

BY TINA OREM



Building Your Worksite Business

**NO ONE KNOWS WHAT HEALTH-CARE REFORM
WILL EVENTUALLY LOOK LIKE, BUT THESE
TOP PRODUCERS KNOW THIS: IT TAKES GOOD
PRESENTATION SKILLS, EDUCATION AND LOTS OF
HAND-HOLDING TO WIN AT WORKSITE.**



Back in the day, when soon-to-be mothers were in labor, the fathers-to-be would sit in the waiting room. Usually, they were nervous wrecks. They paced. They chain smoked (inside the hospital!). They watched TV. They thumbed through magazines, chewed their fingernails, or just stared at the walls. One thing they couldn't do was be where the action was. They just had to wait. And wait. And wait. Eventually, somebody walked up and handed them a baby.



Getting in the front door is often the hardest part of selling worksite products.

How to Succeed at Worksite

- Make sure you are adequately prepared.
- Demonstrate previous successes.
- Go beyond 50 percent.
- Educate employers and employees alike.
- Sharpen your presentation skills.
- Offer top-of-the-line service.

Producers and brokers in today's worksite arena are a lot like the expectant fathers in those old-time waiting rooms. Since 2010, while the federal government, the states, and the Supreme Court have been laboring away, trying to give birth to a definitive model of health-care reform, producers and brokers have been waiting, pacing and chewing their fingernails.

But as they say in labor rooms, the best thing to do is to push, breathe and push again.

This is what has kept lots of worksite producers handing out the proverbial cigars in the last two years. They simply kept pushing. They didn't stand around and wait for things to settle down; instead, they have used the last two years to build and fortify their worksite-selling businesses.

Here are some of the things they have been doing to survive and thrive.

Learn how to get your foot in the door

Getting in the front door is often the hardest part of selling worksite products. If an employer will not allow you to meet with his employees or tells you that his employees do not have time, then you haven't taken anything off their plates, says Dave Cirulis, vice president of Voluntary Market Strategy at Lincoln Financial Group in Chicago. "What they're really saying to you is, 'Help me solve a need, and I'll give you access.'"

There are a few steps you can take to reach out to employers. First, identify "steady" industries in your area. "Hospitals, school systems and municipalities have always been high purchasers of worksite coverage and tend to keep them in force," adds Cirulis. "So carriers will become more aggressive in underwriting offers to those segments because they can keep that business on the books long enough to pay for that."

Second, offer to do something for your prospective clients free of

charge. "You've got to make sure you're providing value," Cirulis emphasizes. "If I provide an audit free of charge because I'm going to meet with every employee and then educate them about the benefits, it can be paid for by the sale of these voluntary products."

Third, offer a communications plan that employers can use to explain not only your product terms, but also why worksite options may be better than what their employees can get elsewhere. Producers take pride in products and premiums, but what they often forget to do is to help employers emphasize to their employees that the workplace is probably the only place where an employee can qualify for, or get guaranteed rates on a product.

Lessen their pain

As you try to make a sale, don't create trouble by bringing too many carriers into the mix, warns Ray Vallee, president of Combined Benefits United in Hallowell, Maine. Sales gurus will often tell you that if your products solve problems, you've got it made. But once worksite producers are in the door, they often overlook the fact that "problem-solving products" can wreak havoc in the human resources and payroll departments, which have to deal with them day in and day out. And the people in those departments wield incredible power over how long you stick around.

"One carrier may have the best critical illness, another carrier may have the best disability, the next carrier may have the best accident, the next carrier may have the best STD or long-term disability, but what that generates if you're trying to find the absolute best fit for each product is an accounting nightmare for the HR person. If he has to deduct premiums from employees' checks for two, three, four or five different vendors, do you know what that means? More work. And if it entails more work,

they don't want anything to do with it."

So, find a carrier that's going to support you—that is, someone that is competitive in all areas. It may not be the best in three of the four, but it is competitive in each—because this will lead to customer satisfaction," Vallee notes.

