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Vision for the future

By [William Atkinson](#) | Published June 1, 2009 From the [June 2009 Issue](#)

Until recently, many considered vision insurance a “stepchild” of employee benefits. That’s all changing, though, for several reasons. For one, agents and brokers realize the value of promoting the product. For another, employers are coming to realize the wide-ranging benefits, both short-term and long-term, of offering the coverage. And finally, employees themselves are becoming more aware of the value.

As the popularity of the product grows, agents and brokers are beginning to realize that they are “leaving money on the table” if you don’t take the time to promote the product to employers. In addition, they are realizing that, once sold, vision coverage can solidify client relationships. That is, the more different types of insurance they sell, the more likely they are to retain employers as clients. And along the same lines, they realize that, if they don’t offer vision, someone else will come along who does.

Increasing popularity

When it comes to health benefits, of course, basic medical is still at the top.

“Dental has been around for a while, and it is starting to plateau,” points out Stephen Ingram, CAE, executive director of the National Association of Vision Care Plans in Indianapolis, which represents the majority of providers of vision coverage. “Vision is the newer benefit, so there is certainly a growing interest in it. Its popularity is rising in particular with large employers.”

Rick Corbett, president and CEO of Superior Vision Services in Rancho Cordova, Calif., agrees.

“It seems that the industry has moved toward this benefit being offered on a voluntary basis, and employers are offering it as part of a whole spectrum of voluntary benefits from which employees can choose,” he states. “This is one reason for its increased popularity.”

However, probably the most important reason for the increasing popularity of vision is that employers see it as a “give back” in a recent era of “take-aways.” That is, supplemental policies such as dental and vision can be used to keep employees satisfied. As employers find it necessary to reduce or eliminate some components of basic health coverage and raise deductibles for employees, they can offer voluntary plans such as

vision and dental, which provide value to employees but have little or no added expense to the employers.

Ed Greene, CEO of The Vision Council in Alexandria, Va., is seeing this trend play out.

“One reason for the increase in demand for vision insurance is that employer health care costs are increasing,” he states. “Since vision is a relatively inexpensive insurance, employers will often add this as a way to give something back to employees.”

While most people in the industry are seeing a relatively steady increase in the popularity of vision, some are seeing something even more.

“We have been in the vision insurance market since 1999, and today, it is definitely the fastest growing part of our business,” states Erich Sternberg, president of AlwaysCare Benefits in Baton Rouge, La., a third-party administrator providing services for supplemental group benefit products. “Last year, vision insurance was up 33 percent for us.”

Vision coverage options

According to The Vision Council, there are basically four types of vision packages available:

- **Direct reimbursement plan:** This allows employers to predetermine how much they are willing to spend on a vision benefit. Employees are reimbursed for a set amount or percentage up to a maximum amount. Typically, the money can be spent on eye exams, eyeglasses or contact lenses. Many companies elect to combine this type of coverage for vision care with dental coverage offered to employees.
- **Managed care vision plan (basic or comprehensive):** A basic plan provides some coverage for an annual eye exam, lenses and frames or contacts. A comprehensive plan includes coverage for glaucoma screening, safety eyewear, scratch resistant lenses, and, in some cases, laser eye surgery. Under these plans, employees must visit optometrists or ophthalmologists in the managed care plan network.
- **Discount vision plan:** Employees receive access to a network of eye care professionals who have agreed to offer services at lower than retail prices, along with specific services such as eye exams and prescription lenses. Rather than paying a copay and having the plan pay the balance, the employee pays the entire cost of the service, but at a lower price that the network provider has agreed to charge.
- **General health care coverage:** Some employers elect to include vision benefits under their basic health care coverage. Typically, the company’s HMO or PPO will pay for an eye exam. Coverage for eyeglasses or contact lenses may be optional.

While the fourth option is often the last one that employers may want to consider, at least one industry expert strongly encourages this arrangement.

“We would like to see more vision care covered in general health care plans,” states The Vision Council’s Greene. “Vision tends to be a stepchild, when it is actually a real health issue.”

According to Greene, the United States has tended to segment eyes away from general health in the past, which he believes has been a big mistake.

“It needs to be part of overall health,” he emphasizes. “In fact, vision is the second largest health care cost in the nation, second only to heart.”

Getting started

For brokers and agents who haven’t sold vision before, the first step is to get up to speed on what is available. The Resource Box at the end of this article lists the Web sites of four organizations that provide a significant amount of information and resources to get started.

