

# Resourceful Words



A Ripinger Financial Group Company

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## President's Message

By John Ripinger  
 CLU, ChFC, CFP™, LUTCF, RHU, REBC, RFC, LTCF



By the time you are reading this newsletter, Resource Brokerage will have been in our new offices for just over a month. If you have not received one of our postcards or emails with the new address, please make note: 1501 East Woodfield Road, Suite 110E Schaumburg, IL 60173-4945. We have maintained the same phone, fax and email. Some brokers had reservations about a move to a building with over 1,000,000 square feet of office space and their ability to be able to find a parking spot. Well take a good look at the picture above because when you pull into the West (main) side of our office there are four of these spots located just north of the visitor parking specifically reserved for our most important guests...our brokers. We are planning on a major open house in the fall but that should not stop you from coming in and getting a tour of our new facilities of which we are very proud. We will even show you our "Drive Through" application drop-off area where you literally pull up in front of our window and one of our staff will come out and pick up your application(s).

I have had a lot of questions about my recent MIA expedition to Papua New Guinea. Our group, which is called "MIA Hunters", discovered a WWII bomber that crashed into a mountain top deep in the jungle sometime in 1944. If you didn't get a chance to read about it in the Daily Herald or catch it on cable TV let me know. I will get you a copy of the article or the DVD that you can watch. Or you might want to go through about 2000 pictures or six hours of unedited video tape when you stop by to visit our offices. It was an extraordinary adventure and we may be going back next year to explore the potential of six other crash sites.



The World is Flat is a book by Thomas L. Friedman that I am highly recommending for everyone to read. Just to give you an idea of a new word you should be familiar with ...fungible. Here is a quote from the book. "If you can't be special – and only a few people can – you want to be specialized, so that your work cannot be outsourced. This applies to all sorts of knowledge workers – from specialized lawyers, accountants and brain surgeons, to cutting-edge computer architects and software engineers, to advanced machine tool and robot operators. These are skills that are always in high demand and

are not fungible. (“Fungible” is an important word to remember. As Infosys CEO Nandab Nilekani likes to say, in a flat world there is “fungible and nonfungible work.” Work that can be easily digitized and transferred to lower-wage locations is fungible. Work that cannot be digitized or easily substituted is nonfungible. Michael Jordan’s jump shot is nonfungible. A bypass surgeon’s technique is nonfungible. A television assembly-line worker’s job is now fungible. Basic accounting and tax preparation are fungible.)”

The real reason for reading this book is to figure out how you can make your insurance practice nonfungible. Believe it or not, I am now getting email solicitations for health insurance from an agency in Lima Peru. The world is truly flat.

Last but not least, Resource Brokerage will be hosting our invitation only golf outing back at Geneva National in September. If you are a golfer, please let someone on our team know. If you meet the production qualification requirements we want to make sure you get an invitation. I guarantee that a good time will be had by all.

## **Life, Annuity, & Long Term Care**

### **From the Desk of the VP**

By Mike Walls LTCP

“Underwriting’s half the battle, and the other half is underwriting too”

The unknown author of that very apt quote still continues to summarize the Life & LTC brokerage business as we know and practice it today. As we move into the 2nd half of 2006, the usual challenges continue to try our patience (and yours.) Carriers with the best pricing are overloaded with business, and few, if any have taken the steps to add more staff. We’re seeing mandatory overtime, telecommuting, and the now standard “underwriter quiet time.” If you’re not familiar with that, it means

there are times during the day when we can’t call and talk to either an underwriter, or even their support staff. Obviously we plan around those times as needed, but for the most part, neither I nor my staff should be talking to underwriters...if we’ve done our job properly, we’ve helped our brokers pre-qualify the client and have sent the case to the right company in the first place. LTC underwriting continues to offer us challenges as that business continues to evolve and underwriters hone their skills.

Has underwriting really dramatically changed? I’ve heard so much about the lack of availability of reinsurance, auto-binding limits going down, jumbo limits being eliminated, and yet it seems that practically, there is still a carrier for every risk and for every risk, there is some appropriate product out there. Some of the players have changed (see Carrier News below,) and we will continue to see evolution, but for the most part, brokerage continues to offer the best in terms of value and pricing to the consumer. I’m proud that more and more brokers continue to see the value we can bring to their business, whether it’s through our superior contracts (see Carrier News below,) our astute analysis of the business of underwriting and our acquisition of new carriers, or through our plain passion for this business.

