CALIFORNIA BROKER

VOLUME 37, NUMBER 3 | SERVING CALIFORNIA'S LIFE/HEALTH PROFESSIONALS FINANCIAL PLANNERS | DECEMBER 2018

Voluntary Benefits:

Simple Steps to Recruit the Best Talent During a Hot Job Market

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CALIFORNIA BROKER | DECEMBER 2018 | VOL. 37 NO. 3

CALIFORNIA BROKER

DECEMBER 2018

PUBLISHER
Ric Madden
publisher@calbrokermag.com

EDITOR
Victoria Alexander
editor@calbrokermag.com

ART DIRECTOR
Michael Vannatter
mike@calbrokermag.com

ASSOCIATE EDITOR
Thora Madden
thora@calbrokermag.com

ADVERTISING
Devon Hunter
devon@calbrokermag.com

CIRCULATION
calbrokermag@calbrokermag.com

BUSINESS MANAGER
Lexena Kool
lex@calbrokermag.com

LEGAL EDITOR
Paul Glad

EDITORIAL AND PRODUCTION:
McGee Publishers, Inc.
3727 W. Magnolia Blvd.,#828
Burbank, CA 91505
Phone No.: 818-848-2957
calbrokermag@calbrokermag.com.

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

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

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

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For more than a decade, those of us in the dental industry have read that teledentistry will soon revolutionize how oral care is accessed, delivered and paid for. Whether we are dentists, producers or insurers, we need to prepare for dramatic changes in the way we do business. Or so we've been told.

IN EVERY ISSUE

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Simple Steps to Recruit and Retain the Best Talent During A Hot Job Market

By MIKE ESTEP

With the unemployment rate falling to an 18-year low, there is a shortage of talent, which has created a tough hiring environment for employers, and an attractive market for job searchers. In August 2018, CareerBuilder.com released its midyear job forecast, indicating 60 percent of employers are hungry to hire full-time, permanent workers throughout the remainder of 2018. To attract top talent, companies are raising starting salaries, offering signing bonuses and providing unique benefits.

As the war for talent heats up, offering a range of voluntary benefits can be a solid strategy for companies aiming to differentiate themselves as the employer of choice. Especially since employees are feeling more of a financial burden as the health insurance market has shifted more responsibility to individuals, generating higher out-of-pocket costs and copays for them. Additionally, employees are now responsible for funding their own retirement and planning for contingencies. This means employees are looking for new ways to increase their financial security, and therefore value the benefits offered by their company. Guardian research shows that 68 percent of employees say that more than half of their financial security depends on workplace benefits.

This presents an enormous opportunity for companies to help employees find that extra level of health and financial security. It also requires thoughtful planning and a broker/consultant who has the expertise to help employers enhance their employee benefits strategy.

The Right Voluntary Benefits Strategy

According to Guardian's 4th annual Workplace Benefits Study, 88 percent of employers indicate that voluntary benefits are an important part of their overall employee benefits strategy. Given that employees are motivated to make the most of their workplace benefits, it's important that employers offer options that serve a wide range of circumstances and needs. Voluntary products are an effective way for companies to offer employees benefits at a reduced cost, while enabling employees to get protection that meets their specific needs.

This is where a well-thought out voluntary benefits strategy comes into play. A solid strategy should focus on meeting the needs of employees who are seeking more choices with their benefit plans to meet their financial needs. To do this, we recommend that brokers consider the following:

1. Know the Workforce: Use consumer insights and trends to see what employees want as part of their overall benefits plan in order to best counsel employers. This should also include the demographics of the workforce and where they are in their life stages, which could influence the type of products that will be more popular.

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- Business written through partnering General Agencies qualifies.
- CCSB intends to issue incentive payments 90 days following the effective month of a qualifying group. CCSB may modify its payment schedule at any time.

For a complete list of the program rules go to: bit.ly/AgentIncentive2018

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2. Voluntary Benefits Employer Strategy: Key components of the strategy should include types of products that exist in the marketplace and how they can increase an employees' financial security; consumer insights highlighting what products are popular and why; a benefits enrollment and communication strategy; and finally, an action plan for employers that is customizable.

3. Partner with the Right Carriers: Identify carriers that are experts in the marketplace and can help provide employers with end-to-end support (enrollment, administration), as well as show the positive impact on their business growth. A recent Eastbridge Study showed that 92 percent of respondents strongly agreed that carriers are adding more features, benefits or options to their voluntary products -- underscoring the need to understand the changes in the marketplace as it relates to products.

Having a solid strategy in place, along with understanding the array of voluntary benefits products available will help employers meet the diverse financial protection and security needs of their clients' workforces. Traditional non-medical insurance plans will round out an employers' healthcare offerings and offer valuable income protection for employees who are temporarily unable to earn a salary. These products include dental, vision, life and disability insurance.

Meanwhile, supplemental health products can also complement an employers' offering by helping offset unexpected and large expenses that health insurance may not cover. This is where the market is seeing a lot of growth. A recent Willis Towers Watson survey noted that Long Term Insurance, Critical Illness, Hospital Indemnity, Pet Insurance, and Identity Theft Protection are anticipated to grow over the next few years. For example, the survey showed that hospital indemnity insurance was currently offered by 24 percent of employers and could more than double to 50 percent by 2021.

Tech Simplifying Benefits Administration

With the growth of voluntary benefits, it's natural for companies, especially small-to-midsize, to feel overwhelmed at the idea of administering them, but it doesn't have to be. The rise of benefits technology is simplifying the process and making it easier for employers to offer them. Human capital management technology is expanding rapidly making it accessible and affordable for small-to-midsize companies competing for talent with larger companies. For example, 57 percent of employers cited enrollment as "very efficient" when asked about the gains they've seen from digitization.

Additionally, our study shows three in five millennials wish it were easier to learn about and access their workplace benefits. Unlike Baby Boomers, millennials feel it is difficult to access and learn about their benefits. With employers expanding their employee benefits packages, digitizing their benefits administration will not only help simplify enrollment but create greater efficiencies and overall satisfaction among their benefits delivery.

Communications is Critical

Finally, effective benefits communications is essential, especially if employers want to retain employees. Employees need to be made aware of the product options available to them—not only for life and dental, but also for critical illness, cancer, accident, vision, and short- and long-term disability. For example, employees may not realize they can get critical illness insurance to cover the costs of visits to out-of-network specialists or non-medical expenses during recovery, such as child care or transportation to treatment centers.

We've found that if employees have a better understanding of the value of their employee benefits, it can lead to greater employee engagement. For example, workers who take advantage of the educational resources, tools and information made available by their employers have a more positive perception of their benefits decisions.

Employers who give workers access to information resources that allow them to make the best benefits decisions is key to getting more workers to feel more confident and satisfied about their selections.

This becomes especially critical with the rise of voluntary benefits. To attract talent, employers need to communicate the array of benefit products that candidates can choose from to entice them to join. Yet, education should not cease there. Employees need ongoing education which can be done by implementing a multi-channel process that uses a combination of approaches throughout the enrollment process. Employees need the knowledge to make the right benefits choices, which can be accomplished with decision support tools, emails, in-person presentations, videos and online enrollment channels.

Voluntary benefits are here to stay and for companies competing in today's tight labor market, it is to their advantage to expand their employee benefits portfolio to help them stand out. The upside is that employees will appreciate it. Our latest study reveals that 62 percent of workers who feel their employee cares for their well-being wants to stay with their company 10 years or more – now, that's the kind of retention every company would like to have.

Michael Estep is vice president, group product development and worksite leader, for Guardian. With more than 18 years of experience in the insurance industry, he is responsible for leading the product development efforts for Guardian's group product portfolio and leading the worksite business. Guardian Life offers additional information on voluntary group benefits. View it at guardiananytime.com.

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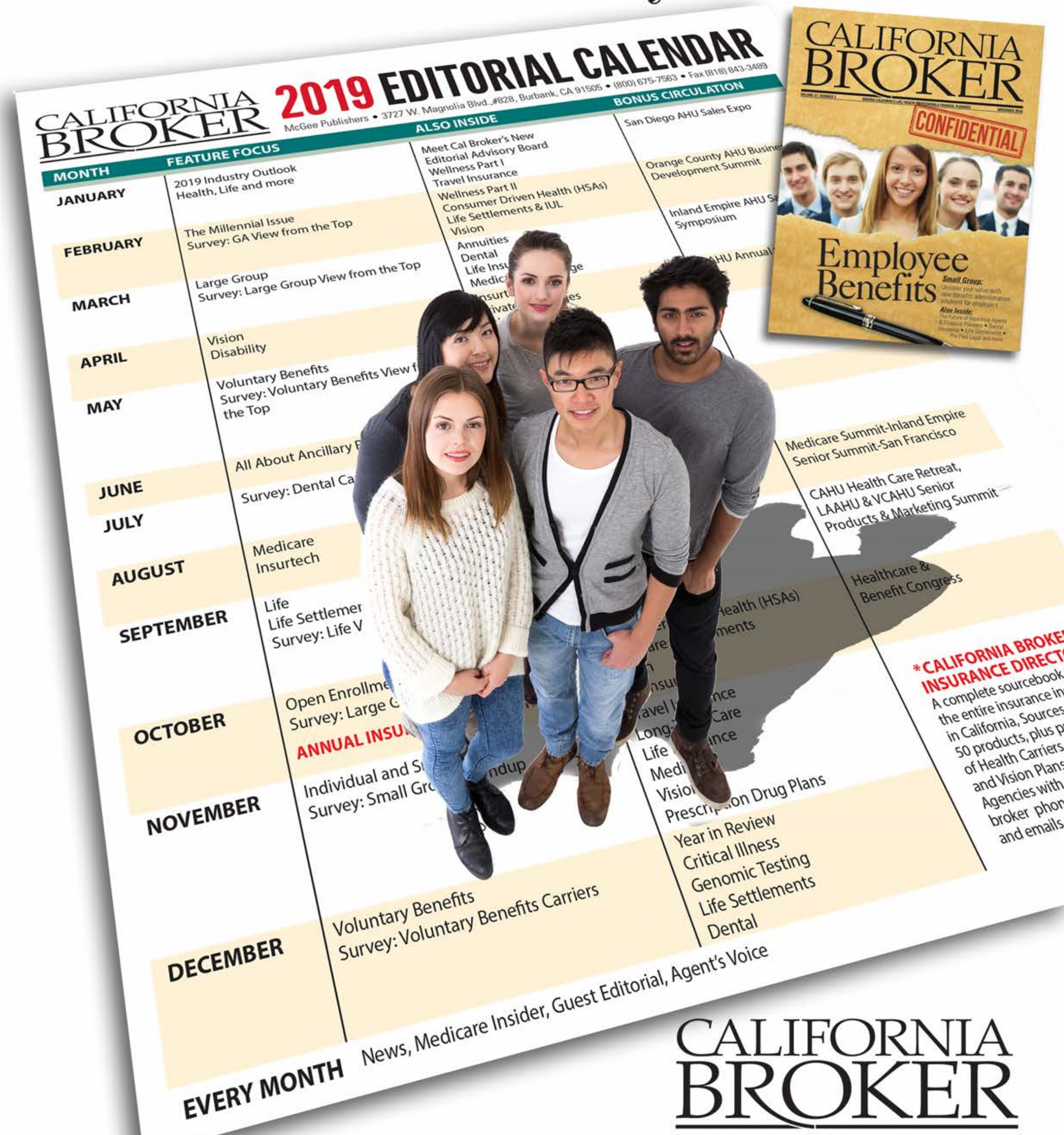

Contact: Devon Hunter 626-755-4770

IRS Announces Increase to 401(k) Contribution Limit

The Internal Revenue Service announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2019. The IRS issued technical guidance detailing these items in Notice 2018-83. The contribution limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased from $18,500 to $19,000.

What Does the Midterm Mean for Health?

According to bloggers for the Commonwealth Fund, with the House of Representatives now under Democratic control — and with Republicans still short of the 60 votes needed to override a filibuster — efforts to repeal ACA or make large-scale changes to Medicaid are likely off the table, though the administration is expected to continue to undermine key elements of the ACA.

Small Biz, Big Benefits

The Guardian Life Insurance Company of America® recently released the 5th Annual Workplace Benefits Study, "Small Business, Big Benefits. The study provides insight into how small businesses (50 employees or less) are evolving their benefits experience to enhance employee well-being, including:

Work-Life Balance: Over the past five years, more small businesses have established flexible work schedules, telecommuting and wellness programs to help employees improve their work-life balance. For small businesses already applying these practices in the workplace, the study confirms it makes a difference—55 percent of workers who feel their employer cares about their well-being want to stay at their company for 10 years or more compared to 33 percent who don't believe their company cares.

