Employee Benefits;
Is your advisor working for you or the insurance company?

Employee Benefits can sometimes feel confusing or overwhelming. To determine if you are working with someone that truly understands Employee Benefits, start by asking your advisor these top five questions:

Is you advisor truly independent?
Many advisors work only with a couple of insurance companies. This can be a problem for several reasons. Most insurance companies have their target markets, that they like to work with and if your advisor is only getting quotes from two or three insurance companies, you may not be getting the plan that is best for your company. Sometimes insurance companies are in a growth mode and are aggressively seeking new business. Other times, they are in a holding pattern. Make sure your advisor is seeking coverage from an insurance company in the business growth mode.

Did your advisor negotiate your renewal?
Many advisors will accept the renewal rates presented to them by the insurance company without completing any review or negotiations. This can result in paying higher premiums then required year after year. Insurance companies are in business to make a profit. It's your advisor's job to make sure your renewal rates are justified, and that you are receiving the best value for your premium dollars.

Are you working with a true group specialist?
Group insurance is one of the more complicated forms of insurance planning. Many advisors will tell you they are knowledgeable in group insurance. Yet, ask them if they have any designations that are specifically group insurance related. Ask if you can speak with some of their existing clients for references.

When was the last time your advisor "went to market"?
Going to market refers to when your advisor requests quotes from several other insurance companies to ensure your plan is competitively priced and your expenses are in line with industry norm. Generally, this is done every three years.

What is your Target Loss Ratio (TLR)?
The Target Loss Ratio (TLR) is the insurance companies projected profit point of your extended health and dental care benefits. It is the maximum dollar amount of claims paid by the insurance carrier expressed as a percentage of your premium. Has your current advisor let you know what your TLR is? Any claims more than the TLR will result in a premium increase at your annual renewal. For example:

> *If your company pays $10,000 of premium for your group extended health and your TLR is 78%, then only $7,800 out of your $10,000 paid premium is available to pay claims. The remaining $2,200 will go towards paying administration and fees, your advisor's commission, and profit for the insurance company.*

About Authentic Benefits Consulting
With over 30 years of experience working in the Employee Benefits Industry, ***A*uthentic *B*enefits *C*onsulting** will provide you with a truly independent and unbiased recommendation for your group insurance plan. I promise to keep it simple and help you understand the ***ABC***s of your group insurance plan. For more information, visit my website at www.authenticbenefitsconsulting.ca

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