### **Product Update**

By Rodney Dator ACS, Brokerage Specialist

### ***Indexed UL is Here and It is HOT for Summer Sales***

Designed with the flexibility and guarantees of universal life insurance, it offers the opportunity to accumulate cash value with interest linked to the performance of one or more stock market indices. It also offers downside protection because the credited interest rate is never less than a guaranteed minimum (which varies by company and product,) but can offer higher returns. Indexed universal life offers a middle ground for customers who don’t

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have the risk tolerance for VUL, but don't want the lowly 4-6% from traditional fixed products. Mechanically, they work much like Indexed Annuities, with some carriers offering simple products, and others with lots of moving parts. F&G Life, North American, Indianapolis Life, and American General all have product offerings. Our favorites include North American due to its design and optional features, and Indy Life, due to its very competitive no-lapse guarantee premiums. For your next permanent plan sale, ask Mike Walls about using Indexed UL...

### *New Multi-life Materials from Prudential LTC*

If you're in the small group market for LTC, look to Prudential for quality products and marketing materials specific to the multi-life market. Prudential has recently revised many of their materials, and we think you'll agree that their approach is top-notch. Multi-life small business LTC is the hottest sales market in LTC right now, and Resource Brokerage is expert at helping brokers not only sell, but present, close, and enroll. Call Maureen Wudtke in our office for samples of the Prudential materials today!

### *Guaranteed Issue LTC for Small Group multi-life plans from Loyal American LTC*

The Employee's LTC Foundation Plan offers Guaranteed Issue core benefits at 25 lives & up, with a comprehensive approach to marketing that supports buy-ups, executive carveouts, and extended family member sales. Benefit features include "Preferred" rates, daily benefits of as little as \$50, and as much as \$150, a variety of riders and plan design features, and NO age based commission reductions through age 64. And with their fantastic ledger and enrollment support, it is literally possible on smaller cases to move from submission of the plan design and agreement to delivering the core benefit policies and receiving commissions in 30 days! Send your next census to Maureen Wudtke for a custom quote and product information...

### **Genworth Life News:**

Now in Season ... Fresh Rates from Genworth Life on their SureTerm Series plans!

They're just what you'd expect from a term life insurance market leader. We mean business and we want yours!

What's in the competitive new term life insurance rates?

- Sound pricing discipline
- Consistent underwriting
- Excellent compensation
- A commitment to service
- Login today to our online quote engine to see how Genworth Life stacks up!

## **Carrier News**

By Jennifer Clow, Case Manager

### *Resource Brokerage staff visits American General Home Office:*

At the invitation of our key (and favorite) carrier partner, the Resource Brokerage case management staff spent a hugely productive day with the Underwriting & New Business staff at American General's office in Milwaukee. Clearly, this is a carrier focused on the brokerage business! They've a great work flow, dedicated staff, and it's always nice to see people I worked with in my former life, especially when they're in Underwriting management!!

### *Commission UPDATE!! Attention Brokers selling American General, West Coast Life, or Genworth/First Colony:*

With our recent success in the business, all three carriers have seen fit to upgrade our agreements, which for you means both higher compensation, and better service. We've updated our compensation offerings for the carriers, including great payouts (all direct from the carriers) and much better service with our dedicated underwriting Teams. Call Rodney Dator for the updated commission schedules...

### *Empire General & West Coast Life (And Chase) merging & announce new product series:*

It is now official, and by the time you read this, Empire General will no longer be operating. Effective July 1, 2006, operations between West Coast and Empire, and most importantly, philosophies, will have become "Best of the Industry" as their literature describes it. The new company name will be West Coast Life Insurance Company, and the strategy presumes to combine the best elements from both carriers. Empire Life products are no longer available effective July 1st,

and they've announced a shift in underwriting stance to using the manual and philosophy used by Empire. That means we'll have one carrier with not only incredible preferred risk pricing, but one with very competitive Standard and "moderately" Sub-standard underwriting. We're excited about the change, and as we consider West Coast to be a major partner with us, we are looking forward to the future. One side note: the future of Chase has not been addressed, other than in their bulletin on the subject which states: "...we are subordinating some of the Chase insurance companies under West Coast Life." For more information, just call Mike Walls...

