

# CALIFORNIA BROKER

VOLUME 36, NUMBER 9 SERVING CALIFORNIA'S LIFE/HEALTH PROFESSIONALS &

FINANCIAL PLANNERS

JUNE 2018

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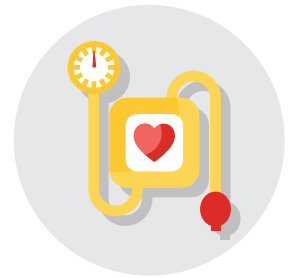
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*(Source: CA Dept. of Public Health)*



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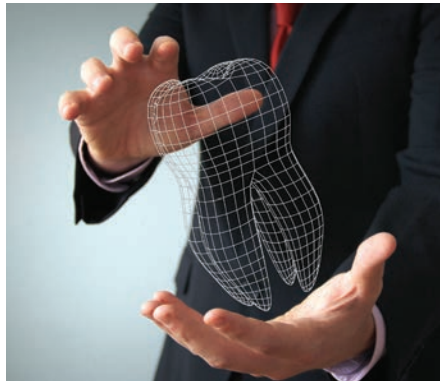
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Two years ago, AALU sponsored a trip for a delegation of insurance industry thought leaders to meet with scientists whose expertise is in the study of the human genome. As the scientists explained to us, both the life insurance companies and their clients share a common goal—they both want the clients to live longer, healthier lives.



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The new Amazon conglomeration means healthcare players must adapt to price transparency or face extinction.

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OSCAR



# NEW AMAZON CONGLOMERATION MEANS: Healthcare Players Must Adapt to Price Transparency or Face Extinction

By MARK GALVIN

*Editor's note: Views expressed in our guest editorial are those of the author, not Cal Broker magazine. We welcome your opinions on any subject. Tell us at editor@calbrokermag.com*

**W**hen Berkshire Hathaway purchased National Indemnity in 1967 for \$8.6 million, putting them into the insurance business, and when Amazon announced their acquisition of Jungle and PlanetAll in 1998 as part of their move beyond book and music sales directly to consumers over the Internet, probably no one imagined that Berkshire and Amazon would team up with JP Morgan Chase decades later to fix healthcare for the American people. With their recent announcement and the help of a bit of insider market knowledge, it starts to become exceedingly obvious how and why these three companies are uniquely situated to actually pull it off.

Looking at these three giants of industry today, you'd find that Berkshire Hathaway's portfolio companies are collecting over \$61 billion in insurance premiums, including a substantial business in stop-loss underwriting and over \$30 billion in direct-to-consumer insurance through Geico.

JP Morgan Chase, a political machine potentially stronger than America's Health Insurance Plans (AHIP—the health insurance lobby) and all its members combined, is a depository for Medicare and Medicaid funds and acts as a clearinghouse for authorized reimbursement payments under those government programs among other health and medical programs.

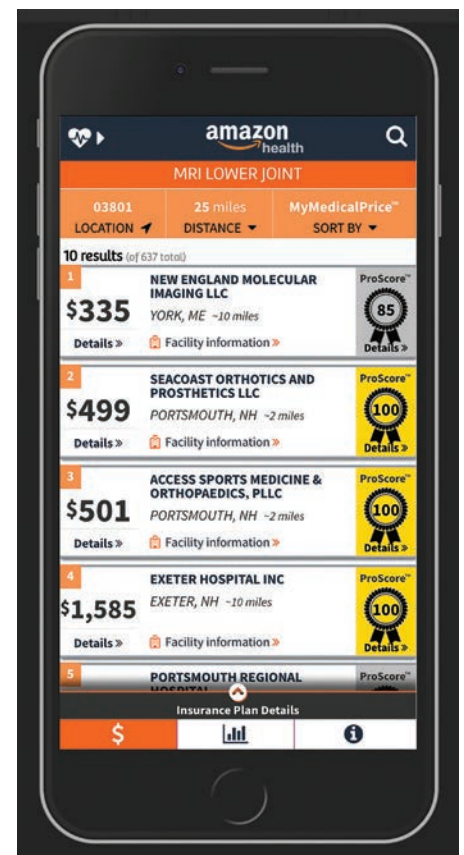
Lastly, and perhaps most important in this particular trifecta, Amazon has the largest direct-to-consumer marketplace for buyers and sellers to meet on the Internet. They support everybody who wants to sell items to anybody who wants to buy items, and they also do this for a wide variety of service categories beyond the traditional physical products.

So how will these three successful enterprises collaborate to fix healthcare? When we consider each of these companies' unique strengths, the resulting solution is actually pretty straightforward.

Amazon will create "AmazonHealth," a relatively simple extension of their world-class, Internet-based shopping platform. The same way they already leverage location information for the services and shopper to deliver a variety of perishable goods and home services, they'll match medical providers with patients. Healthcare facilities and medical practitioners, as "vendors," will submit their available tests and procedures, along with their locations and their prices for services. The end result will be something that might look much like Screenshot 1.

Geico will get licensed to provide catastrophic health insurance across all 50 states in the form of HSA-compliant high-deductible health plans (HDHPs) with the highest-level deductible and max out-of-pocket amounts allowed by the IRS for a given year

(currently \$13,300). Because Geico will pay nothing until Geico is responsible for paying everything for the rest



Screenshot 1

of the plan year (that's how HDHPs work when there's no copay element confusing the issue), the plan will effectively allow the consumer/patient to choose as if all providers are "in-

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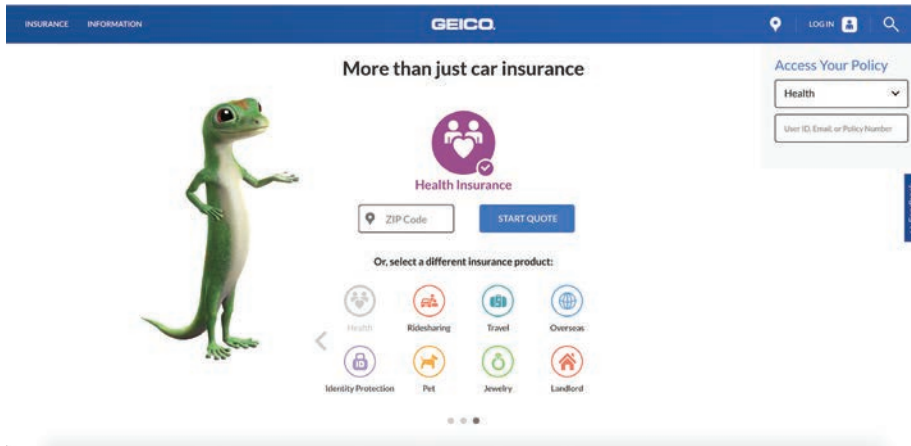
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Screenshot 2

network.” The concept of “contracted rates” will become obsolete, as the rates patients pay will be determined

by the dynamic marketplace created by AmazonHealth.

All Geico-insured patients will shop

on this marketplace due to the cost efficiencies. Remembering that Geico started the movement that disenfranchised the automobile insurance brokers, these policies may become just one more option on their homepage as simulated in Screenshot 2.

Finally, it’s important to understand JP Morgan Chase’s role as the third leg of this disruptive stool. The “premium” collected by Geico health insurance will incorporate anticipated underwritten medical losses plus margin, but it will also include the money needed to fully fund each subscriber’s health savings account held in brokerage by JP Morgan and accessible by the Chase Visa card. The “premium” will also include enough additional cash to fund a

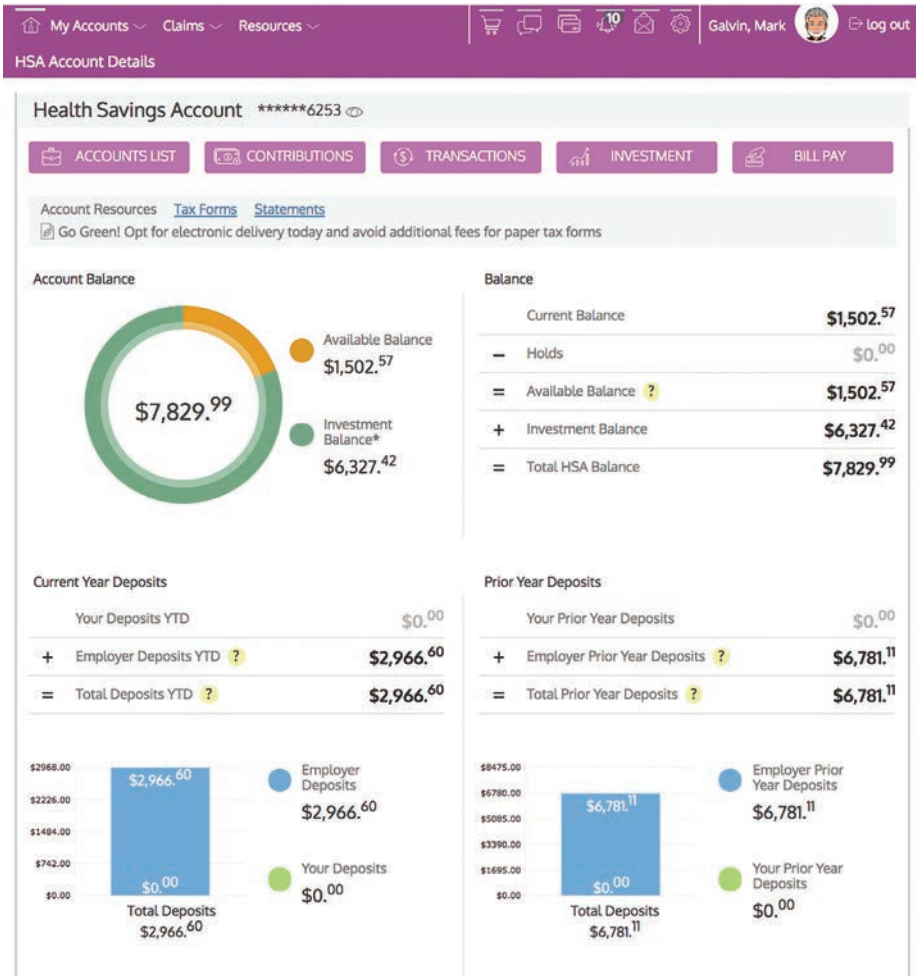
ANNUITY SAMPLER MAY 1, 2018

Company Name	Ratings			Product (Qual./Non-Qual.)	Type SPDA	Initial Interest	Guar. Period	Bailout Rate	Surrender Charges	Mkt. Val. (y/N)	Min. Contrib.	Comm. Street (May Vary)
	Bests	Fitch	S&P									
American Equity	A-	A-		ICC13 MYGA (Guarantee 5) (Q/NQ)	S	2.30%*	5 yr.	None	9%, 8, 7, 6, 5, 0	Yes	\$10,000 (Q) & \$10,000 (NQ)	3.00%, age 18-75 & 2.10%, age 76-80** 1.50% age 81-85**
				ICC13 MYGA (Guarantee 6) (Q/NQ)	S	2.45%*	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** 1.50% age 81-85**
				ICC13 MYGA (Guarantee 7) (Q/NQ)	S	2.60%*	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** 1.50% age 81-85**
*Effective 11/9/17. 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 (*Guarantee Return of Premium) (Q/NQ)	S	2.85%* <sup>a</sup> 3.15%* <sup>b</sup>	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 6/2/17. 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	S	2.20%* <sup>a</sup> 3.0%* <sup>b</sup>	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 8/7/17 Includes 1.15% 1st year bonus, 1.00% base rate subsequent years. a (less than \$100K) b (100K or more) (*Guarantee Return of Premium) (Q/NQ)												
American General Life Insurance Companies	A	A+	A+	American Pathway Fixed 7 Annuity	S	3.10%* <sup>a</sup> 4.10%* <sup>b</sup>	7 yrs.	None	9%, 8%, 7%, 6%, 5%, 4%, 2%, 0%	No	\$5,000 (NQ) 1.50% age 86-90	3.00% age 0-85
*(Guarantee return of premium (NQ) *CA Rates Effective 6/2/17. First year rate includes 1.0% bonus 1 <sup>st</sup> year. a (less than \$100K) first year rate includes 2.00% bonus 1st year (100K or more) Qualified interest rate 3.25% first year (includes 1st year bonus less than \$100,000.). 4.10% first year qualified for \$100,00 or more (includes 2.00% 1st year bonus)												
Great American Life	A	A+	A+	SecureGain 5 (Q/NQ)	S	3.10%	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 5/14/18. Includes .25% first-year bonus and is for purchase payments over \$100,000. Escalating five-year yield is 3.10%. For under \$100,000 first-year rate is 2.95%. Escalating rate five-year yield 2.95%.												
Great American Life	A	A+	A+	SecureGain 7 (Q/NQ)	S	3.20%	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 5/14/18. Includes 1.00% first-year bonus and is for purchase payments over \$100,000. Escalating seven-year yield is 3.09%. For under \$100,000 first-year rate is 3.10%. Escalating rate seven-year yield 2.99%.												
North American Co. for Life and Health	A+	A+	A+	Guarantee Choice II (Q/NQ)	S	2.95%* <sup>a</sup> 3.30%* <sup>b</sup>	5 yr.	None	10, 10, 9, 9, 8	Yes	\$2,000 (Q) \$10,000 (NQ)	2.00% (0-80) 1.50% (81-85) 1.00% (86-90)
*CA rates effective 5/15/18- a (less than \$100K) b(100K or more)												
Reliance Standard	A+	A		Eleos-MVA	S	3.15%*	5 yrs.	None	8%, 7, 6, 5, 4	Yes	\$10,000	2.50%**
*Effective 4/17/18. Min. guarantee is 1.00%. **Reduced 20% ages 76-80, and 40% ages 81-85												
Reliance Standard	A+	A		Apollo MVA (Q/NQ)	S	4.85%*	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 4/17/18												
Symetra Life, Inc.	A	A	A	Custom 7 (Q/NQ)	S	3.65%*	7 yrs.	N/A	8%, 8, 7, 7, 6, 5, 4, 0	No	\$10,000	Varies
*Effective 5/3/18. 3.15% base rate with no guaranteed return of purchase payments. Plus 0.50% bonus for \$250,000 and above.												

shopping rewards program structured as variable health reimbursement arrangement (HRA) deposits.