Carriers like Lincoln Financial are realizing that a one-stop-shop kind of experience reduces back-office pain and thus keeps products in place longer. Launching accident, critical illness, and universal life worksite products in the last three years, the company's strategy is to go beyond standard medical.

Of course, HR and payroll departments aren't the only areas that suffer if there are too many choices. "You don't need to offer three, four, five, six different voluntary products at the same time," Cirulis adds. "It's hard enough for an employee to understand one or two products. When you get into five or six products during an initial enrollment, you're confusing people."

Spend time with employees

To enhance your sales, you should also try to be thoroughly versed in all things voluntary. Sales in the \$3.4 billion worksite voluntary segment increased again in 2011, according to LIMRA, proving that the segment is getting employers' attention. Becoming familiar in all things voluntary is also a way to protect your practice from the ups and downs that are present in other segments.

"Voluntary benefits worksite used to be a nice-to-have product, and now I think they've become a need-to-have product," adds Vallee. Vallee, who says his sales of voluntary products are growing in the double digits every month, expanded into worksite as a way to diversify his business three years ago and has already written close to 300 groups.

The segment is hot largely because employers are making employees more and more

responsible for their own health-care costs. Accident and critical illness insurance have been the hottest areas over the last two years, growing 27 percent and 24 percent, respectively, in 2011, according to LIMRA. Long-term disability and dental insurance were also big, increasing by 20 percent and 21 percent in 2011, respectively.

The key to benefiting from this upswing is to invest time in determining what employees can afford to buy. After all, they're purchasing policies with discretionary income. Yet, a full 41 percent of worksite shoppers for disability income insurance, for example, say that the sales reps or advisors at their workplaces did not consider what they could afford, LIMRA reports.

"The thing you always have to keep in mind on the voluntary side is that because of the economy, people haven't been getting the raises they were getting; the cost of fuel has gone up, so their expenses have gone up," cautions Scott Leavitt, president of Scott Leavitt Financial Services in Boise, Idaho and member of NAIFA-Boise. "Critical illness and some of these additional benefits out there—they may sound really good and they may be really important, but you know, putting food on the table is more important than that."

Educate the players

Just putting your products out there in a self-service format isn't good enough anymore if you want to attract sales. You have to learn how to educate all the players involved in order to get them to participate. And participation begets better underwriting, which begets better premiums, which, in turn, makes you look like a star and drives more referrals to your doorstep.

Worksite customers also tend to be younger and less experienced than customers in other insurance channels. This means that you need



The key to benefiting from this upswing is to invest time in determining what employees can afford to buy.





**Don't create trouble
by bringing too many
carriers into the mix.**

to spend more time educating them about your products, costs and benefits, which can pay off more than in other channels.

That's especially important to remember because at least 50 percent of all workplace shoppers meet face to face with an enrollment person while they're shopping, according to LIMRA, and the majority of these shoppers consider this aspect to be the most helpful activity they are engaged in when they are making their decisions.

"People underestimate how critical it is to really educate an individual on CI," Cirulis says, as an example. "It is easier to provide education on an accident because people have a general idea of what an accident is, just like dental. But there's a lot more to critical illness and permanent life insurance—it's not as easy to provide self-service enrollment."

As you educate the players, try not to cram everything into one meeting, either, advises Vallee. In fact, at his firm, it's standard practice to break things into three pieces. "We came up with our own system called the Three-Legged Stool: we have the employer meeting, the employee meeting, and then we have the enrollment," he explains. "It's a lot different from a lot of other organizations that pretty much just ask if they can write the business, go in, see the employee, and write the business on the spot. We get more than 60 percent participation in our worksite groups because of this approach we've developed."

The first meeting is all about getting the HR, payroll, and executive teams on board, he says. "If you can get that individual to buy into the value of what we're presenting, the entire group's participation rate is going to skyrocket," Vallee explains. "If the person of influence is missing, then you're not going to have success." If a separate enrollment firm is involved, be sure to find out how

those people will be paid: 100 percent commission means getting paid to sell; 100 percent salary (or a per diem) means getting paid to educate.

