aging adult and managing remote learning arrangements for their children.

Plus, for a middle-aged adult living in the sandwich generation, it makes for quite a full house with many responsibilities to juggle — and a lot of burden to shoulder when both employers and family are counting on them. In the end, most caregivers are left feeling overwhelmed and frustrated by not being able to give 100% in any of these roles. As a result, more flexibility and expanded caregiving support benefits will be increasingly sought after in 2022.

On the front lines of caregiving. One person who's dealt with these scenarios firsthand is Jennifer Morris-Pugliese. She serves as a Care Support Team Manager at CareScout® whose caregiving services are offered to

employees via our ARAG® legal insurance plan. Her job is to provide emotional and logistical support during a family's caregiving journey and to help them make the most informed decisions regarding care needs.

“I've seen caregivers in the sandwich generation who are stressed beyond belief,” says Morris-Pugliese. “For them, every little thing is so hard right now; every decision is high stakes.

Take, for example, the stress and fatigue that can come from managing an aging parent with dementia, as well as a child that needs to be home from school.”

She adds, “What's the long-term impact of this stressful time? These caregivers may not be exercising, sleeping, or eating well because they are caring for everyone but themselves. Not to mention postponing their own routine medical care, screenings and follow-ups due to time constraints or continued concerns about COVID-19 transmission.”

Many caregivers are also not prepared for the financial and legal red tape that can come with their role, whether it's trying to reconcile a loved one's medical bills or get their financial affairs in order. For example, during the height of the pandemic, ARAG saw increases in common legal issues, like tenant matters and estate planning. Jun Shim, an estate planning attorney with Hermance Law in Santa Clarita and a member of our attorney network, constantly advocates that it's never too early to start planning ahead.

“We've worked with elderly clients where we felt it was necessary to request a medical examination to determine whether they still had

legal capacity,” says Shim. “In some cases, they were no longer able to fully understand the nature and effect of the legal document or action they were working on, and their children needed to go through an additional conservatorship process for their parents. This means devoting more time, effort and expense to an already difficult situation.”

Shim adds, “I have also seen an increase in cases from existing clients who served as caregivers and are seeking assistance after their elderly loved ones passed away. It is already challenging having to manage your own affairs during the pandemic but the added emotional stress and oftentimes (without a proper legal plan in place) a long court process can make it even more difficult for the families involved.”

Exploring benefits that care for the caregiver. These dramatic changes brought on by the pandemic have driven greater focus on innovative benefit plan design and expansion that recognizes caregivers’ shifting and growing challenges.

For your clients, there are opportunities to answer this call – but still work to do. According to a 2021 Employee Caregiving Survey from Homethrive, 79% of employers are not yet offering employee benefits that support caregivers or are not communicating enough about said benefits. Yet, the vast majority (84%) of respondents were receptive to the idea of their employer offering a benefit that provided them with resources, guidance or support for caregiving.

**As you help clients search for ways to offer benefits that are becoming increasingly relevant and truly speak to caregivers’ needs, keep these five tactics in mind:**

**1)** Be creative in developing programs that support caregivers.

As you review benefits with clients, first, uncover any gaps in the existing program that may not be adequately addressing caregivers’ needs. Then, brainstorm creative ways to offer support like flexible work arrangements, a concierge service to run errands or childcare arrangements. Also, look for features and services within a

current benefit and communicate its availability to employees. This could include a telehealth option in medical coverage, financial education opportunities through a retirement plan, or a caregiving referral service offered through a legal insurance plan.

**2)** Stay current on state and federal laws, provisions and trends. It’s key to know the status of the Families First Coronavirus Response Act (FFCRA), including which provisions have expired and which have recently been enacted, such as the requirement for medical plans to cover the costs of over-the-counter COVID-19 Tests. Such provisions could give caregivers added flexibility and financial relief. An additional resource, COVID19.CA.GOV, outlines current safety measures and past restrictions in the state of California.

**3)** Encourage caregivers to take time off to care for others – and themselves. The Family Medical Leave Act (FMLA) allows employees to take up to 12 weeks of unpaid, job-protected leave each year so that a worker can use the time off to care for an immediate family member, such as a newborn, spouse, child or parent. Conversely, consider offering paid family leave for all caregivers and encourage all parents to take full advantage of their leave. For example, based on employee feedback, Levi Strauss now offers employees a paid caregiver leave benefit. Yet, the U.S. Bureau of Labor Statistics National Compensation Survey found that only 23% of civilian workers had access to paid family leave.

**4)** Take advantage of technology. Employees have become well-acclimated to interacting digitally, whether it’s through online messaging or video calls. So, think outside of the traditional benefits you offer and work to provide services ranging from online wellness seminars and EAP meetings to on-demand yoga sessions or lunch dates. Technological advances make it easier to help employees feel connected, making a positive impact on their stress levels – especially those immersed in a caregiving situation.

**5)** Create a supportive environment. Leaders can create a positive team environment, where the caregiver’s voice is heard, and their concerns can be expressed. Conduct surveys and focus groups to take the pulse of caregivers and what weighs most heavily on them. Employee resource groups, like those for working parents for example, can serve as an organic, interactive outlet for employees to have a voice within an organization and become advocates for each other and causes they believe in.

Ultimately, what’s the key to answering the caregivers’ call? As Morris-Pugliese points out, “Flexibility from employers is crucial right now. In addition to feeling pulled in multiple directions as caregivers for aging parents, children and themselves, workers are also trying to be responsible employees. Having employers communicate that family comes first is one thing. Having employers that put policies and benefits in place to achieve a family-first mindset is another.”

The key is to provide benefits that not only help employees care for a loved one, but also support a worker’s physical and mental well-being, because that’s what’s really at stake here. **CB**



**DENNIS HEALY** is a member of the ARAG® executive team. Dennis is a passionate advocate for legal insurance because he has seen firsthand how it helps people receive the protection and legal help they need. He has nearly 30 years of insurance industry experience, with a primary focus on the sale of group voluntary benefit products to employer groups of all sizes through the brokers and consultant community.

**<https://www.araglegal.com>**

# 4

## REASONS TO DISCUSS VOLUNTARY FINANCIAL BENEFITS WITH EMPLOYERS

Financial Wellness  
is Top of Mind for 95%  
of Workers

**BY MIKE WILBERT**

**J**ust as **COVID-19** has affected employees and employers in the past two years, it has changed the employee benefits landscape as well. Today, employers are considering benefits such as mental health and caregiver benefits; flexibility around where work gets done; and re-evaluation of personal time off. As the pandemic and the stress of a third year in a COVID-19 world continues, another benefit is becoming more top of mind with employees: financial wellness.

