

DENTAL PRODUCTS

Dental Insurance: 5 Creative Trends to Watch

What's driving the evolution of this supplementary product market?

» BY TONYA DRAUGHON

These days, affordable health care is on everyone's mind — politicians, employers, individuals, and insurance agents alike. Health care benefits have historically been an essential component of an employee compensation package, but today, more creative products are earning their places alongside the traditional benefits package as employers and individuals search for ways to contain their health care costs. That includes dental insurance — a longtime staple of the employee benefits package that's now evolving with the rest of the industry.

With several emerging trends, it's more important now than ever to get to know your client and their individual situation in order to make the most of these innovations. There are numerous options available today, but they are not one-size-fits-all. Just as fashion trends add a fresh look to seasonal favorites, dental insurance trends can offer flexible ways to design a plan that meets business and individual objectives. And as an insurance producer, you are the creative director in this new health care marketplace.

1 INDIVIDUAL OPTIONS

Today's dental insurance options can replace employee-sponsored benefits — and they can work just as well for

the self-employed, unemployed, and early retirees and their families. You have many programs to choose from, so make sure you consider the following.

- ▶ **Read all policy disclosures.** What looks like an insurance policy could just be a discount card.
- ▶ **Understand your clients' circumstances.** It may trigger insurance limitations if many of your employer clients' retirees have relocated to other states.
- ▶ **Focus on the balance between cost and quality of benefits.** This could vary depending on your clients' priorities.

2 PREVENTIVE SERVICES

Some insurance companies are following Benjamin Franklin's guideline that "an ounce of prevention is worth a pound of cure" by covering diagnostic and preventive (D&P) dental services without applying the cost to the annual maximum.

Teeth cleaning and X-rays can reduce the risk of gum disease and tooth decay and can identify serious health issues such as high blood pressure and diabetes. Without a D&P rmax waiver, individuals may skip these preventive measures to avoid exceeding their insurance limit should they require a high-cost procedure, such as a root canal, at a later date.

Policies may also cover more frequent D&P services for individuals with conditions such as diabetes or heart disease. Good oral health can reduce the risk of complications from these diseases, and may ultimately reduce overall health care costs.

Insurance dollars spent on prevention can save hundreds or thousands of dollars spent on the eventual treatment or cure. The wisdom of Ben Franklin — who, by the way, started the first insurance company — will serve your clients well.

3 INSURANCE HYBRIDS TRIGGERED BY CDHC AND HSAS

With the continued movement toward consumer-directed health care (CDHC), combining discount cards with high-

deductible health plans and health savings accounts (HSAs) can be a great option for individuals who want more control over how their health care dollars are spent, as well as for employers looking for opportunities to lower premiums.

This blend of insurance plans and HSAs can lead to savings in other areas as well, so watch for extensions to these insurance models. Much like a self-funded group plan that utilizes a network to reduce out-of-pocket and claims costs, consumers who elect CDHC programs are willing to accept a certain amount of financial risk in order to save money on premiums. Having a discount savings card as part of their program can reduce their exposure. Many savings cards also include discounts on a variety of services, such as dental, vision, hearing, complementary and alternative medicine, and prescriptions.

4 EMERGENCY RESERVES AND INCENTIVE/LOYALTY PROGRAMS

Carriers are looking for innovative ways to help build long-term commitments with their groups, such as annual maximum rollover programs. New incentives include emergency reserves, which allow members to borrow from a future annual maximum to pay for current dental expenses.

By developing creative ways to extend maximums, insurance providers are more likely to retain clients. In today's unpredictable economy, saving money is on everyone's mind — and in the process, you can earn your clients' long-term loyalty.

5 SHARED FAMILY MAXIMUMS

Shared family maximums are another way to extend annual maximums by allowing family members to share dental-coverage dollars. Instead of the traditional individual maximum for each family member, shared maximums mean that the dollars can be combined so any or all family members can use them.

These five trends are new, they're creative, and they're a perfect opportunity to reach out to your current and potential clients with the latest benefits packages. When you take the time to learn what's going on in the dental market today, you're better positioned to pass along opportunities and savings to your clients — and earn a steady stream of business in the long run. ◀

Tonya Draughon is the director of national business and product development for Renaissance America. She can be reached at 800-963-4594 or sales@renaissancefamily.com.

130 million American children and adults who lack quality dental benefit coverage¹

25.3 million Number of adults who did not receive dental care because they couldn't afford it²

51 million School hours missed each year because of dental-related illnesses³

164 million Work hours lost each year because of dental problems⁴

Sources:
1. National Association of Dental Plans/Dental Plans Association, "2007 Dental Services Report," September/August 2007.
2. National Center for Health Statistics/Health 2007.
3. United States Census Bureau.
4. American Dental Education Association/Journal of Dental Education, June 2001.