

# CALIFORNIA BROKER

VOLUME 37, NUMBER 12

SERVING CALIFORNIA'S LIFE/HEALTH PROFESSIONALS FINANCIAL PLANNERS

SEPTEMBER 2019

## SELLING HEALTHCARE TO THE **HISPANIC** MARKET

### ***PLUS:***

- Medicare Insider
- A History of Commissions
- Life Insurance
- Insurtech...and more!





brand new day

HEALTHCARE YOU CAN FEEL GOOD ABOUT

# AEP IS JUST AROUND THE CORNER!

**Broker certification trainings are  
happening now for 2020 enrollment!**

Join the thousands of brokers  
who have discovered the benefits  
of selling **Brand New Day**.

## 2020 BROKER CERTIFICATION COURSES

### SOUTHERN CA

#### IMPERIAL COUNTY

**Sept. 18th**

**11:00 AM & 2:00 PM**

Brand New Day Regional Office  
1405 N. Imperial Ave., Ste. C  
El Centro, CA 92243

#### KERN COUNTY

**Sept. 3rd**

**11:00 AM & 2:00 PM**

Lorene's Ranch House  
6401 Ming Ave.  
Bakersfield, CA 93309

#### LOS ANGELES COUNTY

**Sept. 9th**

**11:00 AM & 2:00 PM**

Public School Restaurant  
15300 Ventura Blvd., Ste. 102G  
Sherman Oaks, CA 91403

#### ORANGE COUNTY AREA

**Sept. 16th & Sept. 24th**

**10:00 AM & 1:00 PM**

The Grand  
4101 E. Willow St.  
Long Beach, CA 90815

#### RIVERSIDE COUNTY

**Sept. 23rd**

**10:00 AM & 1:00 PM**

Hampton Inn  
4250 Riverwalk Parkway  
Riverside, CA 92505

#### SAN DIEGO COUNTY

**Sept. 11th**

**10:00 AM & 1:00 PM**

Coco's Restaurant  
3444 College Ave.  
San Diego, CA 92115

### NORTHERN/CENTRAL CA

#### FRESNO COUNTY

**Sept. 4th**

**10:00 AM & 1:00 PM**

Doubletree Hotel  
2233 Ventura Street  
Fresno, CA 93721

#### SANTA CLARA COUNTY

**Sept. 18th**

**10:00 AM & 1:00 PM**

Maggiano's Restaurant  
3055 Olin Ave. #1000  
San Jose, CA 95128

#### SAN MATEO COUNTY

**Sept. 19th**

**10:00 AM & 1:00 PM**

Hampton Inn Daly City  
2700 Junipero Serra Blvd.  
Daly City, CA 94015

**Register for an upcoming certification  
training in your area today:**

Call Broker Support at **1-866-255-4795**  
for details and locations.

CHOICE  
Administrators®

# CALIFORNIA DIFFERENT



Each and every one of us is different and, at CHOICE Administrators, we embrace those differences. We offer the freedom to choose from multiple carriers, plan designs, networks, doctors...the list goes on. But at the end of the day, employees make their own choices. Now that's freedom.



CaliforniaChoice®  
Your Health. Your Choice.®



CHOICE BUILDER®

Quote Different

CaliforniaChoice 800.542.4218 calchoice.com | Choice Builder 866.412.9254 choicebuilder.com

## SELLING HEALTHCARE TO THE HISPANIC MARKET



## 8 MEDICARE INSIDER: SURPRISE! MEDICARE PAYS FIRST!

*By Cory Jarbin*

Be aware of important exceptions to the employer pays first rule. Some can jump up and surprise both employees and employers alike.

## 14 AGENT'S VOICE 2020 VISION

*By Naama O. Pozniak*

No, it's not a different planet—it's just life as an insurance agent in California.

## 16 2019 LIFE VIEW FROM THE TOP

Industry pros weigh in on what's happening in the life insurance market featuring Wendy Herndon of Aflac; Pam Jenkins of Colonial and Greg Faux of Guardian

Everyone is a candidate for protection. Find opportunities to educate consumers about their needs and guide them to the right coverage.

## 26 HEALTH

*by Mario Anglada*

Innovative Solutions Emerge for Healthcare Needs of Hispanic Families  
Hispanic people represent nearly 40% of California's population. They also have the highest uninsured rate of any racial or ethnic group within the United States.

## 30 AN EYE-OPENING HISTORY OF COMMISSIONS

*By Phil Calhoun*

Persistent commission payments are the envy of many professionals. Studies show people end up choosing a less than optimal plan when they solely rely on their own judgment, clearly demonstrating that brokers earn these commissions by adding value.

## 34 WELLNESS: CREATE HEALTHIER HAPPIER CLIENTS

*By Pam Jenkins*

How a healthier workforce helps stem the constantly rising costs of healthcare for both your clients and their employees.



FOR **SMALL BUSINESS**

# A PARTNERSHIP THAT PAYS

Bonus Program - Coverage Effective: October 1, 2019 - January 1, 2020

Earn even more for offering your clients California's most comprehensive access to doctors and hospitals offering:



Full Network PPOs\*

- Blue Shield
- Health Net



HMO offerings from\*

- Blue Shield
- CCHP
- Kaiser Permanente
- Sharp Health Plan



Single bill



No carrier participation requirements within program

### Earn extra when you sell new small groups

Group Size (Enrolled Employees)	Incentive Earned
51 - 100	\$ 8,000
26 - 50	\$ 4,000
16 - 25	\$ 2,000
6 - 15	\$ 1,000

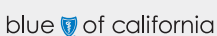
Contact your local Covered California for Small Business sales representative to learn why we're growing and how we can help build your business! An increasing number of agents and their clients are glad they did.

**CoveredCA.com/ForSmallBusiness**  
**844.332.8384**

### Some Key Rules:

- Applies to new Covered California for Small Business (CCSB) groups with initial effective dates of 10/1/19, 11/1/19, 12/1/19, 1/1/20.
- Subscriber count (i.e. enrolled employee count) is determined at time of initial enrollment as counted in CCSB systems and is based on medical subscribers only. No retroactive additions will be eligible for incentive payment. Dependents of enrolled employees are not counted.
- Groups must satisfy standard CCSB binder payment requirements for enrolled employees to count towards incentive program payments.
- Business written through partnering General Agencies qualifies.
- CCSB intends to issue incentive payments 90 days following the effective month of a qualifying group. CCSB may modify its payment schedule at any time.

For a complete list of the program rules go to: [rebrand.ly/AgentIncentive2020](https://rebrand.ly/AgentIncentive2020)



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

# CALIFORNIA BROKER

## SEPTEMBER 2019

### PUBLISHER

Ric Madden  
publisher@calbrokermag.com

### ASSOCIATE PUBLISHER

Naama O. Pozniak  
naama@calbrokermag.com

### EDITOR

Victoria Alexander  
editor@calbrokermag.com

### ART DIRECTOR

Michael Vannatter  
mike@calbrokermag.com

### ASSOCIATE EDITOR/MARKETING

Linda Lalande  
linda@calbrokermag.com

### ASSOCIATE EDITOR

Thora Madden  
thora@calbrokermag.com

### ADVERTISING

Devon Hunter  
devon@calbrokermag.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  
Phone No.: 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.

©2019 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, CA.

## MORE CONTENTS...



### **38** INSURTECH: BALANCING SOFTWARE AND SUCCESS

*By Jamie McIntyre*

Find the best solutions to streamline personal life and business.

### IN EVERY ISSUE

News Etc.....	10
<b>MEDICARE INSIDER.....</b>	<b>8</b>
Classified Advertising.....	46
Ad Index.....	46

### **40** TRAVEL INSURANCE: K&R

*By Rajeev Shrivastava*

Sadly, over the last several years what is termed "express kidnap" has been growing in popularity as criminals are seeing the value in smaller ransoms from multiple victims. Enter K&R insurance.

### **44** CATERING TO MILLENNIALS

*By Jason Walker*

Three keys to new tech for millennials Millennials, Generation Y, Gen Next, Boomerang Generation—no matter what they are called, this group of 20 to 30 years olds want on-demand service whether for shopping, paying bills or conducting insurance transactions. If agents can't provide the customer service they require, they find agents, or insurtechs, that can.

# From north to south, we'll help you through Q4 with your group and individual clients.



CALIFORNIA



- Customized Quotes
- Easier Electronic Enrollments
- A Faster Approval Process
- Client Compliance Assistance
- Medicare and ACA Marketplace Training
- And Much Much More! Call or Email Us Today!



**Dickerson Insurance Services**

*Authorized General Agent* AN ALERA GROUP COMPANY

Connect with Dickerson

(800) 457-6116 • [www.thebrokersga.com](http://www.thebrokersga.com) • [sales@dickerson-group.com](mailto:sales@dickerson-group.com)



1918 Riverside Drive, Los Angeles, CA 90039, USA • 400 Sunrise Avenue Suite 150, Roseville, CA 95661, USA

# Surprise! Medicare Pays First!

By CORY JORBIN

Usually, if an employee has employer health plan coverage and is covered by Medicare, the employer plan pays the claim first. However, there are important exceptions to this rule, and some of them can jump up and surprise both employees and employers alike.

## Medicare Background

Medicare rules typically prohibit employers from taking Medicare into account for employees in “current employment status” or their spouses. This means that, when the employer plan is primary (meaning it pays first), then Medicare will only pay the difference (if any) between what the employer plan paid and what Medicare would usually pay. Typically, Medicare does not pay much, if anything, in that scenario. On the other hand, if Medicare is primary (i.e. pays first), then the reverse applies: the employer plan typically pays the difference between Medicare’s payment and the employer plan’s standard reimbursement.

These rules generally apply to an employer with at least 20 employees that offers a group health plan. For this purpose, “current employment status” includes the obvious, but also includes the following scenarios where the employee is not actively working:

The first six months that the employee is receiving disability benefits from the employer.

If the employee retains reemployment rights and has not been terminated by the employer (if the employer provides the coverage) or has not had his or her union membership terminated (if the union provides the coverage). For this to apply, the employee can’t be on COBRA and the employee also can’t be receiving disability benefits from the employer for more than six months or from Social Security at all. This only typically applies in the union context or to individuals, like teachers, who do not have a 12-month schedule.

The rule does not directly address leaves of absence. However, leaves of absences are addressed in the Medicare Secondary Payer manual released by the Centers for Medicare & Medicaid Services (“CMS”). In Chapter 1, Section 50 of the CMS manual it says that an employee retains reemployment rights (the second bullet above), if the employee takes “an employer-approved temporary leave of absence for any reason.”

Additionally, how these rules play out in practice may vary depending on how the employee or spouse became eligible for Medicare. There are three basic ways for an employee to become eligible for Medicare: Reach 65, Have a Disability, Have End-Stage Renal Disease (“ESRD,” i.e., kidney failure)

## Who Pays First?

Below we walk through some common scenarios involving Medicare and employer plans and we say who pays first and why.

**1.** Employee (age 65+, no disability or ESRD) has coverage and is currently working.

Who pays first? Employer plan.

Why? Employee is in current employment status.

**2.** Former employee (age 65+ or receiving disability-based Medicare, but no ESRD) is on COBRA or has retiree health coverage.

Who pays first? Medicare.

Why? The employee is not in current employment status.

**HUB Note:** COBRA is also not considered “creditable” coverage for Medicare enrollment purposes. That means a retiring employee who is eligible for Medicare, but elects COBRA and does not enroll in Medicare Part B, could have to pay a penalty for the rest of his or her time in Medicare. We discussed this in more detail in an earlier piece.



**3.** Employee (age 65+, no ESRD and not receiving disability-based Medicare) is receiving disability benefits from the employer.

Who pays first? Employer plan for the first six months, but Medicare after that.

Why? The employee is in “current employment status” under the Medicare rules for the first six months of receiving disability benefits from the employer, even though they aren’t actually “working” due to the disability.

**HUB Note:** In some cases, insurance policies automatically pay as if Medicare has been elected, even if the employee hasn’t enrolled in Medicare. This can be a trap for the unwary. Sometimes, employees who are over 65 go out on disability leave and don’t know how long they are going to be out. After 6 months, the employer plan stops paying as primary and the employee is left holding the bag if they haven’t elected Medicare. Employers may want to advise employees on disability leave to keep an eye on the calendar.

**4.** Employee (age 65+, no disability or ESRD) goes on an employer-approved leave of absence (including FMLA and/or state leaves of absence, where applicable).

Who pays first? Employer plan.

Why? Because the leave is employer-approved, the employee is treated as being in “current employment status.”