Supplemental Coverage: Many employees feel their benefits are important to their household's financial security and higher out-of-pocket medical costs are directly impacting their workforce well. Small businesses are responding by filling the gap and increasing their supplemental health insurance offerings: 38 percent offering accident insurance (up 15 percent since 2015), 25 percent offering critical illness insurance (up 14 percent since 2015), and 21 percent offering hospital indemnity insurance (up 24 percent since 2015).

Benefits Technology: Cloud-based software has made human resources and benefits technology more accessible to small businesses. The Guardian study found more than 50 percent of small businesses have digitalized a majority of their benefits process.

Are Life Insurers Too Focused on the Core?

A new McKinsey report on the state of the life and annuity business suggests that life insurers are too focused on core business. In fact, the consultants suggest that life insurers look for ways to form alliances or acquire companies in adjacent industries. Why do consultants matter? Well, the life industry regularly employs these people to tell them what to do to grow business.

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Hill Physicians Medical Group and UnitedHealthcare Expand Relationship

Hill Physicians Medical Group, California's largest independent physician association, and UnitedHealthcare announced they expanded their accountable care program through a clinically integrated network (CIN) for people enrolled in UnitedHealthcare's employer-sponsored and individual benefit plans. The CIN applies to UnitedHealthcare's non-HMO benefit plans and includes over 300 of Hill Physicians' primary care physicians, OB/GYNs and endocrinologists, with more continuing to join.

MetLife Study says Coverage Important for Low-Income Families

MetLife's new study "The Social and Economic Contributions of the Life Insurance Industry" is authored by experts at The Brattle Group, a global economic consulting firm that advises both government agencies and private companies. The study looks at the importance of life insurance across demographics, particularly for low-income families. Key takeaways:

The study estimates that of the 18,000 low-income households expected to lose a primary wage earner in a given year, life insurance keeps more than 8,000 of them–or 45 percent–out of poverty, for savings to the government of more than half a billion dollars.

Approximately 60 percent of Americans are covered either individually or through their workplace, with the average policy equal to 2.5 years of annual household income. Such multi-year financial assistance could potentially provide households flexibility and time to reorganize their lives by, for example, finding a job or reducing living expenses, which could help to avoid poverty permanently.

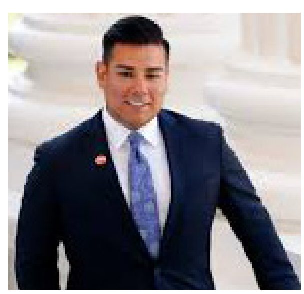
It's a good reminder, says MetLife, that employees of all levels need to know how life insurance contributes to one's overall financial well-being.

Thanks, Delta

The folks at Delta Dental are making us smile. The not-for-profit national association of the Delta Dental companies reported that its member companies donated more than $61 million in direct and in-kind community outreach in 2017, helping over 10.2 million people nationwide. By supporting 1,425 programs across the country last year, the Delta Dental companies increased access to oral health care through direct programming and financial support of dental workforce education; provided treatment to at-risk children and adults; and expanded oral health awareness, education and wellness.

Women in Insurance & Financial Services Elects New National Prez

WIFS announced Michelle Harm, a Michigan-based financial professional with Prudential Advisors, was elected as national president during the WIFS annual meeting on October 24. WIFS is the largest association of financial services professionals working to attract, develop and advance women in the industry. Harm joined WIFS in 2010 and served as a leader of her local chapter. She began her national board service with WIFS in 2016 as a director, going on to assume the roles of national secretary and president-elect.



Welcoming Ricardo Lara to The Family

After the midterm election, Democrat Ricardo Lara will take Dave Jones' place as California insurance commissioner. Lara, who ran in support of universal healthcare, will be the first openly gay statewide office holder.

House Passes Replacement of Section 203, HR 6757

The House passed a version of H.R. 6757 that includes a retirement plan annuitization provision sought by the American Council of Life Insurers (ACLI), the Insured Retirement Institute (IRI) and other financial services organizations. The current draft of the "Family Savings Act of 2018" bill includes a replacement for Section 203. The new Section 203 would create a fiduciary safe harbor for defined contribution retirement plan sponsors or other fiduciaries when the fiduciaries choose a company to provide a plan annuitization option.

Who is This Lucky Guy?

Well, that's Cal Broker reader Rich Lujan. He filled out a simple reader survey at the recent LAAHU medicare event at Pickwick Gardens in Burbank and he won a bottle of wine. Congrats Rich! Look for an online version of the reader survey on our Insurance Insider News newsletter soon. We want to know what you're interested in. Sorry, we probably won't be able to send you wine, though.

EaseCentral Partners with Oscar Health

EaseCentral, an HR and benefits SaaS platform powered by insurance brokers, announced a partnership with high-tech insurer Oscar Health. The partnership will allow California-based brokers to easily access pre-built Oscar healthcare plans within the EaseCentral system and to submit enrollments completed within EaseCentral directly to Oscar. This partnership pushes a traditionally pen-and-paper endeavor into the digital world by migrating systems online and eliminating tedious paperwork. The direct submission from insurance agencies in the EaseCentral platform to the Oscar database enables ID cards to be supplied to employees faster, allowing them to have access to their coverage sooner. Plan setup and submission should only require a few mouse clicks. Consumers can expect a simpler enrollment process with fewer steps and a quicker completion, which means they will be able to utilize their benefits faster than before. In addition to improving efficiency, migrating the processes online also reduces the risk for human error.

Landmark Launches New Group Voluntary Chiropractic and Acupuncture Plans

Landmark announced it will begin offering six new group voluntary plans, three chiropractic plans and three acupuncture plans. An employer may offer one or more plans to their employees so long as a minimum of two employees enroll in each plan offered. These new plans replace the old Basic Chiropractic Plan that was previously offered. All groups enrolled on an old plan design will be automatically moved to a new plan at renewal.

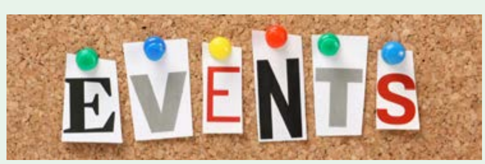
[WEBINARS]

Busting The Myths of Dependent Audits

Our pals at Hodges-Mace have an excellent webinar up on Vimeo. Check out Busting the Myths of Dependent Audits.

Agency Planning Webinars

Our pals at Beta Benefits are also offering a couple of great webinars. Beta is offering "Create Your Own Agency, Corporation, and Succession Plan" and "How to Sell Your Agency." This is critical information for independent agents. For more info or to register, email jesse@betabenefits.com.



NAC3 Cryptocurrency Conference
December 8, Las Vegas
Come hang with Crypto Bobby, Ready Set Crypto, the Crypto Street Podcast crew and many more. This event's focus will be on investment and how to take your gains to the next level in the current market. More info at nac3.io/

LAAHU Holiday Party
Dec. 18, Traktir Restaurant, Tarzana, 4:30-7:30pm
Register at laahu.org

PIMA's 2019 Industry Insights Conference
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Margaritaville Beach Resort, Hollywood, Florida
Registration is now open for the Professional Insurance Marketing Association (PIMA) Industry Insights Conference. The conference will host expert speakers from leading companies around the country including Facebook, Forrester and Action Surge. Conference promises to explore new product and distribution trends; emerging markets that harness growth in new areas; social marketing to drive insurance business; marketing to Millennials and Gen Z; and an insurance industry overview of blockchain. Early bird registration and housing deadline is December 14, 2018. Visit pimainsights.org for more details and to register or call 817-569-7462 (PIMA).

8 Myths of Life Insurance Settlements Debunked!

By LISA REHBURG

Ever since Benjamin Franklin helped start the first life insurance company in the U.S. in 1759, life insurance has been a key part of our lives and financial planning. Today, the U.S. is the leading life insurance premium writing country in the world with over 290 million life insurance policies in force amounting to approximately $20.3 trillion in face value. Just policyholders 65 and older have 38 million policies in force with a face value of more than $3 trillion.

But, according to research from the Insurance Studies Institute, 500,000 seniors each year lapse their life insurance policies. That's a big number! To put even more numbers behind that claim, the Life Insurance Settlements Association's (LISA) own research shows that Americans 65 or older leave over $100 billion in benefits on the table each year by lapsing or surrendering their life insurance policies.

Many clients think they only have three options: pay the premium, lapse the policy or surrender the policy. There are more options available, and a life insurance settlement is one of them.

Simply put, a life insurance settlement is the sale of a life insurance policy to a third party (usually an investor group) who gives the client cash for the policy, and in turn, becomes the owner of the policy, pays the premiums, and receives the death benefit when the policy matures. The client benefits from receiving substantially more than the surrender value for the policy. According to a 2014 London Business School Study, "Americans who sold their unwanted life insurance policies, collectively received more than four times the amount they would have received had they surrendered them to their life insurance companies."

Yet, the vast majority of people do not know about life insurance settlements. Even if someone has heard about them, preconceived ideas and misinformation abound. This article outlines some of the common myths, and the corresponding realities:

Myth #1—Only permanent policies can be sold. Untrue! Yes, even term policies can be sold. In fact, term policies represent the second most sold type of life policy sold, behind universal life. How? The key is that the policy must be convertible and the policy cannot be past the conversion deadline. Many term policies, if convertible, have conversion deadlines based upon the age of the client, or on the length of time the client has been insured. Some have conversion deadlines corresponding to the end of the policy term. An important suggestion is, if a client wishes to sell a term policy, plan to start six months ahead of the deadline to allow plenty of time to complete the settlement.

Myth #2—Only the very ill can sell their policies. Untrue! The industry essentially started in the 1980s as viaticals, with terminally ill clients selling their policies to pay medical bills or improve their quality of life. Some people think that is where we still are today, but the market has changed dramatically since then. Even though viaticals still exist, they have a very small impact. Life insurance settlements are completely different, focusing on clients who no longer want or need their policy.

An investor does consider a client's health and life expectancy when determining how much to offer on a policy. It is true that the shorter the life expectancy, the higher the value paid for the policy. But, that does not mean that clients who are relatively healthy cannot sell their policy. An investor also considers the premiums that need to be paid and the face value of the policy in making a determination about how much to offer a client. There are many instances where investors are willing to purchase the policy of a relatively healthy individual. Every client's situation is unique, but their relative health does not preclude them from selling their policy.

(continued on page 21)

LEVERAGING VOLUNTARY BENEFITS FOR CLIENT SUCCESS

Studies indicate that employee loyalty increases with access to voluntary benefits, even when the employee is paying for the benefit.

By CYNTHIA COVERSON

By including voluntary benefits to round out your clients' health and retirement offerings, you can create a "customized" benefits program in which employees can create benefit solutions that best fits their needs.

Henry Ford is said to have quipped that customers could have their car in any color, as long as it was black. Fast forward a century, and customization is everywhere. In our digital age, experiences with the online world are causing consumers to expect all their experiences to be similar to their digital ones: individualized, curated, customized.

So it comes as little surprise that American employees are expecting customization in their employee benefits too.

How can you help your clients keep up with the expectations of today's workforce?

One of the easiest ways is by leveraging voluntary benefits. By including voluntary benefits to round out your clients' health and retirement offerings, you can create a "customized" benefits program in which employees can create benefit solutions that best fits their needs, by choosing products from a "curated" list of options prescreened by their employers.

As healthcare costs continue to rise, employers don't want to break the banks, yet are looking for more ways to offer benefits options to their employees. A wider choice of benefits is a win/win for both employer and employee. Studies indicate that employee loyalty increases with access to voluntary benefits, even when the employee is paying for the benefit. There is also a win/win for brokers here: the employer meets the employees' needs without having to spend additional dollars, and you are the hero.

Too good to be true? Consider that MetLife's 16th annual Employee Benefits Trend Study (EBTS) found that 53 percent of employees are interested in non-medical benefits that they can purchase. Additionally, over half (54 percent) are willing to pay more for their benefits if it means having more choices. Ultimately, there is a payoff for the employer: three quarters of employees say that having customizable benefits would increase their loyalty to their company. Since employee retention—even more than cost savings—is the number one benefits goal of employers in this time of low unemployment -- brokers can provide a tremendous value-add by helping their clients to retain their trained workforce.

It's easy to advise your clients on starting a "customizable" benefits plan. It just takes the answers to two questions: who is their employee base, and what products will meet those employees' needs. Think of "life stage" marketing and apply it to their workforce, so you can identify the segments they employ and the voluntary benefits that are best for them to offer. As a bonus, it works for employers of all sizes, be it a firm of 125 eligibles, or one of 4000.

