



# The View

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**Start the New Year Right**  
with a special presentation by

*Bryan Dodge*

**Thursday, Jan. 10, at 9:00am**

*Cacharel Restaurant*

“The greatest asset your company has is your people. This meeting is for them. If they grow, the company will grow; if they change, the company will change.”

Professional speaker, radio show personality, and author, Bryan probably holds the record of being the busiest speaker in the United States. A popular choice for conferences and conventions, last year alone he made well over 300 speaking appearances all across the United States and Canada. He is the author of several professional development programs including, **How to Build a Better You, How to Build a Complete Sales Person, and How to Build a Purpose Guided Life**, as well as being the co-author of the book, **Becoming the Obvious Choice**.

**WHAT YOU CAN EXPECT TO LEARN**

Bryan Dodge will deliver his inspirational message, “*How to Build a Better You*” in his high energy delivery style that everyone will benefit from. He will focus on the key areas of personal development. This program will inspire you to have consistent upward growth in your life and in your career. He will present the E.A.T. Philosophy which will enable you to have a positive outlook and will also teach you the importance of dealing with every problem on its time. Bryan will reveal the three main laws of leadership and conclude with the power of personal energy and where it comes from. Bryan’s program is refreshing and entertaining, yet informative and educational. His lively and spirited delivery style will make this event a very memorable learning experience.

*Continued on page 2*

### MISSION STATEMENT

The Fort Worth Association of Health Underwriters exists to inform and protect the consumer through the professional growth of its members.

**Visit our website**  
**www.FWAHU.org**

## **AND THAT'S NOT ALL...**

Following Bryan Dodge's presentation, we'll hear from Dr. Eric Bricker, MD. Dr. Bricker is the Chief Medical Officer and co-founder of Life Account, a concierge health service based in Dallas. Life Account enhances the value of employer health benefits by making employees better health care consumers through expert guidance and support across all care settings.

For every 100 employees, Life Account's services have resulted in:

\$600 per month in reduced claim costs

35 hours per month in employee work hours saved from administrative health care tasks

Improved employee satisfaction with their health plan even with greater employee cost-sharing

Reduced employer exposure to private and sensitive employee health information

Dr. Bricker will be discussing Consumer Directed Health Plans from the patient and physician perspective. He will focus on current provider challenges, consumer health benefits and employer cost implications.

## **STILL MORE...**

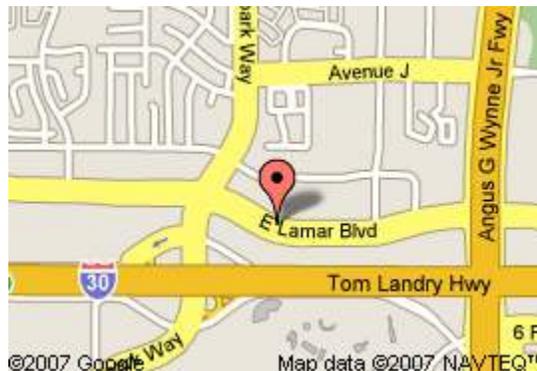
To conclude our "Start the New Year Right" presentation, Gretchen Weber, Chief Marketing Officer of Elite Wellness, will be giving a presentation entitled "Positioning Wellness for Today's Workforce".

Gretchen was a speaker at our Health Insurance Expo in October and was a crowd favorite. She has been gracious enough to speak to us again about this very important topic.

This program is approved for one hour of continuing education credit (course #46276C provided by the Texas Association of Health Underwriters, provider #0426) and is provided at no additional charge.

***Cacharel Restaurant is located on the 7<sup>th</sup> floor of the WBAP Building. The address is:***

***2221 E. Lamar Blvd, Arlington, Texas 76006***



### **Breakfast Menu**

*Fresh Scrambled Eggs*

*Sausage and Bacon*

*Country Roasted Potatoes*

*Fresh Pastries and Breads*

*Assorted Juices, Coffee & Tea*

**Please RSVP by going to [www.fwahu.org](http://www.fwahu.org) and clicking on "Upcoming Events".**

**\$20 for members / \$30 for non-members**

## The Case for Voluntary Permanent Life

By Carroll Fadal, Director Marketing, Communications and Training at Texas Life

For benefits brokers and the companies they represent, springtime is conference and trade show time. From the Benefits Selling Expo to Workplace Benefits Association Renaissance and Mania to MI2 and VEBB, those of us who specialize in the worksite arena are inundated with opportunities to share the latest and greatest ideas on how to get employers to add to their benefits programs.

