

# The Salt Lake Tribune

---

## In post-health-reform U.S., insurance workers figure out how to fit in

By kirsten Stewart

The Salt Lake Tribune

September 3, 2010 10:55PM

Insurance agents and brokers, at risk of becoming irrelevant in the post-health-reform world of simplified insurance shopping, are casting about for a new future.

Their sales and marketing role could become redundant come 2014, when under the Affordable Care Act, states launch online health insurance exchanges.

These Web-based marketplaces are supposed to make shopping for coverage as easy as buying airline tickets at Travelocity.com. They will post in searchable formats pricing and performance information that's not readily available to the public now. It's through these portals that millions of Americans will receive government subsidies to purchase policies.

But where some agents see a dead end, others see possibility.

"Let's face it: Exchanges are here to stay. We might as well start puzzling out together how this can work for us and our clients," said Todd Steinicke, a broker at Davis Pacific Benefits, who is joining with a local nonprofit to create "learning forum" for small-business owners to "kick the tires" of Utah's Health Exchange.

The forum, probably a Web site or group e-mail list, will be run by the advocacy group Utah Health Policy Project. It will be a place where employers and employees can post questions and share anecdotes about problems encountered and solutions devised.

Utah boasts one of two exchanges already in operation nationally. And while it operates much differently than is envisioned under federal health reform, the state has three years to experiment, said Health Policy Project director Judi Hilman.

Worried about soaring health costs and maintaining the value of employee benefits, Hilman is considering enrolling her company in the exchange. She met with Steinicke, her broker, who assured her there's no harm in filling out an application.

But before taking the full plunge, Hilman urges employers to ask the following:

- What will our premiums look like?
- What is the quality of plans offered on the exchange?
- If we join, and later decide the cost is too high or the benefits inadequate, how easy will it be to get back into our current insurance plan? Will our rates be higher?

Answers to these questions can be complicated, warns Ernie Sweat, a Utah broker and former president of the Utah Association of Health Underwriters.

Sweat, too, has carved out a niche training brokers on how to navigate the exchange.

“I find myself in the position of selling the exchange,” said Sweat, who believes Utah’s model is bound to be more friendly to agents than other states’ versions.

Where brokers continue to have value, he said, is helping consumers avoid pitfalls. He notes that due to the way premiums are calculated inside the exchange, most employers will save money by waiting until their normal renewal date to purchase a policy.

Perhaps of greater concern to agents and brokers are new regulations, including the requirement that insurance companies spend about 80 percent of premiums on actual medical care, as opposed to administrative overhead.

Experts predict this could force insurers to skimp on commissions, which according to the National Association of Insurance Commissioners, make up 5 to 20 percent of premium costs.

For now, though, the broker commission on Utah’s exchange – \$37 per subscriber per month – meets or exceeds the amount typically paid by private insurance companies, said Sweat.

kstewart@sltrib.com

—

Online The future is here

O Utah celebrated the full launch of its Health Exchange this month. Employers can register now online.

> [exchange.utah.gov](http://exchange.utah.gov)

—

Looking for insurance advice?

I To join the Utah Health Policy Project’s “learning forum,” send e-mail to [wendy@healthpolicyproject.org](mailto:wendy@healthpolicyproject.org) . For more on broker and agent training contact the Utah Association of Health Underwriters at [www.uahu.org](http://www.uahu.org) .

---

© 2010 The Salt Lake Tribune