Just how top of mind are we talking about? Only half (52%) of employees expected their household financial situation to be better in January 2022 than it was in January 2021, according to “The State of Employee Finances: 2021,” a Harris Poll on behalf of Purchasing Power. At the same time, however, half (51%) of employees anticipated their financial stress level would be the same or worse in January 2022 than it the previous January.

Even when the pandemic moves to an endemic status and factoring in the increasing inflation and rising prices due to supply chain issues, many employees will still be trying to recover financially for the next few years. They will be aiming to cover monthly expenses; pay down credit card debt; and begin to replace money they may have been forced to withdraw from their emergency fund, savings account or retirement savings during the pandemic to cover expenses.







Here are four key reasons brokers should be discussing them with employers:

**1. Financial well-being benefits are one way to combat The Great Resignation.**

There's no question that the Great Resignation has created an employees' job market. Employees are changing jobs to go where they will have a better employee experience — not only better wages/salaries and benefits, but also more family time, a better work-life balance, and where employers value them more.

According to a Pricewaterhouse Coopers (PwC) Pulse Survey reported in August 2021, 65% of workers are looking for a new job. The survey revealed that the top two reasons employees are leaving are #1-wages/salaries and #2-benefits.

However, the same study showed a disconnect: employers believed the top two reasons employees were leaving were #1-wages/salaries and #2-flexibility. Employers thought benefits were the #4 reason that employees were leaving.

So employers need to place a higher priority on benefits to resonate with what employees are saying is important. In fact, according to the Harris Poll from Purchasing Power,

78% of full-time employees can tell how much their employer cares about their financial well-being by the benefits they offer.

**2. Wage or salary increases aren't helping employee financial stress.**

According to the 2021 Harris Poll on behalf of Purchasing Power, 95% of full-time employees reported having financial stress. The headline of an article in The Washington Post by Abha Bhattarai on January 22 puts the situation in perspective: "That raise meant nothing: Inflation is wiping out pay increases for most Americans."

It also makes the point that "the same strong recovery that is emboldening workers is also driving up inflation, leaving most Americans with less spending power than they had a year ago." That's the problem, and that's why employee financial stress is going to stay at present levels for a while.

**3. Employees say financial well-being benefits matter.**

Employees want a solution to their financial problems and they want to know that their employer cares about their financial situation. According to PwC's 2021 Employee Financial Wellness Survey, 72% of employees whose financial stress increased due to the pandemic say they would be attracted to another company that cares more about financial well-being than their current company.

Knowing that employers care about their financial situations ranks high among employees. The Harris Poll mentioned earlier 79% said they would be more likely to stay with their present employer if they offered more financial well-being benefits.

**According to the 2021 Harris Poll on behalf of Purchasing Power, 95% of full-time employees reported having financial stress.**

# According to PwC's 2021 Employee Financial Wellness Survey, 72% of employees whose financial stress increased due to the pandemic say they would be attracted to another company that cares more about financial well-being than their current company.

## 4. Adding voluntary benefits is an easy way to expand workplace benefits offerings.

Employees are certainly accountable for their financial well-being; however, employers have a responsibility as well, and recent research indicates that employees expect it. The Employee Benefit Research Institute (EBRI)'s annual Workplace Wellness Survey released in October reported that 69% of employees agree that their employer should make sure they are financially secure and well.

With employees' varying needs and desire for customized benefits, voluntary benefits are a way for employers to demonstrate that they value their employees. There are a variety of financial well-being voluntary benefits available that employers can add to their benefits package. There is no cost to the employer, employees can choose ones that suit their individual needs and the employee bears the cost of the benefit.

Some of the benefits that address different aspects of financial well-being include financial counseling, employee purchase programs, bill payment programs, medical deductible financing, student loan repayment benefit programs and automatic savings programs. In many cases, these voluntary benefits can help employees improve their financial well-being. When employees reduce some of their financial stress, the result can be improved productivity and retention.

## Brokers' role in employee financial well-being

Employees' financial recovery will take time, and they are looking to employers for help. Now is an ideal time for brokers to assist employers in re-evaluating their employee benefits package to assure that it is competitive,

especially for voluntary benefits and financial well-being offerings.

Stay apprised of the various voluntary financial wellness benefits available today including those that provide employees some financial assistance in the short term. Bring them to the attention of your clients, such as employee purchase programs, bill payment programs, medical deductible financing, and automatic savings programs. Encourage your clients to commit to providing additional ways to assist employees in improving their financial well-being through voluntary benefits. **CB**



**MIKE WILBERT** is chief revenue officer at Purchasing Power, a voluntary benefit provider. He has 30 years of experience in the insurance and voluntary benefits industry.

<https://www.purchasingpower.com>

**HEALTH PLAN COMPLIANCE FOR 2022:**

**SOMETHING  
OLD,  
SOMETHING  
NEW, SOMETHING  
CHALLENGING  
AND  
SOMETHING TO  
PURSUE...**

**PART ONE**

**BY DOROTHY COCIU WITH MARILYN MONAHAN**

**H**ave you ever planned something for a really long time, spent energy, time, effort on it, only to be disappointed that you can't do what you wanted to do, and you have to modify, to adapt to the current environment? Of course you have. We all have. We have all lived through, and continue to live through, the COVID-19 Era — an era that seems to just keep on coming, with peaks and valleys and new hopes and of course, those disappointments. Will the current storm finally fade, and will we see perfectly blue and brilliant skies again? We all hope so. That sounds a bit like relationships to me, and if we love our spouses, our friends, our family members, we know that we'll get through it, as long as we work on it and stay positive.

While preparing for a client in-person seminar, to be presented jointly by myself and my Benefits/ERISA attorney and friend Marilyn Monahan (Monahan Law Office), which was supposed to take place in January, 2022, for the first time since 2019 (due to COVID restrictions), and which was disappointingly interrupted and converted to yet another webinar (again, due to COVID restrictions), I was asked if I'd like to submit an article for an upcoming issue of California Broker Magazine. Of course, I said I would, and that I knew the perfect article to compose... A comprehensive, all-in-one article to help with overall compliance of employer-based health plans. After all, this was exactly the topic of my scheduled client seminar turned webinar, which was another victim of the COVID-19 era, so the research and knowledge was already there; I had only to put it to paper. Since Marilyn and I put the seminar turned webinar materials together, although I am writing this article, I am using as a guide the materials Marilyn and put together for the seminar/webinar, so I am therefore including her name as a contributing author to this article. Thank you, Marilyn!

As I was responding to the request to submit an article, and as my fingers were typing the idea for the article, the title typed itself and became the topic of this article. Something old, something new, something challenging and something to pursue. Yes, it's a play on

wedding traditions, but as I said, we've all lived through the ups and downs of relationships, and in our professional lives, we do the same. Allow me to share my comparison, as we navigate health plan compliance in 2022, which includes, of course, something old, something new, something challenging, and something to pursue...

