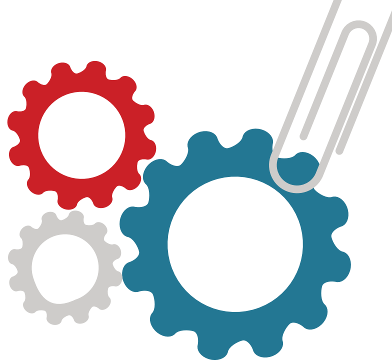


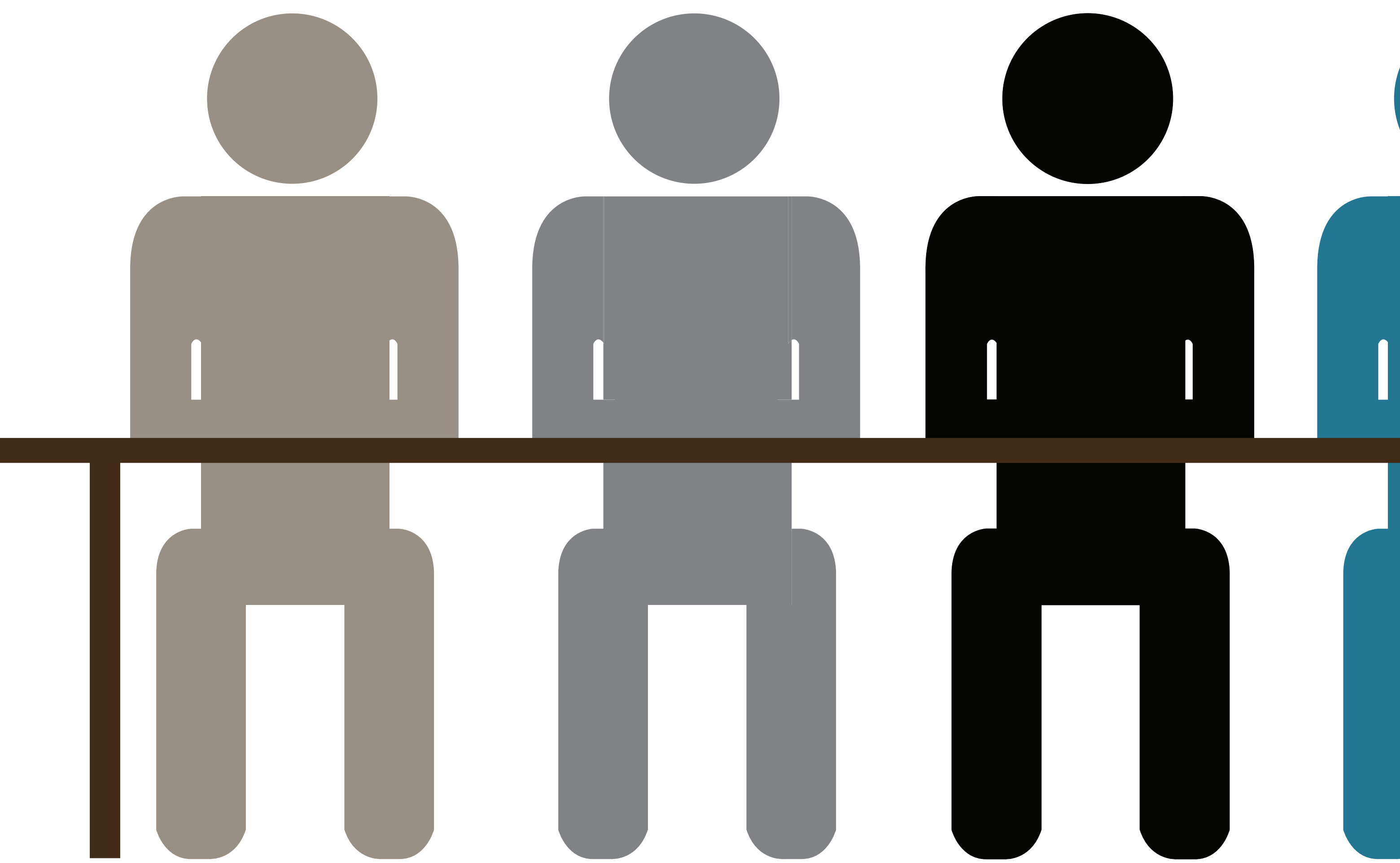
What

WHEN SELLING EMPLOYEE BENEFITS, EMPHASIZE YOUR EXPERTISE RATHER THAN YOUR SALESMANSHIP, OFFER VOLUNTARY PRODUCTS AND DON'T FORGET TO SEE THE PEOPLE.

"It is enacted by the Court that if any man shall be sent forth as a soldier and shall return maimed, he shall be maintained competently by the Colony during his life."

These are the words of the first known employee-benefits plan in America, created by the people of the Plymouth Colony in 1636. At the time, the colony was fighting the Pequot Indians all over New England and needed to attract bodies and talent; so it did what it could to make the job enticing. The colonists won the war.

About 140 years later, this idea of offering more than just a salary was alive and well, and on Aug. 26, 1776, Congress passed one of the first federal-benefits laws, essentially giving disability income insurance to men who joined the military.

