

# INSURANCE & EMPLOYEE BENEFITS

SPECIAL SECTION

November 21 – 27, 2008

## Focus on small-business benefits proves profitable

By Tonya Layman • CONTRIBUTING WRITER

Dave Woodruff is a senior partner at **The A.I. Group Inc.**, an employee benefits brokerage firm with offices in Alpharetta, Athens and Central Georgia. As such, the 28-year industry veteran regularly writes policies for businesses both large and small.

When Woodruff first heard of **Digital Insurance Inc.**, he was skeptical the Galleria-based company could help him keep the small-business clients that had come to A.I. Group, a firm that was initially set up to cater to larger businesses. Often, the time spent on a small-business account is similar to that spent on larger clients, but the smaller the business, the smaller the commission, Woodruff says. A.I. Group was often losing money serving these clients. However, many of those smaller clients were personal friends of the A.I. Group's leadership or good referrals from their larger clients. They didn't want to give up that business.

Two years ago, A.I. Group outsourced the service and support of 110 small-business clients to Digital Insurance, which tracks and reports every contact made with the client so Woodruff and his team can remain in the loop with their customer.

"We were faced with not doing anything for these [small] customers at all. ... I wasn't going to sell a commodity and turn them over to a toll free number at the insurance carrier's office," Woodruff says. "Digital came along and it was a savior for our customers and clients, and we could continue to provide them with great products and service.



**Niche business:** CEO Adam Bruckman says the key to Digital Insurance's success "is we work with many large agencies who feel like they can't give their smaller clients the attention they need."

"Now we have a wonderful solution and our small businesses are getting the same level of service and support as large businesses through Digital," Woodruff says. "They have been able to keep customers happy and get a 98 percent retention rate."

Digital Insurance has built a booming business by seeking to fill this niche in the marketplace, and it has done so by delivering health and benefits solutions designed specifically for small businesses nationwide.

Founded in 2000, Digital Insurance represents the largest share of U.S. small group insurance business — managing 16,000 small groups and representing



350,000 employees nationwide. The 2008 Inc. 5,000 list recognizes Digital Insurance among the country's top fastest-growing private insurance firms with a nearly 250 percent growth rate since 2005.

In many respects, Woodruff's experience illustrates why Digital Insurance has been able to put together a solid track record of growth. In response to spiraling major medical premiums, less than half of small businesses with three to nine employees offer health insurance, according to a report from the National Conference of State Legislatures.

The company also partners with brokers, agents and financial services companies to manage or acquire their small group customer base. During the first half of this year, it acquired 16 agencies or blocks of accounts.

"The thing that makes us a little bit different is we work with many large agencies who feel like they can't give their smaller clients the attention they need," says Digital Insurance President and CEO Adam Bruckman. "We do that work for them on behalf of their customers."

For small businesses, the team at Digital Insurance helps the owner or controller customize a solution that works for both the business and the employees. Through its INcompass suite of services, small employers and their employees gain access to price advantages, health

insurance coverage and a customer experience typically only available to large companies, according to Digital Insurance officials. Additionally, the company simplifies the benefits management process, improves communication and provides access to various products and services. Digital Insurance serves as an employee benefit plan consultant, also assisting with wellness initiatives and benefits compliance.

"The core service we provide them is to help them find and negotiate on their behalf insurance offerings for their employees," Bruckman says. "We are the middle man. We don't hold the

insurance. We help them develop a contribution strategy that outlines how much they are going to pay and how much employees are going to pay. What we spend a lot of time on, with health-care costs rising and the economy slowing, is better understanding the makeup of the employees and looking at higher deductibles and health savings accounts.

"Our typical client is not someone who spends all day learning about health insurance. They are busy running their company," he says.

But Bruckman adds that during a time of spiraling costs and economic slowdown, it remains vitally important for firms to seek efficiencies — whether it be in their operations or in the manner in which they provide benefits to employees.

"Good benefits boost morale," he says. "We hear stories all of the time from people who say, 'My employer is good to me.' People appreciate it and building loyalty is important. Employers don't have to spend the type of money that puts their business in jeopardy. Those that continue to offer health insurance will benefit from it."

"Employers don't have to spend the type of money that puts their business in jeopardy. Those that continue to offer health insurance will benefit from it."

**COMPANY PROFILE:**

**Digital Insurance, Inc.**

**Location:** Galleria Parkway

**Founded:** January 2000

**Employee count:** 150 in 15 states

**Business lines:** Digital's INcompass suite of services offers medical and dental insurance, as well as life and disability products. Digital serves as an employee benefit plan consultant, also assisting with wellness initiatives and benefits compliance.

**President and CEO:** Adam Bruckman