

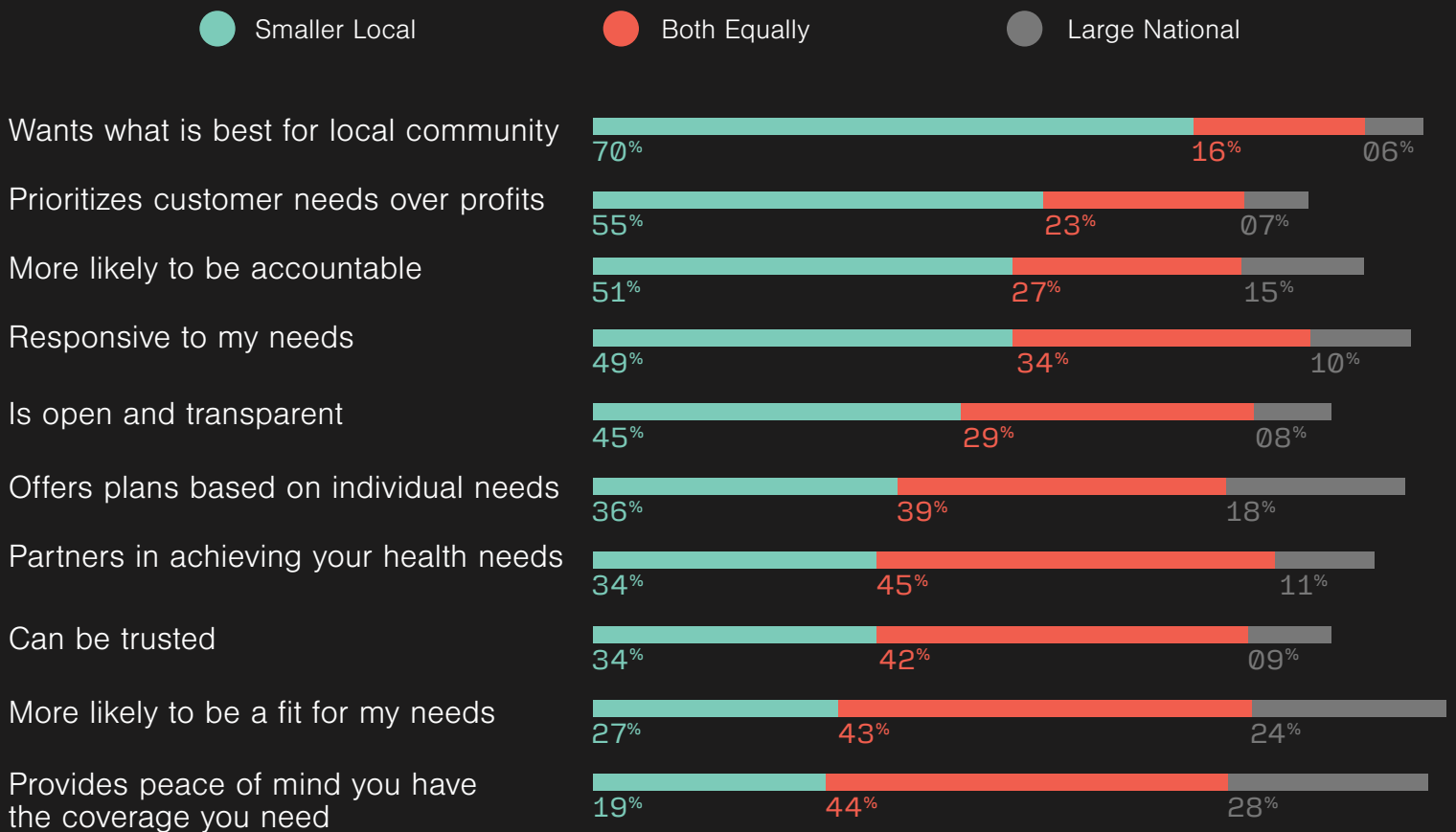
THE PROBLEM

Locally based health plans face formidable competition from larger plans with much deeper pockets to develop products, render service and market. The health insurance industry is dominated by the 'big eight' national plans with 50% of overall market share. The 36 regional 'Blues' follow with a collective 35% share leaving 15% share to the over 400 local plans. Battle for share will continue to be intense for locally based plans.

THE FACTS

The good news is that consumers associate many positives with smaller insurance companies that are far less credible for larger plans. They do not necessarily translate into a greater expectation of the company meeting their insurance needs personal aspirations of security and peace of mind. That connection needs to be made through marketing communications.

Expected Positives by Size of Insurer



Perceived Benefits: Provider-Sponsored Coverage



THE SOLVE

Local and, in particular, provider-sponsored plans, can leverage an emotional connection that is uniquely credible for them centered on honesty, helpfulness and responsibility as a way to leverage themselves with a competitive advantage when battling national and regional plans. Further, smaller plans can drive consumer value through building operational immediacy by eliminating time, cost, and complexity at a faster pace

than cumbersome competitors. The combination of both presents a formidable value proposition that may lead to competitive advantage.

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