

CALIFORNIA BROKER

VOLUME 33, NUMBER 11

SERVING CALIFORNIA'S LIFE/HEALTH PROFESSIONALS & FINANCIAL PLANNERS

AUGUST 2015

HANG 10

on the Tsunami of Seniors



ALSO IN THIS ISSUE:

MEDICARE | LIFE INDUSTRY VIEW FROM THE TOP | DENTAL SURVEY PART 2 | HSA
SELF FUNDING | LIFE SETTLEMENTS | WELLNESS

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PUBLISHER

Ric Madden
email: publisher@calbrokermag.com

EDITOR-IN-CHIEF

Kate Kinkade, CLU, ChFC
email: editor@calbrokermag.com

SENIOR EDITOR

Leila Morris
email: editor@calbrokermag.com

ART DIRECTOR/PRODUCTION MANAGER

Loc Tran

ADVERTISING

Scott Halversen, V.P. Mktg.
email: scotthalversen@calbrokermag.com

CIRCULATION

email: calbrokermag@calbrokermag.com

BUSINESS MANAGER

Lexena Kool
email: lex@calbrokermag.com

LEGAL EDITOR

Paul Glad

EDITORIAL AND PRODUCTION:

McGee Publishers
217 E. Alameda Ave. #207
Burbank, CA 91502
Phone No.: 818-848-2957
email: 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, 217 E. Alameda Ave. #207, Burbank, CA 91502. 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*, 217 E. Alameda Ave. #207, Burbank, CA 91502.

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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.

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BAMACARE LIVES, BUT IT'S WORSE

King v. Burwell: A Dark Day for the SCOTUS

by JEFFREY M. VERDON, Esq.



I was taken aback when I heard the outcome of the Supreme Court's 6-3 majority vote in the case of *King v. Burwell* in favor of upholding Obamacare. In two decisions on healthcare, Roberts has ruled that Congress has almost plenary taxing powers, to the point that levies not labeled as a tax will be construed as a tax if necessary to save the statute;

and the IRS has the power to go beyond and even outside of the text of the statute in order to achieve the broad legislative purpose. As someone who does tax planning for a living, I find those two rules to be terrifying. Roberts has killed almost every principle we tax lawyers rely on when advising our clients. Because, at the end of the day, every time the IRS makes regulations that eliminate exemptions and increase taxes, the Court can come in and say "Congress intended to raise tax revenues."

Tax lawyers rely on hyper-precise interpretations of statutes and regulations. With these two decisions, we can no longer do that. It's a very bad day for the Court and for the law.

The Supreme Court issued its much anticipated opinion in *Obergefell v. Hodges*, holding same sex marriages must be recognized in all 50 states. Justice Roberts, dissenting in this case, argues that the states should be allowed to retain the right to regulate the institution of marriage for its citizens. This is 180 degrees from his opinion of the state's right to decide if it will establish a state exchange, and that the word "state" means the federal government, thus federal subsidies should be allowed regardless of the plain meaning of the famous 4 words in Obamacare (ACA).

Legal scholars will attempt to reconcile these two decisions for decades to come. Private lawyers and government litigators will use these two cases to attempt to rewrite the plain meaning of existing statutes. As a lawyer who designs and drafts estate plans to last, in some cases generations, the reliance on the plain meaning of statutes, regulations, and rulings (the interpretation of which may not come up for many years into the future) is most troubling about these decisions.

More troubling about these two decisions is the Court's willingness to cede more of the state's powers to the Fed. Extending this trend to its logical conclusion, it would certainly not be a stretch to see the government usurping the private property of the citizen for the greater good. Frankly, it is beginning to happen now with the proposal to limit the amount of money you should be able to withdraw from your private retirement plan, thereby taking the excess contributions through the government's power to tax. The effect is to take your property and redistribute it to others.

So those fortunate enough to have accumulated wealth should be paying close attention to these incremental steps to take what's yours, and employ those solutions to avoid being a victim. I will have more to say about these two decisions and the far reaching implications. Many of our clients have already placed their assets into structures to neuter such outcomes should they actually happen. Elections have consequences and keeping this in mind when you visit your local ballot boxes is paramount. ★

Verdon can be reached at jeff@jmvlaw.com or 949-333-8143.

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	Bests	Fitch	S&P									
American Equity	A-	BBB+		ICC13 MYGA (Guarantee 5) (Q/NQ)	S	2.45%*	5 yr.	None	9%, 8, 7, 6, 5, 0	Yes	\$10,000 (Q) & \$10,000 (NQ)	3.00%, age 0-75 & 2.10%, age 76-80**
				ICC13 MYGA (Guarantee 6) (Q/NQ)	S	2.65%*	6 yr.	None	9%, 8, 7, 6, 5, 4, 0	Yes	\$10,000 (Q) & \$10,000 (NQ)	3.00%, age 0-75 & 2.10% age 76-80**
				ICC13 MYGA (Guarantee 7) (Q/NQ)	S	2.90%*	7 yr.	None	9%, 8, 7, 6, 5, 4, 3, 0	Yes	\$10,000 (Q) & \$10,000 (NQ)	3.00%, age 0-75 & 2.10%, age 76-80**
*Effective 7/1/15. Current interest rates are subject to change on new issues. **Commission may vary by issue age and state. See Commission Schedule for details												
American General Life Insurance Companies	A	A+	A+	American Pathway Solutions MYG	S	2.35%** 2.50%**	5 yr.	None	8%, 8, 8, 7, 6, 5, 4, 3, 2, 1, 0	Yes	\$10,000(Q&NQ)	1.5% age 0-75 .75% age 76-85
*CA Rates Effective 7/16/15. First year rate includes 1.50% interest bonus. a (less than \$100K ; b (100K or more)												
American General Life Insurance Companies	A	A+	A+	American Pathway Fixed 5 Annuity (*Guarantee Return of Premium) (Q/NQ)	S	1.55%** 1.75%**	5 yr.	None	9%, 8%, 7%, 6%, 5%, 0%	No	\$5,000 (NQ) \$2,000 (Q)	2.00% age 0-85 1.00% age 86-90
*CA Rates Effective 7/16/15. Includes 2.00% 1st year bonus, 1.00% base rate subsequent years. a (less than \$100K) b(100K or more)												
American General Life Insurance Companies	A	A+	A+	American Pathway Fixed 7 Annuity (*Guarantee Return of Premium) (Q/NQ)	S	2.05%** 2.25%**	5 yrs.	None	9%, 8%, 7%, 6%, 5%, 4%, 2%, 0%	No	\$5,000 (NQ) \$2000 Q	3.00% age 0-85 1.50% age 86-90
*CA Rates Effective 7/16/15. First year rate includes 4.0% bonus 1 st year. a (less than \$100K) b(100K or more)												
American General Life Insurance Companies	A	A+	A+	American Pathway Flex Fixed 8 Annuity (Q/NQ)	F	4.15%* *(includes a 2% interest rate bonus for first year)	1 yr.	None	8%, 8%, 8%, 7%, 6%, 5%, 3%, 1% 0%	No	\$5,000 (NQ) \$2,000 (Q)	2.20% age 0-75 1.70% age 76-80 1.20% age 81-85
*CA Rates Effective 7/16/15												
Genworth Life & Annuity Insurance Co.	A	A-	A-	SecureLiving Rate Saver	S	2.70%* 2.45%	7 yrs. 5 yrs.	None None	9%, 8, 7, 6, 5, 4, 3 9%, 8, 7, 6, 5, 0	Yes	\$25,000 (NQ)	Varies 0-85 *Effective 6/17/15. Based on \$250K or more.
Great American Life	A	A+	A+	SecureGain 5 (Q/NQ)	S	2.40%	5 yrs.	N/A	9%, 8, 7, 6, 5	Yes	\$10,000	2.50% 18-80 (Q), 0-80 (NQ) 1.50% 81-89 (Q&NQ)
Effective 6/8/15. Includes .25% first-year bonus and is for purchase payments over \$100,000. Escalating five-year yield is 2.40%. For under \$100,000 first-year rate is 2.25%. Escalating rate five-year yield 2.25%.												
Great American Life	A	A+	A+	SecureGain 7 (Q/NQ)	S	2.65%	7 yrs.	N/A	9%, 8, 7, 6, 5, 4, 3	Yes	\$10,000	3.50% 18-80 (Q), 0-80 (NQ) 1.50% 81-85 (Q&NQ)
Effective 6/8/15.. Includes 1.00% first-year bonus and is for purchase payments over \$100,000. Escalating seven-year yield is 2.54%. For under \$100,000 first-year rate is 2.55%. Escalating rate seven-year yield 2.44%.												
Great American Life	A	A+	A+	Secure American (Q/NQ)	S	1.75%*	1 yr.	N/A	9%, 8, 7, 6, 5, 4, 3	No	\$10,000	5.75% 0-70 4.65% 71-80 4.40% 81-89
*Effective 6/8/15. Eff. yield is 2.77% based on 1.75% first year rate, 1.00% available portion of 10% annuitization bonus (available starting in contract year two) and 0.02% interest on available portion of bonus at the rate of 1.75%. Surrender value interest rate 1.75%. Accepts additional purchase payments in first three contract years. COM12255												
Jackson Insurance Company.	A+	AA	AA	Bonus Max (Q/NQ)	F	3.20%*	1 yr.	None	8.25%, 7.25%, 6.50%, 5.50%, 3.75%, 2.75%, 1.75%, 0.75%**	Yes	\$5,000 (NQ) \$5,000 (Q)	6.00% 0-80 3.00% 81-85 1.50% 86-90
*Effective 10/6/2014. The first year interest rate includes any first year additional interest, if applicable. Interest rates in subsequent years will be less. **Each premium payment, including any subsequent premiums, is subject to the withdrawal charge scheduled as detailed.												
The Lincoln Insurance Company	A+	AA	AA	MYGuarantee Plus 5	S	1.75%*	5 yr.	None	7%, 7, 6, 5, 4, 0	Yes	\$10,000 (Q/NQ)	
**Rates Effective 7/1/15 for premium less than \$100,000 and are subject to change												
The Lincoln Insurance Company	A+	AA	AA	MYGuarantee Plus 7	S	2.15%*	7 yr.	None	7%, 7, 6, 5, 4, 3, 2, 0	Yes	\$10,000 (Q/NQ)	
**Rates Effective 7/1/15 for premium less than \$100,000 and are subject to change.												
North American Co. for Life and Health	A+	AA-	A+	Boomer Annuity (Q/NQ)	F	6.57%*	1 yr.	None	15%, 14, 13, 12, 11, 10, 8, 6, 4, 2	Yes	\$2,000 (Q) \$10,000 (NQ)	7.00% (0-75) 5.25% (76-80)
* 6.57% First Year Yield reflects a 5% Premium Bonus in years 1-5, annuitization bonus after year 10. Penalties are waived at death. This yield assumes no withdrawals. The Interest Rate is based on current rates as of 7/1/15 and is subject to change.												
Reliance Standard	A+		A+	Eleos-MVA	S	3.30%*	1 yr.	None	8%, 7, 6, 5, 4	Yes	\$10,000	3.25%**
*Effective 6/9/15. Includes 1.50% 1st yr. bonus. Min. guarantee is 1.00%. **Reduced 20% ages 76-80, and 40% ages 81-85												
Reliance Standard	A+		A+	Apollo MVA (Q/NQ)	S	4.25%*	1 yr.	None	9%, 8, 7, 6, 5, 4, 2	Yes	\$5,000	4.00% to age 75**
Includes 2.00% 1st yr. bonus. Min. guarantee 1.00% **Reduced 20%, ages 76-80, and 40% ages 81-85. Effective 6/9/15												
Symetra Life, Inc.	A	A+	A	Custom 7 (Q/NQ)	S	3.20%*	7 yrs.	N/A	8%, 8, 7, 7, 6, 5, 4, 0	No	\$10,000	Varies
*Effective 7/22/15. 2.70% base rate with no guaranteed return of purchase payments. Plus 0.50% bonus for \$250,000 and above.												

A man in a dark blue suit, white shirt, and red tie is sitting and reading a newspaper. He is wearing glasses and holding a smartphone in his left hand. The background is a blurred office setting with a window.


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CONSUMER-DRIVEN *Trends and Predictions*



by **LEILA MORRIS**

Consumer-driven accounts will become even more popular as the Affordable Care Act (ACA) continues to drive up premiums while limiting the type of plans that employers can offer, according to a report by Flexible Benefit Service Corp. (Flex). Flexible spending accounts (FSAs) have reached significant market penetration; health reimbursement arrangements (HRAs) have found a niche with certain employer sizes; and health savings accounts (HSAs) continue to skyrocket, according to Flex.

EMPLOYERS ARE WORRIED ABOUT THE CADILLAC TAX

The ACA's Cadillac tax, which will begin in 2018, has employers scrambling to change their benefit plans. A recent Towers Watson survey found that 73% of employers are concerned about triggering the tax, and 62% say it will have at least a moderate effect on their health care strategy in 2016. Forty-eight percent of employers are likely to trigger the tax in 2018, and 82% could trigger it by 2023. In light of these very real concerns, consumer-driven accounts will continue to grow in popularity, the Flex study predicts.

Final regulations for the Cadillac Tax are still pending. But FSA contributions are expected to be included in the calculations as are employer and employee HSA contributions. The IRS is expected to issue guidance to help determine HRA values, which will most likely be based on utilization patterns.

