

Adept broker can help select right benefits

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by Adam Bruckman*

While many businesses may wait until 2014 to comply with insurance changes driven by health-care reform, savvy executives are taking action now. These companies will not only be better prepared for the future but also can take advantage of potential tax credits available today, as well as innovative cost savings that may later disappear.

Large businesses utilize seasoned consultants to guide them through the best strategies, but small- and mid-sized companies don't always have access to the same expertise. If your organization relies on employee benefits brokers or insurance agents, it is important to understand the services and expertise they can provide.

In the wake of health care reform and rapidly rising health care costs — beyond supplying an annual selection of plans and prices — these professionals must serve as trusted business advisers. Regardless of the size of your operation, the best ones will offer the expertise, technology and resources to help you control costs, educate employees to become better medical consumers, and simplify the health care journey.

How do you know if your broker is in an optimal position to guide your company? Consider the following checklist:

- Health-care reform expertise
- Ask how the firm stays abreast of continually changing regulations related to health-care reform, and what tools and resources are available to clients.
- As legislation was passed and continues to

evolve, some brokers have assumed leadership roles in the insurance industry, attempting to influence the outcome, provide valuable input to legislators and advise their colleagues. What role has, and is, your broker playing in this process?

- Now that reform is a reality, many insurance professionals employ this expertise to keep their



customers in the know. Ideally, your agency has invested in resources to offer immediate online access to information about reform, as well as other state and federal regulations impacting employers. In addition, a series of communications, training and webinars may be available.

- Also, inquire about compliance assistance. Liability reduction is becoming one of the most desired services brokers can deliver.

Tax credit eligibility

Tax credits currently may be available to small businesses that provide health insurance to their employees. Ask your broker if you qualify. Companies with fewer than 25 employees may be eligible to receive

a credit on their 2010 taxes. By using a proprietary tax calculator, we're finding about 12 percent to 15 percent of our clients are eligible.

While accountants certainly can help businesses assess whether they qualify for this tax break, proactive insurance advisers will arm their clients with this information.

Focus on creating healthy consumers

Premiums already are high, and many argue that prices will rise further under health-care reform. Educating employees about wellness and preventive care, as well as how to become better health-care consumers, is the best way to ultimately reduce costs.

Sophisticated insurance advisers already offer such resources, although smaller businesses don't often have access to online information and health risk assessment tools. Those with employee hotlines also are unusual, but this can be tremendously helpful to companies that lack human resource staff to troubleshoot problems for their personnel.

While it may be difficult to locate an adviser who delivers these advantages, they do exist and are among the most worthwhile assets to seek.

Innovative cost-saving solutions

In response to rising premiums, many businesses have raised deductibles or eliminated health insurance altogether. There are many more options to consider, and a good broker can advise you about innovative ways to lower costs.

Before taking drastic measures, find out how many carriers your broker represents and whether customized plans are available. Your adviser should work with you to determine whether you have the right plan and incentives in place.

Brokers should ask a lot of questions to make certain your policy addresses your budget and the needs of your group. An analysis helps ensure you get the most from your plan and best value for its features.

Other options to consider that produce tax advantages for businesses and/or employees:

- High Deductible Health Plans (HDHP) with Health Savings Accounts (HSA)
- Flexible Spending Accounts (FSA)
- Dependent Care Accounts (DCA)
- Health Reimbursement Arrangements (HRA/105)

Although traditional health insurance is the primary focus for most employers, it is certainly not the only consideration in an employee benefits program. Cost-sharing through voluntary benefits is another way to maximize a benefits program while reducing expenses. This strategy enables businesses to offer life, disability or other supplemental policies on a voluntary basis, provides tax advantages and allows individuals to select the coverage that best meets their needs.

A good adviser holds the key to a healthy, affordable benefits program.

Find out whether yours is prepared to transform into a more consultative role, ensuring you get the most affordable prices today — and are well-positioned for the future.

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