A benefits experience can easily feel fairly customized by segment. Here are some examples:

Parents with young children

Taking kids to constant doctor's appointments, and sometimes the ER, is not only scary and time consuming, but co-pays and deductibles can really add up. Supplemental medical (accident, hospital indemnity) can help parents manage the higher out-of-pocket costs associated with today's health plans.

They'll need a will and guardianship for their minor children. A voluntary legal plan can help them create their first will. (Half of Americans do not even have one.)

Worksite life and disability can protect their future income beyond the employer's standard offering so their family is protected in the way they choose.

Parents with teens and early-adult children:

Additional life insurance will help make sure college costs will always be covered. They can save money and hassle with payroll-deducted voluntary auto and home insurance.

Young singles:

To help them find products and services that can ease them into a lifetime of good financial choices, employers can provide access to products that meet their immediate needs, rather than a menu of products that don't seem applicable.

Renter's insurance and pet insurance, both voluntary options, prove popular with younger employees.

Older workers:

Employers are having trouble replacing the sought-after skills and experience of employees who have been in the job for many years. To help keep older workers satisfied and loyal:

Supplemental Medical can ease some of the financial strain of the additional medical costs they incur as they age.

They can use a legal plan can find an excellent lawyer to help plan their estate or oversee a closing when they downsize their home.

Critical Illness can be an important financial backstop in the case of a covered disease.

LGBTQ employees.

More people than ever are "out" at work, and a legal ser-

Don't stop communicating. Just because open enrollment may be over, employees don't stop thinking about their personal and financial wellness.

vices plan can help them navigate some of the roadblocks of a binary world:

While same-sex marriage is legal in all states, adopting children or arranging for surrogacy can be expensive and require significant legal oversight and input.

Transgender employees may need assistance with a flurry of documents to have birth certificates, passports, and other legal matters adjusted to their gender identity.

As a bonus, most carriers have low to no minimum participation requirements for voluntary benefits, so even if there are only a small number of people in any given demographic, the employer can still offer the benefit.

The next step? Communicating the importance of benefits.

MetLife research has found that three in 10 employees chose not to enroll in non-medical benefits due to a lack of benefits promotion from their employer. Employees are concerned and confused about benefits choices, saying they cannot navigate the benefits information they received, they don't have the time or energy to look at them in depth, and they don't know where to turn when they have questions. They may, however, be passing up opportunities to protect themselves and their families from financial exposure.

Here are some proven practices that you can discuss with your clients:

Streamline enrollment. Given that employees feel overwhelmed by information they receive during enrollment time, de-cluttering the information is an important first step. Employees need succinct information that's relevant to them, so prioritizing the content to help them find the most important information right away is key.

Integrating voluntary offerings into their existing benefits program and offering them alongside traditional benefits will make the experience more streamlined, and will highlight the benefits that meet the needs of the employee segments that you are targeting.

Simplify. Yes, benefits may seem complicated, but all the disclosures don't have to go up front. Put simple content, such as brief product descriptions, up front. Employees will feel less frustration when they can quickly digest the information that's relevant to them and then dive in to make an informed decision.

Easy ways to do it: encourage employers to add a "Did You Know?" section on their benefits website, post quick highlights articles on their company intranet, and make new-hire training videos explaining benefits offerings available to current as well as new employees.

Provide resources. Only about 60 percent of employees agree that their company's benefits communications effectively educated them so that they could select options that best meet their needs.

A proven best practice is one-on-one consultations with benefits enrollment representatives. These can be internal in the company's HR department, resources from your firm, or outsourced to a benefits communications firm. These firms have proven to help increase enrollment dramatically and therefore to help employers to meet their benefits goals.

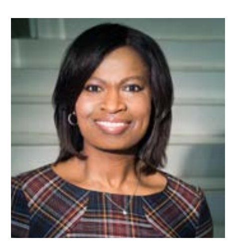
Suggest leveraging internal communications channels to answer questions. Many companies now have internal social networking sites where employees can post questions and get answers. Those with benefits questions can engage both with their peers who have the benefits already, and experts who can explain them. Your benefits carrier can supply support and resources to keep the discussion moving.

Don't stop communicating. Just because open enrollment may be over, employees don't stop thinking about their personal and financial wellness. Employers can easily communicate at any time using the channels above, and MetLife's EBTS found two-thirds of employees agree that they want their employer to communicate with them year-round about their benefits, not just at annual enrollment. Participation can increase if employees find the information they need, whatever time of year it may be.

Tying ongoing benefits communications to national events or recognition months, such as National Caregivers Month, National Adoption Month, or Financial Capability Month, can keep the conversation fresh, and a brief story can then contain a simple link back to the benefits page.

Financial education workshops are another way. Even though only one-fifth of employers currently offer financial wellness programs, they are popular with employees. They can be given with new hiring, or tied to a season such as year-end, tax time, or back to school. Many carriers offer such workshops and will work with you to set up programs that work for your clients.

You work hard to provide your clients with the resources they need to meet their benefits goals. Take the conversation a few steps further to understand and communicate how voluntary benefits can help them meet the needs of today's changing workforce.



Cynthia Coverson is senior vice president, regional business, group benefits at MetLife.

Life Settlements Debunked

(continued from page 17)

Myth #3—Only large policies can be sold. Untrue! Each investor has their own parameters surrounding the types of policies they wish to purchase. So often the focus of media articles and blogs are clients who received hundreds of thousands of dollars for their policy. Yes, it is true clients can receive that amount, but their policy also usually has a multi-million dollar face value. Many clients have policies well below $1 million and are mistaken that only larger policies can be sold. The reality is policies as low as $100,000 in face value can be sold, and in some rarer instances, even below $100,000.

Myth #4—Most people sell their policy because they need the money, or need to pay medical bills. Untrue! The life insurance industry has done a good job of adding accelerated death benefits and critical illness provisions to their policies, giving clients additional options, so they don't have to sell their policies in their time of need. Rather, most people sell their policy because they no longer want or need the coverage. Many times, clients purchased the policy 10, 15 or 20 years ago, but now, the reason they originally purchased the policy is no longer relevant. The policy is simply not needed any longer. Some examples are: the client has retired and no longer needs the income replacement; their home is paid off; the client's sale of a business , so the "key man" policy is no longer needed; a rental property or significant asset has been sold, making the policy purchased to cover payment for that asset unneeded. Additionally, the Tax Cuts and Job Act (TCJA) of 2017 also helped make a large number of life insurance policies unneeded. By more than doubling the estate tax exemption from $5.49 million per individual to $11.2 million, and $10.98 million for married couples to $22.4 million, life insurance policies purchased to cover estate taxes also may no longer be needed. This change is estimated to reduce the number of estates subject to the estate tax by about two-thirds.

Policies also become unwanted: a term policy that is about to expire; some universal life policies are becoming unaffordable as they mature; or due to limited income in retirement, policies become too expensive. There are some adjustments that can be made to these types of policies to make them more affordable, but if nothing is appropriate, a life insurance settlement can be a good option.

Myth #5—Clients have to sell the entire policy. Untrue! A client may choose to sell only a portion of their policy. A good example is a client who has a $1.5 million term policy, but is retiring. The mortgage is paid off so she doesn't need all of the coverage and doesn't want to pay the premiums anymore for all $1.5 million, but she still would like some death benefit. She has chosen to sell $1 million of her policy, and retain $500,000 in death benefit.

Myth #6—Only people in their 80s or older can sell their policy. Untrue! As we discussed in Myth #2, age is relevant in determining what an investor will offer for a policy. Generally, life insurance settlements are best for clients age 65 or older, but that is just a guideline.

Myth #7—Only the wealthy clients benefit. Untrue! A life insurance settlement can be a good option any time a policy is not needed or wanted. With policy face values from $100,000 being sold, a life insurance settlement is very accessible for many people.

Myth #8—Life insurance settlements are not well regulated or illegal. Untrue! Believe it or not, a U.S. Supreme Court decision in 1911 paved the legal foundation for life insurance settlements. Justice Holmes said in his decision, "it is desirable to give to life policies the ordinary characteristics of property…To deny the right to sell except to persons having such an interest is to diminish appreciable the value of the contract in the owner's hands." What that means is a life insurance policy is an asset, like a car or house. The owner of a life insurance policy has the right to transfer it to whomever they choose. So, life insurance settlements are not illegal, but what about being regulated? The life insurance settlement industry is highly regulated. Forty-three states and the territory of Puerto Rico regulate life insurance settlements, affording protection and transparency for approximately 90 percent of the U.S. The National Association of Insurance Commissioners (NAIC) and the National Conference of Insurance Legislators (NCOIL) have also been very involved in crafting model language and disclosure notices to protect consumers, which have been adopted by the majority of states. Disclosures include transparency in the offer details, sales commissions, alternatives to selling a policy, risks of selling a policy and more. Further, sellers must be deemed competent to enter into a life insurance settlement agreement, and beneficiaries consent prior to a policy being sold. There are also mandatory waiting periods before someone can sell their life insurance policy. In California, the waiting period is two years, with very limited exceptions such as the owner of the policy is terminally ill, a spouse dies, divorce, retirement from full time employment, physical or mental disability, disposition of ownership interests in a closely held corporation or an order or judgment from a court. As a result of this regulation and transparency, there have been no consumer complaints against a licensed life settlement company since 2012.

The Insurance Studies Institute found 90 percent of seniors surveyed would have considered a life insurance settlement, had they known about them.

Lisa Rehburg is president of Rehburg Life Insurance Settlements, a life insurance settlements broker. Rehburg is energized by helping brokers and their clients benefit from unwanted or unneeded life insurance policies. By having access to many investor groups, Rehburg Life Insurance Settlements can place more policies and realize a better return for clients. Rehburg has been working with brokers in the health and life insurance industries for over 30 years. She can be reached at (714) 349-7981, lrehburg@aol.com or www.rehburglifesettlements.com.

2018 VOLUNTARY BENEFITS SURVEY

Compiled by THORA MADDEN

Straight from the carriers, we have info to help you choose which voluntary benefits to present to your clients. The survey of carriers is intended to help agents and brokers stay on top of plan changes from year to year and many of the survey questions come directly from readers. In fact, we depend on you to properly update our surveys. If you have a question you'd like us to add for next time around, please send it our way: editor@calbrokermag.com.

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

Stephanie Shields, Senior vice president of broker sales, Aflac:

Aflac's voluntary plans can complement any benefits package by offering an additional layer of financial protection if the unexpected happens. Aflac offers the best of both worlds—group and individual products ranging from accident and disability to hospital and vision. In addition, the plans offer direct-to-the-insured cash benefits, unless otherwise assigned, to help cover what other insurance plans may not. Aflac pays cash benefits quickly—oftentimes in as little as one business day—so insureds can focus on getting better instead of their finances.

Individual insurance policies available through Aflac:

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

Group insurance plans available through Aflac Group:

- Accident
- Worksite Disability
- Dental
- Critical Illness
- Hospital Indemnity
- Worksite Life

Clients are requested to establish an account by completing and signing a Payroll Account Acknowledgement form and allowing three separate W-2 employees to apply for at least one Aflac policy. Aflac Group requires a minimum of 25 payers to establish group billing.

Richard Shaffer, senior vice president, growth markets and enrollment center, Colonial Life:

Colonial Life offers voluntary benefits to businesses with as few as three employees up to thousands of employees. Our product portfolio includes individual and group voluntary products for short-term disability, accident, dental, hospital confinement, cancer, critical illness, and term and whole life.

Treg Balding, vice president, group and worksite markets distribution,The Guardian Life Insurance Company of America:

Guardian offers voluntary Accident, Accidental Death & Dismemberment, Cancer, Critical Illness, Dental, Hospital Indemnity, Life (Term and Permanent), Long Term Disability, Short Term Disability and Vision.

We offer Permanent Life to groups of at least 26 lives.

Voluntary Term Life, Accidental Death & Dismemberment, Short Term Disability and Long Term Disability require a minimum of four enrolled employees.

All of our other voluntary group coverages can be offered to groups with as few as two employees.

Mike Schell, vice president/sales, MESVision:

MESVision is a managed care vision plan that provides vision care benefits to employer groups. Minimum group size enrolled in a voluntary plan is five employees or 20 percent of the eligible groups, whichever is greater.