HSAs WILL SURGE

The study predicts a bright future for HSAs, particularly due to the growth of exchanges. Many more employers will offer HSAs and many more employees will choose them. High deductible health plans offer lower premiums while their complementary HSAs offer tax savings. The growing popularity of private exchanges will also boost HSA enrollment.

HSAs are steadily moving toward the top of the adoption curve. Forty-four percent of employers surveyed by Flex offer an HSA. HSAs seem to have a bigger foothold with employers that have 500 to 5,000 employees. Stand-alone HSAs are most popular in the two to 100 markets.

A recent Mercer survey reveals even more growth among large employers, with the offer rate more than doubling between 2009 and 2014.

Flex Benefit Service researchers say that the recent surge in HSA-offer rates is partly responsible for the lack of growth in the HRA market, as employers may be replacing HRA plans with HSAs. As HSA popularity grows and their tax advantages are more widely publicized, employers may be seeing HSAs as a more favorable choice for their employees.

HRAs—THE SLEEPER ACCOUNTS

HRAs have not outlived their usefulness, but are becoming a niche product. HRAs may become the unsung heroes of consumer-driven accounts. That's because, when it comes to the Cadillac Tax threshold, the value of an HRA is likely to be based on past utilization and not annual maximum reimbursements. HRAs also allow employers to offer a health plan with lower out-of-pocket exposure. HRAs have found more popularity with small or very large employers. HRAs are most popular with small businesses and very large employers (the two to 100 market and the 5,000+ market when combined with other plans).

Small employers often use HRAs to self-fund a portion of an HDHP deductible, which allows them to lower premiums while still giving their employees a rich benefit plan. Very large employers are more likely to use HRAs for retiree benefit plans, allowing retirees to purchase individual insurance. Industry data does not support much growth in this Mid-size employers market.

THE IRS MAKES FSAs MORE POPULAR

More employers are offering FSAs since the IRS announced, in 2013, that employers could allow participants to roll over up to \$500 of unspent funds into the next plan year. This ruling has been extremely popular with employers, which is not surprising since the use-it-or-lose-it rule was the biggest barrier to participation. However, enrollment in FSAs is expected to decline slightly as employees choose other options, such as HSAs. Ninety-percent of survey respondents offer an FSA, which shows that these accounts have almost reached full market penetration. The ACA includes a statutory maximum election (\$2,550 for 2015) for health care FSAs and limited access to over-the-counter items without a prescription. Stand-alone FSAs are most popular in the 101 to 500 market.

The survey authors don't expect the Cadillac tax to have much of an effect on FSA-offer rates since employers rarely contribute. But they may be forced to lower their maximum employee election to keep the value of coverage below Cadillac tax thresholds.

David Lindgren, senior manager of Compliance and Public Affairs at Flex said that the key takeaway from this report is that consumer-driven accounts are valuable for any size employer. "From private exchanges to greater consumerism, employers will continue to seek new ways to enhance their benefits strategy," he said. To get the full report, visit flexiblebenefit.com. ★

Leila Morris is senior editor of California Broker Magazine.

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Why GRASSROOTS MARKETING Is Key to Selling DSNPs



by ERIN ACKENHEIL

A special kind of Medicare Advantage (MA) plan, the dual eligible special needs plan (DSNP), offers brokers a great way to expand their business and grow their revenue while providing an important service to people who need it most.

The Medicare Modernization Act of 2003 created MA special needs plans (SNPs) to focus on individuals with special needs. Of these, DSNPs, which serve people eligible for both Medicare and Medicaid, are the largest and fastest growing. Nationally, more than 11 million people qualify for these plans. Like all MA plans, DSNPs combine Medicare Parts A and B in a single convenient package. They also include pharmacy coverage.

DSNP members are a unique audience. It takes some special skills to be able to assist them, but the effort is worthwhile. You can not only expand your business by reaching out to this group, but you can also fill an important need.

The following are some tips we've learned while selling DSNPs. I share them with you here in hopes that they will help you expand your MA business.

THINK YEAR ROUND

Unlike most MA products, which are sold primarily during Medicare's annual election period, DSNPs can be sold year round to those who qualify. In general, qualifying members can enter or exit a DSNP at any time for any reason. As a result, DSNPs can provide a steady stream of members during traditionally slow periods.

STEP UP YOUR GRASSROOTS GAME

Have you ever heard the old expression that you have to fish where the fish are? That's the case with DSNPs, too. To be successful selling DSNPs, you have to spend time where this population lives and accesses services. It is grassroots marketing at its best. Certain geographies may include more dually eligible people than others. DSNPs may not even be available in some areas. For best results, focus on areas with a high population of people who are dually eligible. Spend time at providers' offices in these areas. People will get to know you. Word will spread. Soon you'll become the go-to person for these plans.

KNOW THE BENEFITS

DSNPs are attractive because they offer benefits that aren't available to members directly through Medicaid or Medicare. These additional benefits vary by carrier. It's important for you to know about these benefits and be able to articulate them to your clients. Some of the most popular benefits include dental and vision coverage as well as transportation benefits, such as rides to doctor appointments.

HANDLE WITH CARE

Many people who are dually eligible have never been in a managed care before. For that reason, they'll need your guidance. Since most DSNPs are HMOs, they will need to know about how to access an HMO, such as utiliz-

ing a network, experiencing the costs of going out of network, getting referrals for specialists and using a formulary. By providing a little coaching on the front end, you can help ensure that these members aren't surprised and won't leave you when they start accessing their benefits.

REAP THE REWARDS

We all got into this industry to help people. It is especially rewarding to bring better health care to people who need it and haven't had it before. That's what we're doing with DSNPs. But DSNPs aren't just good for the soul. They're good for your wallet too because they'll increase your client base and your commissions.

So that's DSNPs in a nutshell. If you need additional details, please access the websites of the carriers that offer these plans. ★

Erin Ackenheil is vice president of sales for Anthem Blue Cross, which serves around 260,000 Medicare Supplement members in California.

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What Employers Should Know ABOUT MEDICARE

by MARGARET "MAGGIE" STEDT, C.S.A. L.P.R.T

Many HR departments have a knowledge gap when it comes to Medicare eligibility and coverage. This knowledge gap involves active Medicare age employees and their spouses as well as former employees who are continuing on the employer's plan or enrolling in COBRA. This is a growing challenge since many young seniors are still active in the workplace.

The initial enrollment period is a seven-month period to enroll in Medicare Part B. It starts three months before the month you turn 65; includes the month you turn 65; and ends three months after the month you turn 65. (If your birthday is on the first, the initial enrollment period moves backward a month.) There is also special enrollment period eligibility after 65. One of the criteria is leaving active employment. (Refer to Medicare.gov for additional information).

Many HR personnel don't know that there are different requirements for firms of less than 20 employees and more than 20 employees. This lack of knowledge could result in delaying coverage for the employee and spouse. It could mean a gap in coverage, a delay in coverage, or even hefty lifetime penalties for late enrollment.

Medicare imposes a 10% penalty for every 12-month period that an eligible person did not enroll in Medicare Part B. There is also a 1% penalty for each month the eligible person did not enroll in Part D coverage (in a Medicare Advantage prescription drug plan or a stand-alone Part D plan). The 1% calculation is based on the national average for stand-alone Part D plans on each plan year.

COMPANIES WITH FEWER THAN 20 EMPLOYEES

An employee or their spouse who turns 65 while receiving health benefits through active employment must enroll in Medicare Part B during their initial enrollment period.

COMPANIES WITH MORE THAN 20 EMPLOYEES

The active employee and their spouse may be able delay coverage in Part B without incurring a penalty. They should always check with the Centers for Medicare & Medicaid Services (CMS) to make sure they don't need to enroll in Part B of Medicare.

COBRA COVERAGE

Medicare does not consider COBRA as creditable coverage. Any former employees or their spouse who turns 65 or is already 65 must enroll in Medicare Part B upon losing the employer plan coverage. Once the employee leaves a job (active employment) they have up to eight months to enroll in Part B of Medicare without incurring a Part B penalty.

It is important to note that for employees and their spouses who have lost employer coverage outside of their initial enrollment period, that the special enrollment period is far shorter (63 days) than the 8 months to enroll in Part B.

EXTENDED EMPLOYER COVERAGE

Although the former employee may have their employer health plans extended as part of their exit from a company, they are no longer considered actively at work. They have up to eight months to enroll in Part B of Medicare without incurring a penalty for late enrollment into Part B and possible Part D coverage if the coverage is not creditable. This is common area of misunderstanding and misinformation. Again, see Medicare.gov.

RETIREE BENEFITS

An eligible person who has retiree benefits from a former employer must enroll in Medicare during their initial enrollment period to avoid the Part B penalty.

PRIVATE INSURANCE

Eligible individuals who are covered under an individual plan must sign up for Medicare coverage during their initial

enrollment period to avoid a penalty and a gap in coverage. (Many small employers have individual coverage). They must also cancel their individual insurance. It is not cancelled automatically once they enroll in Medicare.

There are many great resources for HR personnel and eligible employees. Many find an agent who is certified to sell Medicare Advantage plans, MediGap, and stand-alone Part D plans. They can assist in special seminars and enrollment. Many group insurance brokers who don't specialize in Medicare find it helpful partner with Medicare certified agents.

Information is also available through Medicare.gov. Eligible persons may also call CMS at 1-800-Medicare. It's important to note that enrollment in Medicare Part B is done through Social Security by using their website at socialsecurity.gov, calling 800-772-1213, or visiting the nearest Social Security office.

Many publications on the Medicare website provide guidance. A helpful booklet is *Medicare and Other Health Benefits: Your Guide to Who Pays First*. It explains how Medicare works with other types of coverage and who should pay bills first.

Also, it is important for HR departments to process the termination of group coverage in a timely manner for employees and their spouses once they go on a Medicare supplemental plan (Medicare Advantage or MediGap plans.)

Understanding Medicare eligibility is more important than ever with over 10,000 Baby Boomers turning 65 every day and many still working. As agents and brokers, we have a tremendous opportunity and responsibility to help HR personnel at all size companies to understand Medicare eligibility and options for eligible employees and retirees.

Margaret "Maggie" Stedt, C.S.A. L.P.R.T is president, Orange County Association of Health Underwriters (OCAHU), NAHU Region 8 Membership, and member of NAHU Medicare Advisory Group.

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AFFORDABLE CARE ACT

The ABCs of Preparing Your Self-Insured Clients for Tax Reporting in 2016

by DAVID ZANZE

Now is the time to help your self-insured clients prepare for tax season 2016 if they haven't started already. I'm not going to sugar coat it—tax reporting for ACA can be time-consuming and confusing, especially when multiple commonly owned or controlled entities are involved, which happens often in the self-insured world. That's why it's important to not wait until the last minute to understand what your clients need. Read on for my ABCs of ACA reporting compliance. Under Internal Revenue Code Sections 6055 and 6056, every self-insured employer must report on the health coverage they provided. Employers risk paying penalties if they don't file.

AFFORDABILITY

The first leg of ACA tax reporting is making sure that your client's plan is affordable and provides minimum value. According to the IRS, a plan is affordable if the employee's share of the cost of self-only coverage (premium or contribution) is no more than 9.5% of their annual household income. If coverage is not affordable, full-time employees may be eligible for subsidized health benefit coverage at a state or federal health insurance exchange. If the employee applies and qualifies for a subsidy, a large employer (50+ full-time equivalent employees) will be penalized by the IRS.

Because the IRS understands that it is difficult to know each employee's annual household income, it created three safe harbor options for employers to determine if their plan meets the affordability threshold:

- **9.5% of Form W-2 wages safe harbor:** The 9.5% calculation is based on wages paid to the employee as reported in box 1 of the employee's Form W-2
- **9.5 % of rate of pay safe harbor:** The 9.5% calculation is based on what an employee's rate of pay was at the start of the coverage period
- **9.5 % of federal poverty line safe harbor:** Coverage is considered affordable if an employee's contribution does not exceed 9.5% of the federal poverty line for a single person for the applicable calendar year

Your client also needs to make sure that their plan meets minimum-value standards. Under the ACA, a plan provides minimum value if it covers at least 60% of total allowed benefit costs. This is the plan's actuarial value. Sixty percent has been established as the minimum required standard actuarial value.

To determine if a plan meets the required actuarial value for 2016 plan designs, employers can get help from their plan carrier or third party administrator or seek certification from an actuary. They can also use an actuarial calculator, which is available on the Centers for Medicare & Medicaid Services' website at cms.gov.

THE BASICS OF EMPLOYEE TRACKING

The second area you need to know is employee tracking for ACA tax reporting. To avoid employer mandate penalties in 2015, large self-insured employers must show that they offered coverage to a minimum of 70% of full-time employees and dependents during each month of 2015 (for tax year 2016, the 70% requirement reverts to the law's original 95% requirement). Large employers will also be required to report information to the IRS and to their full-time employees about the coverage offered.

Large employers are defined as those that employed an average of 50 full-time employees on business days in the preceding calendar year. A full-time employee is any employee who was employed at least 30 hours a week, on average, and any full-time equivalents.

For example, an employer that had 40 full-time employees working an average of 30 or more hours a week and 20 employees working 15 hours a week in the prior year would be considered a large employer with an equivalent of 50 full-time employees. Once your clients identify their size and full-time employees, they'll need to report the following to the IRS:

- Social Security numbers for each employee and their spouse and dependents. If Social Security numbers are not available, an employer may provide a birth date, but only after requesting the Social Security numbers at least twice.
- Federal employer identification number(s).
- The number of full-time employees who worked each calendar month in 2015.
- The date each employee was offered health coverage and when the coverage started.
- What each employee paid monthly for the lowest cost plan for self-only health coverage.
- A list of employees who declined health coverage (if any).
- Health plan information to make sure it meets minimum value requirements.