The Focus Term Series offers a highly competitive portfolio of term products and can be quoted for sales as of July 1, 2006. Click here for the product details. We are excited that they are combining the best practices of two outstanding brokerage companies and launching their new company platform...their new marketing statement: "Best of the industry underwriting philosophy, blending competitive Super Preferred and Preferred criteria with highly competitive Standard and mildly substandard underwriting approaches, combined with technology-driven application processes." With efficient underwriting, personalized service, responsiveness, and a general "Ease of Doing Business" philosophy, we look forward to building a successful future with you & the new West Coast Life. If you're not working with Resource Brokerage for West Coast, call and find out why they're one of our favorite companies!

### *New guidelines from ING/Reliastar Life for private pilots looking to qualify for best rates:*

- over 100 hrs total flying time
- under 200 hrs annual flying time
- over age 26

These risks can now qualify for Best Class with ING/Reliastar on term life. Ask us about your next private pilot situation, and we'll show you the best

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flight plan! Call Rodney Dator on your next term quote and see the difference our wide selection of carrier choices can make...

### **Life, Annuity, LTC, and DI Services**

By Tom Merrion, Brokerage Assistant

New Carrier Hartford Life with niches (foreign residents, Table Shave)

We're pleased to announce the additional of Hartford Life to our superior lineup of Life carriers. With niches in product and underwriting, Hartford offers not only value, but a significant consumer name to your offerings. With product, their no-lapse guarantee UL is super competitive in price, and in underwriting they're one of the few to still offer legitimate Table Shave programs for permanent plans from Table C to Standard. If you work with any foreign nationals, Hartford is very aggressive in this market, even for those clients that live overseas. Rated "A+", Hartford has superior financials and asset size for those jumbo cases.

### ***Loyal American joins our carrier lineup for small group LTC plans***

Rated "A" by A.M. Best, Loyal American is part of the Great American group of companies, focusing their efforts on Long Term Care products sold largely via employers and credit unions. We've found that their "Foundation Plan" for small group LTC is probably the best in the marketplace. Just send us the census for your next small group, and we'll get back to you the same day with one of the best multi-life LTC plans in the business! Contact Shea Gamble for contracting in our office, and Maureen Wudtke can help with product questions.

### ***New Carrier Indianapolis Life with Indexed UL and great no-lapse guarantee UL pricing.***

Indianapolis Life, a subsidiary of Amerus Life, has now joined our carrier lineup with a great combination of price and product innovation. Focusing their efforts on Indexed UL products, Indy Life offers both level pay no-lapse plans and Single Premium products, all on an indexed chassis. Their Single Pay plans are great for wealth transfer type sales, and can be done on a simplified issue basis. Rated (A) by A.M. Best, Indianapolis Life leads the market in indexed UL pricing and product.

### **First Colony News:**

Genworth Financial has invested significantly in building their brand and establishing a common, recognizable identity across the businesses Genworth comprises. They renamed three of their insurance companies at the beginning of this year - Genworth Life Insurance Company, Genworth Life and Annuity Insurance Company and Genworth Life Insurance Company of New York - in phase one of their transition.

They now are preparing to extend the Genworth name to First Colony Life Insurance Company, Federal Home Life Insurance Company and American Mayflower Life Insurance Company of New York through three anticipated mergers.

Per their press release:

"We'll carry forward with us the rich heritage of First Colony Life as we bring you the full value of the Genworth brand - our commitment to bringing dynamic, innovative ideas and products to the industry; sustaining and deepening our collaboration with you to grow your business; and a passion to help consumers achieve their financial goals and dreams."

## *Disability Income from Resource Brokerage? YES!!*

While it's not in our name, it's certainly something we can help you with...with access to many carriers, fast quote turnaround times, and with our recent carrier sponsored training, our expertise can now help you place this business. We'll be expanding our services even more in the next several weeks, with updates to our website, and marketing materials. In September, look for a Resource University meeting dedicated to Disability Income sales ideas, sponsored by Metlife. On your next D.I. case, contact either Mike, Rodney, or Maureen for super quote turnaround time.

## **Resource University Update**

By Maureen Wudtke CSA, LTCP, Brokerage Specialist

Resource University continues the innovative tradition of educational opportunities in the LTC market, with a weekly series of on-going conference calls that are focused on the basics of selling LTC. If you've not sold LTC, only sold some, or if you want to find out the latest changes in how the business happens, you should consider tuning in for just 1 hour a week and listen in as Maureen Wudtke offers the benefit of her passion and experience for Long Term Care. All calls are set for Wednesdays at 10am-11am CDT, and include a Q&A session at the conclusion. RSVP to [mwudtke@resourcebrokerage.com](mailto:mwudtke@resourcebrokerage.com), check our website, or just call the office.

