



New Tools of the Trade

If you have a new product or service you would like to have considered for inclusion in this column in future months, send the information to HIUeditor@aol.com.

FlexHSAs Launched

Flexible Benefit Service Corporation (FBSC) has introduced two new account levels for its FlexHSA Health Savings Account program. The Traditional FlexHSA provides an account for individuals and employees seeking basic banking services, while the Premier FlexHSA provides options for those who want to accumulate, grow and invest their assets.

The Traditional and Premier accounts were developed to provide the growing HSA market with more flexible and personalized options. With FlexHSA, individuals and employees have the option to determine how they want to use and manage their HSA funds.

FlexHSA integrates health benefits, banking services and investment options through one point of contact, using one account. Individuals can choose health benefits through multiple health insurance carriers, banking services with debit card and checking capabilities, and investment options including traditional and alternative investments.

FlexHSA is delivered through Personal Cash Manager (PCM), a Web-based application PCM offers online account information with available cash and portfolio valuation, transaction details for debit card and check usage, and an electronic trade execution feature with access to a wide variety of investment options.

For more information, visit www.flexhsa.com or call 888-FLEXHSA.

CIGNA Adds Investment Options to HSAs

CIGNA HealthCare is adding six mutual fund investment options to its Choice Fund HSA to help members seek to achieve their saving goals. Beginning on January 1, 2006, CIGNA Choice Fund HSA participants will have the option to invest the money in their HSA in up to six mutual funds from leading firms including JPMorgan Funds, T. Rowe Price and Royce Funds, representing a broad array of investment options.

The CIGNA Choice Fund HSA is an integrated benefits plan that combines a tax-advantaged savings account with a high-deductible health plan and financial management features, such as a debit card and checkbook and now mutual funds.

Consumers have expressed an interest in investment options linked to a savings account for health care. According to research conducted by CIGNA HealthCare last year, 65% of those surveyed said they would find the opportunity to invest the money in the

account appealing. The available cash balances in a participant's HSA cash account determine eligibility. Mutual fund investment options will be available to participants with balances greater than \$2,000.

New Critical Illness Insurance Available

Allstate Workplace Division has developed a flexible, affordable critical illness coverage plan that helps individuals to keep their finances intact when they become seriously ill. The policy is different from many other critical illness policies in several ways:

- Premiums are based on age, tobacco status and basic benefit amount
- Basic benefit amounts range from \$5,000 to \$100,000
- Individual, single parent family or family coverage is available
- It is not tied to employer benefits
- It is renewable for life and the premium does not increase with age
- Two separate groups of illnesses could each pay up to 100% of benefits
- A lump sum is paid upon diagnosis.

With Allstate's Critical Illness policy, an individual can have an illness from category 1, such as a heart attack or stroke, that pays 100% of the policy amount and still may qualify for 100% of benefits from Category 2 illnesses, such as end-stage renal failure or full paralysis. The policy also includes a wellness benefit rider that pays \$75 per covered person for various cancer screening tests. In addition, the policyholder can purchase a Cancer Rider that pays 100% of the basic benefit amount for such illnesses as Leukemia or Hodgkin's disease.

The Critical Illness Insurance is sold as through Allstate Workplace Division as a voluntary benefit, with premiums paid through payroll deduction. It is available in all states except CT, MA, NY and VA. For more information, call 1-888-694-3275 or visit www.allstateatwork.com.

Humana Expands Medicare Options

Humana announced that it intends to nearly double the size of its Medicare geographic reach through its Medicare Health Plan product offerings filed with The Centers for Medicare & Medicaid Services. The company will increase its Medicare operations from 25 states to 46 in 2006. It intends to offer both the stand-alone Medicare Prescription

Drug Coverage (PDP) and Medicare Advantage Health Plan with Prescription Drug Coverage (MA-PD) in addition to its current Medicare product offerings.

Contracts are scheduled to be awarded to qualified health insurers in September with open enrollment slated to begin in November for the January 1, 2006, effective date.

