

ACTION BENEFITS OFFERS AGENTS INNOVATIVE SOLUTIONS, AGENT ADVOCACY, AND EXCELLENCE IN SERVICE.

2012 GROUP AGENCY OF THE YEAR **DEMPSEY, INC.**

The offices of Dempsey Incorporated sit directly across from the Big House in Ann Arbor, and the professionals working inside make up one of the most impressive teams in town. The space is a converted house on Main Street, and the irony is not lost, as the seven-person team inside definitely gives you the impression that they are a family – working together and doing all they can for the benefit of the groups they represent. President Michael Dempsey praises the

dedication of his high-quality staff, most with 15-30 years of industry experience, and says they deserve much credit for their ability to build long-standing relationships with their clients.



Denise Stoddard, Jolaine Janke, Dana Springer, Kent Tschannen and Michael Dempsey

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When Michael’s father, Jack, started the business in 1968, it was mainly focused on corporate life insurance and estate planning. When Michael joined the company in 1988, he and his sister expanded into the group benefits area, and now that sector makes up 90 percent of their business.

Many aspects of their business set Dempsey Incorporated apart from other agencies, including their concentrated effort to stay close to their clients, most of which are within a 30 minute drive from their office, in Washtenaw County. Michael says the close proximity allows “our name and brand to be recognized.” Their smaller size also helps them remain personable with their clients. “We’ve never said we are going to just work with big companies, or just small. We try to be more geographically-based. A small three-person company may grow into something bigger, or the decision-maker could move or start a larger company. We try to become a part of their company, handling

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paperwork where we can, including COBRA issues. A group of 20-30 doesn't have full-time HR like they used to, if at all." To further support their clients, they also offer 401K services, for which groups would typically have to recruit another third party to administrator.

Their marketing strategy relies primarily on a combination of reputation and referrals, but they have also hired a telemarketing firm for support.

Michael recognizes the hazards of keeping your business so close to home. "When you do work in a smaller community and put a lot of eggs in that basket, it's a higher risk because if you blow it everyone knows it, but if you do a good job that can really work out well."



**Blue Cross
Blue Shield
Blue Care Network
of Michigan**

How are they ensuring that all of their groups are informed and keeping compliant on the mandates and changes required by the Affordable Care Act (ACA)? "Our clients are going through a lot of changes with the ACA, but we're going to help them, just like we always have." In addition to hosting informational seminars (their last one was attended by more than 130 clients), they also have two or three "touch-base" meetings with each group per year (more as needed), outside of their annual renewal meeting.

As for Michael's predictions for 2014; "I think a lot of people are going to wait for one year before they consider dropping coverage and going to public or private marketplaces." They also presented their Blue clients with the option to back their renewal date into 2013 to extend their current plan and benefits. Michael estimates only about 15 percent of his clients pursued the opportunity. He believes many will look to renew in a comparable qualified health plan. Of course, premium rates and the extra burden of the additional taxes and fees will be their top consideration.

2015 might be a different story, and that is when Michael says things could change. "Revenue-wise, based on some of the studies I've seen and my own insight, 2014 we might have a 10 percent loss in [group business] revenue. 2015, with today's numbers, it

may be a 20-25 percent loss. From there on, we shall see." The silver lining in the ever-changing group market is that it creates many opportunities in the individual market. With the Blues' introduction of the Group to Individual (G2I) process, the transition can be seamless and members can be transferred to an individual plan without a lapse in coverage. "I do think 2015 will be one of the toughest years, but with more people potentially leaving our industry, it may create opportunities."

Michael's thoughts on the Blues, moving forward, are positive. "Their product line is very good, and this area has been pretty positive on

the HMO-side. We have a decent penetration of Blue Care Network, and being able to offer HMO and PPO has been favorable in some areas. They're stable, they've had a good run, and they will continue to. I think the other carriers are going to keep BCBSM on their toes, but it's going to be healthy for the marketplace."

Michael also seconds the sentiments of his staff when he says he is "absolutely happy" with the service they receive from the staff at Action Benefits. "I've known Karl [Albrecht] personally and professionally for many years, and have nothing but respect for him. My

father and his father were actually partners in the late 60s. I think he's made great decisions, and like me, he empowers people and lets them do their work and doesn't micromanage. If you trust people and hire people that know what they're doing, you should let them manage themselves." Adding, "You're only as good as your weakest employee, and I feel very good about how we stack up. The same is true for you folks [Action Benefits]. We've appreciated the partnership, and look forward to many more great years or working together."

Congratulations to the staff of Dempsey Incorporated, and we wish you continued success in 2013!