## **Industry News**

By Maureen Wudtke CSA, LTCP, Brokerage Specialist

## *AHIP Testifies on Long-Term Care Issues At House Hearing.*

On May 16, AHIP President and CEO Karen Ignagni testified before the House Energy and Commerce Subcommittee on Health on solutions for meeting the nation's long-term care needs. America's Health Insurance Plans is the national association representing nearly 1,300 member

companies providing health insurance coverage to more than 200 million Americans. Ignagni discussed the importance of taking an approach to long-term care that focuses on the continuum of health care services that people need throughout their lives. She emphasized that "long-term care insurance and a series of meaningful changes in Medicaid can provide the basis for a true public-private partnership in assuring that baby boomers and others have access to the care they need when they need it."

AHIP's testimony, which we can provide to you, included an overview of private long-term care insurance, discussing the peace of mind it offers to consumers and the cost savings that can accrue to Medicare and Medicaid. AHIP also focused on the innovative strategies health insurance plans are employing to provide high quality services to Medicaid beneficiaries, while containing costs at the same time.

## **Health**

### **New And Improved Systems Enhancements In The Group Benefits Area**

By Blair Farwell RHU, VP of Group Benefits & Individual Health

Over the last six months, I have been monitoring the work flow in the Group Benefits Service Area. What I found was brokers tended to gravitate towards Mary Dynes (as she is one of my most seasoned employees) and that the work flow was inconsistent by rep. One rep could be swimming in correspondence and the other rep could be having a light day. In order to assist in work flow, work assignments and general service delivery, I have combined both service reps' E-mail accounts. So when you E-mail Mary Dynes, it is quite possible you will get a response from Katie Streff and vice versa. The referenced E-mail account does show who the intended "targeted recipient" is but if we can provide you a quicker response by having the other rep that is first available respond, you will get

a response from that person. What this step has allowed us to do is level work flows, increase communication between the two reps (as they can see on the screen EXACTLY how the department is performing) and greatly standardize and increase service levels within the department. Don't worry, our database is extremely advanced and all E-mail (regarding in force cases) is attached to each "group case" so all reps within the department can see what is transpiring on any given case.

We have had a TREMENDOUS response in efficiencies, work flow, and response time by doing this. However, it was not without some minimal confusion that brokers were wondering, "Wait a minute--I sent an E-mail to 'person A' and then I got a response a short time later from 'person B'. What's going on?" What I found in my analysis of the situation is, it matters least to the brokers WHO they hear from, rather that they get a complete, correct answer in a timely fashion. With that in mind, we took this step in our continuing quest to set the standard for broker service in the industry, call it the Resource Advantage!

## Individual Health

### Blue Cross/Blue Shield Under-65 Applications Can Now Be Taken Online!!

By Judi Macino, Administration

Under 65 applications can now be submitted through the Blue Cross website--[www.bcbsil.com/ratefinder](http://www.bcbsil.com/ratefinder). This application tool can make it easier for you to write business and enjoy quicker submissions!

Information needed to complete an agent compensated online application include:

- Insurance broker's name, address and phone #
- Social security #'s of each applicant
- Previous insurers' information (if applicable)
- Health history of each applicant
- Bank account or credit card information

Enter the applicant's ZIP code to begin the process. Complete required information. Initial payment can be made from a credit card (Visa or MasterCard) or checking/savings account. Future billings will be bi-monthly direct or monthly EFT billing.

Feedback on this process has been positive. Brokers should obtain a copy of the application from their client (once it is submitted)



**Start Looking For  
Your Invitation  
To Our  
"NEW OFFICE"  
Open House  
In October!**

to keep for their own records. We ask you to fax a copy of the application to our office so we can track processing all along the way and make sure you are compensated correctly once the case is issued.

## **BCBS Select Temp--Short Term Applications**

By Janine Skolmoski, Administration

One of the questions found on the short term applications reads as follows: "Are all persons to be insured U.S. citizens or permanent residents living in the United States for at least 2 years? Yes or No".

If this question is not answered, the application will be declined by BCBS. Also make certain that the effective date is shown on the application.

