

Legislative Report

How We Work for Our Members SMC Pushes Back on Mini-Cobra Legislation

by Eileen Anderson

We recently learned Mini-Cobra legislation was active in the Senate and moving fast. The bill – S.B. 442 – provides for the continuation of employer-based group health insurance benefits for employees and eligible dependents for small businesses with 2-19 employees. The Federal Stimulus Package allocates funds through tax credits to cover 65 percent of the premium subsidy.

Senator Don White, bill sponsor and Senate Banking and Insurance Committee Chair, met with the Pennsylvania Insurance Department, the Blues plans, the Insurance Federation of Pennsylvania, and the National Federation of Independent Business to draft the original legislation.

On the surface the bill sounded reasonable but the important question for our members was who would be required to pay the 65 percent premium for the employees' insurance?

Under Federal COBRA for 20 or more employees, employers pay 65 percent of the premium and then claim the subsidy as a credit against payroll taxes on Form 941. The employee pays 35 percent. Our concern for members was the 65 percent payment would place an undue burden on small employers already financially strapped and laying off employees.

When we discovered the Senate bill did indeed require the employer to be pay the 65 percent of the premium up front, we launched an all out push to get that part of the bill changed. Calls were made to Senator White's office, to Art McNulty, executive director of the House Insurance Committee, and to the House bill sponsor, Representative Rob Matzie.

Our attorneys read through the federal stimulus bill and their interpretation was payments for 65 percent of the premium should fall back to the insurers, not the employers. We called

Senator White's office to relay that information.

Art McNulty called SMC two days later and said he thought the new interpretation would stick.

The bill was passed by the Senate 50-0.

As of this writing, Senate Bill 442 was referred to the House Insurance Committee and House Bill 1089 was sent to the House Appropriations Committee for further consideration. If the interpretation we pushed sticks in final Mini-COBRA legislation the insurer will pay 65 percent of the premium and apply for the tax credit. Small employers will be saved from that expense.

And that's just one example of how we work for SMC members. ▼

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▼ PEAK PERFORMANCE SELLING

Knowing Your Clients

by Sean Coyle

Sales is often focused on prospects — where to find them and how to sell to them. However, it is much easier to maintain a relationship than form a new one. With that in mind we should have a strategy to service our current clients, strengthen our relationship, and be aware of what they are doing. The fact is that your best client is your competition's best prospect. We need a strategy to protect those clients. Many sales people put out fires with clients. If you wait to put out fires, eventually that client will burn out. Communicate with them and take a proactive interest in what they are doing. By keeping in touch with clients more you will have stronger relationships that last longer and result in more sales.

So what does taking an interest in a client look like? It means you touch base with them. Call just to see how things are going and if you can help them with anything. Clients will notice and appreciate that. Don't be obsessive and call every week but communication on a regular basis is good. Another good idea is to review what products or services of yours they are using, how those are working and plans in the future. This lets you deal with any small fires before they become a blaze. It also lets you know what they plan to do in the future and gives you a leg up on offering products or ser-

vices that might help. Use these conversations to be introduced to other people in the organization. There is nothing worse than having your only point of contact leave and have your relationship with the company dissolve because of it.

The final thing to do is the toughest. Ask them how you and your company are doing. Make it clear that you want some honest feedback. Look for criticism. Get some honest feedback. Ask your clients why they keep doing business with you instead of switching to competitors. We know competitors will come knocking and have a pretty good idea of what they will say. We might as well know how our clients will respond. This also provides a good opportunity to subtly coach them on what to say. Prepare them for all those features and benefits that the competition will throw at them. We are strengthening our relationship as well as constructing another barrier between our client and all those competitors. Knowledge is power and if you don't ask you won't know. Having this conversation makes sense for a simple reason. We review what our client likes about us, find out what they don't like, and can take action to improve. ▼

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