

## From the horse's mouth

*Broker warns against using price as deciding factor in selecting an adviser*

BY RUSS CARLSON

**W**hen it comes to choosing a health care broker for your company, it's tempting to jump at the lowest financial number. But if you ask me, that's a huge mistake. Before I tell you why, let me share a brief story.

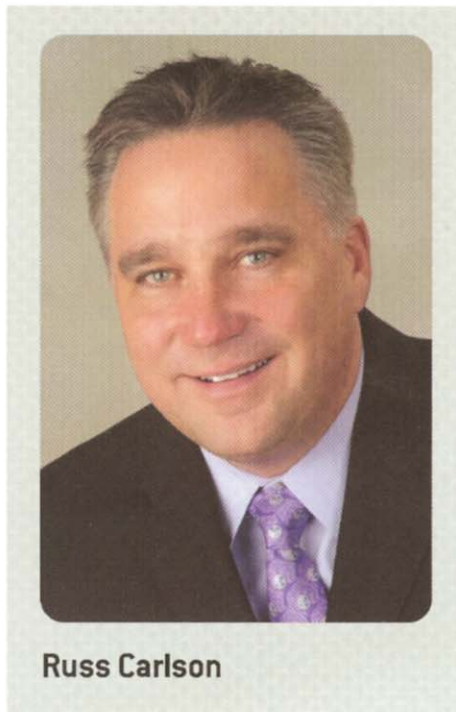
Several years ago, I was one of seven brokers vying to land a large local bank as a client. I knew that everyone else was going to go in with their numbers and show the bank how they could save it the most money.

Not wanting to follow the same cookie-cutter approach, I decided to do something different. I resolved to go into the meeting with no financial numbers whatsoever. In fact, I was going to go in with nothing.

Instead of talking financials, I opted to educate the prospect about what he should look for in a broker. I told him to carefully review everyone's numbers, but to ultimately choose someone based on the services and extra benefits he or she offers.

Gutsy? Definitely. But I signed that client a few days later, and a light bulb went off in my head.

Good health care brokers should be more than just numbers people. They also should be service people. Believe me, playing with numbers is easy, and it's not hard to come up with the lowest. It's the strategy most com-



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monly used to land clients.

What you should look for, however, is a broker with whom you can form a long-term relationship. From my experience, these kinds of relationships are rarely built on the lowest numbers, but rather on the customer service and benefit services the broker provides.

The following are my top recommendations for choosing the right health care broker:

- Know what benefits and HR services they provide that aren't commonly offered by other brokers. For example, do they offer discount vision, dental, prescription or legal plans, COBRA administration, an acci-

dental death and dismemberment life insurance plan, an HR resource Web site or employee benefits statements? All brokers can offer these extra benefits; many just choose not to.

- Ask what HR support services they provide. Brokers shouldn't collect their commission from your premium payment and say, "See you next year." Ask for more. Can employees call the broker directly with questions? Will the broker come to your offices to educate employees about their benefits? Does the broker have extended office hours, or does he forward the phones to an answering machine at 5:01 each day? Brokers should provide services such as these without being asked to do so.

- Find out what the broker's commission is — most are between 3% and 10% of your monthly premium. Don't be embarrassed to ask; this number shouldn't be a secret. Also, ask the broker if he or she is willing to negotiate on that number. If the answer is yes, that's an indication of the broker's loyalty to you and willingness to be flexible.

- When interviewing potential brokers, ask to visit their office and meet their employees. Spend a good amount of time asking questions about their customer service procedures and the company's business philosophy. Also, ask what insurance carrier they

use internally. If it's not the same one they're offering you, ask why.

- Check references. Look for a broker who has a lot of long-term clients, and ask about his or her retention rates. When you speak with the references provided, ask about the broker's customer service. How responsive is he or she? How often does the broker call on the client?

After you've made your selection, here are some other considerations to make sure your company's needs are consistently met:

- Don't automatically renew your contract year after year out of habit. Make sure you're still getting the benefit services and HR serv-

ices you deserve. Don't feel guilty about interviewing other brokers at least every other year.

- If your broker isn't providing the service you want and deserve, hold his or her feet to the fire. You wouldn't continue to pay an employee who isn't performing highly. Don't do it with your broker.

- Don't wait to change brokers if you're not satisfied with the service. You can make a switch at any time, not just on your anniversary date.

Don't misunderstand me, financial numbers are still important and should be looked at carefully when choosing a broker. My

clients do it all the time. But they also value the extraordinary HR services, benefits services, honesty and respect that a good broker will provide them, and so should you. It's what you deserve. — **E.B.N.**

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