Tim Jander, regional vice president, group benefits, MetLife:

MetLife offers a comprehensive suite of complementary employer-paid and employee-paid employee benefits products. In addition to traditional voluntary, employee-paid options for life, dental, disability and vision insurance for employers with 10+ employees, MetLife and its affiliates offer the following voluntary/employee-paid benefits:

• Auto & Home (employers with 200 or more employees); underwritten by Metropolitan Property and Casualty Insurance Company and its affiliates: Metropolitan Casualty Insurance Company, Metropolitan Direct Property and Casualty Insurance Company, Metropolitan General Insurance Company, Metropolitan Group Property and Casualty Insurance Company, and Metropolitan Lloyds Insurance Company of Texas, all with administrative home offices in Warwick, RI.

• Group Legal (employers with approximately 10 or more employees) through Hyatt Legal Plans, Inc., Cleveland, Ohio, or, in certain states, underwritten by Metropolitan Property and Casualty Insurance Company, Warwick, RI, and in Florida provided by Hyatt Legal Plans of Florida, Inc.

• Accident, Hospital Indemnity, Critical Illness, Cancer, and Worksite STD (employers with 200 or more employees).

John Stanley, vice president and managing director, employee benefits, Transamerica:

We offer a comprehensive suite of voluntary benefit solutions that allow employers to help employees care for their health while building wealth. We provide Express Designs, pre-set custom plan designs for employers with between five and 100 lives. For groups above 100, we offer following voluntary benefits:

- Hospital Indemnity
- Critical Illness
- Medical Expense (GAP)
- Accident
- Cancer
- Short Term Disability Income
- Retiree Medical
- Universal Life
- Whole Life
- Term Life

In addition, we offer employer-sponsored retirement plans (defined contribution and defined benefit), along with Individual Retirement Accounts (IRAs).

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

Stephanie Shields, Aflac:

Yes. Aflac's individual and group plans are available to full-time employees, as defined by your client, who 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—Employees must work a minimum of 16 hours per week with the exception of group disability. Employee must work a minimum of 19 hours per week in order to be eligible for worksite disability and 20 for true group disability.

Richard Shaffer, Colonial Life:

Yes. All of our products are available to employees who work a minimum of 20 hours a week. Employees must be actively at work and permanent employees of the employer group.

Treg Balding, Guardian:

Yes. Guardian offers benefits to employees that work less than 40 hours a week. Our product offerings vary according to whether the employee works 30 hours or 20 hours a week.

Mike Schell, MESVision:

All benefit eligible employees as approved by the employer are also eligible for the MESVision voluntary vision plans.

Tim Jander, MetLife:

Yes. For all of our voluntary benefit products, we look to the employer to determine the group's definition of eligibility. We will work with each employer to determine the number of hours worked for eligibility requirements.

While 30 hours is a common threshold for full-time consideration, some states mandate that employees working fewer hours be considered for benefits. During implementation, we will confirm the number of hours to be considered full time and whether part-time employees will also be eligible for coverage. We adhere to all applicable laws and regulations concerning eligibility, which, in some states, exclude those not working more than 24 or 30 hours a week.

Employees must be actively at work to be eligible for our voluntary benefits. Actively at work means that employees are performing all the usual and customary duties of their

jobs on a full-time basis. This must be done at:

The group policyholder's place of business;

An alternate place approved by the group policyholder;

A place to which the group policyholder's business requires them to travel.

John Stanley, Transamerica:

Yes, many of our products are available to employees who work only 20 hours a week.

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

Stephanie Shields, Aflac:

Yes. Aflac has the tools and flexibility to meet the unique needs of businesses of all sizes – from personalized benefit consultations with employees, to benefits marketing and education, to enrollment solutions. We will work with employers to design a seamless enrollment experience tailored to their business. Aflac has found that the key to a great billing experience is understanding the client's technical and payroll capabilities and assisting them with selecting the billing option that best fits their wants and needs. Aflac has the ability to work with employers' systems and transmit billing data to an account in a variety of different ways. If an employers' system does not seem like a good fit, Aflac and Aflac Group also work with a wide range of third-party billing companies in order to make the billing process as easy as possible for our customers.

Richard Shaffer, 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 show 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.

Treg Balding, Guardian:

Guardian has extensive capabilities that drive employee engagement and higher participation.

With respect to enrollment data, we have electronic data connections with over 300 entities. We leverage Electronic Data Interchange file transfer process: member data is sent quickly and securely via a secured transfer protocol. We also accept data in an electronic excel (Census) format. In addition to our own online enrollment portal, we also have partnerships with multiple benefits technology vendors for benefits enrollment and administration. Additionally, we also accept post enrollment data on paper.

With respect to billing, we offer traditional group billing or more flexible payroll billing to match the employer's payroll system. With payroll billing we can support the following:

- Monthly variable billing
- Payroll frequency billing
- Seasonal billing
- Billing in arrears
- Payroll slotting
- Flexible payroll deduction reports

Mike Schell, MESVision:

MESVision offers flexibility in enrollment data submittals based on the needs of the individual group.

Billing capabilities can flex based on the needs of the group as well.

Tim Jander, MetLife:

Yes, MetLife, for itself, and as the billing service provider for its affiliates, is able to work with virtually all types of benefit admin systems.

John Stanley, Transamerica:

We have developed a simplified process that allows us to work with almost any benefit administration and enrollment platform. Our billing capabilities are extremely flexible and can meet nearly any need an employer has.

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

Stephanie Shields, Aflac:

Yes. Aflac has the flexibility to conduct enrollments through each of these methods – one-on-one benefit sessions, group meetings, call centers and online self-enrollments. However, the availability of each method is determined by the number of eligible employees and state regulations.

Richard Shaffer, 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.

...voluntary plans can complement any benefits package by offering an additional layer of financial protection if the unexpected happens.

—Stephanie Shields

Treg Balding, Guardian:

Guardian supports one-on-one benefit sessions, group meetings, call centers and online self-enrollments

Online
Guardian Anytime enrollment platform
Broad range of ben admin solutions based on your needs
Digital and online communications

Onsite
Guardian appointed enrollers
Educational presentations, webinars, digital and online communication tools
Broker/enroller-led face-to-face

On Paper
Group-specific enrollment booklets
Direct mail and desk drop communications
Posters, flyers, forms and product guides

On Phone
Employee Benefits Hotline for case installation
Call Center Assisted Enrollment

Mike Schell, MESVision:

MESVision will attend enrollment meetings and conduct presentations to the voluntary plan group.

Our Customer Care Center can answer all questions related to the voluntary plan chosen by the employer. Eligibility and enrollment on the employer sponsored voluntary plan must be submitted by the group electronically or via MESVision.com. Changes and additions can be made by the group benefits manager in real time at MESVision.com.

Tim Jander, MetLife:

While MetLife does not offer an in-house enrollment solution, we partner with many companies (i.e., enrollment firms, technology vendors, third-party administrators and human resource outsourcing firms) who specialize in online enrollment and who can deliver a high quality, flexible and relevant environment for you to utilize for your employees.

During the annual benefit enrollment period, we will ask that the MetLife voluntary products are programmed as an on-ballot benefit option with a yes/no benefit election decision alongside the customer's medical, disability and life insurance. We can supply suggested text to the customer or their enrollment firm that will provide an overview of the products as well as the rates.

We can work with virtually any enrollment platform to provide a seamless administration. We have strong partnerships with national and local enrollment firms who provide a wide variety of enrollment platforms.

Enrollment and Communications

A MetLife Voluntary Communications Specialist (VCS) will act as a dedicated resource throughout an employer's enrollment process. He or she will meets with the employer to gain an understanding of the company's demographics, voluntary benefits product history, organizational structure and any case-specific requirements. With this information, the VCS will recommend the best enrollment methodology and create communication materials to maximize employee education and participation. We can provide a variety of printed communication materials including posters, table tents, payroll stuffers and email blasts. The VCS can also provide digital copies of employee-facing materials such as product overviews, FAQs and slipsheets that can be added to your brochure. We can also offer videos such as Jellyvision and Brainshark. Jellyvision customization can include the customer's name and logo and Brainshark offers some content customization.

We can provide microsites that feature product information regarding our voluntary benefits. Our standard templates allow for customization such as customer logo, document downloads and other assets. A microsite cannot be used for enrollment but it can be linked to an employer's intranet.

Onsite Services

Onsite support is typically provided before or during the open enrollment period for group meetings and benefit fairs with more than 100 employees at one location. Onsite support for wellness and non-enrollment related events is typically provided for group meetings with 100 employees on location, and benefit fairs with more than 250 employees at one location.

An Onsite Services Enrollment Representative will work with the employer, their TPA or broker, to determine what types of meetings can be supported. Enrollment methods include:

Group informational meetings followed by individual enrollment assistance;
Employee group meetings;
Train-the-trainer sessions for HR staff;
Benefit or health fairs.

Our Onsite Services team works with over 380 Benefit Counselors across the country. These Benefit Counselors average 10 years of industry experience. Typically, there is no cost associated with these services.

John Stanley, Transamerica:
Yes, we offer all of the above. Our goal is to provide enrollment options that best suit the needs of the brokers, employers and employees.

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

Stephanie Shields, Aflac: Yes.

Richard Shaffer, Colonial Life: Yes.

Treg Balding, Guardian: Yes.

Mike Schell, MESVision:
MESVision honors broker of record letters when verified by the employer group.

Tim Jander, MetLife:
Yes, MetLife will honor any written request from an authorized officer of a policyholder to recognize a broker or other intermediary as broker-of-record for purposes of providing such broker or other intermediary with information and/or paying commissions, provided of course that such request is not inconsistent with law or any in-force compensation agreement.

John Stanley, Transamerica: Yes.

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

Stephanie Shields, Aflac:
Yes. Aflac's goal is to make billing and payment of premiums simple and hassle-free for your client. Aflac's systems are flexible to accommodate a variety of billing methods and handle almost any type of billing layout.

Richard Shaffer, 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.

Treg Balding, Guardian:
Yes. Guardian offers a range of billing and payment options, from online to paper to electronic fund transfer, to help meet the varied needs of employers and ensure ease of administration.

Mike Schell, MESVision:
Yes. MESVision offers on line billing and payment on line at MESVision.com

Tim Jander, MetLife:
Yes. A single bill file platform is available for all voluntary benefit group products, which allows a single customer payment on a per- pay period or monthly basis. Unlike the other group products, MetLife Auto & Home enrolls employees individually.

John Stanley, Transamerica:
Yes. Our billing and payment processes are very flexible. As with our other processes, our goal is to meet the needs of the brokers, employers and employees in the most straight-forward manner possible.

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

Stephanie Shields, Aflac:
One of Aflac's billing options is an online invoicing portal for the account to review current participants, plan levels and billing information. This portal is where the account would reconcile their invoice monthly. Your clients are able to safely update, reconcile and pay their Aflac invoice electronically. This automated service enhances accuracy, speeds transactions and minimizes paperwork. Your client can save time and money, as their electronically remitted payments and changes are processed faster.

Richard Shaffer, 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.

Treg Balding, Guardian:
Yes. Guardian's benefit website offers a one-stop source for plan administrators to manage their account online, including submitting eligibility changes that affect their bill. Plan administrators have the flexibility to recalculate their bill online to account for added and/or deleted members.

Mike Schell, MESVision: Yes.

Tim Jander, MetLife:
Yes. Through our online billing system per pay period deduction amounts can be changed in accordance with each payroll run. Unlike the other group products, MetLife Auto & Home enrolls employees individually.

John Stanley, Transamerica:
Yes, our online process allows employers to terminate insurance.

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

Stephanie Shields, Aflac:

Aflac offers many billing options designed to meet a variety of needs. Aflac can handle almost any type of billing layout and accommodate several billing methods (e.g., list bill, self-bill, summary bill, self-accounting).

Richard Shaffer, 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.

Treg Balding, Guardian:

Yes. Guardian offers a single bill (online or in the mail) for all Guardian coverages a client has in order to ensure the payment process is easy to manage.

Mike Schell, MESVision: Yes.

Tim Jander, MetLife:

Yes. MetLife can allow for a single voluntary benefit deduction for numerous benefits or separate deductions for each benefit on one single bill.

John Stanley, Transamerica:

Yes, on our enrollment platforms as well as on our bills the policies are in one place. All policies will be shown on one bill or statement.

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

Stephanie Shields, Aflac:

Aflac offers online services for policyholders who have an individual insurance policy. Policyholders can log on to myaflac.com 24/7 to do the following:

- Download claim forms and check claim status.
- Access policy information.
- Update personal profiles.
- Request forms or copies of their policies.
- Obtain contact information of their Aflac agent.
- File claims quickly using Aflac SmartClaimSM.

Richard Shaffer, Colonial Life:

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

Treg Balding, Guardian:

Yes, Guardian's online platforms enable administrators to manage their account online, including look ups for an employee's policy status, coverage effective date and policy/coverage type.