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Before an employer can track this information, they need to establish how it will be done and who will be responsible. Make sure that your clients can identify the internal departments responsible for providing the necessary information. A multi-disciplinary team may be needed to accomplish the data collection goal. These departments may include HR, payroll, finance, and IT. Additionally, they will need a process for reviewing ownership structures of related or commonly controlled companies, e-filing their reports with the IRS, maintaining ongoing records, and printing and mailing the 1095-c forms to employees.

The third and final area of ACA tax reporting is what the employer needs to do to file their forms so they are in full ACA compliance in 2016. Here is what you need to know.

IRS FORMS TO FILE

Your self-insured clients will need to file forms 1094-C and 1095-C with the IRS. Employers must also provide the 1095-C form to all full-time employees so they can submit it with their taxes to demonstrate their compliance with the individual mandate.

DEADLINES

Employers must mail all 1095-C forms to every full-time employee by Monday, February 1, 2016 (generally Form 1095-C must be mailed by January 31st but in 2016 it is a Sunday). Employers can send 1095-C forms electronically, but only if they get the employee's prior consent.

Employers must file on or before February 28 if they are filing Form 1094-C and 1095-C by mail with the IRS. (In 2016, the 28th is a Sunday so the deadline is actually Monday, February 29, 2016. If filing electronically with the IRS, the deadline is March 31, 2016.) Employers filing 250 or more forms must file electronically.

HELP IS AVAILABLE

The good news is that the IRS allows employers to hire a third party to file their return and furnish statements on their behalf. An employer can discuss it with their plan carrier, payroll vendor, or third party administrator to see if any offer products or services that can assist them. If your client decides to get additional help, they need to know the capabilities of the companies they are considering. Whether your client decides to do the tracking and filing on their own or hire an outside vendor, a lot is riding on the accuracy and timing of their ACA tax filing. Not just for their company, but for every full-time employee at tax time next year. ★

David Zanze has over 30 years of experience as a leader and innovator in the health care industry. He is the president of Pinnacle Claims Management, Inc., an all-inclusive third party administrator (TPA) and Pinnacle Rx Solutions, a pharmacy benefit manager. Both companies offer benefit administration and claims processing with the latest technology in the self-funded market. Through Pinnacle's ACA Dashboard, its cloud-based product, it can do tracking and tax filing for a client. The company can also print and distribute the employee tax forms. For more information about Pinnacle's ACA Dashboard product, call 866-930-7264, email dashboard@pinnacletpa.com, or visit pinnacletpa.com.

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Your Self-Funded SOLUTION TO THE ACA



by **MARK REYNOLDS, RHU**

Now may be the best time for brokers to venture into the self-funded market because of great need and opportunity. Thousands of employers don't offer coverage to full-time employees. But, beginning January 1, 2016 employers with 50+ full-time equivalent employees must offer at least minimum coverage.

Thanks to the Supreme Court's decision on subsidies in June, the ACA is here to stay. This means that, among dozens of other things, employers with 100+ full-time equivalents in 2015 and 50+ full-time equivalents beginning January 1, 2016 must provide at least minimum-essential coverage as well as a minimum-value coverage (a minimum-value plan). Employers that don't comply will face heavy fines and possibly worse. Employers can meet their compliance obligations at a much lower cost by self-funding their plans.

A fully insured plan must include the essential health benefits, which include hospitalization, surgery, office visits etc. But, to avoid the \$2,000 penalty, an employer that self-funds coverage only needs to offer the minimum-essential coverage, which can be as basic as the 63 preventive benefits for adults, women, and children.

To avoid the \$3,000 penalty, the employer needs to offer a self-funded plan with at least 60% actuarial value, which is referred to as a "minimum value plan." A November 2014 IRS notice clarified that self-funded minimum-value plans must include hospital and surgical benefits,

but many plans committed to prior to November 4, 2014 would be grandfathered until their first renewal.)

First, let's define the group size and the benefits we are addressing: Effective January 1, 2015 employers with 100+ full-time equivalents must now offer minimum-essential coverage and minimum-value plan coverage. Effective January 1, 2016 the group size that is mandated to provide benefits drops to 50 full-time equivalents. Calculating full-time equivalents can be confusing, but it is the number of full-time equivalents that determine their size and mandate. So, an employer in one of these categories must offer minimum-essential coverage and/or minimum-value plan coverage or risk a \$2,000 or \$3,000 penalty.

Where's the opportunity and what employers are candidates for these plans? Technically, self-funding the health plan is a good idea for any size employer. Brokers should research what's available for every group they consult. Your TPA can help you analyze what fits best.

In addition, recent California law aligns state regulations with federal ACA regulations for counting full-time equivalents. Come 2016, employers will be forced to count full-time equivalents just like larger employers must do. So employers who think they have 30 or 40 full-time equivalents will need to count all hours worked by part-time staff to determine their full-time equivalent count.

What solution can you offer these employers? The minimum-essential coverage

and minimum-value plans offer the best solution for these employers. You will find opportunities in every industry including retail chains, manufacturing, hotel chains, restaurants, agricultural businesses, and shipping & storage companies. And don't overlook PEOs. Anywhere there are large agriculture, shipping, restaurant, or hotels you will find employers looking for help—your help. You should contact your favorite TPA about any employer with 50 or more full-time equivalents to determine what fits best.

So, let's summarize the opportunity: Employers with 100+ full-time equivalents now or 50+ full-time equivalents starting January 1, 2016 must offer at least a minimum level of benefit or face severe penalties. Self-funding these benefits is an easier and less expensive way for employers to get and stay compliant.

Plus, with self-funded plans, employers can offer more than just the minimum-essential coverage. Employers can offer a variety of plan designs—ranging from minimum-essential coverage up to minimum value and even beyond that to a platinum plan, all under the same self-funded contract. It's easy and best of all it's affordable for both employer and employee while being compliant.

What could possibly be worse than the penalties employers face? The penalties we describe above are significant and bad news to any employer's bottom line so what could be worse. Well here it is, the IRS. To be assessed



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the penalties means that at least one employee, if not more, reported on their tax return that their employer does not offer ACA compliant health coverage. This most likely will initiate contact from the IRS to confirm if the employer is obligated under the ACA to offer coverage and confirm if the employer does or does not offer compliant coverage.

What employer wants that call from any regulatory body let alone the IRS? If the employer is out of compliance the employer's next call will be to you to ask why the employer's plan is not in compliance with the ACA. No one wants that call and avoiding it is fairly easy.

You might ask what ACA rules do and do not apply to self-funded plans and why are there not more employers implementing self-funded plans? The real reason lies with you, their broker. Let's face it; the fully insured plans have made it simple to provide coverage over the past 10+ years. But, the fully insured plans have increased premiums dramatically so now the pendulum has swung back to self-funding. Are you ready for it?

Let's look at a few of the ACA rules that do and do not apply to self-funding: (You will see that self-funding gives employers the flexibility to make their plans as rich as desired while still controlling costs):

Does not apply to self-funded plans:

- Medical loss ratio (MLR)
- 3:1 rating formulas
- Geographical rating areas
- Essential health benefits

Does apply to self-funded plans:

- Transparency and 24/7 access to data
- Wellness; flexibility and accountability
- Better cost management

THE SOLUTION

Our industry must continually evolve to provide innovative solutions to market obstacles if we are to survive. With self-funded health plans employers can comply with the ACA while lowering their costs now and controlling their costs in the future, providing the benefits their employees need without wasting precious dollars, if desired implement effective wellness plans, and



provide all of this with complete access to the data for analysis and plan design.

It is easy to see why every employer will want their consultant to research self-funding as an alternative to the employer's fully insured plan. While self-funding may not be right for every employer, every employer needs to consider it and decide for themselves if it makes sense.

The ACA has survived two significant legal challenges, in 2012 and 2016, so in the absence of a huge change in 2017 (new president) we must continue to provide employers the solutions they need to provide benefits at the best possible value. You can be a part of that by showing your clients and prospects the value of self-funding the employer's health plan.

Your clients and prospects with 50+ full-time equivalent employees will be

searching for the solution for the coming ACA mandates. The solution is easy to implement. Partner with a knowledgeable creative TPA and you will be prepared to provide your clients and prospects the solution they seek. As we often say, we are all in this together. Let's be the solution. ★

Mark Reynolds, RHU is a member of the Team at BEN-E-LECT. BEN-E-LECT's trademarked Employer Driven Health Plan model provides HRAs, and self-funded plans to thousands of employers throughout California and the Western United States. BEN-E-LECT's health plans help employers from 2-2,000 employees lower and control the cost of their group health plans. BEN-E-LECT's Employer Driven Health Plan model has been lowering employer cost since 1996. BEN-E-LECT's corporate office is located in Visalia, California. Reynolds can be reached directly at 559-250-2000 or markr@benelect.com.



VIEW

from the Top

OF THE LIFE INSURANCE INDUSTRY



Leyla Lesina



Erik Dullenkopf



Michael A. Stachowiak



Pam Jenkins



Thom Friesmuth



Barron Dorf

by **LEILA MORRIS**

For our annual survey, life insurance executives told us that the industry is alive and well. Popular products are whole life, indexed universal life, and term. With the advent of health care reform, agencies are taking a closer look at ancillary product sales, including life insurance. Also driving the market are the low-interest rate environment and the wave of aging Baby Boomers.

HOW IS THE LIFE INSURANCE MARKET FARING IN TODAY'S ECONOMY?

Leyla Lesina, CLU, ChFC, and vice president, Agency Sales Strategy, The Guardian Life Insurance Company of America:

Our life insurance in force increased to \$529 billion and total benefits paid to policyholders across all our businesses increased 8% to \$5.3 billion. We are optimistic about growth in life insurance sales this year. Since low interest rates are yielding minuscule returns on bank and fixed income financial products, whole life insurance cash-value growth is now seen as a higher-yielding financial product with similar risk profiles. This is causing a resurgence in popularity because, unlike term insurance, it is a permanent life insurance product. And unlike variations of universal life products, it is not subject to interest rate and market fluctuations provided the required premiums are paid. Whole life continues to support the company's earnings growth despite the low interest rate environment. In 2014, Guardian's life insurance in force increased to \$529 billion and total benefits paid to policyholders across all businesses increased 8% to \$5.3 billion. Guardian's whole life sales were relatively flat for the first quarter 2015 vs. the first quarter of 2014, which was our second highest life sales year in company history.

Erik Dullenkopf, CFP, of the MetLife Premier Client Group, located in Ventura, California:

The biggest difference from when I started as a financial professional eight years ago has more to do with changes in the tax code than the economy. Back in 2007, the federal estate tax exemption was \$2 million, compared to more than \$5 million in 2015. As a result, significantly fewer individuals are affected by this; it's not nearly as big a concern as it once was for many of my clients. Today, my clients are more concerned about federal income taxes, which went up for many people as a result of changes in 2012.

Michael A. Stachowiak, director, U.S. Field and Broker Strategy for Aflac:

According to the Aflac WorkForces Report, voluntary life insurance has shown an upward trend in the past five years. I expect employers to continue to see the important role that life insurance plays as part of a comprehensive benefit plan, especially as more employers realize we're moving more toward a menu-driven work site benefits environment.

Pam Jenkins, assistant vice president, Products, Colonial Life & Accident Insurance Company:

Worksite sales have continued to grow year-over-year, and based on 2014 data, the life segment has captured the largest share of total voluntary sales by line of business. Term life products continue to hold first place in the life insurance sales category for worksite, based on the latest data from East-bridge. Life sales were basically flat for 2014. The volume of term life insurance sold in the past five years has increased slightly, but the premium associated with those sales is down as rates have declined, mostly because of improve-



ments in mortality. The high-volume, low-touch nature of the workplace sales channel is best suited to the sale of simpler products designed to meet less complex consumer needs. Life policies sold at the workplace therefore tend to carry significantly lower face amounts than those sold through other channels.

Thom Friesmuth, a broker at Hub International: The life business is alive and well. Recently, we asked hundreds of producers to tell us how they expected their life insurance sales to fare over the next 12 months, relative to the previous year. The overwhelming majority is planning to see a nice bump. Among the survey respondents, 28.1% expect their life insurance sales to increase substantially. Another 44.6% expect sales to increase somewhat. In fact, only a meager 0.4% expect a substantial decline

Barron Dorf, senior market manager at Unum: Unum had a record sales year in 2014 with a great start in 2015 and a big part of that was voluntary life insurance—both term and permanent. The reason is simple; brokers want to diversify their revenue with ancillary products; employers want to give their employees more choice and strengthen the perception of their benefit offerings; and middle income employees don't have as many avenues to buy life insurance outside of the workplace.

HAS THERE BEEN A SIGNIFICANT CHANGE IN PRODUCT MIX OVER THE PAST 12 MONTHS IN TERMS OF GUARANTEES, VARIABLE, OR TERM?

Pam Jenkins, Colonial Life: Term life sales continue to lead the market. The low cost is attractive to consumers, although generally people want to make sure they understand what they're buying and getting the right amount of coverage for the right price. Carriers continue to look for ways to design a product that appeals to consumers. As LIMRA's 2014 Insurance Barometer study points out,

younger consumers are more concerned with getting guaranteed coverage for life while seniors are a bit more likely to prefer a fixed price over the best price. The guarantees of permanent plans have attracted more sales than products affected by low or fluctuating interest crediting.