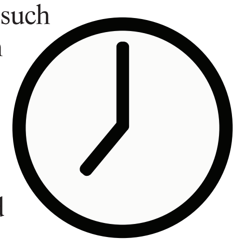


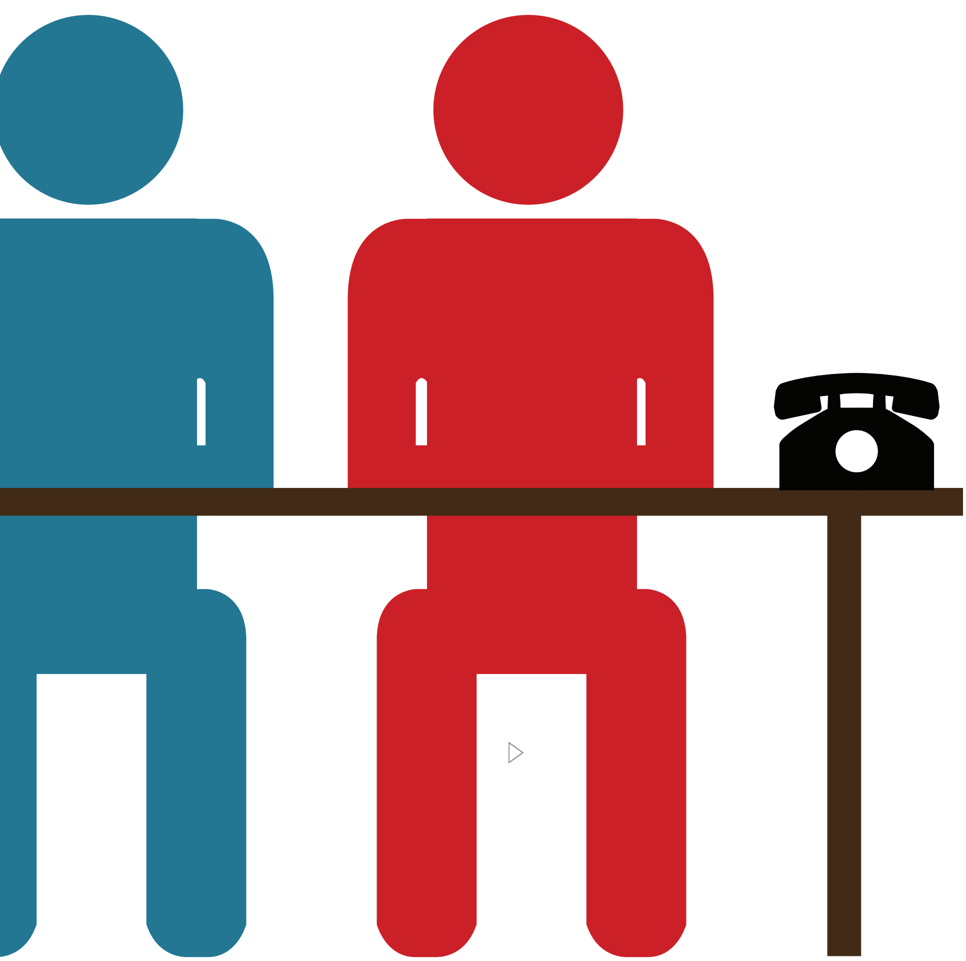
Works With Worksite

BY TINA OREM

But even back then, cost was a big concern. In November 1777, General George Washington wrote this response to a proposed benefits increase: “Will not half pay be attended with enormous expense? And would not this, and allowing half pay to the officers of reduced regiments at the end of the war, add such weight to a debt [that] already, and probably will be, of such magnitude, as to sink the colonies under the load of it; and give a great disgust to the people at large?”

Oh, how history has a way of repeating itself! Today, employers are still trying to attract bodies and talent by offering benefits. They’re still living in an uncertain world





Winning at Worksite

- Be creative.
- Counsel, don’t sell.
- Offer voluntary products.
- Help with technology.
- See the people.

and still worrying about costs. But today, they also have a lot more choices and a lot more information. In fact, according to the four top producers interviewed for this article, a few key trends present some incredible opportunities for successfully selling employee benefits—and you won't have to cross the Delaware River to find them.

HEALTH-CARE REFORM AND A DIZZYING ARRAY OF PRODUCTS HAVE TAKEN EMPLOYEE BENEFITS FAR BEYOND SIMPLE.

Win with creativity

Employee benefits have grown increasingly fragmented; therefore, the more you know how to combine diverse products to meet an employer's needs, the more likely you are to win the business.

That's not as simple as it sounds, notes NAIFA member Scott Leavitt, president of Scott Leavitt Insurance and Financial Services in Eagle, Idaho. Leavitt says that finding workable benefit solutions for employers means thinking outside the box more than ever—and many producers are having trouble adapting to that.

"They don't like to change," he says. "They're having to change because of the economy. Employers are requesting that they find something new for them."

For Leavitt, "something new" often means finding creative ways to fill in holes in health coverage that things like high-deductible plans with caps on prescription drugs might create. Leavitt says many employers are interested in buying down deductibles, for example, but don't know how to go about it. "Maybe they were at a $500 deductible before, and they go into a $2,000 deductible," he explains. "Employers go through a TPA to buy the deductible down to $500; then the first $500 comes out of the employee's pocket. After that, money comes out of a health reimbursement account until the employee hits the real deductible and the insurance kicks in. It's like a mini self-funding, almost."