Compliance of a health plan is an employer obligation, not an insurer or broker/consultant obligation, but we feel compelled to assist our employer clients in their journey to provide effective and important employee benefits for their employees and their families. After all, if employees are happy, those in top management of employers are generally happy. Happy clients generally mean happy brokers, so everyone wins!

Of course, it's also important to note that failure to be compliant could result in compliance penalties, not to mention employee complaints, plan participant lawsuits, audits and more. It's also important to note that in today's world of complex mergers and acquisitions, NOT being compliant could disrupt the deal, which affects all parties, and no one wants that.

### **SOMETHING OLD: ERISA AND THE ACA**

As a compliance geek, I really can't start a compliance article without starting with ERISA — something old — it's been around since 1974, but it is still applicable and guides much of what we do for our employer clients that sponsor health plans. It is, in many ways, the Health Plan Bible.

The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that regulates employer-sponsored pension plans and welfare benefit (health) plans, regardless of whether they are fully insured or self-funded. The reporting and disclosure requirements of ERISA are enforced by the Department of Labor (DOL), Employee Benefits Security Administration (EBSA). Although ERISA applies to all group health plans, there are certain types of plans that are exempt, including state and local government plans (regulated by the Public Health Services Act – PHSA), church plans, workers' compensation, and plans maintained outside of the U.S. for non-resident

aliens. Voluntary Benefit Plans that satisfy the DOL "voluntary" safe harbor are also exempt.

### **ERISA PREEMPTS STATE LAWS**

regulating covered health plans, with the exception of state insurance laws. California insurance laws continue to apply to fully insured plans and HMOs, but self-funded health plans are regulated by ERISA and not state laws.

The types of Employee Welfare Benefit Plans for which ERISA applies includes health, dental, vision, health FSAs, HRAs, short-term disability, long-term disability, life insurance, accidental death and dismemberment coverage, pre-paid legal plans, some EAP programs and some wellness programs.

### **ERISA COMPLIANCE**

ERISA requires a series of disclosures, including a Plan Document, a Summary Plan Description (SPD), an SBC (which came from the ACA requirements) and a series of plan participant notices. In addition, a Form 5500 filing is required for plans with 100 or more participants (more information later in this article).

ERISA states that "every employee benefit plan shall be established and maintained pursuant to a written instrument," a legal document that governs the plan, or the Plan Document (not to be confused with a Summary Plan Description, which I will discuss next).

### **PLAN DOCUMENT**

The Plan Document must contain certain terms required by ERISA; items that are most commonly not included in the insurer's documents, such as a Certificate of Coverage or Evidence of Coverage (EOC). This document is allowed to be written in "the language of lawyers," although, as someone who has written many, many plan documents, I tend to write them in more plain language (similar to the SPD). However, if the plan wants to get technical and include attorney verbiage, this is the document where that should be placed, as this is the legal instrument for the plan.

Unlike the SPD, the Plan Document is not meant for distribution to plan participants, but it must be provided upon request within 30 days of such

request, or pay a penalty. Unlike the 5500 form, the plan document does not have a small plan exemption. Therefore, all private sector employer group plans must have a Plan Document.

In the event of an audit, the Plan Document is generally number 1 or 2 on the documentation list from the DOL.

The Plan Document must contain the following:

- Name of the plan fiduciary(ies)
- A procedure for establishing and carrying out a funding policy and method consistent with the objectives of the plan and the requirements of ERISA
- A description of any procedure under the plan for the allocation of responsibilities for the operation and administration of the plan, including any procedure for allocating or delegating fiduciary responsibilities
- A procedure for amending the plan, and for identifying the person who has authority to amend the plan
- The basis on which payments are made to and from the plan

### **SUMMARY PLAN DESCRIPTION (SPD)**

The Summary Plan Description, or SPD, is the primary method of communicating the plan terms to the plan participants. Unlike the Plan Document, this should be written in a manner that is calculated to be understood by the average plan participant, with an objective of “clear, simple communication.”

The SPD is required to comply with content regulations, style and format regulations, and foreign language regulations. It must be distributed in a manner that is “reasonably calculated to ensure actual receipt,” whether that is in-person, by mail, or distributed electronically.

The SPD must include a comprehensive list of terms and provisions that are required, including the plan name, plan number, eligibility provisions, contribution information, funding sources and other content requirements. Required notices must also be included in the SPD. It’s important to note that there is guidance on this available on the DOL website:

“Self-Compliance Tool for Part 7 of ERISA: Health Care Provisions.” If you’re involved in a DOL audit, they will look for the items described in this compliance tool, and the 5500 first (5500 if over 100 plan participants). You need to be sure to compare the language across all ERISA-required documents, and be sure that the language is clear and consistent. This includes the Plan Document, Summary Plan Description and Evidence of Coverage from carriers.

Again, the method of presentation for the SPD shall be that it is written in a manner to be understood by the plan participants and sufficiently accurate and comprehensive to reasonably notify plan participants and beneficiaries of their rights and obligations under the plan. The format must not have the effect of misleading, misinforming or failing to inform the plan participants or beneficiaries.

### **WRAP DOCUMENTS**

Because ERISA requires a legal Plan Document and most fully insured carriers do not issue Plan Documents; they instead issue a Certificate of Coverage or Evidence of Coverage (EOC), plan sponsors can use the “wrap” method to supply the terms and provisions required by ERISA but not necessarily included in the Certificate of Coverage or EOC. You can use a “wrap” method for both the Plan Document and the SPD. Basically, you create a Wrap Document, which includes the ERISA-required items, and attach the insured carrier’s Certificate of Coverage, EOC or other documentation, as a part of the Wrap Around Document. You can also “wrap” multiple fully insured plans/policies into one single Wrap Plan Document, so that the plan sponsor can have one legal plan, rather than several. For example, if a plan sponsor offers 2 medical plans from 2 carriers, a fully insured dental plan, and a vision plan, you can create a “Wrap Document” which has all of the ERISA requirements, and attach all noted/ documented “plans” into the one Wrap Document. This method will reduce the number of 5500’s that need filing, etc. (one plan means one 5500 filing, rather than one for each plan). If you’re wrapping one or more medical, dental, and vision plans, you can include

the medical EOC(s), the SBC, the dental EOC(s), the vision EOC(s), and incorporate any contribution information schedule, any benefit summaries, all of your annual notices required, etc. into the one Wrap Document.

Keep in mind, if the plan sponsor/ employer is an ACA Applicable Large Employer (ALE), you can also incorporate the description of hours worked, the full-time status determination or 4980H measurement period methodology, the dependent eligibility, waiting periods, and coverage during leave terms into the Wrap Document.

