



Insurance Insider News

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NEW PRODUCTS | EVENTS | IN CALIFORNIA | HEALTHCARE | LIFE INSURANCE

NEW PRODUCTS

Limited Medical Benefits

Pan-American Life Insurance Group launched member company, Pan-American Benefits Solutions Inc. offering limited medical benefits. The product portfolio offers alternatives to major medical health benefits. Pan-American Life has a nearly a 100-year heritage serving the complex multicultural nature of the Hispanic population. It is the leading provider of individual life and health and group life and health insurance in Central and South America. For more information, visit www.panamericanlife.com.

Hearing Plan

AlwaysCare Benefits is offering a hearing savings plan to all AlwaysCare Members at no additional cost. Through a partnership with Ear Professionals International Corp., the Hearing Savings Plan provides savings ranging from 30% to 60% off MSRP on all major name brand hearing instruments and accessories. For more information, visit <http://www.alwayscarebenefits.com> or call 888-729-5433, opt. 5.

Program for Heart Patients

Anthem Blue Cross teamed up with Ideal Life to provide in-home wireless body weight scales for Congestive Heart Failure patients. The goal is to use the Bluetooth-enabled remote monitoring devices to triage members with chronic heart conditions more efficiently, identify patients at risk, and help prevent costly and unnecessary emergency room visits and hospitalizations. Anthem Blue Cross will be deploying these remote monitoring devices with clinical oversight provided by participating HMO medical groups and independent practice associations caring for these patients. For more information, visit www.ideallifeonline.com.

Long Term Care Insurance Product

American General Life introduced a long-term care insurance product featuring a

built-in cash benefit to help cover expenses, such as care from a family member. A shared care benefit rider creates a separate pool of benefits that either spouse can use after their own benefits have been exhausted. It also includes graded premium options to make 3% or 5% compound inflation protection more affordable. It has benefit amounts of \$100,000 to \$1 million rather than benefit time periods, so consumers know exactly how much of their assets they are protecting. For more information, visit www.americangeneralLTC.com, call 877-399-7747, or e-mail agltc@aglife.com.

Dental Health Manager

MetLife is offering the MetLife Dental Health Manager. The proprietary dental disease management program provides educational content. Personalized report cards illustrate members' dental health as well as their risks for oral disease. The program is available to new and existing MetLife customers with 500 or more employees, at no additional cost as a standalone program. For more information, visit www.whymetlife.com/dentaldm.

Enhanced Awards Program for TPAs

Guardian is initiating an enhanced awards program for third-party administrators (TPAs) whose clients use Guardian Choice and Guardian Advantage group retirement products. The program features an upgraded annual award as well as a new marketing allowance. The upgraded annual award applies to both start-up and takeover plans when they reach at least \$250,000 in assets at the end of their contract year. For more information, visit www.GuardianLife.com.

EVENTS

Critical Illness Insurance Sales Boot Camp in Anaheim

The American Association for Critical Illness Insurance is hosting a critical illness insurance sales boot camp for life and health agents, employee benefits specialists, and financial professionals. It will be held May 18 at the Holiday Inn, in Buena Park, Anaheim. Early registration is \$59 until April 15, 2010. For more information, visit www.aacii.org/sell or call 818-597-3205.

Sales and Direct Marketing Meeting

LIDMA is holding its annual Fall Meeting & Showcase for producers, direct marketers, and agencies involved in direct response sales and processing. It will take place September 19 to September 22, 2010 at the Four Seasons hotel in Seattle. For more information, visit www.lidma.org.

LTC Worksite and Combo Products Conference

LTC consultants is sponsoring a conference on long-term care insurance worksite and combo products in Nashville May 24 to 26. Attendees will hear exactly how the products work, the target market for each product, and sales ideas. For more information, visit www.LTCConsultants.com, e-mail: bill@ltcconsultants.com, or call 888-400-1118.

Retirement Income Summit

Investmentnews.com is sponsoring the 2010 Retirement Income Summit May 3

to 4 in Chicago. For more information, visit www.investmentnews.com/2010summit or call 212-210-0238.

IN CALIFORNIA

Connecting to Physicians Online

Blue Shield of California and Office Ally launched an Internet portal to give members online access to doctors. Members can arrange online e-visit consultations with physicians, view lab results and immunization records, order prescription refills, get appointment reminders, and more. The Patient Ally portal is available to all Blue Shield of California members at PatientAlly.com. To use the e-visit feature, patients and providers must sign up with Patient Ally. For more information or to register, visit www.patientally.com or call 888-747-4255.

State Pulls Agent's License

California revoked the insurance license of Ghassan Ibrahim, 46, of Stockton. He allegedly made a false statement in an insurance claim and committed forgery and grand theft in a case involving senior citizens. Ibrahim is scheduled to enter a plea to the felony charges at a Jan. 22 preliminary court hearing.

From May 2003 to February 2009, Ibrahim was an agent for a particular life insurance company. He was terminated Feb. 27, 2009 when the company claimed Ibrahim had submitted fraudulent and illegitimate applications, forged signatures, misrepresented premium amounts to applicants, submitted applications with falsified information, and posed as an applicant during telephone personal history interviews.

The company said Ibrahim owes \$23,275 for commissions obtained through the alleged illegal activity. Another company found 84 instances of challenged or non-existent enrollments. That company claims Ibrahim owes \$54,200 in paid commissions.