In working a booth at all the major shows, I have become increasingly aware that many brokers have more or less abandoned one of the historic linchpins of worksite marketing, voluntary permanent life, for newer, sexier benefits such as critical illness and mini meds. To be sure, life insurance still is offered in many plans, but the predominant form is term, both employer-paid group and employee-paid optional coverages.

Industry statistics bear this out. According to Gil Lowerre of Eastbridge Consulting Group, total voluntary sales more than doubled in the 10-year period beginning in 1997, from about \$2 billion to more than \$4 billion. Much of that growth came in the early years of that span, with the pace slowing considerably over the last three years. However, examining life only statistics, while term sales increased in 2006 by more than 13%, Universal Life and Whole Life sales decreased by three percent.

That trend continued through the first quarter of this year. LIMRA's first-quarter survey of 22 voluntary permanent life carriers showed an 8.6% decline in sales versus 2006 figures.

So why the decline in sales of a product most employees know they need? Theories abound, but here are a couple that seem to make sense:

**More benefits are being offered.** The voluntary benefits marketplace has become more of a "shopping mall" for employees. With more choices and limited discretionary dollars, employees tend to choose the products that offer more immediate payoff. The good news, according to Lowerre: 65% of employees own at least one voluntary product, up from 40% in 2002. The bad news, from a life perspective: only 26% own a voluntary life product, and most of those choose term.

**Changing enrollment methodologies.** As more large employers move toward a self-serve, web-based enrollment system, their employees tend to select products with more "sizzle." What was true in 1985 remains true today: permanent life insurance is sold, not bought.

Considering the statistics and the changing worksite product and enrollment landscape, one might conclude that a need for voluntary permanent life insurance no longer exists. Nothing could be further from the truth. Ponder these LIMRA statistics:

More than half of U.S. households have only the group term their employer provides;

More than 75% of all death benefits are paid from individually owned policies;



More than 90% of term life, either individually owned or group, expires without paying a death benefit.

What do these statistics tell us? The answer is obvious. While term insurance is a very cost-effective way to protect a wage-earner's family from unexpected death, most of the time, it's not in force when the insured dies. Yet many families depend totally on employer-paid group term for their life insurance protection.

There's an old saying in the life insurance industry. Term insurance is for *if* you die; permanent insurance is for *when* you die, and one fact is irrefutable: everybody dies. For the employee, the question becomes, "When do you want a life insurance policy in force?" The answer: "When you die." Unfortunately, term is seldom in force when people die, which brings us back to the point. Regardless of the number of benefits offered, regardless of the enrollment methodology, employees need permanent life insurance, policies designed to be in force *when* they die.

To understand the problem further, we need to take a look inside some of the numbers. Arguably, the most disturbing of all the statistics is the fact that more than half of U.S. households have life insurance consisting solely of the group term an employer provides. Why is that? Probably because most life insurance agents who specialize in the individual market don't call on rank-and-file employees. Rather, they spend their time and energy on the top 10% to 20% of income earners in their communities. That's where the larger sales, and the larger commissions, reside. That leaves the average employee without the opportunity to purchase quality permanent life insurance unless his or her employer makes it available at the worksite.

Group term is a product of great value to employees. Typically paid for by the employer, it provides at least a foundation of life insurance coverage for people who otherwise wouldn't have any. However, it can give employees a false sense of secu-

rity, because regardless of the plan, two things are true of term life insurance: as people age, the cost goes up and the benefit goes down. Particularly with group term, the death benefit typically disappears after the employee retires.

Employee-paid optional term has become more popular over the past few years, for several reasons. First, it allows employees to purchase larger amounts of life insurance through the convenience of payroll deduction. Second, it's very affordable, particularly at younger ages. Third, employers like it because it's paid for by employees. Finally, many voluntary group term plans have portability options. Even so, the same two truths apply: as employees age, the cost rises while the benefit declines.

