

CAPITALIZING ON BENEFITS



PROVIDING BENEFITS STRATEGIES

*Agency counsels clients on how to keep
health care costs in check*

Photography by Phil Smith

By Len Strazewski

Success in employee benefits sales isn't just about getting the best price at annual renewals—and it hasn't been for a long time, say the executives of RJF Agencies, Inc., in Minneapolis, Minnesota.

While price is always important, explains Donn Scroggins, employee benefits practice group leader, costs and the factors that drive them are the biggest concern for employers. Contractions among health insurance carriers have made the annual health plan renewal process more competitive than ever—with virtually all agents submitting the same information to the same handful of health plans and getting virtually identical quotes.

The top agents and brokers provide services that support human resources operations and business growth with services that extend significantly beyond pricing and delivering a health insurance policy, he says.

"We begin our consultation by learning about our customers' businesses," Scroggins says, "exploring their business environment, their employee recruitment and retention strategies and their overall growth strategies."

With their strategic plan as context, the agency mines claims history in both property/casualty and health coverages.

"More than 70% of health care costs are related to lifestyle and behavioral issues," he says, "and this doesn't include workers compensation

costs that are related to safety, and health and productivity costs that may be related to absenteeism.

"Understanding these factors is what differentiates us from the competition."

The differentiation has been reflected in rapid growth, RJF executives say. Founded in 1986, RJF was launched as a small property/casualty insurance agency with about \$100,000 in revenues. Today, the firm boasts about \$25 million in revenues, about 30% of which is derived from employee benefits and human resources-related consulting.

The firm has 155 employees in five offices in Minnesota and Wisconsin, including about 35 employees in its employee benefits practice group. Clients range in size from 30 employees to more than 2,000 employees, but the agency specializes in mid-sized companies with 100 to 500 employees, executives say.

Executive Vice President Mary Setter, a 13-year veteran of the firm and agency principal, says that rapid growth in employee benefits sales has created an exciting business environment that has driven innovation.

"It has been fun to be part of an organization that has quickly grown from barely being recognized as an employee benefits firm in our market to being one of the top five premium

At left: The executive team of RJF Agencies in Minneapolis, Minnesota, includes (left to right): Craig Bongart, Executive Vice President of Business Development; Jim Johnson, Vice President of Sales and Marketing; Jill Lowder, COO; Bill Jeatran, CEO; Tim Fleming, President; and Amy Peterson, Vice President of Finance.

Below: The Employee Benefits Team of executives, producers, account executives, account managers and customer service representatives.





A benefits conference includes (left to right) Rosie Ward, Health Management Consultant; Donn Scroggins, Producer; Mary Setter, Executive Vice President/Producer; John Young, Producer; Natalie Leuck, Account Executive; PK Ziaja, Producer; and Greg Haffely, Producer.

volume producers for all of our major carriers. Because of our size, we are able to develop a three-way relationship between our clients, our carriers, and ourselves, combining our services and resources for the best possible outcome for our clients," she says.

Partners and resources

RJF partners with the four major health plans in Minnesota and Wisconsin. They also work with other insurers to provide a wide range of employee benefits products and services, including preferred provider organization (PPO) health plans, life, disability and dental insurance, and consumer-directed health plans with health savings accounts (HSAs), to clients in the upper Midwest and throughout the United States.

About half of the client base is fully or partially self-insured using

administrative services from the insurers and other vendors and stop-loss coverage above a self-insured retention.

RJF also maintains a separate financial services division that provides personal and commercial financial planning services and assists clients with the design and implementation of defined contribution retirement plans, non-qualified plans and executive deferred compensation plans.

The agency also partners with a national actuarial consulting firm for advanced employee benefit plan services and for the administration of an annual employee benefits benchmarking survey of 300 local employers and 90,000 employees and dependents. The survey, conducted since 2006, allows the agency to assist clients in modeling appropriate employee benefit plans

for the region and individual industries, Scroggins says.

RJF has grown both nationally and internationally, using Assurex Global resources, adds Employee Benefits Consultant PK Ziaja. She says that nearly one-third of the agency's employee benefits clients have international benefits needs, ranging from expatriate employees in Europe and Asia to manufacturing facilities in countries that strictly regulate health and retirement benefits.

