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Inside The Group: The Individual And The Opportunity

Group. The very name—*group*—bespeaks efficiency, the ability to consider a single entity instead of the individual parts contained in the unit.

No doubt about it, the consideration of health insurance coverage in a group context has advantages.

But what if agents and brokers forget the individuality contained within the group? What if we imagine ourselves as Army drill sergeants looking down a line of extraordinarily similar recruits, each with the same close haircut, the same clothing, the same ramrod posture? What if we imagine the bell curve of our group as a tall needle of sameness instead of an ice cream scoop reflecting all the variation that can be found within a population of people needing insurance? Then, underneath our efficiency, problems can begin for people who think they are protected.

Problems can begin as well for those who think they are protecting the individuals with good, broad protection. Yet in the hindsight that comes from catastrophe, our protective blanket—lacking critical care coverage and other protective features—may be seen as a small patch—a modest service provided to trusting clients who needed great service.

In a regulatory and business climate that is tilting in forceful ways toward a commodity view of many services, including our insurance protection services, we can lose our own differentiation as advisors. How terrible if our own reliance on the convenience of a group perspective causes us to become in our customers' eyes interchangeable and undistinguished in a group of insurance service providers.

At the start, our good service to the group did fulfill a vital expectation. We did give the members the comfort of a good policy with a good, reliable carrier. But perhaps we didn't reflect on trends that are changing many aspects of American life, including a household's insurance protection.

For example, household finances once seemed to include an emergency fund. But today, stretched by the costs of former wants that have become necessities, a dwindling number of households truly hold funds in reserve. Another trend is found in the insurance plans. As deductibles, out-of-pockets and copayments have been steadily climbing in recent history, an insured household still has significant exposure to the financial impact of a catastrophic medical need in many of the most commonly sold policies today.

The efficiency of a group allows an agent to find insurance protection matched to the characteristics of people gathered into the set of employees. True, on average, they are such and such age, in such and such state of health, in such and such income bracket, and in such and such marital circumstance with such and such number of dependents.

Furthermore, the pricing of the insurance protection assumes that some in the group will make less use of the protection than others will. Yet there are those whose needs will outstrip the expectations of the group coverage and, too often, the means of the household.

Prior to the late 2008 advent of the U.S. residential mortgage crisis, U.S. households entering bankruptcy had a medical event as the trigger—even though many of those forced into such financial distress had insurance protection. Tales told in our own networks of acquaintances and news stories provide an abundance of distressing examples: a medical event of catastrophic proportion (cancer, a stroke or a terrible fall) brings honest, hard-working, *insured* households to their financial knees. For example, a January, 2012 article published in the *Milwaukee Journal Sentinel* recounts the surprise and the fear of an insured couple whose health care coverage would pay for only half the $120,000 annual cost of an oral medication the husband would begin taking for life. In this case, there was a fortunate turn: He was able to enter a medical test that made the drug available at no cost for the three-year term of the test.

An online researcher posting a request in 2009 for verification or challenge of a claim that medical expenses were leading some families to lose their homes received an abundance of confirmation, including this answer: "I personally know three different households that filed bankruptcy on the basis of medical bills. In each case it was one major illness and/or surgery that came at an inopportune time. All of them had insurance, but the coverage wasn't total and the excess ate up all their reserves."

In many of the examples, the cost of the medical care associated with something as significant as cancer or stroke is a great part, but not the only part of the financial problem. Few go bankrupt because of a broken leg or minor surgery, but some catastrophic treatments can cause drawn-out, anxious and expensive times. If a person needing care is unable to work, the household loses income. A spouse is less able to concentrate on work because of a sudden need to be present and to assist whenever medical care is provided. There can be travel costs, childcare expenses, even a need for physical alteration of the home.

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This is where critical illness policies fit in nicely to the portfolio for both agents and employees alike. *WebMD* cites studies that proclaim heart disease and stroke account for 17 percent of all health costs in the United States, and cancer is the fastest growing cause of disability claims.

As always, the groups that have surveyed Americans about health insurance subjects in recent years have varied in their research approaches and sometimes in the color of their interpretations. Still, the surveys all reveal a sizable agreement about the magnitude of the difficulty—for insured households as well as uninsured ones. The number produced by one survey cited in a 2008 *Reuters* article fits the pattern of these alarming reports: Sixty-one percent had health coverage at the time they received the medical care that was the source of their debt.

All of us with any experience in life as well as in health insurance know that catastrophic medical events are probable matters. Somewhere within the group, no matter how homogenous and fit, someone is going to experience a very difficult, frightening time.

Knowing that possibility, we as agents and brokers treat our customers best if we treat them holistically. Once we have found the group protection that best suits the characteristics of the average group member, we need to be good counselors for the individual group members.

The variation within the group provides many opportunities for demonstration of a good counselor's concern and, often, an opportunity for additional revenue as well as a strengthened relationship from the provision of tailored coverage. Critical care insurance, for example, addresses the possibility of a terrible medical event, but critical care coverage itself has variations that suit one household better than another.

Good agents know the questions that need to be asked and the reasons for them. As counselors to their clients, they learn about the income needs of a household and provide insurance solutions that display wisdom as well as empathy. In the process, they improve the trust of those helped.

The holistic counseling, we notice, leads good agents to new revenue now and later. We are certain that the helpful approach sets off comments, recommendations and endorsements that protect an agent's relationship with a whole set of people: the group the agent knows as a group and as individuals.

After all, even within our most important groups, we all want recognition for our unique qualities.