

The employer's guide to working with an insurance broker
From the New Jersey Association of Health Underwriters

- 1. The broker's role**
- 2. Questions to ask when interviewing a broker**

1. The broker's role

What brokers do

An insurance broker is a knowledgeable professional who serves as your advisor, advocate and confidant to guide you through the complexities of employee benefits. Working with a broker, you get the peace of mind knowing that your individual or employer-sponsored plan offers the right coverage at the most affordable price.

You don't pay more for a broker

As an individual or as a business owner, you don't pay any more for employee benefits purchased through a broker than you would if you purchased the coverage directly from an insurance company (except, in some cases, with groups employing 51 or more workers). Insurance carriers set aside a small portion of the premium to pay brokers a commission, which covers not only the selling of the plan but much of the servicing required.

Advantages of using a broker

Though you don't pay any more for the services of a broker, you get many value-added services that include:

- A live person to call to help solve problems concerning claims payments, coverage eligibility, access to care and other issues—which you can't get on a Web site.
- Explanation of several benefits packages and personalized advice to help you select the plan best suited to your needs.
- Assistance to small employers' human resource departments with services such as plan installation, plan enrollment and many others.
- Assistance for elderly consumers who have trouble understanding Medicare, long-term care and other coverages.

-continued-

2. Questions to ask when interviewing a broker

- *What percentage of your business is group health insurance?* It should be at least 80%.
- *What percentage of your business is in the small employer (2 to 50 workers) health market?* If you are a small business owner or representative, choose a broker with at least 75% of its business in the small employer health market.
- *As a broker, what services will you provide?* The broker should be available to handle all service-related issues, billing problems, claim issues, addition or deletion of employees and dependents and changing of primary care doctors—as well as follow-up on all these matters to ensure resolution.
- *Will you conduct an employee open enrollment meeting to explain our plan to employees and answer their questions?* The broker should handle these meetings.
- *Will you help our employees with individual problems and answer their benefits questions?* The broker should be available to answer employees' questions.
- *What insurance companies do you represent and what will you do for us on renewal?* The broker should have access to all insurance carriers in your geographic area and should review your group insurance program at least once a year on renewal to ensure that you always have the best plan and rates.

New Jersey Association of Health Underwriters (NJAHU)

Brokers who belong to NJAHU are among the most knowledgeable and experienced insurance professionals in the state. Its members help employers and consumers select employee benefit plans best suited to their needs—and meet all criteria outlined above.

The NJAHU is a statewide consumer advocacy organization comprising professionals in the health insurance industry who are dedicated to educating the public on critical healthcare issues, to shaping health insurance legislation and to raising the ethical standards of the business. It's part of the National Association of Health Underwriters (www.nahu.org), which represents 20,000 health insurance professionals nationwide. Members adhere to a strict code of ethics to help ensure the best possible service and price.

For more information, call NJAHU at 973.379.1100 or visit www.njahu.org.

###