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# *Message from the President*

## Latest Research Supports Voluntary Benefit Sales

*By David Walsh, President & Chief Executive Officer* Amalgamated Family of Companies

Anyone who has questioned the value proposition voluntary benefits offer employers and employees should check out the latest research. Based on findings from multiple sources, voluntary benefits remain in high demand due to their fulfilling important needs of both employers and employees.

The Xerox HR Services' "2016 Financial Well-Being and Voluntary Benefits Survey" found that two-thirds of companies are incorporating voluntary benefits into their employee offerings to supplement their core benefit packages. The survey also reported that 78% of employers believe that voluntary benefits are "extremely effective" or "very effective" in supporting their employees' financial well-being. This finding was echoed by many industry insiders including Jeff Oldham, vice president of consumer strategy for BenefitFocus who noted employers' offering of voluntary benefits to support their employees' financial wellness to be an ongoing trend.

From the Employee Benefit Adviser's "Annual Voluntary Benefit Survey," reducing absences, increasing productivity and reducing workers' compensation claims, attracting and retaining talent, and providing awareness and education about the need for financial protection were cited as key benefits derived from voluntary benefit programs.

Last year, MetLife's 13th "Annual U.S. Employee Benefit Trends Study" demonstrated the relationship between employee benefits and employee satisfaction with their workplace. Specifically, it found that for companies that offered no benefits, only 46% of employees would recommend their employers as "great places to work." When companies offered between one and five benefits, the statistic increased from 46% to 53%, and for companies offering eleven or more benefits, the figure rose to 66%. Further driving this point home and demonstrating the value of voluntary benefits, 40% of employees said having a broad selection of benefits strengthened their loyalty to their employers.

There is little doubt that voluntary benefits are essential. With the cost of healthcare in the U.S. as high as it is, many consumers have a difficult time meeting their out-of-pocket expenses, let alone if they or a family member suffers a very serious illness, accident or emergency situation when costs can really skyrocket. Through various voluntary benefits from critical illness and accident, to disability and others, individuals can meet their medical costs and ordinary household expenses, without sacrificing their financial stability. The fact that different voluntary benefits can address the changing needs of individuals through their various life stages further makes these benefits indispensable.

If you're not already convinced that as an employer or benefit manager you should be offering voluntary benefits, consider these findings of the latest Life and Market Research Association (LIMRA) "U.S. Worksite Sales Survey." Seventy-one percent (71%) of employers surveyed said that voluntary benefits improve worker morale and satisfaction and almost 60% said employees preferred to purchase their benefits at work.

# *Broker's Corner*— How to Leverage Your Insurance Company Relationships

Every broker has his/her "go-to" insurance partners; companies they can rely on for a broad selection of competitive products backed by high-quality service. There are, however, some brokers who really understand how to leverage these relationships to build their businesses and drive customer loyalty. These brokers understand that gaining the greatest value from their carrier relationships requires a plan designed to build and strengthen carrier relationships, and the discipline to follow that plan.

Your plan should identify your top carrier relationships, specific targeted goals for each carrier, and a strategy for maintaining the relationship through ongoing communications, in-person meetings, and an understanding of how that carrier's products are currently being sold into your customer base. The goal obviously is to be in the position to secure the best pricing from a carrier for your customers and to sell as many of that carrier's products to existing and future customers. Brokers should share their proactive sales plans with their top carriers. In addition to holding regular business meetings with the carriers, brokers should foster social relationships as well, by inviting carriers to lunch, to a ball game, and/or to appropriate company events like holiday parties and annual sales meetings. Getting to know carrier representatives on a more personal basis will take the relationship to a higher level.

To further strengthen their carrier relationships, brokers should strive to demonstrate their market knowledge and prowess in building their customer bases. Carriers, like any business partner, want to know they are working with real professionals; individuals who have their pulse on the market, have in-depth product knowledge and can effectively communicate their products' benefits in order to close new sales. A carrier is more inclined to do more for a broker who demonstrates strong knowledge of their product portfolio and a commitment to presenting that portfolio in the best possible light. Regularly reporting sales of the carrier's products to key company representatives is another way to build the broker-carrier relationship and drive a stronger, more profitable relationship.

There's a saying that, "When the going gets tough, the tough get going." For brokers, knowing they can count on a carrier to meet their client's needs during a difficult period (i.e., an accident, critical illness, death, etc.), when a claim must be paid, is vital. The best relationships are built on this layer of trust. When brokers prove themselves to be real team players serving on the same team as the carrier, they can be confident that the carrier will be responsive to their needs and those of their clients.