### **SUMMARY OF BENEFITS AND COVERAGE**

Most employers and brokers are now very familiar with the Summary of Benefits & Coverage, or SBC requirements. It’s a simple, concise explanation of benefits and is very prescriptive and recognizable (primarily due to its blue and black color combo). All plans must be laid out in the same way for easy plan comparisons by the plan participants. They should be able to glance quickly at multiple SBCs, and since the benefits included are the same on each page, in the same order, it is easy to compare plans. That is the idea behind an SBC. They are required only for medical coverage, and not for stand alone dental, vision, or other benefits.

Plan sponsors/plans must provide the SBC to all participants and all beneficiaries. In fully insured plans, the carrier will prepare the SBCs. In a self-funded plan, the plan administrator (the plan sponsor employer) must prepare them, or contract with someone to do them on the plan’s behalf. As a self-funded plan consultant, I have prepared SBCs for my clients since their first requirement date.

An important quick fact about the SBC is that they are the major line of defense if the state or federal marketplace sends a letter to the plan sponsor regarding a Marketplace Appeal, where they state that a plan participant has received a subsidized health plan under the state or federal Marketplace (such as Covered California) which may not have been appropriate. The SBC states if the plan meets the ACA Minimum Value

provisions (MV) and Minimum Essential Coverage (MEC) provisions. These can be found on page 4 of a standard 5-page SBC (note that self-funded plans may be more than 5 pages due to the complexity of their custom-designed health plan so page numbers may vary). I've seen instances where penalties were proposed simply because the SBC preparer did not say "YES" to those two items on the SBC. A "No" or leaving this area blank may automatically trigger a compliance penalty for the plan sponsor. If a plan should receive a Marketplace Appeal letter from a state or federal exchange, they should be prepared to submit a copy of the SBC to see that the plan or plans offered Minimum Value and Minimum Essential Coverage and therefore, in most cases, the plan participant, if offered coverage in the group health plan, would not be eligible for a subsidy.

The SBC must be provided in a "culturally and linguistically appropriate manner." It's important to note that new templates were issued for plan years starting on or after January 1, 2021, so if your client's SBCs have not been updated in the past year, there is a good chance they are out of compliance with the new templates and requirements. The penalty for failure to provide an SBC in the required format is \$1,264/failure.

### **AMENDMENTS TO THE PLAN**

In the event of an amendment to the plan, a Summary of Material Modification (SMM) must be provided in the event of any material modification to the plan, and any change to the information required by ERISA or the SPD content regulations. You must distribute an SMM no later than 120 days after the close of the plan year in which modifications or changes were adopted. It is always recommended that you get the SMMs out sooner rather than later. However, they are not needed if a new SPD is provided within that 120 days after the close of the plan year.

A Summary of Material Reduction (SMR) is required within 60 days of the adoption of a material reduction in covered services or benefits. The SMR applies only to group health plans. Again, like the SMM, the notice is not required if a new or restated SPD is

provided. However, if the modification occurs mid-year, the plan sponsor must provide an SMR 60 days in advance of the plan modification (assuming it is a reduction in coverage).

One thing attorneys will advise plan sponsors of is to not have a great number of plan amendments which plan participants must keep track of. When your number of plan amendments starts to grow (I've seen a rule of thumb of 6 or more amendments, but some may go as high as ten — I suggest seeking the advice of legal counsel if you have more than 6), you should instead restate the Plan Document and Summary Plan Description, or at least the SPD, as that is what the plan participants see.

### **MANDATORY NOTICES & OPEN**

Enrollment Checklist of Materials

Each Plan should have:

- an SPD, which could include a wrap SPD, the EOCs of each carrier, the SMMs, SMRs, eligibility provisions, waiting period provisions, contribution schedule for plan participants, and all other materials that are incorporated into the Wrap
- Summary of Benefits & Coverage (SBC) for the health plan
- Women's Health & Cancer Rights Act notice
- Newborns' and Mothers' Health Protection Act notice
- HIPAA Notice of Special Enrollment Rights
- Michelle's Law Notice
- Medicare Part D Creditable Coverage Notice
- CHIP Notice
- Cafeteria Election Form (if applicable)
- HIPAA & ADA Wellness Notice (if applicable)
- Grandfathered Plan Notice (if applicable)
- Notice or Patient Protections (if applicable — due to the CAA — now applies to grandfathered plans)

Other items to be sure you have available are a HIPAA Notices of Privacy Practices, which are required if the plan is self-funded every three years, so the plan sponsor needs a way to track when

the notices were provided, to be sure they are being distributed with Open Enrollment packets every three years, or when a change occurs to the privacy practices which affect the Notice.

The same items described above should apply to New Hire Packets; in a new hire packet, the plan participant should receive a HIPAA Notice of Privacy Practices, and the 3-year requirement will begin with that new hire date for that individual, but the plan sponsor can blend the new hire into the group's 3-year time-frame after the initial notice. New hire packets should also include an initial COBRA Notice (general notice).

### **REQUIRED EMPLOYER COMMUNICATIONS**

Plan sponsor employers are required to distribute the documents described above when prepared. ERISA has distribution rules for employees for the SPD, SBC and mandatory notices, using authorized methods of distribution.

ERISA requires a method reasonably calculated to ensure actual receipt of the materials. You cannot simply leave a stack of SPDs and SBCs in the break room for employees to pick up. Employer Plan Sponsors must target their audience and determine the best way to distribute that particular population of the workforce. For example, those who sit at desks in the office may be distributed electronically, where those working remotely or teleworking, on leave, on vacation, outside sales reps, those enrolled in COBRA coverage, etc. would need to perhaps have an alternate means of distribution. Sales reps, for example, may be determined to have ample access to computers, so may qualify for electronic distribution, where warehouse or yard employees, those on construction sites, etc. may need to have the materials mailed to their homes.

Employers must also identify those with foreign language needs.

### **ELECTRONIC DISTRIBUTION RULES**

The electronic distribution rules were written in 2002, and therefore may not reflect the current usage of employers, particularly since COVID-19 forced many workers to work remotely, where they historically have been in the

office. However, since no revised rules have been released, we must use the old rules and modify when applicable to meet the general intent of the law.

