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Insurance firm chips away at local market

■ **BY TRACY KERSHAW-STALEY**
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Medical Mutual of Ohio, traditionally a quiet player in the Dayton market, is starting to make some noise.

A powerhouse in Cleveland, Medical Mutual has increased its Dayton area health insurance membership during the past two years and expects to continue steady growth.

Last year, the insurance firm grew 22 percent from 56,000 members to 68,500 members locally. By March, membership had jumped to 100,000 as Medical Mutual acquired Troy-based Summit Insurance Co. Even without the Summit acquisition, the company had recorded 43 percent membership growth since 2004.

The firm expects steady growth with commercial businesses, said Perry Braun, vice president of sales.

"We are an unknown commodity in the commercial marketplace, but we are growing fairly well there," Braun said.

The recent growth has been driven by a couple of factors, he said. When market leader Anthem Blue Cross and Blue Shield dropped Dayton's largest hospital system out of its network for a year, Medical Mutual was able to scoop up some of that business, Braun said.

"The market became a little unstable," he said. "When you have a marketplace that is looking for other options, you are going to get successes and wins because of that."

The 11-member local sales team also has made inroads with Dayton brokers, Braun said.

Lower pricing has helped Medical Mutual win contracts when a provider has worried about their smaller network of providers, said Scott McGohan, a principal at McGohan Brabender, the area's largest benefit brokerage firm.

"I do think with them purchasing Summit ... and some of their pricing, they want to aggressively shake the barrel up," McGohan said. "Like all of our clients say, any kind of competition is positive for all of us."

Anthem has noticed Medical Mutual is more active in the market, said Chris Schubart, regional sales director.

"They've been offering some pricing incentives that we are struggling to make sense of," Schubart said.

Braun said Medical Mutual is not "buying business," which means giving very low rates to gain clients only to ramp up the cost the next year.

"Historically we've never been a company that's gone in and buys business," he said. "We've always maintained a long-term look."

Medical Mutual has a broad network in the area because its contracts with state government and retirement associations require a wide network statewide, Braun



Perry Braun

Braun said he believes Medical Mutual has a strong chance of chipping away some of the lock Anthem and UHC have on the Dayton market.

"We've seen a very active marketplace looking for alternatives and options," he said. "We commend (Anthem and UHC) for the position they've maintained, but if you look at our growth, it's equally impressive."

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