Leyla Lesina, The Guardian: More carriers are moving away from lifetime guarantees. This is spurring growth of IUL and taking market share away from NLG UL. The industry is looking for products that meet clients' needs but keep administrative costs low; so many carriers will abandon NLG UL and 30-year term altogether. However, that may also result in new growth for whole life products. We expect to see increased participation in whole life, primarily due to interest in its death benefit and cash value guarantees as well as its versatility.

Michael Stachowiak, Aflac: Since the addition of the long-term care rider that was added to life insurance, there hasn't been much significant change in the past year.

Thom Friesmuth, Hub International: Cash value life insurance sales have increased and especially Universal Life with a floor guarantee tied to an Index such as the S&P 500.

Barron Dorf, Unum: Unum continues to see a trend toward comprehensive voluntary life programs giving employees' choice between traditional group term and permanent life options. In return, the life insurance sales within our existing customer base continue to grow.

DO YOU SEE GROWTH IN PARTICULAR NICHE MARKETS?

Thom Friesmuth and Barron Dorf: Employer sponsored voluntary life products are on the rise for both group and permanent. More and more brokers have learned to cross sell their traditional voluntary group term cases by adding permanent life options to give employees choice.

Pam Jenkins, Colonial Life: Life insurance is needed across all markets as America's workers are uninsured or

underinsured. LIMRA's 2014 Insurance Barometer Study found one in four Americans say they need more life insurance, but only 10% are very likely to purchase a policy within the next year. Most say it's too expensive, but they often overestimate the cost, especially younger consumers who typically pay less. At the same time, the study said being able to afford a comfortable retirement continues to be the most common financial worry among consumers. This is particularly true of younger Americans who are expected to live longer while more of the retirement savings burden is pushed on to the consumer. Other financial priorities are a major reason given for not purchasing life insurance. 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. The Hispanic population is growing also, so there's a growing need for benefits counselors who not only speak their language but understand their culture to be effective in this market.

Leyla Lesina, The Guardian: We're seeing a lot of interest from small business owners looking to protect, reward, and retain key employees. They are also looking for a way to navigate today's complex tax issues. Small businesses are extremely dependent on just a few key people for their success and viability. WL provides various strategies that help optimize taxes and motivate key individuals with unique benefits to protect a business owner's enterprise.

Michael Stachowiak, Aflac: According to a study from LIMRA, Hispanics are projected to grow three times more than any other ethnic group in the U.S., and according to further LIMRA research, nearly 50% of Hispanics said they're very concerned or extremely concerned about dying unexpectedly, compared to less than 33% of the rest of the population. This data highlights the opportunities for brokers to engage with this market to offer life insurance. Based on this cultural value to always make sure family is taken care of and provided for, brokers need to be proactive and ensure they are taking necessary steps to appeal and sell to this demographic. Aflac continues to look for innovative ways to meet market demand, but benefit broker and career agent segments continue to be the most productive distribution systems for Aflac's products and services.

WHAT IS HAPPENING WITH YOUR DISTRIBUTION SYSTEMS? IF YOU HAVE AN AGENCY FORCE, IS IT GROWING, ARE YOU HIRING, AND IS THERE MORE ATTRITION THAN USUAL?

Michael Stachowiak, Aflac: According to a 2014 study from Eastbridge Consulting Group, voluntary product sales in the U.S. were \$6.89 billion in 2014, and the benefit broker segment generated over \$3.9 billion in new sales. At Aflac, our field force is more aligned than ever with the brokerage channel. Our goal is to align with and support brokers as they look to us to help distribute voluntary products to clients at the worksite.

Leyla Lesina, The Guardian: For decades, the mass retirement of Baby Boomers has been a topic of discussion. It's no longer a looming economic threat—Boomers are turning 65 at a rate of about 8,000 a day. If we step back and take a look at the insurance industry, we also know that



every year for the next 10 years, 12,000 to 16,000 advisors in all segments of financial advice will retire. That's a trend that will have profound economic consequences if more is not done to attract recent college graduates and non-traditional applicants to fill the upcoming void.

We need to attract younger professionals, but we also need to review current demographics and actively pursue non-traditional recruits.

Women are increasingly becoming the primary financial decision-makers for their families; and research shows that many prefer a female advisor. We have found that there is an increasing interest in financial sales careers among professional women, who are attracted to the entrepreneurial spirit. To foster a community of inclusion, Guardian has established a number of support programs that are proving successful in attracting and retaining women to an FR career. Since the program's inception, female recruits account for almost a quarter of new hires.

Pam Jenkins, Colonial Life: In 2014 we had one of our best years ever in terms of new recruits joining our team and sales generated by this group of agents. There is tremendous opportunity in the worksite industry for people who genuinely care about protecting America's workers. Our agency sales organization members build their business by working both directly with employers as well as partnering with brokers.

Thom Friesmuth, Hub International: Distribution is growing through the voluntary benefit platforms. Also, there is rapid growth in this segment of our benefit business. We are hiring. There is no attrition.

Barron Dorf, Unum: There has been tremendous broker consolidation so there are fewer brokers to work with. However, the size of the agencies today is much larger than in years past with extensive resources and expertise like executive planning and voluntary benefits. These dedicated

resources can help the carriers focused on life insurance to grow market-share.

SPEAKING OF LIFE INSURANCE CUSTOMERS, ARE THERE CERTAIN NICHE OR AGE GROUPS THAT BROKERS SHOULD PLACE MORE OF A FOCUS ON?

Thom Friesmuth, Hub International: Not necessarily. We have been discussing with our senior level managers and the C Suite the benefits of cash value insurance. Cash values grow tax deferred and through the correct design can be distributed to the employee tax free.

Barron Dorf, Unum: The need for life insurance is strong in all segments. In the employer market, middle income employees want affordable choice and the executive classes still have interest in life products that build cash value.

Leyla Lesina, The Guardian: We need to seek out more diversity opportunities and understand which product will best benefit a client for a certain time of their lives. As college graduates enter the workforce, we need to do a better job of educating them that this is their opportunity to map their financial security by investing in their employee benefits to safeguard their health; they should select disability insurance to protect their paycheck; contribute to a 401(k) plan to secure their retirement; and purchase life insurance to accumulate tax deferred and pass on that wealth income tax free.

Erik Dullenkopf, MetLife: I'd like to see more retirees understand the benefit of having permanent life insurance. These products have important tax-advantaged features that many retirees can benefit from, but when I bring it up in conversations with my clients, many are entirely unfamiliar with it. I realize there's somewhat of a stigma attached to permanent life from the problems the product experienced in the 1980s and 1990s, but I believe that the industry has learned from its mistakes and the products on the market today reflect that. In my opinion, permanent life should be a staple of retirement planning and I'm hopeful that as financial professionals like me continue to educate their clients on the benefits, it will ultimately attain that status.

Michael Stachowiak, Aflac: As mentioned previously, brokers should focus on creating resources and put greater efforts toward the Hispanic market. Brokers should also focus on educating and engaging the millennial workforce. Many millennials have a need-it-now mentality and may not see the value in a long-term product like life insurance without proper education. However, in order to engage this demographic, brokers need to understand how to reach millennials through their preferred communication channels. From what I've seen, the most valuable commodity to this generation is time, so the communication should be clear, concise and easily accessible.

WHAT KIND OF GROWTH DO YOU SEE IN LIFE INSURANCE SALES AS AN EMPLOYEE-PAID OR EMPLOYER-PAID BENEFIT?

Michael Stachowiak, Aflac: Brokers can expand and increase voluntary sales by recommending their clients complement the life insurance benefit and provide workers with a comprehensive menu of voluntary options.

Pam Jenkins, Colonial Life: The shift toward employees taking more responsibility for benefit decision-making and purchasing will continue. In today's economy, employers aren't looking to increase their costs. Even for employers who continue to offer some employer-paid life insurance, the amount usually is far less than what a typical employee's family would need. That's why voluntary life insurance is so important. It gives employees access to the additional coverage they need at more affordable rates and an easy underwriting process—plus in some cases, the opportunity to talk to someone face-to-face so they understand their needs and what they're buying. The good news is that employers continue to see the need and importance of offering life insurance as a valuable benefit for employees.

WHAT KIND OF GROWTH DO YOU SEE IN LIFE INSURANCE SALES AS AN EMPLOYEE-PAID OR EMPLOYER-PAID BENEFIT?

Thom Friesmuth, Hub International: I would estimate there has been about a 20% growth, with the majority of that in voluntary. The non-qualified deferred compensation market is also increasing as a result of higher taxes. These plans are frequently funded with life insurance.

Barron Dorf, Unum: The growth we are seeing is on the voluntary side for the following reasons: Brokers are looking to diversify their revenue by selling more ancillary products like life insurance. Employers are looking to attract and retain key employees by offering a stronger package of ancillary products with more choice like term life and permanent life. Brokers are utilizing the revenue from life insurance to help provide more services to the employer like benefit administration and employee communication during a very confusing time for consumers with HCR changes, etc. Fewer individual agents are marketing to the middle income and hourly workforce outside of the workplace these days. The kitchen table life insurance sale for middle income America is no longer.

WHAT RECENT EVENTS HAVE AFFECTED THE WAY YOU DO BUSINESS?

Pam Jenkins, Colonial Life: As we've settled into the changes resulting from health care reform, the importance of voluntary benefits has increased. According to Eastbridge, benefit brokers and group carriers are seeing more and more of their sales/revenues coming from voluntary business. Voluntary benefits offer a great way for brokers to help their clients offer a more competitive, customizable benefits package with no effect on the bottom line. This is true for all employers, even those sending employees to exchanges for major medical coverage; they can still make their benefits stand out from similar employers by offering voluntary benefits to their employees. And no matter which route the employer takes, there's still a tremendous need to help people understand their needs and coverage gaps, and which options best meet those needs. That's why one-to-one benefits education and counseling continues to be more important than ever.

Thom Friesmuth, Hub International: With the advent of health care reform, employers rarely offer retiree health care. Therefore, employees are encouraged to save additional funds for this liability.

Barron Dorf, Unum: Agencies have definitely taken a closer look at revenue from ancillary product sales and this includes life insurance. These agencies have also hired more resources dedicated in voluntary benefit sales, etc.

WHAT, IF ANY STATE OR FEDERAL LEGISLATIVE ISSUES ARE YOU CONCERNED ABOUT?

Thom Friesmuth, Hub International: Immigration reform would add millions to the social systems with no likely and meaningful contributions to the system. Health care costs will increase significantly.

Pam Jenkins, Colonial Life: 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.

WHAT ARE SOME OF THE COMMON CHARACTERISTICS OF YOUR MOST SUCCESSFUL LIFE INSURANCE PRODUCERS?

Leyla Lesina, The Guardian: The most successful producers take a holistic approach to solving their clients' problems. These producers consistently deliver distinctive value to their clients, offering knowledge and dedication that positively impacts their clients' financial futures. These clients know they have a strong partner when they work with Guardian and are more apt to offer referrals. These producers also work with centers of influence and build a community of like-minded professionals that can provide clients with added-value. Our most successful life insurance producers also convey to their clients that they are their trusted partner delivering financial security how, when and where clients prefer.

Pam Jenkins, Colonial Life: LIMRA's 2014 Insurance Barometer Study found most people still prefer to purchase life insurance face-to-face with a financial advisor or agent. We strongly believe in the value of one-to-one, personal benefits counseling sessions to help 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 be back in 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.

Michael Stachowiak, Aflac: I see four traits of a successful life insurance agent: They listen to clients' needs; round out recommendations based on those needs, are straightfor-

ward and are not afraid to ask for business. Products, markets, enrollment tools and more have changed over the past several years, but some of the fundamental sales best practices have remained. That last trait, asking for the business, is still critical to making a sale.

Thom Friesmuth, Hub International: They are willing to work hard. There is no shortcut.

Barron Dorf, Unum: They have a focus on ancillary benefits with a strong understanding of the products and tax advantages.

Michael Stachowiak, Aflac: Cookie-cutter sales just don't cut it. Not all voluntary products should be sold the same way. Be mindful that life insurance is a commodity product and should have its own sales approach. Other voluntary products that provide living benefits may need more education and finesse. If you tailor your sales approach and education, your voluntary sales should yield positive returns. ★

Leila Morris is senior editor of California Broker Magazine.



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INVESTING IN FRACTIONAL LIFE SETTLEMENTS ARE YOU LEVERAGING THIS UNIQUE *Alternative Asset Class?*

by **BRIAN J. CLARK, CRPC**

Has anyone ever told you that it isn't the destination that matters, it's the journey? They probably weren't talking about retirement planning or investing. The saying certainly can and does apply. If you have read anything at all about behavioral finance you know that it is human nature to want to do the wrong thing at the wrong time when it comes to investing. Buy high and sell low, anyone? I bet you know more than one client who has been that route. Helping clients make it comfortably to and through retirement is what matters. That is the destination. But what if the journey is so rough that it causes them never to reach that destination? Enter the concepts of asset allocation, diversification, and correlation—all central ideas of Modern Portfolio Theory (MPT). Don't panic: This isn't an article about MPT.

With that said, proper investment portfolio construction does matter. Asset allocation matters. Diversification and investment correlation matter. However, if you have been in the business for any length of time, I bet you would agree that clients tend to care more about bottom-line performance. You also know that your clients must survive the journey for you to deliver the destination. As a licensed California insurance agent, why not offer your clients both? Thanks to some legislation unique to California, you can take advantage of the asset class of fractional life settlements.