Ibrahim, 46, held a life-only and variable contracts license with the California Department of Insurance and had been a licensed insurance agent in the state since 1989. Ibrahim is out on bail.

The State of Employer-Based Coverage

The California Healthcare Foundation offers highlights of its annual Employer Health Benefits Survey:

- Health insurance premiums increased 7.5% in California in 2009 compared to a 0.6% decrease in overall consumer prices.
- Since 2002, premiums have increased by 117.5%, more than four times the 23.1% increase in California's overall inflation rate.
- The proportion of employers offering coverage is similar to last year. However, firms that went out of business are not captured in this survey. According to the U.S. Bureau of Labor Statistics, California lost about 760,000 jobs from July 2008 to July 2009.
- Single coverage premiums in California cost \$5,133 annually, significantly more than the national average of \$4,824. Premiums for family coverage were \$13,525.

- California workers contributed \$564 annually for single coverage in 2009, and \$3,398 for family coverage. The contribution for single coverage is less than for workers nationally (\$779).
- Workers in small firms in California contributed significantly more for family coverage than did workers in large firms, with 35% paying over half of the total premium.
- Enrollment in plans with a deductible of \$1,000 or more for single coverage has increased significantly for California workers in small firms; it is now at 21%, up from 7% in 2006.
- Cost sharing may soon increase for California workers. Just under half of large firms (200 or more workers) are very likely or somewhat likely to increase the amount workers pay for coinsurance or copayments in the next year. Sixty-three percent are very likely or somewhat likely to raise the amount workers pay toward premiums.
- Six percent of California firms indicated they are very likely to drop coverage entirely in the next year. In 2008, only 1% said they were very likely to do so.

To get the report, visit

www.chcf.org/documents/insurance/EmployerBenefitsSurvey09.pdf

HEALTHCARE

Life Insurance Will No Longer Count Against Medicare Patients

Under the Medicare Improvements for Patients and Providers Act of 2008, people who apply for the Extra Help Medicare Program will no longer be required to count life insurance policies as an asset. The federal program helps people with Medicare pay for their prescription drugs. Also not counted as income will be money and services from family and friends to help cover living expenses. The law will make an additional 1 million people with Medicare eligible for the Extra Help Program.

Also, the Social Security Administration will forward verified income and asset information from the Extra Help applications to state agencies. State agencies will use the data to initiate applications for Medicare savings programs that help people pay Medicare premiums, coinsurance, and deductibles. For more information, visit www.medicareinteractive.org.

LIFE INSURANCE

Romance and Life Insurance

Most people can hardly imagine anything less romantic than a life insurance policy, but not the folks at the LIFE Foundation. The group is launching a life insurance awareness campaign beginning in mid-January and culminating on Valentine's Day to make sure the public understands the close connection between love and life insurance.

LIFE's senior vice president and chief creative officer, Jon Dressner, said, "Our hope is that 'Insure Your Love' will become a potent marketing opportunity in the first quarter of the year, similar to what Life Insurance Awareness Month has become." Comedian Jared Logan was hired to dress up as the master of love and

ask people on the street about their views on love and life insurance. The microsite for the campaign is located at www.insureyourlove.org and Cupid's interviews can be seen there beginning in mid-January. In addition to the Cupid videos, the LIFE Foundation is delivering a range of awareness-building activities including consumer advertising, radio promotions, outreach to the news media, and the Crazy4Love Photo Contest.

Challenges to Continue for Life Insurers

The U.S. life insurance industry is likely to face an extended period of weak earnings, slow growth, and more regulatory oversight as the economy slowly recovers from the financial crisis, according to a report by Ernst & Young.

Many insurers are confronting these issues with a back-to-basics strategy. But insurance executives will have to be more innovative to become profitable again and achieve growth, according to Doug French of Ernst & Young LLP.

Ernst & Young has identified five key areas for companies to focus on in 2010:

1. With investment yields remaining low, insurers should strengthen prices for in-force business, such as increasing non-guaranteed fees. Companies also need to develop contingency plans for a wider range of extreme events, including liquidity crises, forced liquidation of assets into frozen secondary markets, and limitations on transfers of capital within the enterprise.
2. Risk monitoring should start in business units and be coordinated from the corporate center.
3. Insurers will continue to withdraw from non-core businesses and reallocate capital to businesses with the best chance of success. This focus will contribute to industry consolidation, so companies must prepare for the new competitive landscape. Insurers will seek ways to reduce their risks by re-designing and re-pricing products. This presents an opportunity to reach broader markets with products that meet consumer demands that have been altered by the financial crisis.
4. Companies will see enhanced regulatory oversight in 2010. Solvency II applies new reserve and capital adequacy requirements. The U.S. GAAP is aimed at changing insurance accounting rules. There will be a continuing dialogue of federal versus state regulatory oversight. Efforts at improving consumer protection will continue. Insurers need to evaluate how regulatory changes would affect all aspects of their financials, operations, and growth potential while keeping abreast of resulting business opportunities.
5. Insurers need to examine how to reduce costs and optimize their operations for a low-growth environment that could last several years. Companies are examining their people, organization, processes, and systems. Insurers are likely to look at reducing costs through re-engineering and layoffs, as they have done in the past. But insurers will need to move beyond that to improve operating efficiency and business performance, and become more competitive.

The complete Life Insurance Industry 2010 Outlook report can be found at www.ey.com/insurance.