Employees who have frequent and continual access to the employer's electronic information system which is an integral part of their duties are not required to provide the employer with written consent to provide materials electronically (although many employers gain authorization anyway to protect themselves). Those employees that are out in the field, work on construction sites, etc., or those with language barriers or without the financial means to have access to electronic documents will need to provide the employer with a formal authorization to receive information electronically; but if they do this, the employer must make alternative electronic devices available to them, such as work stations or kiosks. If they do use this method, however, the Plan Sponsor should follow the rules to ensure receipt, such as using a return-receipt, conduct periodic surveys or reviews to confirm receipt, etc. Many employers require employees to login to a payroll company's website to enter their hour tracking information in order to get paid. If that is the case, the employer would be allowed to provide the electronic documents within that payroll system, but they should set up a receipt verification within the software, so that the employee has to verify receipt of the materials. In addition, if these alternate methods are used, employers should furnish a paper copy of all materials upon request, at no charge to the employee or plan participant.

## **ERISA REPORTING REQUIREMENTS**

**Form 5500:** The plan administrator of an ERISA plan must file an "annual report" known as the Form 5500. This requirement applies to plan sponsors with 100 or more plan participants at the beginning of the plan year. There is a small plan exception for the Form 5500 for plans with fewer than 100 participants. This small plan exception applies only to the Form 5500 and not to other ERISA mandates. The form 5500 is due by the last day of the 7th month after the end of the plan year; therefore, January 1 plan years must file by July 31.

**How many form 5500s need to be filed depends on the number of ERISA plans the plan sponsor has.** As discussed above under Wrap Documents, if the plan sponsor "wraps" multiple plans into one plan, then they need only file one Form 5500. Plan sponsors must be cautious so that they do not duplicate plan numbers. The first ERISA plan established should be numbered Plan Number 501. This could have occurred with a pension plan, however, so be sure to check all other ERISA plans, whether a medical, dental, vision, or retirement plan to verify that you're not duplicating plan number 501. Other plans can be numbered 502, 503 and so on.

In the event of an audit, one of the first two items that the auditors will look at is the Form 5500. The Plan Document is the other most requested document (either are one or two on the list).

Failure to file a Form 5500 could result in a penalty of \$2,400/day for failure to file a timely filing. In the event that a Form 5500 was not filed in any plan year, the plan sponsor should look for the opportunity to file under a Delinquent Filer Voluntary Compliance Program window (DFVCP). Note that Form 5500 EZ or Form 5500-SF are not eligible to file under the DFVCP.

For more information on the DFVCP, you can refer to the Fact Sheet at: <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/faqs/dfvcp.pdf>.

There is also a requirement for a Summary Annual Report (SAR). The SAR, unlike the 5500, must be distributed to the plan participants within 9 months after the plan year ends (or for a January 1 plan year, by September 30). The SAR is a narrative summary of the financial information contained in the Form 5500.

Information that should be contained in the SAR include plan funding and insurance information, basic financial information, the rights to additional information, and the offer of assistance in a non-English language.

A template of the SAR can be found at 29 CFR Section 2520-104b-10.

## **OPERATIONAL COMPLIANCE**

The plan administrator is obligated to administer the plan in accordance with the plan terms. There is a fiduciary

obligation when sponsoring an ERISA plan, which uses the "Prudent Man Rule." Simply stated, the Prudent Man Rule requires that the fiduciaries act in the best interest of the plan participants, and should act as any other prudent person would, given similar circumstances. Plan assets can only be used for the benefit of plan participants and beneficiaries to offset certain plan expenses. There are Prohibited Transactions under ERISA; fiduciaries must identify "parties in interest" and transactions with them and ensure that any such transactions are compliant with ERISA.

Plans cannot discriminate among plan participants and beneficiaries. Failure to do so could result in the loss of stop loss coverage for self-funded plans, and could result in an employee complaint, and possible subsequent audit or litigation. In addition, fiduciaries must identify all service providers, determine if they are Business Associates under HIPAA Privacy Rules, and if so, execute a BA Agreement. Service providers must be monitored and audited, as appropriate, and all compensation paid must be reasonable according to standard benchmarks. All contracts should be reviewed to ensure that the plan's interests are protected.

## **FOREIGN LANGUAGE REQUIREMENTS**

Certain documents require foreign language assistance for non-English speaking participants. The SPD requires a notice explaining that assistance is available in the common non-English language. The determination is made based on the employer's workforce, providing notice if the plan covers fewer than 100 participants at the beginning of the plan year and 25% or more are literate in the same non-English language, or the plan covers more than 100 participants at the beginning of the plan year, and the lessor of 500 or 10% or more are literate only in the same non-English language. The SPD does not have to be translated to that language; only the notice does.

Assistance must be calculated to provide participants a reasonable opportunity to become informed of their rights and obligations under the plan.

The SBC must be provided in a

“culturally and linguistically appropriate manner.” SBCs must include a notice within the SBC that a translated version of the SBC is available. Plan sponsors must then provide the translated SBC upon request. In my experience, it’s just easier to have the SBC translated at each renewal, and include both English and Spanish in open enrollment packets with a high Hispanic population. In Northern California, however, you may need to translate to Chinese or another language, depending on the population in that region. If the plan is self-funded, the plan sponsor is required to translate the SBC.

The determination of the population is based on the population within the county that the employer is located in; not the employee census.

The Plan Document does not need to be translated, and no notice is required.

## **SOMETHING OLD — THE AFFORDABLE CARE ACT**

The other “something old” is the Affordable Care Act. That may not seem that old to some, but it was signed into law on March 23, 2010. That’s only 12 years ago, but compared to the “new” items, it is still “old.”

The ACA has requirements for Applicable Large Employers (ALEs) with 50 or more calculated full-time employees. If the employer is an ALE, they must provide minimum essential coverage that offers minimum value, as defined by the ACA, or pay a penalty. The ACA requires ALEs to file forms 1094 and 1095. The complexity of those forms will not be covered in this article due to space limitations. However, I do want to mention that something “new” that has occurred to an “old” requirement is that the Good Faith Penalty Relief for filing incomplete or incorrect forms no longer applies. Employers are required to file the forms correctly now or pay a penalty.

## **FORMS 1094/1095 DEADLINES FOR FEDERAL FORMS FOR 2021 ARE AS FOLLOWS:**

California Minimum Essential Coverage Individual Mandate (SB 78)

Although the federal Tax Cuts and Jobs Act reduced the ACA’s individual shared responsibility penalty to zero, effective 12/31/18 — effective 1/1/20,

Californians must have MEC or pay a penalty to the Franchise Tax Board. Other states with similar mandates include DC, MA, NJ, RI, VT.

SB 78 includes a reporting requirement, and has a \$50 per form penalty for non-compliance. Employers must distribute and file with the FTB federal forms 1094/1095, unless the carrier files them. Therefore, self-funded plans must file these themselves in order to comply. If filing electronically, employers must register their plans with the MEC IR system. Resources that are available are the FTB website, Publications 3895B and 3895C, although those publications have not yet been issued for 2021 forms (as of the date I am writing this article in early February).

