



# BROKERS MAKING A DIFFERENCE

Health Insurance Agents Help Consumers and Employers  
Secure Affordable Health Insurance



**UTAH**



National Association of Health Underwriters  
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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](http://www.brokersmakingadifference.org).

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"I am one of the many health insurance agents on the front line of helping families obtain coverage that fits their needs and their budget. I focus on the individual insurance market with some business in the local small employer market. When I started my insurance agency nine years ago, I determined that every family deserves personal contact with an agent who would give them the ability to understand the complex options for coverage and have their questions answered. I have built my business one family at a time, meeting with them personally in their homes and helping them through the process of choosing and applying for a plan.

In addition to the initial set-up of a policy, my clients call me when any problem or question arises. If they don't remember details of their coverage or if they are having a claims problem, I encourage them to include me and together we work to find the solution. A good portion of my day is spent working with my clients on day-to-day issues.

Because I do no advertising, I have depended on referrals from my clients in order to continue to expand my business. I have been overwhelmed with support from the families I have helped as they have referred me to their friends, family, and neighbors. Many have expressed appreciation for my ongoing help in leading them through the often confusing world of insurance coverage.

I believe that the agent is the most important resource a family has to make sure that they are covered properly and are being treated fairly by their insurance company. I am their advocate."

- James McDonald (Broker)

"I've been an insurance agent for over 12 years, so there are hundreds of examples of how I've helped my clients over the years.

Just 30 minutes ago, I had a client call me who was told by the billing person at the hospital that his colonoscopy was going to cost him \$499. I had recently switched him from a plan that had a \$2,500 deductible, with no preventive coverage to a HSA plan that did cover preventive care. Thus, when he told me that it was going to cost \$499, I wanted to verify why it was not the typical \$15

co-pay for a preventive visit on his new HSA plan. It would have cost him \$499 on his plan two months ago, but his new plan should only cost him \$15. He called me and then came to my office. I called the hospital and verified with the billing person that as long as the doctor billed the colonoscopy as "preventive" that it would only cost him \$15. My client probably would not have called

the insurance company to question the accuracy of the \$499 he was quoted, nor did he have a sure knowledge that they were incorrect. However, he trusted his health insurance agent as a true professional who would serve his needs. He left my office extremely happy that I was able to make sure that he would only pay \$15, rather than \$499.

There are many examples over the years where I have saved clients thousands of dollars per year. For example, I've met perhaps 25-50 clients over the years who had originally signed up with a carrier directly, without using a broker. Five or 10

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***"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**

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years later, they call me asking why their rates are so high—sometimes close to \$1,000 per month. In most of those cases, I was able to help the client reapply with the same carrier for new lower rates on the same or a very similar plan, or apply with a different carrier for lower rates on a very similar plan. In most cases, the client was able to keep the same coverage, and reduce cost from roughly \$800 monthly to \$500 or \$600 a month. In other cases, the client, after some analysis and advice from me as their new broker, decided to go to a higher-deductible HAS plan and reduce monthly cost to roughly \$200-\$300. And, in some cases, I helped my client save more than \$5,000 per year, which over a 10 year period, would exceed \$50,000 of savings.

I am currently the broker for approximately 650 individual clients. Most of them are self-employed, work for a company who does not offer insurance, or the insurance they are offered was more expensive than what I could find them in the individual market. Without the knowledge and help of an experienced, professional broker, many of my clients would still be paying \$800 monthly payments, instead of \$500-\$600 or \$200-\$300 a month if they have switched to HSAs.

As a testimony to the value of a long-term broker, consider the growth of my agency. I have used almost no advertising or leads throughout my career. I moved from Idaho to Utah, and thus knew very few people to whom I could sell. However, I made cold calls, etc. and when my clients could see that I not only helped them obtain an appropriate plan initially, but also called them each year to “reanalyze” their needs, they not only stayed with me, but they told their associates, friends and family about how much a good broker can help them in choosing a good plan and save money by evaluating their needs every year. If I, as a broker, did not have significant value to my clients, I would not have the retention and growth in my insurance agency. I do not have any sub-agents under me. I complete all new sales and all ongoing service for



all of my clients. It is hard to quantify exactly, but I would estimate that the total savings that I have provided to my clients over the years to be several million dollars. I hope that Congress understands the true value of a loyal broker who continues to serve his or her clients in the short-term and in the long-term. I have only focused in this letter on the savings I provide to my clients. This does not include help with claims issues and other services that a broker provides to his clients. If brokers are ever “done away with,” it worries me that many clients will suffer as they initially struggle to find the best plan for them, but also I fear that they will stay on the same plan for many years, even if, over time, that plan is no longer the plan that best serves their interests.