**HUB Note:** Employers should make sure they have a way to communicate with their insurance carriers or third-party administrators when employees go out on leave. If the carrier or TPA interprets an employee on leave as “terminated,” then the employer’s plan may incorrectly try to pay secondary. This can be particularly confusing if the leave is a disability leave and employers should work with their carriers on how that will be addressed.

**5.** Employee’s spouse is receiving disability-based

Medicare (regardless of age, no ESRD) and employee is working for the employer

Who pays first? The employer plan only if the employer had at least 100 employees on half of its business days in the prior year. Otherwise, Medicare pays first.

Why? This 100-employee rule is an exception to the 20-employee threshold described above.

**6.** Employee’s spouse is receiving Medicare due to ESRD (regardless of age) and Employee is actively working for the employer or is receiving COBRA or retiree health coverage.

Who pays first? The employer plan for the first 30 months; after that, Medicare pays first.

Why? ESRD has its own special rules that require the employer plan to pay first for the initial 30 months, even if the employee is not in “current employment status.”

**HUB Note:** Notice that these special rules apply even to COBRA or retiree coverage.

This is just a sampling of various situations. The conclusion in every instance will turn on the facts involved and the timing. These Medicare secondary payer rules are a complex area that goes well beyond simply figuring out which plan pays first. Employers should consult with experienced counsel in any situation involving these rules. Brokers who take the time to really understand and explain these complexities to their clients prove their true value.

*Cory Jorbin is the Western region global compliance officer for insurance brokerage Hub International’s employee benefits practice. He provides day-to-day compliance support to account teams and clients of all sizes on ERISA, ACA, Cafeteria Plans, HIPAA, FMLA and related matters. Find him on LinkedIn here: <https://www.linkedin.com/in/coryjorbin/>*



## Carl Dickerson Among Honorees at Aflac Breakaway Awards

Aflac recently held its inaugural Breakaway Awards event at Porsche Experience Center in Carson, California. Aflac honored L.A.'s own legendary insurance icon Carl Dickerson. The event also celebrated the Aflac-Dickerson MGA partnership. While there were exhilarating Porsche rides around the track, there was also a little mindfulness. Cal Broker contributing editor Naama O. Pozniak opened the afternoon session with a meditation. In addition, Ease CEO David Reid spoke about the Ease-Dickerson-Aflac collab. Aflac handed out the following awards:

- Fast Start Award: Michael Evans- broker (Diana Miller-Dickerson sales rep)

Two groups established in the last quarter from a new producer

\$25k written in three weeks

- Employer Activator Award: John Andreos - broker (Mike Coscolluela- Dickerson sales rep)

Most employer paid policies established

- Breakaway Award: Shomer Insurance Services - broker (Diana Miller- Dickerson sales rep)

- Legacy Award: Carl Dickerson

The largest multicultural Aflac MGA

23 years of existing Aflac accounts within Dickerson book of business

## OC's Monarch HealthCare Celebrates Big 2-5

Orange County's Monarch Healthcare had reason to celebrate recently. The Southern Cal company turned 25! More than 300 physicians and associates joined Ray Chicoine, president of Monarch HealthCare, to recognize the company's commitment and dedication to patient care.

## TPA Nova 401(k) Selects MassMutual as Retirement Plan Recordkeeper

Nova 401(k) Associates, a third-party administrator looking to enhance its employees' overall financial wellness, announced it has selected MassMutual as the recordkeeper for its \$8.5 million 401(k) plan. The Houston, Texas-based TPA serves retirement plans nationwide and works with a wide range of retirement plan providers. Nova reportedly selected MassMutual because of its demonstrated retirement plan capabilities and MapMyFinances, a financial wellness platform and educational tool introduced earlier this year.

## New Colonial Life Survey Says Human Advice Still Rules

While providing info through digital tools is critical, it looks like it's not really the best way for employers to engage their workers. This is according to a new Colonial Life survey of 1,506 full-time U.S. employees. The survey found just 11% of employees name the Internet as the place they turn to learn about benefits at enrollment season each year. That number falls to just 10% of millennials and 7% of Generation Z workers. Meanwhile, 76% of all employees turn to humans—HR professionals, coworkers, family and friends—for benefits advice. The number of employees who turn to humans for benefits advice is even higher for millennials (83%) and members of Generation Z (91%).

## NAIC Launches Podcast

The National Association of Insurance Commissioners has launched a podcast, "The Regulators." The monthly podcast features interviews with regulators and focuses on issues facing the industry. Topics for season one include: annuity suitability, international governance, and climate risk and resiliency. The inaugural segment features NAIC president and Maine insurance superintendent Eric A. Cioppa who discusses the NAIC's key priorities for 2019, with an emphasis on long-term care insurance (LTCI). Listen and subscribe to "The Regulators" on Spreaker and Spotify.

## Sutter Health/Aetna to Provide CVT EPOs

Sutter Health | Aetna announced it has entered into an agreement with California's Valued Trust (CVT) to provide five Exclusive Provider Organization (EPO) plans. All plans focus on delivering to the education community comprehensive coverage for care, an integrated member experience and easy-to-access options. Each plan will also include CVS Caremark prescription coverage. CVT is a statewide PPO Trust that specializes in providing health-care benefit plans for the education sector. It represents more than 162,000 members with over 235 K-14 school districts, community colleges and county education offices throughout the state.

## Nat Gen Offers Medicare Supplement

National General announced it will now offer Medicare Supplement plans in California. Plans A, F, FHD, G and N are currently available. Features include streamlined writing with easy-to-use online tools; quick issuance with automated underwriting; hands on support as well as competitive commissions and incentives. For more information contact Kellie Bernell at 805-341-7843 or Kellie.Bernell@ngic.com

## BCS Financial Launches EssentialCare Accident and Critical Illness Products

BCS Financial, a national insurance organization owned by all 36 Blue Cross Blue Shield Plans, announced it has expanded its EssentialCare line of products to include Group Accident and Group Critical Illness policies. All products include:

- Guaranteed issue, with no networks or coordination of benefits
- Flexible plan design, enrollment and onboarding options
- Broad set of benefits from which to choose
- Fixed payments made directly to the member to spend as they choose

- Best-in-class administration
- A unique suite of caregiver and support service coverages in eligible states, such as wellness, dependent adult and child care, transportation, lodging and more.

### Accident Indemnity

The EssentialCare Accident policy features up to 54 benefit types, including a Non-Professional Organized Sports benefit and Accidental Death and Dismemberment (AD&D) benefit built into the certificate. Off-the-job and 24-hour coverage is available.

### Critical Illness

The EssentialCare Critical Illness policy provides coverage for up to 35 of the most significant and frequent critical illnesses, plus eight childhood conditions. The product is a finalist for the Insurance Nexus "New Product of the Year Award," thanks to its new-to-market mental health rider, available to provide coverage for severe mental illness.

## Hodges-Mace's Ferguson Makes Top 20 Women in Benefits Advising

Congrats to Ashley Ferguson, senior vice president of sales for Hodges-Mace. Ferguson was recently named one of the Employee Benefits News 2019 Top 20 Women in Benefits Advising for leadership, sales performance and mentoring.

## Cigna Plans For Increase in Medicare Advantage Enrollment

Cigna chief executive David Cordani announced the company plans a 14% increase in its Medicare Advantage (MA) footprint, pending regulatory approval from the Centers for Medicare and Medicaid Services. Cordani told analysts on the company's second quarter earnings call that the Cigna sees a "tremendous growth opportunity" in MA plans.

Cigna won't be alone in the MA exuberance. A recent HealthEdge survey of 201 insurance executives showed 92% said they were increasing or would increase their Medicare Advantage business faster than traditional Medicare business lines. The survey found 96% of executives said value-based options in MA were a factor in the decision to increase MA.

## Aflac Aims to Forge Agent Relationships with Argus

Aflac recently announced plans to acquire the holding company that controls Florida-based Argus Dental & Vision for \$75 million in cash. Dan Amos, Aflac's chief executive officer, says the company expects that the dental and vision strategy will serve to improve recruiting and retention of agents.

## PayPro Announces EOB Harvesting Service

Submitting the right documentation for FSAs and HRAs to a Third Party Administrator can be arduous. And with delayed claims, there goes participation. Good news: PayPro has announced it will be rolling out an EOB harvesting service to take care of this. The service will be provided at no additional costs to FSA and HRA clients. Deployment dates for the service will be first come, first served.

## EVENTS

### LISI Health Benefits & Tech Summit in Irvine, Sept. 9, 2019

LISI presents BETA, the first health benefits and technology summit dedicated to improving the benefits industry through technology-focused collaboration and forward thinking. Network with a community of professionals engaged in the development of broker, carrier and partner technologies. Participate in educational talks, tech focus groups, CE credit courses, guest appearances and much more. Admission is free! Registration and info at [lisibroker.com/BETA](http://lisibroker.com/BETA)

### PERKS LA Employee Experience Expo September 11, Magic Box @ The Reef, Los Angeles

We'll see you here! Discount for CB readers! See the largest selection of perks, services, amenities and benefits for your clients, prospects and their employees. Ticket holders enjoy VIP workshops and fitness, giveaways, free food and drink samples, happy hour and more. Register at [perkscn.com](http://perkscn.com) with code CALBROKER (20% off!) and also check out sponsor/exhibiting details.

### NAAIA National Conference & Empowerment Summit Sept 11-13, Atlanta, GA

Leaders from across the insurance and financial services profession will come together at this high energy industry event to further the education, advancement and uplifting of African American insurance professionals. More info at [naaia.org](http://naaia.org).

### LIMRA Group & Worksite Benefits Conference Sept 10-12, Newport Marriott, Rhode Island

The LIMRA conference will focus on key industry issues, including factors driving change in the benefits market. Executives and professionals in the workplace benefits area are encouraged to attend and network at this collaborative event. Tom Wamberg, chief executive officer, Wamberg Genomic Advisors, will open the conference by talking about how genomic developments will change every long-held belief of the life and health insurance industries. He'll discuss genomic products and their potential risks, rewards and regulations.

The following day, these industry leaders will share their thoughts on today's most important topics in the workplace space:

- Lori L. High, senior vice president, sales & relationship management, group benefits, The Hartford Financial Services Group, Inc.
- Gene Lanzoni, assistant vice president, thought Leadership, group & worksite marketing, Guardian Life Insurance Company of America
- Jeanette Rice, president and chief operating officer, American Fidelity Assurance Company
- Bill Smith, president, Cigna Group Insurance. Registration and info at [limra.com](http://limra.com).

### CAHU Annual Conference & Symposium

Oct 3-5, 2019 Costa Mesa  
Register soon at [cahu.org](http://cahu.org) for early bird rates.

### CAHU Women's Leadership Conference

March 25-27, 2020, JW Marriott Resort & Spa, Las Vegas. More info at [cahu.org](http://cahu.org).

# FAILURE To Survive

## ***Failure To Survive:***

When traditional term underwriting timetables hinder a business from acquiring death benefits for Key Person, Buy-Sell, and Loan Indemnification situations, Failure to Survive Insurance can be underwritten and issued in a matter of days making last minute deals possible.

Disability • Life • Medical • Contingency



## PETERSEN

INTERNATIONAL UNDERWRITERS

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

# 2020 VISION

## *Increasing cost transparency is a good thing*

By NAAMA O. POZNIAK



It's always been fascinating to me how different California is from the rest of the U.S., but this year truly feels as we live on a different planet.

Just as a reminder for us all prior for digging into the vision—our health-care industry has become more controversial and complicated. As a result, we—the ones that deliver the system! need to let go of the past, and give up the hope that the past could be any different. Letting go is a choice. We truly need to make sure we deliver a current, up-to-date health system that is healing us all and making a difference. We need to make sure to find the ultimate best solution, and coverage for each and every individual, employer, employee and senior client. We further need to keep a positive attitude and adjust to change compassionately.

So, summer might be a time for playing and taking vacations. For other people. But since 2013, summer for many of us in the healthcare industry—brokers, agents, consultants, advisors, carriers' leaders—is the time to prepare, learn, certify and make sure we understand the new market for Open Enrollment season. This year is no different.

### **Vision for 2020**

Here I'll concentrate on the upcoming Covered California vision for 2020, regardless of whether you offer benefits through Covered California. After all, the California market adjusts almost entirely based on Covered Cal's decisions, expansion and support.

First, California reversed the federal undercutting of the Affordable Care Act. The state restored the requirement that consumers get health insurance if

the cost of coverage does not exceed a certain percentage of their income. California is essentially going back to the penalty that was enacted for 2018. So, effective Jan. 1, 2020, if you elect not to have coverage, you will pay either a fixed penalty (\$695 per adult and \$347.50 per child in 2018) or 2.5% of income, whichever is greater.

