

# Frequently Asked Questions

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## Health Savings Accounts

### **1. Where can my clients establish HSAs?**

An HSA can be established through a trustee, which is different from a health insurance carrier. Though they are often marketed with the HSA-compatible High-Deductible Health Plan (HDHP), your client can choose to establish their HSA where ever they choose.

There are many HSA providers throughout the country for your clients to choose from to establish HSAs. This includes local and regional banks, financial institutions and third-party administrators.

### **2. Does W&R offer HSAs?**

W&R does not offer HSAs. W&R advisors are free to direct their clients to any HSA provider they choose.

### **3. Does Flex offer HSAs?**

Flex offers its own HSA product called FlexHSA®—which we refer to as "the complete HSA."

FlexHSA is an integrated product that offers the same health insurance solutions W&R advisors are already receiving through Flex—in addition to banking services and investment options through the same point of contact. This model provides W&R advisors and their clients with a single resource for all their healthcare needs.

W&R is not affiliated with FlexHSA, nor does it participate in the establishment of HSAs.

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## Compensation

### 4. What type of compensation is available on health insurance sales?

There are two health insurance compensation scenarios that have been identified for a W&R advisor:

- A) Potential to earn a percentage of the full “writing agent” commissions and subsequent renewal commissions, if you are eligible to be appointed to the carrier and Flex acts as the General Agency. This will vary by state and is dependent on whether Flex has a General Agency designation from the health insurance carrier.
- B) Potential to earn a one-time “finders fee” if you decide to only refer the client to Flex, rather than fulfill the responsibilities of the writing agent. To qualify for any compensation, the health insurance plan must stay active for at least 90 days from the effective date of the plan.

### 5. What does a typical case pay for commissions?

Similar to most insurance products, commissions earned will vary based on carrier and health product sold. In addition, commissions paid will depend on the structure of our relationship with the insurance carrier.

**Flex as General Agent:** If Flex acts as “General Agent” for the insurance carrier, then Waddell & Reed can act as the “writing agent” and full commissions can be paid to Waddell & Reed for the first year and subsequent renewal years. Per your arrangement with Waddell & Reed, these writing agent commissions are then split 60% for you the advisor and 40% to Waddell & Reed. This applies for both first year and renewal commissions.

**Examples:**

For individual health sales, first year commissions can range from between 9% and 15% of the annual premium. Commissions are paid by the carrier once the health plan is underwritten, issued to the member and premiums are paid by the member. Renewals each subsequent year are less and typically range between 3% and 8% of the annual premium.

Average Annual Premium Per Life	Percent of Commissions	Writing Agent Commission
\$2,400	9% to 15% first yr	\$216 - \$360
\$2,520	3% to 8% renewal	\$75 - \$201

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### **6. How will I receive my compensation?**

Commissions, renewals and finders fees earned from a health insurance sale are paid directly to W&R from either the insurance carrier or Flex. As a W&R advisor, you are entitled to 60% of these commissions, with W&R retaining 40%. W&R will facilitate compensation to all W&R advisors.

### **7. Is there commission for renewals? What is a typical renewal commission example on an HDHP?**

Yes, Waddell & Reed advisors are entitled to renewal commissions for health plans sold. These renewal commissions will vary based on health insurance carrier, type of product and whether Flex acts as General Agent for the health insurance sale. If you are the writing agent and appointed to the carrier, the commissions will be paid directly to Waddell & Reed by the carrier each month as premiums are received from the client. Waddell & Reed will pay 60% of all commissions, renewals or finders fees to each advisor. Please see FAQ #5 for additional information and specific examples of commissions that can be earned for individual sales.

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## Miscellaneous

- 8. As a manager, would I be able to recruit an advisor with individual health sales experience, have them reposition their book of business through Flex in order to hire them at W&R?**

Yes, this is certainly a potentially desirable way to ramp up sales of health plans in your office. Also, having an expert on staff will help overcome the learning curve involved with the introduction of health insurance sales with your prospects. We suggest you review these types of opportunities on a case by case basis with W&R management to ensure compatibility with the existing health sales relationship.

- 9. Besides HDHPs, what other types of individual health insurance plans can I market?**

W&R advisors will be trained to focus on the marketing of HDHPs. Flex, however, can provide access to all types of health insurance plans, including HMOs, Traditional PPOs, Low-deductible PPOs and more.

- 10. How can I contact Flex?**

W&R advisors can contact Flex as follows:

- Web Site: [www.waddell.flexiblebenefit.com](http://www.waddell.flexiblebenefit.com)
- Email: [waddell@flexiblebenefit.com](mailto:waddell@flexiblebenefit.com)
- Phone: 866-472-0889
- Fax: 847-332-0340

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## Training / Certification

### 11. When can I attend the CDHC Certification Course?

The recorded *Flex - CDHC Certification Course* is available 24/7 in eLearn. This allows W&R advisors to playback the recorded course at their convenience 24/7.

Here are the instructions to access and playback the *Flex - CDHC Certification Course*:

1. Log in to eSuite.
2. Click "eLearn" link, located in the lower left portion of the screen.
3. Click the "Catalog of Recorded Events" tab.
4. Click the "Insurance Planning" category.
5. Click the "Flex – CDHC Certification Course" link.
6. Click the "Run" button, when prompted.