Mike Schell, MESVision:

Yes. At MESVision.com the group administrator and the plan member have access to specific portals for this information.

Tim Jander, MetLife:

Our online billing system allows the employer to sort the bill by different criteria for group products. MetLife Auto & Home enrolls employees individually.

John Stanley, Transamerica:

Yes, we offer the ability to search employee policy status to determine insurance type and effective dates.

10. Do you offer downloadable claim forms?

Stephanie Shields, Aflac:

Yes. Aflac policyholders who have an individual insurance policy may download claim forms from myaflac.com, and for group claims, forms can be downloaded on aflacgroupinsurance.com. Individual products offered by Aflac can also be filed online via Aflac SmartClaimSM (Aflac.com/claims). Policyholders also get tips on expediting forms and a direct link for sending a message to Aflac's Claims department, if desired.

Richard Shaffer, Colonial Life:

Yes. Policyholders and plan administrators can download and print Colonial Life claim forms on the company's website at www.ColonialLife.com.

Treg Balding, Guardian:

Yes, Guardian's online platforms enable plan administrators and members to manage their account online, including the ability to download claim forms or e-mail a claim form directly to someone.

Mike Schell, MESVision: Yes.

Tim Jander, MetLife: Yes. Accident, Cancer, Critical Illness, Hospital Indemnity and Worksite STD

For groups with less than 5,000 lives, enrolled employees can download claim forms on our employee website, MyBenefits. Online, participants can also:

Initiate a claim;
Upload claim documents;
Check status of a claim;
Submit information to a physician electronically;
View claim correspondence;
Opt-in for eAlerts from product groups;
Access their core MetLife benefits such as Life, Disability and Dental;
Change beneficiaries.

MetLaw Legal Services

Claim forms are not required for our legal services product because payment for covered services is handled be tween MetLaw and the network of provider attorneys. Participants simply call our toll-free number for a referral code for a participating attorney. Once the services have been provided, payment is facilitated from MetLife to the attorney at no cost to the participant.

Nationwide Pet Insurance

We partner with Nationwide to offer our pet insurance product. Participants can download a claim form online at the Nationwide website, petinsurance.com. The participant will complete the claim form using the information from the veterinary visit and include a copy of the itemized invoice. The participant can mail, fax or email the claim form and invoice to submitmyclaim@petinsurance.com.

MetLife Auto & Home

Claim forms are not usually required for Property and Casualty claims, as most claims are submitted telephonically and an adjuster can often settle the claim within the same phone call.

That said, MetLife Auto & Home participants can download claim forms at MyBenefits, our employee website. Customers can submit completed claims information and photographs by uploading, emailing or mailing the claim form. In addition, we can process towing claims online in many states.

MetLife Auto & Home also offers a downloadable app for iOS and Android platforms which can be downloaded via the Apple App Store and Google Play Store.

John Stanley, Transamerica:

Yes, employees can download claims forms or simply submit claims online with our web-based forms.

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

Stephanie Shields, Aflac:

Yes. Aflac's broker sales professionals and agents go through a process to learn about products and processes particular to the company.

Richard Shaffer, 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.

Treg Balding, Guardian:

Yes. Guardian sales representatives achieve a high level of comprehensive knowledge of the Guardian products they present through intensive and ongoing training. Guardian has a dedicated sales training team that helps to onboard new sales reps and provides ongoing regular training via virtual and classroom settings.

Mike Schell, MESVision:

Yes. All of our field representatives are licensed insurance agents in the state of California as well as inside sales service associates.

Tim Jander, MetLife:

Yes. Our licensed representatives specialize in voluntary benefits and have extensive experience in designing benefit programs.

John Stanley, Transamerica:

Yes, we do require carrier reps to have comprehensive knowledge of our products and we provide in-depth product training programs for our new reps as well as for anyone who needs a refresher course.

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

Stephanie Shields, Aflac:

Aflac has a strong history of working with brokers. In 2015, Aflac established a national, W-2 team of experienced insurance professionals focused on broker partnerships and large employers. Since then, we have continued to expand and evolve our model so we are able to serve large national brokerage houses as well as smaller, regional broker firms. Our professionals are assigned by broker, giving them the best opportunity to build relationships and ensure Aflac is meeting the needs of our partners.

Richard Shaffer, 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.

Treg Balding, Guardian:

With one of the longest-tenured sales forces in the employee benefit industry, Guardian has a history of understanding the needs of growing businesses, which strengthens good working relationships. Guardian's promise is to give brokers more ways to take good care of their clients. Our flexible and comprehensive product portfolio and responsive, personalized service support local relationships in delivering on this promise. Additionally, Guardian has practice leaders that help reps position / explain Guardian solutions such as Worksite and Absence Management. Guardian also has a Strategic Partnerships team that facilitates stronger partnerships with broker firms at the local and national level to develop unique solutions to meet client's needs.

Mike Schell, MESVision:

MESVision markets our vision plans through the insurance broker and we value and respect the relationship between the group and the broker.

Tim Jander, MetLife:

Our representatives work closely with brokers and consultants to help provide solutions that meet the needs of their clients.

John Stanley, Transamerica:

Our carrier reps visit with brokers to learn their business and share how Transamerica products can provide solutions for specific clients. Our reps are available for face-to-face meetings and brokers also have continual access to our virtual reps who are easily accessible to support brokers throughout the sales process.

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

Stephanie Shields, Aflac:

With more than 60 years of experience in voluntary insurance and a brand that nearly nine out of 10 people recognize today, Aflac's worksite marketing materials are designed to create awareness, greater understanding, and increase participation in benefit programs. Whether supporting a small business or large corporation with complex logistics, Aflac can help your clients reach employees through various channels, such as:

- Brochures and flyers
- Posters and tent cards
- Payroll stuffers and direct mail
- Product videos
- Microsites, web banners and emails
- Sponsored ads on social media
- Augmented reality
- Beacon technology
- Geotargeting

Richard Shaffer, Colonial Life:

Yes. Colonial Life realizes benefits and insurance terms can be complicated. That's why the company's marketing materials are easy to understand. Simplified enrollment materials help employees better understand their insurance needs so they can make better decisions to meet their needs.

Treg Balding, Guardian:

Yes, Guardian's marketing materials can be accessed via Guardian Anytime, our digital platform. We offer innovative tools that make it easy and convenient for brokers, plan holders and members to access benefits materials and information online, anytime, anywhere.

Mike Schell, MESVision: Yes.

Tim Jander, MetLife:

Yes. We offer a broad range of materials that are easy to understand and demonstrate the value of voluntary benefits to employees. MetLife will work closely with brokers and their clients to understand an employer's workplace culture, communications style and preferences. This approach, coupled with our experience and knowledge of proven communications practices, will help to ensure that the simplest and most effective communications are implemented.

John Stanley, Transamerica:

Yes, we provide materials that take the guess work out of voluntary benefit solutions. Our collateral explains the important features of our products as well as how employers and employees will benefit from the insurance.

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?

Stephanie Shields, Aflac:

Aflac constantly measures our customer satisfaction level with policyholders and business accounts in a variety of ways, such as surveys and audits, to ensure we are meeting our established customer service goals and standards. We monitor satisfaction with the total Aflac experience as well as satisfaction with enrollment, claims and billing. Aflac's customer service quality program is administered by our Quality Assurance department. Each major business function, (i.e., primary, claims, and specialty) is sampled monthly. Additionally, for quality scoring, a minimum of five audits per month for each customer service center representative are guaranteed. All scoring and error trending are reported weekly, monthly and quarterly to management. Aflac's Internal Audit Department also conducts audits by line of business in addition to their annual assessment of internal claims controls.

Richard Shaffer, 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.

Treg Balding, Guardian:

Guardian puts the customer first, so we make it a priority to ensure our customers are getting the best service and that we are meeting their needs. We set goals, track and report the results each year. We also do regular Voice of the Customer surveys to make sure we are hearing what is important to our customers. For our Large Market customers, we have a dedicated Account Services manager who handles all service related items related to the group.

Mike Schell, MESVision:

The MESVision Quality Assurance Committee monitors our service delivery and quality of care on a monthly basis. On quarterly basis we conduct member surveys to determine the satisfaction of the plan participant when using the MESVision plans.

Tim Jander, MetLife:

We provide utilization and participation reports to employers at their request. We also monitor our customer satisfaction levels through our call center on an ongoing basis.

John Stanley, Transamerica:

We perform customer service surveys to evaluate the level of service we offer and we continually work to optimize those results. We also have mechanisms and procedures in place, including reviews of customer phone calls, to ensure that established levels of quality are being met.

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?

Stephanie Shields, Aflac:

Yes. There are more than 70,000 independent sales agents licensed to sell Aflac products throughout the United States. Aflac's certified enrollees are available to service multi-location accounts, and we have a national sales coordinator team to manage these relationships. In addition to Aflac's sales agents, the company also offers a team of dedicated broker sales professionals in every major metropolitan area to support and service Aflac's brokers and their clients. Aflac's agent distribution model and broker channel can help you manage your clients' open enrollment needs no matter the size or location.

Richard Shaffer, Colonial Life:

Yes. Colonial Life has 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, ID theft protection, student loan repayment services 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.

Treg Balding, Guardian:

Guardian has over 40 local sales offices nationwide to support the needs of brokers and their clients. We have Regional Sales Directors, Regional Service Managers, Sales Reps, Account Managers and Key Account Managers that support the sales and service function at the regional level.

Mike Schell, MESVision:

MESVision is based in Costa Mesa California with field representatives located in Southern, Northern and Central California.

Tim Jander, MetLife:

Yes. We have representatives that specialize in voluntary benefits located in major cities throughout the U.S.

John Stanley, Transamerica:

We have successfully built an internal virtual team consisting of sales professionals who can work with employers to answer any questions that arise during the sales process. We also have a stellar customer relationship team readily available by phone to take care of any business needs the employer has. Our virtual teams are incredibly responsive and have the knowledge and decision-making authority to ensure that clients' needs are met.

16. Do you have 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 enrollments.)

Stephanie Shields, Aflac:

Yes. Aflac has W-2 broker sales professionals and designated service teams that support our broker channel. The service teams will lead the broker and client throughout the implementation and ongoing administrative process.

Richard Shaffer, 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.

Treg Balding, Guardian:

Yes. Guardian has local sales representatives to help brokers market our products. We also have Account Managers & Key Account Managers dedicated to growing the business, renewal placement and persistency. Additionally, we work with operational staff the ensure cases are implemented smoothly, and we've met the needs of the client.

Mike Schell, MESVision:

Each of our field sales representatives is supported by a team of inside service representatives and account managers.

Tim Jander, MetLife:

Yes. Our sales and service teams work closely together to meet the needs of our brokers and customers.

John Stanley, Transamerica:

Yes. We have both internal and external regional vice presidents who work with brokers. We also have client relationship managers available throughout the year to ensure that enrollment is successful.

17. Do you specialize in voluntary benefits?

Stephanie Shields, Aflac:

Yes. Aflac is the No. 1 provider of voluntary insurance at the worksite (Eastbridge, 2018). Aflac offers individual and group products as well as a portfolio of value-added services. Aflac is a leader in providing policies that pay cash benefits directly to insureds, unless assigned. With our broad portfolio of offerings, Aflac's solutions suit virtually every business size and type. From three employees to 320,000, Aflac can fit easily within almost 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 back our plans up with the following:

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

Richard Shaffer, 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 nearly 80 years it has been in business, the company has developed strong expertise and experience in the voluntary benefits industry.

Treg Balding, Guardian:

Guardian understand that employees today are seeking more protection products to help meet their needs. As a result, voluntary benefits are an integral part of our group business. Over the last few years, we have developed new voluntary and supplemental health products, enhanced existing ones, and invested in new and innovative capabilities designed to support them. We also offer plans that can be fully or partially funded by the employer to help provide the employer with various options.

Mike Schell, MESVision:

MESVision is a managed care vision plan based in California and specializing in only vision care. We specialize in voluntary, employer paid and self funded plans.

Tim Jander, MetLife:

Yes. We offer a broad product suite of voluntary benefits products, including:

Accident Insurance
Hospital Indemnity Insurance
Critical Illness Insurance
Cancer Insurance
Auto and Home Insurance
Legal Plan (MetLaw®)
Worksite Short Term Disability

We make it cost effective and hassle free for employers to offer voluntary benefit solutions and enhance their existing benefits programs. Our 100+ years of experience in the group benefits industry and our innovative tools streamline the process to deliver information effectively and increase employee engagement and satisfaction.

Our leading market positions, competitive and innovative product offerings, financial strength and expertise will help drive future growth and enhance shareholder value, building on a long history of tradition and integrity. For more information, please visit www.metlife.com.