HRAs (Health Reimbursement Arrangements) may now be used to pay for individual market premiums. As a result, we will see an expansion of HRAs. For employer group plans that means it can be used to purchase health insurance in the individual market. Employees will be eligible to receive advanced premium tax credits if the HRA is determined unaffordable and the employee opts-out of the HRA.

Starting Jan. 1, 2020, Californians will get financial help to obtain health insurance from the state, in addition to the financial help they may be eligible to receive from the federal government. The limit on qualifying annual income ranges for additional state financial help for 2020 will increase from 400% of the federal poverty level (FPL) to 600%. So, consumers who earn between 400 and 600% of the FPL will receive an average of \$144 per household, per month, which will help them save an average of 30% on their medical insurance premiums. Bottom line, some middle class consumers will receive subsidies for the first time, or higher ones than before.

Executive orders were signed by the Trump administration to tackle runaway expenses for medical procedures. In response, the Department of Health and Human Services (HHS), among other agencies, must pursue rulemaking and administrative actions to address hospital price transparency, including:

- Require hospitals to publicly post actual cost information
- Develop a Health Care Quality Roadmap
- Align and improve reporting on data and quality measures across various federal programs
- Increase access to de-identified data, particularly taxpayer-funded healthcare programs, to facilitate the development of tools that empower patients to be better informed
- End surprise medical billing
- Expand use of high-deductible health plans with health savings accounts
- Make certain medical arrangements (direct primary care arrangements, and healthcare sharing ministries) into eligible medical expenses for personal tax deductions
- Increase the amount of flexible spending arrangement funds that can carry over without penalty

It is important to keep yourself up to date. I personally recommend joining the National Association of Health Underwriters (NAHU) family. This community supports us all whether you are a member or not. Together, we can make a difference and make sure to deliver healthcare products that increase employee satisfaction, enhance health and performance, and keep us all happy and healthy.

*Naama O. Pozniak, a member of the Cal Broker editorial advisory board, has been delivering employer benefits for over 30 years. She is currently a certified healthcare reform, Medicare certified specialist, and Covered CA Champion Certified agent. Pozniak was the recipient of the NAHU Distinguished Service Award for 2018 and is currently the NAHU Region 8 Media chair and LAAHU HUPAC Media Chair.*

# We're in this together.

Your dedicated partner in health serving  
you and your clients.

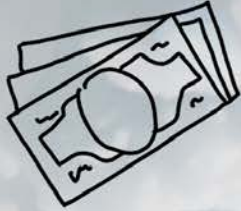


When your clients choose one of our medical groups, they join a support network that is dedicated to their health and well-being. In addition to our comprehensive network of primary and specialty doctors, hospitals and urgent care centers in their neighborhood, we offer resources that extend beyond the doctor's office to help them live a well-balanced life. From free fitness and health education classes to coordinated support for chronic conditions, we partner with our members to deliver personalized, well-rounded care that helps them enjoy their life to the fullest.

**For more information, please visit us at [brokers.regalmed.com](https://brokers.regalmed.com).**



[RegalMed.com](https://RegalMed.com) | [LakesideMed.com](https://LakesideMed.com) | [ADOC.us](https://ADOC.us)





## VIEW FROM THE TOP

***Indexed UL? Fixed UL? Variable? We asked a few of our favorite pros to weigh in on what's hot—and what's not—in the life insurance market.***

COMPILED BY THORA MADDEN

**Cal Broker:** Given all the dramatic forces at play in the world right now, do you see growth in particular niche markets in response?

**Wendy Herndon, second vice president of Product Solutions, Aflac:**

First off, we continue to see supplemental insurance benefits surge in popularity across all sectors. More potential customers are exposed to the advantages of supplemental coverage each year, and the business continues to grow. One trend we have seen during this past year has been the rise of rates and benefits being tied back into wellness initiatives. More companies are rewarding healthy behavior with higher face amounts or better premium offers. This seems reflective of the growing social conscience regarding healthy eating and exercise habits, and it is a win-win for both parties—poli-

cyholders have significant incentives to be their best selves, while companies are eager to reward those who commit themselves to a positive lifestyle.

**Pam Jenkins, assistant vice president, product and market development, Colonial Life & Accident Insurance Company:**

Life insurance is needed across all markets as America's workers in general are uninsured or underinsured. Recent studies suggest that half of U.S. households are living paycheck to paycheck. Obviously, if a primary wage-earner died, this would cause tremendous hardship. Even those with life insurance say they probably do not have enough.

This represents a good opportunity to educate employees about their needs and help them match those needs with the right type and affordable amount of coverage.

***Small business owners continue to be a focus. These clients often need assistance with a range of challenges from employee retention and benefits to capital preservation and exit planning...***

**Greg Faux, second vice president, product management, individual markets, Guardian:**

Small business owners continue to be a focus. These clients often need assistance with a range of challenges from employee retention and benefits to capital preservation and exit planning, which all create opportunities for financial advisors to provide individual, tailored solutions.

**Cal Broker: Has there been a significant change in product mix for life insurance over the past 12 months in terms of guarantees, variable or term?**

**Herndon, Aflac:**

We are once again seeing considerable growth in our group whole life and group term life insurance policies. These products continue to increase in popularity as customers prioritize flexibility in their policy decisions, acknowledging the reality of how quickly situations can change in the modern world. For our part, Aflac has continued to expand on our guarantee-issue options to ensure that coverage is available and as affordable as it should be.

**Jenkins, Colonial:**

According to the 2018 Eastbridge Worksite/Voluntary Sales Report, life sales again captured the largest share (27%) of total voluntary sales by line of business. We continue to see a major focus on the term life market, with additional opportunities to customize with riders and other options so customers can meet their financial needs.

**Faux, Guardian:**

The product mix at Guardian is relatively steady, with our continued protection-first focus on whole life and term products. The big shift in the industry is in the universal life (UL) market, where indexed UL products have seen significant growth at the expense of fixed UL. While there is still not much appetite for variable life insurance, the strong market performance of the past few years, coupled with increasingly complex product designs, leads to strong illustrated performance on indexed universal life products without the full risk of the market.

**Cal Broker: What is happening with your distribution systems? If you have an agency force, is it growing? Are you hiring? Is there more attrition than usual?**

**Herndon, Aflac:**

Independent agents licensed to sell Aflac products and brokers are in many ways the life—pun intended—of our business. They are invaluable in helping us connect with the far reaches of the United States, even including island territories like Guam and Puerto Rico. With their help and feedback, we are constantly churning through new ideas and innovations on the distribution side in the hopes of further expansion and efficiency.

**Jenkins, Colonial:**

At Colonial Life, our strong agency distribution has kept us among the leaders of the voluntary industry. There is tremendous opportunity in the worksite industry for people who genuinely care about protecting America's workers. Colonial Life provides the chance to be in business for yourself but not by yourself, and control your own schedule and income. Our agency sales organization members build their business by working both directly with employers as well as partnering with brokers.

**Faux, Guardian:**

Our agency force continues to grow and we've introduced new programs to attract non-traditional pools of talent. We have emphasized learning opportunities across agencies to attract young talent and showcase possible career paths such as working with clients, managing teams and leading an agency. Guardian, for example, offers a protégé contract so new hires can test drive different positions within the company before committing, as well as an internship program to train younger recruits. Many professionals yearn for the type of purpose that our work affords. Now is the time to ensure the pipeline of talent to serve the next generation is being developed to their full potential. Instilling intention and diversity into recruitment efforts will identify future leaders who can build on a firm's progress and continue to keep the promises we make to our clients.

# hello,

savings · choice · simplicity

# harmony

**It's time for a health plan that hits all the right notes.**

With UnitedHealthcare SignatureValue® Harmony, you can offer your employees lower premiums and the freedom to choose from **more than 9,200 providers and 60 primary hospitals in Los Angeles, Orange, San Bernardino, Riverside and San Diego counties.** And with our new dedicated service that helps members get their care and coverage questions answered in just one call — they may be happier, too.

## UnitedHealthcare SignatureValue Harmony

**Get a quote today at [uhc.com/svharmony](https://uhc.com/svharmony) and find out how your clients can save up to 25%.\***

\*Based on a February 2019 comparison of other UnitedHealthcare plans within the Choice Simplified portfolio.

This policy has exclusions, limitations and terms under which the policy may be continued in force or discontinued.

For costs and complete details of the coverage, contact your broker or UnitedHealthcare sales representative.

Savings based on lower premiums for SignatureValue Harmony compared to other similar UnitedHealthcare plans as of 1/1/2019.

Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Health plan coverage provided by UHC of California

DBA UnitedHealthcare of California or other affiliates. Administrative services provided by UnitedHealthcare Services, Inc., OptumRx, OptumHealth Care

Solutions, Inc., or its affiliates. Behavioral health products are provided by U.S. Behavioral Health Plan, California (USBHPC).

UnitedHealthcare SignatureValue Harmony is available in Los Angeles, Orange, San Bernardino, Riverside and San Diego counties.

9258966.0 8/19 ©2019 United HealthCare Services, Inc. 19-12673-A



***The workplace is a logical point of engagement with consumers. Advisors often start by building a relationship with business owners and addressing their needs, which naturally includes conversations about the needs of employees.***

**Cal Broker:** In terms of life insurance customers, are there certain niches or age groups that brokers should place more of a focus on?

**Herndon, Aflac:**

Frankly, our recommendation to agents is to consider everyone a candidate for coverage. We know that there are still far too many Americans out there without sufficient life insurance, and our hope is to educate all of them on the importance of securing such coverage. Additionally, recent evidence suggests that millennials could be a strong demographic to target in the coming years. In fact, a recent study found that nearly half of millennials (44%) overestimate the cost of life insurance coverage by five times the actual amount. There is ample opportunity for better education among millennials as to how much life coverage costs, how easy it can be to secure and how much it can benefit them in the long term.

**Jenkins, Colonial:**

According to new research from Colonial Life, just half of U.S. employees have access to life insurance from their employer. That trails healthcare coverage, paid time off and dental insurance. This highlights a huge opportunity for brokers to work with clients to offer life insurance in the workplace.

Young people—Gen Y and Gen Z employees between ages 18 and 37—are less likely to report life insurance as an option at their employer. Just 40% of young employees say life insurance is available, while nearly 60% of older employees—Gen X and Baby Boomers between 38 and 70—report the same. This indicates there may be an opportunity for better benefits education and communication to younger employees who may be considering life events that increase the need for life insurance (marriage, children, buying homes).

**Faux, Guardian:**

It's critical for the industry to create products that work for consumers in all stages of life. Two groups that get a lot of focus today are millennials and pre-retirees. Millennials are reaching the point where they are starting families, buying homes, and entering their prime earning years. This creates plenty of opportunities for traditional insurance planning, while at the same time challenging the industry to modernize the way we interact with our customers, for the benefit of all. At the same time, their parents are getting close to retirement

and focusing on a different set of challenges, such as chronic care, retirement income, and legacy planning. Financial advisors play an important role in all of these discussions, so it is important to maintain regular contact with clients and their families as their needs evolve.

**Cal Broker:** What kind of growth do you see in life insurance sales as an employee-paid or employer-paid benefit?

**Herndon, Aflac:**

Aflac has seen encouraging growth in the demand for more valuable and accessible life insurance packages, which continue to be among our most desirable offerings. We have responded to the ever-growing demand by bolstering our guarantee-issue options, which helps employers maximize their benefits spending with a variety of coverage options. There have been significant increases in the amount of guaranteed-issue coverage offered, and Aflac has lowered the requisite participation levels enough to where more employees than ever have access to quality coverage through their employers. This side of the business seems to be the most prominent growth area, at least for now.

**Jenkins, Colonial:**

Term insurance growth is stimulated by employer-paid benefits, which does create additional growth as employees "buy-up" for more coverage. For cash value plans that are intended to cover a person for their lifetime, employee-paid and owned coverage is the best solution.

**Faux, Guardian:**

The workplace is a logical point of engagement with consumers. Advisors often start by building a relationship with business owners and addressing their needs, which naturally includes conversations about the needs of employees. This is often a great platform for advisors to meet new clients. At the same time, it also challenges insurers to rethink the customer experience of the new business and underwriting process, which is often slow and highly labor-intensive. We expect to see growth in this area, and we are currently piloting different methods for underwriting and marketing our products and services to employers and employees to meet this opportunity.