"Assurex enables us to compete with much larger brokers and employee benefits consultants in providing services for our customers wherever their employees happen to be with the same kind of personal service that our clients expect," she says.

"Our partners also give us the local expertise internationally that allows us to develop employee benefit programs for our clients that are consistent with their companywide business strategy and compliant with local regulations."

Assurex also makes it possible for the agency to serve large national clients with multiple domestic locations and employee benefit plans that vary by state and local business environments.

Cost management strategies

Setter says that costs are the greatest concerns for RJF customers and have been since she began with the agency, bringing her own book of

employee benefits business from her previous employer. The recent national economic woes have only made those concerns a more prominent part of the client agenda.

She says that the cost drivers point toward the need for better claims management at the basic level and health management at a deeper and more profound level. As a result, health management, consumerism initiatives and health risk assessments have become cornerstones of RjF's client programs, as the agency works with its customers to reduce health-related claims and overall health costs.

Health Management Consultant Rosie Ward, Ph.D, MPH, CHES, who holds a doctorate in organization and management, leads a growing wellness and health promotion practice that has become a key component of the cost management strategy for most agency clients. She says employers are more interested than ever in influencing employee behavior toward safer and healthful lifestyles. What's more, they are willing to commit to programs and employee plan design changes that provide opportunities for assessing and learning about health risks and incentives for improving employee health.

Employers and their employees are discovering that "wellness is not something we do *to* employees. It's something we do *for* them and *with* them" to create a safer and more healthful environment, Ward says.

RjF has a good model upon which it can base client programs—namely the wellness program it has developed for its own employees. In 2008, RjF received its third gold Wellness by Design® Award from Hennepin County for its program, which promotes healthful lifestyles for its employees. The award recognizes organizations that have strong senior management support for health promotion and that recognize the close relationship between employee health and productivity. Award criteria are based on guidelines from the Wellness Council of America.

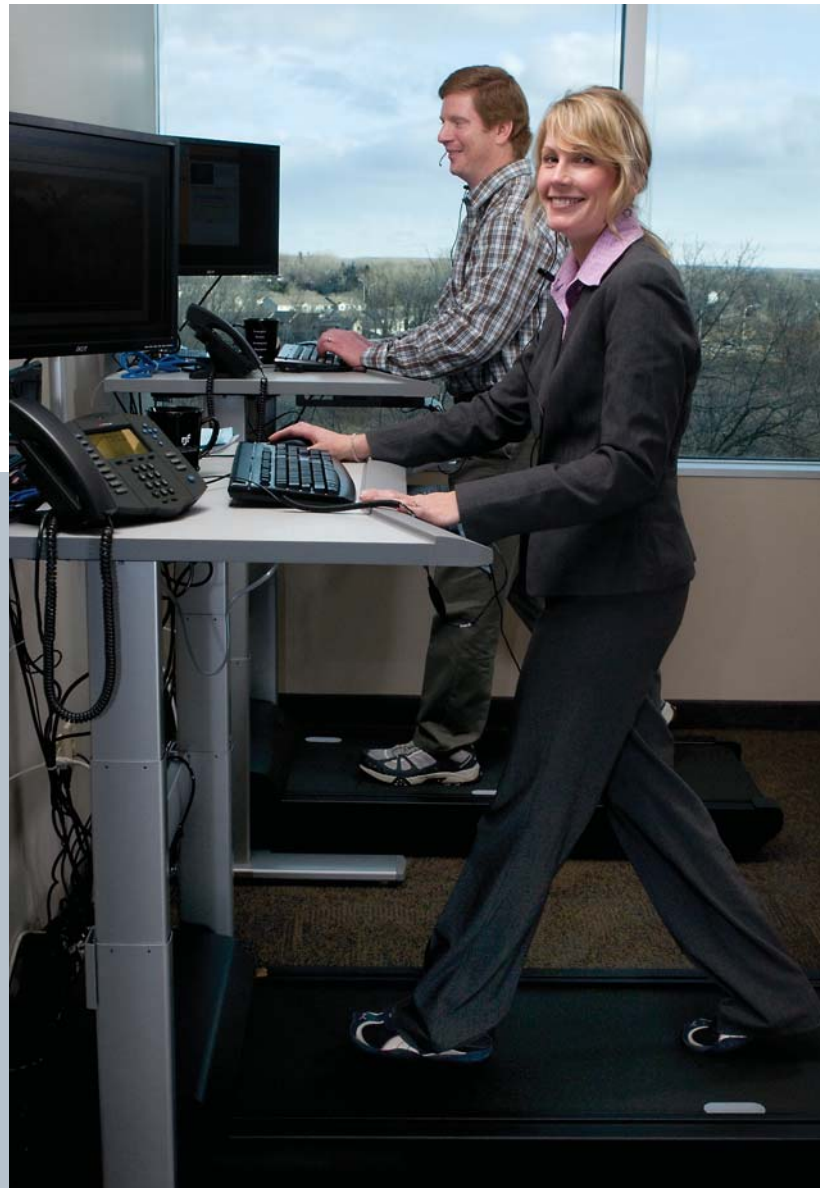
"Our wellness program participants have reported improvements in lab results, increased physical activity and a shift toward a consumerism approach to health care," says RjF Chief