**This is Part 1 of this article. Part 2 will appear in the April, 2021 issue.**

**Author’s Note:** I’d like to thank Marilyn Monahan of Monahan Law Office for assisting me with my client seminar/webinar preparation and participation, and therefore her assistance with this article. Marilyn can be reached at (310) 989-0993, or at marilyn@monahanlawoffice.com.



### **DOROTHY COCIU**

*is the president of Advanced Benefit Consulting, Anaheim, CA, and VP, Communications for the California Agents & Health Insurance Professionals (CAHIP, formerly CAHU). She is the host of the Benefits Executive Roundtable Podcast and is a frequent contributor to CalBroker Magazine and other written publications. She is a benefits broker/agent specializing in mid-size and large group health plans, ERISA, ACA, CAA, TiC and other areas of health plan compliance. She is also a frequent CE class instructor for NAHU, CAHIP, its local chapters, SIIA and other professional associations. She can be reached at 1-714-693-9754 x 3, or at [dmcociu@advancedbenefitconsulting.com](mailto:dmcociu@advancedbenefitconsulting.com).*

## **REFERENCES & RESOURCES:**

**ERISA Resources:** U.S. Department of Labor, Employee Benefits Security Administration (EBSA):

- Reporting and Disclosure Guide for Employee Benefit Plans
- Compliance Assistance Guide: Health Benefits Coverage under Federal Law, including Self-Compliance Tool for Part 7 of ERISA: Health Care-Related Provisions
- Understanding Your Fiduciary Responsibilities under a Group Health Plan
- An Employer’s Guide to Group Health Continuation Coverage under COBRA
- J. Hanley, Deskless Yet Informed, Benefits Quarterly (4th Quarter 2019) DOL Voluntary Delinquent 5500 filing - DFVCP Fact Sheet at: <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/faqs/dfvcp.pdf>.


## **CAA RESOURCES:**

1. DOL: Self-Compliance Tool for the Mental Health Parity and Addiction Equity Act (MHPAEA): <https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/laws-mental-health-parity/self-compliance-tool.pdf>

2. DOL: Understanding Your Fiduciary Responsibilities under a Group Health Plan: <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/understanding-your-fiduciary-responsibilities-under-a-group-health-plan.pdf>

**3. CMS: WEBSITE ON SURPRISE BILLING:** <https://www.cms.gov/nosurprises>

4. CMS: Model Disclosure Notice Regarding Patient Protections Against Surprise Billing: <https://www.cms.gov/files/document/model-disclosure-notice-patient-protections-against-surprise-billing-providers-facilities-health.pdf>

5. CMS: Federal portal where providers and plans will submit their payment disputes: <https://www.cms.gov/nosurprises/consumer-protections/Payment-disagreements>. 

# Why You Want to Speak With a Client About Life Insurance Settlements — and, How to Do It

BY LISA REHBURG

“I don’t know a lot about life insurance.” “I don’t sell life insurance.” “I am not a life insurance expert.” These are all phrases I have heard when I speak with agents about life insurance settlements (or life settlements, for short). The good news is you don’t need to know a lot about life insurance or even sell life insurance to help your clients. But, why would you want to bring up life settlements in the first place? The short answer is three-fold:

- 1) because life settlements can be beneficial for your clients — any of your clients
- 2) they can be good for your business as a revenue opportunity
- 3) there are investor groups who are spending heavily on advertising to obtain policies directly from your clients.

Every year, 500,000 seniors will lapse their life insurance policies, walking away with nothing. These could be your clients or potential clients. You do not need to be the writing agent on your client’s life insurance policy in order to help them! First, let’s talk about the different types of clients you may have:

**Medicare clients:** If you focus on Medicare, or have Medicare clients, these are perfect opportunities — you are speaking with the right demographic. Typically, life settlements work best for seniors. Why? The investor groups who purchase life insurance policies are looking for clients with 10-15 years of life expectancy, or less. Seniors are the perfect demographic for Medicare — and for life settlements. Many times, we find that the reason a client purchased the policy 15, 20, 25 or longer years ago is no longer a concern. The house is paid off, the kids are gone, income replacement is no longer an issue after retirement, policy premiums are too expensive, a spouse has

passed away — are all common reasons why seniors no longer want their policies.

**Small Group clients:** If you focus on writing small group plans, life settlements may still apply. How? If you have a business owner who is retiring or selling the business, they may no longer need the “key person” insurance. What about policies that are part of a buy/sell agreement that are no longer needed? Another opportunity. Your group client may have retirees on staff that may no longer need their policies. Letting your group clients know about life settlements can be another way to serve them.

**Individual health insurance clients:** As mentioned above, typically seniors are the appropriate demographic for life settlements. But, life settlements are not just available for seniors. The older a client is, the healthier they can be to qualify for a life settlement because they naturally fit into the 10-15 year life expectancy window. Life settlements can be of benefit for younger clients (we routinely work with clients in their 50’s), but they have more significant health impairments to fit into the life expectancy window. The bottom line is that your younger individual health insurance clients may still be able to benefit from a life settlement, so don’t rule out talking with them. And, even if they may not qualify because they are healthy, they may have parents, grandparents or other family members who may benefit — and you can help them.

**Long Term Care insurance clients:** Have you ever had a client be declined for long term care insurance? Perhaps, they already have significant health issues, and cannot qualify in underwriting. Instead of walking away from this client with no commission, offer a life settlement as an option, especially if they are looking for ways to fund long term care needs. They benefit

and you benefit from receiving a commission for the settlement.

**Property & Casualty clients:** If you write auto, homeowners, Workers Comp, etc., these clients are seniors, business owners, and children who need help with their parents or family members, just as written about above.

**Life insurance clients:** Look for clients who are coming to the end of the conversion deadlines on their policies. Most clients will most likely walk away from their policies because they do not want to pay the higher conversion premiums. Selling the policy gets them something for their years of payments, versus nothing when they walk away from it. If they do wish to convert part of the policy, look at selling the balance of the policy. Clients who have universal life policies that are becoming too expensive or are “blowing up” are prime candidates for life settlements. On average, life settlements generate 3-5 times cash surrender value for clients, so any time a client is looking to surrender their policy, consider a life settlement.

## **SECOND, LIFE SETTLEMENTS CAN BE GOOD FOR YOUR BUSINESS.**

So, how do you talk to clients about life settlements? Think about a client’s life insurance policy as another asset, like their car or house, because it is. And as with any asset, it can be sold. If you do annual reviews with your clients, asking about their life insurance policy is a natural question. Other appropriate times to bring up life settlements with clients include when you know their life circumstances have changed, such as:

- losing a spouse (they may not need their life insurance policy any longer)
- when a client retires (the policy premium may not fit into their retirement budget)
- when they are thinking of canceling or surrendering their life insurance policy
- when they needed funds to pay for assisted living, memory care or home care for themselves, their spouse or their family member.

