



BROKERS MAKING A DIFFERENCE

Health Insurance Agents Help Consumers and Employers
Secure Affordable Health Insurance



WISCONSIN



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Personal Testimonials on Why Brokers Make a Difference

For more than 85 years, professionally licensed health insurance agents, brokers and consultants have provided valuable healthcare financing services to individuals and employers. Professional agents have extensive knowledge about health insurance plan design, benefits, and pricing. Many small employers can't afford to have this level of expertise in-house, nor do they have the time to administer a comprehensive, compliant benefits package for their employees.

In fact, the Congressional Budget Office (CBO) has reported that agents and brokers often “handle the responsibilities that larger firms generally delegate to their human resources departments — such as finding plans and negotiating premiums, providing information about the selected plans, and processing enrollees.”

With HIPAA, COBRA, ERISA, and federal and state tax requirements to contend with, not to mention all of the new requirements stemming from ACA, professional agents spend a great deal of time helping their clients understand the regulations, complex products and compliance issues.

Health insurance customers who use agents report being satisfied not just with their insurance, but also with the work performed by their agents – especially when it comes to the agent's role in finding the right policy.

A recent Kaiser survey found that brokers and agents have a 92 percent approval rating when helping healthcare consumers in the new marketplace.

Professional agents work extremely hard and need to be very knowledgeable in order to stay abreast of the rapid changes in the healthcare system. It would be very costly for a governmental agency in some far off location to match the service and value agents bring to their clients, and it would not be able to replace the personal relationships agents develop with their clients.

Ongoing Support from an Agent

Individuals and business owners typically don't pay any more for employee benefits purchased through an agent or broker than if they purchased the coverage directly from an insurance company. Insurance carriers set aside a small portion of the premium to pay brokers a commission, which covers not only the selling of the plan but also much of the servicing required. In today's declining commission environment, agents spend more time than ever before servicing their clients – a testament to their commitment and dedication.

Agent Associations

NAHU is the only national association working solely on behalf of health insurance agents and benefit professionals. NAHU requires each of its members to always make healthcare coverage recommendations with the customers' best interest in mind.

For more testimonials on NAHU members helping individuals and employers find appropriate health insurance, please go to www.brokersmakingadifference.org.

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"There are numerous ways in which our agency assists clients beyond the initial sale. Here are a few examples:

Individual clients—when they contact us with any questions or concerns about their policy, such as provider network changes, benefit changes or claim questions, our agency handles the inquiry. We work with the insured, the carrier and the provider (if needed) to resolve the question. Also, when I receive a renewal on an individual client I check with the other carriers I work with to see if we might be able to match benefits at a lesser cost to the insured. Each year I contact them to discuss their options.

Employer clients—prior to each group renewal I request basic census information and go to the market to get base quotes. By the time I receive the renewal, I have enough information for the client to make an informed decision on whether or not to go to the next step of applications. If a client goes to application, our agency assists with every step of the process to ensure accuracy and privacy of information required. I then meet with the client once the final rates are determined to discuss the pros/cons of each carrier. We also hold employee meetings to discuss the benefits, how to manage their out of pocket costs, etc.

Another service we provide is informing our clients on issues that impact their benefits. An example of that is in regard to the COBRA subsidy rules. I've sent my clients information on the subsidy rules, forms, etc., and encourage them to contact me with any questions so I can help walk them through this

process. I've also attended several meetings on the COBRA subsidy to make sure I have accurate and up to date information.

I have worked with the provider community to supply education for my clients on wellness. One of our providers will do health assessments for a small fee based on level of participation. After analyzing the results of the assessment, we tailor our wellness presentations to topics that impact the majority of the employees.

We take our client relationships very seriously and pride ourselves on doing what is best for each client's individual needs."

- Kate Ludwigson
(Broker)

"Licensed health insurance producers (agents and brokers) provide a wide range of services for both individual consumers and the business community.

Producers interface with insurers, acquire quotes, analyze plan options, and consult clients through the purchase of health insurance... It is essential that [policymakers] recognize and protect the indispensable role that licensed insurance professionals play in serving consumers."