Just imagine a program that takes the good consumer behavior the patients will exercise when they're us-

tion history, balances and brokerage performance into the platform will help maintain engagement of healthy consumers with AmazonHealth through a JP Morgan Chase portal that might look like Screenshot 3.



Screenshot 3

ing their own HSA/brokerage dollars to pay for care, and extends that same consumerism through an HRA by rewarding good shopping behavior.

The impact of this kind of stacked plan design might make financial sense to the consortium, but critically, the quality of these plans will be far better for patients too. Considering the distribution of annual costs of care for individuals, about 70 percent of participants in this kind of health plan should find a growing balance year-over-year in their health savings accounts. While these HSAs provide a backstop to protect against future out-of-pocket medical expenses, these funds can also be invested to grow tax-free through retirement. Furthermore, integration of HSA transac-

As a patient and consumer in this healthcare utopia, you will simply launch the AmazonHealth app or web page, enter the procedure your doctor says you need, consider the cost and distance from your current location, peruse verified buyer comments and ratings, and click to schedule (and purchase!) your care. Your Chase Visa HSA or HRA account will be tapped to pay the transparent price of the care you scheduled, and your provider will receive payment without jumping through a bunch of artificial hoops like insurance pre-authorizations or claim submissions for determining appropriate discounts. Doctors will become the trusted advisers to their patients again, and your healthcare experience will finally emulate your natural shop-

ping experience for virtually every other good and service in your life.

This is the new future of the American healthcare system, and with this new joint venture announced, we won't need to wait decades to see it realized. The clock is ticking. Now it will be up to the current industry players—the health insurance carri-

***"The elements of the perfect solution all exist already, albeit in separate companies and products and services. It's time for the current players to collaborate and implement the kind of solution described here. If we don't – watch out – these giants of industry will eat our lunch."***

ers, third-party administrators, brokers, advisers and consultants—to decide whether or not they will embrace the inevitability of a reformed system by proactively leveraging similar strategies.

The elements of the perfect solution all exist already, albeit in separate companies and products and services. It's time for the current players to collaborate and implement the kind of solution described here. If we don't—watch out—these giants of industry will eat our lunch. ★

*Mark Galvin, president and CEO of MMS Analytics, Inc., d/b/a MyMedicalShopper, has a long career of anticipating market needs, innovating solutions and growing new technology companies. He co-founded MyMedicalShopper in late 2013 with the intention of building technology, products and services that could be used to drive savings of as much as \$1 trillion annually from the cost of healthcare in the United States.*

# PRIVATE EXCHANGES

By ROB CARNAROLI

## What's driving current changes?



**P**ivate exchanges have been around for over two decades in the health insurance industry, and the model continues to evolve. Throughout my career, I have had the privilege of implementing and integrating private exchanges into marketplaces nationwide—allowing me to more efficiently bring Sutter Health Plus into both small and large group private exchange platforms. Our HMO health plan is available to small groups through California-Choice®, and Gallagher Marketplace for large groups.

Brokers have the opportunity to leverage private exchanges and create win-win situations for their clients as well as themselves. While there are state and federal laws that may complicate the landscape, brokers deliver value in helping clients navigate their options and find an exchange that works for their employees. In this article, I'll share some insights into private exchanges and how to find the right fit for both small and large groups, as well as the driving force for some of the current changes within the industry.

### PRIVATE EXCHANGE 101

Most brokers are familiar with private exchanges, which provide a consumer-driven shopping experience for employees. Unlike public exchanges, which are government-operated, private exchanges are owned by individual health insurers or large consulting firms. Insurer-led exchanges typically have large, often nationwide coverage, with multiple options under their own moniker. The experience of utilizing an insurer-led private exchange is similar to

purchasing a plane ticket on an airline's website. You see lots of choices and you make the best decision based on price, convenience, etc. Consulting firm

*The private exchange market is currently experiencing a plateau, heightening the need to find new solutions that continue to move the needle.*

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led exchanges allow for multiple plans and carriers, similar to how Amazon provides customers with the accessibility to purchase from a variety of vendors.

We know that consumers value choice over a one-size-fits all approach—and health care is no different. From an employer’s perspective, private exchanges can reduce HR costs by streamlining the enrollment process and year-round management of employee benefits. For instance, private exchanges help take the guesswork out of changing state and federal laws affecting employers by offering guidance on upcoming regulatory requirements.

There are, however, differences in how private exchanges operate for employers of small and large groups.

### SMALL AND LARGE GROUPS IN CALIFORNIA

For small groups in California, the only private exchange option is CaliforniaChoice. Brokers are able to offer CaliforniaChoice to their small group clients, opening the doors for their clients’ employees to select a health plan from multiple carriers, including Anthem Blue Cross, Health Net, Kaiser Permanente, Sharp, Sutter Health Plus, United Healthcare and Western Health Advantage. Often times, small group employers choose to go the private exchange route because it can be more cost effective, more cost predictable and provide a breadth of plan designs, physician networks and geographic coverage.

For brokers, managing small group clients using private exchanges can make it easier on the front end, as well. Most exchanges come with decision support tools to help employees select a plan, enroll online and offer a single source for billing and customer service assistance.

Because of their size and geographic coverage, large groups present their own set of challenges. It may be difficult to find a large group plan that can accommodate the needs of employees across multiple states. There are a finite number of brokers that have the capacity to manage private exchanges for large groups, and oftentimes a firm will specialize in this type of client. Adding to the complex-

ity is that the large group landscape continues to transform.

### THE PRIVATE EXCHANGE LANDSCAPE

We are seeing a lot of reengineering of large group platforms in the private exchange. From a broker management perspective, private exchanges have made it much easier to offer health plans to companies spanning multiple geographic regions; however, they oftentimes lack access to regional networks, which can leave holes in some areas. Now, many large group private exchanges are exploring smaller, regional solutions in order to round out their offerings and cater to local markets. These localized health plans can solve for access and affordability issues, which is expected to help increase the amount of U.S. employees enrolled in health care plans.

The private exchange market is currently experiencing a plateau, heightening the need to find new solutions that continue to move the needle. When private exchanges first were formed, it was estimated that 40 million individuals would be enrolled through them, but currently there are only about 6 to 8 million enrolled (depending on what data is reported). There may be a few reasons as to why more employers aren’t utilizing private exchanges. Some employers may be reluctant to embrace exchanges because the cost benefit has not yet been proven. The second major reason may be the potential learning curve for employees on a new way to select benefits.

Another reason for fewer enrollments than expected in private exchanges could be the delay of the Cadillac tax until 2022. The impending 40 percent tax to businesses on high-premium health insurance plans drove private exchange growth as employers worked to keep below the Cadillac tax thresholds. Private exchanges provide predictability of costs and transparency in price, which is a good solution for employers looking to steer clear of the Cadillac tax. But now that it is delayed until 2022, there isn’t the surge of private exchange utilization that was once predicted.

The transitional nature of the health

*The transitional nature of the health care industry and government regulations will continue to cause an evolution within the private exchange model, both for large and small groups.*

care industry and government regulations will continue to cause an evolution within the private exchange model, both for large and small groups. As brokers, it’s important to keep clients educated on the private exchange landscape and predicted shifts in costs as models will inevitably continue to evolve.

### FINAL TIPS ON PRIVATE EXCHANGES

When working with a client, it’s important to consider the client’s ROI for turning over the keys to a private exchange. Oftentimes, companies are looking for more data to assist in employee benefit administration and wellness program development, and a private exchange can deliver that. Private exchanges can also eliminate overhead and HR costs, depending on the company structure.

As a nonbiased consultant, brokers are in a valuable position to provide expertise on the benefits of private exchanges to employer groups—which is why it is critical to remain up-to-date on the shifting landscape of private exchanges. If there are any additional insights I can provide, let’s continue the discussion. Please feel free to contact me at [cararrj@sutterhealth.org](mailto:cararrj@sutterhealth.org). ★



*Rob Camaroli serves as vice president of sales for Sutter Health Plus, an HMO health plan that provides access to many of Northern California’s most respected health care providers, including many of Sutter Health’s affiliated hospitals, doctors and physician organizations.*



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# 5 TIPS TO KEEP EMPLOYEES ENGAGED

By PAIGE LABEL

It's startling to look at the statistics surrounding employee engagement. According to Gallup, only 33 percent of U.S. employees are engaged in their work, and this percentage has barely increased over the last five years. This low level of employee engagement has company leaders looking for strategies to increase workforce engagement.

## WHY IS EMPLOYEE ENGAGEMENT IMPORTANT?

It sounds simple — better engagement leads to better productivity. But it can be challenging to put employee engagement strategies into place that will convert workers from feeling unhappy in their job to driving innovation and actively helping a company meet their objectives. Below are five ideas your clients can use to implement activities that drive engagement, while also setting up a long term focus on engagement initiatives for their companies.

## 1 SUPPLY THE RIGHT TOOLS

A big part of employee engagement is equipping workers with the right tools to acclimate to the company's procedures, programs and benefits from the very beginning. Making it easy for employees to learn about, access and navigate through potentially complicated systems like benefits and company policies can help limit frustrations and happily engage employees. Providing tools that offer features like a person-

alized benefits enrollment experience or a single portal to access all employer-provided benefit information can help an employee feel connected to their company, while increasing their appreciation for what their company has to offer them. Remember, less sometimes can be more. If you can tie multiple onboarding portals together for employees then you'll offer employ-





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ees an easier and less overwhelming experience.

## 2 ENCOURAGE CONTINUOUS DEVELOPMENT

Taking a vested interest in the future of your workers is one way to drive employee engagement. Help workers build skills that will not only help them succeed at their current job, but will help prepare them for future opportunities. This can include leadership trainings, financial planning assistance and encouragement toward hiring within. Remove the obstacles workers may face to gaining proper training and professional development to help them grow in the company. Making this one of the company's core values can demonstrate a commitment to employee engagement.



## 3 CREATE AN ENVIRONMENT WHERE PERSONAL CONNECTIONS THRIVE

It has been statistically proven that when people are able to make friends at work, they're happier in their organization. By giving employees opportunities to connect with each other through special activities, employers can not only grow healthy personal relationships within the company, but also create an opportunity to help workers feel valued.



Ask employees to contribute their own time or talents to a special social activity or create something to keep in the office that promotes social interaction between co-workers. If someone is especially passionate about a particular service project, employers can ask them to introduce it to the office and invite co-workers to join in at a special

event. Involving employees in activities which promote engagement can add an additional purpose to their work and make them feel appreciated in yet another way.

## 4 PLACE VALUE ON EMPLOYEE CONTRIBUTIONS

Feeling appreciated and happiness often go hand-in-hand because most people want to know the work they're doing is valued. In a corporate setting, you can appreciate and value your employees for the work they do and the feedback they



**"...you can create a corporate culture full of individuals who are proud to represent your organization and who feel inspired to do their best work because they truly care about the future of your company."**

provide. Recognizing employees and even rewarding them for their efforts can increase engagement because they're provided with a better understanding of the positive impacts they have on the company. Recognition programs, yearly achievement awards and even friendly competitions provide employees with specific goals or milestones that they can set their minds on to achieve while also encouraging stronger work tactics, sometimes also resulting in incentives.

## 5 CONNECT ENGAGEMENT TO DAILY LIFE

As you develop programs and activities to grow employee engagement, make

sure you're presenting these initiatives in ways that pertain to the day-to-day life of the workers. Putting this focus on daily life helps cement employee engagement as a tenet of corporate culture and makes it constantly visible to employees. Discuss employee engagement at regular meetings, in strategy sessions, and during one-on-one meetings with employees to really show how important it is to management that employees are engaged. By bringing the overall company goals down to each specific employee, showing how their work can provide a direct impact on those goals not only makes the employees feel more empowered, but also that they can make a true difference. Having managers provide employees with what their role is in the overall company success can change the way an employee approaches their everyday tasks.