Wellness programs are another source of opportunity for the savvy health advisor. According to a 2010 MetLife study, the percentage of employers with wellness programs jumped 10 points to 37 percent between 2005 and 2008; for companies with more than 500 employees, the number jumped from 46 percent to 61 percent. Helping to create the programs rather than merely suggesting them is the key to success, though.

Tim Helton, CEO of the Sequoyah Group in Knoxville, Tenn., is at the forefront of this movement. Among other things, Sequoyah helps employers create wellness clinics that treat employees for small ailments, as well as perform diagnostic screenings and health-risk assessments.

But Helton takes it a step further by turning the clinics into reward systems. If an employee joins the clinic and maintains certain health goals, for example, the company might pay an additional 5 percent or so of the employee's premium. Because the "carrot" is so visible, Helton says employees find the plans unusually attractive. "A lot of the medical carriers, they have wellness programs. Their participation level is about 10 percent," he says. "Our participation is about 86 percent."

Don't be a salesperson

Health-care reform and a dizzying array of products and strategies have taken employee benefits far beyond simple. Combine this with the fact that many human resources departments have been pared to the bone or eliminated, and it's easy to see how you can build lasting relationships that lead to more sales.

"The role of the agent is more important than it's ever been," says Leavitt. Being able to explain in detail to employers how particular products, reform, or news affect them creates a bond that's hard to walk away from. "If you can provide guidance and come in and say, 'Here's what's going on, here's how it's going to affect you, and I can provide that to you to make sure that I'm your expert to help you,' I think that companies are going to say, 'I can rely on Scott. He's going to take care of me,'" Leavitt explains.