-The National Association of Insurance Commissioners

"Without the help of brokers, small business would be lost in regards to group health insurance, employee benefits and related legislation. A prime example is the ARRA COBRA legislation that was recently passed. I have spent all week explaining to my clients how to comply and how to get reimbursed for the subsidy

through their 941 payroll forms. Most small business wouldn't even know about state continuation of COBRA if we were not there to tell them about it, much less explain it to them and administer much of it for them.

Many small businesses have no human resources personnel—we are their HR office. I deal with new employees and work with those who are leaving by setting them up on state continuation, COBRA or I try to find less expensive options with individual plans to make things more affordable. Our relationships with our clients are ongoing since they



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have no time to deal with everything we do. All my clients' employees are given my business card and they call me with questions or issues with things such as healthcare claims, provider questions, coverage questions or any other issues that arise. After I have written a new policy for a new client, that is where the real work begins.

Brokers are the gatekeepers to the health insurance world. We know which carriers are good and we know which are a right fit for the needs of our clients. It is with the broker that competition is at its best. If insurance companies don't make our grade, they don't get sold. If their rates are too high or their coverage is lacking, I let them know. PPO, POS, HMO, HSA, HRA, and FSA are just a few acronyms our clients wouldn't understand without our help. We have to continually analyze our clients' changing needs. I just returned from a small business client who needed my help setting up multiple plans. This client's workforce became more diverse and thus we wanted to offer more than one health plan and let the employees choose the plan that best fit their needs. In this case, we offered three plans, a \$500, \$1500 and a \$2000 deductible HSA plan.

We are ongoing consultants for our clients who would otherwise be uninformed simply because they do not have the time to learn the ins and outs of the health insurance industry. They have all their focus on keeping their businesses successful. I work with basically every health insurance company and HMO contracted to do business in my state. It would be impossible for business owners to know every coverage difference between them unless they did this for a living. For example, I have a client whose child was born without a lower right leg. There are only a couple insurance companies in my state that do not limit coverage on prosthetics. Most limits on durable medical equipment and prosthetics range from \$2500 to \$5000 coverage per year per person. My client's son's costs were \$25,000. That would be money he would have lost if we were not there to fit him with the right insurance company.



I could write for hours on everything I do, but most of my time is spent servicing my existing clients (free of charge) and, I might add, very little is spent searching for new ones. I've been a broker for 15 years and prior to that I was a group health underwriter for six years. The payer system is not broken in the private sector; in fact, it is alive and well thanks to competition. The healthcare delivery system is broken, along with Medicare, Medicaid and the state-run programs."

- Robert Jandrain (Broker)

"I am an insurance agent specializing in the small-group market. On a daily basis, we help our clients wade through the process of deciding which insurance plans will suit their budget and employee needs. We apprise them of the variety of products available and how these plans, such as health reimbursement arrangements and health savings accounts, may be better options than their current traditional plan with deductibles and co-pays. Many employers don't really understand the nuances between all these plans and how they may help or harm them. We discuss the pros and cons between having a group plan and not.

I have helped a number of clients resolve complicated claims issues. Without my assistance, they most likely would have just given up and paid significantly more in claims than they were obligated to



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pay. While insurance carriers strive to pay claims correctly, many times, I find it is the provider who made the error. The insurance carrier is merely paying based on what they receive. Without the experienced agent reviewing this information, it may go unnoticed.

The recent COBRA subsidy is just the newest issue to review with clients. Many have looked to me for guidance and explanation of what their responsibilities are. Even though this is an employer compliance law, many employers don't truly know what they are supposed to do. The smaller the group becomes, the more likely it is they may overlook this important aspect and put themselves and their company in serious trouble.

I hope this helps explain in an abbreviated way, how important the insurance broker is in the process of selling group and individual insurance. My clients

turn to me for guidance, problem solving and support. Many have told me how much they value my service and would be lost without it. For the small business owner, I am their human resource department in regards to their insurance benefits."

- Laura Bagin (Broker)