LIFE SETTLEMENT HISTORY AND BASICS

When an insured senior (usually 65 or older) no longer needs, wants, or can

afford their life insurance policy (universal life for our purposes discussed here), they have only three real options:

- Keep it and let the cost of insurance eat up the cash value until the policy lapses, potentially leaving them nothing.
- Cash it in to the issuing insurance company for the surrender value.
- Sell it to a third party, in what is known as a life settlement, often for three to five times what the cash-surrender value is, but for significantly less than the face value.

If you are newer to the business, or otherwise unfamiliar with the last concept, you may be asking yourself, "Is that legal? Can a person sell their life insurance policy?" Yes, yes they can. In fact, it is legal per the highest court in the land, and it was ruled on a lot longer ago than you might suspect.

In 1911, the Supreme Court case of *Grigsby v. Russell* (222 U.S. 149) established that a life insurance policy is considered private property, which may be assigned at the will of the owner. Justice Oliver Wendell Holmes, Jr. stated in his opinion that, "Life insurance has become in our days one of the best recognized forms of investment and self-compelled saving." This decision placed the ownership of life insurance on the same legal footing as more traditional investments, such as stocks and bonds, and therefore represented an asset that a policy owner may transfer without limitation.

So, once a senior sells their policy, how does that help your clients with

their investment portfolio? Fractional life settlements are a relatively new development in the life settlement space. With the emergence of these vehicles, clients can now gain exposure to an asset class traditionally reserved for institutional investors. In 2000, California approved the right of "qualified" investors to purchase (for their own account and not with a view to resell) fractional shares of one or more life insurance policies via California Senate Bill 1837, September, 2000. The legislation defines a qualified investor as someone with \$250,000 in investible net worth, excluding their home, home furnishings, and car. Another way to qualify is with a combination of 2 years of \$100,000 or more of income and at least \$150,000 of investible assets.

CORRELATION AND PERFORMANCE

The problem with most non-correlated alternative asset classes is this: Many of them don't perform that well much of the time even if they are otherwise serving their purpose to be non-correlated to stocks. Despite a stomach-churning ride at times, over the long haul, equities are likely to do their job reasonably well for an investment portfolio. Therefore, if an asset class is negatively correlated to equities, it won't do so well in all those good stock years. If an asset class has a low correlation, it may or may not do well in those years when equities perform well. What seems ideal is an asset class that generally performs well in a steady fashion, and is not correlated to equities. Hence, this explains the general popularity of bonds and bond mutual funds.



But what is the state of affairs with fixed income? We are still experiencing historically low interest rates and we see occasional hints that one day soon we may finally be in that rising rate environment that we keep hearing about and so many have been expecting for so long. In mid-February, the *Wall Street Journal* reported that 16% of global government bonds have negative yields. Central Banks around the world are still cutting interest rates and the European Central Bank (ECB) has initiated quantitative easing (QE) by purchasing 60 billion Euros of bonds a month. We won't even talk about Greece. On the corporate bond front, large companies such as Apple, Microsoft and many more, are issuing long-term debt with rates below 1%. In fact, the Swiss-based food conglomerate, Nestle recently issued debt that matures in just over one year with a negative yield. This means that investors are paying Nestle for the right to lend Nestle their own money!

You can use bonds and bond funds and the fixed income arena to fill that slot in your portfolio to try and hedge some of the risk of equities, but they aren't paying that much, and bond funds can certainly carry risk of loss in a rising rate environment.

With equities, let's not forget that the game is buy low and sell high.

Stocks have made it back to all-time highs, and therefore probably do not exactly represent a bargain at this time. It used to be that an investor could look to the international equity markets to provide some strong performance with low correlation to the domestic markets, but not so much anymore. With the rapid exchange of information and the global economy, so goes one continent's markets, so go them all it seems these days. As you go to bed in the West you can get a hint as to what is likely to happen the next day by watching the Asian markets, or you can watch the after-effects in their markets from what occurred here earlier in the day. According to Guggenheim, in the past decade, correlation of International Equity to the S&P 500 has risen to 0.89.

What is an investor to do if stocks are relatively expensive; international isn't the answer; bonds don't pay much in terms of yield; bond funds may give seriously negative total returns; and rates may rise in the near future?

THE OPPORTUNITY

Fractional life settlements are a compelling long-term proposition and can offer double-digit return potential. According to an 11-year empirical study done by the London Business School, purchasers across their sample could

have expected to earn average annual returns of 12.5% from 2001 to 2011, with a low of 11% from 2005 to 2007 and as much as 18.3% in 2011. The study looked at more than 9,000 policies representing more than \$24 billion in life settlement policies. Another important fact to consider is that life settlements were one of the few assets that weathered the 2007 to 2009 economic crisis unscathed.

Knowing this, it should come as no surprise to learn that large institutional investors like Warren Buffet, Goldman Sachs, Credit Suisse and many more have been quietly using the asset class of life settlements for years. With markets at all-time highs, and interest rates not likely to go lower and more likely to someday soon go higher, one could hardly imagine a better environment for many clients to be open to repositioning some of their assets into fractional life settlements.

With such strong performance possibilities and attractive investment characteristics, there are risks to life settlements, of course. One of the most significant is lack of liquidity. An investment into life settlements is illiquid until the policy matures. This is one reason only qualified investors are able to purchase fractional life settlements and investment should generally be limited to no more than 10% of net

worth. Longevity risk is another significant factor. If an insured lives past the life expectancy, premiums will still need to be paid until the policy matures. When this happens, premium calls may happen, and the net return of the investment will be negatively affected. This should make it obvious that getting the best life expectancy estimates you can is very important when considering an investment into the asset class of life settlements. There are other risks unique to life settlements, so be sure to do adequate due diligence before investing or recommending life settlements to clients.

HOW TO LEVERAGE FRACTIONAL LIFE SETTLEMENTS

If you are just learning about the unique asset class of fractional life settlements, congratulations! You now have a new tool to help qualified California clients add true diversification that doesn't sacrifice performance potential and has a relatively modest risk profile. If you are an independent life agent,

fractional life settlements give you the chance to work with clients' assets that you probably otherwise would not ever have been able to work with.

Start by thinking about whom you know who would be a qualified investor who probably holds stocks, bonds, mutual funds, annuities, and probably some real estate in their investment accounts. Do they hold any other alternative investments? Ask them also about any positions they may have in commodities, precious metals or currency plays. Share with them the fractional life settlements story and see if reallocating 5% to 10% of their portfolio makes sense to them. In about the past four years, gold is off by more than a third and silver more than two-thirds! These are good examples of what many people see as non-correlating alternative assets, but it will be an easy conversation with them to demonstrate that performance matters along with non-correlation. With a chance at double-digit returns with no stock market risk, clients will clearly see the

benefits of this historically institutional investment that you can now offer to them as individual investors.

Consider incorporating the investment concepts covered in this article in your marketing efforts. You are likely to find that there is substantial interest from the public in an alternative investment that provides non-correlation to a portfolio while also giving a real chance at highly competitive returns.

The need is real. The opportunity is significant. The time is now to explore this unique investment for your clients and your practice. ★

Brian J. Clark, CRPC is director of business development for Reliant Life Shares, LLC. Reliant is a leader in fractional life settlement investing and helps qualified California investors reach their goals by providing them the ability to access an asset class formerly only available to institutions. Reliant empowers insurance agents to increase revenues and diversify their product offerings. Brian Clark may be reached at 15260 Ventura Blvd, Ste. 1420, Sherman Oaks, CA 91403. Telephone: 818-788-1904. Email: bclark@reliantlifeshares.com. Website: reliantlifeshares.com.

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2015 DENTAL SURVEY PART 2

OUR ANNUAL SURVEY OF DENTAL INSURANCE CARRIERS IN CALIFORNIA

11. HOW MANY PROVIDER OFFICES HAVE YOU LOST OVER THE PAST YEAR? IF ASKED, WILL YOU PROVIDE THE NAMES AND PHONE NUMBERS OF AT LEAST THREE OF THESE OFFICES?

Aflac: Aflac Dental has no provider networks. Policyholders have the freedom to choose any dentist without restriction.

Ameritas PPO: 8,052 provider access points were lost (Ameritas = 3,177, FDH = 4,875). Yes, we would provide names, if requested.

BEN-E-LECT: For all plans combined, the turnover is less than 2%. Many offices have been terminated due to lack of meeting credentialing standards, retirement or death of the provider. BEN-E-LECT does maintain the information for these offices; however it is not common practice to release the information.

BEST Life: (First Dental Health (FDH) and DenteMax—we have no control of this number.) Less than 2.5% of providers have left our PPO networks in the past 12 months. The majority of these terminations are due to a provider's retirement, death or the closing of a practice. We maintain a clean and thorough network that involves regular network clean-ups. For the sake of privacy, our network does not share such information for the purpose of a general interview. Our networks also focus on growth.

Cigna: Cigna's dental network turnover rates have been lower than published industry average data. Dentist and dental office information can be shared with clients and brokers if required.

Delta Dental: Our Delta Dental Premier network increased by 0.03%; our Delta Dental PPO network increased by 2.15%; and our DHMO network increased by 5.22%. In California, there were 823 Premier terminations, 824 PPO terminations and 200 DHMO terminations. Delta Dental does not release specific information on its contracted dentists.

Dental Health Services: Although roughly 6.5% of participating dentists have been lost over the past 12 months, our overall network size grew by 2.5%, providing plan members more access to quality assured dentists. Yes,

the names and phone numbers of all offices are available upon request.

Guardian: Guardian has a 98% network retention rate.

Health Net Dental: Our DHMO turnover rate for voluntary terms was 0.2% and our PPO turnover rate was 0.5%. We do not release specific information on our contracted dentists.

Securian Dental: Very few providers choose to leave the DenteMax network. Less than 3% of our network dentists discontinue participation with DenteMax every year. The majority of these terminations are due to a provider's retirement or death or the moving or closing of a practice. We would be willing to provide names and phone numbers of terminated offices upon request.

United Concordia: In California, we grew our PPO network from 15,800 individual dentists and 37,833 access points to 16,240 dentists and 41,168 access points. In addition, our DHMO network of primary dental offices remains consistent with just over 1,652 primary dental offices. Yes, if requested, we can provide the names and phone numbers of dental offices that no longer participate in our network.

12. WHAT PERCENTAGE OF YOUR NETWORK IS CLOSED TO NEW ENROLLMENT? HOW MANY OFFICES DOES THIS REPRESENT?

Aetna: For California, approximately 4% of our DMO participating providers are closed to new patients. All of our PPO providers are open to new patients.

Aflac: Aflac Dental has no provider networks. Policyholders may visit any dentist they choose.

Ameritas PPO: Only 481 Ameritas Offices and 25 FDH Offices are closed to new enrollment. This represents approximately 0.84 percent.

Anthem Blue Cross: Our Dental Prime and Dental Complete network model is open-access, and we do not contractually require providers to report on new-patient status. We have not heard reports of any members having issues with finding a participating dentist that is open to new patients.

BEN-E-LECT: All of BEN-E-LECT's dental PPO providers are accepting new patients. For the DHMO product, less than 3% of the offices are closed to new enrollment representing approximately 60 offices.

BEST Life: All participating PPO dentists are accepting new patients.

Blue Shield: Less than 1% of dental HMO plan network providers maintained closed practices; this represents approximately 30 offices.

Cigna: DHMO: Our systems include data on dentist capacity and current and projected Cigna Dental Care member loads. Network managers regularly monitor capacity and projected growth. They contact dentists as necessary to discuss capacity expansion through staff increases or office hour changes. If these actions are not feasible, we will consider adding more dental offices. Nationwide, approximately 4% of the Cigna Dental Care network dental offices are closed or capped to new members.

Delta Dental: Zero percent of our Premier and PPO networks. Under these plans, enrollees are free to see any licensed dentist; contracted dentists can close their practices to new patients but cannot close their practice exclusively to new Delta Dental patients. In California, 3.7% of DHMO dental facilities are closed to new enrollment.

Dental Health Services: About 8% of network general practice dentists are closed to new enrollment (77 offices). It is common practice for DHMOs like Dental Health Services to calculate network size by number of offices instead of number of dentists, due to the large number of multi-site group practices, where when a site closes, it means that no providers at that site are accepting new patients. Dental Health Services works to keep the number of offices accepting new patients to a maximum, and once an office closes, it is closely monitored for opportunities to re-open it to new Dental Health Services patients as market conditions change. It is for this reason that such a small percentage of dentists are not accepting new patients. Often the company will work with these offices to close them to new members if appointment availability exceeds acceptable limits to maintain the firm's service level targets. Often this is a temporary occurrence when an office receives a large influx of new patients and is rectified within a month or two. At this point, the office is re-opened to accepting new plan members.

Guardian: In California, only 0.3% of our PPO network and 6.4% of our DHMO network is closed to new patients.

Health Net Dental: As of April 2013, for DHMO, currently 3% of our General Dentist unique locations are closed to new enrollment. For PPO, currently 0.8% of our dentists' offices are closed to new enrollment.

HumanaDental: Under HumanaDental's provider contract, participating dentists must schedule and treat members without discrimination, including benefit or payer differentials. Because this is a fee-for-service reimbursement program, closed practices are not common.

Principal Financial Group: Less than 1% of the offices participating in our network are closed to new enrollment.