These can be common conversations that you may be having with clients.

In addition, proactively raising visibility in your book of business can bring rewards. Informational emails, an article in your monthly newsletter, speaking at your networking group or Chamber of Commerce are all good ways to let clients and potential clients know that

you have a solution for their unwanted, unneeded or unaffordable life insurance policies. One Medicare agent I know sent a brief postcard to his clients, which resulted in a dozen inquiries, and several sales.

Lastly, there are investor groups who are advertising directly to your clients. Why let them? When your client contacts one of these entities, not only are they going around you, but they are trying to obtain the policy as inexpensively as possible. When you go to buy a car, are you trying to pay the most money for that car that you can? Of course not. It is the same thing when your client contacts an investor group directly. And, clients do not know how much their policy is worth, so they under-sell them. By working with you, and a good life settlements broker, you maximize the amount of money your client receives for their policy. In a way, you are fulfilling your fiduciary duty to your client.

The beautiful thing about life settlements is that they are win-win for your client, and for you. Your client receives money from selling an asset they didn’t know they had — an asset that they were going to walk away from with little or nothing. You win because there is a commission opportunity for you for the settlement itself, but also in the opportunity for additional product sales such as annuities, now that your client has a lump sum of cash in their hands from the sale.

Life settlements are not right for all clients, nor should they be. But, when the fit is right, settlements are one more way you can serve your clients — any type of client. If you aren’t talking about life settlements to your clients or potential clients, someone else may be. **CB**



**LISA REBURG** is president of *Rehburg Life Settlements*, a life insurance settlements broker. *Rehburg is energized by helping brokers and their clients benefit from unwanted or unneeded life insurance policies. By having access to many investor groups, Rehburg Life Insurance Settlements can place more policies and realize a better return for clients. Rehburg has been working with brokers in the health and life insurance industries for over 30 years.*

She can be reached at (714) 349-7981, [lrehburg@aol.com](mailto:lrehburg@aol.com) or [www.rehburglifeselements.com](http://www.rehburglifeselements.com)

# The 3 C's of Inclusive Client Relationships:

BY DR. DARALEE BARBERA

*Community,  
Connectivity and  
Communication*



**T**hese can be challenging times for financial advisors and clients. Inclusive relationships are what we need today, more than ever. The pandemic has shown us many things, but one thing that has been reinforced is that who someone is as an individual matters a lot and has an increased visibility. How people self-identify matters, that most people want to be included and contribute to the solutions for themselves and others matters. Inclusive financial advisor leadership creates an inclusive environment for clients and connects the dots of growth, motivation, and client longevity today, even with the pandemic.

## The 3 C's

There are 3 things that make an inclusive environment:

- Connectivity happens through Inclusion
- Inclusion through creating Community
- Inclusion through excellent Communication.

These 3 C's are our answer for leading ourselves and others during these challenging times. The 3 C's are why clients will be attracted to an advisor, why they will stay with them, and in the absence of the 3 C's, are why they will leave.

How do advisors lead inclusively when they are so often physically disconnected from the client?

## Community

Inclusive advisors build their community, paying attention with deliberateness to the design of their "community" look and feel. People like to belong, and they seek community. Community is interconnectedness, a belonging, a shared ownership, and responsibility. Communities were traditionally defined by geography, but today the power of community extends our geography beyond a neighborhood or physical border. Shared beliefs, cultures, values, causes and skills can define community. Today advisors can virtually connect into homes and personal spaces, like never before, instantly belonging. Technology has allowed advisors access into communities that they were previously not a part of or even nearby. Many clients will follow advisors for the community that their leadership promotes. Community is where clients connect.

## Connection

Connectivity is engagement fostered by community. Building connection and community before the pandemic, more often than not, equated to seeing clients in person. Client meetings at regular intervals are a best practice, and a fair generalization was that a good number of those client meetings were face-to-face.

Group events, whether in the form of client appreciation events, charitable activities, or educational workshops and seminars, were common. Importantly, whether a Padres or Ducks game, or a class on educational funding or the economy, clients were invited to these special client events. They felt included, and they belonged to the advisor's community, hence fostering inclusive relationships. Times change rapidly and today it is much more complicated for advisors to host events and for clients to easily show up.

Although there are still obstacles that continue to interfere with the navigation of in-person client contact, meetings are still a powerful tool for the inclusive advisor. Whether meetings are one-on-one, in a group, in person, or on apps such as Facetime, Zoom, Facebook Messenger, or WhatsApp, advisors are surrounded by client engagement opportunities. Interconnectedness, whether in the same space or not, deepens client relationships that are nurtured by inclusive advisors who are excellent connectors and communicators.

## Communication

Communication is the key tool for connection and community. Effective communication is engaging and is foundational for client relationships. Communication takes deliberateness to do it well, is not always easy, and it can result in unintended messaging if we are not careful. Communication can be complicated but getting communication right is a prerequisite skill for inclusive relationships, whether business or personal. Excellent communication skills facilitate inclusion and enable advisors to be better resources, educators, motivators, and better equipped to express their commitment and care for their clients.

Communication can move quite fast, often like the volley of a tennis ball. If we could freeze-frame a moment of communication, we would see three main components: the sender, the message, and the receiver. Perhaps an oversimplification, but we have communication when a sender sends a message and when a receiver catches the message. Inclusive advisors have excellent skills in all three of those components.

## Five Top Tips

These three core components of communication seem simple to identify but are not always simple to do. Here are five helpful tips for advisors that will help build enduring client relationships:

First, if you are the sender, these considerations can impact your inclusiveness:

1. What is your body language saying?
2. How is your voice cadence and volume?
3. Do you tell stories, and are your word choices deliberate?
4. Do you Mirror your audience?
5. How are your confidence and credibility?

Secondly, if you are the receiver, the best thing you can do for client inclusion is to be an excellent listener. Some listening tips are:

- Listen intently.
- Ask open-ended questions like, "Tell me more."
- Reflect, verify and clarify that you received their message as they intended it
- When you ask a question, wait for their answer. Don't answer for them.
- Have you helped the speaker/ sender to feel heard and understood?

Lastly, what should you consider about the message to be inclusive?


Is the message clear and concise?

- Does the content resonate with the audience? Is the message relevant?
- Are there any barriers impacting the reception of the message? Is it poor timing? Could the intent be misunderstood?
- How are you sending the message? What medium is best to use, given the context of the setting? Are you describing with pictures and graphs, or are you using words? Should the message be delivered in person, on a call, with a text, an email, or via social media?

