

OBAMACARE PUTS MOST HEALTH INSURANCE AGENTS OUT OF BUSINESS (and Insurance Companies eventually)

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With the passage of the National Health Care Bill, many agents who only sell Health and Life insurance, will be looking for new jobs. Most insurance companies have operated on the basis that 40% of premium dollars would be used for administration and 60% for paying claims. The new law requires companies to spend 85% of group health policy premiums on claims and 80% of individual health policy premiums on claims. **This effectively eliminates the insurance companies ability to pay commission on any policies.** Agents will no longer be available to assist businesses or individuals with questions, problems or recommendations. It means everyone will have to fight the Uncle Sam bureaucracy and inefficiency to get an answer.

This will result in a **loss of approximately 1.5 million jobs nationwide.** This is based on the number of licensed active Health insurance agents in each state and the number of support staff at the agencies and brokerages servicing them. All of these jobs will be lost.

In addition there will be **another one million jobs lost in the Health Insurance industry.** As companies try to comply with the low margin operating requirements they will have no choice but to move the jobs overseas to places like India, China and other low wage countries to do the underwriting and claims processing. Information can be transmitted back and forth electronically. Insurance company buildings will be for sale or lease as these jobs move out of the country. The insurance companies will have no choice. Even with the outsourcing **many Health Insurance companies will close** because they will not be able to pay the taxes, fees and cost of mandates heaped on them by Obamacare. After all, this is the intent of Obama, Pelosi and Reid, to put all Health Insurers out of business and force a government run plan on the citizens. This is why Cigna and other health insurance companies are now selling insurance in China, India and South America; they know there time is limited in the U.S.

Many agents had hoped the NAIC (National Association of Insurance Commissioners) would determine that agent commissions would not be included in the slim operating margins. Last week the NAIC said commissions were part of operating expenses, dashing the last hope for the agents survival in the health industry.

Everyone will now get to deal with government bureaucrats or government employees. Good luck with that.

On a positive note, since government employees make twice as much as private industry employees, some agents may want to apply. Government benefits include, 9 to 5 jobs, no weekends, more holidays off, better benefits and no chance of being fired because you are not doing your job.

Louis Isabell