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# How Can You Reduce Your Clients' Health Insurance Costs? Try a High-Deductible Plan

*Your biggest challenge doesn't need to be a challenge at all if you know how to properly position HSA-eligible plans*

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The massive layoffs over the past couple years have left many of your individual clients scrambling to find affordable, private health insurance. Accustomed to being offered a low-deductible, copayment-based, employer-subsidized plan, these new shoppers need your guidance on the realities of soaring health care costs and premiums.

Using higher-deductible insurance plans, you can help overcome the challenge posed when your clients say they can't afford health insurance. The math works out in the consumer's favor since most will never reach their deductible, and they can pocket the premium savings. If they take it a step further and choose a health savings account-eligible plan, the after-tax cost of health care drops even further.

Begin your sales presentation by reminding your cost-conscious clients of two cornerstones of life: their health and their money. Explain that your job is to protect these cornerstones, and to do so by helping your clients pay the lowest premium possible. Then, walk them through a logical four-step process that successfully converts health insurance prospects to HSA buyers.

1. **Protect your health.** Since nobody knows what kind of medical condition or type of treatment they may need in the future, you should strongly encourage your clients to choose a comprehensive policy that includes hospital, surgical, outpatient, doctors, and prescriptions. These types of plans can be more expensive, but that can be offset by raising the deductible. Ask a tricky, but effective question to get your point across: "If I own a \$10,000-deductible plan, and you own a \$500-deductible plan, and we both have a major medical condition occur, who has better health care?" The answer: "We both have the same health care. We get to visit the same hospitals, see the same doctors, get healed, and move on with our lives, regardless of the deductible." For this reason, the highest-deductible health plan is still better than having no insurance at all. Momentum builds when the client agrees that insured and un-insured patients are treated differently when seeking health services.
2. **Protect your wealth.** The difference between a high-deductible and a low-deductible plan is purely financial: how much your clients will pay now in the form of a monthly premium, and how much they'll pay later in the form of out-of-pocket maximums. A large number of individuals have assets to protect — which should be the main reason they're seeking insurance. The best way to protect these assets is with a comprehensive health

plan, rather than one riddled with coverage gaps. You can use the following car insurance example to more clearly get your point across: "Whether a car hits you from the left or the right, you hit a pedestrian, or you are the victim of a crime, you pay the deductible and the insurance company pays the rest." Since "co-insurance" can be confusing, try to position a 100 percent co-insurance option.

3. **Position an HSA-eligible health plan.** Once the client agrees that a higher-deductible plan will protect their health and wealth, you can concentrate on the actual premium. How much money will you give an insurance company in exchange for a defined out-of-pocket maximum? In order to get them out of a "copay" mindset, ask the client to name one other professional in this world they can hire for only \$35. They become silent. Explain that if they want a copayment-based plan, they will have to either pay a higher premium or have a higher out-of-pocket risk. Remember: There is no free lunch. This will lead your discussion right into an HSA-eligible plan, where all of the premium dollars are allocated to pure insurance and a defined out-of-pocket maximum. To cushion the fact that they will be paying for everything themselves up to their deductible, remind them that these plans typically offer free preventive care, and that they will receive substantial discounts when they seek medical care in-network.
4. **Tax-deduct your out-of-pocket expenses.** Every plan in the market has out-of-pocket costs in addition to premiums. If that's the case, why not choose an HSA plan and tax-deduct those out-of-pocket costs using the savings account? With the combination of in-network discounts and tax-deducting these reduced prices, your clients can lower the overall cost of health care.

Most of the time, even with medical riders and exclusions, an HSA plan can deliver a better health plan solution with a lower premium, a lower out-of-pocket risk, and a reduced tax burden. For clients who think they can't afford health insurance, the case may simply be that they can afford a different type of health insurance.

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