Securian Dental: All of our network dentists are open to new enrollment.

United Concordia: In California, more than 99% of our PPO dentist network is open to new enrollment, as well as more than 95% of our DHMO dentist network.

Western Dental: Less than 3% of our network providers are closed to new enrollments—about 60 offices.

13. DO ALL OF YOUR CONTRACTED OFFICES ACCEPT EVERY BENEFIT LEVEL SOLD BY YOUR COMPANY OR DO THEY HAVE THE OPTION TO PICK AND CHOOSE ONLY THE PROGRAMS WITH CO-PAYMENTS THEY WANT TO ACCEPT?

Aetna: All DMO offices accept all of our DMO coinsurance and fixed co-payment plan designs. Our PPO offices accept all of our PPO plan designs.

Aflac: Aflac Dental has no provider networks.

Ameritas: All providers accept patients from all plans sold through Ameritas Group Dental.

Anthem Blue Cross: Anthem Blue Cross recommends all participating providers accept all plans offered. Providers cannot cherry pick DHMO plans, they accept all DHMO plans under the specific contract, or they do not contract. Providers can choose to participate with Dental Prime and Dental Complete, or Dental Complete only; however as for plan or benefit designs under each product, providers cannot cherry pick which PPO design they will accept.

BEN-E-LECT: All benefit levels are accepted and to date no offices have limited or requested to limit the programs they will accept.

BEST Life: All contracted offices accept every benefit level sold by BEST Life. Furthermore, by contract, all providers will honor the PPO discounts on all procedures, includ-



ing non-covered services. They must also honor a discount for members who are within a waiting period or who have exceeded their annual maximum.

Blue Shield: Offices are not allowed to “pick and choose” which plan designs they accept.

Cigna: All contracted DPPO offices accept all of the insured benefit DPPO plan designs that we offer. All contracted DHMO offices accept all of the DHMO plan designs that we offer. For our discount dental programs, not all DPPO contracted dentists are required to participate. They may opt out of participation in these discount dental programs if they desire.

Delta Dental: In California, individual dentists are contracted for participation in the PPO plan along with the Premier plan. DHMO participation is based on contracted facility.

Dental Health Services: Yes. All new dentists are contracted for all plans offered by Dental Health Services.

Guardian: All contracted PPO and CA DHMO offices accept all of the plan designs that we offer.

Health Net Dental: All participating PPO dentists accept all of our plan designs. Contracted DHMO providers accept all Health Net Dental DHMO plans.

HumanaDental: The PPO contract is for all network-based programs, excluding DHMO, which requires a separate agreement. Dentists can opt-out of participation in the Medicare and Access (discount) programs, which are a subset of the PPO.

Principal Financial Group: Providers can choose to participate in our PPO and/or EPO networks. Within each option, providers need to accept all benefit levels sold by our company.

Securian Dental: Yes, they accept every benefit level sold by our company.

United Concordia: All contracted PPO dentists accept all United Concordia PPO plans. All contracted DHMO dentists accept all United Concordia DHMO plans.

Western Dental: The entire network accepts all of the new Series 7 plans.

14. DO YOU HAVE A WAY TO MONITOR THE LENGTH OF TIME PATIENTS HAVE TO WAIT IN THE DOCTOR'S OFFICE?

Aetna: We do not monitor average wait times in a dentist's office.

Aflac: Since policyholders can choose any dentist without restriction, Aflac does not monitor wait times.

Ameritas: We monitor patient wait time through random customer and patient surveys. Providers are contacted, if necessary, to discuss specific feedback.

Anthem Blue Cross: Yes, we monitor this as a metric in our member satisfaction surveys. Through our complaint/grievance tracking processes, issues such as wait times are logged and monitored. Additionally, we monitor appointment wait times and emergency wait times through surveys conducted by our organization.

BEN-E-LECT: This information is tracked closely for Freedom Pre-Paid Dental Plans. Surveys and questionnaires for the PPO products track this information.

BEST Life: Network accessibility and wait times are included as part of the credentialing and ongoing monitoring processes.

Blue Shield: Yes. We monitor and track wait times several ways. We document member complaints on this issue

in our customer service workbench and track them electronically until they are resolved. We also conduct an annual member satisfaction survey, which contains specific questions about wait times with our network offices.

Cigna: The dental network management team monitors wait times in our DHMO general dentist facilities via monthly telephone calls. Additionally, we are able to identify any potential issues with wait times through our patient satisfaction surveys.

We investigate inquiries about excessive wait time and take corrective action if we determine that timely and efficient dental care was available, but not provided. If we determine that excessive wait time was the result of insufficient patient capacity, we initiate actions to expand the dentist's capacity or recruit additional dentists in that particular area.

Delta Dental: Delta Dental conducts random enrollee surveys semi-annually for the fee-for-service enrollees and annually for DHMO enrollees. Surveys include questions about dentist access (for example, number of dentists from which to choose and appointment availability with their dentist) as well as other customer satisfaction issues. For the DHMO, the appointment availability is also monitored via regular office visits from a Delta Dental representative.

Dental Health Services: Yes, Dental Health Services monitors its members' experiences through frequent member surveys, regular on-site dental office visits and quarterly access surveys.

Guardian: We send monthly member satisfaction surveys, which include questions concerning wait times, to randomly chosen PPO members who have been to a network dentist within the previous 90 days. The DHMO has established access standards and monitors this quarterly through access monitoring forms, member satisfaction surveys, and transfer and grievance data. Telephone calls are utilized on an “as needed” basis.

Health Net Dental: We monitor individual wait times in the dentist's waiting room through our member satisfaction surveys and provider access surveys. Results of these surveys are a critical tool in assessing a member's experience with network dentists and their specific offices. In addition, we receive feedback on office wait times from members calling our toll-free Health Net Dental Member Services number.

HumanaDental: We rely on member calls to keep us apprised of scheduling issues. Sometimes, the member is limiting their options (i.e., after 5 p.m.), which is discovered through discussion with our customer-relations representatives. If the issue becomes chronic, the information is forwarded to our National Dental Network department because additional providers may be needed in the area.

Principal Financial Group: We do not monitor this.

Securian Dental: We do not monitor this.

United Concordia: Yes, it is monitored through member surveys, a customer service grievance process and periodic phone and written survey audits of the offices.

Western Dental: Western Dental monitors patient's length of time by onsite reviews, surveys, and questionnaires. In addition, our staff model offices use the Quality Assurance Management System. The state-of-the-art, proprietary software tool tracks measurable items, such as



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wait times, which ensures that our members have timely access to quality dental care.

15. ARE THERE PLENTY OF PROVIDERS WHO STAY OPEN LATE AND ARE OPEN ON SATURDAYS?

Aetna: Office hours are set by each individual dental office. We document dentists' office hours as part of the credentialing process. We use the information to balance networks by contracting with dentists who offer weekend and evening hours.

Aflac: Aflac Dental does not have a network of providers. Policyholders may visit any dentist they choose, which includes those with extended hours.

Ameritas PPO: Yes, each office sets its own hours. Those hours are available to all our members on our online provider listings. Our goal is to balance care availability throughout the area to ensure needed care.

Anthem Blue Cross: Each dental office sets its own office hours. However, as part of the credentialing process, we document dentists' office hours and use the information to ensure our networks include dentists who offer weekend and evening hours.

BEN-E-LECT: Yes, many of BEN-E-LECT's provider offices offer extended evening and early morning hours in addition to weekend hours for ease of access.

BEST Life: Yes, many providers have extended and flexible hours.

Blue Shield: This varies by provider, but many do stay open late and/or are open on Saturdays.

Cigna: DHMO: There are 3,313 network offices (23% of the total DHMO network) offering Saturday office hours and 5,449 network offices (38% of the total DHMO network) offering evening hours (6:00 p.m. or later).

DPPO: Members are able to visit any licensed dentist for care; therefore, we do not measure evening or weekend hours for DPPO network dentists.

Additionally, our dentist contracts require dentists to provide or arrange for emergency care 24 hours a day, 7 days a week and to provide emergency appointments within 24 hours.

Delta Dental: Our networks consist of independently contracted private practice dentists, and office hours will vary. Our online dentist directory contains information on hours and access, including maps, directions and languages spoken. In addition to posting hours and access, network dentists are required to provide routine appointments within a reasonable amount of time and emergency care within 24 hours a day, seven days a week.

Dental Health Services: Yes, Dental Health Services has plenty of providers who stay open late and are open on Saturdays.

Guardian: Many PPO and DHMO provider locations have extended or weekend hours.

Health Net Dental: The office hours of each dentist location is listed in our online provider directory. This information is also available to all members through Health Net Dental Member Services. As part of our dentist agreement, all locations are required to have an emergency contact available for members whenever the dental office is closed.

HumanaDental: Members can see the provider of their choice and they are encouraged to contact their dentist for appointment availability. Based on today's busy lifestyles, many providers are extending their hours to meet the needs of their patients.

Principal Financial Group: Members can see any provider of their choice, which can include those who have extended hours.

Securian Dental: Yes.

United Concordia: Yes.

Western Dental: Yes, many of our IPA providers have evening and Saturday hours. The Western Dental Staff Model Offices are open from 9:00 AM to 8:00 PM, Monday through Friday and 8:00 AM to 4:00 PM on Saturdays.

16. WITH RESPECT TO YOUR MID-RANGE BENEFIT LEVEL, WHAT IS THE SPECIFIC AMOUNT OF CAPITATION PAID TO THE GENERAL DENTIST? DO YOU OFFER VALIDATION FOR THESE AMOUNTS?

Aetna: We establish varying compensation rates under each customer's benefits plan for subscribers, spouses, and children. Monthly compensation rates are based on community averages and plan design. Actual capitation amounts are proprietary.

Aflac: Aflac Dental does not offer capitation plans.

Ameritas: PPO and the FDH Networks: Neither of these networks is used for dental HMO purposes, so no capitation is paid.

BEN-E-LECT: This is not applicable for BEN-E-LECT's PPO plans. All dentist capitation has been added to the dentist premium amounts collected for the DHMO products.

BEST Life: We do not compensate our providers through capitation. Our Indemnity and PPO plans allow patients to utilize providers of their choice.

Blue Shield: This information is considered proprietary.

Cigna: Network general dentists' payment consists of the following four components: fixed monthly payments (capitation), patient charges (copays), office visit payments, and supplemental payments for certain covered procedures. Network specialists are paid based on a fixed fee schedule.

Delta Dental: Capitation rates are developed based on the plan design, annual utilization data, enrollee/dependent mix and employer contribution. Compensation is designed to reimburse approximately 50% to 70% of usual fees.

Dental Health Services: Dental Health Services' compensation system involves many more components than capitation and is designed to keep the participating dentists whole while providing incentives for appropriate treatment and care. The capitation amount does vary based on market and plan design.

Guardian: DHMO capitation amounts paid to the general dentist vary based on plan design, adult or child, and region.

Health Net Dental: Capitation information is proprietary.

HumanaDental: Managed dental care capitation varies by plan schedule and geographic location.

Principal Financial Group: N/A

Securian Dental: We do not offer capitation plans. We offer PPO and Indemnity plans.

United Concordia: Specific capitation amounts are considered proprietary information. United Concordia also compensates participating DHMO providers with supplemental payments on over 80 procedures. The supplemental compensation not only provides incentives for participating dentists to appoint patients and render necessary care but also provides a mechanism for the dentists to report utilization and thus allowing United Concordia to report DHMO utilization to our customers.

Western Dental: Series 7 plans reimburse providers with capitation and supplemental payments. Total compensation, as with fee for service designs, depends on how much treatment is provided.

17. ARE THERE INCENTIVES FOR THE PROVIDER TO BE THOROUGH?

Aetna: Quality management programs are designed to help protect members and providers.

Aflac: It is expected that the dentists selected by the policyholders treat their patients with the utmost respect and provide the highest standards of quality care without requiring incentives to do so. If the policyholders are unhappy with the service received, they may change dentists at any time.

Ameritas PPO: Provider thoroughness is an expectation; we do not offer an incentive for this. We do, however, monitor patient care through quarterly utilization review. If standards are not met, it could result in the provider's termination from the network.

Anthem Blue Cross: We do not offer incentive programs to dentists because we expect quality of care with or without incentives.

BEN-E-LECT: Yes. BEN-E-LECT may offer bonuses to providers who exceed quality of services and accessibility standards.

BEST Life: Our networks administer comprehensive utilization reviews for dental necessity and appropriateness of care.

Blue Shield: We expect all network dentists to provide our members with high-quality, thorough care; we continuously measure appropriateness of care through numerous oversight methods.

While routine treatment plans are carried out by dentists without prospective review, more complicated treatments are evaluated by our dental consultants who assess the proposed treatment(s) for appropriateness and benefit determination. All dentists involved in our review process are fully licensed. Our clinicians are also actively involved in the annual review of dentist records. These quality-of-care audits involve the use of comprehensive guidelines established by the American Academy of Dental Group Practice, the California Dental Association, and the American Dental Association (through the University of North Carolina School of Dentistry). A random sample of each dentist's records is selected for scrutiny by our dental consultants. Recommendations are made to any dentists who do not meet our quality standards, and follow-up audits are conducted to verify corrective action has been taken.

Cigna: Our Integrated Quality Management Program drives overall quality across all of our dental networks. While we do not provide incentives as part of our Quality Management Program, the expectation is that the dentists in our networks meet professionally recognized standards of care.

