

# EMPLOYEE BENEFIT Adviser

Keeping benefits advisers and consultants on top of the trends

Advanced Search

- Home
- ▶ Health Care
- Retirement
- ▶ Voluntary Benefits
- Movers and Shakers
- ▶ Your Business
- Sales Call
- Technology
- Client Communications
- Compliance
- ▶ Blogs
- ▶ Op/Ed Articles
- Podcasts/Videos
- Industry Resources
- Adviser of the Year Award
- Employee Benefit Adviser Summit
- Calendar of Events
- ▶ Benefits Buyer
- Benefits Bookstore
- ▶ EBA Products and Services

## FREE Site Registration

- ✔ Free Newsletters
- ✔ Free Seminars and Podcasts from Industry Experts
- ✔ Free Online Content and More

[▶ Sign Up](#)

PRINT

E-MAIL

REPRINTS

### Related Articles

- [The new "us"](#)
- [The problem with Mr. Plaid](#)
- [Letter to the Editor: The \\$81 billion bill that will really cost \\$1.4 trillion or more!](#)

[Service, service, service](#)

[Remembrance and reinvention](#)

### Most Popular

- [Control employer data, control your world](#)
- [Reform debate elicits heated opinions](#)
- [Research shows plan sponsor governance dips](#)

### Most Forwarded

- [Health care reform proposals should promote more provider competition](#)
- [Just because you say you're a benefits consultant does not mean you really are](#)
- [Could your employees be corporate thieves?](#)

## Going above and beyond

By Tonya Draughon  
December 1, 2009

The pressure is on health insurance brokers. According to a national study by the Society for Human Resource Management, 17% of companies are cutting health care benefits due to economic and employment trends, and 32% are changing health care plans for demographic reasons.

This means brokers must bring more than a health insurance renewal form to their annual client meeting. They must demonstrate an understanding of the company's financial situation, possible impacts of health care reform, and even company culture in order to present the perfect health care option.

Advertisement

Where to start? Increasingly, companies are considering changing their insurance plans mid-year to save money. This may be a necessity but it may also result in other challenges and expenses that your clients may not have anticipated. Don't wait for them to call you.

Check in with your clients a few times a year to determine if their insurance plans still

fit their needs. By proactively recommending changes, you can avoid a frustrated call or even losing an account because an insurance plan failed to meet a client's expectations.

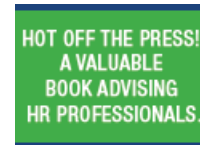
Follow your clients in the news. Were layoffs or a drop in quarterly profits announced? Also, take note if a company's premium is reduced due to downsizing or new restrictions on benefits eligibility. By noticing signs of financial challenges you can look like a hero by proactively recommending options that reduce your clients' benefits costs.

While it's essential to have a good relationship with your clients' HR teams,

Advertisement

Advertisement

What do employees value more—benefits or cash?





don't underestimate the importance of face-to-face contact with the ultimate financial decision maker - the head of finance, president or owner.

Find out how invested the financial decision maker is in the health benefits the company offers. This can help you gauge whether your client is interested in either comprehensive or minimal benefits or if the decision is solely based on cost. If it is the latter case, help guide the choice of insurance carrier by pointing out that a less expensive carrier may not provide adequate customer support to the HR department.

Health care reform is on everyone's mind. Understand the issues and keep the facts straight so you can address any questions your clients may have. Any changes in health care can impact your clients' insurance plans.

Set up Google Alerts to stay current on the status of health care reform. Sign up for industry newsletters.

Clients under pressure to cut health and welfare benefits may simply turn to less expensive health plans. Your ability to evaluate the cost/service benefit will help HR departments determine whether a less expensive plan will cover the services that matter most to employees.

If a company still decides to drastically reduce benefits, then make sure the HR team fully understands the new insurance plan's service levels and network size. Keeping HR fully informed will help them address employees' questions or complaints about changes in their health care services. Also, a significant reduction in health care coverage may impact employee retention, particularly in competitive markets.

Not only are there numerous insurance plans to choose from, there are many new options as well. To hold the line on insurance premiums, many insurance companies are getting creative with options. Know how to create a program that meets your clients' needs.

When customizing plans, it helps to keep company demographics in mind. For example, the insurance needs of older employees differ from those of younger employees. Companies with a significant number of older employees might consider adding voluntary retiree benefits, while a company with mostly younger employees may be more concerned about having a dependent care assistance plan.

As baby boomers retire, company demographics may skew younger, resulting in shifting priorities in insurance options. Younger employees tend to value preventive care options. Consider insurance plans that cover diagnostic and preventive services without deductibles or applying the cost to annual maximums.

By tracking your clients' changing needs and recommending health care plans that address them, you will retain loyal clients. They will depend on you as their trusted adviser.

Draughon is director of national business and product development at Renaissance Life & Health Insurance Company of America (Renaissance America) and a National Association of Health Underwriters member. Reach her at TDraughon@renaissancefamily.com.

[Print](#)   [E-mail](#)   [Reprints](#)

No part of the content contained herein may be transmitted, redistributed, copied, stored, downloaded, abstracted, disseminated, circulated or included as part of any other service or product. For all permissions, please contact Godfrey R. Livermore at 212-803-8351, [godfrey.livermore@sourcemedia.com](mailto:godfrey.livermore@sourcemedia.com).



## Marketplace Message Center

### Service Matters

At Aetna, service is at the heart of everything we do. That's why Aetna Customer Service rep Lisa

### Employee Benefit News

The benefits market leader for more than 20 years, Employee Benefit News educates you on

### Employee Benefit Adviser

Get insider tips for understanding client needs and strategies to create and maintain employer