# *AliCare*— Know Your Fiduciary Responsibilities Under a Group Health Plan

*By Ann Joo Kim, Executive Vice President* AliCare

For many employers and unions, offering a group health plan is an essential employee/member benefit. There are, however, certain fiduciary responsibilities that lie with the plan sponsor that require effective administration and due diligence. These responsibilities fall under the basic rules and standards of the Employee Retirement Income Security Act (ERISA). The United States Department of Labor (DOL) has issued a booklet titled, "Understanding your Fiduciary Responsibilities under a Group Health Plan." Below is a synopsis of its most important content covering: the key elements of a group health plan, the definition of a fiduciary, and the primary responsibilities of plan fiduciaries.

## The Key Elements of a Group Health Plan

A group health plan is an employment-based plan which provides individuals (employees and/or members of a union) with medical care coverage for physician office visits, hospitalization, sickness, prescriptions, vision and/or dental care. Its core elements consist of: the written plan describing the benefits and advising individuals covered by the plan on how it operates; a trust fund that holds the plan's assets; a recordkeeping system to track contributions and benefit payments, as well as maintain information on participants and their beneficiaries and facilitate reporting documents; and documents that provide plan information to plan participants and the government.

## Plan Fiduciaries

Individuals and/or entities who/which perform various functions relating to the plan's operation are considered plan fiduciaries. Among the functions that constitute fiduciary actions are having discretion over the administration and management of the plan, and controlling its assets. To some degree, how a plan is structured will dictate fiduciary status. For instance, employers or Fund Trustees with fully or partially self-funded group health plans hold discretionary authority over the plan which therefore makes them fiduciaries. In the case of employers or trustees who sponsor a fully-insured plan, their fiduciary status would depend on whether or not they have discretion over the plan.

The following individuals/entities are typically fiduciaries of a group health plan: plan administrators, trustees, investment managers, all those with discretion in the plan's administration, all members of a plan's administrative committee, as well as those involved in the selection of committee officials. Third party administrators, recordkeepers or utilization review personnel who perform administrative tasks but are not involved in policy-making, are usually not fiduciaries nor are attorneys, accountants or actuaries serving solely in the role of their professions.

## Responsibilities of Fiduciaries for a Group Health Plan

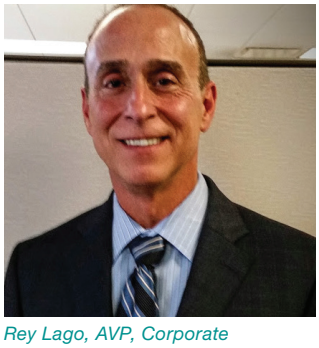
As a fiduciary of a group health plan, individuals/entitles must adhere to the following responsibilities:

- Act solely in the interest of the plan participants and their beneficiaries;
- Carry out their duties prudently;
- Follow the plan documents unless they are inconsistent with ERISA rules;
- Hold plan assets (where assets exist) in trust; and
- Pay reasonable expenses only.

There are personal liabilities for fiduciaries who fail to carry out their responsibilities. If a breach occurs, they may be liable to restore any losses to the plan and/or profits they may have made as a result of improper use of a plan's assets. In addition to managing their own actions in accordance with their fiduciary responsibilities, individuals and/or entities that are serving as fiduciary should be cognizant of the actions of the plan's other fiduciaries. A fiduciary, who fails to properly monitor another fiduciary and/or does not act upon knowledge of another fiduciary's breach of his/her responsibility, can also been held liable.

For complete information on the responsibilities of group health plan fiduciaries, visit: **https://www.dol.gov/ebsa/publications/ghpfiduciaryresponsibilities.html** and download the DOL booklet on this topic.

# Customer Satisfaction Survey Results and Their Importance



*Rey Lago, AVP, Corporate Customer Service & Advocacy*

At AliCare we are firm believers in the importance of regular quality control benchmarking relating to our customer service metrics. One tool we use to measure our metrics is a customer satisfaction (CSAT) survey specifically, The Customer Satisfaction and 1st Call Solution After-the-Call Survey." The Amalgamated Advisor interviewed Rey Lago, Assistant Vice President of Corporate Customer Service & Advocacy to shed some light on the importance of this benchmarking tool.