The bottom line is this: for many wage-earners who depend solely on group and optional term, there will be no life insurance in force at precisely the moment they need it, when they die. Without some permanent coverage, scores of employees and their dependents will die without life insurance.

A school of thought that has become more prominent in recent years holds that if people do well enough with their investments, they won't need post-retirement life insurance. With the widespread availability of 401(k) plans, even the lowest paid employees have investment opportunities their parents and grandparents didn't have. While this idea has merit, it ignores critical facts. First, many lower paid wage-earners don't participate in 401(k) plans, and even when they do, the contribution amounts are small. The capital they accumulate during their working years is used as retirement income and does not provide significant funds for such things as final expenses, burial and other death-related costs. A second fact that often goes ignored is that many employees, however well intentioned, don't always follow through with investment plans. Immediate financial pressures, desire for consumer products and rising energy and credit card bills often cause employees to ditch retirement saving just to make ends meet.

As in decades past, the best way to provide for the expenses people incur when a wage earner dies continues to be the cash death benefit life insurance provides. Without that immediate, income tax-free cash infusion, families founder. Uninsured and underinsured employees and their families present a distinct challenge to the communities in which they live. When an uninsured or underinsured bread-winner dies, someone has to answer these questions:

Who plays the final expenses? Health insurance, if it exists, will cover some of the cost, but in today's high-deductible, high out-of-pocket plans, large bills will still arrive in the survivors' mailboxes. If the family is unable to pay, doctors and hospitals end up "eating" the cost, resulting in continually increasing health insurance premiums

Who pays for the funeral? Like everything else, the cost of even a simple burial continues to rise.

Most importantly, who takes care of the survivors? With reduced income, the family will struggle to survive. Many end up on government assistance, but those benefits continue to be a target of budget cutters.

This is not to say that permanent life insurance is a panacea. It does, however, enable survivors to pay for final expenses

and funerals, and it gives them some financial breathing room to make wise choices for the future. A tried and true adage holds that hurried financial decisions typically end up being the wrong ones.

How, then, do we convince employers of the need to make voluntary permanent life insurance available to their employees? While it takes some effort, the pitch is actually pretty simple and similar to that of other voluntary benefits. Adding voluntary benefits enables the employer to enhance the company's benefit package at no direct cost. Of course, as in any voluntary enrollment, there a couple of indirect costs: the time to establish payroll deductions, and more importantly, the time the employer gives the enrollers to see each employee at the worksite.

It is this ability to have face-to-face interviews with all employees that ensures the most successful voluntary permanent life enrollment. Because permanent life insurance is sold, not bought, it is important for employees to be able to talk with an enroller. According to a 2006 LIMRA study, 75% of American households don't have a personal life insurance agent. Is it any wonder, then, that so many employees are either uninsured or underinsured?

As more large employers move toward self-service enrollment models, face-to-face interviews are more difficult to get. However, one phrase that continues to work well is simply, "To get the most impact from this important enhancement to your benefits program, it is crucial that every employee has the opportunity to participate." Coupled with an explanation of the deduction authorization/waiver form, this statement can help convince employers to allow access to their employees. If every employee has the opportunity to apply for permanent life insurance, then those who don't choose to participate – and so indicate by signing a waiver – can't come back later, perhaps after they become uninsurable, and say they didn't have a chance to apply. This gives the employer some degree of comfort and protection.

If the value of voluntary permanent life insurance to families and communities were not enough to convince brokers to sell it, certainly compensation should be. Permanent life typically pays among the highest commissions among all voluntary products. It can be a lucrative addition to the broker's income.

Voluntary permanent life insurance is a crucial piece of any employee's total protection package. It is just as important today as it was 40 years ago. With all the enhancements carriers have made to their voluntary life products – higher death benefits, accelerated death benefit riders, long term care riders, guaranteed paid-up whole life policies and more – brokers can offer employers a multitude of choices and almost guarantee a product fit for any employer's needs. While it is among the oldest of voluntary benefits, permanent life is also one of the freshest. It provides peace of mind for employees and strong benefits for the communities in which they live and work. The case for voluntary permanent life insurance remains strong. Perhaps it's time brokers revisited it.