BCBS will not accept a corrected application nor will they make any exceptions—a new application will be required. If the original submission is declined, the premium remittance check is not cashed; it is sent back to the applicant.

## **New Non-U.S. Citizen Guideline**

By Mike Kuchar, Product Representative

In an effort to increase BCBS's Under-65 business, they have made several clarifications/enhancements to their underwriting guidelines. One such change is the new Non-U.S. Citizen Guideline which reads as follows: "In addition to having permanent residence in Illinois, all persons applying for coverage who are not U.S. citizens must have resided in the U.S. for at least six months AND have had a complete physical by a physician in the U.S. within the past two years."

BCBS expects to file a revised application, which includes the new Non-U.S. Citizen text, with the Illinois Department of Financial and Professional Regulation Division of Insurance. Upon approval, applications will be printed with the new guideline shown above. Until then, continue to use the existing application (OB3941, Rev. 09/04).

## **Mutual Of Omaha Medicare Supplements**

By Sue Pitzmeyer, Administration

Did you know that Mutual of Omaha is ranked among the top four Medicare Supplement carriers and has been providing Medicare Supplement policies since 1966? They currently insure more than 400,000 lives and are still growing.

New business pricing is very competitive, and Mutual of Omaha keeps their rate increases well below the medical inflation rate (national average of 2.6% in 2004).

Mutual of Omaha offers Plans A, D and F which are the most popular plans available.

Give us a call for more details, applications and licensing paperwork.

## **Broker Bonus Corner**

By Judi Macino, Administration

Blue Cross & Blue Shield of IL – "True Blue" incentive program has an enhanced commission tier for producers that have 25 paid under age 65 Major Medical policies issued in a calendar year.

Time – Earn up to \$150 bonus per express app issued on EASE. Earn \$200 bonus per app issued on list bill.

World – is extending the first-year commission an additional three months. First-year commission (at the current rates) will be paid through the 15th policy month.

IAC – 2007 Producer's Conference will be held in Lisbon, Portugal. Producers with \$300,000 in new business sales issued in the months of January, 2006 through January, 2007 are invited to this stay at the Pestana Palace in Portugal.

## Isn't It Time...to Take Another Look At Time?

By Janine Skolmoski, Administration

The NEW Individual Portfolio was effective May 1st and includes: NEW Max Plan, NEW Core Med, Right Start, One Deductible and Save Right HSA.

NEW Max Plan—the most extensive protection and is the most chosen plan.

NEW Core Med—broad coverage at a great value with enhanced prescription and copay benefits.

Here are just a few of the highlights:

	MAX PLAN	CORE MED PLAN
Level of Coverage*	100%, 80%, 70% or 50%	80%, 70% or 50%
Member Coinsurance*	0%, 20%, 30% or 50%	20%, 30% or 50%
Lifetime Maximum Benefit	\$3 or \$8 million	\$2 or \$6 million
Prescription Drugs (Generic)	\$15 copay (no deductible)	\$15 copay (no deductible)
Prescription Drugs (Brand Name)	20% coinsurance	50% coinsurance
Preventative Services <sup>+</sup>	Coverage from day 1	Coverage after insured 1 year
Office Copay Optional Benefit	\$35 (no limit on visits)	\$35 (4 visits/person)

\*after deductible

+Mammograms, pap smears, PSA screenings

Please call the Individual Health Department to get licensed with TIME or to get new product information sent to you.

RESOURCE BROKERAGE INDIVIDUAL HEALTH  
DEPARTMENT - FAX #847.605.1331

PLEASE CONTACT US AT 847.605.1200 WITH YOUR  
QUESTIONS OR CONCERNS!!

LINDA MEDRANO, Individual Health Brokerage Coordinator  
JANINE SKOLMOSKI  
JUDI MACINO  
MIKE KUCHAR  
SUE PITZMEYER

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1. Show up on time
2. Do what you say
3. Finish what you start
4. Say please & thank you

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## **One Stop Shopping**

By Mike Kuchar, Product Representative

In a continued effort to become a One Stop Shop for all of your insurance needs, Resource Brokerage, LLC is pleased to offer an additional option for your Individual Major Medical sales.

World Insurance Company, founded in 1903 in Omaha, Nebraska, operates as part of American Enterprise Holdings, Inc., holds an A- rating from A.M. Best Co. and is currently licensed in 46 states.

