



NEW NAIFA SURVEY: HEALTH AGENTS AND CONSUMERS HURT BY MLR

SURVEY RESULTS

A new NAIFA survey of members who sell health coverage confirms earlier anecdotal evidence that companies have slashed agent commissions and agents have been forced to reduce customer service since the Medical Loss Ratio (MLR) provision of last year's health care law went into effect January 1.

The survey was emailed to NAIFA Members April 11, 2011, and responses were accepted through April 13, 2011.

1 Do you now sell health insurance policies or have you sold health insurance in the past year?

94.9%	520	Yes
5.1%	28	No

2 Have you seen the level of your commissions decrease since January 1, 2011?

Asked of those who answered "Yes" to question 1. N=520.

36.0%	187	Yes, by 25 – 49%
21.3%	111	Yes, by less than 25%
17.3%	90	Yes, by 50% or more
12.7%	66	No, but I have been informed commissions will be going down
8.1%	42	No
4.4%	23	Not sure
0.2%	1	I do not earn commissions on my health insurance business

3 If you have seen your commissions decrease, how has this affected your business?

Asked only of those who answered "Yes" to question 2. N=388. Percentages add to more than 100 because respondents could choose more than one answer.

66.5%	258	I have absorbed the lost income
23.2%	90	I have reduced customer service
22.7%	88	I have considered laying off or reducing the hours of support staff
20.9%	81	Other
13.1%	51	I have laid off or reduced the hours of support staff
11.3%	44	I have gotten out of the market for individual health clients
3.9%	15	I have stopped selling all health insurance

4 If you have laid off or reduced the hours of support staff, how many employees were affected?

Of those who said they have laid off or reduced the hours of support staff and gave usable answers, N=49, the average number of affected staff was 2.0.

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5 If your commissions remain at the lower level, how will this affect your business in the future?

Asked only of those who answered “Yes” to question 2. N=388. Percentages add to more than 100 because respondents could choose more than one answer.

43.6%	169	If permissible by law, I will charge fees to pay for customer service
36.6%	142	I will continue to absorb the lost income
29.6%	115	I will reduce customer service
28.9%	112	I will get out of the market for individual health clients
26.3%	102	I will lay off or reduce the hours of support staff
18.3%	71	I will stop selling all health insurance
13.7%	53	Other

6 If you will lay off or reduce the hours of support staff, how many employees are likely to be affected?

Of those who said they will lay off or reduced the hours of support staff and gave usable answers, N=93, the average number of affected staff was 2.5.

7 Have you been following the MLR debate in the news?

Asked of those who answered “Yes” to question 1. N=439 because some chose to skip this question.

89.1%	391	Yes
10.9%	48	No

8 If your commissions have not decreased, how would you respond if they went down by 33%?

Asked only of those who answered “No” or “Not Sure” to question 2. N=131. Percentages add to more than 100 because respondents could choose more than one answer.

25.2%	33	If permissible by law, I would charge fees to pay for customer service
23.7%	31	I would reduce customer service
19.8%	26	I would absorb the lost income
18.3%	24	I would lay off or reduce the hours of support staff
16.8%	22	I would get out of the market for individual health clients
13.0%	17	I would stop selling all health insurance
12.2%	16	Other