Looking ahead

The Supreme Court's decision likely signals the end of a long birthing process for health-care reform, and it's been hard to sit in that waiting room. "People are working harder than they did before for less money," says Leavitt, whom we interviewed about worksite right after the 2010 reforms became law.

Like many producers over the last two years, he's diversified his business and cut expenses, which has helped him recoup about 80 percent of the income he lost to lower commissions and clients going out of business. "We've seen a lot of agents out there get out of the business, retire early, or just fight as hard as they can," he says.

Now it's time to bring the baby home and look ahead. "Confusion causes opportunity," Cirulis adds. "Tomorrow, with maybe a little less confusion, we will look back 10 to 15 years from today and say that this really was the opportunity to be in worksite. If you weren't in worksite today, you missed the boat." □

Tina Orem is a frequent contributor to Advisor Today.



While You Wait

By the time you read this, the Supreme Court will likely have handed down a decision in the group of lawsuits challenging key aspects of the Patient Portability and Affordable Care Act (PPACA). Without a doubt, the decision will send waves through the industry, but no matter how the decision rocks your boat, you'll likely have to keep working very hard every day to keep and win worksite business. Here are some key takeaways from our three worksite experts:

- *Don't drive HR and payroll crazy.* It's important to find the best options for your client, but you won't be around for long if your strategy involves having the back office double its workload to manage five or six different carriers. Streamline the options as much as you can, or they'll have you booted. Ray Vallee recommends going with just one or two carriers.
- *Focus on stable industries.* School systems, municipalities, and hospitals tend to be big, long-term buyers, which is why carriers tend to offer bigger discounts to them—and anytime you can offer big discounts, you look like a star.
- *Do the talking.* Employers may feel confident explaining the basics of coverage to employees,



but sometimes it takes a third party (you) to explain to those employees why they probably won't get a better deal if they try to buy long-term care, disability income, life, or other non-medical coverage on their own.

- *Don't cram.* If you expect to get the business with a phone call and then have one employee meeting in which you try to explain and enroll at the same time, your participation rate is going to suffer. Break the meetings up: Get the influential executives behind you first so that they can help build momentum, then have an education session, and then hold a separate enrollment meeting. □



NAIFA ADVOCACY ADDS UP

★ ★ Grassroots	★ ★	2	Capitol Hill Days in Washington, DC
	★ ★	1,100	NAIFA Members held more than 504 meetings with Members of Congress and/or their senior staff in DC
	★ ★	454	NAIFA Members trained during 7 Federal Tax Challenges Coalition sessions (AL, DE, KY, MD, OH, SD, UT)
	★ ★	187	NAIFA Members trained during the Annual PIC/PAC Training Meeting
★ ★ Lobbying	★ ★	309	Meetings with Members of Congress and Federal Regulators
	★ ★	536	Meetings with Congressional and regulatory agency staff
	★ ★	60	Documented legislative accomplishments — on both the federal and state levels
★ ★ Communications	★ ★	363	Bipartisan Signatures obtained for Congressional letters supporting NAIFA's positions:
	★ ★	13,000	NAIFA Blog Visitors
	★ ★	3,078	NAIFA Twitter Followers
	★ ★	1,500	NAIFA Tweets
	★ ★	2,188	Members On NAIFA LinkedIn Group

- 160 Representatives opposing taxes on employer-provided health insurance
- 137 Senators & Representatives expressing concern over Dept. of Labor fiduciary regulations
- 31 (of 36) Ways & Means Members opposing new taxes on COLI and DRD
- 35 Representatives opposing SEC's proposed "municipal advisor" definition

To Learn More About NAIFA Advocacy and How You Can Help Strengthen NAIFA Advocacy, visit www.NAIFA.org/advocacy