World Insurance offers a very innovative and flexible portfolio of Individual Health products from Indemnity plans to options from some of the more comprehensive PPO providers, complete with a full range of options including doctor office visit copay options, prescription coverage, Term Life and outpatient accident benefits. World has several networks available which increases the odds of in-network benefits.

Information regarding World Insurance including Marketing materials, forms and Individual quotations can be found at our website--  
[www.ResourceBrokerage.com](http://www.ResourceBrokerage.com).

Adding World Insurance to your arsenal of products can help increase your sales. To get contracted, please contact a member of the Individual team at Resource Brokerage, LLC.

## **A Few Frequently Asked Medicare Part D Questions**

By Linda Medrano, Brokerage Coordinator

*What happens if my client failed to sign up during the open enrollment period that ended May 15, 2006 and did not have creditable coverage elsewhere?*

Your client has to wait until the next enrollment period—November 15th through December 31st--and coverage won't begin until January 1, 2007.

They will also pay a penalty on their premiums—1% of the average premium (\$32.20 in 2006) for each month of delay for the rest of their life. For example, if they were eligible but don't sign up until November, a seven-month penalty would add approximately \$2 a month to their premium for as long as they are enrolled. If they waited a few years to sign up, the penalty could be significant--nearly half of the average premium if they delay four years, for instance.

*Does everyone have to wait until November if they failed to sign up by May 15th? Does everyone have to pay the penalty?*

No. Those who qualify for low-income subsidies can sign up at any time without a penalty. There also are no late enrollment penalties if the applicant's current prescription coverage is as good or better than Medicare's—what the government deems "creditable coverage." Those who turn 65 between May 15th and November 15th or who lose existing coverage can sign up without penalty for up to 63 days from the date of loss of coverage.

*When can my client join the Medicare Prescription Plan?*

When your client first becomes eligible for Medicare—during the period that starts three months before the month they turn age 65 and ends three months after the month they turn 65. If they get Medicare due to a disability, they can join three months before and after their 24th month of cash disability benefits.

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## Did You Know Time Insurance Has A Tele-Application?

By Linda Medrano, Brokerage Coordinator

### *3 simple steps with Tele-App Express Underwriting:*

1. Complete the Time Eligibility Review with your client which is available on our website. If the prospective insured answers “yes” to any of the questions on the Eligibility Review, do not proceed to step 2 with the applicant.
2. Complete Part 1 with your client. If your client is paying by Check-O-Matic, Credit Card or List Bill, immediately fax pages 1, 2, 3 and 4 of Part 1 and the proposal to our office. Be sure you and your client sign the Conditional Receipt.
3. Prepare your client for their personal health history interview by giving them the Personal Health History Interview Application instructions. Applicants must call for their interview within 10 days to ensure the Conditional Receipt is valid.  
It's that easy—express underwriting shortens the wait!

## Group Benefits

### **To Wait Or Not To Wait**

By Katie Streff, Existing Case Management

A group's eligibility waiting period is very important. The period in place when an employee is hired is the end-all-be-all for the date they can come onto coverage. It is essential that a few items be considered before you and your client decide on the group's eligibility waiting period. The group may want to wait to ensure that the employee is going to work out before offering them coverage or they may want the coverage to begin right away. Maybe they think they have the waiting period they want but based on the current wording, they really don't.

If your group is considering hiring someone in a month or so, you may want to talk to them about their eligibility waiting period. Why? The waiting period in place at the time of the employee's hire date is the waiting period the employee must abide by (even if it is changed subsequently, those changes will only affect subsequent enrollees). If the group does want to make a change, the short form BPA must be sent to our office the month PRIOR to the desired month that you want the waiting period effective date to change.



**\*Who also happen  
to be  
Resource Brokerage  
Top Producers\***

**Make sure you R.S.V.P.  
ASAP when you get  
your invitation to our  
annual event to be held  
at Geneva National on  
September 7th 2006.**

The reason is that all plan changes take effect the 1st of the month following the date in which Blue Cross Blue Shield receives the request. In other words, if Blue Cross Blue Shield receives the short form BPA on May 1st, the change will not go into effect until June 1st. However, if Blue Cross Blue Shield received the BPA on April 30th, the change would be effective May 1st.