# Big Plans for the Future? Insure Your Media Buy Includes...

**CALIFORNIA BROKER**  
McGee Publishers • 3727 W. Magnolia Blvd., #828, Burbank, CA 91505 • (800) 675-7563 • Fax (818) 843-3489

## 2019 EDITORIAL CALENDAR

**BONUS CIRCULATION**  
San Diego AHU Sales Expo

MONTH	FEATURE FOCUS	ALSO INSIDE
JANUARY	2019 Industry Outlook Health, Life and more	Meet Cal Broker's New Editorial Advisory Board
FEBRUARY	The Millennial Issue Survey: GA View from the Top	Wellness Part I Travel Insurance
MARCH	Large Group Survey: Large Group View from the Top	Wellness Part II Consumer Driven Health (HSAs) Life Settlements & IUL
APRIL	Vision Disability	Vision Annuities Dental Life Insurance
MAY	Voluntary Benefits Survey: Voluntary Benefits View from the Top	Medicare Insurance Private
JUNE	All About Ancillary F	San Diego AHU Sales Expo
JULY	Survey: Dental Ca	Orange County AHU Business Development Summit
AUGUST	Medicare Insurtech	Inland Empire AHU S Symposium
SEPTEMBER	Life Life Settlement Survey: Life V	AHU Annual
OCTOBER	Open Enrollment Survey: Large C	Medicare Summit-Inland Empire Senior Summit-San Francisco
NOVEMBER	Individual and S Survey: Small Gro	CAHU Health Care Retreat, LAAHU & VCAHU Senior Products & Marketing Summit
DECEMBER	Voluntary Benefits Survey: Voluntary Benefits Carriers	Healthcare & Benefit Congress
EVERY MONTH	News, Medicare Insider, Guest Editorial, Agent's Voice	Health (HSAs) Travel Insurance Long-Term Care Life Insurance Medicare Prescription Drug Plans Year in Review Critical Illness Genomic Testing Life Settlements Dental

**CALIFORNIA BROKER**

**CONFIDENTIAL**

**Employee Benefits**

*Small Group:*  
Discover your value with new benefits, administrative solutions for employers

*Also Inside:*  
The Future of Insurance, Agents & Financial Planning in a Digital World • Life Settlements • The Road Legal and More

**\* CALIFORNIA BROKER INSURANCE DIRECTORY**

A complete sourcebook of the entire insurance industry in California, Source of 50 products, plus Health Carrier and Vision Plans and Vision Plans Agencies with broker phone numbers and email addresses

**CALIFORNIA BROKER**

Contact: Devon Hunter 626-755-4770

## ***Many companies are offering high-deductible plans due to rising healthcare costs, which means many employees are shouldering the burden of higher costs.***

### **Cal Broker: What, if any, state or federal legislative issues are you concerned about?**

#### **Herndon, Aflac:**

Our policies are not major medical health insurance; therefore, healthcare legislation has not directly impacted our business. Because of the uncertainty surrounding the healthcare industry, we continue to educate consumers about their healthcare options and the benefits of supplemental coverage. We believe that regardless of how an individual or family acquires their major medical coverage, there is always a tremendous need for our products, since no policy covers everything.

Many companies are offering high-deductible plans due to rising healthcare costs, which means many employees are shouldering the burden of higher costs. Unforeseeable out-of-pocket healthcare expenses along with the added costs associated with accidents and illnesses—which includes everything from childcare expenses, travel costs and taking time off of work—are overwhelming to American workers. Aflac coverage pays cash benefits that can help with costs and help provide financial stability.

#### **Jenkins, Colonial:**

Low interest rates are the single greatest challenge facing the industry. These low rates will continue to put pressure on financial services companies and the interest-sensitive financial products they issue, including life insurance. All life insurance products are affected to varying degrees, but long-term contracts that rely heavily on earned interest, such as whole life and universal life, are especially impacted. All life insurers will be challenged to make product adjustments in order to manage lower investment income and profitability in the current environment.

### **Cal Broker: What are some of the common characteristics of your most successful life insurance producers?**

#### **Herndon, Aflac:**

Our top producers always ask every account and every employee/applicant they meet with about that individual's circumstances to better understand their needs. Rather than just trying to sell products, they operate as benefits counselors.

They help clients and employees understand the importance of life insurance and show how Aflac coverage can serve as a valuable component to a comprehensive benefits plan. Supplemental coverage is increasingly becoming a must-have in the workplace. It is our belief that workers are feeling the effects of higher health costs and need options to help offset expenses.

Based on industry statistics from LIMRA, a significant portion (43%) of the population does not have life insurance or needs more coverage. Through a deep understanding of products and the establishment of great relationships, our strongest producers help each employer tailor a life insurance solution that delivers on their objectives and caters to their unique benefits strategy. They ensure all employees receive comprehensive benefits packages and adequate coverage. These producers provide a range of coverage options—variations of employer-paid, supplemental buy-up and other supplemental options—to create comprehensive and attractive offerings for every benefits package.

Finally, effective producers help educate policyholders on the ever-changing need to evaluate their coverage. Life changes daily, and our producers help policyholders understand how to adapt to ensure they have adequate protection through every stage of life. Employees are less likely to seek individual coverage through other vendors when they have a better insurance offering through their workplace.

#### **Jenkins, Colonial:**

Our most successful life insurance producers balance the preferences of both clients and brokers, while striving for the great opportunity to educate employees on their full benefits portfolio. We believe in the value of one-to-one, personal benefits counseling sessions. This helps employees understand their needs and options to create an effective financial safety net for themselves and their families. So our most successful life insurance producers are those who are not only experts in product knowledge but who also excel at this customized counseling approach. They create trust and credibility, as well as long-term relationships. They'll work with the same account next year and the year after, talking to the same employees, whose needs likely will change. We've developed a certification process so brokers, employers and employees can be assured they're working with the best in the business when it comes to individual benefits counseling.

## ***The uncertainty surrounding of health care laws impacts how we think about health insurance...this presents an opportunity for brokers to help educate customers on the value of supplemental benefits...***

### **Faux, Guardian:**

Traits like dedication to practice, problem-solving, life-long learners and a collaborative approach are some skills that our most successful producers exhibit. It's our responsibility to foster a community of inclusion and go beyond traditional "finance" check marks when recruiting future agency leaders. Often the best in the industry are not former finance majors. They're from diverse backgrounds with strong interpersonal skills and an innate curiosity. Insurance is a great industry in which to grow a meaningful career.

**Cal Broker:** **With the health insurance turmoil, are you seeing more health insurance brokers getting into life insurance sales? If so, do you have any advice for them?**

### **Herndon, Aflac:**

The uncertainty surrounding health care laws impacts how we think about health insurance and other benefits. This presents an opportunity for brokers to help educate customers on the value of supplemental benefits as a comprehensive health care plan. Like the healthcare industry, the broker market is changing as well, and brokers are looking to diversify and adapt to the changing landscape. By adding life coverage and other supplemental benefits to their repertoire, brokers are better able to grow their client base and meet the needs in their markets.

Aflac's current life coverage was recently expanded to offer more flexibility, more choice and more value to customers. With this policy, brokers can merge their clients' existing coverage with a combination of whole life insurance or term life insurance policies. This, in turn, can help increase the broker's sales, provide a conversation-starter with existing clients and open new opportunities with new employers.

### **Jenkins, Colonial:**

Health insurance brokers have made

the shift to voluntary benefits over the last several years because of healthcare reform. With life insurance, it's important to select a carrier you know will be in it for the long term.

Voluntary sales totaled \$8.5 billion in 2017, according to Eastbridge's annual U.S. Voluntary/Worksite Sales Report, up more than 4% over 2017. Voluntary benefits include any financial protection that employees can choose at the workplace, including life insurance, disability insurance, dental insurance, accident insurance, critical illness insurance and cancer insurance.

Colonial Life's voluntary sales grew 8% in 2018, totaling \$561 million. Colonial Life is the only company with more than \$150 million in annual sales to exceed the industry average each of the past four years, according to Eastbridge. The performance earned Colonial Life the 2018 Voluntary Sales Growth Leader recognition.

As health care costs have climbed, and many employers have shared the growing costs of benefits with employees, millions are realizing they can affordably protect their finances, their families and their futures with voluntary benefits.



## **Allied Benefit Suite**

Premier employee benefits for small employer groups.

The Allied Benefit Suite is a market-leading ancillary benefits solution designed specifically for groups of size 2 to 100. ABS gives access to the full set of top-tier employee benefits.

**Dental • Vision • Life • Disability • Personal Protection**

Add a great life, disability, vision and /or protection plan to any of Delta Dental's Small Business Program plans administered by Allied Administrators!

**One invoice, one administrator, one stop for customer service.**

Call us today at 877-472-2669 or visit us at [AlliedAdministrators.com/abs](http://AlliedAdministrators.com/abs)

# "Brokers, we



**BenefitMall**

 **CaliforniaChoice**  
Your Health. Your Choice.®

**ROGERS  
BENEFIT  
GROUP**

  
**COVERED  
CALIFORNIA**

**Word&Brown.**

brand new day

 **UnitedHealthcare**®

# got your back."

It's been a tough year.  
You've been working hard  
and we appreciate  
your service.  
Thanks from all of us  
for serving your  
clients so well.

## CALIFORNIA BROKER

#insurancestrong #brokersaresuperheroes



# SELLING HEALTHCARE TO THE HISPANIC MARKET

BY MARIO ANGLADA

**H**ispanic people represent nearly 40% of California's population. They also have the highest uninsured rates of any racial or ethnic group within the United States, according to the U.S. Department of Health and Human Services Office of Minority Health (OMH). In fact, according to the latest figures, 19.5% of the Hispanic population were not covered by health insurance, as compared to 6.3% of the non-Hispanic white population. This is accompanied by a poor track record for early diagnosis and compliance with treatment that further exacerbates medical conditions.

This situation presents a ripe opportunity for brokers in terms of helping clients play a greater role in providing access to care that is culturally relevant and that addresses other barriers faced

by Hispanic families. OMH studies reveal that for many Hispanic individuals health is often suboptimal due to factors such as cultural/language barriers, lack of access to preventive and primary care and being under- or uninsured.

The challenge to providing better access to care for Hispanic communities is to create a systematic process that is simple to navigate, while still delivering optimal healthcare. Fortunately, there is a high level of technology adoption among Hispanics, creating a streamlined way to provide access to healthcare for this ever-growing population. This is coupled with a wealth of applications designed specifically to meet Hispanic cultural and medical needs.

#### **A closer look at barriers to care**

Barriers to care come as no surprise, considering that only 7% of U.S. physi-

cians are of Hispanic origin, and at least one-fourth of Hispanic adults in the U.S. don't have a primary healthcare provider. This is based on research from Modern Healthcare Magazine in 2014.

The OMH found that Hispanic health disparity is shaped by cultural/language barriers, lack of access to preventive and primary care, and the lack of health insurance. Thirty-one percent of Hispanic people in the U.S. state that they are not fluent in English, while 22.6% of Hispanic people in the U.S. in comparison to 10.4% of non-Hispanic whites were living at the poverty level.

One study by PubMed.gov examined the ethnic disparity in healthcare utilization and expenditures between Hispanic and non-Hispanic people. After controlling for confounding variables, the study revealed that Hispanic people living with diabetes had:



- A higher rate of poverty
- Lower level of formal education
- Were less physically active
- Had lower healthcare utilization/ expenditures than did non-Hispanic people

The assessment of healthcare differences among different ethnic groups is challenging because of potential bias in reporting that requires careful adjustment. This study successfully identified and controlled for confounding bias and concluded that disparity in healthcare utilization among Hispanic individuals still exists.

### Diseases in Hispanic communities

The Centers for Disease Control and Prevention (CDC) cited some of the leading causes of illness and death among Hispanic communities included

diabetes, heart disease, cancer, unintentional injuries (accidents) and stroke. Other health conditions and risk factors that significantly affect Hispanic people are asthma, chronic obstructive pulmonary disease, HIV/AIDS, obesity, suicide and liver disease.

### Cardiovascular disease

Stats from YourHeartHealth.com show Hispanic Americans face higher risks of heart disease than non-Hispanic white Americans, due to higher rates of high blood pressure, obesity and diabetes.

Among Mexican-American adults, 33% of men and 31% of women have cardiovascular disease.

Cardiovascular disease causes more deaths for Hispanic Americans than all forms of cancer combined.

Hispanic women are significantly less aware than non-Hispanic white women

that cardiovascular disease is their leading cause of death.

### Diabetes

The CDC reports that 50% of Hispanic adults in the U.S. are expected to develop type 2 diabetes, compared with 40% for non-Hispanic adults. Research by PubMed.gov shows that ethnic minorities, especially Hispanic people, have a disproportionate burden of illness associated with diabetes mellitus.