As of first quarter 2018, we rank first in total voluntary health sales according to LIMRA's Quarterly U.S. Total Supplemental Health Insurance

Per LIMRA's first quarter 2018 U.S. Workplace Benefits Supplemental Health Insurance survey, our market rankings based on voluntary sales are as follows:

- First in the Critical Illness Insurance market;
- Third in the Accident Insurance market;
- Second in the Hospital Indemnity Insurance market;
- Eighth in the Cancer Insurance market.

As of year-end 2017, MetLife is the largest Group Auto and Home benefits provider in the country, with approximately 41 percent market share. We have the privilege of providing Property and Casualty products and services to 73 of the top 100 Fortune 500® companies.

MetLaw is the nation's leading provider of employer-sponsored legal coverage with an 80 percent market share of Fortune 500 companies that offer a group legal plan.

John Stanley, Transamerica:

Absolutely. Transamerica has been providing voluntary benefits for more than 50 years. As an organization we are committed to improving the Wealth + Health of employees by working with brokers and employers to ensure that our solutions are easy to understand, flexible regardless of internal processes or platforms, simple to implement, and ultimately allow for a seamless enrollment and claims experience for employees. Transamerica's voluntary benefits solutions help employees live their best lives.

Thanks to all the survey respondents for the great info.

We'll check in with you next year!

HELPING PROTECT EMPLOYEES WITH ACCIDENT INSURANCE

By WENDY HERNDON

Life happens to all of us. There is not enough knowledge in the world to know when accidents will occur. Not only could they ruin your plans, but they can take a serious jab at your savings.

Knowledge is power, so the saying goes. Maybe it is because the more we know, the easier it can be to prepare. Weather forecasts, for example, help us know if we should pack an umbrella that morning. It is also true in sports: a baseball coach whose team is facing the best in the league will study their opponents to know how to win.

Yet, prognostication is not a superpower. A meteorologist might predict a sunny day but miss the chance rainstorm that causes you to rush for cover – and slip on the sidewalk in the process. A coach could never prepare enough for his or her star player fracturing a wrist during pregame practice.

Life happens to all of us. There is not enough knowledge in the world to know when accidents will occur. Not only could they ruin your plans, but they can take a serious jab at your savings. Rising medical costs coupled with the growing popularity of high-deductible health care plans is creating financial strain for many individuals and families. In fact, nearly two-thirds (65 percent) of employees said they could pay less than $1,000 in out-of-pocket costs for an unexpected illness or accident today.

Accident insurance can help workers and their families stay ahead of the expenses that add up quickly after an injury, including treatment-related costs and everyday bills that may continue to roll in. As clients re-evaluate their plans ahead of the fall benefits enrollment season, now is a good time to explain the importance of accident insurance. Below are a few points to keep in mind while meeting with clients.

Helps employees prepare for the unexpected

After a serious injury occurs, most people naturally focus on treatment and recovery. However, once the initial shock wears off, financial worry and sticker shock from medical bills can sink in fast. While major medical insurance may pay for some doctor, pharmacy and hospital costs, most people are left with unexpected out-of-pocket expenses that were not intended to be covered by major medical.

Depending on the plan, accident insurance can pay a specific benefit amount for:

- Emergency room treatment, X-rays and diagnostic exams.
- Physical therapy and follow-up treatments.
- Ground or air ambulance to a hospital.
- Hospital confinement.

No person is immune to an accident

Unlike some insurance policies that may be more appropriate for certain age groups or at-risk individuals, voluntary accident insurance can be beneficial to a wide range of employees.

The CDC estimates hospital emergency departments receive 30.8 million visits each year for accidental injuries. Clearly no one is immune to life's unexpected events. Therefore, when meeting with customers, it is important for brokers and agents to reiterate how accident insurance provides both peace of mind and financial security for everyone, regardless of life stages.

The reality is that many employees – from new graduates who have not had time to build up an emergency savings account to older employees who want to avoid taking money out of retirement funds early – may not have the cash on hand to cover high deductibles or out-of-pocket costs. However, with accident insurance, customers do not have to risk the inability to pay normal living expenses or derail their financial goals as a result of an unexpected injury.

This means life can go on for all employees – parents do not need to redirect their savings to help pay for a child's broken arm, and weekend warriors can continue to chase their wanderlust without worrying about whether their benefits follow them when they are out of town.

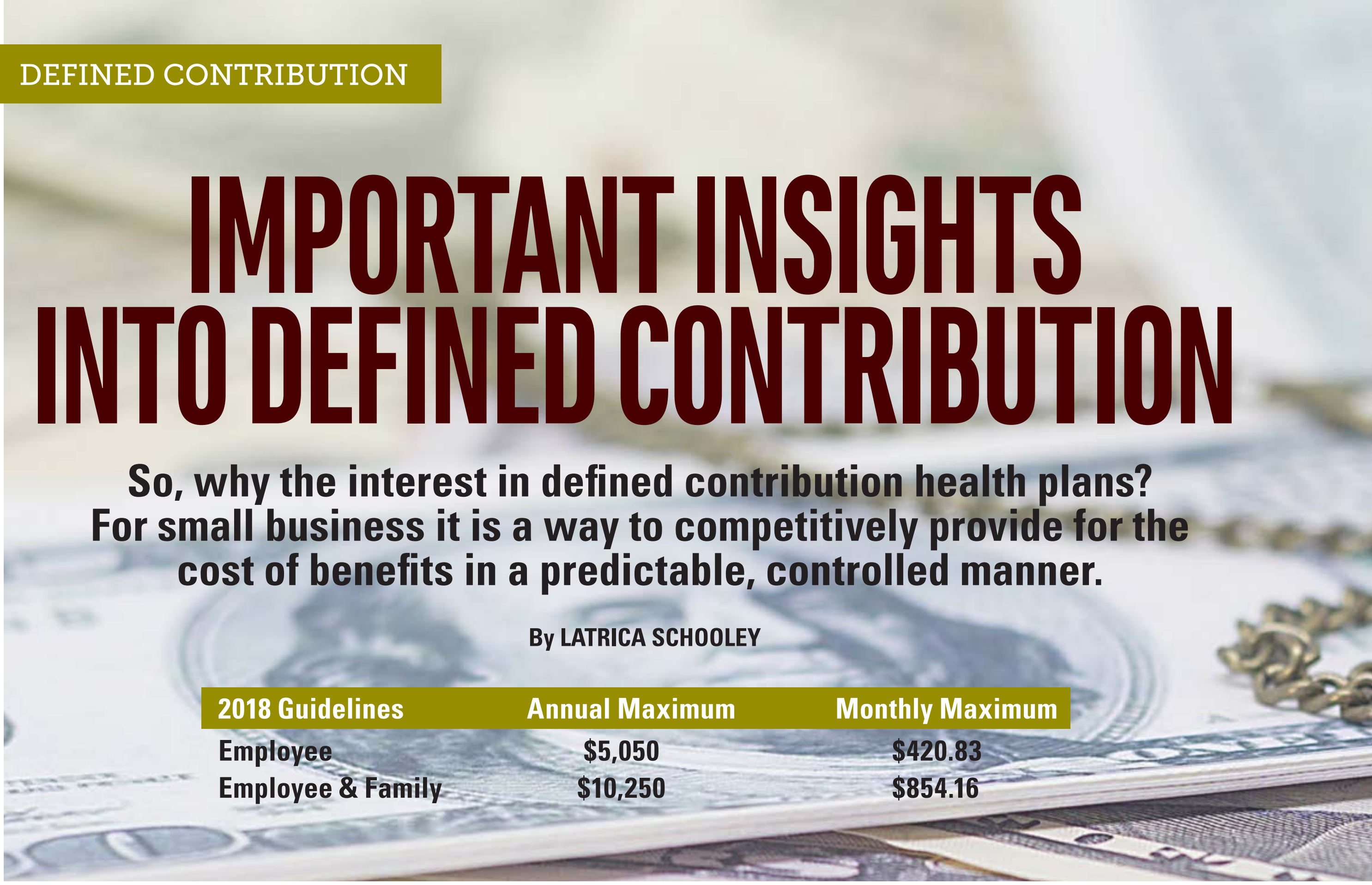
What is in it for the employer?

There is yet another reason for employers to offer accident insurance: the growing focus on corporate social responsibility. Companies today are increasingly judged by their impact on the environment, on the communities in which they do business, on their civic and social contributions and on the way they treat the employees who depend upon them for financial security.

By providing clients with access to accident insurance – in other words, by showing they genuinely care about employees both on the job and after business hours – they can better demonstrate the compassion that separates great companies from merely good ones. Best of all, voluntary insurance policies can be offered at no direct cost to the employer.

While we may not be able to know everything, we can certainly be prepared. So, check the weather forecast and study up for the big game. For your clients, however, make sure they know the value of preparing for the unpredictable by offering their workers accident insurance.

Wendy Herndon is second vice president of product development and implementation at Aflac. With more than 20 years of experience in this field, she is responsible for managing and guiding product portfolios through their entire life cycles including strategy, development and implementation.



IMPORTANT INSIGHTS INTO DEFINED CONTRIBUTION

So, why the interest in defined contribution health plans? For small business it is a way to competitively provide for the cost of benefits in a predictable, controlled manner.

By LATRICA SCHOOLEY

2018 Guidelines	Annual Maximum	Monthly Maximum
Employee	$5,050	$420.83
Employee & Family	$10,250	$854.16

Self directed health plans, consumer driven options, personalized benefits, benefits shopping spree...all of these terms have been used to describe defined contribution health plans. As professionals in the benefits industry, it is our imperative to delve deeper for those depending on our advice. In uncovering a plan design it is very easy to remove what appears to be the golden fleece and expose Medusa's hair if the design is flawed.

So, why the interest in defined contribution health plans? For small business it is a way to competitively provide for the cost of benefits in a predictable, controlled manner. For these employers it is important to reiterate that this is not a health plan per se but an alternative approach to financing and managing health care for employees.

Factors that contributed to the emergence of these plans were:

- Creation of QSEHRA in 2016 through the 21st Century cures act
- Increased costs- consumers have seen higher premiums, deductibles and rx costs
- Push for transparency
- Competition for the best employees

Rachel Miner, president of Thrive Benefits, healthcare consultant and strategist, has seen the plans gain traction in other markets but not in her market. "On paper, I really like the strategy but it is hard to get the freedom and flexibility employers and employees are seeking without education. Who is managing the plan? Who is educating the employers and employees? Is this truly a good fit for this specific partner?"

So let us start at the beginning, when the House of Representatives passed 21st Century Cures Act in December 2016. QSEHRA (Qualified Small Employer Health Reimbursement Arrangement) was born with this bill that supported a provision that allowed HRAs (health reimbursement arrangements) for small businesses.

Here is how the QSEHRA works:

1. Employer Sets a Monthly Allowance. The amount must be uniform, there are no minimum contributions and allowances can be different for employee only, or employee and family... The maximum contribution cannot exceed federal guidelines for 2018. Please consult your tax account. Limits are adjusted annually.

2. Employees make qualified purchases. These qualified purchases include individual health insurance premiums, individual dental or vision premiums, prescription and some non-prescription drugs. Please see Internal Revenue Code 213 d for eligible expenses or changes to qualified reimbursements.

3. Employees submit proof of expenses. Proof of expenses include invoices, receipts or explanation of benefits from the carrier.

4. Employer's review and reimburse employee's qualified expenses.

There are requirements for employers and employees in order to receive tax advantages. Employers must have a plan document, must have less than 50 full time employees (ale), and cannot offer any employee a group health plan, only employer can contribute to QSEHRA. Employees must have a MEC plan to receive any reimbursements.

Employers have chosen these arrangements because:

- Employer defines contribution amount and controls budget
- Costs are only incurred when employees receive reimbursement
- Pre funding is not required
- Unused funds stay with employer

Naama Pozniak, a well-respected healthcare innovator and CEO of A+ Insurance Services, has had a different experience in surrounding benefits market. "I have had employer partners request these plans and after a year it does not work because in our market there are not affordable individual health insurance options. The best option for employees is a group plan in this market when it is available. It is all about education and I am here for my partners, but this has not been a good model here. In order for the arrangement to be success it must be in a competitive individual market. If that does not exist, it would be a challenge to make the plan design work."