Another thing the group may want to take into consideration is how many people are in the group. For example, if there are only two people in the group and additional hiring is not being considered, it might be smart to have a 'Date of Employment' waiting period. The reason for this would be if one of those two people were to leave and a new person hired, there would be no problems with participation because the new employee would be able to come onto the plan immediately (note, in order to have an "eligible group" the group must maintain two people on the medical plan- at the time the underwriter reviews the renewal). If it's a larger group or a group that plans on growing, they might have a longer waiting period and not worry about participation because there would be more people on the plan.

As mentioned prior, wording on the BC/BS Benefit Program needs to be carefully explained to the client. One common area of confusion we frequently see is regarding 'first of the month following one month,' and 'first day of the month following 30 days.' If the group was to choose 'First day of the month after 1 month' and the employee was hired February 1st, the employee would be able to participate effective March 1st. But if you had 'First of the month following 30 days' and the employee is hired February 1st, that employee would not be able to participate until April 1st. Also consider the fact that if you had the same waiting periods as stated prior and the employee was hired May 2nd. With the 'First day of the month after 1 month,' the employee would be eligible effective July 1st. But with the 'First of the month following 30

days,' a June 1st effective date would apply.

An employer can also offer a 'dual waiting period' for specific employee classes. For example, they can offer 'Date of Hire' for managers and '1st of the month following 2 months' for all other employees. It is important to remember that if an employer chooses this type of eligibility waiting period, when they send in the applications to Member Services, the employee's waiting period class must be specified in order to determine their eligibility date.

As always, we will be happy to help you with any questions or problems that may arise.

## **Fort Dearborn Life Guaranteed Issue Limits**

By Jane Kopecky RHU, REBC, CSA, Sr. Marketing Representative

When enrolling a group for Life and A D & D with Fort Dearborn, brokers should be mindful of completing the Guaranteed Issue Limit amount on the Benefit Program Application. After selecting Life and A D & D, entering the employer contribution, benefit amount and reduction schedule, there is a section on the BPA regarding "Excess Amounts of Life Insurance". This provision on the BPA (that evidence of insurability will be required for amounts in excess of \$\_\_\_\_\_) becomes part of the contract. The Guaranteed Issue Limit amount applicable to the group size enrolling should be entered to establish the point at which E of I would be required to avoid ambiguity.

Guaranteed issue limits do not fluctuate as a group increases or decreases in size. Whatever the GI limit was at the time of issue, this will remain the contract for the life of the case. For example, if a group was issued at 11 lives and the BPA reflected a benefit amount of a flat \$50,000 and a \$100,000 GI limit, even if the group fell to 8 lives, new hires would still be able to apply for \$50,000 even though the GI limit for groups <10 (on a new business basis) is \$35,000. If the BPA is not correctly completed upfront, if a group fluctuates in size, there can be ambiguity of what the contract provision should be which leads to confusion and dispute of applicable benefit amounts.

A properly completed BPA avoids this.

The reverse is also true. If a group increased from 9 to 12 enrolled employees during the course of a policy, the original GI level would remain as it is (part of the contract) and would not increase automatically simply because of the group size increase. However, in a situation where a group grows in size substantially and it can be reasonably expected that it will not fall back down below a certain GI level, an increase in the GI limit can be requested in writing by the group. The request would go through Underwriting; and if approved, the contract would be amended.

Guaranteed Issue Limit amounts vary by group size as follows:

Group size of 2 to 9 enrolled	\$35,000
Group size of 10 to 24 enrolled	\$100,000
Group size of 25 to 50 enrolled	\$150,000
Group size of 51 to 150 enrolled	of \$150,000 or formula*

If the plan design calls for a formula, the maximum amount in the formula will be the guaranteed issue limit as long as the formula maximum is below \$150,000.

Feel free to contact your Resource Brokerage Group Benefits representative with any questions or need for additional information.

\*Two Times Salary To A Maximum Benefit Amount Of \$100,000

### **AIG Dental Offering 10% Discounts**

By Mary Dynes RHU, REBC, Existing Case Management

AIG is now offering a 10% discount for all your groups with 50+ members making AIG Dental a must-add to your ancillary spreadsheets. AIG offers three levels of Dental coverage designed to meet all of your client's needs and budgets. Their PPO plan offers employees their choice of any dental professional, but the employees will receive additional savings if they choose a dentist from the AIG national dental network. For the greatest flexibility, there is an indemnity plan allowing your employees the choice of any dentist with no restrictions. Finally, there is a reduced fee-for-service program that lets employees pay discounted fees for services provided by network dentists including specialists such as oral surgeons and orthodontists. The PPO and indemnity plans offer benefits as high as \$2,000 for groups with 10+ members.