### Obesity and other health risks

According to Minority Health.hhs.gov. Hispanic groups have higher rates of obesity, which is a risk factor for diabetes, than non-Hispanic whites. There are also disparities among Hispanic subgroups. For instance, while the rate of low birth weight infants is lower for the total Hispanic population in comparison

## **Proven technology and innovative solutions are emerging to meet unmet healthcare needs of Hispanic families to leverage decades of health industry knowledge and to speed access to care.**

to non-Hispanic whites, Puerto Ricans have a low birth weight rate that is twice that of non-Hispanic whites. Also, Puerto Ricans suffer disproportionately from asthma, HIV/AIDS and infant mortality, while Mexican-Americans suffer disproportionately from diabetes.

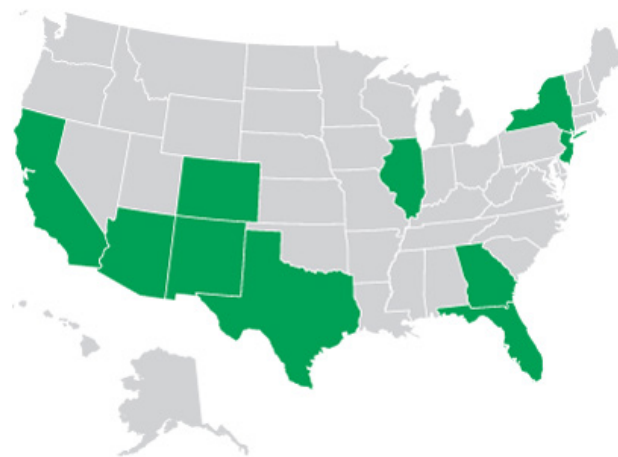
### **What to look for**

Proven technology is being used to leverage decades of health industry knowledge and to speed access to care, particularly within Spanish-speaking communities.

Brokers and their clients now can easily investigate innovative technology solutions designed to provide underserved populations with affordable prescription drugs, chronic condition management programs, and telehealth/virtual medical consultations. These solutions are designed to answer the unmet healthcare needs and limited access to affordable care among Hispanic and other underserved families. These platforms need to be digitally accessible, bilingual, culturally relevant and compliant with the Health Insurance Portability and Accountability Act (HIPAA) to protect the privacy of personally identifiable electronic data.

Fortunately, today's technological solutions and digital access align with the Hispanic community's widespread use of new technology tools: 84% of all Hispanic people are online and Hispanic community internet smartphone usage is 25% more than the national average.

Here's a checklist of features to look for in a technology solution designed to



**Top 10 states with the largest Hispanic/Latino population according to the US Census Bureau**

meet the unmet needs of Hispanic community healthcare needs:

- Bridges the gap in access to care experienced by some of the most underserved populations
- Engages healthcare consumers in culturally and medically relevant ways that meet their unique health needs
- Offers a medication voucher program that allows consumers to pre-purchase a prescription drug included in an extensive formulary of generic medications at affordable price points
- Provides a free drug savings card so cash-pay consumers can save significant amounts on brand name and generic medications across a wide network of pharmacies
- Includes an end-to-end clinical solution for patients with diabetes, hypertension, asthma and obesity, including vouchers for medications, peripheral devices, testing supplies, hand-held electronic tablet, apps and access to lifestyle coaches

- Has a bilingual telemedicine platform providing remote, internet-based, video consultation with state-licensed and board-certified physicians
- Makes it possible for consumers to purchase medications in the U.S. for their loved ones in Latin America, enabling individuals worldwide to support their loved ones from a distance and at a low cost across North, South and Central America
- Provides medication vouchers redeemable at pharmacies in the U.S. and Puerto Rico, with home delivery of medications in

Mexico, Guatemala, Honduras, El Salvador, Dominican Republic, Colombia, Peru, Ecuador and Panama

- Offers home delivery within 24 hours

Such innovative technology solutions hold great promise for closing gaps in care for Hispanic and other underserved populations in the U.S. By drastically simplifying access, delivering quality health and wellness products and services, and enabling individuals to learn about their health, they are better able to determine their wellness needs, get low cost medications, manage chronic conditions and engage in behavior change that empowers them to lead healthier, more productive lives.



*Mario Anglada, CEO, Hoy Health, has more than 20 years of experience developed at leading U.S. companies such as Procter & Gamble, Johnson & Johnson, Nestle Health Science and Univision Communications. He now leads Hoy Health LLC.*



# PERKS **LOS ANGELES**

Brokers receive **20% OFF** PERKS LA registration with the code **CALBROKER**. For client ticket packages and sponsorships contact us at **INFO@PERKSCON.COM**

**NYC • BOSTON • LA • CHICAGO**

[WWW.PERKSCON.COM](http://WWW.PERKSCON.COM)

SHOW YOUR CLIENTS  
**MORE PERKS**



JOIN US AT  
THE **LARGEST**  
EMPLOYEE  
EXPERIENCE  
EXPO ACROSS  
THE NATION



**SEPTEMBER 11, 2019**  
**MAGIC BOX LA @ THE REEF**

FOR PEOPLE IN HUMAN RESOURCES, **PEOPLE OPERATIONS**, BENEFITS, WELLNESS AND MORE,  
PERKS IS A **ONE STOP SHOP** TO GET NEW IDEAS AND **FORGE PARTNERSHIPS** TO BETTER  
SUPPORT, RETAIN AND GROW TODAY'S WORKPLACES. EVERYBODY WORKS.

**OUR MISSION IS TO TRANSFORM THE WAY YOU THINK ABOUT IT.**

# AN EYE-OPENING HISTORY OF COMMISSIONS

*Part One*

By PHIL CALHOUN

**W**hile commissions may not be the reason professional health benefits brokers chose this field, the beauty of persistent commissions is unique to our industry. Brokers enjoy the benefit of a sale that leads to commissions which are consistently paid, most often monthly. Over the years we've faced threats and learned valuable lessons. As our industry evolved through numerous changes, this rich history can be helpful to more clearly look at today's challenges. Some of our current concerns are not as unique as they often seem.

## Why commissions?

Understanding our current payment model and how it has evolved over time is a great launching point. Persistent commission payments are the envy of many professionals. Sometimes it is hard to explain to outsiders how recurring monthly commissions allow us to earn a consistent income. Commissions are a function of the market and arose because the nature of the business is complex—choosing the right insurance plan is quite complicated, and studies show that many people end up choosing a less than optimal plan when they solely rely on their own judgment. Brokers therefore must stay well educated to serve clients by matching them with appropriate medical plans offered by insurance carriers that require monthly premium payments. Insurance carriers need brokers to consistently support clients and usually prefer to employ an outside sales force. This gave rise to the role independent brokers play in medical plan distribution. Without this demand for highly skilled independent benefits professionals, commissions would vanish. It is because of this demand for talented

brokers that we are able to build a business. And a business with persistent revenue has value.

## Why be a broker?

A career based on health commissions works well for some people. Compare the income a health benefits professional can earn with other professions that require four years or more to earn advanced degrees and certification to get a job and move up the ladder.

A teacher with four years of experience and a Master Degree earns \$75,000 a year.

A hospital-based physical therapist with a doctorate degree and four years of experience earns \$85,000.

A communications grad with a bachelor's degree after four years earns \$65,000.

Compare this to a health broker who can reach \$75,000+ annually when they work hard and continually grow their book over four years. Look beyond the four years and the health broker's ability to work hard and increase commissions by more than a 5% wage adjustment annually looks very strong.

Many professionals look at our industry and call our monthly checks "mail box checks" since as long as clients are pleased with the service received, they pay their premium and the checks keep coming.

## Looking back

The history of health care shows how rising costs led to a need for health insurance. Rising insurance rates link to how broker commissions evolved. For newer brokers, this history may be so remote it is hard to relate to their experience today. A review of commissions can give all brokers the background

**Commissions are directly related to historic events involving economics, healthcare, politics, war and the marketplace response to these events over time.**



which shaped our industry. As we walk through time we can see how the early health brokers, plan reps, carrier reps, and general agencies led the way. Perhaps one of the greatest takeaways that holds true today is that the harder one works to win new business and retain clients, the greater the satisfaction gained from building a living for yourself and loved ones.

The history of commissions is directly related to historic events involving economics, health care, politics, war and the marketplace response to these events over time.

Our industry is the result of government laws and regulations which impacted healthcare service delivery and medical care costs. These events caused numerous changes that eventually opened markets that drove opportunity for brokers to enter the equation. The role of brokers arose from the growing demand for health insurance and the eventual role General Agencies played in medical plan distribution. The door swung wide open for independent brokers in 1970s.

Before WWII many government departments provided oversight of both health care delivery and the few medical plans available. Some government divisions such as the Department of Corporations (established in 1914 and removed from insurance duties in 2013), the Department of Insurance (established in 1868), and now the Department of Managed Health Care contributed to the evolution of our industry. Through time and today as well, the impact of powerful lobbies such as labor unions, the American Medical Association (AMA), and eventually insurance carriers and politicians, shaped new laws as much as blocked efforts to pass potentially harmful laws. This roller coaster ride continues and sheds light on how our professional lobbying organizations

lead the way, providing collective support and representation for all health brokers.

#### **Industry milestones linked to commissions**

**1940s**—Employer Sponsored Health Insurance: The end of WWII spurred a shift to high employment as industry and markets exploded. This growth resulted in increased competition for hiring and retention. To compete for employees, businesses began to offer health insurance coverage as a way to win out over their competitors. Although in the late 1940s brokers were not able to sell medical plans because the large employers dominated during this time. It was the beginning of the employer-sponsored health insurance market. Today there are more mid and small employers and in California 47% of all Californians get their health insurance from their employer.

**1965**—Medicare: President Lyndon Johnson proposed an expansion of the Social Security Act of 1935 to address the need for seniors and disabled citizens to access affordable healthcare, both through physicians and hospitals. Johnson signed the Social Security Act of 1965 which laid the groundwork for what is now known as Medicare and Medicaid.

**1973**—Health Maintenance Organizations (HMOs): The HMO Act of 1973 signed by Richard Nixon was passed in spite of the efforts of the AMA to shut this law down. The AMA had a successful record of blocking legislation for years. This time, the law passed with the support of businesses and individuals who responded to the promise of lower premiums and lower health care costs.

The HMO Act provided direction to HMO programs and encouraged HMO plans to use cost saving measures such as

**Today, several insurance carriers have dropped out of the individual market in California—UHC, Anthem and Aetna are the largest—with more carriers looking to exit. Only Oscar, Molina and a few small carriers have entered the state.**

preventive care. The HMO Act eventually opened the market to carriers offering Medicare HMO plans through brokers and then Medicare Part D plans through field marketing organizations (FMOs). Brokers were paid commissions when enrolling clients into HMO plans. Once the market accepted HMO plans, prices became competitive. When doctors contracted with the HMO plans, this change enabled employers to offer their employees medical plans at a lower cost than PPO plans. California led the way accepting HMOs. The first HMO plans were required to be non-profit which created more change in the market.

This pivotal act also drove the development of Independent Physician Associations (IPAs) which organized solo physicians into formal and informal groups to negotiate prices with insurance companies. Many of the larger medical groups in California were formed to build primary care physician negotiating leverage with HMO carriers.

**1975**—MetLife first to market with small group brokers: In 1975 MetLife opened the door to independent brokers to sell their health plans direct to customers. Prior to MetLife, HMOs were sold through the plan's employee sales representatives. Commissions to brokers with the original MetLife plans were paid at 20% new and 10% annual renewal, the first persistent commission plan for small group medical. Because brokers responded and enjoyed success with this compensation model, it set the stage for other carriers to do the same.

MetLife had initially started offering indemnity health insurance plans in 1921, so it took the marketplace years to push the carriers to work with inde-

pendent brokers. The trend for carriers to pay persistent commissions to brokers began as noted in 1975. Premiums from this period were \$30 for an individual for a PPO and \$60 for an HMO. This difference between the PPO and HMO commissions began to draw closer in just a few years due in large part to aggressive management of medical costs and a shift by healthy individuals to sign up with HMOs.

Kaiser aligned with MetLife and began paying brokers in 1975 for group medical business.

**1992**—Pre-existing conditions eliminated: AB 1672 passed in 1992 protecting employees access to coverage even with pre-existing conditions. The market response to this California assembly bill was to eliminate the need for underwriting of group medical plans and spurred expansion of the role of General Agencies. This enabled independent brokers to sell health plans to employer clients. Employees could now move to another employer without losing their health plan access. Employers began to offer group plans more often as all eligible employees could get coverage.

For brokers:

- Commissions were leveled and rates were age based
- No underwriting was necessary
- Carriers offered bonuses and retention incentives to brokers
- Additionally, all Master General Agents (MGA) now had to follow Guaranteed Issue rules which reduced the value of many association plans.

**2003**—Medicare Part D Begins: George W. Bush updated Medicare to include prescription drug coverage with the passage of the Medicare Prescription Drug, Improvement and Modern-

ization Act of 2003 (Medicare Part D). Enrollment was (and still is) voluntary, although millions of Americans use the program due in part to the penalties of not enrolling when eligible.

