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January 2003

An Employee Benefit Brokerage House

The Cason Group Adds Jefferson Pilot and CHC for Kids

Jefferson Pilot

We are happy to announce that The Cason Group is now marketing the individual life products of Jefferson Pilot. Their strong financial performance and expertise in wealth accumulation, wealth preservation, and business planning are sure to make this endeavor a success. Together we will be offering a comprehensive package of products, service, compensation, and knowledge. We are currently appointing agents and providing product illustrations on their term life, whole life, and universal life products. We also have marketing materials available to look over along with appointment contract information. We expect to do agent training sessions/breakfasts during 2003, so keep your eyes open for the opportunities that await you. If you have questions or need a quote in the meantime, do not hesitate to contact Jennifer Barnes or Robin Hays.

CHC for Kids

The Cason Group is now offering the CHC for Kids product as an alternative for dependent children. This plan is a great way to keep costs down for dependents and has incredible benefits. Companion Health Care for Kids (an HMO) helps you find one doctor to care for your child's health care needs. The plan is available to unmarried persons ages 1 through 22 who are permanent residents of South Carolina. You must choose a primary care physician when you take out the application and the child must have a referral in order to visit a specialist. The deductible per benefit year is \$200, with \$10 co-pay per office visit for primary care physician services. Inpatient hospital care, outpatient hospital care, and specialist services are an 80% benefit – subject to the deductible. Three tiered co-pay prescription drug program: \$7 for generic, \$15 for preferred, and \$25 for non-preferred. This is a brief overview of the plan. Please contact Jennifer Barnes or Robin Hays in the individual department for further details.

*Companion
Life*

VS.

*Companion
HealthCare*

Because these two carriers are both connected with Blue Cross and Blue Shield of SC, it is common for them to be confused with one another. These carriers are not interchangeable. To clear up the confusion, it is important to know that the SCDOI does view them as separate entities requiring separate agent appointments and licensing. In conjunction with BCBS, Companion Life Insurance Company administers and underwrites the ancillary coverage that comes with BCBS medical policies. On the other hand, Companion HealthCare has its own group and individual medical products like BCBS does. Therefore, even though you may be appointed with an insurance carrier called Companion, look closely and note whether it is with Companion Life or Companion HealthCare. Contact Betsy Davis at The Cason Group if you have any questions.

Individual Health and Group Plans

WHY DOES MY CLIENT'S ACCOUNTANT TELL HIM THAT HE CAN USE INDIVIDUAL HEALTH AS PART OF A BENEFITS PLAN BUT I CAN'T FIND ANY CARRIER THAT WILL DO IT?

Two recent conversations with two different brokers in South Carolina and North Carolina point out there

is some difficulty on the part of agents in dealing with employers that want to cancel their group health plans and offer individual health plans instead.

According to Tax Facts, premiums paid for accident and health policies, including individual health policies, are deductible by the employer. This would tend to support the accountants' opinion that the employer can offer AND deduct individual health insurance policies as a business expense.

The problem is that the accounting rules allow the policy to be deducted, and the insurance laws allow the individual plan to be offered. However, when

individual policies are paid with employer money, INCLUDING under a 125, the Department of Insurance requires that the carrier issuing the individual policies follow the group guaranteed issue and rating regulations. This immediately stops any carrier from being willing to offer list bill individual policies where there is employer money involved. South Carolina will allow employers to say they aren't paying anything toward the employee's cost. However, North Carolina assumes that if the policies are list bill then there is employer money and group rules have to be followed. Hopefully, this helps you explain to your clients why they can't put individual health plans into their benefit package.

Asking Questions Ensures Network Coverage

The Chicago Tribune recently had an article headlined "Health Insurer, Provider End Spat" that detailed the dispute between a major carrier and a hospital system. The same type of situation has played itself out in the Florida market where a major carrier and a hospital system have parted ways, leaving many with much less of a network than they originally thought. Why is this important? To illustrate that the increasing tensions in our market between carriers and providers is not just a local issue but nationwide. Several local carriers have terminated or been on the brink of terminating contracts with hospitals. Hospital based providers (anesthesiologists, pathologists and radiologists) are refusing to contract with carriers or agreeing to do so only with fees that are substantially above the market rate.