People do not all learn the same way. Particularly in this remote era, inclusive advisors benefit by tailoring their messaging to the needs of the

receiver. People utilize combinations of different learning styles and modalities, such as visual, auditory and kinesthetic, to name a few. A good approach is to use a variety of communication methods. For example, a proposal might be presented to the client verbally, accompanied by data and graphics, along with a brochure. This provides the client with more than one way to receive and process the message to optimize their opportunities for understanding.

Additionally, communication is "experienced." How communication makes us feel can stick with us longer than the intended message of facts and data. Sensitivity to the three communication components can enhance the experience for sender and receiver, thus increasing the message's chances for successful delivery.

Today, client leadership calls for inclusive leadership, grounded in the 3 C's of Community, Connectivity and Communication. With remote times like these, feelings count more than ever, and feeling like we belong makes the difference. Inclusive advisors create inclusive communities on purpose, with and for their clients, even if distanced. When we feel included, we feel connected; we feel a part of the community, no matter where we are. Inclusive advisors connect the dots for their clients, particularly in times of uncertainty. 

### DR. DARALEE BARBERA, EdD MEd



CFP CLF ChFC  
CMFC CPMBC, has over three decades of professional experience in financial planning, is an author, a graduate-level

professor at The American College and California Lutheran University, a certified master business coach, and an international speaker. She is co-principal and president of Diversified Professional Coaching (DPC), a coaching consortium serving the financial services and business community. Barbera recently presented at NAIFA Will G. Farrell Awards.

Visit [www.divprocoach.com](http://www.divprocoach.com).

Reach Dr. Barbera at [daralee@divprocoach.com](mailto:daralee@divprocoach.com).

## ad index

**2**

**Brand New Day**  
bndhmo.com/brokers  
866-255-4795

**3**

**CaliforniaChoice**  
calchoice.com  
800-542-4218

**5**

**Petersen International Underwriters**  
piu.or piu@piu.org  
800-345-8816

**7**

**Pinnacle**  
866-930-PCMI  
www.pinnacleTPA.com

**9**

**Covered California**  
coveredca.com/forsmallbusiness  
844-332-8384

**10**

**Integrity Advisors**  
**Broker Consulting Division**  
**Phil Calhoun MBA**  
phil@commission.solutions  
800-500-9799

**11**

**BenefitMall**  
benefitmall.com  
800-350-0500

**15**

**CAHU**  
**California Association of Health**  
**Underwriters**  
WLS@cahu.org

**47**

**United Healthcare**  
uhc.com/casave

**48**

**Word & Brown**  
WordandBrown.com  
(Northern CA) 800-255-9673  
(Los Angeles) 800-560-5614  
(Inland Empire) 877-225-0988  
(Orange) 800-869-6989  
(San Diego) 800-397-3381

## classifieds

**PAYING TOP DOLLAR  
FOR  
BOOKS OF BUSINESS**

**We Don't Just  
Buy Them  
We Service Them**



Contact George At:  
George@Geldin.com  
**877-789-5831**

### *Classified Ads*



Please contact  
**Thora Madden**  
**818-370-1706**  
Thora@calbrokermag.com

**"TOP \$\$\$ PAID"**

**ARE YOU  
SELLING?**

**MEDICARE BOOK**

**Call Kevin:  
Save-on Insurance  
1(888)-613-2626**

**36 Years Experience**

# OPPORTUNITIES

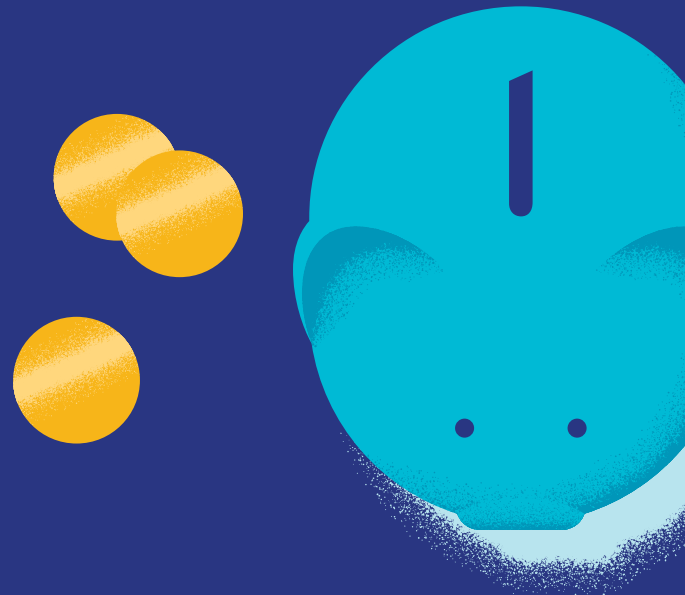
**We're looking for an extraordinary advertising salesperson to  
join our team. Send your resume and cover letter to  
[publisher@calbrokermag.com](mailto:publisher@calbrokermag.com).**



# \$13,390\* health plan refund for your business?

## Now, that's refreshing.

A health plan refund is possible with **UnitedHealthcare Level Funded health plans**—now available in California. Level Funded is based only on your plan participants. So if their medical claims are lower than expected, your health plan may get a surplus refund at year-end. New UnitedHealthcare Level Funded health plans: all part of our commitment to health care for your life.



Contact your **UnitedHealthcare representative** for details or visit [uhc.com/casave](https://uhc.com/casave)



### More savings

Exemption from many Affordable Care Act regulations and state premium taxes



### More flexibility

A variety of plan designs, including wellness programs and telemedicine at no additional cost to plan participants



### More stability

Fixed monthly plan costs and safeguards to help protect your plan from unexpected high claims

\*Yep, that's a real number. Among the 67% of UnitedHealthcare's Level Funded California business customers who received a refund in 2021, the average refund was \$13,390. UnitedHealthcare internal reconciliation analysis, Jan. 1, 2021 through Dec. 31, 2021. 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 state law.

Administrative services provided by United HealthCare Services, Inc. or their affiliates, and UnitedHealthcare Service LLC in NY. Stop-loss insurance is underwritten by All Savers Insurance Company (except CA, MA, MN, NJ and NY), UnitedHealthcare Insurance Company in MA and MN, UnitedHealthcare Life Insurance Company in NJ, UnitedHealthcare Insurance Company of New York in NY, and All Savers Life Insurance Company of California in CA.





## REDEFINE COMMUTE.

### We make it possible.

Have you thought about reevaluating how you work? Balancing business with more of what you love. We make it possible. We're changing what you can expect from your General Agency.

More than just a quote, we're a partner that understands where you're going, in business and in life. A partner that appreciates you and cares about your success.

Together, let us redefine commute.

[wordandbrown.com](http://wordandbrown.com)

**Word&Brown.**