

Templar Topics

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1 (865) 681-4321
www.templaragency.com



U.S. Needs Healthcare for the American Experience

Those favoring a wholesale revamping of American health-care practices continue to point to conditions in Britain, Canada and various European countries to support their urge for change. Unfortunately, all of the plans put forth have, like the current US system, some serious shortcomings. The lack of quality and access in Canada is becoming legendary. Similar problems in Britain limit its system as a model for US reform. France has a workable system but it, like the others mentioned, is currently experiencing a \$14 billion annual deficit with no solution in sight.

In addition to the functional failings of other systems, it is important to take into account cultural differences that would tend to limit the appeal of European-style plans. For example, most of Europe was devastated by two world wars in the 20th Century and has experienced a litany of poverty, displacement, economic sluggishness and political turmoil. The US, on the other hand, has been a study in political stability, economic growth and "normalcy". In short, Americans are accustomed to getting what they want and, if necessary, having the financial wherewithal to pay for it. Telling Americans that they can't have what they want, especially if they can afford it, is bound to lead to discontent. Neither are Americans accustomed to having the government regulate the fine points of their daily existence.

What works for Canadians, Germans or Britons is likely to be resisted in the long run by maverick Americans.

"Excessive Insurance Company Profits"—Scapegoat for Government Takeover

One of the mantras of the movement to nationalize health insurance and health-care in the US, is the alleged scandal of "excessive insurance company profits". President Obama rationalized them in his July 22nd press conference, "there have been reports just in the past couple of days of insurance companies making record profits." *Politics*, a non-partisan consumer agency, found that claim to be false. It found that, although several major insurance companies were reporting profits, none could be characterized as "record". In fact, most insurance companies who are involved in health insurance are suffering declining profits as the recession decimates the number of people covered under business-sponsored group plans.

When your broker got into the group insurance market in 1980, it was easy to find 25, 30 or more major insurers offering group health plans. As any business owner now

knows, it's difficult to find more than 4 or 5 to offer a quote even on a group of 50 or more employees. If the health insurance industry is so profitable, why have so many companies opted out of that segment? These companies did not get out of the insurance business, just out of the health insurance business. High operating costs caused by incremental strictures placed on their operations (HIPAA, COBRA, WHCRA, a myriad of mandates and lawsuits) simply made making a profit impossible. Only the large conglomerate operations able to make a profit on Property & Casualty lines, ancillary benefits lines and investments have survived into 2009.

The fact is that insurance companies sometimes make big profits, sometimes small profits and sometimes no profit at all. If your carrier were making no profit at all, how long would it take for it to abandon you for the greener pastures of P&C?

DOL Eases Limits on 401(k) Advice

New regulations recently finalized by the Department of Labor will make it easier for 401(k) plan participants to get the information they need to manage their investment accounts wisely. Under the Pension Protection Act of 2006, participants can receive investment advice through the use of a computer model certified as unbiased and through an advisor compensated on a level-fee basis. For example, the new rule states that a computer model cannot favor investment options that generate the most revenue for the fiduciary advisor or with a material affiliation or a material contractual relationship with the fiduciary advisor. Investment advice dealing with fee-leveling, use of computer models, authorization of a plan fiduciary and annual audit requirements are addressed in the new law.

The changes became effective March 23, 2009 after years of bureaucratic foot-dragging.

Blue Cross Blue Shield TN Introduces New Plans

In an effort to cut the cost of group health plans while maintaining intrinsic value, BCBSTN has introduced their "Smart Consumer" plans. With deductibles ranging from \$500 to \$2,000 and a coinsurance split of 70/30 (vs. the customary 80/20), the plans waive the deductible for preventive healthcare services, office visits and routine diagnostic services.

As with other BCBST plans, the *Smart Consumer* plans can be combined with all the standard pharmacy options as well as dental, vision and disability benefits.

Smart Consumer plans are not HDHP plans suitable for combining with Health Savings Accounts but they go a long way to producing the same level of premium savings.

Call *The Templar Agency* for answers to your questions or for a quote.

CDC H1N1 Flu Advice

Among advice offered by the Centers for Disease Control for avoiding the flu is the following:

- Avoid contact with sick people.
- Stay home if sick
- Cover your mouth and nose
- Wash your hands
- Avoid touching your eyes, nose and mouth.
- Other: get enough sleep, stay active, manage stress, drink plenty of fluids, eat good food.

What would we ever do without them?