"I've had five or six meetings in the last week [with employers] about how the health-care reform is going to impact their financials," Helton adds. Helton's clients have increasingly looked to him for advice that goes well beyond just product selection; so last year, he added a certified human resource professional to his sales team. That person is able to offer soup-to-nuts advice to companies that don't have the internal resources to manage their benefits.

"I think that sometimes when you're going in to offer worksite benefits or working with an HR person or a payroll person, you don't really understand what they're doing on their side of the table," Helton explains. His decision is paying off in a big way: Sales are way up, and his clients feel like his company "gets" them. "It definitely opened our eyes to the people that we deal with on a daily basis," he says. "And we're able to do so many different things with the organization from a compliance standpoint—whether it's Section 125, ERISA or employee handbooks. She's just been a tremendous asset."

Offer voluntary products

The phone hasn't stopped ringing for producers selling voluntary policies, especially those who show their business clients a way to offer competitive benefits within a tight budget. And because many voluntary policies are only available at work, employers often benefit from what Shawn Jenkins, CEO of BenefitFocus in Charleston, S.C., calls a halo effect. Producers who recognize this are seeing a big demand for their policies.

THE PHONE HASN'T STOPPED RINGING FOR PRODUCERS WHO SHOW CLIENTS A WAY TO OFFER COMPETITIVE BENEFITS WITHIN A TIGHT BUDGET.

"We actually see more and more employers wanting to offer 'noncontributory' or voluntary benefits that look and feel like they're provided by the employers," Jenkins explains. "Of course you get this halo effect, some credit if you will, for making them available. That takes the sting out of what might be perceived as a cut in another area."

That's one reason Charles Comeaux, owner of Advance Insurance in Lafayette, La., says it's a particularly good year for selling voluntary benefits. Just a few weeks ago, Comeaux says he met with a local school district that is lowering its copay from 80/20 to 70/30 and still struggling with a 13 percent rate increase.

After pointing out to the board that only 7 percent of the district's employees were participating in its existing voluntary-benefits plan and that his carrier, Conseco, has kept its rates steady, the board asked him for a formal proposal that could lead to another big sale.

Voluntary benefits' growing reputation as a countermeasure to the reform-induced volatility in the traditional health-insurance market is also a persuasive selling point, according to Comeaux, who says 70 percent to 80 percent of his business is selling supplemental cancer policies. "We pay you no matter what your health insurance is doing or is going to do," he tells his prospects.

The trick is securing participation. "A lot of times you have to hit 25 percent or 50 percent of those on a long-term basis to buy it or you can't even offer it," notes Leavitt. But that, too, can be an opportunity, especially if employees already know you. "Not hitting the guidelines means going back to the ones who have signed up and saying to them: 'We can't offer this to you, but if you're interested in a personal policy, we can work with you one-on-one,'" he says.

Help them use technology wisely

"One of the main things we hear louder and louder now is: 'We need to simplify this whole process. There seem to be a lot of people involved in talking to our employees, whether it's the health agent, the voluntary person or the customer service folks at one of these insurance companies,'" Jenkins says. Employers want to track information across policies and carriers more easily, and they want better ways to communicate with their employees. In turn, producers who know how to capitalize on that information can gain sales and a tremendous competitive advantage.