## KEEP THE FOCUS ON EMPLOYEE ENGAGEMENT

Throughout the U.S., disengaged employees are costing the country anywhere between \$450 billion and \$550 billion each year, according to Gallup. By implementing any of the above employee engagement activities or strategies, employers can create a corporate culture full of individuals who are proud to represent the organization and who feel inspired to do their best work because they truly care about the future of the company. ★

Paige LeBel is marketing coordinator for Hodges-Mace, a provider of benefit management software and services. During her tenure at Hodges-Mace she has held positions of increasing responsibility in both sales and marketing. Paige can be reached at [paigelebel@hodgesmace.com](mailto:paigelebel@hodgesmace.com).



Hodges-Mace helps employers make meaningful connections with employees using a variety of tools and strategies, including employee onboarding solutions, custom communications, artificial intelligence and an innovative mobile engagement platform.

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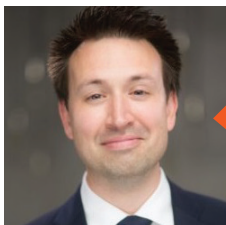
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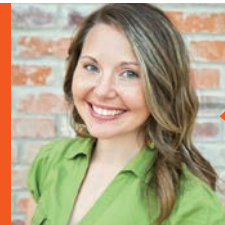
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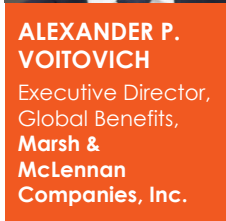
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# LOOKING INTO THE FUTURE OF VISION BENEFIT OFFERINGS

## Online Eye Tests Are Here: And It's Time to Go Back to the Basics with Education

By JONATHAN ORMSBY

Online eye tests—once thought a concept as futuristic as autonomous cars—are quickly becoming an option as technology continues to progress. However—as with many technological advancements—there are kinks to be ironed out, as well as limitations when it comes to how and when online eye tests should be used. Because of this, it's important for brokers to stay ahead of the curve and make sure clients, and their employees, are properly educated on when to (and when not to) take advantage of this new technology.

### ONLINE EYE TESTS VS. COMPREHENSIVE EYE EXAMS

Largely appealing because of their convenience, online eye tests have become a major disruptor in the optical space—mostly because there is a strong misperception that they can completely replace an in-person, comprehensive eye exam with an eyecare professional. An online eye test allows for a basic testing of visual acuity—giving general insight into how well a person can see (based on a standard 20/20 scale). There are benefits to online eye tests. For example, they can serve as an initial way to help determine if a person needs to see an eye care professional for a comprehensive eye exam—which includes confirming an eyeglass/contact lens prescription and reviewing eyewear options to correct, protect and enhance vision.

Online eye tests can potentially serve as an entry point to comprehensive eye exams—especially considering one in five employees with vision benefits is unlikely to use his or her

benefits for an annual comprehensive eye exam, according to the 2018 Transitions Optical Employee Perceptions of Vision Benefits survey. But here's where it gets more complicated: checking to make sure a person is seeing well and offering them eyewear solutions is only one part of the equation.

While eye tests can glean insights into how well a person is seeing, comprehensive eye exams also include an eye health examination, pupil dilation and additional tests to check for signs of serious sight-stealing eye diseases—as well as other health issues, such as diabetes—that can take a huge toll on employee productivity and lead to increased medical costs. According to the survey, four in 10 employees agree that online eye exams are a suitable replacement for getting an in-office comprehensive eye exam with an eyecare professional. However, there is not enough clinical evidence to prove this. Furthermore, employees who “pass” an online eye test may still be at risk for eye disease and overall health issues that a comprehensive, dilated eye exam with an eyecare professional could detect. In other words, people taking advantage of online eye tests could be missing out on a chance to obtain an early diagnosis of serious problems—when it's still early enough to treat them before vision loss or blindness becomes inevitable.

### COVERAGE OF ONLINE EYE TESTS: WHY DOES IT MATTER?

It's no secret that employees want access to comprehensive vision coverage—with the vision benefits offering the second most popular ancillary

health benefit election, just slightly behind dental. As online eye tests become more common, the Transitions Optical study has also found that this offering is becoming more desirable among employees—with a potential to increase overall vision benefit enrollment, particularly among younger employees.

According to the research, half of employees not already enrolled in a vision plan said that they would be more likely to enroll if the plan fully covered online eye exams. Furthermore, employees also said they would be more likely to get their eyes checked more often if their employer offered full coverage of online eye exams—with six in 10 agreeing. Millennials were by far the most likely to say this—with two-thirds agreeing, compared to just under half of baby boomers. In a perfect world, employees would view online eye tests as a “first step”—kind of like how an online doctor's visit may result in visiting a doctor, or specialist, in-person for a more thorough examination or test.

In this same perfect world, employees would schedule a comprehensive eye exam with an eyecare professional, following their online eye test—particularly if the eye test identified severe vision problems, or if they know they are at risk for certain health conditions. Unfortunately, this isn't always the case—and it's up to brokers (and then ultimately employers) to provide much-needed education on why comprehensive eye exams matter.

### EDUCATION: THE BROKER'S ROLE

Think back to elementary school. Do you remember being marched down

to the nurse’s office to have your eyes checked? The nurse would ask you to cover each eye—one at a time—look at a Snellen chart and identify the letters from biggest to smallest. From there, the nurse would give you a note to take home to your parents if you needed to have your eyes examined. This process is not too unlike an online eye test—but employees don’t always see it this way.

The Transitions Optical research revealed that an alarming two-thirds of employees do not understand what online eye exams are—with nearly half saying they’re very unfamiliar with them. This reinforces a need for education to make sure employees who do take advantage of online eye tests understand what they entail and why they are not a replacement for a comprehensive eye exam with an eyecare professional. The research also showed a great need to educate all employees—with a significant generation gap in regard to overall understanding. For example, the research found that younger employees (those in Gen Z and millennials) are significantly more likely to say they understand the concept of online eye exams—with four in

10 saying they are familiar, compared to just 28 percent of Gen X employees and 21 percent of baby boomers. This suggests that education needs to be focused more toward older employees, right? Not really...

The research also found that while younger employees are more likely to say they understand what online eye exams are, they are also significantly more likely to incorrectly believe that they can replace comprehensive eye exams—with half of millennials and those in Gen Z believing this, versus just 37 percent of those in Gen X and 26 percent of baby boomers. Given the trend for an increase in both interest in and utilization of eye exams, it can be beneficial for brokers to provide education to employers—that they, in turn, can share with employees—about the difference between online eye exams, or tests, and comprehensive eye exams.

They should also be instructed to maintain routine in-person appointments with their eyecare professional for a complete eye health assessment. Following the test—if any vision problems are identified—users should be instructed to visit an eyecare professional.

While online eye tests can be more convenient—and can be potentially helpful in directing more employees to visit an eyecare professional—it’s imperative that the right steps are being taken to ensure employees understand what they need to do in order to see their best and protect their vision for the future. Brokers and employers can also turn to vision plans to learn more about what their vision benefits cover—while other resources, such as HealthySightWorkingForYou.org, exist to provide information on the value of comprehensive, dilated eye exams. A little education can go a long way in helping your clients realize a healthier, more productive workforce. ★



*Jonathan Ormsby is a key account manager for Transitions Optical, and 12-year veteran of the optical industry. He has been an ABO-approved speaker since 2007 and has given presentations on everything from product-specific education to industry data and business management. In his current role, he focuses nationally on managed vision care and doctor alliance groups.*

## CHOU ON THIS: A PERSPECTIVE FROM BRIAN CHOU, OD OPTOMETRIST, EYELUX OPTOMETRY, SAN DIEGO

**O**nline eye tests aren’t the enemy—but the way they are being used does have a lot of eyecare professionals seeing red! That’s because comprehensive eye care is so much more than just getting a prescription for corrective eyeglasses or contact lenses.

During a comprehensive eye exam, the eye doctor can determine whether a person is showing signs of destruction in the eye (i.e., the beginning of a detached retina), or an eye disease, such as cataract, glaucoma, age-related macular degeneration and others. The eye is also the window to a person’s overall health. In fact, the eye doctor is often the first health professional to detect signs of diabetes. Signs of high blood pressure, or hypertension, can also be seen in a dilated eye exam. Early detection and treatment of these conditions is imperative and can sometimes help stop or delay symptoms and serious consequence, like vision loss or blindness.

During the eye exam, the eye doctor or optician can also recommend certain lens options that can help a person see better at work or during their hobbies—as well as options to help protect the eyes against ultraviolet (UV) rays and harmful blue light. This may include lenses with an anti-reflective or no-glare coating, or photochromic lenses that darken and adapt their level of tint and/or color in changing outdoor light.

My recommendation for everyone: even if employees don’t believe they have any vision problems, they should still be encouraged to schedule an appointment with an eye doctor to get checked. Studies have shown that even slightly miscorrected vision (to a point where employees don’t even notice) can drastically decrease employee productivity. Additionally, since there are a variety of risk factors for eye diseases and overall health issues, virtually everyone is at risk for something that a comprehensive eye exam may just help to detect.



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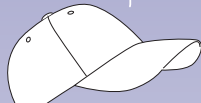
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# EYE EXAMS REVEAL THE WHOLE STORY

By CARL MOROFF

**V**ision care is more than choosing eyewear that exudes your personality; it's about maintaining healthy, functioning eyes through proper prevention and care. Clients may be asking about technology like smartphone vision screenings. These are quick and convenient, but they don't capture the complete picture of the eyes' health. Getting an online vision screening is sort of like skimming SparkNotes instead of reading an entire book.

A comprehensive eye exam, however, is like reading the entire book cover to cover. When performed by

an eye doctor (optometrist or ophthalmologist), a comprehensive exam can reveal vital information - not just about the eyes - but also about overall health. This type of exam delves deep, testing the eyesight, internal and external parts of the eye and the pressure inside. It also includes a thorough discussion about medical and eye history, taking into account hereditary and even environmental considerations.

Because the eye exam is thorough, an eye doctor gets the complete view of your eyes and other body systems. The eye is the only place in the body

where a doctor can see your blood vessels, nerves and connecting tissue without the need of surgery. This unobstructed view allows eye doctors to see what's going on in other parts of the body, not just the eyes. This can detect other health conditions, such as diabetes, hypertension, stroke, thyroid disease, autoimmune deficiencies and more.

If someone suffers from certain diseases, including diabetes, it is recommended that they have their eyes examined annually or potentially more often, based on a physician's recommendations.



Once employees are educated about the importance of comprehensive eye exams, they often see it pays to enroll in their employer's vision benefit plan. According to the National Association of Vision Care plans, the average cost of eyeglasses (lenses and frames) is nearly \$263. Include the cost of a comprehensive eye exam (\$110), and you're looking at costs approaching \$400. Most vision plans cover comprehensive eye exams in full or with a minimal copay with an in-network eye doctor. That's why vision benefits typically outweigh their cost. Here's what may be covered:

- **Frame Allowance** - A set dollar amount or percentage covered by the vision plan toward the purchase of frames. Lenses are separate. Today, frames can cost anywhere from \$100 up to \$500, varying by type of frame. The frame allowance may completely cover the frame of choice, or reduce the out-of-pocket cost.
- **Lens Benefit** - A set dollar amount or percentage covered by a vision plan toward the purchase of prescription lenses. The lens benefit may completely cover your eyeglass lenses or reduce out-of-pocket expenses.
- **Lens Options Pricing** - A set dollar amount or percentage covered by the vision plan toward the purchase of lens options. Examples of lens options are anti-reflective coating, anti-scratch coating and UV protections.
- **Contact Lens Allowance** - A set dollar amount or percentage covered by the vision plan toward the purchase of contact lenses. The ever-changing costs associated with contact lenses and various types of contacts make it difficult to determine the exact cost. With that said, an estimate of the annual cost for someone who replaces contacts approximately every two weeks (10 boxes per year) comes to roughly \$220 to \$260 (lenses only).
- **Discounts on Lasik eye surgery**, on-