Many industries in America are served well by knowledgeable, experienced professionals who help their clients to find and participate in the best health insurance policies for them. I hope that Americans will always have the ability to call a professional health insurance expert, or in other words, their broker, to make sure they have the plan that best suits them from year to year. I cannot be an expert in every field, but I am an expert in health insurance.

I have spent 12 years, 30-40 hours per week (which equates 18,000-24,000 hours) dealing with health insurance issues. I hope Congress does not expect every American to ever spend that much time, so



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that they would be as qualified as a broker like me, to truly make a fully educated, professional decision on their family's health insurance needs from year to year. I hope America is allowed to continue to benefit from experts in every field, including an expert to help every American determine how to best handle their health insurance needs."

- Duane Andersen (Broker)

"About a year ago, I had lunch with an old friend who I only see twice a year—her birthday and mine. At the time—her birthday—I'd been working for the Utah Association of Health Underwriters for about nine months. She and her husband are small business owners. At my birthday lunch the previous August, when I'd been on the job only three weeks, I'd asked a little about their health insurance situation but I didn't know very much myself. She had told me that their broker always worked hard for them.

So during last May's lunch, I followed up with more questions about the business and their coverage. She said that although they offer coverage to their employees, she and her family were by far the biggest users. I asked what kinds of rate increases they had seen. She then launched into an excited discourse about what an amazing job their broker had done for them over the years and especially the past two years. She said their carrier had twice wanted to raise premiums by nearly 20% but that their broker had been able to talk them down to an astonishing 0% increase both times. I then asked who her broker was, figuring there was a chance I might have met them or at least heard the name in the past nine months. When she said, "Gina...", I immediately completed the name. "Dalton?" I asked. "Yes," she said, "you know her?" "You bet," I responded, "She's our legislative co-chair."

I then found out that in the twenty years they'd owned the business, they'd had two brokers: Gina Dalton and her business partner, Robin Telesco, our state association secretary for the past several years. In the nearly two years that I've worked for UAHU and with agents, I've met many amazing people; men and women whose main mission is to get their clients the best coverage at the lowest cost and to support those clients with top-of-the-line after the sale service.

Let's hear it for great brokers!"

- Martine Smith (Broker)

"Dear Ryan,

I am writing to express my deepest appreciation for the attention and concern you have shown to our family in a time of need. On October 5, 2013, my wife was diagnosed with acute myeloid leukemia (AML) and was rushed to the hospital. This was a shocking discovery and, without your quick thinking, concern and immediate action, my family and I would have reached financial ruin.

On August 30, 2013, after 45 years of



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employment, I decided it was time to retire. I was looking forward to spending lots of quality time with my wife, kids and grandkids. Prior to my retirement, you were very helpful in transitioning my insurance from my employer to a different insurance plan. After my wife and I received physicals earlier in the year and got a clean bill of health from our doctors, I applied for insurance coverage. Unfortunately, we were soon hit with rejection letters because of a knee replacement I had a few years ago. Despite your best efforts, we were unfortunately only able to select a 'transitional' insurance plan, as it was the only plan we were approved for.

Then the unthinkable happened, which changed my family's life forever. Only one month after my retirement, my wife was diagnosed with AML and immediately hospitalized. With the possibility of losing my wife, I was also faced with the realization that my insurance was inadequate for her needed care. I realized that after 45 years of working so hard, I could lose everything in a flash. I called you and you immediately called me back. I will never forget the words you said: 'I have a plan, but we will need to move quickly.' Ryan, you went above and beyond contacting my old employer, insurance company and others to quickly get my wife and I back on my old insurance plan under COBRA. With your quick action, everything was put in motion. You helped coordinate everything so I could focus on my wife and her recovery.

This letter doesn't do justice for what you have done for me, my wife and my family, but I hope it sheds light on your character and your willingness to help out a family in need. We are so grateful to you and couldn't imagine where we would be without you."

- Thomas Cy Sherwood (Client)

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