



by Bob Fiacco
Territory Sales Manager
Representing Colonial Voluntary Benefits Products
and Services for The Paul Revere Life Insurance
Company

HEALTH CARE COSTS ARE NO LAUGHING MATTER VOLUNTARY BENEFITS CAN BRING SERIOUS SOLUTIONS

At a recent seminar in our territory, I asked the brokers in the room to tell me their solutions for the health care cost issue. You would have thought I was David Letterman from all the laughs I got.

However, when you're delivering a 12% major medical rate increase to your clients, I can guarantee your clients aren't laughing. Health care cost inflation is the biggest issue life and health brokers face. If you examine the benefits landscape today, major medical benefits are decreasing while premiums are increasing. Guess who's caught in the middle? The business owner. Guess who's on the hook for a solution? You.

When asked about their solutions to cost issues, some brokers are truly stumped. If you aren't looking at the broader picture of the health care cost issue and finding solutions that work for your clients, you're doing them a disservice.

Some brokers, however, have found solutions through voluntary benefits. If you've been reluctant to jump into voluntary benefits, consider talking to a voluntary benefits provider to see how this solution may work for your clients. More and more brokers are adding voluntary benefits to their agency's offerings, and you don't want to be left behind.

So, let's assume you're ready to test the voluntary benefits waters. How do you know if a voluntary benefits provider is a good partner for you? Ask the provider how well it understands the health care cost issue and how voluntary benefits fit as a solution.

A Partner, Not a Competitor

I've found a lot of brokers say they don't sell voluntary benefits because they feel that voluntary products compete for the valuable benefits dollars needed to fund core benefits. In their minds, they're delivering a 12% premium increase, but don't feel that bringing addition-

al products in on top of that increase is in the best interest of their clients.

However, that's not the case. Voluntary products don't compete with core benefits. Instead, they offer affordable solutions to the inevitable health care cost increases and the coverage gaps created by these increases. With major medical benefit reductions and premium increases, clients have trouble offering all the benefits they used to. As a result, employees' financial exposure is greater than ever. From the consumer standpoint, if you take benefits away from employees, you should give them an option they can afford to fill any gaps.

When we meet with brokers, we don't spend a lot of time talking about voluntary products up front. We talk about the overall health care picture and how it's affecting clients' benefits programs. Then we discuss voluntary products that can work as solutions to the health care cost issue. We've found brokers appreciate the fact that we understand the challenges they have in the health arena and that we know how voluntary benefits can help.

A Holistic Approach

Because the news regarding health care costs isn't good, more employers are looking at everything they offer as part of the benefits package. If they're paying more for major medical, then they have to look at their entire benefits package to see how to manage their program dollars. It's a holistic view. For example, if employers offer long-term disability, they could choose a longer elimination period and add a voluntary short-term disability plan as a filler, thus freeing up dollars to help fund major medical.

Most importantly, a voluntary benefits solution should include employee education on the benefits program. The most effective education method is professional, one-on-one sessions with each employee that:

- Explain core benefits and any changes.
- Discuss the voluntary products and how they can help fill gaps.
- Uncover each employee's coverage needs.
- Help employees enroll in their core and voluntary selections.
- Paint a clear picture of the value of the benefits program the employer provides.

The goal is to offer an enrollment opportunity that helps employees better understand their benefits and learn how to select the appropriate benefits to help manage their financial risk. This is a huge service for you and your clients.

What to Look For in a Partner

How do you know if you've found the right voluntary benefits partner? Ask these questions:

- Will it help educate employees on their benefits, uncover their insurance needs and clearly illustrate the value of what their employer provides? Does it provide educational tools such as benefits statements and pay-check illustrations?
- What training does the provider offer its benefits representatives who enroll employees? Do its benefits representatives understand the benefits industry landscape and how voluntary benefits can help fill core benefit gaps?
- Does it have the ability to conduct a national enrollment? Does it also have local professionals ready to serve all your clients' locations?
- Does the provider have multiple enrollment capabilities, such as flexibility to enroll all employees face-to-face, via the Internet, by phone or through self-enrollment?
- Does it offer daily snapshots of enrollment progress so you and the account can see what's happening and make adjustments early on, if necessary?

Don't just take the provider's word for it. Ask to see a demonstration of its enrollment capabilities.

If you aren't looking at the bigger picture and finding solutions, you could be putting your agency at risk. Voluntary benefits are a good option to help you deliver solutions and strengthen client relationships.

Ultimately, it comes down to finding a voluntary benefits partner that understands the health care cost situation and bring appropriate voluntary benefits solutions. Notice I say "partner." That's key because you want to work with someone you trust, someone who'll work with you in the best interest of your agency, your clients and their employees. Forge a good partnership, and you'll make your agency stronger. Plus, rather than laughing nervously when asked about your health care cost solutions, you'll be able to give a serious answer. ■

Bob Fiacco is a territory sales manager for The Paul Revere Life Insurance Company and represents Colonial Voluntary Benefits products and services in the Upstate New York territory. Colonial Voluntary Benefits products and services are offered by The Paul Revere Life Insurance Company. For more information about Colonial Voluntary Benefits products and services or opportunities with The Paul Revere Life Insurance Company, contact Fiacco at (315) 457-8776, RFiacco@coloniallife.com or visit www.colonial-paulrevere.com.