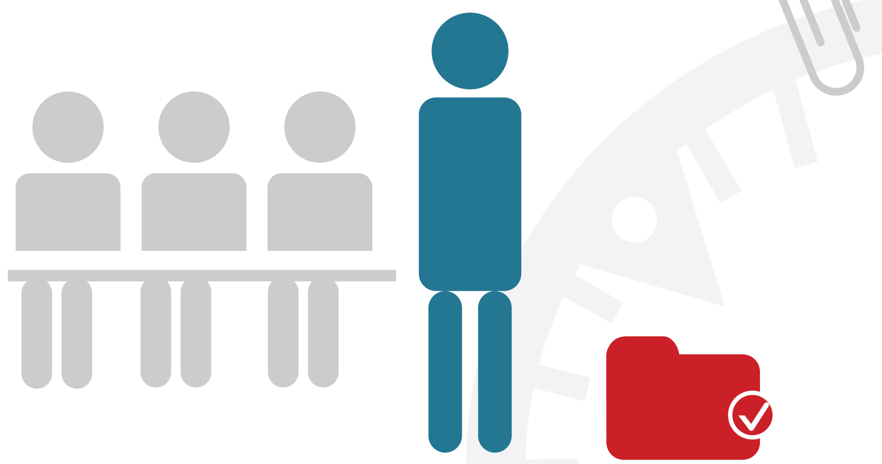
Helping employers gather more detailed data about their employees' health is the first step, and producers say the economy is making this task easier. "In the past, the employer was worried about even asking employees certain questions like, 'Do you smoke?' and 'Are you walking?'" says Jenkins. "Now because of the change in the employer's status, if you will, they're able to be a little more frank and candid with the employees and say: 'These benefits have costs associated with them; those costs are driven by health and wellness and all these other factors.' So it's opened up this dialogue."

By helping employers collect data, producers are also helping them shop for competitive policies more often, which translates to more sales. "If the company's doing their own wellness program," Helton says, "they have the data. When they go to shop it with an insurance carrier, they have the data. They understand. They know that they've got 100 employees and they've got 27 percent smokers and 30 percent obesity or whatever it may be. They know what they've got." ▷

VOLUNTARY BENEFITS' REPUTATION AS A COUNTERMEASURE TO REFORM-INDUCED VOLATILITY IN TRADITIONAL HEALTH INSURANCE IS A SELLING POINT.

Additionally, better data collection can ensure an optimal coverage group for the employer. "One of the most popular things that we do now is what they call dependent eligibility verification," says Jenkins.

"The company's plan will allow the employee to put their spouse on their plan, but if the spouse has a plan available at their work, they're supposed to take that first. In the old days—two years ago—no one cared. You just put your spouse on, and no one paid attention. Now, most employers will actually require that you bring in a marriage certificate and so forth," he says.



It pays to streamline

The bottom line is that as a health-care producer, you can benefit when you find ways to streamline things, because the less money an employer has to put toward benefits administration, the more it can spend on actual benefits.

The 7.5 million people who use Jenkins' company, BenefitFocus, can review their employers' plan options online, learn about each plan, enroll online, provide feedback, find out what other people buy, view user ratings and see suggestions based on their age, background, family status or history, for example.

"If you're working online with technology built to manage all the benefits, it's as easy to offer six or eight benefits as it is to offer two or three. It doesn't cost more to administer them and it doesn't cost more to communicate them," he says.

See the people

Quite often, you're the only insurance person the employee knows. That's why it's important to meet as many employees in person as possible. If the employee needs more coverage, leaves the company or has a friend who needs a referral, you'll have top-of-mind presence with him.

Leavitt, for example, attends his clients' annual employee-benefit meetings every year so they can ask him questions and understand their benefits, particularly the tax advantages. Sales of individual policies have been up for him because employees remember him after they've been laid off.

They come to him for help understanding their COBRA coverage and once COBRA ends, they're back for advice about individual coverage. "I've always believed it's important to stay in front of the employees and your client," he says. "As their lives change, you're a resource. You'll be able to help those people."

Choose the venue carefully, however. Comeaux says he hasn't been impressed with the "benefit fair" approach, for example, whereby employers bring in multiple carriers on the same day to talk to employees. Instead of going with one or two supplemental health outfits, they're just letting anybody in. They might have 20 vendors there, the employees are overwhelmed and they end up not buying anything from anybody.

To achieve success in today's competitive market, you can change the conversation about benefits when you emphasize your expertise rather than your salesmanship, help your business clients buy optimal products and assist them in streamlining their operations. ☐

Tina Orem is a freelance writer and a frequent contributor to Advisor Today.