Do you have your own free website through InsuranceLook.com? If not, there's no time like the present to get one as we're currently working with design and marketing specialists to make your site even better. With new features like advanced search capabilities, a more dramatic design and the addition of a new product Term Life, which offers online quoting and issuance. Don't miss the FREE opportunity to expand the marketing of your business and put the power of the internet and e-commerce on your side! To have your FREE website created, all that's needed from you is to log onto: [http://www.insurancelook.com/broker\\_app.asp](http://www.insurancelook.com/broker_app.asp) to register. One of the InsuranceLook.com staff will then call you to discuss additional requirements. All active InsuranceLook.com brokers receive our monthly newsletter, 'Look and Learn', which provides specific tips and marketing highlights to promote their website. For more information please call Susan at 847-605-1520 or Jan at 847-598-0007

Orthodontia can be included for both adults and children. There also is an option of voluntary dental (an entirely employee paid program) for groups with 25+ members when 10+ members are enrolled. AIG also offers multiple deductibles and takeover options. Please call our Marketing area for additional details.

## **BCBS Now Offers Online Commission Statements**

By Mary Dynes RHU, REBC, Existing Case Management

As of January 1, 2006, BCBS Group producers no longer receive a commission statement unless the producer returned an 'opt-out' form that was sent out by BCBS and to be completed and returned last August. Now producers can simply go online for their commission statements--go to [www.bcbsil.com](http://www.bcbsil.com), click on "Blue Access for Producers" and select "Commission Statements—View Statements" found on the left side of the home page. The site is secure and will provide you with immediate access to your current and past 12 commission statements for your review. You also have the added benefit of being able to limit who has access to view your statements by accessing the "Password Manager". If you have any questions, you can call BCBS Commissions direct by dialing 630.824.6191.

Need to apply for a password to gain entry into Blue Access for Producers? Go to [www.bcbsil.com](http://www.bcbsil.com), click on "Producers" at top of page, click on Blue Access for Producers "New User? Request a Password" and enter your SSN/EIN, telephone number and ZIP Code. If any of this required information differs from BCBS's database, your request will be rejected (i.e., you enter your SSN but BCBS's database reflects your EIN, telephone number differs or you have moved but BCBS's database still reflects your former ZIP Code). If you have any problems registering for a password, please give our office a call and we'll be happy to assist you. If you are having technical issues with Blue Access for Producers, just call BCBS's tech line at 888.706.0583.

## **Starmark's New Plans**

By Susan Niziolek, New Business Management

### *Out with the old, in with the new...*

Starmark is starting fresh with two new plans--the Signature Series and the Consumer Health Series. The Signature Series offers the traditional PPO plan with flexibility to customize the coverage for your group's specific needs. You can choose up to two deductibles and coinsurance as well as one coinsurance limit and an office copay. You can select an office copay and have the first \$200 of covered charges per office visit paid in full after the copay. There is also flexibility with the drug card copay and calendar year deductible. In order to further protect the client, Starmark has implemented quantity limits and prior authorizations for certain drug classes covered by the prescription benefit. Preventive Care, Supplement Accident and Maternity Options continue to be available in this new series.

The Consumer Health Series offers a high deductible health plan for use with HSAs. You have the ability to establish a health savings account for tax advantages and the flexibility to choose any HSA administrator. You can choose up to two deductibles and coinsurance as well as one coinsurance limit. There are also first dollar benefit options of both Preventive Care Plus and Supplemental Accident; Maternity is also an option. All of the Consumer Health plans include a prescription drug discount program. Prescription drugs are subject to the calendar year deductible and coinsurance. An HSA contribution can be made pre-tax, unused funds roll over into the next year and employees have the ability to select how their HSA funds are spent and invested.

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## Calendar Events

June 28, 2006 - LTC Sales Process *Conference Call*

July 12, 2006 - LTC Tax & Legislative Issues *Conference Call*

July 19, 2006 - Prospecting for LTC Clients *Conference Call*

July 26, 2006 - LTC Sales Process *Conference Call*

September 4, 2006 - Labor Day - Office Closed

September 7, 2006 - Annual Broker Golf Outing

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# Resourceful Words

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