



**LARRY  
DRENNAN**

*entered the insurance business in 1970 while he was still a student at the University of Arkansas. He graduated from the University of Arkansas at Little Rock with a bachelor of science degree in business and a minor in management and labor.*

*Drennan had a very successful career as a life and health sales agent and agency manager; in 1982 he formed Drennan Insurance Marketing, Inc., a wholesale insurance brokerage organization.*

*Drennan has been actively involved in numerous industry organizations and associations, serving both as an active member and as a board member officer.*

*Drennan's firm has won many carrier awards for outstanding production as well as exemplary compliance procedures and practices.*

*The Drennan organization is based in Little Rock, AR, but works with independent insurance agents in more than 40 states. The Drennan organization is designed around helping agents work more knowledgeably, efficiently and profitably.*

*Drennan can be reached at Drennan Insurance Marketing, Inc., 1501 N. University Ave., Suite 552, Little Rock, AR 72207. Telephone: 501-661-9944. Website: [www.drennancompanies.com](http://www.drennancompanies.com).*

# How FMO Organizations Can Serve Their Agents Post ACA Implementation

First, I think it is important to say that our organization, as do some others, considers the independent agents that we have the opportunity to work with as our customers. We put agents first, even before our own interests. It's been easy for me to realize over the years that if the agents we work with do exceptionally well, so will we. Our customer-first attitude helps us grow.

Prior to the Affordable Care Act (ACA) there were many agents who did a very good job of selling individual and small group health insurance. They realized a very nice income from their efforts. Many of these agents with whom I have had conversations since ACA was implemented have told me of lost business—and thus income—and much frustration. I believe it is imperative that field marketing organizations (FMOs) embark on a course of action to not only help agents survive but to grow during challenging times!

How, exactly, can an FMO assist agents during tough times? I can really only speak to what we are doing to assist our producers, but I believe other FMOs would be well served by taking similar steps. First, be a real resource for the agents. We provide hands-on service and support to our agents. We chase down commission issues and, whenever possible, get the agent paid. There are tens of thousands of dollars lost each year due to unpaid commissions—much more than the average agent would ever imagine.

We also supply member service support by helping fix issues with an agent's clients

by running interference with home offices when our agent can't get the outcome he needs, deserves and understandably expects. While doing this we never, ever contact an agent's clients. We consider the relationship between the agent and client "sacred."

Second, we work hard to be a source of dependable information for our agents. Recently we conducted several seminars for our agents—a "spring training" event. It was eye-opening to me how little was known by agents about the "Doc Fix" legislation and the changes it is bringing to the Medicare insurance market. Out of four events last week, not one agent knew that 100 percent coverage (Plan F) cannot be sold after 2019. There also was little knowledge of accountable care organizations (ACOs) and their coming role in providing health care for seniors.

Third, we develop tools—not for selling, but for prospecting. We believe that the key to success is not product but rather plenty of qualified prospects. So our tools include a unique Medicare insurance planning guide and a variety of lead generation mailers. The effectiveness of a direct mail program is dependent on a great attention-getting message, a highly refined list using the best analytics available and, of course, a well-trained agent.

Finally, I believe an FMO should bring new thinking and new ideas to the table. We provide our agents with a "new" way of conducting business, all centered on caring about and serving their customers.

I personally am convinced that we are of little value if all we do is “chunk” products at our agents in hopes of them selling something and us receiving a fee or commission. Instead, I would much rather help an agent succeed by lending ideas, support and tools—and then offering great product.

Some specific examples of how we serve our agents surrounded the passage and implementation of ACA. Agents were all over the page when it came to ACA; some wanted nothing to do with it, some wanted to dabble in the exchange business, and others jumped in with both feet. There were many stories shared with us regarding the results. It varied by state, but most of the stories shared were about negative results and how it was not at all what the agents had expected.

We have helped individual and group health agents “transition” from the under 65 exchange market into a highly profitable senior market business. The ones who wanted a change enjoyed our training, guidance, lead support and our other value-added services and were able to make the business conversion without missing a beat.

When I speak of senior market business opportunities I am referring to much more than merely selling a Medicare Supplement, Medicare Advantage or Medicare Prescription Drug Plan. The reality is that these plans open the conversation, but agents who utilize our Medicare insurance planning guide can sell final expense, short term recovery care, dental and vision coverages, and annuities. We have seen agents selling a Medicare Advantage Prescription Drug (MAPD) Plan and then later pick up a check for hundreds of thousands of dollars to place into a tax-deferred annuity.

Other group and individual health agents whom we have assisted were ones staying the course with that market but seeing their income decline, sometimes significantly. We have been proactively helping those agents by introducing them to other products/concepts that their clients need. We are helping these agents protect their income by selling unique life insurance products which can be issued as low as \$25,000 and up to \$250,000, or even \$350,000, without exams, blood draws or other fluid testing.

This has made it easy for the agent to place life insurance on these prospects.

An interesting twist that has gained real traction comes from a life insurance product (term or permanent) which includes a critical illness benefit at no extra premium. Agents who place people into a public exchange health plan are realizing two things:

1) These prospects have little or no life insurance. It becomes easy to give them a quote at that point.

2) The public exchange plans have a significant amount of non-covered expenses such as deductibles and coinsurance. People who qualify for subsidies may not have to pay any premium, and that is nice for them, but in reality it needs to be pointed out that their exposure to out-of-pocket cost at claim time can be large. A life insurance policy with critical illness included generally becomes a very easy sale at that point.

The future is bright for the professional independent agent. The opportunity is limitless! We help our agents see this and participate in the process. ☺