Humana currently offers Medicare Advantage HMO and PPO health plans in nearly 40 markets nationwide as well as its private fee-for-service plan in 11 states with plans for expansion into more than 20 additional states in the coming months.

More information is available at www.humana.com.

UnitedHealth to Offer AARP-Branded Medicare Drug Plan

UnitedHealth Group and AARP will work together to offer an AARP-branded Medicare Part D Prescription Drug Plan (Part D) to Medicare beneficiaries. Part D plans will begin enrolling Medicare beneficiaries on November 15.

"This offering will allow millions of AARP members and Medicare beneficiaries the opportunity to access medications they might not otherwise be able to afford," said Tom Paul, chief pharmacy officer for Ovations, the UnitedHealth Group business segment dedicated to serving older Americans. "We are developing Part D offerings that are simple in design, easy to use and bring real value to consumers."

UnitedHealth has filed for approval with CMS to provide Part D offerings to all Medicare beneficiaries, including AARP members, in all 50 states, the District of Columbia and U.S. territories.

For more information, contact Joyce Larkin at 952-936-3836.

Product Portfolio Enhancements Increase Flexibility, Reduce Premium

Star Marketing and Administration, Inc. (Starmark) recently announced several key product portfolio enhancements that will provide small-group clients more competitive, affordable benefit choices and reduce premium by as much as 44%, depending on the plan options selected.

The new product portfolio enhancements, effective July 1, offer more deductible choices, lower insured percent selections and higher coinsurance limits to provide businesses with two to 50 employees increased flexibility and lower-cost alternatives on two of the portfolio's most popular health plans: HSA Select and PPO Advantage Plans.

The Starmark portfolio upgrades also include two new drug card benefit choices for PPO Advantage, PPO and Indemnity Plans. The drug card enhancements include no deductible for generic drugs, per-prescription maximums on non-preferred-brand drugs, and increased savings through mail order for generic and preferred-brand drugs.

Starmark has also enhanced its product brochures and created two new sales tools for its MGAs and producers, including a Plan and Rate Comparison Matrix that shows premium variations by plan, and a redesigned High-

Deductible Health Plan Calculator, which estimates savings potential on annual premiums for groups considering a switch to an HDHP.

For more information, call 800-522-1246, ext. 33057, or visit www.starmarkinc.com. ■

Need Capital to Grow?

For years insurance agents had a limitation—not in their ability to dream, but in their ability to *do*... because of a lack of money. Any agent who has made a trip to the local bank can tell you that the bank doesn't think much of the business of insurance. They don't *understand* the insurance business. They want your agency's money flowing into their accounts and they are always greeting you with a smile, but a funny thing happens when you need serious capital. Suddenly, your renewals, the reason you got into the business, those wonderful receivables, don't seem to be considered an asset unless you combine them with something tangible. An agency that is producing millions in commission might be treated like a second-class citizen and denied the capital it needs.

Several years ago, Rick Dennen came up with a concept that was to change this. Rick knew the value of an insurance agent's block of business and realized that it was logical to believe that an agent's block of insurance business was as good as gold. Now he and Oak Street Funding are using an agent's block of business and agency as the collateral source for a commercial loan, something most banks are unable or unwilling to do.

Oak Street Funding does not require hard assets to back the loan like property or personal savings. They will (depending on the type of insurance within the block of business) loan somewhere between two and three times the renewal commissions. (These have to be commissions that you the agent are fully vested in and you must have a direct contract with the insurance company.) What could you do with this kind of money? Pay off debt, invest in technology, buy an agency or another agent's book, buy an office building, purchase leads, and so on.

Let's say you find an agency for sale. Oak Street Funding can use the renewal commissions from the agency that's for sale to provide you the agent with a loan to buy the agency. Oak Street Funding will do the valuation of the other agency for you at no additional cost. It will use the commissions needed to repay the loan from the book or books of business in that agency that collateralize the loan.

Oak Street Funding is a commercial finance company that makes loans against future commissions. It is their mission to provide capital to insurance professionals so they may grow their business and increase sales. The minimum loan is \$10,000, the maximum, \$5 million.

For more information, call Curt Vahle at 317-428-3806.