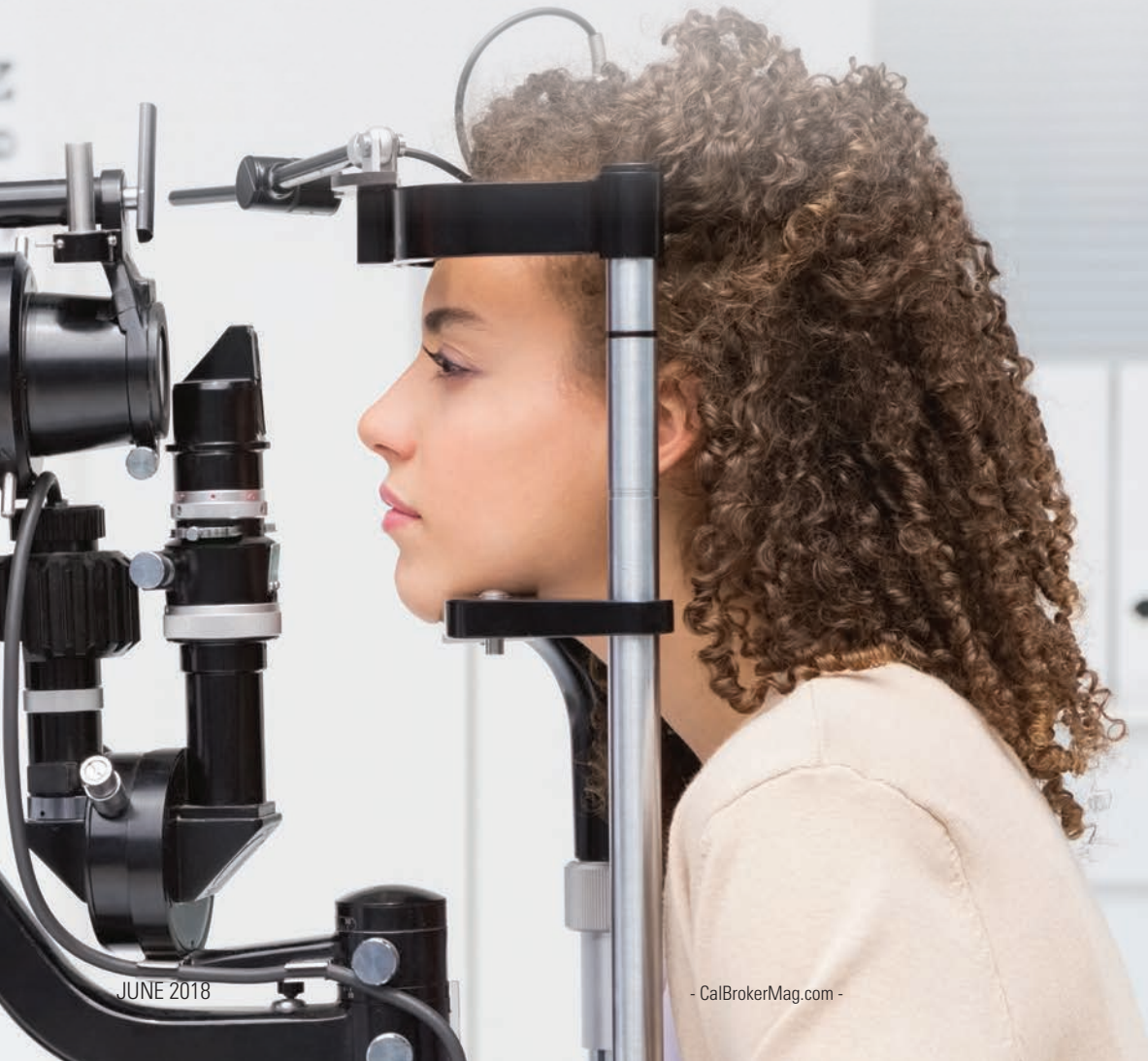
line purchase of contact lenses and hearing aids.

A vision benefit plan can help you monitor overall health and lower the out-of-pocket costs associated with eye exams, contacts and eyeglasses. When it comes to your eyes and your health, it pays to read the whole story, and see the big picture. ★



*Dr. Carl Moroff is a licensed optometrist and executive vice president/ chief vision officer, National Vision Administrators, L.L.C. (NVA). Dr. Moroff is a managed vision care veteran with nearly 40 years of experience*

*in the vision and eye care field, including serving as: chief operating officer of Davis Vision and chief vision officer of eyeQuest. He is responsible for the oversight of corporate quality initiatives to ensure that each member receives the best possible care available and he helps direct general operations with a special emphasis on health plans and new business development. Dr. Moroff currently holds insurance licenses in 14 States.*



# GROUP LEGAL PLANS CLOSING THE COVERAGE GAP FOR ALL

By EMILY ROSE

**W**hen it comes to recruiting and retaining talent, employers are learning that millennials – now the largest generation in the U.S. labor force – feel uniquely empowered to demand perks and benefits that align with their personal preferences and interests. Companies have shifted to more

flexible work schedules, casual dress codes, and many offer an abundance of appealing options, such as ping-pong tables, massage therapists and napping pods. Often, some of the most overlooked options to enrich employee work-life balance can be found in voluntary benefits. Providing a robust suite of benefits provides

not only peace of mind to millennials but to employers' entire multi-generational workforce, while giving them a competitive edge in recruiting and retaining employees.

Over the last decade, voluntary benefits have evolved at a rapid pace. At one time, employers associated voluntary benefits with supplemental health but the evolution of a diverse workforce has driven employers to reevaluate the full spectrum of voluntary benefits, including adoption assistance benefits, identity theft protection and group legal plans. Voluntary benefits such as identity theft and group legal plans are unique in that they are applicable to the entire employee demographic regardless of age, geographic location, income level or economic status. More and more employers are choosing to offer these valuable benefits and are finding that a robust suite of benefits is leading to increased employee satisfaction.



For millennials and other employees, pre-paid legal benefits are an intriguing addition to their companies benefit offering. Employees are curious about this protection and how it could help them with personal legal issues that they commonly put off. Many employees rationally understand the importance of legal protection but are often turned off by the complexity of the legal system and the average hourly expense of an attorney. Even employees who are not concerned about the financial implications still find it challenging to know where to find a qualified lawyer. They either don't know one personally, feel uncomfortable asking friends and family for a referral and/or don't trust the internet to provide a capable attorney.

When in need of legal help, three quarters of employees were hesitant to call a lawyer due to the expense and uncertainty of who to call. Nearly 50 percent of Americans are unable to pay for an unexpected expense of \$400 and the average hourly cost of a lawyer is almost \$300. This is an insurmountable expense for most people, including millennials who may be facing exorbitant student loan debt.

Many times, due to this expense and uncertainty, employees ignore their legal issue or try to resolve the matter on their own. This results in two-thirds of employees taking off at least one day of work each year to deal with their legal issues. This time off, coupled with lost productivity due to presenteeism, not only affects employee performance but impacts the employer's bottom-line. In the Legal Needs of American Families Legal Study findings, more than 60 percent of employees said that they would purchase a legal plan if offered at their workplace. This reveals that employees understand how having access to affordable legal protection can benefit them and their family.

Financial security concerns are on the minds of most Americans, causing a great deal of stress and a negative impact on their overall wellbeing. In fact, the top reported consumer complaint according to the Federal Trade Commission over the last few years has been debt collection. A group legal plan can help employees

combat this top reported complaint. For example, when it comes to the student loan debt that many millennials face, having a lawyer provide guidance, negotiate, and review documents sent from creditors can be a huge relief and allow them to focus on building their careers.

For every stage of one's life, from renting an apartment, to buying a home, to getting married, to adopting a baby, a lawyer can provide guidance and protect one's legal rights. As millennials mature and shift into new life stages, like buying a home and starting a family, they will appreciate their employer providing this useful benefit to them. Other employee audiences such as baby boomers will also appreciate this benefit as they may be dealing with aging parents and need assistance on elder care-related matters and estate planning. A group legal plan can also provide everyday benefits such as reviewing traffic tickets, assisting with warranty and credit disputes and even neighbor disputes. This benefit allows employees to take proactive steps to help secure their family's financial stability.

Group legal plans provide the affordable legal coverage that employees need and deserve. LegalShield's group legal plan specifically closes the coverage gap by delivering a

participant-centric model that truly puts the participant first. By paying our provider firms on a per capita basis, we ensure participants are never turned away for service. We provide direct access to assigned provider law firms, which eliminates the risk of employees ending up with an expensive and underqualified attorney. We simply take the guesswork and hassle out of receiving legal assistance and employers have a greater peace of mind that they are providing a benefit to employees that has a high return on investment.

Group legal plans are truly a universal benefit and work for the multi-generational workforce of today's society. There is no doubt that this benefit will continue to grow in popularity as companies who choose to offer group legal plans as a voluntary benefit are not only working to protect their employees' legal rights, but also investing in their financial wellness. ★



*Emily Rose is senior vice president of broker and partnership sales, for LegalShield Business Solutions. Emily has 16 years' experience in group voluntary benefits, especially with group legal and identity theft protection plans, and is an industry expert in the worksite voluntary benefits area.*

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# DISABILITY A Q&A WITH THE STANDARD'S TOM FORAN

**W**ords like “diversity” and “inclusion” are thrown around a lot lately. But these aren’t new words or concepts for The Standard. The company’s work in the disability area means diversity and inclusion are everyday concepts.



Tom Foran

The Standard’s Workplace Possibilities program, which provides a holistic approach to managing employee absence and disability, recently celebrated its 10th anniversary. Cal

Broker took this opportunity to speak with Tom Foran, vice president of underwriting and product development at The Standard. Tom has worked in the insurance industry for more than 30 years, the last four with The Standard. Foran is also an active volunteer in the disability community, a five-time Paralympic medalist and former world-record holder in wheelchair racing.

## **CB: PEOPLE TALK ABOUT DIVERSITY AND INCLUSION. WHAT DO THOSE TERMS MEAN TO YOU?**

**Foran:** Well, that’s a broad question. But it can really mean a number of things. It can be as simple as diversity of thought. Most often, though, we think of characteristics of an employee population – like race, gender, ethnicity, sexual preference. What I’d add is that sometimes disability is not top of mind, but it should be. I think of diversity and inclusion as creating an environment that’s less focused on people’s differences and more on who they are and what their capabilities are.

## **CB: SO MORE AWARENESS IS NEEDED ABOUT DISABILITY INCLUSION?**

**Foran:** Absolutely. Right now, employment rates are about 68 percent. But among the disability community the employment rate is only about 21 percent. Given today’s technology, though, unless you are at end stages of a termi-

nal illness or have a severe cognitive impairment, you can work. And work gives people with disability true independence. It’s also better for our country.

## **CB: CAN YOU TELL US ABOUT WORKPLACE POSSIBILITIES?**

**Foran:** Workplace Possibilities just celebrated 10 years and its done so much good work helping people who have acquired new disabilities stay at work or return to work. I think that should be the primary benefit of any disability policy. DI should be a support to get you from where you are today to back to work.

Acquiring a disability is a little bit like being reborn. You are changed. But there’s too often a total focus on everything you can’t do. Most people don’t have a ton of positive exposure to the disability population in general. One thing that Workplace Possibilities does is support people to find what they can do. We try to get people re-focused and looking at their remaining talents to generate the best results.

## **CB: DO YOU SEE THINGS IMPROVING AS FAR AS ACCEPTANCE OF PEOPLE WITH A DISABILITY?**

**Foran:** The standard of living for people with a disability hasn’t improved in recent years. But with unemployment low, we have a good opportunity to change that. Employment is where you start. Employers need to realize that there’s a largely untapped market of employees out there. Figuring out accommodations and things like that aren’t typically core competencies of HR departments, though. That’s where programs like Workplace Possibilities comes in. We’re the experts on this. Employers are often surprised because much of the assistive technology really doesn’t cost much and sometimes it can even help non-disabled employees work more efficiently.

**Thanks Tom!**

## **The Standard’s Workplace Possibilities recently introduced a few new services, including:**

- Access to a co-managed claims team. For employers with more than 5,000 employees, the new Workplace Possibilities+ package provides dedicated clinical resources to review all open disability claims. This co-managed team includes specialized Americans with Disabilities Act Amendments Act or ADAAA assistance and ergonomic evaluation tools to help support employees’ accommodation needs.
- Specialized ADAAA accommodation and ergonomic evaluation support. An ADAAA accommodations specialist can help identify employees who need accommodations, evaluate an employee’s specific situation through conversations, review medical documentation to develop personalized accommodation recommendations and collaborate with an employer’s HR team to implement solutions.
- Ergonomic tools to help proactively address employees’ health conditions. Employees can access an online risk assessment tool that provides training and guidance on proper ergonomic techniques before medical interventions are required. Workplace Possibilities consultants also can provide telephonic consultation with employees who may benefit from additional assistance.
- Job demand analysis. An online job analysis tool can help managers document the requirements, risks and restrictions of their employees’ jobs. The tool also can identify interventions that can help keep employees on the job or help employees safely and effectively return to work.
- Community partnership and rural relocation services. Employers can access a network of community partners — including nonprofits and local chambers of commerce — to help support alternative employment and training opportunities within regional industries. The program can also help rural employees identify career paths and opportunities outside of their local area.