Medicare Advantage carriers added Prescription Drug Plans (PDP) and insurance carriers offering Medicare Supplement plans fed policyholders into the PDP market. All of the PDP plans pay commissions to brokers who are certified annually and shop during open enrollment for PDP options especially when clients experience a medication change. Currently, many PDP options are available and provide brokers the ability to help educate their clients.

**2003**—Health Savings Accounts: The Medicare Part D law included tax deductible Health Savings Accounts (HSA). Brokers offered the required carrier high deductible plans to match with HSAs. Premiums for the qualified high deductible plans were lower and opened the door for brokers to educate clients and prospects how these plans worked. This served to both retain clients and win new group business.

### **Socialized medicine/healthcare**

Throughout history politicians have tried to get various forms of socialized medicine passed. Some of these include:

**1943**—Wagner-Murray-Dingell Bill—The bill proposed universal health care funded through a payroll tax. Viewed as socialized medicine the bill never came close to passing.

**1961**—Single Payer Plan—Senator Edward (Ted) Kennedy proposed a single-payer plan that would be funded through taxes. Again, the perception was that this was socialized medicine

and the plan never got support.

**1993—Health Security Act—**President Clinton tried once again to pass socialized medicine with the Health Security Act of 1993 but this bill died quietly after many public hearings and push back from many lobbies.

**2014—Semi-socialized Medicine?**

The Affordable Care Act was signed by President Obama in 2014. Signed as the Patient Protection and Affordable Care Act (PPACA) it was commonly called the Affordable Care Act (ACA). No Republicans voted for this law but the Democrats had a majority in the House and Senate and were able to push through and pass the bill. The law was complex and consisted of thousands of pages. Due to the bill's complexity, the ACA was rolled out over several years. ACA was passed as an effort to help the uninsured get health insurance and access to medical care and also included a guarantee that all would be able to get affordable coverage. At the time, most people had insurance through their employer or were on government coverage such as Medicare or MediCal. The uninsured totaled less than 10% of the population.

Today 93% of Californians have insurance and the 7% who do not qualify are mostly not citizens. As of now, most cannot qualify for government plans.

Those states which readily support the ACA spin the statistics of how many people signed up for coverage. The enrollment numbers most cited include all of the people who already had an individual plan. In reality, most of the net newly covered California enrollment activity ended up on Medi-Cal.

Supporters promised the ACA would allow people to keep their doctor and their plan. The ACA ended up forcing all but the very largest employers, and those on Medicare and Medicaid, to change to a new ACA plan. In several cases the new plans also required a change to a new doctor. The ACA changed most individual and small group medical plans because pre-ACA plans were no longer offered. Very few groups kept old plans

called "grandfathered plans" which were purchased before the ACA went into effect on March 23, 2010.

Today, several insurance carriers have dropped out of the individual market in California—UHC, Anthem and Aetna are the largest—with more carriers looking to exit. Only Oscar, Molina and a few small carriers have entered the state.

To get a premium subsidy, people were forced to use the Covered CA online enrollment process which failed on launch for several days. Enrollment took additional hours and often days to complete. The ACA claims to have 11.7 million on coverage. According to the Public Policy Institute of California, only 3% of California's population is on Covered CA, totaling 1.2 million. Ninety percent of the 1.2 million get premium assistance—less than 3% of the total state population (39.54 million).

Another 3% or 1.2 million Californians worked with brokers to purchase individual plans direct with carriers. These off-exchange plans were simply current policyholders who lost their plans and enrolled in new metallic plans.

The California Health Care Almanac 2018 states that 2.9 million Californians remain uninsured (9% of the population) and over half have a job but their employer does not offer health insurance.

**Effects of ACA**

The ACA used billions of taxpayer funds to develop multiple online enrollment processes. These were designed to qualify people to receive taxpayer assistance in the form of premium subsidies. This was an effort to get coverage for the mostly young and healthy uninsured. This population expected lower premiums in exchange for lower claims. Even with financial penalties for not enrolling, more uninsured people actually qualified for Medi-Cal than expected. Health Insurance and Health Reform Authority states that today, 34% of Californians are on Medi-Cal. The number has doubled since the ACA was enacted. Thirty eight percent of total state taxes go to pay for Medi-Cal.

**Scorecard: A+ on eliminating pre-existing conditions**

Regardless of the numerous controversies, it could be argued that the most helpful part of the ACA was its pre-existing condition clause since most states had no viable options. In California, we already had a couple of guaranteed issue options so the ACA was helpful to add more. This was at a heavy cost to address a small number of people. In California, like most states, premiums were rising annually. The ACA has not changed this as rates have doubled from 2013 to 2018. Many brokers know what people and businesses went through the past 10 years as it was health brokers who were there to educate and guide clients through the process.

The California Department of Insurance as well as many state politicians have begun to listen to our professional association leaders and a handful of broker representatives as they provide consistent messages touting the value of what brokers offer their clients.

**Editor's note**

Next month we'll run Part 2 of the history of commissions. In Part 2, Phil will cover a number of broker stories about how adjustments were made and discuss clever connections that led the way for general agency development. He'll also explore how competition between carriers, brokers and general agencies helped the distribution system create needed solutions. Finally, Phil will focus on how history lessons help us plan for the future.



*Phil Calhoun, MBA, is a Cal Broker editorial advisory board member. He has built, sold and acquired insurance agencies and books of business. He is the managing member of Lambda Insurance Services, an elite broker education and planning agency. He authored "The Health Broker's Commission Protection and Purchase Guide." Phil enjoys educating brokers on how to protect their commissions through all life events.*

# CREATE HEALTHIER, HAPPIER CLIENTS

By PAM JENKINS

**Y**our clients have a lot of stress in their lives: Deadlines. Conflicting priorities. Budgetary pressures. Difficult customers. But are they worrying about their employees, who are also coming to work significantly stressed out?

They should be, because it's costing them millions of dollars.

A new survey of U.S. consumers by Colonial Life showed more than 40% of workers battle high to moderate stress. The same number of employees say stress makes them less productive and 33% say it reduces their engagement at work. In fact, more than one in five—22%—say they spend more than five hours of work time every week worrying. That's five hours when they're not getting much done, or possibly making mistakes because they're distracted by constant nagging thoughts.

What are they worried about? The big buckets are money and health—their own, or the health of a spouse, partner or children. That might not be surprising, and the good news is, there's a great solution. That's because there are products, services and resources you can bring your clients to help their employees improve their wellbeing and avoid or at least better deal with stress.

A successful wellness program can be measured in fewer sick days, reduced occurrences of preventable chronic conditions, a more positive work environment, increased productivity and higher employee retention rates due to improved morale. Estimates vary,

but studies generally show a return of at least three-to-one for every dollar a company invests in a wellness program.

A healthier workforce also helps the bottom line by stemming the constantly rising costs of healthcare for both your clients and their employees. Healthier employees spend less on doctor's office co-pays, prescriptions and other treatments that may not be covered by medical insurance until they meet their deductibles.

## Four components of employee well being

A comprehensive, effective employee wellness program covers much more than helping employees prevent colds, lose weight and stop smoking. Wellbeing encompasses physical, financial, mental and emotional health. These areas of wellbeing also overlap and interact: Remember our survey showed money is one of the top causes of employee stress—stress can lead to physical health problems.

Truthfully, many employers do focus on physical health, or at least tackle it first. An Optum survey of employers showed 56% have made changes to their workplace environment, mostly centered on getting employees to eat better and move more. Top changes included healthier food in vending machines and cafeterias, onsite fitness centers, ergonomic programs and smoking bans.

You may be thinking all this sounds great if my clients were all larger companies with significant budgets to invest

in wellness. But very few have the resources to build a new gym onsite, for example.

The good news is, they don't have to. There are many wellness-related benefits you can bring to your clients to help ensure a healthier, happier, more productive workforce. And many are available at low or no cost from your benefits partners, especially if you're bringing them a new account or can ensure optimal enrollment conditions.

## Pad your portfolio with wellness benefits

Start thinking of wellness programs as essential products your clients should include in their benefits packages. Consider these top wellness programs and services to address all four aspects of wellbeing—and again, many of these come with a low or zero price tag for either your clients or their employees:

- Wellness benefits embedded in insurance plans. Some voluntary coverages such as cancer policies include wellness benefits that pay a set amount for preventive screening tests such as colonoscopies, mammograms and X-rays. This helps catch potential problems earlier, when they're easier and less expensive to treat. The benefits paid for annual screening tests also make the coverage even more affordable, in effect reducing the net cost of the premiums for employees. The benefit is paid even if the exam is covered by health insurance and the amount doesn't depend on the actual cost of the test.

- Telemedicine. This increasingly pop-



**Even if your client already offers a health or prescription drug plan, a discount program can complement it by helping pay for services that are limited or not covered.**

ular service provides access to board-certified doctors online or by phone, any time of the day or day of the week. It's not designed to handle emergency conditions or replace a primary care doctor, but it can often substitute for a doctor's office or urgent care visit for common conditions such as the flu or pink eye—saving employees valuable time and money. This capability has also helped rural communities that have less access to health facilities.

- Discounts on drugs and medical services. A discount program can help employees save money on doctor office visits, prescription drugs, vision and hearing products and services, lab work and imaging tests. Even if your client already offers a health or prescription drug plan, a discount program can complement it by helping pay for services that are limited or not covered. This is especially true with a high-deductible health plan that leaves employees with considerable financial exposure to out-of-pocket costs.

- Identity monitoring and restoration. Nearly 60 million Americans were affected by identity theft last year, according to a Harris Poll survey reported on LifeLock.com—four times the number reported just a year earlier. Identity theft protection provides identity monitoring and helps employees with the burden of recovering from identity theft. It may include a dedicated case manager to act on the victim's behalf and resolve the issue. Some packages even include a service to make lost wallet replacement quick and easy.

- Financial education. Many of America's workers don't understand basic financial concepts, according to a survey by GoBankingRates.com. A financial

education program can include access to online calculators, budgeting tools, videos and webinars, plus unlimited access to complimentary financial coaching by phone.

- Student loan reimbursement support. Many recent graduates are spending a large percentage of their disposable income on student loan repayment. Some studies show millennials are more interested in student loan help than health care or retirement funding. And because of debt obligations, millennials are prone to job-hopping in search of extra income. Some programs allow employees to manage their student loan burden, refinance their debt or help find creative ways to pay down the burden. Employers who are really interested in keeping millennial employees engaged and loyal are even able to contribute to employees' student loan debt payment.

- Employee assistance programs. EAPs provide short-term counseling and referral services to help employees with personal and family issues and work/life balances. Services typically include in-person, phone or online counseling and other online tools and educational resources that help with everyday life and decisions. Some carriers include EAPs in their insurance plans (such as Term Life) to offer additional benefits and incentives to purchase.

**They don't use what they don't understand**

Even the best wellness programs won't deliver the results you promise and your clients expect—unless employees see their value and choose to participate in them. You can help drive stronger engagement with wellness programs by implementing a strong

education and communication plan as part of the enrollment.

By implement, I really mean partner. Connect with a top benefits carrier that offers a full slate of enrollment services, including personalized benefits education and one-to-one benefits counseling. Partner with the carrier AND the employer to develop a communication campaign. Consistent wellness messaging, delivered in a variety of methods that work best for each client's workplace, will help employees better understand the importance of wellness and how it can improve their lives—and save them money. Partner with the carrier AND the employer to develop a communication campaign. Many top carriers have templates that can be branded for your particular clients, and can include incentives to get employees to take action. If no communication materials exist, your partners may be open to the idea of developing these in a creative but cost-effective way.

Wellness programs are nothing to stress over. You can create stronger client relationships and expand your business by bringing these solutions to your clients of all sizes. Encouraging them to take advantage of easily available wellness programs and services can help them save money and create a happier, more productive workforce.



*Pam Jenkins is the assistant vice president for product development at Colonial Life & Accident Insurance Company. She can be reached at [pljenkins@coloniallife.com](mailto:pljenkins@coloniallife.com) or 1 (803) 678-6220.*

# GET CAHU

---

OCTOBER 3 - 5 2019

[WWW.GETCAHU.ORG](http://WWW.GETCAHU.ORG)

**#FOMO**

# BALANCING SOFTWARE AND SUCCESS

By JAMIE MCINTYRE



**M**any advisors are overwhelmed by the sheer amount of technology available to them each day and have tried different applications and devices to streamline their personal life and business. While I personally enjoy and benefit from technology that suits me, I can get frustrated by applications that don't align with my needs and objectives. As you consider incorporating technology into your practice, think about what provides benefits and what provokes frustration. Reflect on how you can incorporate various tools to balance your life and add value to your client service and business practices.