It is very important as advisors to understand that in some markets this can be a good fit, but there are consequence such as penalties to employers if plans are not set up correctly or notices are not provided on a timely basis. The consequences start at $50 per employee or excise taxes of $100 per day. Take a moment what is the need you are trying to fill for the client? Is it to attract and retain talent? Is it to decrease cost? Is it to help employee survive the financial hardships of the current healthcare market. What solutions will you offer and how will you build this arrangement? Whom will you collaborate with or recommend as a partner to administer the plan for the employer? This is not a one size fits all solution and requires proper setup, administration and compliance. However, this can be a good solution with the right conditions and can open doors for other needed plans such as ancillary by freeing up dollars and providing greater choice it requires some sharing of knowledge, the right partners, the right plan design and the ability to coordinate and streamline as needed. Please make sure to consult with your accountant regarding tax consequences and plans updates or details as this is just for informational and is subject to change at any time.

For over 24 years Latrica Schooley has been a leader in Insurance Industry first as an agency owner and has been noteworthy in the last 16 years in the Voluntary Benefits space from her work as an Area Director and most recently as a Regional Broker Manager. She has been honored with LPRT, All American and a consistent top producer in the industry and has been featured in Benefit Pro, developed continuing education programs for her Broker partners, served on the Board of NAIFA and been active in her NAHU chapter. Her greatest accomplishments by far are of being a wife , mom and a lifetime learner in order to give back to the industry that has given her so much.

IS IT TIME TO BUNDLE UP?

How Choosing One Company to Provide Your Medical, Vision and Dental Benefits Can Lead to Happier and Healthier Employees

By SCOTT TOWERS

Winter is approaching and it may just be time to bundle up! While Californians don't have to worry about digging out their hats and scarves, bundling up on medical and specialty benefits can help to boost employee enrollment. In fact, medical, dental and vision benefits rank as the top three popular benefits elections according to the 2018 Transitions Optical Employee Perceptions of Vision Benefits survey.

While medical coverage is a fairly standard offering for most employers, access to dental and vision benefits are highly sought after and can provide high returns-on-investment at a relatively low cost. Offering vision and dental benefits can even help to increase employee attraction and retention. A 2018 consumer survey conducted by Anthem, Inc., examined the effects of specialty benefits—like vision, dental, disability, life insurance, etc.—on job satisfaction and found that employees consider vision (62 percent of respondents) and dental (73 percent of respondents) benefits as "must haves" when evaluating job offers. Furthermore, employee job satisfaction increases by 5 percent for each added specialty benefit. Beyond this, there are other advantages to offering and encouraging employee enrollment in vision and dental benefits. For example, both vision and dental-health are linked to an employee's overall health—and a healthier, happier workforce is a more productive workforce.

Vision and Dental: Benefits that Improve Overall Health

Aside from general medical/health benefits, vision and dental benefits remain the top two voluntary benefits in terms of employee enrollment; 76 percent of employees reported that they are enrolled in vision plans and 86 percent are enrolled in dental plans. Vision and dental are both major players in the benefits field, so simply offering them as part of a package allows employers to remain competitive and attractive to new and potential talent. In addition, when these benefits are offered through the same insurer with an integrated network, like Anthem Whole Health Connection offered by Anthem Blue Cross, providers are able to access the health data for their patients which allows them to form actionable insights that provide better care and better health. For example, 91 percent of vision care providers indicated that they could provide better care if they understood the clinical profile of their patients, according to a 2012 Anthem Provider Survey.

But while integration and offering these benefits are critical, education is still needed on behalf of employers when it comes to encouraging employees to enroll in and utilize any benefit. Anthem's consumer survey found that 71 percent of those who are enrolled in a vision plan use their benefits once a year and 47 percent of men avoid eye exams until they "really need one" vs 30 percent for women. Similarly, only 64 percent of employees use their dental benefits once every 6 months and 50 percent of men avoid going to the dentist until they "really need one" vs 44 percent for women.

This is alarming—considering early detection and treatment of both eye health and dental health issues can mean better overall health and fewer

medical costs for both employers and employees. Looking at the impact of vision care specifically, more than 10 million Americans have undiagnosed eye conditions or vision problems that could potentially lead to visual impairment, vision loss and/or increased medical costs, according to the Vision Council. Additionally, it's estimated that the total economic burden of eye disorders and vision loss in the U.S. to be $139 billion, according to a 2013 report from Prevent Blindness America. Furthermore, many of the most common eye conditions or diseases—including glaucoma and age-related macular degeneration—have little or no early warning signs making routine eye exams critical. Not everyone needs vision correction and that can be misleading to younger employees, who may not believe they are at risk for sight-stealing eye diseases. But healthy vision goes beyond having 20/20 vision and routine eye exams are important for everyone—especially for those who have a family history of certain conditions. This is imperative for those who have or who are at risk for diabetes, as signs of the disease can be seen in the eye in its earliest stages.

Much like comprehensive eye exams, regular visits to the dentist go beyond routine cleanings—serving as an initial step toward diagnosing many oral conditions and diseases. According to the American Dental Association, gingivitis, periodontitis, cavities and other oral conditions can be spotted and treated through regular visits to the dentist. And similar to how routine eye exams can detect overall health issues such as diabetes and cardiovascular issues, many medical conditions (over 120!) first produce signs and symptoms in the mouth, which can be identified during oral exams, according to the Academy of General Dentistry. For this reason, regular visits to the dentist are critical to promote overall wellness, as well as to aid in the early detection and management of chronic or potentially serious illnesses.

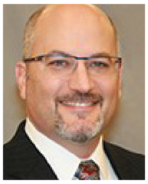
How Consolidating Companies and Bundling Up May Boost Enrollment

It's not a secret that offering both comprehensive vision and dental benefits plans are an important step toward making sure employers have what they need to keep employees healthier, happier and more productive. By consolidating these benefits with the same company that offers their healthcare plan, 9 out of 10 employees who were not already enrolled in a vision benefits plan say they'd be more likely to enroll, according to the 2018 Transitions Optical survey. There are many resources that brokers can offer to help employers educate employees on the importance of vision and dental benefits—and help them further understand how enrolling in a plan offered by the same company as their health benefits can help ease the cost of seeing the eye doctor or dentist.

Transitions Optical, for example, offers calculators for both employers and employees to determine the savings possible through premium vision benefits. These calculators can be found at HealthySightWorkingForYou.org. The American Dental Association also offers education and resources through MouthHealthy.org, including a symptom checker to help identify possible conditions, treatments and actions that people can take to make informed decisions about their oral health.

There is a great need and opportunity to increase employee enrollment in both vision benefits and dental benefits and offering them through the same company as their health benefits could be a great way to do this. Anthem Blue Cross offers both standalone vision and dental benefits, as well as overall health insurance. These benefits all work seamlessly through Anthem's integrated healthcare solution, Anthem Whole Health Connection®, to give physicians, dentists, optometrists, and care managers access to real-time patient information. When care providers work together, health care works better and problems can be identified earlier leading to improved patient health.

Additionally, maintaining good eye, oral and overall health can help employees stay productive while controlling medical costs. By bundling these benefits together under one health insurer, employees are able to simplify their enrollment and billing, improve the coordination of care for their benefits, and also experience a measurable impact on their overall job satisfaction leading to a happier and healthier workforce.



Scott Towers is president of Anthem, Inc.'s vision and dental divisions.

THERE'S GOLD IN THEM THAR VOLUNTARY PRODUCTS

By **JOHN THORNTON**

California is recognized as a progressive state, known for leading the nation in many areas. California is where Apple computer and blue jeans were invented. It also is the first state to ever reach a trillion dollar economy in gross state products. More specific to California brokers, did you know that California, along with Texas, led the nation in voluntary product sales for the third consecutive year according to Eastbridge Consulting Group's seventh annual U.S. State ESI and EPI Data Report? However, based on what Eastbridge calls its Eastbridge Sales Index (ESI), which measures voluntary sales penetration based on a states' employed population, California brokers still have a way to go to fully leverage the appeal of voluntary benefits in their state. California's ESI of 40 puts it below the national average of 52.

Clearly, California brokers see the opportunity in voluntary benefits as a way to bring value to their client relationships, while growing their books of business. Where there may be a disconnect occurring is in the use of a sound strategy for marketing and selling voluntary benefits. That strategy depends on having market insight, access to the most in-demand products, educational support, and knowledge of customers' employee bases, and how different workforce demographics influence voluntary product purchasing decisions.

A Snapshot of the Voluntary Market

According to the U.S. Bureau of Labor Statistics, in August 2018, California's civilian labor force had over 18 million employees; a large market for selling voluntary benefits. Add that figure to the fact that large employers, many of which California has, recognize the importance of offering the employees voluntary benefits. This was recently validated in the Willis Towers Watson survey of large employees (companies with 1,000 or more employees) which found that 69 percent of survey respondents believe that voluntary benefits will be a very or more important component of their total rewards strategy over the next three to five years. A MetLife survey further confirmed that employer sentiment reporting that 47 percent of employers that currently offer their employees voluntary products plan to increase the number of products they offer over the new few years. All of this is great news for brokers, especially those who stay on top of the latest voluntary trends and which products are really taking off.

Market research has continued to show certain voluntary products as being most popular with employees. In its most recent Voluntary Products Trends Frontline™ Report, Eastbridge reported critical illness, personal injury accident, and hospital indemnity coverage as the top three growth products. Other voluntary products that carriers deemed growing in sales and profitability were accidental death & dismemberment (AD&D) and critical illness. Just six years ago, short-term disability and term life insurance were the leaders in voluntary sales. It goes to show that changing workforce demographics and economic conditions influence what matters most to employees. This, of course, is also a function of an employer's specific employee base. Baby boomers, for example, have different financial and health concerns than Gen X, Y & Z workers do as reflected in the voluntary products each generation values most. Brokers, who understand their customers' specific workforce demographics, and know what voluntary products are most meaningful to a specific age group, will be more successful selling voluntary benefits.

Given that millennials (those born between 1980 and 2000) now comprise the largest percentage of individuals in the workforce (Pew Research), it's important to know that they do place a high value on financial security and appreciate flexible health benefits. Once they start having families, disability insurance, accident insurance and dental coverage take on a higher priority. After all, children ages 5 to 14 account for over 3 million emergency room visits

Strategies to Capture Voluntary Sales

yearly (Centers for Disease Control and Prevention) and have regular dental needs during their childhood. Millennials also like voluntary benefits that are portable (e.g., portable term life) as many will change employers more than once over the course of their careers. Baby boomers have different priorities. A 2017 PriceWaterCoopers survey found that their greatest concern is not having enough money for retirement and facing financial losses due to a health problem. Understandably, this generation values long-term disability and long-term care insurance. By simply knowing the composition of a customer's workforce, brokers can tailor their voluntary sales presentations to be most meaningful.

Successful Strategies for Selling Voluntary Benefits

Along with customizing their sales pitches to the customer's workforce, brokers can increase their voluntary benefit sales by deploying other sound strategies. They include:

• Provide education. Insurance is complicated and the average American lacks knowledge of insurance and also harbors many misconceptions, particularly relating to price. According to a recent LIMRA report, most Americans, of all generations, mistakenly believe insurance costs much more than it actually does. For example, 44 percent of millennials surveyed in the LIMRA study overestimated the cost of life insurance by five times the actual cost. By providing educational materials at the worksite, which clearly explain the role of each voluntary benefit, as well as its features and terms, brokers can address the literacy gap and dispel the myths. Having knowledgeable voluntary benefit specialists on hand at the worksite during enrollment periods to give employees the opportunity to ask their specific questions further helps increase sales. Also, take advantage of the carriers' educational materials and online resources.

• Partner with the right carriers. Make sure you are aligned with carriers that have a broad selection of cost-effective voluntary benefits your customers' employees want. Through strong relationships with carriers that not only have a robust portfolio, but can also cite a long history of fiscal stability and strong claims-paying history, brokers can be confident that their customers' employees will be served well.

• Showcase initiatives employers can use to help their employees contain their voluntary benefit costs. Share with customers various initiatives such as employee wellness programs, incentives for good health and fitness habits, onsite medical screenings, and workplace seminars led by financial and health care professionals to help build employee knowledge on ways in which they can contain their voluntary benefit costs, while developing healthier lifestyles and advancing their financial security.

• Help remove the enrollment pain. Many employers are reluctant to offer voluntary benefits because of what they consider to be a burdensome enrollment process. Advising employers on how to leverage pre-enrollment planning processes, face-to-face worksite enrollments, online procedures and premium direct deposit methods can mitigate this obstacle.

The number of brokers selling voluntary benefits continues to rise. Eastbridge reported an increase from 48 percent in 2015 to 57 percent in 2018. California brokers can become the first in the nation to drive their states' voluntary sales to the top by deploying these sound strategies.