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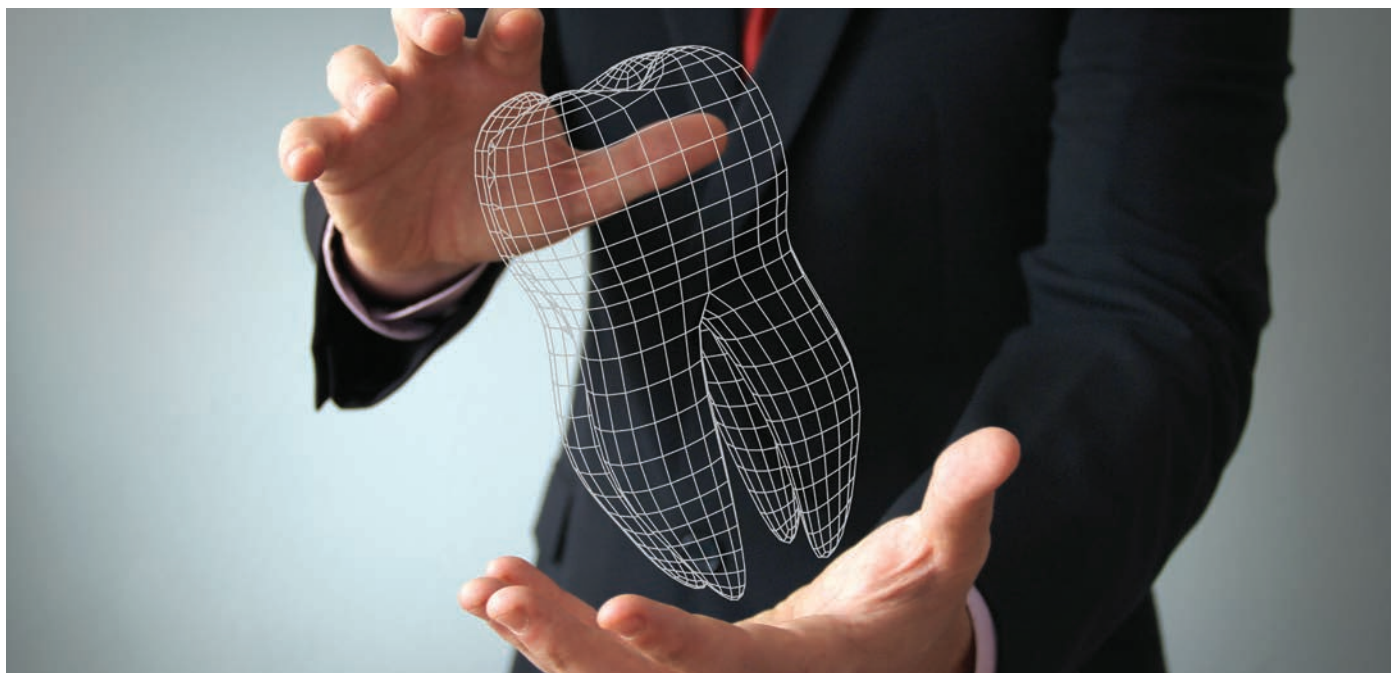
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# MAKING DENTAL PART OF YOUR PORTFOLIO

## SOMETHING TO SMILE ABOUT!

By DAVID POLEN



**L**et's face it: Everybody needs insurance protection, but nobody wants to actually use it. Disability? No thank you. Cancer or critical illness? Rather not. Life? Don't even go there. And that goes for colleagues in the property and casualty market, too. Customers are hardly hoping for a house fire or car crash.

Ah, but there is one type of coverage employees are eager to buy exactly because they do plan to use it regularly: dental insurance.

In fact, dental insurance is employees' most-requested health benefit, after major medical coverage, according to an unpublished 2018 LIMRA Employee Data report. And it's the second most-popular voluntary coverage, accounting for more than 13 percent of worksite sales (NADP 2015 State of the Dental Benefits Market).

If you want to maximize your business, you need to make sure dental is included in the portfolio of benefits solutions you offer your clients.

### WHY EMPLOYEES WANT DENTAL INSURANCE

It's easy to see the value in dental insurance. Unlike other types of insurance employees pay for but may never use, most Americans visit a dentist at least once a year: about 85 percent of children and 64 percent of adults (National Center for Health Statistics, 2016).

But the price tag can be hefty. According to the consumer website CostHelper, a routine cleaning can

cost \$70 to \$200. Add in an exam by a dentist and x-rays, and the bill can top \$300 without insurance. And that's not counting other treatments such as filling cavities (\$50 to \$450), placing crowns (\$500 to \$3,000) or performing root canals (\$300 to \$2,000).

It's not surprising then, that nearly a third of adults 20 to 44 have untreated tooth decay. Overall, one in 10 adults don't get needed dental care due to cost (National Center for Health Statistics, 2016).

And that's a problem, because for many of America's workers, dental care is more than medical — a healthy-looking smile is part of an employee's professional wardrobe. The condition of the teeth can impact not only overall health, but also self-esteem, relationships and job-seeking success (University of Michigan, "National Poll on Healthy Aging," 2017).

Looking beyond the smile, oral health is a window into overall health. Regular dental exams can reveal signs of oral cancer, heart disease, diabetes and other diseases, making them easier to treat and control (Mayo Clinic, "Oral Health: A Window to Your Overall Health," 2016).

### WHY EMPLOYERS SHOULD OFFER DENTAL INSURANCE

Employees not only want dental insurance, they expect their employers to offer it. Adding dental to the menu of benefits choices helps employers compete for the best talent. Without it, their benefits package likely isn't competitive, and they may struggle not only to attract new employees, but to keep the ones they have. Unum's 2014 U.S. Worker Benefits Survey showed more than three-quarters of workers who rate their benefits package as excellent or very good also rate their employer as an excellent or very good place to work.

Dental insurance may also help your clients control their health benefit costs. Since oral health is linked to potentially serious illnesses including cancer, heart disease and diabetes, early detection can help prevent a large medical claim later on.

Equally important, your clients can offer this important protection without taking a hit on the bottom line. Dental insurance is available as an individual voluntary benefit, meaning the employees who want the coverage select and pay for it themselves. Because your clients

make the coverage available in a group setting at work, their employees can take advantage of better pricing than they'd likely be able to get on their own. For example, Colonial Life's plan is available in California for about \$35 to \$50 per person a month. That's barely a week's worth of lattes.

Dental insurance is in high demand by both your clients and their employees. Pack your portfolio with a comprehensive, flexible solution at competitive rates for your next customer "check-up," and you'll all be smiling. ★



*David Polen is a director of product development at Colonial Life & Accident Insurance Company. For more information about dental insurance, contact him at [DPolen@ColonialLife.com](mailto:DPolen@ColonialLife.com) or 803-678-6158. Colonial*

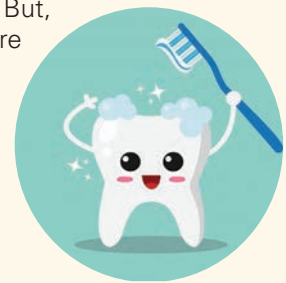
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## HOW TO PICK A DENTAL PARTNER

No wonder a growing number of benefits companies are moving into the dental market. But, just as with other employee benefits, not all coverage is created equal and there's a lot more to evaluate than just cost.

Before you bite into something that could leave a bad taste behind, consider these factors when choosing the best dental partner to serve your clients' needs:

- **Comprehensive coverage.** The plan should cover preventive care as well as basic and major dental procedures.
- **Guaranteed renewable.** You won't have to worry about bringing your clients a rate increase every year.
- **No participation requirement.** This means every employee who wants coverage can enroll, no matter how many other employees do.
- **Ability to offer coverage to all employees.** Some plans can include part-time workers and even contractors.
- **Large network.** Employees have the freedom to select from an extensive network of dentists.
- **Portable.** Employees can keep their coverage if they change jobs or retire, up to age 75.
- **Voluntary option.** When offered as an individual voluntary benefit, there's no direct cost to your clients.
- **Additional coverage available.** Some plans include optional riders for orthodontia or vision coverage.
- **Expertise.** Look for a provider with significant experience in dental insurance.
- **Strong service reputation.** Just as with the other benefits solutions you bring your clients, you'll want to recommend a dental partner with a reputation for world-class service.



# SMALL BUSINESSES WANT ANCILLARY BENEFITS

By RON GOLDSTEIN



**T**here is a false perception that only companies with a larger workforce can – and want – to provide employees with access to extra health benefits. Whether the spotlight is on dental, vision, life insurance, chiropractic, acupuncture or other ancillary benefits, this could not be further from the truth.

It is up to small group benefits professionals to meet with their clients and discuss offering cost-effective, value-added benefits to their employees. Remembering to build these kinds of products into your clients' benefits package is a smart way to provide small business owners with greater access to care.

In many instances, small business-

es may be inclined to think of health insurance in the most basic terms. This typically translates into “standard” plans, which cover baseline medical care such as doctor visits, prescriptions, health screenings and the occasional trip to a hospital emergency room.

This narrowly focused mindset tends to be largely cost driven by even the most seasoned small group employers. They may not even know there are other benefits that can be easily added for their employees at little to no extra cost. With recent studies showing the nation's workforce values health insurance benefits as a top factor when deciding to accept a new job, brokers can work

with clients to beef up standard medical insurance with additional benefits that can further support their overall recruitment and retention efforts. For instance, Becker's Hospital Review recently reported on a survey conducted on behalf of recruiting company Yoh, which found 57 percent of employees ages 35 to 44 would leave their current job for a new one offering better benefits.

## **EMPLOYEE ATTITUDES ON VOLUNTARY BENEFITS**

Reduced benefit costs and greater choice are seen as strong advantages of voluntary benefits by a majority of employees (51 percent) according to the Employee Benefit Research Institute's

Health and Voluntary Benefits survey. Another one-third said they viewed costs and choice as a moderate advantage of voluntary benefits. One-half of workers surveyed are extremely or very confident that insurance and other benefit products are less expensive when purchased through the workplace. Forty-seven percent indicated the ability to choose what benefits they want to purchase is a strong advantage, while more than one-third see it as a moderate advantage.

While employers can offer stand-alone benefits alongside medical insurance, many insurance carriers and exchanges offer packages that include options for dental, vision, life insurance and other ancillary benefits. It is up to dedicated benefits profes-

sionals to educate small business clients about these types of offerings. By working together with their brokers, employers will have a better understanding that reasonably priced ancillary benefits options – and even no-cost voluntary benefit choices – are available for employees.

Without a doubt, brokers should keep ancillary benefits top-of-mind when designing a tailored program for their small group clients who are looking for the most cost-effective benefits. In an increasingly competitive talent marketplace, a strong benefits program can help clients attract and retain the best and the brightest employees, as demonstrated by Gallup’s State of the American Workplace study. It found at least one-third

of workers would leave their job for specific perks. Employers can help win and keep employees by working collaboratively to develop a program that offers outside-the-norm benefits. That will help them – and brokers through increased business retention and growth. ★



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

## HERE ARE FOUR POPULAR ADDED BENEFITS EMPLOYEES WANT:

**Dental:** It was not all that long ago that dental care was considered a nice-to-have benefit by many small group employers. Now, it is viewed as an essential benefit in the eyes of employees, especially because dental care without insurance can quickly become costly. In fact, according to the American Dental Association, 59 percent of adults choose to forgo dental care due to cost. The addition to this benefit, which can be at no additional cost, creates more value for employers and employees alike. Plus, a majority of workers consider dental or vision insurance to be extremely or very important, as reflected in the EBRI survey.



**Vision:** Millions of workers in office jobs across the country spend a significant amount of daylight hours glued to a computer, smartphone or tablet screen. All of this screen time can negatively affect the health and overall wellness of workforces large and small. The good news is that like dental, vision insurance is considered a core benefit that can be easily incorporated into existing plans via ancillary exchanges and other tools.

## Chiropractic/Acupuncture:

According to the New England Journal of Medicine, two-thirds of adults will experience lower back pain at some point in their lives. Employees and employers who spend a majority of their day behind a desk – or behind the wheel of their car or truck – might want to consult a chiropractor or acupuncturist for an adjustment to rid their bodies of tension and stress as part of a regular wellness routine. This serves as a good reminder to look beyond the more “common” ancillary benefits for those that address overall health.



**Life Insurance:** When finances are tight for employees, emphasis tends to be placed on health benefits. Life insurance is often only considered essential by those employees with children and/or other family members who may need help maintaining their lifestyle following the death of a primary wage earner. However, small business owners and their employees can benefit from coupling life insurance and medical plans. Plus, this is a fantastic way to delight clients and their employees with a benefit they might have not realized was even an option. Some workplace life insurance policies also include an accelerated benefits provision (often called a “living benefits” option) that offers an early payout from the policy for chronic illness care, terminal illness or long-term care.



# Living at the Intersection of Genomic Testing and the Insurance Industry

By WILLIAM SHELOW

**T**wo years ago, AALU sponsored a trip for a delegation of insurance industry thought leaders to meet with scientists whose expertise is in the study of the human genome. I was honored to be among the insurance professionals in attendance and, during the meeting, I learned about the vital connection between genomics and the life insurance industry.

As the scientists explained to us, both the life insurance companies and their clients share a common goal—they both want the clients to live longer, healthier lives. As I found out during those meetings, one way to reach that goal is through genomic testing, a scientific breakthrough that can identify mutations found in a cancer patient's tumor or blood sample, allowing for more personalized treatments to help save or extend lives.

As I learned more about the advancements being made in this field, it became clear to me that we were moving toward an intersection of the genomic world and the insurance industry. While I was unsure of what that intersection would look like in the future—and even how exactly it would get there—I realized the con-



cept of genomic testing fit with our company philosophy at LifeMark Partners, Inc. In our organization, we're always looking for ways that we can add value to our partners and their clients, and it was apparent that this intersection of genomics and insurance would be of tremendous value, both to the industry and to the end clients.

## THE COST OF CANCER

Cancer is a disease that touches all of us in some way. According to the American Cancer Society, we all have a 40 percent chance of developing cancer in our lifetime. If we don't contract cancer, then it's almost certain we know someone who will—a family member, a friend, a colleague or a client.

In all, more than 1.6 million new cases of cancer will be diagnosed this

year in the U.S., with almost 600,000 Americans dying from the disease annually. In fact, cancer is the second leading cause of death in the U.S., only exceeded by heart disease, according to data from the Centers for Disease Control.