## Customer relationship management

Maintaining client relationships is key to your success. Choosing a customer relationship management (CRM) system that suits your style can streamline and enhance your business. While one CRM system may work really well with your operating style, it's just as possible the system adds unnecessary complexity, hence annoyance. If you currently have a CRM that is frustrating you and your team, explore the many other op-

tions on the market until you find what fits your specific needs. Talk to colleagues to see what works for them. In my office for instance, we went through many trials to land on Worksorted.

Whatever you choose, make sure the CRM works for you rather than pushing you to adapt your business to fit with its capabilities.

Don't settle for one that is unsatisfactory when there are so many options out there that may be a better fit for your business.

## Forecasting software

Forecasting tools are also insightful technologies which can help your planning process and create scenario predictions for clients. Million Dollar Round Table (MDRT) recently conducted a study among U.S. consumers and found that 94% of respondents with a financial advisor found it at least somewhat important that their advisor uses software to model financial outcomes. However, only 48% were confident that, to the best of their knowledge, their advisor actually uses forecasting software. Since consumers have strong opinions in favor of forecasting software, if you are using one, make sure you actively

communicate that or consider purchasing a tool to meet your clients' needs.

For example, the XPLAN IRESS platform has a tool called CALM, which produces the forecasting that opens clients' eyes to their financial future. While a full XPLAN license that includes CRM capabilities may be needed for your business, we found that its full services caused more frustration than the added value. The CALM forecasting tool and a separate CRM system worked best to improve the client experience in my business. Ensure you are not limiting yourselves to just one tool that may or may not fit all of your business needs. A piecemeal solution may be the best way forward to get the specific benefits you need.

## Virtual meeting capability

Technology can be a valuable tool for conducting online meetings when an in-person meeting is inconvenient or not feasible. With the click of a button, you can hold real-time video meetings with clients, suppliers and licensees. They no longer have to be physically present to meet with you, making reviews and frequent points of contact easier. This function appeals to

**Technology can be a valuable tool for conducting online meetings when an in-person meeting is inconvenient or not feasible. With the click of a button, you can hold real-time video meetings with clients, suppliers and licensees.**

younger generations who often like to streamline their activities by leveraging technology. Adapting your business to meet the needs of millennials in particular is valuable as they become your next generation of clients. In fact, millennials ages 18-34 are more likely than some of their older counterparts to state it is at least somewhat important for financial advisors to use a platform to host virtual meetings.<sup>i</sup>

Virtual meetings can improve your internal team functionality, too since meetings can be recorded and reviewed to improve and train future planners and staff members who join later. This can result in less time devoted to training employees for the business owners since new staff will be able to train themselves.

There are a variety of platforms available to expand your virtual meeting capabilities such as Zoom Video which offers screen sharing, HD video and audio, and remote screen control features to streamline processes for staff and external customers.

### Cloud-based financial technology

One pain point that you may experience is obtaining updated financial information ahead of client reviews. By introducing online tools to your business, clients can connect their bank and financial information using a secure link that feeds all of their information straight into their own personalized webpage. Cloud-based tools, like the Australian platform My Prosperity enable streamlined and enhanced client experience. Through My Prosperity, this financial information is updated daily via direct feeds from their financial institutions. Our clients have responded well to this tool, and it has

been a game changer for our business. We transitioned from hounding clients for bank statements and spending time gathering these resources to having all information in one place including uploaded documents like wills. This has brought great efficiency to our business and has given us a major positive change in client experience.

Cloud-based technology is prevalent across many industries and consumers frequently use it in their own personal lives. This can explain clients' expectations for its implementation in financial planning. Eighty percent of consumers who work with a human financial advisor find it at least somewhat important that their advisor uses cloud technology for storing/accessing client plans. See how you can add cloud technology to your practice make information more secure and widely available regardless of physical location.

### Know your value

While robo advisors are being used increasingly among consumers, advisors should rest assured that our services go above and beyond what technology can offer. Consumers recognize this fact and see the value in human advisors. An overwhelming majority (88%) believe technology should complement, not replace, the services of a human financial advisor. We can look to technology to enhance our practices rather than see it as a threat.

Play up your strengths that differentiate you from a robot. Develop mutual trust with your clients and understand the true value of your interactions. For instance, consumers identified top benefits of working with a human advisor as the opportunity to build a trusting relationship (65%), the high

level of human interaction (58%) and ease of communication (52%).

While your humanity can go a long way with clients, remember that technology can also help you take your service further. Roughly 7 in 10 Americans (71%) believe financial planning should be managed by a mix of people and technology-based tools. Finding the ideal mix for your business and clients will set you apart from competitors in the digital era.

### Continuous adaptation

While we are currently satisfied with the value added from technology to our business, we continue to try other tools so we can make life easier for staff and clients. If you have not addressed technology recently, consider how your clients and prospects perceive the current state of your practice. Ninety-five percent of consumers want advisors to be tech-savvy regardless of whether or not they currently work with one. Lean into the digital revolution and through some experimentation, you can really improve your business. Technology will continue to play a role in your success and lead to a balanced personal and professional life. Your journey to success is ongoing and made possible through continuous adaptation as our industry and available tools evolve.



*Jamie McIntyre has been a financial planner for over 20 years having joined the industry in 1999. After gaining valuable experience with two local Geelong, Australia, firms, Jamie successfully established MAC Financial in 2009. Jamie has been actively working with all his clients providing valuable advice whilst building a successful financial planning business. He is an 8-year MDRT member.*

# KIDNAP AND RANSOM COVERAGE TRAVEL INSURANCE IT'S NOT JUST FOR BUSINESS TRAVELERS

By RAJEEV SHRIVASTAVA

**G**lobal corporations that operate in known global hotspots are all too familiar with covering their employees for kidnap and ransom insurance, or K&R insurance, as it's commonly known. Sadly, over the last several years what is termed "express kidnap" has been growing in popularity as criminals are seeing the value in smaller ransoms from multiple victims.

If you're a brokerage considering selling travel insurance, the opportunities for selling K&R insurance are far greater than just the business traveler or contractor working in areas where an incident has a higher probability to occur.

## How specialty K&R coverage began

The genesis of kidnap and ransom insurance was in 1932 with the kidnap and ransom demand of 20-month old Baby Lindberg, the child of famed aviator Charles Lindberg. Unfortunately, this incident did not have a happy ending as the child did not return home. In response, Lloyd's of London saw an

opportunity to insure high profile and high net worth individuals in the event of a kidnapping and ransom demand.

K&R really took off in the 1960s when there was a series of kidnappings in Latin America and Europe, targeting wealthy businessmen and their families. The Argentine guerrilla groups of the Péron regime secured a \$60 million ransom in the 1970s for brothers Juan and Jorge Born of Bunge & Born, a grain exporter. Fast-forward to 2017 where a reported \$1 billion was paid by Qatar to Iran and a faction of al-Qaeda for the release of a royal hunting party.

## The evolution of K&R insurance

As K&R insurance policy sales soared, the industry grew, but the actual negotiations for the ransom demands were all handled by the captives and their families. The insurers, who were paying for the claims, were left entirely out of the negotiating process. As payouts continued, a young London insurance broker figured out that the insurers should bring persons trained in the art of negotiating with criminals and terrorists into the process and created

a security consultancy in the 1970s.

Julian Radcliffe's new consultancy, called Control Risks, evaluated the insured's level of likelihood for a K&R incident and took strategic measures to reduce the risk of a kidnapping occurring. Former British intelligence, ex-MI6 and ex-military were hired for their deep knowledge in security and negotiations. Many insured were provided with guards or drivers who varied their routes to and from work, they began tracking data of the known amounts of payouts and took other measures, all reducing the risk of a kidnapping incident. A recent story by Christopher Elliot in Forbes magazine explored this new demand in his May 2019 article: This Is Why You Need Kidnapping Insurance For Travel.

In 1977 a former CIA agent, Mike Ackerman, launched the first U.S. K&R consultancy. He was a one-man show who handled all negotiations, often posing as a family member. Because he was fluent in Spanish, he was able to provide assistance in the rash of South American kidnappings. He even handled the cash exchanges on his

A child is holding a large, brown, shaggy teddy bear. The child's right arm is visible, showing a significant injury on the elbow area. The background is dark and out of focus.

***According to the New York Review of Books, more than 75% of Fortune 500 companies have K&R policies, and premiums are worth \$250 to \$300 million a year.***

***...although over 70 percent of cases go unreported, it's estimated that \$500 million to \$1.5 billion are paid each year for ransom demands...only a small percentage of these payouts are insured payouts.***

own, often getting dropped from a helicopter in a jungle. Later, Columbia became a hotspot for K&R with the drug trade and the Armed Forces of Columbia (FARC) providing more clients for Ackerman and fodder for the film, *Proof of Life* with Russell Crowe. [Source: "We Want to Negotiate: The Secret World of Kidnapping, Hostages, and Ransom," Columbia Global Reports].

### **A billion-dollar industry where 70 percent of cases go unreported**

Before you start imagining yourself being dropped into the jungle for your travel insurance clients, be secure in the knowledge that there are now other K&R consultancies that have fined-tuned the industry and its practices to keep actual payouts to a minimum and the safety and safe return of hostages paramount.

Overwhelmingly, most K&R incidents are in the hostage's home countries and they are by and large smaller amounts, in the five-figure range. According to the U.S. State Department, foreigners account for only two to six percent of kidnap and ransom incidents, though these are typically the cases that attract international media attention.

You may be asking why 70 percent of all K&R cases are unreported. That is a deliberate attempt by the insurance industry to reduce the number of new kidnappings and therefore reduce the number of payouts. In short, the industry has become more efficient with the tracking of payouts and their related geographic locations. Specialty K&R insurers execute what is termed

"ransom discipline" allowing their clients to pay what is the standard rate for a ransom payment and to make the entire transaction safer for the victims, with more positive outcomes.

### **Express kidnap: The Walmart of the kidnap and ransom industry**

There is no shortage of civil unrest, political instability and terrorism in today's world. Kidnapping and extortion for ransom payments are a gamble for the criminals who hold hostages. Demand too much and they may have overplayed their hand. If something goes wrong, both them and their hostages risk injury (or worse) in a rescue scenario—and the abductors risk getting caught. For these reasons, kidnapping criminals have turned to a simpler form of K&R, the express kidnap.

### **Express Kidnapping:**

- Soft Targets
- Non-executive employees
- Solo travelers
- Safari travelers
- Extreme sports enthusiasts in remote areas
- Students/Educational Groups
- Non-Governmental Organizations (NGOs) and non-profit workers
- Missionaries and religious groups

Express kidnapping is designed to hold a hostage for the least amount of time for smaller amounts. Perpetrators set their eyes on soft targets such as workers from non-profits or religious groups, solo female travelers and non-executive employees or contractors.

Victims are often taken to an ATM—or multiple ATMs—ideally around midnight to allow two withdrawals as most people have maximum daily limits. If they are held and family members are called, the ransom amounts are typically from \$5,000 up to \$50,000, though most hover around \$10,000. That's because most express kidnaps are of small groups where multiple ransoms can be demanded. Get \$10,000 each from a hostage group of ten and the kidnapers have made a tidy sum of \$100,000 in 24 to 48 hours.

### **K&R insurance policies: what they cover and what they cost**

Most employers who send their employees to known global hotspots cover them with K&R insurance under their Duty of Care, although more than 80% don't know they are covered. Contractors are a good market for selling business insurance that covers K&R ransom demands. Group policies that include a K&R rider are another resource for students, missionaries and religious tourism.

Costs vary for K&R coverage. It depends on many factors, including whether it's a group or individual policy, the benefit amount, travel destination and the country's level of risk. For most ten-day trips for two people, costs for coverage begin at \$500. A month long trip ranges from \$800 to \$1,500 and annual policies can range from \$2,000 to \$5,000 for coverage in the \$50,000 range. Higher net worth travelers should consider \$1 to \$2 million in coverage, while others secure

## ***Express kidnapping perpetrators set their eyes on soft targets such as workers from non-profits or religious groups, solo female travelers and non-executive employees or contractors.***

five- and six-figure coverage in the millions. Coverage cannot exceed your customer's net worth.

### **Business travel insurance: what your customers need to know**

It's also recommended that business travelers always purchase Cancel for Any Reason (CFAR) coverage, which literally allows the traveler to cancel for any reason up to 48 hours prior to departure and recoup up to 70% of pre-paid costs. CFAR coverage adds about 40% to the total cost of the business insurance policy.