DHMO: Incentives play an important role at increasing participation. Payment for network dental offices is made up of four elements: fixed monthly payments, office visit payments, supplemental payments from Cigna, and patient payments made directly from the member to the dentist. This model is designed to encourage preventive dentistry and to protect the dental office from overutilization. When these standard forms of payment do not satisfy a quality dentist, Cigna will work with the dentist to achieve the best outcome.

Cigna's network general dentists are able to earn bonus payments when they meet performance goals set for preventive care, specialty procedures and patient satisfaction through the DHMO pay-per-performance rewards program.

DPPO: Network dentists are paid based on discounted fee schedules that vary by 3-digit zip code. Our discounted schedules encourage preventive dentistry by offering more aggressive payment on preventive services while holding deeper discounts on Class II and Class III procedures. For noncovered services, members are responsible for payment of the dentist's usual fee for that procedure.

Dental Health Services: As a prepaid dental plan, Dental Health Services provides plans designed to remove the incentive for dentists to over treat members, by using a different reimbursement structure. Through a combination of guaranteed monthly capitation payments, selected supplemental payments and reasonable patient copayments, dentists are rewarded for bringing patients to a state of optimum oral health and then maintaining this state. Dentists are required to submit encounter (utilization) data to the plan so that the services performed can be monitored and compared to expected parameters, resulting in the same monitoring ability as claims-based dental programs, while leaving very few actual submitted claim forms. (Specialty claims and claims for out-of-network emergency care.)

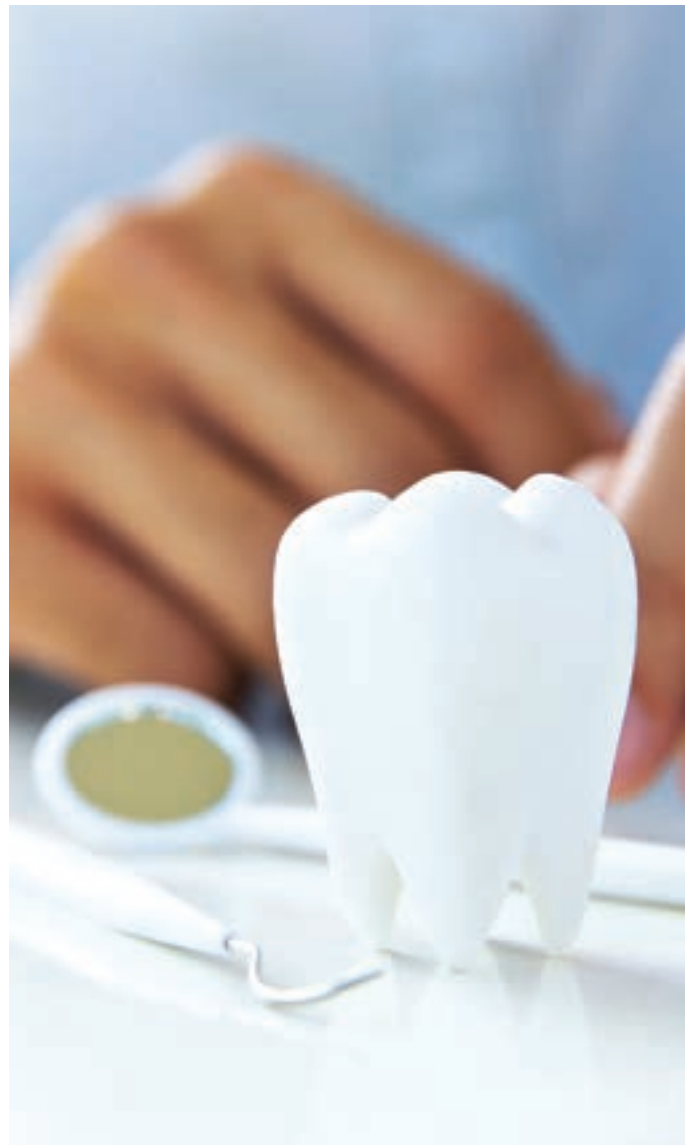
Delta Dental: Delta Dental does not pay any special incentives. We expect all credentialed network dentists to provide high-quality care within professionally accepted standards and to maintain the dental health of enrollees, with the intention to reduce the need for more invasive care later. Dentists who provide quality care and service retain their assigned enrollees, and as a result, gain enrollment and greater overall compensation.

Guardian: Our PPO fee schedules and plan provisions are adequate to encourage proper care. We do not offer incentives. Guardian requires participating dentists to treat PPO members the same as any other patients and we investigate all quality of care complaints from members. Our DHMO reimbursement schedules, capitation payments, office visit fees, supplemental payments, and chair-hour guarantees are adequate to encourage appropriate care. Participating dentists treat DHMO members the same as any other patient, and we have a grievance process in place to follow up on all quality of care complaints from members.

Health Net Dental: We do not offer financial incentives to our dentists. Our expectation is that our dentists perform in accordance with high professional standards without incentives. Our extensive credentialing process ensures that our contracting dentists are of the highest caliber.

HumanaDental: Fee-for-service reimbursement encourages thorough treatment. Member complaints are reviewed by our Quality Assurance Department and through our standard grievance process.

Principal Financial Group: Being thorough is an expectation and we do not provide incentives to meet expectations. All providers in our networks or those we might recommend must meet strict credentialing requirements.



This means they have all been independently reviewed and found to have proper professional credentials and a verified history of responsible billings. However, a member is free to choose any provider.

Securian Dental: All DenteMax dentists undergo a rigorous credentialing process to ensure the highest quality dentists are treating our members.

United Concordia: Our expectation is that all services performed by participating dentists will meet the high standards of the dental industry. In addition, participating DHMO primary dentists get supplemental reimbursement on the most highly utilized procedures in addition to monthly capitation and member co-payments, which encourage dentists to provide the services necessary to ensure the oral health of members. Participating providers are routinely evaluated through utilization analysis and onsite quality assurance assessments.

Western Dental: Western Dental Services Inc. may pay the dentist a bonus based on exceeding standards specified by Western Dental with regard to accessibility of services and quality of care. ★



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ENGAGING

Wellness



For the past few years, wellness has been the big buzz in employee health care. Companies want wellness initiatives and are almost religious about it. Zealots of wellness programs have been pounding the drum louder and louder each year, especially in light of the Affordable Care Act. Wellness is here to stay.

A study published in the *Journal of Occupational and Environmental Medicine* finds that medical care expenses for working age adults would be reduced by about \$650 per person or 18% if all heightened risk factors could be reduced to their theoretical minimums. The possible savings increased with age—up to 28% for older working adults and retirees. Researchers say that the findings support the widespread interest in wellness programs.

Being engaged with your work may be good not only for your career, but also for your health. Engaged workers are more likely to lead a healthy lifestyle, according to Gallup Research. Overall, engaged workers are more likely to eat healthfully and exercise more frequently.

Engaged employees are deeply involved in and enthusiastic about their work, said Daniela Yu and Jim Harter of Gallup, who conducted the research and wrote the ACOEM report. Those who are not engaged may be satisfied, but are not emotionally connected to their workplaces and are less likely to put in discretionary effort. Employees who are actively disengaged are emotionally disconnected from their work and workplace and jeopardize their teams' performance.

These findings fall in line with those of previous research, which found that

engaged workers are less likely to be obese and suffer from chronic diseases. Additional research found that engaged employees are also 21% more likely than disengaged employees to participate in health and wellness programs that are offered by their company.

It is not clear, though, which way the relationship between engagement in the workplace and healthy behaviors goes. It is possible that workers without healthy lifestyles are more prone to illness, which then reduces their chance for being engaged at work, or that those who are actively disengaged are less likely to take part in healthy behaviors, perhaps due to time or a depressed outlook on life. These findings have particular importance not only for employees, but also for companies. In particular, companies who try to improve employee engagement may see improved energy and productivity from workers while also reducing health care costs. ★

Mark Roberts' professional sales background includes 30 years of sales and marketing in the tax, insurance and investment markets. Mark is a licensed life, health and accident insurance agent in all 50 states and DC, for insurance products and discount health plans. He serves as Manager of National Accounts at Careington International Corporation (careington.com). Additionally, Mark works with clients needing insured products (careingtonbenefitsolutions.com) in the US and discount dental and optical schemes in the UK (healthydiscounts.co.uk). Mark has been writing a health care blog for the past five years, (yourbesthealthcare.blogspot.com), which is a topical weblog about various health care issues. He also regularly contributes articles to magazines for both medical and dental topics both in the US and the UK. You can reach Mark at markr@careington.com.

by **MARK ROBERTS**



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AUGUST 18, 2015



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Special Guest Legislator

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with a short Q&A on proposed Medicare Legislation with a Special Guest Legislator from Southern California.

Admission is FREE and advanced registration is required. No host bar.

Register Online: <http://guestli.st/330897>

FLEXIBLE PREMIUM ANNUITY

Voya Financial added a flexible premium deferred variable annuity to its suite of retail retirement solutions. Voya Preferred Advantage offers a lower-cost product with tax-deferred growth potential and the freedom to choose from a number of diverse investment options tailored to consumers' needs. For more information, visit voya.com.

LONG-TERM CARE

Nationwide enhanced its YourLife CareMatters linked benefit long-term care (LTC) product, featuring an increase in the LTC benefit pool for most new policies. For the most commonly selected six-year benefit scenario, the LTC benefit will increase up to 21% for single-pay cases and up to 15% on 10-pay cases. Other benefit periods will see an increase or stay the same depending on age, gender, payment plan and benefit option. "Since CareMatters' launch, we've heard from advisors and clients that cash indemnity benefits are a game-changer because they allow for more choices in care than other long-term care products," said Eric Henderson of Nationwide. For more information, visit nationwide.com.

RETIREMENT PLAN DESIGN BOOK

MassMutual published the book, *Precisely*, to promote how its PlanALYTICS program. The program recommends improving employer-sponsored retirement savings plans through things like automatic enrollment. The book will be available to plan sponsors and financial advisors to encourage improved outcomes for retirement plans and their participants. The book is also available at massmutual.com/planalytics.

PRUDENTIAL LAUNCHES BOND FUND

Prudential Investments has launched the Prudential Unconstrained Bond Fund, which allows people to invest across a wide range of fixed income sectors and securities. This fund expands the company's suite of multi-sector bond products and provides an attractive alternative to traditional bond funds. For more information, visit prudentialfixedincome.com.

DOCUMENT SECURITY

Pitney Bowes launched the Relay multi-channel communications suite for small and medium businesses. It enhances transactional communications (bills and statements) while keeping client data private and meeting regulatory requirements. A cloud-based digital document hub helps businesses deliver communications through physical or digital channels, including email, post to web, and digital archiving. The Relay communications hub also offers off-site production options in the event of a business disruption or to alleviate capacity overflows. Pitney Bowes says that it is the only cloud-based document production software that offers document enhancement, multi-channel output, and dynamic off-site print routing capabilities. For more information, visit pitneybowes.com/us/relay.

WORKFORCE MANAGEMENT

The new Kronos Workforce Ready suite delivers enterprise-class workforce management solutions in the cloud



to small and midsize businesses. Benefit plan visibility and auto-population features simplify managing an employer's Affordable Care Act strategy. For more information, visit kronos.com.

INSUREWELL OFFERS COLONIAL PLANS

InsureWell, a digital insurance marketplace, partnered with Colonial Life. The new small business program will bring together a dedicated service operation and a broad suite of disability, business protection, life and voluntary benefits solutions geared for the growing insurance and health care cost challenges of small businesses. For more information, visit insurewell.com.

LINKED BENEFIT LTC PRODUCT

Nationwide enhanced its YourLife CareMatters linked benefit long-term care (LTC) product, featuring an increase in the LTC benefit pool for most new policies. For the most commonly selected six-year benefit scenario, the LTC benefit will increase up to 21% for single-pay cases and up to 15% on 10-pay cases. Other benefit periods will also see an increase or stay the same depending on age, gender, payment plan and benefit option. For more information, visit nationwidefinancial.com/carematters or call 1-800-321-6064.

MULTI-CARRIER EXCHANGE SOLUTION FOR RETIREES

HPOne launched the ClearChoice Exchange, a health care exchange solution created for employers seeking to manage retiree health care costs. The ClearChoice Exchange offers the following:

- Plans from multiple carriers for pre-65 retirees
- Individual Medicare Advantage plans from multiple carriers
- The UnitedHealthcare Group Medicare Advantage PPO

For more information, visit HPOne.com.

HEALTH PLAN GUIDE TO LEVERAGING TRENDS IN POST-REFORM

The Healthcare Trends Institute released a free guide for health plans seeking insight on how to leverage the constantly shifting trends in the post-reform marketplace to educate and attract consumers. Titled *Health Plans: Your Guide to Leveraging Trends in the Post-Reform Consumer Marketplace*, the guide highlights changes over the past five years as a result of the Affordable Care Act, as well as how a health plan can act on these changes to reach consumers. It is available for download from the Healthcare Trends Institute website at evolution1.com. ★

NEWS



IN CALIFORNIA

Agents See Lower Revenues

From 2010 to 2014, there was a 60% increase in the number of insurance sales agents in California. Yet, their median annual income went down 8%, according to a report by Agent Review. This data shows that agents are entering the market in California at a rapid clip, yet they are chasing the same (shrinking, or at least stalled) piece of cheese. The problem is that the insurance industry has not evolved from a marketing and sales perspective, making things needlessly difficult for agents.