### 12. How does the Certification testing process work?

The test is available immediately after the playing back the *Flex – CDHC Certification Course*. Advisors will have 40 minutes to complete and submit the 40-question test. Advisors must pass with 80% or better, which means the advisor must get 32 or more questions correct to pass. The test results of pass/fail will be emailed to the advisor immediately after the submission of the test. Advisors are allowed 2 attempts to take the test.

### 13. What type of training is available?

Our training process involves the following:

- Each advisor is required to become certified by attending the *Flex – CDHC Certification Course*, followed by passage of an exam to verify an understanding of the subject matter relating to health insurance and specifically high deductible health plans.
- Additional recorded training seminars will be available in eLearn, including:
  - Health Insurance 101 Series
  - Individual Quoting Tool
  - Health Savings Accounts

### 14. Will Continuing Education Units (CEUs) be offered?

Flex is researching the opportunity to provide CEUs to certified W&R advisors. Once a decision is made, further details will be communicated. Please continue to check back for updates to this question.

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## Marketing

### **15. What kind of marketing support will we receive from Flex in terms of information that we can provide to clients and prospects?**

Flex has developed a W&R-approved prospecting sheet that details the health insurance opportunity, which you might consider sending to your prospects and clients. This document can be used as part of a mail or email campaign coordinated through your respective offices. It can be customized, directly from the web site, with the contact information of certified W&R advisors.

Flex also provides marketing presentations that can be used to sell the CDHC to your clients and prospects. These presentations are considered first-point-of-sale tools that allow you to position the CDHC concept in-person with your clients and prospects.

NOTE: There are special requirements to access and utilize all of the resources within these marketing tools. Please follow the instructions indicated for each marketing resource.

These marketing tools are available in the Marketing section of the Flex web site—[www.waddell.flexiblebenefit.com](http://www.waddell.flexiblebenefit.com)—and can be accessed directly or by link from the W&R eSource web site.

### **16. Will this "marketing" information be approved for our use with the public?**

Yes, it is very important that all materials be approved by W&R prior to being implemented as part of your marketing efforts. Materials used as part of our training and certification effort have legal disclaimers that indicate that they cannot be used for use with the public.

### **17. Where can I get insurance carrier brochures and sales materials to present and use for my prospects?**

Once you have completed the certification process, you will be contacted by Flex to begin the process of becoming appointed with those health carriers who offer product in your region. Upon receipt of the completed paperwork, Flex will email product and benefit information for the appropriate carriers(s).

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## Carriers

### **18. Do I need to be appointed with every carrier in my state(s)?**

No, you do not need to be appointed with every carrier in your state(s).

### **19. How do I get appointed with carriers?**

Flex is contracted with various carriers nationwide. Each carrier is more competitive in specific states, of which, Flex has made available to W&R advisors.

Flex will provide appointment paperwork to “certified” W&R advisors for competitive individual health insurance carriers in each state you are licensed to sell in. It will be at your discretion to complete the paperwork and be appointed with these carriers.

### **20. Should I get appointed after becoming certified or should I wait until I have a prospect?**

Advisors should complete the individual health insurance carrier appointment paperwork upon becoming certified and get appointed to sell these products immediately. Do not wait until you have a prospect because appointments can take 2 to 4 weeks and you do not want to risk losing your prospect.

If you need carrier appointment paperwork, please contact a Flex service representative today.

### **21. Which carriers are available to me?**

You can view the current list of carriers available to certified and appointed W&R advisors by going to the Carriers section of the Flex web site—[www.waddell.flexiblebenefit.com](http://www.waddell.flexiblebenefit.com)—which can be accessed directly or by link from the W&R eSource web site.

*NOTE: Carrier availability will vary by geographic location. Flex will make every effort to provide competitive options for carriers to deliver health insurance to your clients. Often times the carrier selection will be based on your region, state and sometimes even for specific counties. As part of the implementation of the program in your region, we will identify those carriers that offer the most competitive options for your clients and post them on our web site at [www.waddell.flexiblebenefit.com](http://www.waddell.flexiblebenefit.com).*

### **22. Which carrier(s) can or will I receive quotes for once I submit a request?**

You will only receive quotes from carriers to which you are appointed, or that Flex is the Writing Agent.

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### 23. How do I get a health insurance quote for my client?

Individual quotes are available by using the quoting tool in the Quotes section of the Flex web site—[www.waddell.flexiblebenefit.com](http://www.waddell.flexiblebenefit.com)—and can be accessed directly or by link from the W&R eSource web site. This quoting tool is used in place of the Individual Quote Request Form except in the case where the electronic quoting abilities for a carrier may not be available. This tool gives you the ability to run real-time quotes for your Individual health prospects. You will have the ability to run a vast range of high-deductible health plans, depending on the needs of your prospect.

All carriers may not be available at this time. For carriers not available on this tool, you can complete the Individual Quote Request form and email it to [waddell@flexiblebenefit.com](mailto:waddell@flexiblebenefit.com) or fax it to 847-332-0340.

If you have questions about the individual quoting process, please call 866-472-0889 for more information or assistance.

### 24. Where do I send licensing paperwork, quote requests and applications?

Licensing paperwork, quote requests and applications should always be sent to Flex—never to the W&R home office. Quote requests and applications should never be sent directly to a carrier represented by Flex (i.e., Aetna, Humana, etc.). Sending this information to the incorrect location will lead to lost or unaccounted business and commissions will not be paid correctly.