

May 4, 2010 FHIAB Hearing, Orlando, Florida

Testimony submitted by Joan Galletta, Employee Benefits Consultant

Good afternoon Commissioner, fellow members of the Florida Health Insurance Advisory Board, professional associates, attendees:

My name is Joan Galletta and I am an insurance agent. I am grateful for the opportunity to speak at this hearing regarding enforcement of minimum loss ratios in the individual and small group market in Florida. Much discussion today has focused on the facts and figures surrounding minimum loss ratios. It has been discussed that enforcement of the 80% minimum loss ratio dictated by the healthcare reform law in the individual and small group markets could eliminate the ability of carriers to continue using independent agents to sell health insurance in these markets. For decades, the "agent model" has been the delivery system for insurance products, and people think of the comparison of plans, features, and rates when we discuss the agent's role. I invite anyone who has this limited view of what an insurance agent does to speak to any one of the insureds whose stories you will find in this book, *Brokers Making a Difference*. I am a member of the National Association of Health Underwriters (NAHU). We are an organization of professionals in the health insurance industry; agents, company representatives, third party administrators... professionals whose life's work is to protect the interests of the consumer; to advise our clients on the best choices for them, personally, to finance their healthcare.

Perusing this book of testimonials, assembled by NAHU to help everyone understand the important role an agent fills, you'll read the real life stories of people who needed and received help far beyond the initial "point of sale". This book recounts dozens of stories of how health insurance agents, experienced in this industry and experts in navigating a system that is often complex and confusing, assisted consumers, *families*, in times of extreme need. With your permission Commissioner, I'd like to share one of these stories... I will paraphrase in some instances to be respectful of your time.

An agent from Florida writes: *As 2008 was drawing to an end, my office submitted our last group health case of the year to [a carrier] for processing and would be closing our offices for the New Year holiday. With Underwriting moving very slowly, as it does this time of year, we hoped to have a final approval by the end of the first week of the New Year. On January 2, I received an urgent phone call on my cell phone- a cry for help from a parent. A very rare, very large cancerous tumor had been found in the chest of their son, David. The son was to be flown to Cook's Children's Hospital in Texas for testing and surgery at the beginning of the week. How could I expedite the group's approval? It was New Year's Weekend! We contacted the underwriter, urging the necessity to have the group approved, and within the first few hours of the New Year the case had been approved, issued a group number and the patient was issued his member ID number. That afternoon I received a call that special tests were needed before the Thursday morning surgery. David would be flown to Cook Children's Hospital the next day and tests, requiring the carrier's prior approval needed to begin Wednesday. I arranged a conference call with [the underwriter] who conferenced in a Case Manager. The Case Manager*

was able to expedite the case and approved all tests, including the lifesaving surgery on Thursday, all by the end of the day, while keeping me updated and able to give the family just a bit of peace during this difficult time.

After David had the tests, and the surgery, I received a call from his father thanking me for saving his son's life. The surgeon told David's family that if he had not had the surgery Thursday morning he would likely not have made it. The tumor had begun filling with blood and could have burst at any time, rendering the surgery useless. The agent writes in closing: I no longer see myself as a just a health insurance agent- I am a humanitarian.

I work for JP Perry Insurance, an independent insurance brokerage firm that has been in business in Jacksonville Florida for 55 years. We personally serve our individual, employer group and employee clients and are held to a high standard in doing so. We are trusted advisors. We know our clients by name. They live in our communities. They are our neighbors. They have our cell phone numbers. Yes, we assess their insurance needs and explain their options, and navigate the paperwork and submission requirements to get their coverage issued, but we do so much more than that. We provide guidance and peace of mind; therefore I respectfully submit that a narrow definition and strict enforcement of the 80% minimum loss ratio, resulting in the elimination of the service of health insurance agents does a tremendous disservice to the consumers of Florida.

To obtain a copy of *Brokers Making a Difference*, please e-mail jgalletta@jpperry.com, or contact National Association of Health Underwriters at 703-276-0220 or on-line at www.nahu.org