The number of insurance sales agents across the U.S increased 18% from 2010 to 2014. During the same period, the median annual salary for insurance sales agents only increased by 2%. From 2010 to 2014, the median hourly wage for an insurance agent in the U.S remained stagnant at \$30.

This data shows that the traditional sales and marketing models of the insurance industry have been flat lining for some time. In order to reinvigorate sales and their salaries, insurance sales agents need to find new ways of reaching more customers, according to the study.

The following are some statistics from the survey:

California (2011) bls.gov/oes/2011/may/oes413021.htm

Number of insurance sales agents – 23,890
 Median hourly income – \$36.12
 Median annual income – \$75,140

California (2012) bls.gov/oes/2012/may/oes413021.htm

Number of insurance sales agents – 28,500
 Median hourly income – \$36.23
 Median annual income – \$75,360

California (2013) bls.gov/oes/2013/may/oes413021.htm

Number of insurance sales agents – 32,530
 Median hourly income – \$35.58
 Median annual income – \$74,010

California (2014) bls.gov/oes//oes413021.htm

Number of insurance sales agents – 36,370
 Median hourly income – \$34.38
 Median annual income – \$71,510

For more information, visit agentreview.net.

Covered California Boosts the Use of Navigators

For the upcoming third open enrollment, Covered California says it will award more than \$10 million in grants to navigators. Navigators are community-based organizations that provide in-person enrollment assistance, renewal assistance, and ongoing support. Covered California executive director Peter Lee said, "Enrolling in person is important to many people, and certified enrollment counselors in the Navigator Program, along with insurance agents, play a critical role by providing help to consumers who need it." During the last open-enrollment period, about 70% of eligible consumers enrolled or renewed with certified insurance agents, certified enrollment counselors or navigators, or with service center representatives who helped over the phone.

About 68 organizations under the 2015-2016 Navigator program will get grants of \$50,000 to \$500,000. Additionally, nearly 12,000 certified insurance agents will be available across the state, there will be 400 storefronts where consumers can walk in and enroll. Thousands more certified enrollment counselors will assist with applications through nonprofit organizations. A list of navigator organizations and the amounts Covered California intends to award is available online at hbex.coveredca.com.

Don Goldmann Named President of NAHU

Don Goldmann was named as president of the National Association of Health Underwriters (NAHU) at the 85th Annual Convention and Exhibition in New Orleans, LA. After accepting the gavel from outgoing president Ryan Thorne, Goldmann vowed to reinforce NAHU's mission to educate consumers and lawmakers about the value that health insurance agents and brokers bring to the health care system and increase NAHU members' ability to serve consumers. "Don has been an incredible asset to NAHU and our goals of supporting agents and educating the American public about the healthcare options available to them," said Janet Trautwein, NAHU CEO. Goldmann, vice president of Word & Brown General Agency, has been in the insurance industry for more than 35 years, and has been a member of NAHU since 1986. He is a highly sought-after speaker and frequently published contributor to national, state and local journals. During his membership in NAHU, he has served as a regional, state and local leader and has received numerous awards for his efforts.

Serving on the Financial Committee five times, Goldmann helped to write five annual budgets, which have contributed to NAHU's continued growth and success. As NAHU secretary, Goldmann oversaw the review of 34 important policies and procedures and drafted a major restructuring of the policies and procedures dealing with the bidding of contracts and services. "The members of NAHU are my professional family and to be selected by them is the greatest honor that I could have ever been given. I am most grateful to be allowed to serve them and our cause of promoting private market solutions for the financing of healthcare in America," Goldmann said. Goldmann received a bachelor's degree from Middle Tennessee State University and a master's in business communications from the University of Michigan. He lives and works in Orange, California.

Dave Fear Sr. Named NAHU Person of the Year

The National Association of Health Underwriters (NAHU) honored David Fear Sr. as the industry's Person of the Year. Janet Trautwein, CEO of NAHU said, "Dave has embodied what we call

a leader: someone with endless drive, devotion, ability and great ideas. His contribution to the advancement of NAHU has been invaluable. We are incredibly pleased to present Dave with this award, and we look forward to many more years of benefiting from his wisdom and dedication to the health insurance industry.”

Fear helped found the Sacramento AHU in 1991. He then served as the chapter’s media, legislative, membership and education chair. Fear spent countless hours lobbying in Sacramento then providing legislative details and insight to his chapter. Fear went on to serve the California AHU (CAHU), the largest state chapter in the country. He was chairman of the legislative and communications committees before moving to CAHU’s Board, where he eventually served as president. Fear successfully ran for the position of secretary on NAHU’s Board of Trustees. In the ensuing years, he worked hard to improve the association’s governance and value to its members. In 2006, Fear was named president of NAHU. Under his leadership, the association saw growth in membership, revenue and prestige. His greatest legacy as a member was pushing to reenergize NAHU’s Education Foundation. He worked to make the NAHU Education Foundation a force in our industry, competing successfully for grant funding.

Fear began his tenure in the insurance industry in 1979 and has worked in various capacities including sales, service, consulting, administration, marketing and product development while residing in California, Colorado, Texas and Kentucky. He attended Brigham Young University and California State University at Fresno. He lives in Sacramento, California, with his wife. They have seven children and 13 grandchildren.

HEALTHCARE

Children’s Health Care Spending Increases Under Group Plans

Health care spending for children (birth to 18) increased 5.7% a year from 2010 to 2013 under employee group plans. That compares to a 3.9% yearly increase for the total population (birth to 64) with employer-sponsored insurance, according to a report by the Health Care Cost Institute (HCCI). Per capita spending on children reached \$2,574 in 2013, a \$391 increase from 2010.

The rise in children’s spending occurred despite a drop in the use of prescription drugs and emergency room visits. Spending on inpatient admissions rose in 2013 as a result of rising prices and slightly higher admission rates for children—particularly newborns. The average price of an inpatient admission for a child increased \$744 in one year, hitting \$14,685 in 2013. Inpatient admissions accounted for about 40% of per capita health care spending for infants and toddlers (birth to three). For more information, visit healthcostinstitute.org.

Overtime Reform, ACA, LGBT Policies Among Concerns for Today’s Employers

The Affordable Care Act (ACA) is among the top compliance concerns for the largest companies in the United States, according to a survey by Littler, a labor law practice. The survey was conducted in April and May.

Before the Supreme Court’s landmark decision in *King v. Burwell*, 55% of respondents had engaged or planned to engage with employee benefit attorneys or consultants to help navigate regulations relating to the Affordable Care Act. That was down slightly from 58% in 2014. Meanwhile, 18% are taking a wait-and-see approach in 2015 about the ACA compared to 14% last year.

Changing the threshold for overtime pay could squeeze out jobs due to payroll increases. Companies are watching the Dept. of Labor carefully; they are aware that the required amount of overtime pay

is likely to increase sharply. Twenty-five percent are concerned that the DOL would raise the minimum salary for professionally exempt employees above the \$23,600 threshold—a concern that was realized after the White House announced a new estimated level of \$50,440 for 2016.

Meanwhile, 37% of employers are concerned that the DOL may eliminate the executive, administrative and professional exemptions for workers who spend more than 50% of their work time engaged in non-exempt duties. Twenty-nine percent of surveyed employers are worried about the executive exemptions that may disappear for supervisors who engage in some non-exempt duties. Tammy McCutchen of Littler said, “The overtime adjustment and other potential changes from the DOL could cost employers billions of dollars. The employer community should take action now to shape the final rule.”

Last month, the Supreme Court announced its decision in *Obergefell v. Hodges*, finding that same-sex marriage bans are unconstitutional nationwide. Even before the ruling in *Obergefell v. Hodges*, many employers had been moving toward more inclusive workplaces for LGBT employees. Forty-seven percent said their companies had established policies to address issues faced by LGBT employees. Only 11% said that changes in laws prompted new policies, and 13% said that their companies intended to make changes to policies within the next year. Mark Phillis of Littler said, “Now that same sex marriage is legal nationwide, employers should revisit their benefit plans, leave policies, domestic partnership policies, and non-discrimination policies to ensure they are treating all their employees equally.”

Joint Employer Definition: Employers are concerned with the potential change to the joint employer standard. The National Labor Relations Board is reviewing multiple cases that could modify the definition. As a result, 69% say they are concerned about exposure to greater legal liability; and 59% are concerned about the difficulty in monitoring the employment practices of separate entities. Michael Lotito of Littler said, “For employers, the burden of having to monitor not only their own employees, but also the employees of subcontractors is especially daunting and has the potential to have a huge impact on industries throughout the country. It is certainly worth keeping a close eye on.” Cost is a continued concern among employers as the National Labor Relations Board and other agencies continue their enforcement efforts. Thirty-four percent of respondents are justifiably concerned that a change from the board on this matter could result increased costs for their company.

Fifty-seven percent of respondents expect an increase in charges relating to hiring barriers, including the consideration of criminal or credit histories. Thirty-seven percent of employers expect an increase in claims relating to accommodations for disabled workers. Thirty-four percent expect more investigations and charges about equal pay issues. Respondents are also concerned about claims of retaliation (33%) and charges of age discrimination (32%).

Barry A Hartstein of Littler said, “The survey results mirror concerns that the newly appointed EEOC Chair, Jenny Yang, and General Counsel, David Lopez will focus on larger, systemic cases in the near term. Employers will continue to grapple with discrimination claims as the EEOC ramps up its enforcement efforts. The concerns expressed in the survey align with what is happening in the courts, such as the Supreme Court’s decisions in *UPS v. Young* and *EEOC v. Abercrombie*, or newly minted ban the box legislation. In short, employers have many issues impacting their workforce related to discriminations and hiring practices.” For more information, visit littler.com. ★

SOMETIMES THE UNIVERSE JUST FALLS INTO PLACE.

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SPEAKER



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J&J Human
Performance Institute

KEYNOTE
SPEAKER



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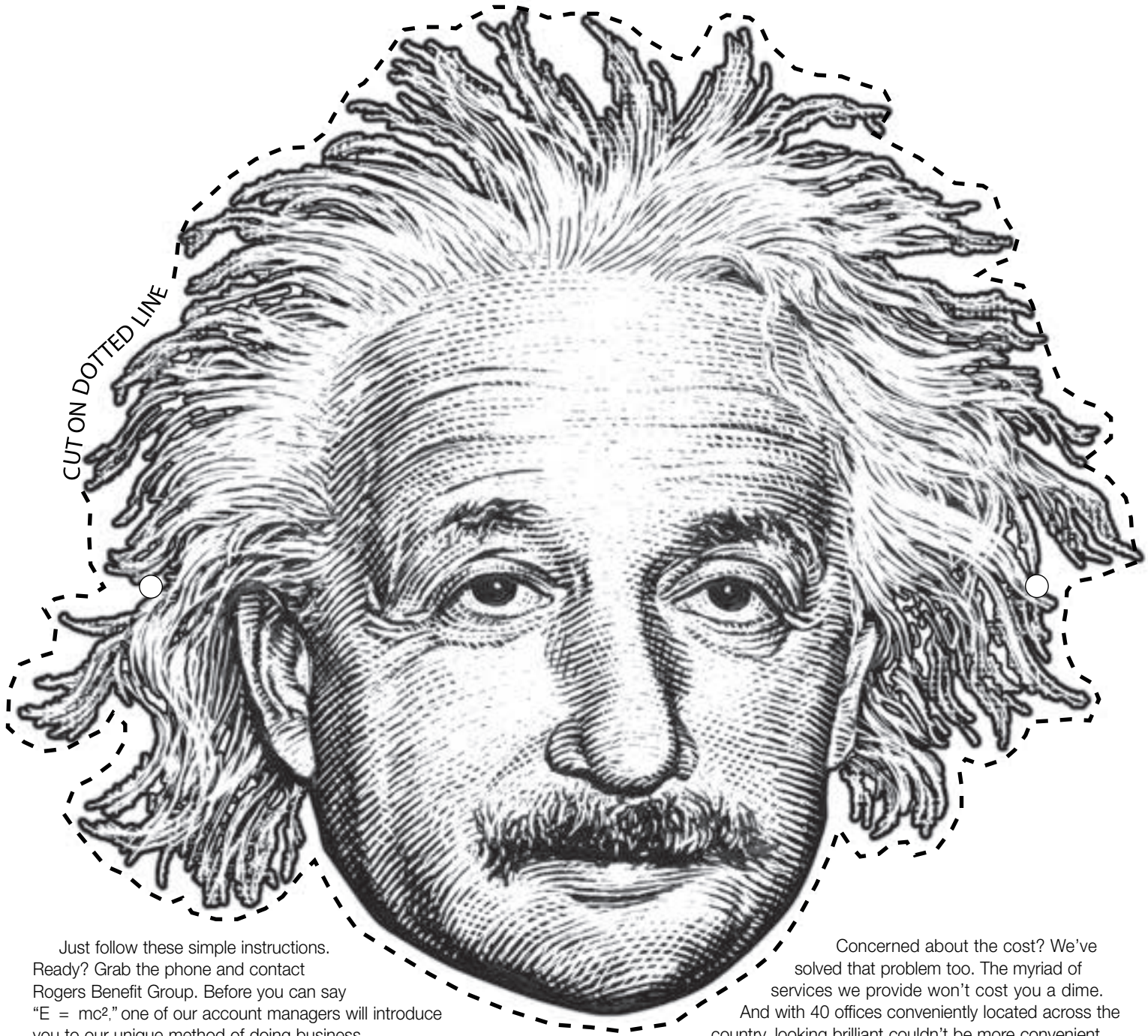
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