Early detection, prevention and medical advancements, however, have helped lower cancer mortality rates. From 1990-2014, the overall cancer death rate in the U.S. fell by 25 percent, according to the National Cancer Institute (NCI).

Studies conducted by the NCI also found that cancer care bears a tremendous financial burden. In the U.S. alone, cancer care totaled nearly \$125 billion in 2010, and that number is projected to reach more than \$150 billion annually by 2020.

While tremendous progress has been made in the fight against cancer, particularly in regards to mortality rates, much work remains to be done. One way to continue these advancements in the fight against cancer is through genomic testing.

## THE CANCER GENE

I first met Tom Wamberg, president and CEO of Wamberg Genomic Advisors, at the AALU-sponsored event two years ago, and we soon began discussing how genomics would be the next wave to impact preventative and clinical care in this country. In particular, we talked about the role genomic testing could play in the treatment of cancer.

Wamberg's company provides expert advice and guidance on genomic

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products and services to employers and their employees via their trusted benefit brokers, and to policyholders of life insurance companies through qualified agents. He noted that comprehensive genomic testing can provide insights to individuals and health-care providers for better-informed decisions about overall health, patient care paths and the quality and longevity of life.

According to the *Journal of Clinical Oncology*, initial misdiagnosis rates of cancers are as high as 28 percent. However, by looking at cancer at the genetic level, doctors can personalize the treatment and tailor the cancer therapy to target the tumor’s genetic profile. And that’s just one advantage to using genomic testing. Other potential benefits include:

- Improving cancer diagnostic accuracy
- Producing a better predictor of cancer patient outcomes
- Guiding cancer treatment selection using precision medicine
- Leading to more patients getting enrolled in clinical trials and new drug discovery and
- Ultimately, improving patient survival rates

In addition to the potential for these significant benefits, acknowledgment of the importance of genomic testing has begun to gain wider acceptance. For example, in 2017 the

Food and Drug Administration (FDA) approved the use of a cancer immunotherapy drug strictly based on the cancer’s genomic profile, making approved treatment options more accessible for a wider variety of conditions.

“This is an important first for the cancer community,” said Richard Pazdur, M.D., acting director of the Office of Hematology and Oncology Products and director of the FDA’s Oncology Center of Excellence. “Until now, the FDA has approved cancer treatments based on where in the body the cancer started—for example, lung or breast cancers. We have now approved a drug based on a tumor’s biomarker without regard to the tumor’s original location.”

In some cases, genetic profiling can even eliminate the need for expensive and toxic chemotherapy. An article appearing in *The New England Journal of Medicine* revealed that genetic testing of high-risk patients with early-stage breast cancer led to a 46 percent reduction in those patients needing additional post-surgery chemotherapy.

And the best news? In many cases, this treatment is already available. The 2017 MOSCATO trial showed that half of cancers have actionable genetic mutations that are potentially treatable with targeted cancer drugs that currently exist. The challenge now is how to bring it to consumers.

## DISTRIBUTION & INNOVATION

Late last year, Wamberg Genomic Advisors conducted a survey to gauge consumer interest in genetic testing. The survey queried U.S. consumers age 26 to 64 years old with employer-sponsored health insurance, and found more than 60 percent of them, once they understood what genomic testing could tell about their health, would want their cancer genetically tested in order to find other new treatments. Only 4 percent, if given an opportunity, would not want their cancer genetically tested.

With the scientific community in support of genomic testing and with a growing demand in place among consumers, at LifeMark, we wanted to bring this revolutionary science to our partner brokerage general agencies (BGAs), but it needed to be a product that was affordable to consumers. As effective as genomic testing can be, one of the biggest deterrents is the prohibitive upfront costs.

In most cases, genomic testing is not covered by health insurance and out-of-pocket costs start around \$7,000 and can exceed \$10,000. Those costs depend on the age of the individual, and simply price too many Americans out of this vital science. At LifeMark we are excited to be on the leading edge of making this genetic testing more accessible through the scale of life insurance through our partnership with Wamberg Genomic Advisors’ Cancer Guardian program. This program grants participants access to comprehensive cancer genomic profiling at no additional cost at the time of a cancer diagnosis and will be included as part of 250,000 new life insurance policies issued through our BGA partners. This coverage will have no cost the first year and be less than \$20 a month thereafter to make this benefit more universally available. Family members can also elect to be included in this program, and discounted rates will be offered to 2 million existing policy holders.

## THE IMPORTANCE OF GENOMIC TESTING

When we began designing how we would distribute the Cancer Guardian program, I discussed genomic test-

# Genomic Testing Explained

Comprehensive cancer genomic profiling identifies the key mutation(s) within an individual's cancer cells. The information from the genomic profiling can be used to improve the accuracy of the initial diagnosis. Genomic profiling can also potentially help treating physicians in selecting the treatment options that have the greatest chance of success. Comprehensive genomic profiling for cancer is a leading advancement towards personalized treatments.

ing and its importance with our BGA partners. One of the people I spoke with was Dan Allison, managing partner with Brokers Clearing House and a LifeMark board member.

"For a long time, when someone was buying life insurance they were thinking, if I die, I want to take care of my family," Allison said. "But the product has evolved to the point where people who buy life insurance are asking themselves, what if I live?"

As an example, Allison pointed out the importance of long-term care insurance, a product where a policyholder can spend their death benefit while they're alive. He sees genomic testing as the next step in the industry's evolution.

"When I first learned of genomic testing, I could see its benefits and the amazing potential it had in helping treat people," Allison said. "I could also recognize that this was outside what we consider traditional health-care and, as we know, when something is new, when it means change, it's often met with resistance."

Allison and I first discussed genomic testing more than a year ago,

and in that short window, cancer has touched him on a very personal level.

"In a very short period of time, I lost my mom, my father-in-law, my business partner and my aunt and uncle—all to cancer," Allison said. "I witnessed cancer up close and very personally with a lot of the people I love." None of them were made aware of genomic testing, he added. Instead, they experienced traditional treatments of chemotherapy to see how their bodies would respond.

"If they had genomic testing done, could it have identified a different way of treating them?" Allison said. "Could that treatment have extended a life? Could it have, at the very least, improved the quality of life? At this point, I can only look back and wonder what may have happened."

## THE BROKER TOOLBOX

As Allison mentioned, one of the biggest challenges now is awareness. People simply don't know about the value of genomic testing—that goes for both professionals in the insurance industry and the general public.

The first step in improving awareness is by educating advisers, brokers and agents. Through informal focus groups, we found that producers were very receptive to the idea of offering genomic testing as part of their toolbox. They could see the value for their clients.

Because the program is just now launching, we are anticipating that advisers will discuss genomic testing with their clients when they deliver the life insurance policy to them. They can let their client know that this program is free for one year and, if they don't want to continue on the program, they can cancel after the first year.

Because cancer touches everyone's lives, either directly or indirectly, we see this free initial offering of genomic testing as a value-add to the broker and the client that will only strengthen their relationship.

For brokers to better understand the general science and the added benefits of genomic testing, Wamberg Genomic Advisors has developed videos and other continuing education programs.

## THE TIPPING POINT

To describe where we are right now in genomic testing as a commercial product, Tom Wamberg likes to offer a sports comparison. "We're in the top of the first inning," he said. "When the average citizen hears words like 'genetics' or 'genomics,' they think about companies like 23andMe that are more known for studying heredity and ancestry. It's up to us to provide more education. We have to explain to policyholders that we're analyzing genes from the clinical side."

Wamberg said, "We're seeing more and more people becoming educated about what's being done, and we believe the brokers will be the conduit to further bridge that gap."

Dan Allison said the tipping point will occur although, unfortunately, it will probably happen once many clients in the program are diagnosed with cancer and get genomic tests. "It's once they have the testing, and we see people have their lives extended that it will become apparent what an amazing impact genomic testing can have."

For me, I think back to one of our early focus group meetings when someone on the task force said, "What if this testing can extend or improve the quality of life for even one person?" That comment stuck with me, and it's a huge reason why we are providing the Cancer Guardian program to all of our employees. We believe genomic testing can help change people's lives. ★



*William Shelow, CLU®, ChFC®, CPCU®, LLIF, is president and chief executive officer of LifeMark Partners, Inc. LifeMark Partners exists to leverage partner, carrier and industry resources and expertise to enhance and expand life insurance distribution for the benefit of all stakeholders. As an independent insurance marketing organization, LifeMark is dedicated to the ongoing development and enhancement of BGA partner resources to help undeniably differentiate partner agencies from the competition. The strength of many. The power of one. To learn more about the qualifications necessary to become a LifeMark partner, visit [www.LifeMarkPartners.com](http://www.LifeMarkPartners.com) or call 410.837.3022.*

# VOLUNTARY BENEFITS ANNUAL SURVEY

## KEY PLAYERS TELL US MORE ABOUT THEIR PRODUCTS



Next up in California Broker's popular survey series is voluntary benefits. We've selected a few key players in voluntary benefits to tell us more about what they offer. Special thanks to Aflac, Colonial Life, Guardian and UNUM for taking the time to communicate with Cal Broker readers!

### 1. Please list the voluntary/employee-paid benefits that you offer along with the minimum group size for each offering.

**Aflac:** Aflac's insurance policies, from accident/short-term disability to vision, offer direct-to-the-policyholder cash benefits, unless otherwise assigned, to help cover what other insurance does not.

Following is a list of individual policies available through Aflac:

- Accident
- Cancer/Specified-Disease
- Critical Care & Recovery
- Dental
- Hospital Confinement Indemnity
- Hospital Confinement Sickness Indemnity
- Hospital Intensive Care
- Juvenile Life
- Life
- Lump Sum Cancer
- Lump Sum Critical Illness
- Short-Term Disability
- Vision

\*Certain policies may not be available in all states.

The following is a list of group plans available through Aflac Group:

- Accident
- BenExtend®
- Critical Illness
- Dental

- Term Life
- Universal Life
- Whole Life
- Hospital Indemnity
- Short-term Disability
- Long-term Disability

We only ask that the client establish an account with us by completing and signing a Payroll Account Acknowledgement form and allowing three separate W-2 employees to apply for at least one of our policies. Aflac Group requires a minimum of 100 eligible lives and to establish group billing, there must be a minimum of 25 payors. There may be additional requirements for certain group products.

**Colonial Life:** Colonial Life provides a wide array of voluntary benefits including short term disability, life, dental, accident, critical illness, and hospital confinement with offerings down to employer groups of 3 eligible lives.

**Guardian:** At Guardian, we understand that voluntary benefits are providing today's consumers with the ability to choose benefits that will help meet their needs. The opportunity to customize their benefits is very appealing to them; and for the employer, it is not only a cost-effective way to provide additional benefits to their employees, but research shows voluntary benefits keep employees happy and engaged. It's a win-win for both. Guardian's offerings include the following; traditional product offerings dental (minimum 2 lives), vision (minimum 4 lives), disability (minimum 4 lives), term life (minimum 2 lives), and group permanent life (minimum 7 lives). We also have four supplemental health products – accident,

cancer, critical illness and hospital indemnity – made available for as few as to two lives.

**Unum:** Unum offers a full suite of employee paid products including voluntary term life, voluntary STD/LTD, whole life, accident, critical illness and hospital indemnity. We generally like to start with a minimum group size of 50 lives across all of our voluntary offerings.

## 2. Do you have any benefit offerings for employees that work fewer than 40 hours a week?

**Aflac:** Yes. All of our individual policies and group plans are available to full-time employees (as defined by the client) that work less than 40 hours per week. Please note the following:

- Individual accident and short-term disability policies — Employees must work a minimum of 19 hours per week.
- Group plans (all except disability) — Employees must work a minimum of 16 hours per week. Seasonal and temporary employees are not eligible for coverage.
- Employees must work a minimum of 19 hours per week for group disability advantage.

**Colonial Life:** Yes, we offer flexible benefits solutions to employees that work both full-time and part-time down to 20 hours per week.

**Guardian:** Guardian's Part-Time Nation report shares how beneficial it is for part-time employees to have access to employee benefits for financial security. Employers reported that just over 82% of their workforce are full-time, permanent employees, while 13% are part-time employees (or work fewer than 35 hours) and 5% are independent contract workers. And this number is expected to rise due to the gig economy.

To address this growing need, Guardian does offer accident, cancer, critical illness and hospital indemnity coverage for those working less than 30 hours. For the remaining products we offer, we use 30 hours as the standard. We also recognize the gig economy is changing how people work and there are freelancers, contractors and even retirees who have a need for benefits. To meet this need, Guardian offers individual dental plans directly online on [mydental.guardianlife.com](http://mydental.guardianlife.com) with access to one of the largest dental networks in the country. Consumers simply can log on and select the dental plan that best fits their need. Finally, our dental benefit is also available on the health exchanges giving members access to a large national network and comprehensive dental coverage at a great value.

**Unum:** Yes, we see the part time, benefit eligible market as a growing and under served employee population. As such, most of our products are available for benefit eligible employees working 20 or more hours.

## 3. Do you offer flexible enrollment data, billing capabilities and processes that work with the employers' systems instead of the other way around?