In placing business with a medical carrier, be sure and ask the following questions:

- What is the network like for the area the group is in? Pay particular attention to the specialists who have more ability to leverage contract terms and are more likely to be an issue.
- If a group is fond of one particular hospital over another, find out when the contracts expire. If the carrier won't tell you, call the hospitals Managed Care Director. It will be an enlightening conversation for you and will provide insight that your competitors won't have.
- General questions like "tell me how your network is" will lead to general answers. Ask questions about specific practices that you know your groups use and confirm what you are told by calling the practice yourself.
- Encourage your groups to confirm every time they visit their physician that they are still a network provider. It's also important to recognize that in a particular practice there may be some providers in the network and some out.

This is a lot of effort, but it will protect your group and make you more valuable to them as a resource.

Why is the lighted lamppost our logo?

Please notice our logo, which is a lighted lamppost. Several years ago, when it was apparent that we were going to grow as a company, a group within The Cason Group was charged to come up with a logo that seemed to reflect our desires and mission as a company. We chose the lighted lamppost as it represents the provision of being able to see in the midst of darkness and confusion. It has to be active, i.e. lit, in order to be of use to people who are walking at night—it provides some comfort in a fearsome environment. It shows the true way to go.

And that is what we desire to do within our industry. We desire to point you to the truth. The accurate and proper way to handle group and individual life and health insurance. I have been in the business for almost 30 years, and I have seen people handle things the right way and the wrong way. I know of agents that withhold information or intentionally lie in order to sell business. I have also seen that there are ways to be up front and still get what the client wants. We choose to be up front with agents and carriers—but we want to be knowledgeable enough (enlightened) to know how to navigate the system legally and ethically. This is where we feel we can be your light in a dark and sometimes hard to understand industry.

Therein lies the reason for the logo we chose. We hope that we are living it out for you. If not, please let me know, and we will try harder. In my opinion, there is always room for us to shine brighter.

Starmark

Radiologist, Anesthesiologist and Pathologist Benefit is E x p a n d e d

As with PPO Advantage Plans, the benefit for Radiologists, Anesthesiologists and Pathologists (RAP) is expanded for new and existing Indemnity, PPO, OpenAccess and Qualified High Deductible (MSA) plans. Effective 1/1/03, changes for these providers will be covered at the in-network insured percent when either the attending physician or facility is contracted with the PPO network. Charges for RAP providers are subject to reasonable and customary amounts.

FYI...

- New Starmark Group Application effective 1/1/03
- New BCBS of SC Preferred Drug List effective 1/1/03

*Both of these are available through
www.thecasongroup.com*

Did You Know That through The Cason Group Website You Can...

- Download carrier brochures, licensing and enrollment forms
- Link to carrier websites
- Submit a quote request
- Learn about our products
- Meet our staff

Our web address is:

www.thecasongroup.com

Food For Thought...

Your Word is a lamp to my feet and a light for my path.

—*Psalm 119:105*

You are the light of the world. ...let your light so shine before men that they may see your good deeds and praise your Father in Heaven.

—*The words of Jesus from Matthew 5*



**T H E
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An Employee Benefit Brokerage House

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PRESORT
STANDARD
US POSTAGE
PAID
PERMIT 535
COLUMBIA, SC

*Let our
Account Services
Department
assist you on your
In-force
Group Cases*

We have recently increased our Account Services staff. Gabe Ricks and Chris Jones are available to assist you with questions regarding Billing, Enrollment, Claims and Renewals.

Please contact Chris Jones for all general Account Service questions and concerns. Chris also handles enrollment on in-force health and ancillary groups.

Contact Gabe for renewal issues and account service concerns. Gabe will be working with cases that receive higher than 15% renewal increases. His goal is to help the agent and group with rates by justifying renewal details and offering alternatives to lower group premiums.

Call, email or fax with your group's information. Our goal is to respond to you within 24 hours. Our Account Services department is available for any groups written through The Cason Group.

**OUR
CARRIERS
AND
PRODUCTS**

Carriers:

- Carolina Care Plan (SC only)
- Starmark (SC & GA only)
- CIGNA
- Blue Cross Blue Shield of SC
- Mutual of Omaha
- American Republic
- Shenandoah Life
- GE Financial
- Pan-American Life
- AIG/American General
- Companion HealthCare (SC only)
- Jefferson Pilot

Individual Products:

- Health
- Life
- Medicare Supplements

Group Products:

- Health
- Life
- Dental
- STD
- LTD

**STAFF
NEWS—**

**JEREMIAH
HARVELL**

Jeremiah joins us as our Information Specialist. He comes with prior experience in the computer industry.