## Underwriters - Friends **NOT** Foes

By Rob Wendling

A relationship between Sales/Brokers and Underwriting has long been classified to be as compatible as oil and water. A salesperson would argue that Underwriters don't recognize the pressures of not only promoting yourself and the company you represent, but also the stress of selling the products and services to as many members they can get to meet performance quotas. The Underwriter would argue that a Salesperson/Broker has no understanding of the financial impact their decisions made out in the field cause when Underwriting Guidelines are not placed at the forefront of their decision making and, God forbid we try to make a small profit. Then of course we both debate points, paperwork, tax form requirements, and why all of this is necessary.

First, I'd like us all to agree that we both have the same goals in mind... Decrease the number of uninsured Americans in the United States. Now that we can begin on common ground, let's review first what a Salesperson/Broker can do to support Underwriting. Above nothing else, you need to meet these people through a phone conversation or in person. This action alone, as an Underwriter myself, truly shows me their interest and compassion for what I do and helps me to best interpret the character of the Salesperson/Broker I will do business with in the future. Now you can't call with a case in mind, as the attempt will look contrite and credibility of your compassion will be lost, appearing as if to only butter them up and get what you want for your client. Underwriters are people too you know, and we tend to be smarter than some give us credit for!

Second, we as Underwriters need to understand the nature of a Sales/Broker's responsibilities. What has worked the very best, in my opinion, is for an Underwriter to tag along on Sales/Broker calls periodically. This truly helps Underwriters grasp the strategy associated with each case and also allows more time for each to build working relationships that will enhance an open line of communication. It places real people with these group numbers, tax forms, and member applications and provides the Underwriter a perspective they are not used to seeing.

Now, these two steps alone deal directly with relationship building, but there is a technical side in Underwriting that must be addressed. Paperwork is a huge issue for the Salesperson/Broker and the Underwriter. I think we both can agree that while cumbersome, this information does tell a story. The problem for the Underwriter is determining if it is a story worth reading, a fictitious work, or incomplete to the point it is not even recognizable. Now relax, we all know a Salesperson/Broker never turns in paperwork they have not skimmed for errors themselves, right? Well, when you are looking at these, I thought it might be helpful to understand the top ten missing items I find as an Underwriter, so you are better prepared on your next call to get this information up front. In no particular order of importance...

1. Missing signatures – client, broker, witness on Employer Applications, and usually waivers for dependents not signed by employee and/or spouse not signing the Employee Enrollment Application.
2. Invalid documentation submitted instead of the Tax and



Wage Commission (TWC) statement or not providing any payroll documentation whatsoever.

3. Disclosure forms. Some carriers require these forms when offering mandate light plans. Keep in mind the Department of Insurance requires their collection, so don't kill the messenger please.
4. Prior Carrier Deductible not provided. I'm pretty sure your clients and their members want deductible credit when they have the opportunity to receive it.
5. Employee and Dependent Contribution not provided. To validate participation is at a reasonable level, and that the Employer's contributions support the goal of providing insurance to all eligible.
6. Signed copy of the Tax and Wage. What good is any paperwork if there is no one's signature validating it?
7. Completing the reason for waiving coverage; including the current carrier, ID number on the enrollment form or producing a copy of the ID card. Participation is determined through calculations of eligible employees, and certain waivers are excluded from that calculation, if we of course get the information up front.
8. Submitting Prior Carrier Bill. A carrier typically wants to be reassured the group has maintained fiscal responsibility with their past carrier, and on the membership roster we can determine if pre-ex applies to anyone.
9. Submit a letter from a CPA or Attorney on newly established business. As a new business, TWC's have not yet been filed, thus a CPA letter tends to get us the information and solidifies membership and group eligibility requirements when signed by the authorized representative.
10. Dates of Hire / Beneficiary information missing on the enrollment form. I think these two are self explanatory.

Keep these ideas and suggestions in mind and you can turn your relationships into a very successful, open and profitable one within each other's organization. Collaboration and Consideration create Satisfaction and Profit Realization for all!

