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## IT'S A CHANGING WORLD

Key Trends Every Advisor Must Watch



**PATENT WARS:**  
LINCOLN NATIONAL IS UP IN ARMS

**UNDERWRITING**  
"MY GENERATION"

**RIDING THE BEAR MARKET**  
THE SAFETY OF VARIABLE ANNUITIES

# Restore Trust, Revitalize Health Sales

You can bring **LIFE** back to the industry as a trusted health advisor.

BY SAMUEL H. FLEET

**IT'S TOUGH TO BE IN THE HEALTH INSURANCE INDUSTRY THESE DAYS.** And it isn't all about rising prices. Yes, costs are escalating, whether the pocketbook belongs to the consumer coming up with co-pays and a share of monthly premiums, the company footing the bill for insurance coverage and benefits administration services or the government stepping in with a safety net for the uninsured and senior citizens.

What really takes the heart out of health industry professionals is the growing perception that we are in a business that is uncaring, even disreputable or sneaky. That's a blackeye that is hard to take for those who see themselves as central to solving people's health concerns and problems.

While no one person can turn around an industry's image, it is important for those whose livelihoods depend on selling insurance coverage to become proactive with their customers. Each of us needs to see ourselves as knowledgeable

consultants who can help customers identify what is true, weeding out the distracting "noise" of myths, rumors and distortions. Bottom line: The key role of today's health insurance sales person is delivering expertise along with the product.

## EROSION OF TRUST

Tobacco companies have long been at the bottom of rankings when it comes to perceived trustworthiness — and with today's sticker shock at the gasoline pumps, it isn't surprising that oil companies are right down there with them. The health industry is now in the same boat.

As the chart below shows, a 2007 Harris Poll on industry reputations indicates that only 7 percent of those surveyed think health insurance companies are generally honest and trustworthy, while managed health care companies rank even lower. On a separate question, 52 percent said that health insurance companies should be more tightly

regulated, an indicator that people feel they need more protection from businesses that may not have the customers' best interests at heart.

Overall, the survey is a depressing reminder that today's health industry customers begin with a negative frame of mind when they sit down to consider their coverage options.

## DELIVERING EXPERTISE

What can the health insurance professional do to counteract the lack of trust? The first step is to provide customers with an intelligent assessment of what they can expect — what the state of the health care industry is today, where it is likely to head tomorrow and how they can best protect their interests. This requires insurance professionals to stay on top of industry trends, understand what is likely versus what lacks credibility when it comes to headline news, and find a way to deliver the information to the customer in clear, graphic terms.

For example, with all of the presidential candidates discussing universal health care and pledging a massive overhaul, it would be easy to be lulled into believing that 2009 will bring an entirely new, national system into being. But there's a \$2 trillion health care

sector whose players are largely satisfied with the status quo — or at least are not enamored by any of the reforms that bubble to the surface in political circles. Their clout makes it very unlikely that universal health care is coming any time soon, regardless of who wins the presidential election.

Instead, considering political realities and practical constraints, the following issues are most likely to be important for customers:

- Employer-provided health benefits will become more diverse and customized to meet the financial needs of both the company and the employee. Plans today are never as simple as vanilla or chocolate — and just as with ice cream, all of the different brands have their own specialty flavors to consider.
- Consumer-directed health care will continue to grow as employers increasingly shift costs and decisions to their workers. This will require purchasers to pay attention to issues like customer service, outreach and education that are provided as part of a benefit package.
- Cost transparency will move to the front burner as the pressure increases to give consumers all of the information they need to make smart decisions. This should also help businesses that are struggling to understand how to contain health costs while still delivering quality care for their employees.
- Although new laws and regulations are always dependent on the political power struggle in federal and state governing bodies, there are some areas that are ripe for change. Tax incentives could be created that

Industry	Believe Industry is Honest and Trustworthy	Say Industry Should be More Regulated
Tobacco companies	3%	41%
Oil companies	3%	53%
Managed care companies	5%	45%
Health insurance companies	7%	52%
Telephone companies	10%	25%
Life insurance companies	10%	28%
Online retailers	10%	13%
Pharmaceutical companies	11%	53%
Car manufacturers	11%	22%
Airlines	11%	30%
Packaged food companies	12%	30%

Source: 2007 Harris Interactive Poll

will encourage individuals to buy health insurance. And new laws may be enacted that will allow small and sole proprietor businesses to pool together and bargain for more affordable health coverage.

## FINDING THE RIGHT TOOLS

Another important step for health insurance professionals who want to establish themselves as trusted advisors is to find the best partners and tools that will help customers make good decisions.

For example, all of the large insurers promise deep discounts on pricing. That can be appealing, but customers need to be careful of "bargains" that are little more than the scaling back of massive markups. Shoppers may feel a momentary attraction to a high-end department store item with a 25 percent markdown, but they know they are likely to get a better deal at a store known for high value and low costs day in and day out, regardless of occasional discounts.

The seasoned health insurance professional can help customers find the right mix to meet their needs. Third-party administrators and other potential partners with a wide range of customized products can offer effective tools, such as pharmaceutical audits, to keep costs

in control. They can also be compared on matters such as claims management, consumer support and wellness incentives. By leading customers through the comparison process, health insurance professionals add value that transcends a simple sale.

The health benefits world was easier when everyone bought the same type of plan and offered their employees the same type of coverage. But in the face of rising costs and growing distrust, taking the easy way out is no longer feasible. Health insurance professionals today must embrace an active role as trusted advisors who can deliver expertise, not just health benefit products. ■

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