**Aflac:** Yes. Our technology-based services can help simplify the enrollment process for individual accounts through methods such as:

- One-on-one laptop
- Call center

- Web self-service
- A combination of the above

These services are provided to clients at no direct cost to them. Through our SmartApp Next Generation software, we can process a large number of policies quickly and accurately. Business submitted through our software, located on our agents' laptop systems, can be issued without human intervention (typically resulting in a 24-hour turnaround time). Aflac has the capability to transmit billing data to an account in a variety of different ways. Aflac agents will work with clients to discuss available enrollment and billing options and determine which options will best meet their needs. Aflac also offers four integration paths for third-party platforms to help provide smoother integrations and a seamless enrollment experience. The four paths are case-by-case build, strategic master build, Aflac Ease Solutions, and Aflac Everwell Integrations.

**Colonial Life:** Yes. Colonial Life's Harmony enrollment system is built to accommodate the many specialized needs businesses have for enrollments and data reporting. We can provide face-to-face enrollments at any business location and during any work shift. We also can provide employers with daily enrollment reporting that shows which employees have been seen and which coverages they're selecting. This reporting capability allows employers to assess the enrollment's progress daily and make any necessary adjustments. Colonial Life also has several convenient electronic services for businesses that allow them to receive their bills, make payments and adjust their bills, as necessary, online. Colonial Life also offers additional flexible enrollment solutions, including the ability to integrate real time with other benefit administration and HRIS systems. This allows users to enroll in their core benefits on a vendor's platform and seamlessly bridge to our Harmony enrollment system and elect their voluntary benefits. We also offer the option to build out our group products on another benefits administration or HRIS system for qualified customers.

**Guardian:** Yes, Guardian's Sales Consultants have comprehensive in-depth knowledge of our Group product portfolio through an extensive product curriculum. Sales Consultants are trained through a blended learning approach that includes self-study, online, virtual, and face-to-face training. Our Sales Consultants also have direct access to and support from our product business areas. As Guardian's products evolve, or new products are introduced, our Sales Consultants receive appropriate training, so they can continue to provide the best service to our clients.

**Unum:** We strive to work with employers throughout the enrollment and administration process so that their employees really understand the value of the benefits offering and how it works. To that end, we are as flexible as possible in terms of working with different systems and data requirements.

## 4. Do you offer the flexibility to conduct enrollment through one-on-one benefit sessions, group meetings, call centers and online self-enrollment?

**Aflac:** Yes. We have the flexibility to conduct enrollments through each of the methods listed above. However, the

availability of each method is determined by the number of eligible employees.

**Colonial Life:** Yes. Colonial Life offers a full spectrum of benefits communication and enrollment options, including group meetings, one-to-one meetings, call centers, co-browsing and online self-enrollments. Our national team of local, professional benefit counselors uses the Harmony enrollment system to educate and communicate benefits to employees face-to-face so they can make better benefits decisions. For hard-to-reach employees, we can offer the same benefit communication and education experience by co-browsing with employees on the Internet, meeting through a call center or setting up online self-enrollments.

**Guardian:** Guardian values the deep relationships we have with our brokers and plan holders. In fact, 98% of Guardian customers are satisfied with their account service manager, which is something we are very proud of. The trainings we offer, along with the best practice-sharing we foster, ensure that we have experienced, dedicated account service teams and customized support. It's common practice for our brokers and carrier reps to meet regularly, and we host webinars to educate them on latest trends from our Workplace Benefit Study as well as new products. Most important, we are a value-based company that focuses on doing the right thing for our customers.

**Unum:** Yes, we train our representatives and client managers to understand enrollment is not one-size-fits-all, but it is essential. That's why we provide and work with enrollment solutions across the spectrum from group meetings to enrollment platforms, all the way up to Ben Admin and full HRIS systems. I'm a proponent of including enrollment firms. They tend to bring valuable solutions and tools to our customers in helping to better educate employees.

## 5. Do you honor broker-of-record letters?

**Aflac:** Yes.

**Colonial Life:** Yes. Upon receipt, the new broker is placed on the account moving forward and receives renewals on in-force group product policies.

**Unum:** Yes, we do honor broker-of-record letters.

## 6. Do you offer simple and hassle-free account billing and payment processes?

**Aflac:** Yes. Our goal is to make billing and payment of premiums simple and hassle-free for your client, enabling them to easily reconcile and pay their invoice at their convenience. Aflac's systems are flexible enough to accommodate a variety of billing methods and handle almost any type of billing layout, including summary billing for Aflac Group. Your client can also be billed electronically, via paper, self-bill, or your client can use our online payment portal – Aflac Business Services—for individual accounts.

**Colonial Life:** Yes. Colonial Life offers many electronic services for businesses that allow them to conduct transactions online such as receiving their bills, making payments and making any necessary billing adjustments.

**Unum:** We're committed to creating a simple, hassle-free billing process, which is one reason we assign multiple specialists to each account, to handle both onboarding and billing. This valuable team of people ensures that the first bill is accurate and on time.

## 7. Does your billing system allow plan administrators to make online deletions and changes to their plan account?

**Colonial Life:** Yes, Colonial Life offers online billing capabilities. A plan administrator also has the ability to make changes online, as well as update employees' coverage and general information through our secure website.

**Unum:** Our voluntary life and voluntary group disability products allow for easy online deletions and changes.

## 8. Does your billing/payroll deduction process make it easy for the employer to offer multiple products?

**Aflac:** Employers are looking for voluntary benefit options that are easy to administer. Aflac offers monthly recurring auto draft as a payment option to eligible accounts, making it easier for them to pay their invoices on time without logging in to make a payment, unless a change is needed. We also offer many other billing options designed to meet a variety of needs. Invoices for payroll deductions are provided after an employer makes them, which means they will never have to pay premiums out-of-pocket. Additionally, employers have access to Aflac Business Services, which allows them to manage their billing information faster and easier for individual accounts. They can view and update information, reconcile invoices, and submit service requests online, anytime.

**Colonial Life:** Yes. Colonial Life can enroll an employer's core and voluntary benefits and provide the account with enrollment data on all employee elections in an easy-to-use spreadsheet. Employers can electronically submit this information through our secure website, and Colonial Life reconciles the bill to eliminate any additional work for the employer.

**Unum:** Unum administration absolutely makes it easy to offer multiple products. We know HR administrators are very in demand and their time is precious, so we make it easy to offer our full suite of products. We encourage employers and their advisors to be mindful of employee pay checks, as offering too many products at once may cause employees to spend a greater share of the wallet than intended.

## 9. Does your system offer online searches for employee policy status, coverage effective dates and policy/coverage type?

**Colonial Life:** Yes. The plan administration section of our website offers online searches for employee policy status, coverage effective dates and policy/coverage type.

## 10. Do you offer downloadable claim forms?

**Aflac:** Yes. Individual policyholders may download claim forms from Aflac.com. They also get tips on expediting forms and a direct link for sending a message to our Claims

Department. Aflac also offers SmartClaim, an online claim filing process for individual policies. Group certificate holders may download claim forms from [aflacgroupinsurance.com](http://aflacgroupinsurance.com).

**Colonial Life:** Yes. Policyholders and plan administrators can download and print Colonial Life claim forms on the company's website at [www.ColonialLife.com](http://www.ColonialLife.com)

**Unum:** Yes, we've worked hard to streamline the process and recently launched a claims app so that employees can submit medical information and track the status of the claim from the convenience of their smart phone.

### 11. Do you require carrier reps. to have a comprehensive knowledge of all of the products they deal with?

**Aflac:** Yes. Training hits every facet of Aflac's plans and sales cycle, such as field-tested scripts, brochures, one-on-one mentoring and online courses. Here are a few of the resources available:

- New Associate Sales School (features comprehensive training sessions for new sales agents);
- Ongoing training on new plans, services, and technology led by experienced trainers in a classroom setting;
- Coaching and mentoring from sales managers and veteran agents, and;
- Specialized training.

**Colonial Life:** Yes. Colonial Life has a 10,000-member national organization of benefits professionals. These individuals receive comprehensive product training through Colonial Life College on both voluntary products and the employer's core benefits, at the employer's discretion. One of our areas of expertise is helping employees better understand their benefits programs, uncover their unique insurance needs and select the coverage they need to protect themselves and their families from financial risk.

**Unum:** Unum invests a great deal in training its sales consultants and client managers to be experts in all things voluntary, including products, platforms, and enrollment strategies. This is a real strength for Unum, as our team is trained to work with brokers and employers to build a benefits package and enrollment approach that will serve employees well over the course of many years.

### 12. How does your company support good working relationships between brokers and carrier reps?

**Aflac:** We know brokers are always looking for quality products to sell, and we believe Aflac's products are the most relevant to today's consumer. Aflac also offers complete insurance broker training, personalized support, sales materials, industry leading tools, and competitive compensation. We are committed to providing continuous training, to our brokers, on the latest news and information, and presentations on industry topics and continuing education. In addition, our internal insurance broker team is always available to answer questions and provide personalized support.

Our Aflac Broker Channel is a dedicated wholesale distribution channel with Broker Sales Professionals assigned

to specific broker relationships with a goal of making it as easy as possible to do business with Aflac. We commit to be accurate, accessible and accountable in all that we do for our broker partners.

**Colonial Life:** Colonial Life places a high priority on working with brokers to help solve their clients' benefit challenges. Colonial Life has regional broker marketing managers who are dedicated to strengthening broker relationships nationally and regionally, supporting national alliance partners and interacting with worksite specialist brokers.

**Unum:** The rep and broker relationship remains central to Unum. Our reps are focused on bringing great information and smart solutions to our brokers to help them grow their business and look great in front of clients. Among the solutions are benchmarking, analytics, marketing material, and industry specific case studies.

### 13. Do you offer marketing materials that are easy to present and simple for clients to understand?

**Aflac:** Your client's Aflac service team is dedicated to working with them to ensure that the marketing campaign they select best suits their employees' needs. All benefit education material is provided at no direct cost to our clients, including posters, flyers, brochures, payroll stuffers, flash presentations, an account specific website, employer Website information, newsletter articles, and e-mails.

**Colonial Life:** We make marketing materials available for our sales agents and brokers to use in educating customers and employees. Educating employees about the value of their benefits is at the core of what we do.

**Guardian:** Guardian understands that people will make better employee benefit choices and get the most value if they are given simple, easy-to-understand materials. Our digital site – [GuardianAnytime.com](http://GuardianAnytime.com) – is a valuable resource for our clients and houses an abundance of content that employers, employees, brokers, and providers can access. It has everything from information about our products and coverage to information about emerging trends and insights from our annual Workplace Benefits Study. Ultimately, we want our customers to engage with us – wherever and however they prefer – online, onsite, on and off exchanges.

**Unum:** Unum provides a wealth of easy-to-understand marketing materials targeted to brokers, employers and employees. We've invested in a role in each field office that is focused on delivering on-time and audience-specific marketing materials. The goal is to provide materials that enhance employer understanding of our office and improve the employee enrollment experience.

### 14. How do you track the quality of the customer service you provide to employers? For example, do you set annual service goals and measure and report results?

**Aflac:** We set and measure service related goals including

processing time and accuracy and customer satisfaction. Results are reported internally for continuous improvement purposes.

**Colonial Life:** Colonial Life provides superior customer service to all of its customer groups: brokers, employers and policyholders. The company sets internal annual customer service goals and results are measured quarterly. Colonial Life also works with independent research firms to conduct ongoing surveys of plan administrators and policyholders and reports those results externally through news releases. In addition, all employees who meet with a Colonial Life benefits counselor are asked to rate their one-to-one benefit counseling experience following their enrollment. Every account participating in the post-enrollment survey receives a report card with the survey results.

**Unum:** Unum is committed to delivering a best-in-the-business experience. That's why we take time to regularly ask our customers for their feedback and measure our success and performance as a company against how they felt we did, not just our own internal measures. Every employee is focusing on creating a lasting client relationship.

**15. Do you have an established local sales and service team that can provide critical service in the same cities that the broker's clients are in?**

**Aflac:** Yes. Aflac is represented by more than 70,000 licensed independent sales agents and brokers throughout the United States. Our certified enrollers are available to service multi-location accounts and we have a national sales coordinator team to manage these relationships. In addition, our Broker Sales Professionals are strategically located throughout the United States to provide local support and presence.

**Colonial Life:** Colonial Life has more than 45 territory offices across the country and a national team of 10,000 sales professionals who provide local enrollment support and service for its broker partners' clients. Many of the company's accounts have thousands of employees in dozens or even hundreds of different locations across the country. Colonial Life's sales representatives provide employers with valuable services at no direct cost, such as free dependent verification, WellCard discount program, wellness benefits communication and more. Colonial Life benefits counselors can meet with employees at each location and conduct individual counseling sessions with them. Because the benefits counselors are local, they can be on hand to help out with next year's enrollment and any ongoing service needs. The goal is for the company's benefits counselors to build strong relationships with employees in the account.

**Unum:** Our field offices in San Francisco, Los Angeles, and San Diego give our teams broad reach across all of California. We have more than 70 field-facing employees in California that are committed to delivering for our customers.