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January 2008

## **FWAHU December Recap: \$650 raised for Carnall's Kids**

Thank you to all who attended FWAHU's December Holiday Party and Charity Bake Sale at Rolling Hills Country Club. We were able to raise over \$650 to benefit Carnall's Kids. Special thanks to everyone who donated and/or purchased baked goods.



Brave volunteers participate in an experiment to determine the health benefits of wine & chocolate



The troublemakers at Table 9

## FWAHU SPEAKERS BUREAU

The Fort Worth Association of Health Underwriters has a number of members who are willing and able to speak on a variety of topics, including:

### Health Insurance 101

Eric Johnson

### The 3 Myths of a Single-Payer Health Care System

Sharon Alt, Audra Sullivan

### Consumer-Directed Plans, including FSA's, HRA's, and HSA's

Sharon Alt, Peggy Bass, Audra Sullivan, Eric Johnson

### Individual Health Plans

Danielle Kunkle

### Medicare

Kasey Buckner, Danielle Kunkle, Eric Johnson

### Long-Term Care Insurance

Kathy Dorsey

Many other topics, including state-approved CE Courses

If you would like FWAHU to speak to your group, or if you would like to volunteer to be a speaker for FWAHU, please contact our Media & Public Relations Chair, Rob Wendling, at [media@fwahu.org](mailto:media@fwahu.org).



*Jim Helvey*  
*Photographer*

**2828 Donnybrook Drive  
Burleson, Texas 76028  
817-268-2688**

Jim Helvey, a Certified Professional Photographer recognized by the Professional Photographers of America, makes every effort to provide you with the most photographs and best services for your money. Specializing in Senior portraits, Family portraits, Professional portraits, and Weddings, Helvey Photography serves all of DFW.

Jim has been an active member of FWAHU since 1989 and is our association's official photographer.



## FWAHU WANTS YOU!

**We're at war, and we have an all-volunteer army**

**ENLIST TODAY!**

**The threat of a single-payer health care system here in the United States has never been so great. Join FWAHU and help us fight to keep America's health care system private. We're all in this together.**

To join, go to [www.fwahu.org](http://www.fwahu.org) and click on Membership.

## Where are they now?

If you have seen or heard from any of these folks, please remind them to renew their NAHU membership by contacting Danielle Kunkle by emailing her at [Danielle@consumerbg.com](mailto:Danielle@consumerbg.com).

Bill May \* Danny Whitt  
Virginia (Jenny) Renken \* Shelley Hawkins  
Jill Lind \* Robert Campbell  
Julie Locke \* Elaine Williams



## Where are the germs?

Shared telephones and computer keyboards are among the most germ-laden places in a home or office.



Wash your hands after using these items, as well as before and after meals, and after doing laundry, advises University of Arizona microbiologist Dr. Charles Gerba.

Most Americans have switched to short-cycle, cold-water washing to save energy and wear and tear on clothes, says Gerba. But this leaves viruses and bacteria largely intact. Common viruses that cause stomach upsets and diarrhea can also survive the average 28-minute drying cycle.

Source: *Living Well*

## The Toll of Heart Disease\*

Heart disease is the leading cause of death in the United States. Except for the flu epidemic of 1918, it has held that dubious distinction every year since 1900.



Nearly 2,500 Americans die of heart disease each day — that's one every 35 seconds.

More than 71 million American adults are living with some form of cardiovascular disease (diseases affecting the heart or blood vessels), including 13 million with coronary artery disease.

About 1,200,000 Americans will have heart attacks this year, and over 220,000 will die as a result.

Source: *Centers for Disease Control*

**\* Ask Gentrie Reisinger about the signs of heart attacks in women. Her mother, 48 years old, just had one in December. Gentrie would be more than willing to share their experience if it can help you.**

**You Don't Have To Do It Alone**

*Negotiating the challenging world of health insurance has never been more difficult.*

*Fortunately, you don't have to face this important decision alone.*

HMO? HSA? HRAP? PPO? LTC?

Professional health insurance agents, like those who are members of the National Association of Health Underwriters, have the expertise to cut through the information overload and ensure that you get the right coverage at an affordable price.

To find a health insurance professional in your community go to [www.nahu.org](http://www.nahu.org).