Another source is the health plan providers themselves.

“All of us in the industry have regional sales executives who frequently make calls directly to brokers and agencies,” explains Superior Vision’s Corbett.

He recommends visiting the Web sites of the various plans, identifying those of interest, and then contacting the regional salespeople.

“Most sites will list these salespeople,” he states.

Face to face

What are the best ways to encourage employers to consider vision insurance?

“The best way to get started is to just talk with your clients,” suggests AlwaysCare Benefits’ Sternberg. “If they don’t already have vision insurance with someone else, they are probably thinking about it. If they already have it, they can tell you what they like and don’t like about it.”

And if they don’t have it yet, once you start discussing it, he believes, they should be able to see the value in general and the return on investment in specific.

Sidebar: Staggering numbers

According to “Vision Care: Focusing on the Workplace Benefit,” published by The Vision Council in late 2008:

- About 120 million Americans have vision problems.
- With 11 million Americans living with an uncorrected vision problem, a number that is expected to increase as the population ages, the expense to business can be significant.

- The annual financial burden to the U.S. economy of major adult vision disorders exceeds \$35 billion, including an estimated \$8 billion in lost productivity.
- In addition, 40 percent of Americans fear they cannot afford adequate vision treatment, 63 percent said they would sign up for vision care coverage is given the opportunity, and two-thirds say they would be more willing to get an eye exam if they had some coverage.
- Yet, only 17 percent of employers report offering vision insurance. In fact, it lags behind dental insurance, which is offered by 44 percent.
- Vision coverage typically costs one-tenth that of medical benefits, and is often used more by employees than medical benefits.

*(For a free download of the full report, go to:
www.thevisioncouncil.org/news/news_item.cfm?OID=2002)*

Sidebar: Selling Vision: Strategies

Question: What is the general value and return on investment?

1. COST

According to Superior Vision's Corbett, one of the first objections an employer will raise is the cost.

"However, if employers elect to offer it on a voluntary basis, it can be all employee-paid," he explains. "With our managed vision plan, for example, we are able to negotiate with lens manufacturers, frame companies, and providers to get discounts."

As such, in most cases, the benefit to the employee is that the return for benefits against premium is, at minimum, twice the value of the premium.

2. WHY ADD ANOTHER BENEFIT?

Another related objection employers may have is that, since they already offer so many other benefits, why add another one?

Sternberg offers a response: "With medical plan expenses increasing, employers are taking things away, and copays are increasing, so offering an inexpensive vision plan, whether funded or on a voluntary basis, is a way to give something back."

3. JUSTIFY THE VALUE

A third strategy is to focus on the general need for coverage and the resulting popularity it should have among employees. "When talking with employers, it is very easy to justify the value of offering vision insurance," continues Sternberg. "Vision is the second most prevalent health problem in the U.S. There are about 120 million people who have some type of vision correction activity going on." And, he continues, over 50 percent of U.S. citizens wear prescription eyeglasses or contact lenses, and they need and want access to vision specialists.

4. LONG-TERM SAVINGS

A fourth strategy, and quite probably the most important, is to focus on the long-term savings that offering vision coverage will have for employers.

“Vision problems cost businesses billions of dollars, in terms of added health care costs, productivity losses, quality losses, and lost time,” points out The Vision Council’s Greene. “Employers, especially HR people, need to think about this.”

NAVCP’s Ingram agrees.

“There is still a lack of awareness among employers and individuals about the value of a vision exam,” he notes. “When they think about this exam, they usually think only about refraction - glasses or contacts.”

What they don’t understand is that a comprehensive vision exam can provide early diagnosis of systemic diseases that are preventable and treatable in many cases.

According to Ingram, these include diabetes, hypertension, and even some cancers.

“In fact, half of all people with diabetes don’t know it, and a comprehensive eye exam can detect this early,” he states. “So we need to get the message out that vision care should be part of the overall health care of employees.”

This early detection, of course, can help employers, because it can reduce medical costs and increase productivity over the long term. According to Ingram, one study showed that, for every dollar an employer invests in vision insurance, they get \$7 back in savings on overall health care costs.

5. PERSONAL STORY

A final sales strategy: If possible, share a personal story with employers. “One broker I know is able to share such a story with employers when he meets with them,” NAVCP’s Ingram states. “He has a family member who ended up having a serious disease diagnosed through an eye exam.”