**16. Do you have both a sales rep and a service rep? (The sales rep helps the broker market and position products, manage blocks of business, and develop target markets. The service rep helps implement and fulfill account enrollment.)**

**Aflac:** Yes. We have both dedicated sales and support teams to help our broker partners.

**Colonial Life:** Yes. Colonial Life's national team of sales professionals has specialized roles they perform during the enrollment process. Sales professionals work with brokers and their clients to help develop voluntary benefit strategies that will help clients' solve their benefit challenges. Account coordinators help manage the enrollment logistics and report. And benefits counselors meet individually with all employees to educate them on their benefits, help uncover any unmet needs and select insurance plans to meet those needs.

**Unum:** We have both sales consultants and client managers. The Sales Consultant provides a high-level strategy with brokers to uncover opportunities and provide solutions. The Client Manager takes on the role of strategist and solutions provider in working with clients day-to-day. Along with our internal team, both roles are committed to executing on the enrollment and case setup.

**17. Do you specialize in voluntary benefits?**

**Aflac:** Yes. Aflac is a leader in guaranteed-renewable insurance policies sold on a voluntary basis that pay cash benefits directly to policyholders, unless otherwise assigned. With a broad range of policies and value-added services, Aflac's offerings suit virtually every business size and type. From three employees to 30,000, Aflac can fit easily within any benefits package. Many times in the voluntary insurance business, companies tend to use the same approach to market similar benefits. Aflac is different. We also back our plans up with the following:

- Innovative marketing campaigns.
- Strong financial stability.
- Brand recognition.
- A solid company reputation.
- Industry recognized and rewarded claims and customer service.

**Colonial Life:** Yes. When Colonial Life was founded in 1939, it sold accidental death coverage to individuals. In fact, the company pioneered the concept of offering voluntary benefits at the worksite in the 1950s. Colonial Life has always marketed only voluntary benefits, and during the 79 years it has been in business, the company has developed strong expertise and experience in the voluntary benefits industry.

**Unum:** Yes, Unum's leading position in the market highlights our depth of expertise in voluntary benefits. The customer demand for voluntary benefits done right continues to grow in California, and our teams are committed to staying ahead of the market. ★

# CRYPTOWATCH



## CIO Monica Eaton-Cardone Calls for Greater Diversity in FinTech and Blockchain

Bloomberg Technology recently proclaimed that the \$460 billion digital currency world is starting to open to women, noting that four of the 30 largest initial coin offerings last year had female co-founders, including two of the biggest ICOs: Tezos, at \$232 million, and Bancor, at \$150 million. Yet the 2018 North American Bitcoin Conference (NABC) in January sparked harsh criticism for its lack of diversity and inclusiveness—among 80 speakers, there were just three women; and the conference’s only official networking event was held at a strip club. Monica Eaton-Cardone, a financial technology (FinTech) executive specializing in risk management and fraud prevention, believes women can play a major role in advancing cryptocurrency and blockchain technologies—and warns that excluding them could hinder industry growth.

A report by Ernst & Young revealed that women have tremendous spending power—their global incomes were projected to rise from \$13 trillion as of 2013 to an estimated \$18 trillion this year; and by 2028, females will control nearly 75 percent of discretionary spending worldwide. However, as the NABC uproar has shown, many in the bitcoin and blockchain industries appear to underestimate women’s potential. An analysis of 67 companies in the Digital Currency Group’s portfolio revealed that just 17 percent of those companies’ employees are females, while one-third of the organizations employed no women at all; and



**Here’s a shot from a recent NAC3 conference. Attendees look to be predominately male, but leaders hope to attract a more diverse crowd to these types of events.”)**

when CoinDesk compiled a list for a vote on the most influential figures in blockchain, only one-fifth of the 153 identifiable candidates were women.

“Conventional banking and finance firms have long been regarded as a male bastion, though we’re finally seeing some progress made by women in FinTech,” said Eaton-Cardone, who serves as chief information officer of Global Risk Technologies and chief operating officer of Chargebacks911. “Bitcoin and blockchain are viewed as major disruptors to the traditional finance industry, so it’s disheartening that this damaging mentality is rearing its head again.” Given women’s growing spending power and unique insights into consumers’ wants and needs, I believe anyone who ignores or overlooks them is holding back this industry from achieving its full potential.”

As EY noted in its report, “Studies have repeatedly indicated corporations with a higher proportion of women in top management show more successful growth in terms of a range of goals including operating results, employee satisfaction, public image and stock price.” Other EY research determined that an organization with 30 percent female leaders “could add up to 6 percentage points to its net margin.” Women who have earned renown as FinTech pioneers and leaders have suggested that the negative feedback from NABC’s “embarrassing Bitcoin Miami event” can provide an impetus for positive change, and several big names in crypto and blockchain—including the co-founders of Tezos and Bancor—have expressed optimism and confidence regarding females’ future in these nascent fields.

“As cringe-worthy as the NABC fiasco has been, at least it has raised awareness of how foolish and shortsighted it is to gear industry events exclusively to males,” stated Eaton-Cardone. She applauds those who have leveraged subsequent media attention to shine a light on women’s tech contributions, such as the group CryptoFriends, which spotlighted women leading the future of blockchain at the recent SXSW conference in Austin and hosted a female-led blockchain conference called New Girls on the Block in Tel Aviv in May. “Women have proven to be capable innovators and leaders in technology, cryptocurrency and blockchain. Working to achieve greater diversity in FinTech not only helps women to succeed, it benefits businesses, investors, consumers and the industry as a whole.”

Meanwhile, NAC3, a bitcoin and blockchain conference started by a San Diego native, announced its debut San Francisco conference will be June 23 (the L.A. conference in March was sold out). Of the 20 speakers listed for the SF conference, three are women. Learn more at [www.nac3.io](http://www.nac3.io).

## Blue Shield of CA and Gemini Aim to Improve Prescription Services

Blue Shield of California and Sausalito-based Gemini Health, LLC, announced they have launched the Drug-Cost Transparency Service. With the new service, health care providers can now use existing electronic health records (EHR) to view drug and comparative pricing information during patient visits to determine which medications are covered for their Blue Shield patients. Gemini's technology provides actionable information at the point-of-care to a prescriber before a medication decision is made and the prescription is sent to the pharmacy. Prescribers receive the following information in real time:

- Actual patient out-of-pocket cost information for the selected medication that's based on patients' health plan benefits and formulary.
- Accurate total drug cost savings (based on actual payer costs and rebates) for up to three lower-cost, dose-matched clinically equivalent alternative medications.
- Accurate patient cost and total savings for alternative pharmacies (e.g. specialty or mail-order).
- Whether any prior authorization is required, and/or shows alternative medication(s) that don't require a prior authorization.
- Any coverage notices that would create pharmacy call-backs to the prescriber's office.

## Few Long-Term Care Insurance Claims Begin in Nursing Homes



The vast majority of long-term care insurance claims begin in the home says an industry analysis of claims conducted by the American Association for Long-Term Care Insurance (AALTCI). According to AALTCI, 52.1 percent of all new long-term care insurance claims in 2017 began in the home setting. The organization analyzed data from six leading long-term care insurance companies. The nation's long-term care insurance companies paid \$9.2 billion in claim benefits in 2017 to some 295,000 individuals according to AALTCI. Women accounted for over two thirds (68 percent) of newly opened claims in 2017. The study found that 19 percent of new claims by women started in a nursing home setting while 34 percent began at home.

## MASSMUTUAL LAUNCHES DB PENSION PLAN MARKET UPDATE AND COMMENTARY



As part of a strategy to increase support for employers that sponsor defined benefit (DB) pension plans, MassMutual announced it's introducing a new quarterly market update and commentary about economic and regulatory conditions and their impact on managing pension obligations. MassMutual's Defined Benefit Market Update and Commentary is designed to support its DB plan sponsors and potential clients in the ongoing management of their plans. The quarterly report includes data on interest rates, bond and equity markets, and commentary on economic and regulatory matters to help sponsors make informed decisions.

## Go Johnny, Go!

They say you can't keep a good insurance pro down...or at least we say that. Johnny Ringo proves the point. Injured in a desert motorcycle race in January 2017 that left him paralyzed from the neck down, Ringo has made incredible progress and was a speaker at a recent Inland Empire Association of Health symposium. He has managed to regain some ability to walk. In fact, he walked on stage at the symposium and then spoke about motivation and his journey from the terrible accident. His message was to not give up, accept support and help even when it's hard, keep positive and have faith. Get inspired by following Johnny Ringo on Facebook. Especially don't miss his "motivational Mondays."



## SmartAsset, Wealthbox Integrate

SmartAsset, the financial technology company helping people make financial decisions, and financial adviser customer relationship management (CRM) software provider Wealthbox, announced a partnership to integrate their services. According to the companies, the integration will ensure the seamless delivery of client prospects gathered via SmartAsset's SmartAdvisor lead generation service directly into the Wealthbox software.

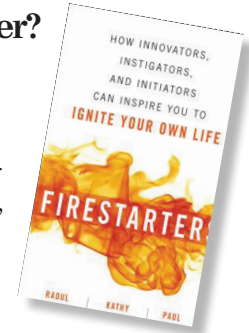
# NEW BOOK OFFERS INSIGHTS TO HELP IGNITE CAREERS

**Want to light up the world and make a difference in your life and career?**

More than 40 people who have done just that in their lives are profiled in a new book called “Firestarters: How Innovators, Instigators, and Initiators Can Inspire You to Ignite Your Own Life” by Raoul Davis, Jr., Kathy Palokoff and Paul Eder.

In it, notable Firestarters share advice on what it takes people to start, create and even disrupt in order to achieve their dreams. Their stories, along with psychological, organizational, and business research from The Firestarters Framework, provides insights into what makes some people just fan the flames, while others spark the fire and realize success.

Here’s a sneak preview on how to become a Firestarter:



- 1. Ignite, fuel and accelerate success.** There are factors based on personality, situations, and environment that you need to recognize in yourself and optimize to be successful. For example, what triggers an “aha moment” for you? Is it freedom, passion, talent or something else? Which fuels --prestige, opportunity, luck, or money -- can you use to propel an idea, business or cause? How can factors including collaboration, mission and competition help accelerate you to the next level?
- 2. Replicate accomplishments to gain confidence.** Look for connections between seemingly disparate events, learn what works across situations, and generalize this knowledge to other activities. By looking for patterns of achievement, Firestarters replicate their success, which then creates an overall sense of positivism and confidence.
- 3. Plan for inevitable extinguishers.** People are often unaware of how bumpy the road to success can be and how inevitable extinguishers can crush them. You can avoid obstacles, however, by actively planning to reduce their impact. Successful people expect extinguishers and develop mechanisms to cope with discouragement and mistakes. One important way is to have a life filled with supporters who can nurture, protect and even challenge.

## VSP Launches Same Day Enrollment

VSP announced its Individual Vision Plans will launch a same-day enrollment program, allowing uninsured patients to sign up for a vision plan on the spot at their doctor’s office. Patients simply call VSP and ask to enroll in a VSP Individual Vision Plan, and within minutes of signing up patients are able to use their benefits to cover the cost of their exam and materials. The same-day enrollment program will be available to practices that are a part of the VSP Individual Vision Plans Doctor Program. More info available at [Myvspplan.com](http://Myvspplan.com).

## So Cal Insurance Agency Creates Site Geared with Key Buyers in Mind

Conrey Insurance Brokers and Risk Managers, founded in 2002, announced it has launched a new website and the company took cues from Forbes reporting on the uptake of women making financial decisions. Conrey nixed the traditional stock images of business professionals, company meetings and computing. The site now aims to focus the messaging and branding on women as the financial decisionmakers, as well as the hopes and dreams of its clients through children who now are imperative to protect, says Jerry Conrey, MBA, agency principal. Conrey is the former CFO of the American Agents Alliance Insurance Association, a trade group for insurance agents and brokers. For more information on Conrey Insurance, visit [conreyinsurance.com](http://conreyinsurance.com).



## Cigna Improves Claims Filing for Voluntary Benefits Policies

Cigna announced that customers who submit an eligible medical claim will now also receive a reminder to file for benefits under applicable critical illness, hospital care, or accidental injury voluntary insurance policies. The claims process, called Cigna Simple File® Auto Compare, already reminds customers of their other voluntary benefits when a qualifying life insurance, AD&D or long-term disability claim is received. The process has been enhanced to now include medical claims for triggering proactive outreach. Visit [Cigna.com](http://Cigna.com) for more info.

# EVENTS

**NAFA Annuity Leadership Forum & Hill Walk** June 13-15, Grand Hyatt, Washington, DC

Events provide an opportunity for membership to network with one another, advocate on behalf of fixed annuities and learn about ways to enhance distribution. Keynote speaker is journalist Fred Barnes. Info and registration here.

**IICF Western Regional Forum**

June 21, The Millennium Biltmore, Downtown Los Angeles  
The one-day regional format provides opportunities for greater participation and networking with colleagues here in

the West and beyond. There will be ample time for networking with speakers as well. Topic this year is driving diversity: cultivating individual and industry confidence. Learn more at [womensconference.iicf.org](http://womensconference.iicf.org)

**NAILBA 37**

November 1-3, Gaylord Palms Resort and Convention Center, Orlando, Florida  
Detailed information about NAILBA 37 will be available soon. Info on exhibit hall and sponsorship opportunities available at [nailba.org](http://nailba.org) or contact [etoups@nailba.org](mailto:etoups@nailba.org) for more info.

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