CFAR is not the same as Cancel for Work Reasons. Coverage under Cancel for Work Reasons is only for actual work reasons, such as a company merger or a requirement to work during travel. It would not cover cancellations for:

- an unexpected natural disaster
- civil unrest
- State Department Level 3 alert for "Reconsider Travel"
- State Department Level 4 alert for "Do Not Travel" in countries such as Iran, Iraq and Syria

### **The K&R sales opportunity for the non-business traveler**

Your brokerage may not service high net worth, globe-trotting executives, but the opportunity for K&R coverage for other demographic groups is unlimited, especially with the explosion of solo and adventure travel and the rise of express kidnapping. Regardless of their demographic, travelers to Africa, Indonesia, South America and

Mexico should always be encouraged to carry K&R coverage.

Policy costs for K&R will definitely increase the margins of your brokerage. Here are some examples of individual and group policies that offer the opportunity to add a K&R coverage rider:

#### **The solo traveler**

Solo travel is huge and is largely driven by females of all ages—especially the lucrative 55+ demographic. Always urge solo travelers to purchase at least \$50,000 in K&R coverage.

#### **The adventure and extreme sports traveler**

This demographic is largely the Millennial and Gen X demographic and offers the opportunity for two critical travel insurance riders: hazardous sports riders and K&R coverage. The international VisitorsCoverage professionals recommend sports enthusiasts traveling to Africa for safari, mountain climbing or surfing need both K&R and hazardous sports riders with at least \$50,000 in K&R coverage limits and up to \$1 million for medical evacuation and medical treatment. Hazardous sports riders typically add between 4 to 10% to a policy's cost, depending on the traveler's age.

#### **NGOs, educational and religious groups**

International groups such as Doctors Without Borders have long been ransom targets when treating patients in terrorism hot spots and know well

the value of K&R insurance coverage. Local colleges, churches and nonprofits often perform charity work, missionary work, educational services or religious pilgrimages in known hot spots.

Group coverage policies make it cost-effective for the customer while increasing the volume of policies sold for the brokerage. Adding K&R coverage from \$50,000 to \$1 million is recommended for these groups who may be targeted for religious reasons.

### **The K&R opportunity for brokers will continue to grow**

Brokerages who offer K&R policies work with underwriters and providers who employ some of the most highly-trained security, negotiation, extraction and data analyst experts in the world. As soft target kidnapping increases, travel insurance providers have a duty to educate the customer on the benefits of adding K&R insurance coverage to their business, group and leisure travel insurance policy customers.



*Rajeev Shrivastava serves as CEO to global InsurTech company VisitorsCoverage Inc. a popular online travel insurance marketplace that allows travelers to*

*acquire and manage their travel insurance online. He has also founded several online technology brands including TMQuotes.com, an innovative technology platform that empowers insurance agents or brokers to sell travel insurance online.*

# CATERING TO MILLENNIALS

By JASON WALKER

**M**illennials, Generation Y, Gen Next, Boomerang Generation—no matter what they are called, this group of 20 to 30 years olds have been wreaking havoc on the market across industries—perhaps with the insurance sector facing the most disruption. These consumers want on-demand service whether for shopping, paying bills or conducting insurance transactions. If agents can't provide the customer service they require, they find agents, or insurtechs, that can. And it's not just access—product preferences are shifting. Ride sharing and living with parents after college have reduced the need for auto and home insurance. Less compulsory products like life insurance are becoming an even harder sell, with the next generation thinking about life insurance as something they might eventually want, but most certainly do not need at this point in their lives.

Many millennials graduated during the downturn of the economy. They often possess significant student loan debt and are frugal, preferring to save their big purchases for life experiences such as exotic trips and unique activities rather than planning for life crises.

Moreover, what's worked in the past, won't work as well in the future. Agents also need to adjust their current processes to make the life insurance transaction more efficient. Millennials put a high premium on speed and ease in doing business.

This is where digital solutions can help. Most life insurance agents have quoting and proposal tools and a customer relationship management (CRM) system. But these solutions aren't enough when targeting the younger generation. New communication outlets, including social media and text messaging, can take the agent/client relationship to platforms where customers feel most comfortable. Automating routine functions can speed up the application process.

## **Here are three key areas to consider to make the most of digital technology:**

**1. Keep it personal, but embrace the virtual**

Traditionally, life insurance sales revolved around face-to-face interactions; that sometimes resulted in 14-16 meetings a year with a top client. But millennials are wired to other communication methods including text messages, email and social media. And even face-to-face no longer requires two people in the same location. Agents can have virtual meetings using platforms like Skype or even FaceTime.

Life insurance agents need to be flexible and willing to adjust their communications methods to fit their clients' preferences. For some customers, this may involve the traditional multiple in person meetings at the agent's office accompanied by follow up phone calls and emails between visits. But for other clients, they might

only meet the agent once in the office and then rely on other communication outlets that extend beyond phone and email. If the client has a quick question about the application process or policy premiums, she might choose to send the agent a quick text message in the hopes of getting a speedy reply. For additional meetings and check-ins the customer might opt to have a video conference with the agent instead of trekking into the agency.

Agents should incorporate a scheduling tool to help manage their calendars and to keep track of the communications preferences of their individual clients. Steady communication is very important in the life insurance industry. Automating scheduling and re-scheduling can create a much better experience for clients and prospective clients. It also saves the agent time. This can enable them to communicate with more people on a daily basis.

Agents should also ensure they have access to the technologies their customers are using. Some services like Skype or Google Hangout are free for video conferences and used by a large number of consumers. But agents may also need access to a web conference platform. In addition to talking with clients about their needs and projections for the future, agents need to share a variety of information and documents with them to meet compliance standards. These include state mandated notices, buyer guides and disclosures forms required by the state and insurance company. These

## Three keys to new tech for millennials

platforms allows agents to not only communicate with clients, but also share presentations and documents that enable the agent and customer to review information at the same time, ensuring they remain compliant.

Finally, life insurance agents need to have a social media presence. This not only provides another outlet for customers to reach out and communicate, it's also is a great platform for new clients recruitment. Prospective clients will often turn to social media to request recommendations from their peers on a variety of topics including financial and insurance. According to the research organization LIMRA's Insurance Barometer Study, more than a third of Americans and more than half of millennials are likely to ask for recommendations for an insurance agent or financial advisor on social media. With active accounts on these platforms, life insurance agents can insert themselves into the conversation.

### 2. Turn the want into a need

Life insurance for many millennials, who are trying to pay off student loan debt seems like an added expense they can do without. They are young and the odds are in their favor that they will not need to be cashing in a life insurance policy anytime soon. Agents should work to shift this narrative and demonstrate why it's important to buy policies now. Life insurance is tied to key variables—health and age which typically do not improve with time. Consumers have access to the most favorable life insurance rates when

these two variables are on their side.

Helping clients look ahead 10, 20 and even 30 years can help them see and understand the multiple opportunities for insurance at different stages of life. Incorporating an account aggregation tool can help facilitate these projections. Agents can get a clear window into their clients' finances, which gives them an accurate view into the customers' current circumstances. It allows agents to make product recommendations and to serve the client holistically. It also advances the customer/agent relationship, turning the agent into an advisor that can recognize other planning opportunities outside of just life insurance sales.

**3. Make sure the Life insurance application process doesn't feel like a lifetime**

Millennials want the trusted advisor and tailored advice that a seasoned life insurance agent can provide—but they don't want huge hassles. Agents should digitize as much of the enrollment process as possible. Can the initial forms be filled out and submitted online? What documents can be signed using e-signature and returned via email, eliminating the need for the client to locate a stamp and mail the physical copy?

Agents should also implement an online service portal for their existing customers. For routine simple edits such as beneficiary changes, bank information or new address, millennials would prefer to not have to do an email

exchange, or make a phone call to the office for these adjustments. Portals enable customers to log into their own account and make these changes themselves. It also reduces the agent's workflow, giving them more time for sales and complex client issues.

Millennials are disrupting how all industries operate and life insurance is not an exception. This demographic has different priorities and the tactics that worked on previous generations will not be sufficient to engage this consumer group who expect fast, on-demand and simple service. With the right digital tools, agents can interact with the clients the way they prefer and shift the narrative, demonstrating that life insurance is not a luxury, but a vital tool that could benefit the customer and her family for years to come.



*As managing partner at Smart Harbor, Jason Walker oversees the strategy, development and delivery of the company's technology solutions and analytics platforms for the insurance market. He brings both significant insurance and business-to-business technology marketing experience to his role. He was previously founder and executive of People To My Site, a company that developed digital marketing programs for automotive dealers and franchises. He is currently an advisory council member for the Insurance Digital Revolution, an industry organization focused on advancing digital technology adoption among independent insurance agents.*



▶ **AD INDEX**

<p><b>23</b> <b>Allied Administrators</b> alliedadministrators.com/abs 877-472-2669</p> <p><b>2</b> <b>Brand New Day</b> bndhmo.com 866-255-4795</p> <p><b>37</b> <b>CAHU</b> www.getcahu.org</p> <p><b>3</b> <b>CaliforniaChoice</b> calchoice.com 800-542-4218</p>	<p><b>5</b> <b>Covered California</b> coveredca.com/forsmallbusiness 844-332-8384</p> <p><b>7</b> <b>Dickerson Insurance Services</b> thebrokersga.com sales@dickerson-group.com 800-457-6116</p> <p><b>29</b> <b>PERKS</b> www.perkscon.com</p> <p><b>13</b> <b>Petersen International Underwriters</b> piu.org piu@piu.org 800-345-8816</p>	<p><b>15</b> <b>Regal Medical Group, Inc.</b> brokers.regalmed.com</p> <p><b>19</b> <b>United Healthcare</b> www.uhc.com</p> <p><b>48</b> <b>Word &amp; Brown</b> 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</p>
--	---	--

▶ **CLASSIFIEDS**

**PAYING TOP DOLLAR FOR BOOKS OF BUSINESS**

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



Contact George At:  
[George@Geldin.com](mailto:George@Geldin.com)  
**877-789-5831**

**E & O**

**LOWEST RATES IN THE INDUSTRY GUARANTEED!**

[ERRORSANDOMISSIONSONLINE.COM](http://ERRORSANDOMISSIONSONLINE.COM)  
**800 399-3125**

**ELIMINATE YOUR LIABILITY**

Refer me YOUR clients going on DISABILITY CLAIM. MORE articles written...MORE testimonial letters received and MORE money secured (**1.7 BILLION dollars**) on behalf of clients than anyone living in the U.S.

Get a **FREE** copy of my book that will help you understand the nuances of a disability claim!

**ART FRIES, RHU** [friesart@hotmail.com](mailto:friesart@hotmail.com)  
**1-800-567-1911 • www.afries.com**

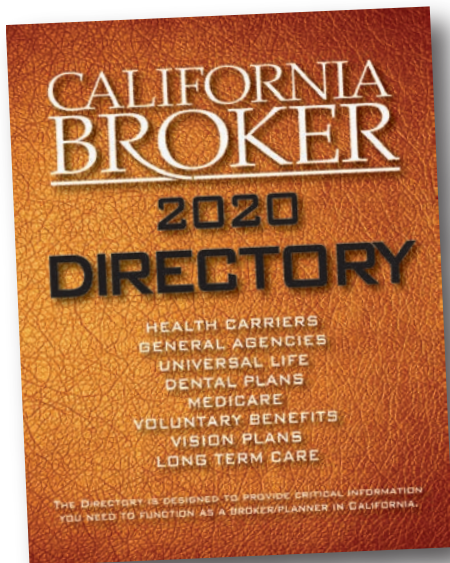
**CLASSIFIEDS SELL!**

**818-848-2957**  
[Thora@calbrokermag.com](mailto:Thora@calbrokermag.com)

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

# CALIFORNIA BROKER

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



## Coming next month...

*The Annual California Broker Insurance Directory.*

The perfect opportunity to reach over 25,000 dedicated insurance industry professionals.

Advertise your message to brokers and agents and keep up with the movers and shakers that make this industry work.

Time is running out...  
reserve your ad space now!

Call Devon at **626-755-4770**  
to advertise your business.



SMALL &  
LARGE GROUP

INDIVIDUAL &  
FAMILY PLANS

ANCILLARY

WORKSITE

WORKERS' COMP

AND MORE...

# COPACETIC

**Serve your clients with the perfect combination of products.**

Rush season is right around the corner — time to get a head start. Let us help you prepare, with a delicious combination of products, services, tools, and support — served up just for you. Whether your clients are looking to renew, comparison shop, or add benefits, we have a full menu of solutions to meet those

needs. Quick quote turnaround. Simplified side-by-side plan comparisons. On-site meeting and presentation assistance. Bilingual enrollment support and enroller coordination. Successful sales strategies. And much more. Just order up the services you want, and we'll deliver.

**Word&Brown®**

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