### Q: Can you describe the CSAT Survey?

RL: The survey is offered at the end of a customer caller interaction. Timing is crucial in determining a customer's satisfaction with the experience they just had. Therefore, it is important to ask callers for feedback immediately after a call ends. This also helps the customer feel valued and provides useful information for our call center management and agents who are able to get quick feedback on their performance. About 10% of the total callers complete the survey. Our goal is to measure first call resolution, and determine the caller's satisfaction with their interaction with the customer service representative, as well as the caller's overall satisfaction with our service.

### Q: Can you provide the questions that are asked of customers in the CSAT Survey?

RL: Yes, they are as follows:

- Was the question or issue that you called about today resolved at the conclusion of your call?
- Was this the first time you were calling regarding this specific issue?
- Please rate your satisfaction with the service representative's overall quality of service to you.
- How would you rate your overall experience?

If they rate us unsatisfactory in any of the last two questions, we offer them the opportunity to provide us with any additional comments to help us improve the service.

### Q: The survey calculates a CSAT score for each customer. What is this score and why is it important?

RL: The CSAT score intends to measure a customer's satisfaction with the service rendered. It's normally expressed as a percentage between 0 and 100, with 100% representing a customer's complete satisfaction. While there can be a large variance between the CSAT scores given an industry or at the same company over time, most companies that boast high customer satisfaction are those with CSAT scores in the upper 80s and 90s. Our average score since July 2014 is 88%. This score is graded from a scale of satisfaction. Our score methodology uses grades of exceeded, met or did not meet expectations. Any customer who indicates dissatisfaction is given the option to leave a message and receive a callback from a manager or team member.

### Q: How often is the survey conducted and when did this surveying begin?

RL: We began surveying customers in July 2014 and surveys are conducted every day when the Contact Center is open.

### Q: What is the primary goal in conducting the survey?

RL: The primary goal is to measure customer satisfaction and first call resolution rates. Higher first call resolution rates usually tie back to higher customer satisfaction and retention. Eliminating the need for a customer to follow-up with a second call is a win-win for the customer and our organization.

### Q: How did the company perform in this year's survey and how does it compare with the previous years' survey results?

RL: Our score from 2014 through 2016 has been 88%.

### Q: As a result of this year's CSAT Survey, will any changes to customer service operations be adopted? And, if so, what are they?

RL: Survey scores for callers who need interpretation service are somewhat lower than those without the need for an interpreter. While over 65% of our staff is bilingual, we have increased our efforts in hiring more bilingual staff. Additionally, we have automated the generation of certain forms to increase the turnaround time in getting the forms to our customers. Finally, we plan to add a customer effort survey question to our survey which will ask customers, "How easy was it to do business with us or to get your inquiry resolved?"

**Q: Why is it important to conduct this survey? What are some of the benefits the organization derives from the survey?**

RL: Now, more than ever, contact centers are striving to enhance the quality of service they provide to their customers in an effort to exceed customer satisfaction and improve loyalty. Obtaining direct feedback immediately after the call is when it is fresh in the caller's mind versus a post-call survey or mail survey. Email and online survey are not effective in that many customers will simply put them aside and forget to act on them. Keeping our survey short—under a minute with just four questions—also helps increase our survey participation and completion rates.

**Q: To your knowledge, do insurance companies and TPAs regularly conduct customer service surveys?**

RL: Yes, many insurance companies like Cigna and AETNA offer surveys to their members, however, not all TPAs conduct CSAT surveys.

# NEWS & DEVELOPMENTS

## Amalgamated Life Attains Its 41st Consecutive A.M. Best "A" (Excellent) Rating

Amalgamated Life has hit another important milestone in its 73rd year. The Company has received its 41st consecutive "A" (Excellent) rating from A.M. Best, a full service credit rating organization dedicated to serving the insurance industry.

## Appointments to the Amalgamated Life Sales Team

Amalgamated Life is pleased to announce the appointment of Gerard McDermott as *Group Sales Executive, Mid-Atlantic Region* and *William E. Dillon as a Sales Executive, Worksite Division in the Mid-West Region.* Both men have solid backgrounds and many years of experience in the insurance sales industry.

## Top 100 Call Centers

Two members of the Amalgamated Family of Companies—Amalgamated Life and AliCare have been named to the BenchmarkPortal's 2016 Top 100 Small Call Centers in North America for companies with between five and 50 full-time call center employees.

**Visit Us at IFEBP**

Amalgamated Life Insurance will be exhibiting at the 62nd Annual Employee Benefits Conference, November 13–16, 2016 at the Orange County Convention Center in Orlando, Florida. Stop by and visit with us at Booth# 526.

**Online Member and Provider Portals**
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