Executive Officer Bill Jeatran.

"Participation has been phenomenal."

In 2008, 98% of the agency's employees covered by the group health plans participated in the wellness rewards program that provides incentives for employees to improve their overall health and lifestyle, he says.

Client programs can range from very basic self-care health training to more comprehensive, claims data-driven analysis and assessment programs, Ward says. While some employers and employees are becoming more comfortable with health risk assessments that require medical testing, and follow-up health coaching programs for lifestyle and disease management, others are just beginning to experiment with wellness education programs in conjunction with consumer-directed health plans.



PK Ziaja and Tony Pavelka, Benefits Account Manager, work on the treadmill.

Pursuing healthy outcomes

For example, the RJF “WiseHealth” program takes employers and their employees through a simple three-step health education program that informs employees about how their decisions affect health care costs and quality.

The first step of the program begins with “self-care” kits and training that educate employees about appropriate response to basic illnesses and health concerns. This knowledge may help participants make better use of their health care dollars by focusing more on prevention and early detection of ailments while helping to eliminate the need for some expensive emergency room visits.

The second step of the program teaches employees to better communicate with medical professionals to make sure they receive the care they need and avoid confusion and problems with their care. Participants learn what questions to ask medical professionals, how to share their concerns and how to ensure they are receiving the best quality care.

The third step of the program is a workshop in which participants

rehearse common scenarios involved in four stages of health care delivery from planning and preparation to maintenance of treatment.

Ward says the return on investment for even this simple education program can range from 3 to 1 to 15 to 1 with regular updates and reinforcement of concepts.

More comprehensive health management programs extend beyond blood tests, plan design incentives and health care consumerism, she says. “Health management is not just about lifestyles and health consumerism, though those are important factors,” Ward says. “Health management is also about safety issues and hiring practices that support a healthy workplace and employee populations.”

As a result, Ward often recommends an organizational culture assessment that measures how well employees feel valued at their job, their understanding of opportunities to learn and grow within their place of employment, how well they trust management and whether they believe that health and safety matter.

Before employers consider health management programs, she asks them to examine what they believe about the

level of value their organization places on health and safety and overall employee well-being. The responses, she says, help employers understand and define their commitment to programs that not only focus on lower health care costs but may also lower workers compensation costs and improve productivity and job satisfaction.

RJF also provides an array of employee benefits educational and human resources services that support their programs and their client relationships, says Scroggins. The agency’s monthly educational seminars draw 120 to 150 local human resource executives who often receive continuing education credits for their professional designation requirements. Topics range from employee benefits plan design to safety and health issues that cut across property/casualty and employee benefits concerns.

The eight-person employer services department also provides an employment law hotline, individual management and executive training, human resource policy development, regulatory compliance auditing, employee communication and benefits documentation and employee screening and testing, in addition to safety and loss control services, claims management, and more. ■

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