By John Thornton, executive vice president, sales and marketing, at Amalgamated Life Insurance Company (www.amalgamatedlife.com, White Plains, NY). In this role, Thornton applies over 30 years of insurance industry experience to lead the sales and marketing functions of Amalgamated Life Insurance and other entities within the Amalgamated Family of Companies. His effective strategies have led to Amalgamated Life's steady growth of its voluntary portfolio and related sales. As a member of the senior executive team, he is actively involved in the operations, oversight and direction of the organization.

In advance of The Federal Reserve's recent interest rate hike announcement, MDRT conducted a consumer study to gain valuable insight regarding expectations and knowledge of how potential increases would impact financial plans. Advisors can use these findings to start a conversation with their clients and prospects to help them navigate portfolio changes now, and in the future.

Although the majority (85 percent) of Americans surveyed say they are somewhat or very confident in their financial skills, only 55 percent of those without an advisor feel at least moderately comfortable explaining the implications of higher interest rates compared to 76 percent of Americans with a financial advisor.

While many survey respondents do not have financial advisors (73 percent), 67 percent of these consumers believe working with one would increase their understanding of interest rate implications. On the positive side, two-thirds of survey respondents who work with a financial advisor indicated that the relationship increased their understanding of interest rate hikes.

Here are a few ways advisors can incorporate important inflation-related risk factors like changing interest rates into each stage of the financial planning process.

It is best to purchase bonds with the shortest duration. Short duration bond prices decrease at a lower rate when interest rates rise and are therefore less susceptible to major fluctuations.

Strategically allocate investment portfolios for interest rate increases

For most clients, investment portfolios come to mind first when interest rate increases are anticipated – they want to ensure their assets will sustain any shifts in the market landscape without losing substantial value.

MDRT's interest rate study found that over half (53 percent) of consumers with a financial advisor worked with their professional to proactively prepare their investment portfolio for higher interest rates. When all respondents – those with and without a financial advisor – were asked about actions they would take if the Federal Reserve raised interest rates again in the near future, 27 percent said they plan to change at least one aspect of their financial plan, 26 percent plan to talk with a financial advisor and 41 percent plan to monitor the impact through news coverage.

Bond investments

Bonds are most commonly utilized to hedge against stock market fluctuation, but are still subject to a less intense volatility. Generally, there is an inverse relationship between interest rates and bond pricing – when interest rates increase, bond values decrease. Incremental and steady economic changes do not typically lead to bond market fluctuations, however unanticipated changes like interest rates and rising inflation can hurt. When bonds lose value, it can happen quickly and typically as a response to more dramatic changes.

To safeguard client bond investments, first take a strategic look at the duration of the bonds being purchased. When interest rates are expected to rise, it is best to purchase bonds with the shortest duration. Short duration bond prices decrease at a lower rate when interest rates rise and are therefore less susceptible to major fluctuations.

Next, make sure bonds are acquired correctly to provide a stabilizing force to the overall plan. It's ideal for clients

Include Interest Rate Changes in Financial Plans and Client Conversations

By THOMAS HENSKE

to purchase bonds directly rather than investing through a fund, otherwise the added layer of security may be lost. When they are invested in a bond through a mutual fund, clients can be at the mercy of fund managers and potential liquidation. When owned directly, clients receive a set return on their investment based on the interest rate.

If clients are unable to own bonds themselves, consider alternative investment options that still lend a degree of flexibility and stability to their portfolio. Floating rate funds enable managers to make adjustments alongside market fluctuations plans. Unconstrained bond funds similarly limit exposure to interest rate fluctuations and may protect retirement nest eggs in exchange.

Asset allocation and product investments

The equity market will likely respond to increased interest rates, as the changes impact the economy and inflation. Depending on interest level and overall strategy, there are a few similarly attractive investment options in addition to bonds which rise with interest rates, including:

- Treasury Inflation Protected Securities offer a low interest rate opportunity to guarantee a return
- Commodities such as energy, precious metals, livestock and meat, and agriculture
- Retail property rent

Plan for interest rate increases in retirement and long-term planning

Interest rate hikes are equally as important to overall financial planning, although clients may not immediately make the connection since the effects are long-term. Respondents in MDRT's interest rate study were unclear how they'd be impacted by increases – 32 percent believe increases will negatively affect their finances, while another 39 percent believe increases will both positively and negatively affect their finances. Just 12 percent said a rate hike will positively affect their finances while 17 percent said it would have no impact. Interestingly, younger Americans ages 18-29 are more likely (42 percent) to state that higher interest rates will negatively affect their finances compared to Americans ages 29 and older.

Help clients understand how the domino effect from interest rate increases can shift the overall economy and almost certainly raise inflation. With this shift, overall income needs for retirement and goals-based financial plans must be adjusted.

It's important for clients to consider how the economy and inflation will change once they retire, and evaluate shifts in their spending habits and needs. For example, retirees depend on services like house cleaning or landscaping more often than goods, and the inflation rate is generally higher on the cost of human labor than the rising cost of goods. Determine which types of services your clients may need during retirement to include the anticipated cost in their plan.

To offset the risk of volatility in long-term retirement investments, as opposed to more immediate investment portfolios, clients may be interested in interest-sensitive life insurance products. Whole and Universal Life policies may offer competitive and favorable rates for qualified clients following rate changes. Interest rate changes have a substantial impact on a client's overall financial health. As a trusted partner, it is important that financial advisors make sure they understand how changes impact their plans, and to augment as needed to minimize risk.

Thomas J. Henske, CFP®, ChFC®, CLU®, CLTC, CFS, CTS, CES Partner, is one of eight partners nationwide for Lenox Advisors, Inc. Tom developed a revolutionary program called Money-Smart Kids that provides tools and information to foster independence, good judgment and responsible habits in children of all ages. He is also a 17-year member MDRT with three Court of the Table qualifications.

TELEDENTISTRY

HOW BIG AN IMPACT WILL IT MAKE?

By DR. QUINN DUFURRENA

For more than a decade, those of us in the dental industry have read that teledentistry will soon revolutionize how oral care is accessed, delivered and paid for. Whether we are dentists, producers or insurers, we need to prepare for dramatic changes in the way we do business. Or so we've been told.

How widely teledentistry will be used, and how quickly it will replace or supplement in-person office visits, is up for debate. But it clearly presents options for patients and dental professionals that haven't existed before. And it has the potential to remove some of the barriers that keep people from visiting the dentist as often as we all believe they should.

Teledentistry is a combination of telecommunications and dentistry. It involves the exchange of clinical information and images over remote distances, both for dental consultation and creating a treatment plan.

In this regard, dental care is following on the heels of medical treatment. Advances in digital communications, telecommunications and the Internet have made it possible to provide remote access to medical care. The same potential exists in dentistry.

Teledentistry is not technically a new dental specialty. Rather, it is a new way to deliver existing dental services to people in remote locations.

Several trends have converged to make widespread teledentistry use more possible than it's been in the past. Dentistry has seen extensive technological advances over the past several years. With advanced information technology and digital imaging capabilities, dentists have the needed tools to evaluate oral health issues remotely.

Their patients have changed as well. Most people carry a smartphone, which is really a supercomputer that does a lot more than make phone calls. Among other features, the smartphone contains a high-quality camera, which makes it easy to share images for others to view and interpret.

Today's consumers are very comfortable receiving care or advice, making purchases – or doing just about anything —in a public, online setting. An important part of that comfort level is the shedding of hesitation about sharing personal information and images with people in the online community.

In a world of Instagram and Snapchat, the personal often becomes the public. Selfie takers show little reticence about sharing photos of themselves and their friends that almost anyone in the world can see.

This voluntary surrender of privacy may have profound implications. But consumers' willingness to trust and share online is a development that may clear the way for widespread acceptance of teledentistry.

Improvements in technology – and people's growing comfort level with accessing dental services remotely – promise to increase the popularity of teledentistry. Expanded availability of broad-band Internet, providing faster, more powerful connections, promise to make teledentistry interactions more reliable and user-friendly.

There are different ways to conduct consultations through teledentistry. One is to consult with a patient in real time, using videoconferencing that enables dentists in one location to view and speak with a patient in another.

Another option is for practitioners to capture static images and clinical information from a patient, and then forward that data to another dental professional for consultation and treatment planning.

Dentists also can share patient information, radiographs, graphical representations of periodontal and hard tissues, therapies applied, lab results, tests, photographs, remarks and other information, all transported by multiple providers if necessary.

This can be very helpful for patients, particularly those who may need additional treatment from a specialist. The ability to instantly share clinical information with providers in multiple locations brings down the geographic barriers that keep many people from seeking oral treatment.

Diagnostically, there is little a dentist can't do remotely with the same level of precision as in the office. Remote dentists can identify root canal orifices, diagnose impacted or semi-impacted third molars, evaluate periapical bone lesions and screen high-risk preschool children for early childhood caries.

Current growth rates suggest that teledentistry will be available to millions of American patients in the next few years. But while people disagree on how prevalent teledentistry will become, there is widespread agreement in one area. The people who would benefit most from the expansion of teledentistry are those who have to travel long distances to visit a dental office.

Proponents believe teledentistry can ultimately improve access to oral care and lower costs. It may turn out to be the least expensive, and the fastest way to close the access gap between urban and rural communities. Down the road, it may also help reduce the disparities in oral health care that exist between these communities.

According to projections, the United States will continue to face a shortage of dentists, particularly in rural areas. The high cost of dental education could nudge new dental professionals to seek employment in high-population areas offering greater economic potential.

That scenario would produce even more access concerns in less densely populated areas, and could create business opportunities for teledentistry providers.

Technology allows dentists to manage the oral care of patients who may live hundreds of miles from the nearest qualified dentist. Regular preventive screening and maintenance are crucial components of good oral health, and teledentistry can bring remotely located patients into regular contact with dental professionals, establishing an ongoing relationship that will be beneficial to their future health.

And it's not just their oral health. United Concordia Dental has sponsored research that analyzes the connection between regular oral health care and a person's overall health. Healthy mouths lead to healthy bodies, and evidence shows the connection between the two.

In particular, our recent research has shown that visiting a dentist twice a year can have a major positive impact, and possibly reduce overall medical costs, for patients with a chronic condition such as diabetes, coronary artery disease or asthma.

As teledentistry becomes more available we're starting to see companies explore opportunities. For example, there are firms working with insurers to promote teledental options in the individual market or to high-risk members.

Some insurers are reimbursing providers for teledental screenings and consultations in remote locations. As availability evolves, insurers may opt to reimburse for teledentistry services where members request them, but it's unclear whether they will endorse or recommend it over more traditional office treatment.

But demand drives behavior. Offering plans with a teledental option could provide a competitive advantage. It also could solve access problems for people who often find it inconvenient to visit a dentist's office. Existing consumer teledental services generally enable consumers to receive a consultation within 24 to 48 hours of requesting one, which could be a major selling point.

But before we assume teledentistry will assume a leading role in the dental business, there are some important questions we must consider.

The patients who would benefit most from teledentistry are people who aren't currently visiting the dentist on a regular basis. Lack of access is just one of several reasons why people don't visit the dentist as often as they should.

Will the availability of remote visits be enough to make them change their habits? Probably not. There still is work to be done on raising awareness of the need for regular dental consultations, no matter how they are delivered.

Second, the availability of teledentistry does not necessarily equal inevitability. Among dentists and patients, there likely will be some reluctance to replace in-person services, with all the hands-on value they deliver, with a virtual method that could create complications and quality issues.

Third, security and confidentiality remain central concerns with dental care provided remotely. Transmitting medical and dental information, even over seemingly secure connections, carries the inherent general security risk of sharing data stored in computers.

Teledentistry practitioners will need to be fully transparent with their patients about how their data will be shared and accessed. Patients also will need to be informed of the risk of improper diagnosis and treatment due to the failure of the technology being used.

Teledentistry also raises questions for dental insurers and other payers. How will remotely delivered services be reimbursed? How will it affect the composition of dental provider networks? What changes will be required to contracts to reflect the way care is being delivered, and by whom? These questions will all need to be addressed.

Teledentistry clearly holds significant potential to improve both access and quality of care issues. By exchanging patient information, dental professionals can consult more effectively with their colleagues, no matter where they are located. This should lead to better patient outcomes.

Future family dentists may find themselves standing atop a virtual pyramid of specialists and other dental professionals who collaborate remotely to evaluate and treat patients. With a little imagination, one can envision a future in which dental practitioners are linked to virtual clinics all over the world, revolutionizing the way dentistry is practiced.

It may sound a little far-fetched, but in a few years, the way dental care is delivered could look very different than it does today.

Dr. Quinn Dufurrena is chief dental officer for United Concordia Dental, a leading dental solutions company that provides benefits to more than 8.8 million members.

AD INDEX

Hmmm…maybe we should define "partner."

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